



**City of Sutherlin
Council Meeting
Monday, December 12, 2022
Civic Auditorium – 7:00 p.m.**

AGENDA

Mayor Michelle Sumner
Council President Hamilton
Councilors Boggs, Dagel, Groussman, Smalley and Whitaker

1. CALL TO ORDER / FLAG SALUTE

2. ROLL CALL

3. INTRODUCTION OF MEDIA

4. PUBLIC COMMENT

[The purpose of citizen comment is to allow citizens to present information regarding agenda items only. A time limit of three minutes per citizen shall apply.]

5. PRESENTATION

- a. Audit Report
- b. Sutherlin Area Chamber of Commerce

6. CONSENT AGENDA

- a. November 14, 2022 – Meeting Minutes

7. COUNCIL BUSINESS

- a. Acceptance of Resignation & Declaring a Vacancy
- b. Resolution 2022.14 – Certificate of Approval – Employee Policies & Procedures
- c. Resolution 2022.15 – Election Canvass of Votes
- d. Vehicle Purchase Approval – Water Department

8. STRATEGIC PLAN UPATE

- a. Sidewalk Extension – Central Ave. from Grove Ln. to Opal St.

9. CITY MANAGER REPORT

10. CITY COUNCIL COMMENT

11. PUBLIC COMMENT

[The purpose of citizen comment is to allow citizens to present information regarding items off the agenda. A time limit of three minutes per citizen shall apply.]

12. ADJOURN

Zoom Link:

<https://us06web.zoom.us/j/81032284434?pwd=S0pBR04rVFNVY01xS0RYTFg0NDVYQT09>

Members of the audience who wish to address the Council will be invited to do so. Speakers must use the microphone stating their name and address prior to addressing the Council.

If you have a disability that requires special materials, service, or assistance, please call 541.459.2857 at least 48 hours prior to the meeting to arrange for accommodations



Call to Order & Flag Salute





ROLL CALL





INTRODUCTION OF MEDIA





PUBLIC COMMENT

Agenda Items only





PRESENTATIONS





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Sutherlin, OR 97479
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City of Sutherlin

STAFF REPORT					
Re: 2022 Audit				Meeting Date:	12/12/22
Purpose:	Action Item <input type="checkbox"/>	Workshop <input type="checkbox"/>	Report Only <input checked="" type="checkbox"/>	Discussion <input type="checkbox"/>	Update <input type="checkbox"/>
Submitted By: Tami Trowbridge, Finance Director				City Manager Review	<input checked="" type="checkbox"/>
Attachments: 2022 Communication to the Governing Body, 2022 Financial Report, Audit Summary					

WHAT IS BEING ASKED OF COUNCIL?

No action is being asked of council at this time. This report is to update the council as to the final status of the annual audit for the 2022 fiscal year. Attached is a summary of the audit by Kenny Allen, CPA who is the managing auditor on the city audit team this year for Pauly, Rogers and Co., P.C.

EXPLANATION

Staff has reviewed the final Financial Report for the year ended June 30, 2022 and is pleased to report that the city earned an unqualified opinion on the City's financial statements which is commonly referred to as a "clean" audit; meaning that the auditors have issued an opinion with no reservations. Some highlights of the audit are:

From the Communication to the Governing Body letter:

- Audit opinion letter – an unqualified opinion on the City's financial statements has been issued. This means we have given a "clean" opinion with no reservations. (P. 2)
- State minimum standards for audits – One instance where expenditures exceeded appropriations as described on page 15 of the financial statements and commented on in Management's Discussion & Analysis page 1.
- Qualitative Aspects of Accounting Practices – The disclosures in the financial statements are neutral, consistent, and clear. (P. 2)
- Difficulties Encountered in Performing the Audit – We encountered no significant difficulties in dealing with management in performing and completing our audit. (P. 3)
- Corrected and Uncorrected Misstatements – There were uncorrected misstatements noted during the audit and discussed with management. (P. 3). These are adjustments that only appear on the full-accrual government-wide statements, due to changes in GASB rules and in that context, are not considered material.
- Disagreements with Management – We are pleased to report that no such disagreements arose during the audit. (P. 3)

- Supplementary Information within Documents Containing Audited Financial Statements – the information is appropriate and complete in relation to our audit of the financial statements. (P. 4)
- Other Information in Documents Containing Audited Financial Statements – Our results noted no material inconsistencies or misstatements of facts. (P. 4)
- The financial affairs have been professionally conducted. The accounting records were in good condition... (P. 4)

From the Financial Report

- Note 2. DEPOSITS AND INVESTMENTS – Custodial Credit Risk – Investments – None of the City’s investments have custodial credit risk. (P. 20)
- Note 6. DEFINED BENEFIT PENSION PLAN – This note provides a large amount of information regarding the Oregon Public Employees Retirement plan and should be reviewed carefully. (P. 25-31)
- Note 7. OTHER POST-EMPLOYMENT BENEFIT PLAN-(RHIA) – This is a relatively new note which should be reviewed carefully. (p. 31-32)
- Note 11. OTHER POST-EMPLOYMENT BENEFITS (OPEB) - This is a relatively new note which should be reviewed carefully. (p. 34-36)
- Note 13. RISK MANAGEMENT – Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. (P. 37)

From the Independent Auditors’ Report Required by Oregon State Requirements

- In connection with our testing, nothing came to our attention that caused us to believe the City of Sutherlin 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. (P. 70)

From the Independent Auditors’ Report on Grant Compliance Review

- Due to the receipt of Federal funds, via loan proceeds from Safe Drinking Water Fund for Water Treatment Plant at NonP as well as grant proceeds for Fords Pond and, as well as A.R.P.A. funds, a special audit on grant compliance was necessary again this year. Pages 72-79 of the report disclose the findings of this audit.
- In our opinion, City of Sutherlin complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June, 30 2022. (P. 75)

Subsequent Actions Taken by Staff Pertaining to the 2022 Audit

- Filed the report with the Oregon Department of Revenue, Division of Audits and paid the filing fee.
- Filed the report on the Municipal Securities Rulemaking Board’s (MSRB) web portal as part of our ongoing disclosure requirements with previously issued debt.
- Filed the report with Rural Development and DEQ as part of the annual reporting requirements for issued debt held by these entities.

SUGGESTED MOTION(S)

N/A



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November 14, 2022

To the City Council
City of Sutherlin

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sutherlin for the year ended June 30, 2022. Professional standards require that we provide you with the information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Purpose of the Audit

Our audit was conducted using sampling, inquiries and analytical procedures to opine on the fair presentation of the financial statements and compliance with:

- generally accepted accounting principles and auditing standards
- the Oregon Municipal Audit Law and the related administrative rules
- federal, state and other agency rules and regulations related to expenditures of federal awards

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our engagement letter details our nonaudit services we provide; these services do not constitute an audit under Government Auditing Standards.

In planning and performing our audit, we considered internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of the basic financial statement amounts. However, providing an opinion on compliance with those provisions is not an objective of our audit. Also in accordance with the Uniform Guidance, we examined, on a test basis, evidence about compliance with the types of compliance requirements described in the OMB's Compliance Supplement applicable to each of the major federal programs for the purpose of expressing an opinion on compliance with those requirements. While our audit provided a reasonable basis for our opinion, it does not provide a legal determination on compliance with those requirements.

Pauly, Rogers and Co., P.C.

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions examined and the areas to be tested.

Our audit included obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We also communicated any internal control related matters that are required to be communicated under professional standards.

Results of Audit

1. Audit opinion letter - an unmodified opinion on the City's financial statements has been issued. This means we have given a "clean" opinion with no reservations.
2. State minimum standards for audits – There was one instance where expenditures exceeded appropriations as described on page 15 of the financial statements.
3. Federal Awards - We found no issues of non-compliance and no questioned costs. We have responsibility to review these programs and give our opinion on the schedule of expenditures of federal awards, and tests of the internal control system, compliance with laws and regulations, and general and specific requirements mandated by the various awards.
4. Management letter – No separate management letter was issued.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2020. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were Management's estimate of Accounts Receivable, the Net Pension Asset, OPEB's and Capital Asset Depreciation, which are based on estimated collectability of receivables and useful lives of assets. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements or determined that their effects are immaterial. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole. There were uncorrected misstatements noted during the audit which were discussed with management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Required Supplementary Information

We applied certain limited procedures to the required supplementary information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the required supplementary information and do not express an opinion or provide any assurance on it.

Supplementary Information within Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Other Information in Documents Containing Audited Financial Statements

With respect to the other information accompanying the financial statements, we read the information to identify if any material inconsistencies or misstatement of facts existed with the audited financial statements. Our results noted no material inconsistencies or misstatement of facts.

The financial affairs have been professionally conducted. The accounting records were in good condition and we commend the staff for their assistance and support during the audit.

Other Matters – Future Accounting and Auditing Issues

In order to keep you aware of new auditing standards issued by the American Institute of Certified Public Accountants and accounting statements issued by the Governmental Accounting Standards Board (GASB), we have prepared the following summary of the more significant upcoming issues:

GASB 91 – CONDUIT DEBT OBLIGATIONS

This Statement is effective for fiscal years beginning after December 15, 2021, as extended by GASB 95. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

GASB 96 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The effective date for this Statement is for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA.

GASB 97 – CERTAIN COMPONENT UNIT CRITERIA, AND ACCOUNTING AND FINANCIAL REPORTING FOR INTERNAL REVENUE CODE SECTION 457 DEFERRED COMPENSATION PLANS – AN AMENDMENT OF GASB 14 & 84, AND A SUPERSESSION OF GASB 32

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially

accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, Governing .

The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

GASB 99 – OMNIBUS 2022

The requirements of this Statement that are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

This information is intended solely for the use of the City Council and management of the City of Sutherlin and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in dark ink, appearing to read "Ken Allen", is written over a light blue horizontal line.

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

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2022



12700 SW 72nd Ave.
Tigard, OR 97223

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

FINANCIAL REPORT

**WITH
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED JUNE 30, 2022**

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

Mayor & City Council

June 30, 2022

<u>Name</u>	<u>POSITION</u>	<u>TERM EXPIRES</u>
Michelle Sumner	Mayor	December 31, 2022
Debbie Hamilton	City Councilor	December 31, 2022
Larry Whitaker	City Councilor	December 31, 2024
Shawn Smalley	City Councilor	December 31, 2024
Tom Boggs	City Councilor	December 31, 2022
Joe Groussman	City Councilor	December 31, 2024
Gary Dagel	City Councilor	December 31, 2022

All council members will receive mail at the following address:

City of Sutherlin
126 East Central Ave.
Sutherlin, Oregon 97479

ADMINISTRATION

Jerry Gillham, City Manager
Tami Trowbridge, Finance Director

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

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CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

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November 14, 2022

To the City Council
City of Sutherlin
Sutherlin, Oregon

INDEPENDENT AUDITORS' REPORT

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Sutherlin, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Sutherlin, as of June 30, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City of Sutherlin 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 audit opinions.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 City of Sutherlin's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' 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 generally accepted auditing standards and *Government Auditing Standards* 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 generally accepted auditing standards and *Government Auditing Standards*, 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 of Sutherlin'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 of Sutherlin'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 management's discussion and analysis, budgetary comparison information, and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CRF) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the other information, as listed in the table of contents, and the listing of board members containing their term expiration dates, located before the table of contents, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2022 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 14, 2022, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

A handwritten signature in dark ink, appearing to read "Ken Allen", is positioned above the printed name and title.

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

CITY OF SUTHERLIN
Management's Discussion and Analysis
For the Year Ended June 30, 2022

The management of the City of Sutherlin, Oregon presents this narrative overview and analysis to facilitate both a short and a long-term analysis of the financial activities of the City for the fiscal year ended June 30, 2022. This Management's Discussion and Analysis (MD&A) is based on currently known facts, decisions, and conditions that existed as of the date of the independent auditor's report.

Financial Highlights

- The City's total assets increased \$3,168,208 from \$68,319,583 to \$71,487,791, or 4.7%. Capital assets, net of depreciation and related debt increased \$1,543,552, or 2.7%. Additionally, cash and investments increased by \$1,583,488 from \$9,882,921 to \$11,466,409, or 16.1%.
- The City's total liabilities decreased by \$505,531 from \$38,219,507 to \$37,713,976, or 1.4%. There were no loans finalized during this fiscal year, and only payments made on existing loans therefore the overall indebtedness decreased.
- The total net position of the City (assets minus liabilities) increased \$1,398,843 from \$32,076,509 to \$33,475,747, or 4.4%. Unrestricted net position ended the year at \$3,037,206, an increase of \$126,140, or 4.4%.
- The City's governmental funds reported combined ending balances of \$5,929,451, an increase of \$100,433, or 1.8%. Of this amount \$2,879,049 is unassigned and available for spending at the government's discretion. This is a decrease of \$832,838, or 22.5% from last year. This is due in part to the loan to Urban Renewal.
- The General Fund's unassigned ending fund balance of \$3,455,170 represents 57.1% of total General Fund expenditures for the year. Last year was at 63.6%.

Overview of the Financial Statements

The City's basic financial statements comprise three components:

1. Government-wide financial statements,
2. Fund financial statements, and
3. Notes to the basic financial statements.

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

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

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in a future fiscal period. Examples of such items include earned (assessed/levied), but uncollected property taxes, and earned, but unused compensated absences.

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

The governmental activities of the City include the following:

- General Government
- Public Safety
- Highways and Streets
- Culture and Recreation
- Tourism

The Business-type activities of the City include the following:

- Wastewater
- Water

The government-wide financial statements can be found on pages 2 through 3A in the basic financial statements section.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for activities where the emphasis is placed on available financial resources, rather than upon net income determination. Therefore, unlike the government-wide financial statements, governmental fund financial statements focus on the acquisition and use of current spendable resources,

as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations can be found on pages four through seven in the basic financial statements.

The City maintains 14 individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for those funds that are considered significant (major) to the City taken as a whole. These financial statements report two major funds: General and Street Construction. Data for the other 12 governmental funds are aggregated into a single column in the fund financials.

Summary fund data by fund-type for these non-major governmental funds is provided in the form of combining statements on pages 45 through 46a. Individual fund data for each of these non-major governmental funds is provided as supplementary information in the form of schedules of revenues, expenditures and changes in fund balance on pages 47 through 59.

In order to provide prudent and responsible control over city expenditures and revenues, the City adopts an annual budget for all governmental funds. To demonstrate compliance with the budget, budgetary comparison statements have been provided for the General Fund and the other major funds as required supplementary information on pages 39 and 40. Budgetary comparisons for all other governmental funds have been provided as other supplementary information on pages 47 through 58.

The governmental fund financial statements can be found on pages 4 through 7 in the basic financial statements.

Proprietary funds. Proprietary funds are used to account for activities where the emphasis is placed on net income determination. The City maintains two types of proprietary funds; namely, enterprise funds and internal service funds.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water utility and wastewater utility operations. The enterprise funds are reported separately in the proprietary fund financial statements in the basic financial statements and can be found on pages 8 through 10a.

Internal service funds act like a rental agency of personnel, equipment and materials to support the activities of other funds. Internal service funds are supported by direct charges to other funds and do not accrue a cash balance. The City uses an internal service fund to support the city building/facilities, streets/drainage, water, and wastewater activities. The internal service fund is reported separately in the proprietary fund financial statements in the basic financial statements and can be found on pages 8 through 10a.

In order to provide prudent and responsible control over City expenditures and revenues, the City adopts an annual budget for all proprietary funds. To demonstrate compliance with the budget, budgetary comparison statements have been provided for the enterprise and internal service funds as other supplementary information on pages 41 through 44 and 63 through 68.

Fiduciary funds. Fiduciary funds of the City are agency funds which hold assets on behalf of others. The City maintains one agency fund: Municipal Court.

Since the fund is held in trust for other parties, the City does not budget these funds. The funds are however audited and corresponding information on their activities can be found on pages 11 and 69.

Notes to the basic financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. They are an integral part of the financial statements and should be read in conjunction with them. The notes can be found on pages 12 through 36.

Other supplementary information. The combining statements and schedules referred to earlier follow the notes in this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$33,475,352 at the close of the most recent fiscal year.

The largest portion of the City's net position, 74.8% reflects its investment in capital assets (e.g., land and right of way, buildings, improvements, equipment, and infrastructure, net of accumulated depreciation), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

City of Sutherlin's Net Position						
	Governmental Activities		Business-Type Activities		Totals	
	2021	2022	2021	2022	2021	2022
Assets						
Current Assets	5,524,482	5,791,910	7,380,275	8,737,503	12,904,757	14,529,413
Noncurrent Assets	11,222,424	11,839,934	44,192,402	45,118,444	55,414,826	56,958,378
Total Assets	16,746,906	17,631,844	51,572,677	53,855,947	68,319,583	71,487,791
Deferred Outflows of Resources	2,345,789	2,547,625	-	-	2,345,789	2,547,625
Liabilities						
Current Liabilities	858,149	1,034,680	1,251,179	2,211,278	2,109,328	3,245,958
Other Liabilities	6,495,262	4,083,633	29,614,917	30,384,385	36,110,179	34,468,018
Total Liabilities	7,353,411	5,118,313	30,866,096	32,595,663	38,219,507	37,713,976
Deferred Inflows of Resources	369,356	2,845,693	-	-	369,356	2,845,693
Net Position						
Invested in Capital Assets,						
Net of Related Debt	10,457,424	11,240,619	14,203,318	13,795,443	24,660,742	25,036,062
Restricted	737,368	1,245,006	3,767,333	4,157,473	4,504,701	5,402,479
Unrestricted	175,136	(270,162)	2,735,930	3,307,368	2,911,066	3,037,206
Total Net Position	11,369,928	12,215,463	20,706,581	21,260,284	32,076,509	33,475,747

A portion of the City's assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of the unrestricted net position \$3,037,206 may be used to meet the government's ongoing obligations to citizens and creditors.

The City's current asset position increased by \$1,624,646 and the total noncurrent assets increased by \$1,543,552. The increase in Noncurrent Assets is largely due to the addition of capital assets in the Water and Wastewater section using loan proceeds, and Parks using ARPA and Grant resources.

Deferred Outflows of resources, pension and post-retirement related benefits, increased by \$201,836. Deferred Inflows of Resources, pension and post-retirement related benefits, increased significantly. For additional information regarding these line items, see notes 6 and 11 in the Notes to Basic Financial Statements.

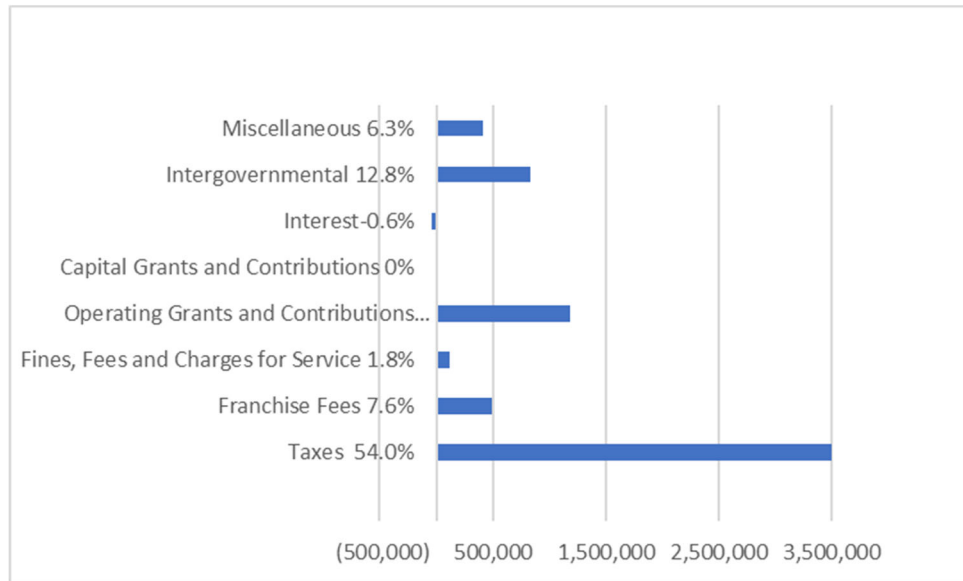
City of Sutherlin's Change in Net Position						
	Governmental Activities		Business-Type Activities		Totals	
Revenue:	2021	2022	2021	2022	2021	2022
Program						
Fines, Fees & Charges for Services	600,661	729,337	5,381,306	5,428,514	5,981,967	6,157,851
Operating Grants & Contributions	1,478,846	1,430,855	-	-	1,478,846	1,430,855
Capital Grants & Contributions	-	-			-	-
General					-	-
Property Taxes	3,291,287	3,505,930	-	-	3,291,287	3,505,930
Franchise Fees	491,896	495,804	-	-	491,896	495,804
Intergovernmental	999,594	828,651	-	-	999,594	828,651
Interest	32,755	(37,532)	35,880	32,920	68,635	(4,612)
Miscellaneous	429,885	410,843	58,920	507,800	488,805	918,643
Capital Contributions	25,720	-	(25,720)	-	-	-
Gain (loss) on Disposal	-	-			-	-
Total Revenues:	7,350,644	7,363,888	5,450,386	5,969,234	12,801,030	13,333,122
Expenses:						
General Government	2,420,510	2,317,516	-	-	2,420,510	2,317,516
Public Safety	4,239,314	4,064,071	-	-	4,239,314	4,064,071
Highway & Streets	277,055	270,571	-	-	277,055	270,571
Culture & Recreation	360,922	443,177	-	-	360,922	443,177
Tourism	131,085	126,217	-	-	131,085	126,217
Interest on Long Term Debt	25,196	59,530	-	-	25,196	59,530
Wastewater	-	-	1,495,125	2,135,905	1,495,125	2,135,905
Water	-	-	1,837,223	2,516,897	1,837,223	2,516,897
Ambulance	-	-	-	-	-	-
Total Expenses	7,454,082	7,281,082	3,332,348	4,652,802	10,786,430	11,933,884
Increase (decrease) in Net Position before Transfers	(103,438)	82,806	2,118,038	1,316,432	2,014,600	1,399,238
Transfers	1,072,924	762,729	(1,072,924)	(762,729)	-	-
Change in Net Position	969,486	845,535	1,045,114	553,703	2,014,600	1,399,238
Net Position July 1, Restated	10,400,442	11,369,928	19,661,467	20,706,581	30,061,909	32,076,509
Prior Period Adjustment	-	-	-	-	-	-
Total Net Position	11,369,928	12,215,463	20,706,581	21,260,284	32,076,509	33,475,747

Expenses above include the indirect expenses as allocated in the Statement of Activities on page 3 and 3A of the basic financial statements.

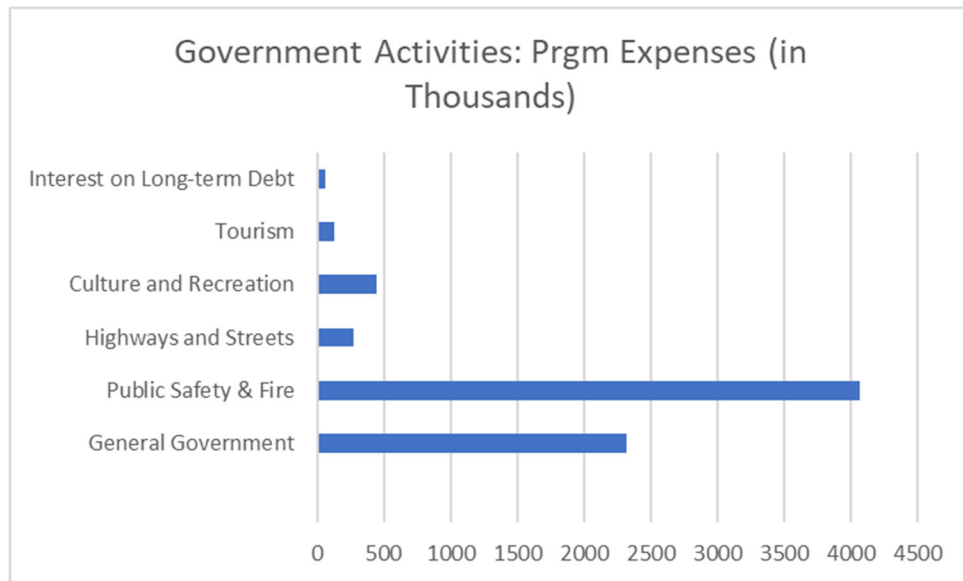
Governmental activities. Governmental-type activities increased the City's total net position by \$845,535. Total depreciation attributed to the governmental activities (primarily public safety vehicles and equipment) was \$730,527 as detailed on page 20 of the notes to basic financial statements.

The next chart shows the percent of the total for each source of revenue supporting governmental activities.

Government Activities: Revenue by Source



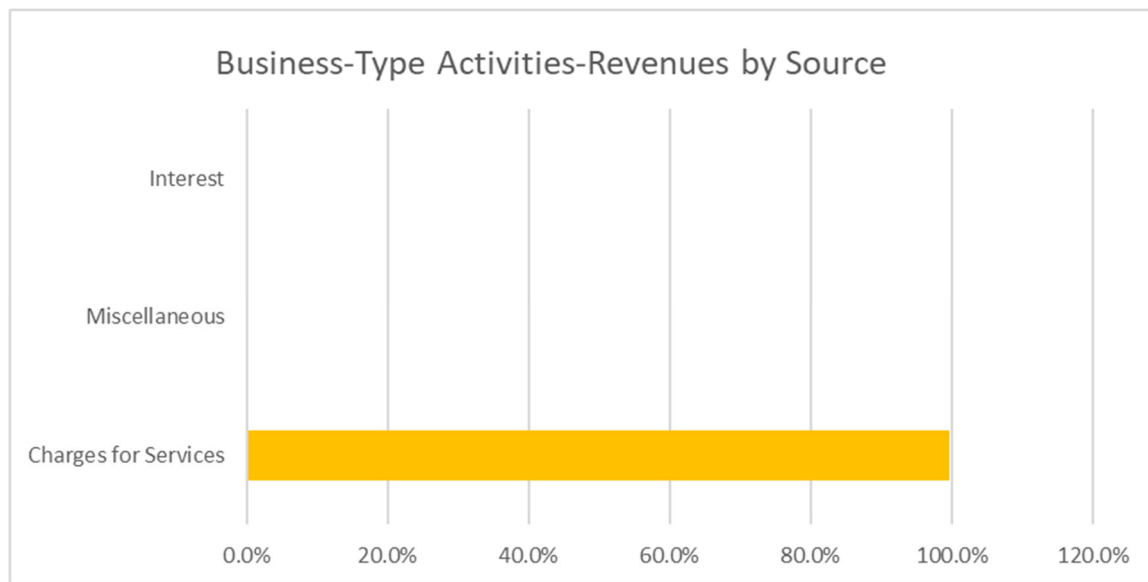
The next chart reflects program expenses for the individual governmental activities for the fiscal year, as a percentage of the General Fund expenses



Business-type activities. Business-type activities increased the City's net position by \$553,703. Total depreciation attributed to the business-type funds was \$1.639 million as detailed on pages 20 and 21 of the notes to basic financial statements.

These business-type activities recover more costs through program revenues than governmental activities.

The following chart shows that nearly 100% of revenues for business-type activities, for the year, were generated by charges for services.



Capital assets. The City's investment in capital assets for its governmental and business-type activities amounted to \$56.96 million (net of accumulated depreciation) or an increase of \$1.543 million when compared to last year. This investment in capital assets includes land, right-of-way (included with land), construction in progress, infrastructure (water distribution lines, wastewater collection lines, pump stations, reservoirs, etc.), water rights (development of), buildings and plant (includes the water treatment plants and the wastewater treatment plant), and vehicles and equipment.

City of Sutherlin's Capital Assets, Net Accumulated Depreciation						
	Governmental Activities		Business-Type Activities		Totals	
	2021	2022	2021	2022	2021	2022
Land	1,118,086	1,118,086	3,289,003	3,289,003	4,407,089	4,407,089
Construction in Progress	689,993	1,418,544	23,218,580	4,080,771	23,908,573	5,499,315
Water Rights	-	-	645,078	645,078	645,078	645,078
Infrastructure	6,992,619	6,762,297	16,325,476	36,478,004	23,318,095	43,240,301
Buildings and Plant	1,416,307	1,410,020	168,294	157,172	1,584,601	1,567,192
Vehicles and Equipment	1,005,421	1,130,987	545,971	468,415	1,551,392	1,599,402
Totals:	11,222,426	11,839,934	44,192,402	45,118,443	55,414,828	56,958,377

Major capital asset events during the fiscal year included the following:

- Wastewater Treatment Plant completed and rolled into Capital Assets
- Ford's Pond Park Design & Construction (In Progress at Year-End)
- Schoon Mt. Water Tank Replacement completed and rolled into Assets
- Nonpareil Water Treatment Plant Upgrade (In Progress at Year-End)
- New Holiday Decorations
- New Public Safety Equipment
- New Public Safety Vehicles
- Various Building Improvement Projects including City Hall Remodel for EOC
- Various Sidewalk Improvements

Additional information on the City's capital assets can be found in note three to the basic financial statements (pages 20 and 21).

Long-term obligations. At the end of the fiscal year, the City had total long-term obligations totaling \$28,335,142. Outstanding long-term obligations include: \$5,247,207 to be serviced by water user rates and connection fees, \$21,768,240 to be serviced by wastewater user rates and connection fees (all backed by the full faith and credit of the City), and \$429,407 in notes payable to be serviced by water and wastewater revenues. The remaining \$890,288 in long-term obligations, or 3.2% of the total long-term obligations, is to be paid by existing general government revenue sources.

City of Sutherlin's Long Term Obligations						
	Governmental Activities		Business-Type Activities		Totals	
	2021	2022	2021	2022	2021	2022
General Obligation Bonds	215,000	165,000	-	-	215,000	165,000
Revenue Bonds	-	-	5,123,076	4,910,325	5,123,076	4,910,325
Refunding Bonds	-	-	185,000	145,000	185,000	145,000
Note Payables	481,627	434,315	22,674,063	22,389,529	23,155,690	22,823,844
Capital Leases	-	-	-	-	-	-
Accum Compensated Absences	283,977	290,973	-	-	283,977	290,973
Totals:	980,604	890,288	27,982,139	27,444,854	28,962,743	28,335,142

The City's total long-term debt obligation decreased by \$627,601 over last fiscal year's ending balance. The decrease is largely due to \$500K loan forgiveness on the DEQ wastewater treatment plan upgrade and payments made on debt. Accumulated compensated absences netted an increase of \$6,996.

ORS 223.295 limits the amount of general obligation assessment bonded debt which a city may have outstanding at any one time to three percent (3.00%) of the Real Market Value of the City. The City had only the refunding bonds and the Library GO bond as outstanding bonded debt at June 30, 2022. The City's outstanding obligations subject to bonded debt limitations was \$310,000 or 1% of debt capacity.

City of Sutherlin's Remaining Debt Capacity		
Real Market Value (Fiscal Year 2021-22 Douglas County)	\$	899,879,952
Debt Capacity (3% of RMV)	\$	26,996,399
Outstanding Obligations	\$	310,000
Remaining Debt Capacity	\$	26,686,399

Additional information on the City's long-term obligations can be found in note 5 to the basic financial statements (see pages 21 through 23).

Fund-based Financial Analysis

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

Governmental funds: The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the fiscal year, the City's governmental funds reported combined ending fund balances of \$5,929,451, an increase of \$100,433 in comparison with the prior year. Approximately 48% of this total amount, \$2,879,049, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance has some level of restrictions placed upon them, as follows:

- *Nonspendable fund balance* (amounts that are not in a spendable form or are required to be maintained intact) was \$199,738.
- *Restricted fund balance* (amounts constrained to specific purposes by their providers such as grantors, bondholders, and higher levels of government, through constitutional provisions, or by enabling legislation) was \$1,245,006
- *Committed fund balance* (amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint) was \$343,651

- *Assigned fund balance* (amounts a government *intends* to use for a specific purpose) was \$1,262,007

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$3,455,170. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 48% of total General Fund expenditures.

The fund balance of the Street Construction fund increased by \$51,010 during the fiscal year 2021-22.

Finally, the fund balance for all other governmental funds increased by \$128,901.

Proprietary funds: The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position and that percent to total net position of each proprietary fund are as follows:

• Water	387,674	4.7%
• Wastewater	1,190,983	16.8%
• Water Construction Fund	0	0.0%
• Wastewater Construction Fund	0	0.0%
• Other Non-Major Funds	566,329	22.2%

Restrictions on net position exist in the first four funds above totaling \$2,168,332 all due to capital projects restrictions in the Water and Wastewater Construction Funds.

Restrictions on net position exist in the Other Non-Major Enterprise Funds totaling \$1,989,141; debt service and bond covenant restrictions make up this entire balance. These restrictions generally limit the use of monies in the funds to related activities.

Total business-type net position increased \$553,703 during the fiscal year.

Other factors concerning the finances of proprietary funds can be found in the previous discussion of the City's business-type activities.

General Fund Budgetary Highlights

The difference between the original general fund budget and the final amended budget are highlighted below:

Revenues:

- There were no changes in the budgeted revenues for the fiscal year

Expenditures:

a. General Fund: Non-Dept

- i. At the time the budget was prepared, staff was unaware of the state of the computer situation at the City. An adjustment was necessary to appropriate additional funds to bring all computers up to the same platform. This budget item (Office Machine Maintenance) was increased by \$10,000.
- ii. There were several equipment upgrades that had been recommended by IT contractor but not reiterated during the budget process. This budget adjustment was necessary to upgrade Network Server hardware. This budget item (Capital Outlay) was increased by \$22,000.

b. General Fund: Finance

- i. At the time the budget was prepared, staff was on their rotating COVID schedules. Once staff was back in the office full-time, more Caselle licenses were needed to allow staff to work efficiently and access the program. This budget item (Software Maintenance/Support) was increased by \$5,000.
- ii. Due to new finance staff, on-site Caselle training was necessary. This budget item (Training) was increased by \$7,500.

There were variations between the final amended budget and the actual year-end amounts in the General Fund; actual expenditures were \$694,302 less than was budgeted. This was due to cost management in all departments. The \$7,307 that the City Manager's actual expense was over the budgeted amount had to do with the change that was made to his compensation package in terms of signing back up for health insurance as of January. In total, the City's Personnel Costs were \$317,852 below what was budgeted.

Revenues were greater than the budgeted amount by \$271,313 or 4.1%. This was due to greater amounts received than anticipated in Wildfire Conflagration, Franchise Fees and Government Grants.

Economic Factors and Next Year's Budgets and Rates

During the preparation of the budget for the ensuing fiscal year, the long-term impacts of the local economy were examined in conjunction with business decisions made by the City. The following are the major assumptions used in developing the FY 2022-2023 budget:

- Last fiscal year the increase in property taxes collected was 2.2%. Given the amount of new development in the City, we increased budgeted tax revenue for the 2022-2023 fiscal year by 3.0%.
- Cost of Living Adjustment (COLA) is calculated to be 3.0% for all sworn police officers, fire department employees, and those who supervise them and 2.5% for all other represented and non-represented employees.
- Water and wastewater rates were budgeted to increase by 4.4%, which is the annual CPI adjustment.
- Interest rates on investments are budgeted to average 1.5% during the fiscal year.

Requests for Information

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

Tami Trowbridge
Finance Director
City of Sutherlin
126 E. Central Ave.
Sutherlin, OR 97479

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON
BASIC FINANCIAL STATEMENTS

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

STATEMENT OF NET POSITION
June 30, 2022

	PRIMARY GOVERNMENT		
	GOVERNMENTAL	BUSINESS TYPE	TOTAL
ASSETS			
Cash and Investments	\$ 5,228,689	\$ 6,237,720	\$ 11,466,409
Receivables	1,506,446	1,313,153	2,819,599
Prepays	219,157	24,248	243,405
Internal Balances	(1,162,382)	1,162,382	-
Capital Assets not being depreciated	2,478,962	8,014,852	10,493,814
Capital Assets, net of accumulated depreciation	9,360,972	37,103,592	46,464,564
Total Assets	17,631,844	53,855,947	71,487,791
DEFERRED OUTFLOWS OF RESOURCES			
OPEB Deferrals - Implicit Subsidy	35,505	-	35,505
Pension Related Deferrals - Oregon PERS	2,512,120	-	2,512,120
Total Deferred Outflows	2,547,625	-	2,547,625
LIABILITIES			
Accounts Payable	626,910	973,172	1,600,082
Accrued Expenses	18,720	-	18,720
Customer Deposits	-	80,450	80,450
Accrued Interest Payable	-	219,040	219,040
Accrued Compensated Absences	290,973	-	290,973
Noncurrent liabilities:			
Due Within One Year:			
Bonds and Notes Payable	98,077	938,616	1,036,693
Due In More Than One Year			
OPEB Liability	200,992	-	200,992
Net Pension Liability	3,381,403	-	3,381,403
Bonds and Notes Payable	501,238	30,384,385	30,885,623
Total Liabilities	5,118,313	32,595,663	37,713,976
DEFERRED INFLOWS OF RESOURCES			
OPEB Deferrals - Implicit Subsidy	26,199	-	26,199
Pension Related Deferrals - Oregon PERS	2,819,494	-	2,819,494
Total Deferred Inflows	2,845,693	-	2,845,693
NET POSITION:			
Net Investment in			
Capital Assets	11,240,619	13,795,443	25,036,062
Restricted for:			
Bond Covenants	-	357,261	357,261
Debt Service	1,688	1,631,880	1,633,568
Capital Projects	1,243,318	2,168,332	3,411,650
Unrestricted	(270,162)	3,307,368	3,037,206
Total Net Position	\$ 12,215,463	\$ 21,260,284	\$ 33,475,747

The accompanying notes are an integral part of the basic financial statements.

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022**

Functions/Programs	Expenses	Program Revenues		
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$ 2,317,516	\$ 49,267	\$ 929,564	\$ -
Public Safety & Fire	4,064,071	443,708	-	-
Highways and Streets	270,571	171,797	-	250,000
Culture and Recreation	443,177	64,565	251,291	-
Tourism	126,217	-	-	-
Interest on Long-term Debt	59,530	-	-	-
Total Governmental Activities	7,281,082	729,337	1,180,855	250,000
Business-Type Activities				
Wastewater	2,135,905	2,978,126	-	-
Water	2,516,897	2,450,388	-	-
Total Business Activities	4,652,802	5,428,514	-	-
Total Primary Government	\$ 11,933,884	\$ 6,157,851	\$ 1,180,855	\$ 250,000

General Revenues:
Property Taxes
Franchise Taxes
Intergovernmental
Miscellaneous
Interest
Transfers

Total General Revenues and Transfers

Change in Net Position

Beginning Net Position

Ending Net Position

The accompanying notes are an integral part of the basic financial statements.

Net Revenues (Expenses) and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (1,338,685)	\$ -	\$ (1,338,685)
(3,620,363)	-	(3,620,363)
151,226	-	151,226
(127,321)	-	(127,321)
(126,217)	-	(126,217)
(59,530)	-	(59,530)
(5,120,890)	-	(5,120,890)
-	842,221	842,221
-	(66,509)	(66,509)
-	775,712	775,712
(5,120,890)	775,712	(4,345,178)
3,505,930	-	3,505,930
495,804	-	495,804
828,651	-	828,651
410,843	507,800	918,643
(37,532)	32,920	(4,612)
762,729	(762,729)	-
5,966,425	(222,009)	5,744,416
845,535	553,703	1,399,238
11,369,928	20,706,581	32,076,509
\$ 12,215,463	\$ 21,260,284	\$ 33,475,747

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022**

	GENERAL FUND	STREET CONSTRUCTION FUND	OTHER GOVERNMENTAL FUNDS	TOTAL
ASSETS				
Cash and Cash Equivalents	\$ 3,335,832	\$ 213,953	\$ 1,516,290	\$ 5,066,075
Accounts Receivable	1,307,143	-	199,303	1,506,446
Due from Other Funds	457,032	-	-	457,032
Prepays	73,377	-	126,361	199,738
Total Assets	<u>\$ 5,173,384</u>	<u>\$ 213,953</u>	<u>\$ 1,841,954</u>	<u>\$ 7,229,291</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 169,599	\$ 159,019	\$ 294,946	\$ 623,564
Due to Other Funds	-	-	457,052	457,052
Accrued Expenses	13,365	-	-	13,365
Total Liabilities	<u>182,964</u>	<u>159,019</u>	<u>751,998</u>	<u>1,093,981</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	200,530	-	5,329	205,859
Total Liabilities and Deferred Inflows	<u>383,494</u>	<u>159,019</u>	<u>757,327</u>	<u>1,299,840</u>
Fund Balances:				
Nonspendable	73,377	-	126,361	199,738
Restricted	-	54,934	1,190,072	1,245,006
Committed	-	-	343,651	343,651
Assigned	1,261,343	-	664	1,262,007
Unassigned	3,455,170	-	(576,121)	2,879,049
Total Fund Balances	<u>4,789,890</u>	<u>54,934</u>	<u>1,084,627</u>	<u>5,929,451</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 5,173,384</u>	<u>\$ 213,953</u>	<u>\$ 1,841,954</u>	<u>\$ 7,229,291</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO STATEMENT OF NET POSITION
June 30, 2022

Explanation of certain differences between the governmental fund balance sheet
and the government-wide statement of net position.

Fund Balances	\$ 5,929,451
The cost of capital assets (land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress) is reported as an expenditure in governmental funds. The statement of net position includes those capital assets among the assets of the City as a whole.	
Net Capital Assets	11,839,934
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position.	
Long-term Obligations	
Bonds and Notes Payable	(599,315)
Accrued Compensated absences	(290,973)
The Net Pension Asset (Liability) and OPEB Asset (Liability), and deferred inflows and outflows related to the Net Pension Asset (Liability) and OPEB Asset (Liability) is the difference between the total pension liability and assets set aside to pay benefits earned to past and current employees and beneficiaries	
OPEB liability and related deferred inflows and outflows	(191,686)
Net Pension Liability and related deferred inflows and outflows	(3,688,777)
The internal service fund is not reported in the governmental funds but is included in the government-wide governmental activities.	
Net Position of internal service fund	173,332
Internal Balances relate to transactions that have occurred between the Governmental and Business-Type Activities at the Government-Wide level	(1,162,382)
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	
Unearned/Unavailable Revenue	<u>205,879</u>
Total Net Position	<u>\$ 12,215,463</u>

The accompanying notes are an integral part of the basic financial statements.

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022**

	GENERAL FUND	STREET CONSTRUCTION FUND	OTHER GOVERNMENTAL FUNDS	TOTAL
REVENUES				
Property Taxes	\$ 3,349,956	\$ -	\$ 163,123	\$ 3,513,079
Franchise Fees	495,804	-	-	495,804
System Development Charges	-	-	216,362	216,362
Assessments	-	-	250,607	250,607
Grants and Contributions	-	-	251,291	251,291
Licences, Permits and Fees	1,050	-	-	1,050
Fines and Forfeitures	148,166	-	-	148,166
Charges for Services	43,817	-	-	43,817
Intergovernmental	1,577,850	-	728,957	2,306,807
Interest, Loss on LGIP	(45,507)	312	7,663	(37,532)
Miscellaneous	45,037	-	136,483	181,520
Total Revenues	5,616,173	312	1,754,486	7,370,971
EXPENDITURES				
Current:				
General Government	1,878,257	-	72,517	1,950,774
Culture and Recreation	228,358	-	26,400	254,758
Tourism	-	-	106,565	106,565
Highways and Streets	-	-	86,364	86,364
Public Safety and Fire	3,431,297	-	-	3,431,297
Debt Service	-	-	156,842	156,842
Capital Outlay	512,240	199,302	1,020,097	1,731,639
Total Expenditures	6,050,152	199,302	1,468,785	7,718,239
Excess of Revenues Over, (Under) Expenditures	(433,979)	(198,990)	285,701	(347,268)
OTHER FINANCING SOURCES, (USES)				
Transfers In	1,800,900	250,000	246,400	2,297,300
Transfers Out	(1,446,400)	-	(403,200)	(1,849,600)
Total Other Financing Sources, (Uses)	354,500	250,000	(156,800)	447,700
Net Change in Fund Balance	(79,479)	51,010	128,901	100,432
Beginning Fund Balance	4,869,369	3,924	955,726	5,829,019
Ending Fund Balance	\$ 4,789,890	\$ 54,934	\$ 1,084,627	\$ 5,929,451

The accompanying notes are an integral part of the basic financial statements.

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS - TO STATEMENT OF ACTIVITIES**
For the Year Ended June 30, 2022

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities

Excess of Revenues over Expenditures	\$ 100,432
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	
Capital Outlay	1,348,035
Depreciation Expense	(730,527)
The Pension Expense and the changes in deferred inflows and outflows related to the Net Pension Asset (Liability) and OPEB Asset (Liability) represents the changes in Net Pension Asset (Liability) and OPEB Asset (Liability) from year to year due to changes in total pension liability and the fair value of pension plan net position available to pay pension benefits.	
OPEB	(15,316)
Net Pension Liability	54,389
Internal service funds are used by management to charge the costs of various functions to the individual funds. The net revenue (expense) of the internal service fund is allocated between governmental and business-type activities.	
	5,354
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when financial resources are available. This adjustment combines the net changes in liability balances.	
Principal payments on long-term obligations	97,312
The (increase)/decrease in the balance of accrued vacation time is a component of income on the Statement of Activities	(6,995)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Unearned/Unavailable Revenue	<u>(7,149)</u>
Change in Net Position	<u>\$ 845,535</u>

The accompanying notes are an integral part of the basic financial statements.

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**STATEMENT OF PROPRIETARY NET POSITION
June 30, 2022**

	WATER FUND	WASTEWATER FUND	WATER CONSTRUCTION FUND
ASSETS			
Current Assets			
Cash and Investments	\$ 368,601	\$ 1,111,345	\$ 1,498,952
Accounts Receivable, net	184,698	249,983	775,326
Accrued Interest	-	-	-
Prepays	1,380	1,380	-
Total Current Assets	554,679	1,362,708	2,274,278
Noncurrent Assets			
Capital Assets, Net	16,947,551	28,170,893	-
Total Noncurrent Assets	16,947,551	28,170,893	-
Total Assets	\$ 17,502,230	\$ 29,533,601	\$ 2,274,278
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 14,084	\$ 25,156	\$ 933,140
Accrued Expenses	-	-	-
Customer Deposits	80,450	-	-
Accrued Interest Payable	72,471	146,569	-
Long Term Debt, Current Position	264,509	674,107	-
Total Current Liabilities	431,514	845,832	933,140
Long-term Liabilities			
Long Term Debt, Net of Current Position	8,790,239	21,594,146	-
Total Long-term Liabilities	8,790,239	21,594,146	-
Total Liabilities	9,221,753	22,439,978	933,140
NET POSITION			
Invested in Capital Assets, Net of Related Debt	7,892,803	5,902,640	-
Restricted for:			
Bond Covenants	-	-	-
Debt Services	-	-	-
Capital Projects	-	-	1,341,138
Unrestricted	387,674	1,190,983	-
Total Net Position	8,280,477	7,093,623	1,341,138
Total Liabilities and Fund Equity	\$ 17,502,230	\$ 29,533,601	\$ 2,274,278

The accompanying notes are an integral part of the basic financial statements

WASTEWATER CONSTRUCTION FUND	OTHER NONMAJOR FUNDS	TOTAL	INTERNAL SERVICE FUND	
\$ 812,235	\$ 2,446,587	\$ 6,237,720	\$ 162,614	
15,751	87,000	1,312,758	-	
-	395	395	-	
-	21,488	24,248	19,419	
827,986	2,555,470	7,575,121	182,033	
-	-	45,118,444	-	
-	-	45,118,444	-	
\$ 827,986	\$ 2,555,470	\$ 52,693,565	\$ 182,033	
\$ 792	\$ -	\$ 973,172	\$ 3,346	
-	-	-	5,355	
-	-	80,450	-	
-	-	219,040	-	
-	-	938,616	-	
792	-	2,211,278	8,701	
-	-	30,384,385	-	
-	-	30,384,385	-	
792	-	32,595,663	8,701	
-	-	13,795,443	-	
-	357,261	357,261	-	
-	1,631,880	1,631,880	-	
827,194	-	2,168,332	-	
-	566,329	2,144,986	173,332	
827,194	2,555,470	20,097,902	173,332	
\$ 827,986	\$ 2,555,470	\$ 52,693,565	\$ 182,033	
Net Position Above				20,097,902
Internal Service Activities related to Business Type				1,162,382
Total Net Position Business Type Activities				21,260,284

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2022**

	WATER FUND	WASTEWATER FUND	WATER CONSTRUCTION FUND
OPERATING REVENUES			
Charges for Services	\$ 2,314,640	\$ 2,900,328	\$ -
Miscellaneous	-	7,800	-
Total Operating Revenues	2,314,640	2,908,128	-
OPERATING EXPENSES			
Personal Services	-	-	-
Materials and Services	247,666	495,530	-
Depreciation and Amortization	534,341	1,104,560	-
Total Operating Expenses	782,007	1,600,090	-
Operating Income -Loss	1,532,633	1,308,038	-
NONOPERATING REVENUES, (EXPENSES)			
Interest Income	3,617	5,862	5,813
Interest Expense	(167,062)	(835,160)	-
Total Nonoperating Revenues (Expenses)	(163,445)	(829,298)	5,813
Capital Contributions	605,578	927,534	(105,019)
Capital Contributions - System Development Charges	22,884	-	90,006
Gain on Loan Forgiveness	500,000	-	-
Transfers In	-	-	525,000
Transfers Out	(1,937,400)	(1,853,300)	-
Change in Net Position	560,250	(447,026)	515,800
Net Position (Deficit), Beginning of Year	7,720,227	7,540,649	825,338
Net Position (Deficit), end of year	\$ 8,280,477	\$ 7,093,623	\$ 1,341,138

The accompanying notes are an integral part of the basic financial statements.

WASTEWATER CONSTRUCTION FUND	OTHER NONMAJOR FUNDS	TOTAL	INTERNAL SERVICE FUND
\$ -	\$ 22,858	\$ 5,237,826	\$ -
-	-	7,800	-
-	22,858	5,245,626	-
-	-	-	1,511,076
-	12,054	755,250	55,072
-	-	1,638,901	-
-	12,054	2,394,151	1,566,148
-	10,804	2,851,475	(1,566,148)
4,050	13,578	32,920	44
-	-	(1,002,222)	-
4,050	13,578	(969,302)	44
(32,009)	(1,396,084)	-	-
77,798	-	190,688	-
-	-	500,000	-
150,000	1,075,000	1,750,000	1,643,000
-	-	(3,790,700)	(50,000)
199,839	(296,702)	532,161	26,896
627,355	2,852,172	19,565,741	146,436
\$ 827,194	\$ 2,555,470	\$ 20,097,902	\$ 173,332

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2022**

	WATER FUND	WASTEWATER FUND	WATER CONSTRUCTION FUND
Cash Flows from Operating Activities:			
Cash Received from Customers	\$ 2,353,641	\$ 2,912,712	\$ 42,762
Cash Paid to Suppliers	(265,714)	(509,197)	358,481
Net Cash Provided (Used) by Operating Activities	2,087,927	2,403,515	401,243
Cash Flows from Noncapital Financing Activities:			
Miscellaneous	24,818	-	90,006
Interfund Loans	-	-	-
Transfers	(1,937,400)	(1,853,300)	525,000
Net Cash Provided (Used) by Noncapital Financing Activities	(1,912,582)	(1,853,300)	615,006
Cash Flows from Capital and Related Financing Activities:			
Loan Proceeds	-	-	2,549,913
Payments on Debt	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	-	-	2,549,913
Cash Flows from Investing Activities:			
Purchase of Capital Assets	(136,549)		(2,654,932)
Earnings on Investments	3,617	5,862	5,813
Net Increase (Decrease) in Cash and Cash Equivalents	42,413	556,077	917,043
Cash and Investments at Beginning of Year	326,188	555,268	581,909
Cash and Investments at End of Year	\$ 368,601	\$ 1,111,345	\$ 1,498,952
Reconciliation of Operating Income to			
Net Cash Provided by Operating Activities			
Operating Income, (Loss)	\$ 1,532,633	\$ 1,308,038	\$ -
Noncash Items Included in Income:			
Depreciation	534,341	1,104,560	-
Decrease (Increase) in Accounts Receivable	38,590	4,584	42,762
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(18,048)	(13,667)	358,481
Increase (Decrease) in Customer Deposits	411	-	-
Net Cash Provided (Used) by Operating Activities	\$ 2,087,927	\$ 2,403,515	\$ 401,243
Noncash Transactions:	605,578	927,534	(105,019)

All of the enterprise funds have their debt and capital assets purchased/paid for them. The funds recognized capital contributions on the Statement of Revenues and Expenses to account for this activity. See row above for amounts.

The accompanying notes are an integral part of the basic financial statements.

WASTEWATER CONSTRUCTION FUND	OTHER NONMAJOR FUNDS	TOTAL	INTERNAL SERVICE FUND
\$ (15,751) 792	\$ 46,463 (12,654)	\$ 5,339,827 (428,292)	\$ - (1,585,736)
(14,959)	33,809	4,911,535	(1,585,736)
77,798	-	192,622	-
-	-	-	-
150,000	1,075,000	(2,040,700)	1,593,000
227,798	1,075,000	(1,848,078)	1,593,000
-	-	2,549,913	-
-	(1,396,084)	(1,396,084)	-
-	(1,396,084)	1,153,829	-
(32,009)	-	(2,823,490)	-
4,050	13,578	32,920	44
184,880	(273,697)	1,426,716	7,308
627,355	2,720,284	4,811,004	155,306
\$ 812,235	\$ 2,446,587	\$ 6,237,720	\$ 162,614
\$ -	\$ 10,804	\$ 2,851,475	\$ (1,566,148)
-	-	1,638,901	-
(15,751)	-	70,185	-
792	23,005	350,563	(19,588)
-	-	411	-
\$ (14,959)	\$ 33,809	\$ 4,911,535	\$ (1,585,736)
(32,009)	(1,396,084)	-	-

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

STATEMENT OF FIDUCIARY ASSETS
FIDUCIARY FUNDS
June 30, 2022

	<u>Custodial</u>
ASSETS	
Cash and Cash Equivalents	<u>\$ (4,176)</u>
Total Assets	<u>(4,176)</u>
LIABILITIES	
Accounts Payable	4,138
Amounts held in trust	<u>4,257</u>
Total Liabilities	<u>8,395</u>
Net Position	<u><u>\$ (12,571)</u></u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

STATEMENT OF CHANGES INFIDUCIARY NET POSITION - CUSTODIAL
For the Year Ended June 30, 2022

	<u>Custodial Funds</u>
Additions	
Fines, Penalties, Fees	<u>\$ 31,868</u>
Total Additions	<u>31,868</u>
Deductions:	
Refunds	4,900
Miscellaneous	<u>26,219</u>
Total Deductions	<u>31,119</u>
Change in Net Position	749
Net Position - Beginning	<u>(13,320)</u>
Net Position - Ending	<u><u>\$ (12,571)</u></u>

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ORGANIZATION (REPORTING ENTITY)

The City was incorporated in 1911. Control of the City is vested in its mayor and council members who are elected to office by voters within the City. Administrative functions are delegated to individuals who report to and are responsible to the Mayor and Council. The chief administrative officer is the City Manager.

The accompanying financial statements present all activities, funds, and component units for which the City is considered to be financially accountable. The criteria used in making this determination includes appointment of a voting majority, imposition of will, financial benefit or burden on the primary government, and fiscal dependency on the primary government. Based upon the evaluation of this criteria, the City is a primary government with one includable component units.

Blended Component Unit – The Sutherlin Urban Redevelopment Agency is a legally separate public body created by ordinance of the City. The City Council serves as its governing board. Additionally, the City's management has operational responsibility for the Agency as it manages the activities of the Agency in essentially the same manner in which it manages the City's own operations.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments.

Internally dedicated resources are reported as general revenues rather than as program revenues. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING & FINANCIAL STATEMENT PRESENTATION

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

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING & FINANCIAL STATEMENT PRESENTATION

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the functions of the City, the elimination of which would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 are charges to customers for sales and services. Operating expenses for proprietary 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 nonoperating revenues and expenses.

The governmental fund financial statements are accounted for using a current financial resources measurement focus, whereby only current assets, liabilities and deferred inflows of resources generally are included in the Balance Sheet, and the Statement of Revenues, Expenditures, and Changes in Fund Balances presents increases and decreases in those items. These funds use the modified accrual basis of accounting whereby revenues are recognized when they become measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a related fund liability is incurred, except for interfund transactions which are recorded on the accrual basis and interest on general long-term debt which is recorded as due. Significant governmental funds revenues which were subject to accrual at June 30, 2022 under the modified accrual basis of accounting were as follows: property taxes, municipal court fines, state, county, and local shared revenues which are collected within 60 days subsequent to year end.

In the government-wide financial statements, however, with a full accrual basis of accounting, all expenses affecting the economic resource status of the government must be recognized. Thus, the expense and related accrued liability for long term portions of debt, compensated absences, pension and other post-employment benefits are included. Also in the government-wide financial statements, certain indirect costs have been included as part of the program expenses for the various functional activities.

Other receipts become measurable and available when cash is received and recognized as revenue at that time, except for revenues for grants and shared revenues which are recorded when the qualifying expenditures have been incurred and all other grant requirements have been met.

The basis of accounting described above is in accordance with accounting principles generally accepted in the United States of America.

The City reports the following major governmental funds:

General - accounts for all financial resources of the City, except those required to be accounted for in another fund. Principal sources of revenue are property taxes, franchise fees, and state shared revenues. Expenditures are primarily for general government operations, highways and streets, public safety, tourism, and culture and recreation.

Street Construction - accounts for the cost of construction of City streets and storm water drainage systems.

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING & FINANCIAL STATEMENT PRESENTATION

The City reports the following major proprietary funds:

Water – accounts for the operation of the water system.

Wastewater – accounts for the operation of the wastewater treatment plant and collection system.

Water Construction – accounts for the receipt and disbursement of funds for major replacement or additions to the water system infrastructure. The principal sources of revenues are transfers from the Water fund and water system development charges.

Wastewater Construction – accounts for the receipt and disbursement of funds for major replacement or additions to the wastewater system infrastructure. The principal sources of revenues are loan proceeds.

The City also includes the following fund types as other governmental funds and other enterprise funds:

Special revenue – accounts for revenue derived from specific taxes or other revenue sources, which are legally restricted to particular functions or activities. When a special revenue fund is not an operating fund, transfers are made from the special revenue fund to the operating funds authorized to make expenditures.

Debt service – accounts for repayment of principal and interest on its outstanding loan.

Capital projects – accounts for expenditures on major construction projects. The principal sources of revenues are proceeds from donations.

Enterprise – accounts for the operations of predominantly self-supporting activities. Enterprise funds account for services rendered to the public on a user charge basis, and internal service funds account for services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.

Custodial – accounts for resources received and held by the City in a fiduciary capacity. Disbursements from these funds are made in accordance with applicable legislative enactment.

D. BUDGETS POLICIES AND BUDGETARY CONTROL

Generally, Oregon Local Budget Law requires annual budgets be adopted for all funds except fiduciary funds. The modified accrual basis of accounting is used for all budgets. All annual appropriations lapse at fiscal year end.

The City begins its budgeting process by appointing Budget Committee members in the fall of each year. Budget recommendations are developed by management through early spring, with the Budget Committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June and the hearing is held in June. The City council adopts the budget, makes appropriations, and declares the tax levy no later than June 30. Expenditure appropriations may not be legally over-expended, except in the case of grant receipts and bond sale proceeds which could not be reasonably estimated at the time the budget was adopted.

The resolution authorizing appropriations for each fund sets the level at which expenditures cannot legally exceed appropriations. The City established the levels of budgetary control at the personal services, materials and services, capital outlay, operating contingencies, debt service, and all other requirement levels for all funds.

Budget amounts shown in the basic financial statements have been revised since the original budget amounts were adopted. The City council must authorize all appropriation transfers and supplementary budgetary appropriations. The City's disbursements did not exceed appropriations except for the City Manager's Office in the General fund where disbursements exceeded appropriations by \$7,307.

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. COMPENSATED ABSENCES - SICK LEAVE

The City has a policy which permits full-time employees to accumulate sick leave at the rate of one day per month up to 2,000 hours.

F. USE OF ESTIMATES

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

G. CASH AND CASH EQUIVALENTS

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, checking, savings and money market accounts, and any highly-liquid debt instruments purchased with a maturity of three months or less.

H. RECEIVABLES

Property taxes are assessed and become a lien on all taxable property as of July 1. Property taxes are levied on November 15. Collection dates are November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Property taxes receivable collected within 60 days subsequent to year-end are considered measurable and available, and are recognized as revenues. All other property taxes receivable are offset by deferred revenue because they are not deemed available to finance operations of the current period.

Receivables for federal and state grants and state, county, and local shared revenue are recorded as revenue in all fund types as earned. Receivables of the Proprietary Funds are recorded as revenue in all funds as earned. The allowance for doubtful accounts is established on a historical view of delinquencies.

I. CAPITAL ASSETS

Capital assets purchased or acquired are reported at historical cost or estimated historical cost. Contributed fixed assets are recorded at estimated fair market value at the time received. Public domain (infrastructure) capital assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems acquired since July 1, 2003 are recorded at cost. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Net revenue bond interest cost incurred during the construction periods is capitalized when material.

Capital assets are depreciated using the straight line method over the following estimated useful lives. Assets (10-50), buildings (20-40), Improvements (4-10), Equipment (4-30), infrastructure (20-50) and Streets (20-50).

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. FUND EQUITY

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

- Nonspendable fund balance represents amounts that are not in a spendable form. The nonspendable fund balance represents prepaid items.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. The City Council has granted the City Manager and the Finance Director the authority to classify portions of ending fund balance as Assigned.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

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

To preserve a sound financial system and to provide a stable financial base, the Council has adopted the following fund balance policy: The City shall strive to maintain the General Fund undesignated fund balance at 35% or four months of regular general fund operating expenditures. In enterprise funds, the City shall strive to maintain positive retained earnings positions to provide sufficient reserves for emergencies and revenue shortfalls. Specifically, in the Water and Sewer Enterprise Fund, an operating reserve will be established and maintained at 20 percent of the current year's budget appropriation for operation and maintenance, which is defined as the total budget less debt service and capital projects expenditures. The City shall not regularly maintain positive retained earnings in internal service funds. When an internal service fund builds up retained earnings, the City shall transfer it to other operating funds. The City shall maintain sufficient reserves in its debt service funds which shall equal or exceed the reserve fund balances required by bond ordinances.

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. 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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

L. RETIREMENT PLANS

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

M. FAIR VALUE INPUTS AND METHODOLOGIES AND HIERARCHY

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based up on the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access

Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund's own assumptions used in determining the fair value of investments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N NET POSITION FLOW ASSUMPTIONS

The city may fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which resources are considered to have been applied. It is the City's policy to deplete restricted net position first, then committed, then assigned, and lastly unrestricted.

2. DEPOSITS AND INVESTMENTS

The City maintains a pool of cash and investments that are available for use by all funds. Each fund's portion of this pool is displayed on the financial statements as cash and investments. Interest earned on pooled cash and investments is allocated to participating funds based upon their combined cash and investment balances.

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held.

Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2022. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it approximates fair value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. As of June 30, 2022, the fair value of the position in the LGIP is 98.98% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized.

Credit risk: Oregon statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-I by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the state treasurer's investment pool.

As of June 30, 2022, the City had the following investments:

Investment Type	Fair Value	Investment Maturities (in months)		
		Less than 3	3-18	More than 18
State Treasurer's Investment Pool	\$ 11,216,623	\$ 11,216,623	\$ -	\$ -
Total	\$ 11,216,623	\$ 11,216,623	\$ -	\$ -

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

2. DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk: The City's policy to manage its exposure to fair-value losses arising from increases in interest rates is to limit investment maturities to 18 months.

Concentration of Credit Risk: The City policy does not allow for an investment in any one issuer that is in excess of 50 percent of the City's total investments with the exception of the LGIP, Treasury Direct, or the City's banking institution.

Custodial Credit Risk - Investments: This is the risk that, in the event of the failure of a counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. None of the City's investments have custodial credit risk. The City's policy does not limit the amount of investments that can be held by counterparties.

Custodial Credit Risk - Deposits: This is the risk that, in the event of a bank failure, the City's deposits may not be returned. The Federal Depositary Insurance Corporation (FDIC) provides Insurance for the City's deposits with financial institutions up to \$250,000 each for the aggregate of all non-interest bearing accounts and the aggregate of all interest bearing accounts at each institution. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program. Oregon Revised Statutes and City policy require depository institutions to maintain on deposit, with the collateral pool manager, securities having a value not less than 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. As of June 30, 2022, the total bank balance per the bank statements was \$259,465 all of which was covered by federal depository insurance. The remainder, if any, is collateralized the Oregon Public Funds Collateralization Program (PFCP). The City's deposits and investments at June 30, 2022 are as follows:

Deposits with Financial Institutions:

Petty Cash	\$ 575
Demand Deposits	245,035
Investments	11,216,623
Total Cash and Investments	<u>\$ 11,462,233</u>

Reported In:

Governmental Activities	\$ 5,228,689
Business-Type Activities	6,237,720
Fiduciary Fund	(4,176)
	<u>\$ 11,462,233</u>

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

3. CAPITAL ASSETS

Changes in Governmental Capital Assets for the year ended June 30, 2022 are as follows:

<u>Governmental Activities</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2022</u>
Land*	\$ 1,118,086	\$ -	\$ -	\$ 1,118,086
Construction in Progress*	689,993	728,551	-	1,418,544
Infrastructure	106,367,067	149,883	-	106,516,950
Buildings and Improvements	4,218,658	114,480	-	4,333,138
Vehicles and Equipment	3,821,965	355,121	(57,668)	4,119,418
Total Capital Assets	<u>116,215,769</u>	<u>1,348,035</u>	<u>(57,668)</u>	<u>117,506,136</u>
Accumulated Depreciation:				
Infrastructure	99,374,448	380,205	-	99,754,653
Buildings and Improvements	2,802,351	120,767	-	2,923,118
Vehicles and Equipment	2,816,544	229,555	(57,668)	2,988,431
Total Accumulated Depreciation	<u>104,993,343</u>	<u>730,527</u>	<u>-</u>	<u>105,666,202</u>
Total Net Capital Assets	<u>\$ 11,222,426</u>			<u>\$ 11,839,934</u>

*Non Depreciable Asset

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

General Government	\$ 244,451
Public Safety	429,976
Highways and Streets	10,822
Culture and Recreation	31,924
Tourism	13,354
Total	<u>\$ 730,527</u>

Changes in Business-Type Capital Assets for the year ended June 30, 2022 are as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u> <u>Balance</u>
Capital Assets not being depreciated				
Land	\$ 3,289,003	\$ -	\$ -	\$ 3,289,003
Construction in progress	23,218,580	2,486,374	(21,624,183)	4,080,771
Water Rights	645,078	-	-	645,078
Total capital assets not being depreciated	<u>27,152,661</u>	<u>2,486,374</u>	<u>(21,624,183)</u>	<u>8,014,852</u>
Capital assets being depreciated				
Infrastructure and plant	52,016,172	21,702,751	-	73,718,923
Buildings	320,988	-	-	320,988
Vehicles and equipment	1,071,091	-	(177,168)	893,923
Total capital assets being depreciated	<u>53,408,251</u>	<u>21,702,751</u>	<u>(177,168)</u>	<u>74,933,834</u>

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

3. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Additions	Deletions	Ending Balance
Less accumulated depreciation for:				
Infrastructure and Plant	35,690,696	1,550,223	-	37,240,919
Buildings	152,694	11,122	-	163,816
Vehicles and equipment	525,120	77,556	(177,168)	425,508
Total	36,368,510	1,638,901	(177,168)	37,830,243
Total capital assets being depreciated, net	17,039,741			37,103,591
Total capital assets, net	\$ 44,192,402			\$ 45,118,443

4. RECEIVABLES

The City's receivables at June 30, 2022 are shown below:

Property Taxes	\$ 224,262
Accounts	2,165,302
Utility Accounts	430,035
	<u>\$ 2,819,599</u>

5. DEBT

Transactions for governmental activities for the year ended June 30, 2022 were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due within One Year
General Obligation Bonds (original amount \$800,000, & 3-5% interest	\$ 215,000	-	50,000	165,000	\$ 50,000
Direct Borrowing-ODOT Note Payable \$505k, 1.61%	481,627	-	47,312	434,315	48,077
Compensated Absences	283,978	22,228	15,233	290,973	290,973
Total	\$ 987,788	\$ 22,228	\$ 119,728	\$ 890,288	\$ 389,050

The GO Bonds have no significant default provisions. The ODOT note from direct borrowing contains a provision that in an event of default and the City is unable to make payment, outstanding amounts become immediately due. Another provision states that in the event of default, the State of Oregon may withhold the City's apportionment of the State Highway Fund revenue.

Governmental:

2005 Bonds			Direct Borrowing 2017 ODOT Note	
Year	Principal	Interest	Principal	Interest
2022-2023	\$ 50,000	\$ 8,250	\$ 48,077	\$ 6,800
2023-2024	55,000	5,750	48,854	6,023
2024-2025	60,000	3,000	49,644	5,233
2025-2026	-	-	50,446	4,430
2026-2027	-	-	51,262	3,615
2027-2031	-	-	186,031	5,819
	<u>\$ 165,000</u>	<u>\$ 17,000</u>	<u>\$ 434,314</u>	<u>\$ 31,920</u>

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

5. DEBT

Transactions for business-type activities for the year ended June 30, 2022 were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due within One Year
<u>Revenue Bonds:</u>					
Water Revenue Series 2008 (original amount \$2,360,000, 3.75-5%)	\$ 1,050,000	\$ -	\$ 130,000	\$ 920,000	\$ 140,000
2012 Refunding Bonds (original amount \$795,000, 1.85-3.6%)	185,000	-	40,000	145,000	40,000
USDA Revenue Bonds (original \$4,601,000, 2.375%)	4,073,075	-	82,750	3,990,325	84,716
Total Revenue Bonds	5,308,075	-	252,750	5,055,325	264,716
<u>Direct Borrowings:</u>					
DEQ Bond (original \$18,500,000, 1.47%)	18,500,000	-	500,000	18,000,000	491,405
OECDL (original amount \$779,697, 3-4.75%)	458,904	-	29,497	429,407	29,722
IFA Loan 2014 (original amount \$2,625,000, 2.67%)	1,997,704	-	91,907	1,905,797	94,375
IFA Loan 2019 (original amount \$345,772, 1%)	-	345,772	8,889	336,883	10,071
DEQ Loan 2019 (original amount \$1,717,456, 1.27%)	1,717,456	-	-	1,717,456	48,327
Total Direct Borrowings	22,674,064	345,772	630,293	22,389,543	673,900
Total	\$ 27,982,139	\$ 345,772	\$ 883,043	\$ 27,444,868	\$ 938,616

The 2008 Water Revenue Bonds and the OECDL Loan do not have significant default provisions. The 2012 Refunding Bonds contain a provision stating that in the event of default, the majority Owners of the Bonds may take whatever action at law or in equity to enforce the Financing Agreement or protect the rights of the Owner. However, upon default the unpaid principal components will not become immediately due and payable. The USDA Revenue Bonds contain a provision that in the event of default all Net Water Revenues of the City will be accounted for in an express trust for USDA. The USDA Bonds have a reserve requirement of \$17,949 per year to be transferred into the Water Reserve Fund. The Fund balance in the Water Reserve account is \$341,569, which is enough to cover the reserve requirement \$179,486 for this debt and other reserve requirements of \$177,775. The IFA loan contains a provision that states that in the event of default and the City is unable to make payment, all amounts outstanding become immediately due and repayment of all associated grants and interest on those grants is required. Both the DEQ bond and DEQ loan contain a provision that all amounts outstanding become immediately due in the event of default. Also, DEQ may notify the Oregon State Treasurer to withhold any amounts otherwise due to the City from the State of Oregon.

2008 Water Revenue Bonds			2012 Refunding Bonds	
Year	Principal	Interest	Principal	Interest
2022-2023	140,000	37,774	40,000	4,400
2023-2024	145,000	32,176	35,000	3,150
2024-2025	150,000	26,194	35,000	1,890
2025-2026	155,000	20,006	35,000	630
2026-2027	160,000	13,613	-	-
2027-2028	170,000	7,013	-	-
	<u>\$ 920,000</u>	<u>\$ 136,775</u>	<u>\$ 145,000</u>	<u>\$ 10,070</u>

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

5. DEBT (CONTINUED)

	2013 USDA Revenue Bonds		DEQ Bond		DEQ Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2022-2023	84,716	84,716	491,405	262,801	48,327	21,659
2023-2024	86,728	86,728	498,656	255,550	48,943	21,043
2024-2025	88,788	88,788	506,013	248,193	49,567	20,419
2025-2026	90,896	90,896	513,478	240,728	50,198	19,788
2026-2027	93,055	93,055	521,056	233,150	50,837	19,149
2027-2032	499,495	397,935	2,722,881	1,048,149	264,068	85,862
2032-2037	561,695	335,735	2,929,763	841,267	281,326	68,604
2037-2042	631,640	265,790	3,152,362	618,668	299,708	50,222
2042-2047	710,296	187,134	3,391,877	379,153	319,293	30,637
2047-2052	798,745	98,685	3,272,509	121,441	305,189	10,206
2052- 2053	344,271	12,284	-	-	-	-
	<u>\$ 3,990,325</u>	<u>\$ 1,741,746</u>	<u>\$ 18,000,000</u>	<u>\$ 4,249,100</u>	<u>\$1,717,456</u>	<u>\$ 347,589</u>

Year	2009 OECD Loan (Refinanced 2018)		2014 IFA Loan		2019 IFA Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2022-2023	\$ 29,722	\$ 21,327	\$ 94,375	\$ 50,885	\$ 10,071	\$ 3,369
2023-2024	29,957	19,841	96,894	48,365	10,172	3,268
2024-2025	35,156	18,393	99,481	45,778	10,274	3,166
2025-2026	35,413	16,635	102,138	43,122	10,376	3,064
2026-2027	30,698	14,851	104,865	40,395	10,480	2,960
2027-2032	182,974	49,521	567,848	158,448	53,993	13,206
2032-2037	85,487	6,362	647,814	78,485	56,747	10,452
2037-2042	-	-	192,382	6,530	59,642	7,557
2042-2047	-	-	-	-	62,685	4,515
2047-2052	-	-	-	-	52,443	1,319
	<u>\$ 429,407</u>	<u>\$ 146,930</u>	<u>\$ 1,905,797</u>	<u>\$ 472,008</u>	<u>\$ 336,883</u>	<u>\$ 52,876</u>

The City entered into a loan agreement with Oregon Infrastructure Finance Authority of the Business Development Department (OBDD) to fund water treatment plant improvements (Nonpareil). The total amount to be received is \$5,473,565 at an interest rate of 1.00%. At June 30, 2022 the City has drawn down \$3,878,133, no amortization schedule has been set yet, all of the balance is classified as due in more than one year. The OBDD loan contains a provision that all amounts outstanding become immediately due in the event of default.

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

6. DEFINED BENEFIT PENSION PLAN

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

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2021-ACFR.pdf>

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

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
 - i. **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.
 - ii. **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following contributions are met:
 - member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
 - iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
 - iv. **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.
- b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

6. DEFINED BENEFIT PENSION PLAN (CONT.)

- i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:
Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.
General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.
A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.
- ii. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.
- iii. **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation, which became effective July 1, 2021. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2022 were \$631,275, excluding amounts to fund employer specific liabilities. In addition approximately \$197,998 in employee contributions were paid or picked up by the City in fiscal 2022. At June 30, 2022, the City reported a net pension liability of \$3,381,403 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2019. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement date of June 30, 2021 and 2020, the City's proportion was .028 percent and .026 percent, respectively. Pension expense for the year ended June 30, 2022 was \$53,917.

The rates in effect for the year ended June 30, 2022 were:

- (1) Tier 1/Tier 2 – 20.05%
- (2) OPSRP general services – 14.86%
- (3) OPSRP Police and Fire – 19.22%

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

6. DEFINED BENEFIT PENSION PLAN (CONT.)

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 316,521	\$ -
Changes in assumptions	846,467	8,899
Net difference between projected and actual earnings on pension plan investments	-	2,503,226
Net changes in proportionate share	717,407	7,238
Differences between contributions and proportionate share of contributions	-	300,131
Subtotal - Amortized Deferrals (below)	1,880,395	2,819,494
Contributions subsequent to measuring date	631,725	-
Deferred outflow (inflow) of resources	<u>\$ 2,512,120</u>	<u>\$ 2,819,494</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2023.

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

<u>Year ending June 30,</u>	<u>Amount</u>
2023	\$ (75,984)
2024	(139,846)
2025	(268,182)
2026	(548,940)
2027	93,852
Thereafter	-
Total	<u>\$ (939,100)</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated February 25, 2022. Oregon PERS produces an independently audited ACFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2021-ACFR.pdf>

Actuarial Valuations – The employer contribution rates effective July 1, 2021 through June 30, 2023, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

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

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

6. DEFINED BENEFIT PENSION PLAN (CONT.)

Actuarial Methods and Assumptions:

Valuation date	December 31, 2019
Experience Study Report	2018, Published July 24, 2019
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Market value of assets
Inflation rate	2.40 percent (reduced from 2.50 percent)
Investment rate of return	6.90 percent (reduced from 7.20 percent)
Discount rate	6.90 percent (reduced from 7.20 percent)
Projected salary increase	3.40 percent (reduced from 3.50 percent)
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2018 Experience Study which is reviewed for the four-year period ending December 31, 2019.

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	15.0%	25.0%	20.0%
Public Equity	27.5%	37.5%	32.5%
Real Estate	9.5%	15.5%	12.5%
Private Equity	14.0%	21.0%	17.5%
Alternatives Portfolio	7.5%	17.5%	15.0%
Opportunity Portfolio	0.0%	5.0%	0.0%
Risk Parity	0.0%	2.5%	2.5%
Total			100.0%

(Source: June 30, 2021 PERS ACFR; p. 104)

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

6. DEFINED BENEFIT PENSION PLAN (CONT.)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds - Multistrategy	1.25%	5.11%
Hedge Fund Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	-2.50%	1.76%
<i>Assumed Inflation - Mean</i>		<i>2.40%</i>

(Source: June 30, 2021 PERS ACFR; p. 74)

Discount Rate – The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension Plan, a reduction approved by the Board from 7.20 percent in the prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate – the following presents the City's proportionate share of the net pension liability calculated using the discount rate of 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 one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate.

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

6. DEFINED BENEFIT PENSION PLAN (CONT.)

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Proportionate share of the net pension liability	\$ 6,640,266	\$ 3,381,403	\$ 654,917

Changes Subsequent to the Measurement Date

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, Paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer's reporting date that are expected to have a significant effect on the employer's share of the collective Net Pension Liability, along with an estimate of the resulting change, if available.

There are no changes subsequent to the June 30, 2021 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

Deferred Compensation Plan

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the City for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of resignation, death, disability, or retirement; unforeseeable emergency; or by requesting a de minimis distribution from inactive accounts valued less than \$5,000. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is one which is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the City.

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

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

Pension Benefits:

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP IAP

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

6. DEFINED BENEFIT PENSION PLAN (CONT.)

may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits:

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

Contributions:

Employees of the City pay six (6) percent of their covered payroll. Effective July 1, 2020, currently employed Tier 1/Tier 2 and OPSRP members earning \$2,500 or more per month (increased to \$2,535 per month on January 1, 2021) will have a portion of their 6 percent monthly IAP contributions redirected to an Employee Pension Stability Account. The Employee Pension Stability Account will be used to pay part of the member's future benefit. Of the 6 percent monthly IAP contribution, Tier 1/Tier 2 will have 2.5 percent redirected to the Employee Pension Stability Account and OPSRP will have 0.75 percent redirected to the Employee Pension Stability Account, with the remaining going to the member's existing IAP account. Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full 6 percent contribution to the IAP. The City made \$197,998 optional contributions to member IAP accounts for the year ended June 30, 2022.

Additional disclosures related to Oregon PERS not applicable to specific employers are available online, or by contacting PERS at the following address: PO Box 23700 Tigard, OR 97281-3700.

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

7. OTHER POST-EMPLOYMENT BENEFIT PLAN – (RHIA)

Plan Description:

As a member of Oregon Public Employees Retirement System (OPERS) the City contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

Funding Policy:

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 dollars shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

7. OTHER POST-EMPLOYMENT BENEFIT PLAN – (RHIA)

premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating cities are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the City currently contributes 0.04% of annual covered payroll under a contractual requirement in effect until June 30, 2022. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The City's contributions to RHIA for the years ended June 30, 2020, 2021 and 2022 were \$965, \$469 and \$489, respectively, which equaled the required contributions each year.

At June 30, 2022, the City's net OPEB liability/(asset) and deferred inflows and outflows were not considered significant by management and were not accrued on the government wide statements.

8. INTERFUND BALANCES

Cash transfers are indicative of funding for capital projects, debt service, subsidies of various city operations, and re-allocations of special revenues. Transfers are netted on the Statement of Activities as required by GASB 34. The following schedule briefly summarizes the City's transfer activity for the year ended June 30, 2022:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 1,800,900	\$ 1,446,400
Street Construction	250,000	-
Other Governmental	246,400	403,200
Water	-	1,937,400
Wastewater	-	1,853,300
Water Construction	525,000	-
Wastewater Construction	150,000	-
Other Business Type	1,075,000	-
Internal Service	1,643,000	50,000
Total	<u>\$ 5,690,300</u>	<u>\$ 5,690,300</u>

Please note that the "Internal Balances" noted on the Statement of Net Position is not an interfund balance, but a representation over time that represents the amount of use the internal service fund allocates to the governmental and business type activities.

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

9. FUND BALANCE CONSTRAINTS

The specific purposes for each of the categories of fund balance as of June 30, 2022 are as follows:

Fund Balances:	General Fund	Street Construction Fund	Other Governmental Funds	Total
<u>Nonspendable:</u>				
Prepays	\$ 73,377	\$ -	\$ 126,361	\$ 199,738
<u>Restricted:</u>				
Street Maintenance	-	54,934	623,240	678,174
System Development Charges	-	-	504,213	504,213
Urban Renewal	-	-	-	-
Debt Payments	-	-	62,619	62,619
	-	54,934	1,190,072	1,245,006
<u>Committed to:</u>				
Tourism	-	-	343,651	343,651
	-	-	343,651	343,651
<u>Assigned to:</u>				
Bicycle Paths	20,410	-	-	20,410
Fire Reserve	441,165	-	-	441,165
Police Reserve	376,325	-	-	376,325
Public Works Operations Reserve	195,273	-	-	195,273
Park Facilities Reserve	228,170	-	-	228,170
Library	-	-	664	664
	1,261,343	-	664	1,262,007
<u>Unassigned:</u>	3,455,170	-	(576,121)	2,879,049
Total Fund Balances	\$ 4,789,890	\$ 54,934	\$ 1,084,627	\$ 5,929,451

10. TAX ABATEMENTS

As of June 30, 2022, the City provides tax abatements through one significant program: Enterprise Zone, ORS 285C.175.

The Oregon Enterprise Zone program is a State of Oregon economic development program established, that allows for property tax exemptions for up to five years. In exchange for receiving property tax exemption, participating firms are required to meet the program requirements set by state statute and the local sponsor.

The Enterprise Zone program allows industrial firms that will be making a substantial new capital investment a waiver of 100% of the amount of real property taxes attributable to the new investment for a 5-year period after completion. Land or existing machinery or equipment is not tax exempt; therefore, there is no loss of current property tax levies to local taxing jurisdiction.

For the fiscal year ended June 30, 2022, the City abated property taxes totaling \$130,618 under this program.

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

11. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Post-employment Health Insurance Subsidy

Plan Description

The City administers a single-employer defined benefit healthcare plan that covers both active and retired participants. The plan provides post-retirement healthcare benefits for eligible retirees and their dependents through the City's group health insurance plans. The City's post-retirement plan was established in accordance with Oregon Revised Statutes (ORS) 243.303 which states, in part, that for the purposes of establishing healthcare premiums, the calculated rate must be based on the cost of all plan members, including both active employees and retirees. Because claim costs are generally higher for retiree groups than for active members, the premium amount does not represent the full cost of coverage for retirees. The resulting additional cost, or implicit subsidy, is required to be valued under GASB Statement 75 related to Other Post-Employment Benefits (OPEB). Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations of the OPEB plan reflect a long-term perspective. The valuation date was July 1, 2020 and the measurement date was June 30, 2020.

Funding Policy

The City has not established a trust fund to finance the cost of post-employment health care benefits related to implicit rate subsidies. Premiums are paid by retirees based on the rates established for active employees. Additional costs related to an implicit subsidy are paid by the City on a pay-as-you-go basis. There is no obligation on the part of the City to fund these benefits in advance. The City considered the liability to be solely the responsibility of the City as a whole and it is allocated to the governmental statements.

Actuarial Methods and Assumptions

The City engaged an actuary to perform a valuation as of June 30, 2020 using the Entry Age Normal, level percent of salary Actuarial Cost Method. Mortality rates were based on the RP-2000 healthy white collar male and female mortality tables, set back one year for males. Mortality is projected on a generational basis using Scale BB for males and females. Demographic assumptions regarding retirement, mortality, and turnover are based on Oregon PERS valuation assumptions as of December 31, 2019. Election rate and lapse assumptions are based on experience implied by valuation data for this and other Oregon public employers.

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

11. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Health Care Cost Trend Medical and vision:

Year	Pre-65 Trend
2020	3.75%
2021	7.00%
2022	5.50%
2023-2025	5.00%
2026-2040	4.75%
2041-2049	5.00%
2050-2064	4.75%
2065-2067	4.50%
2068-2071	4.25%
2072+	4.00%

Dental: -1.25% for 2020, 4.00% per year thereafter

Health care cost trend affects both the projected health care costs as well as the projected health care

General Inflation 2.50% per year, used to develop other economic assumptions

Annual Pay Increases 3.50% per year, based on general inflation and the likelihood of raises throughout participants' careers

Mortality Pub-2010 General and Safety Employee and Healthy Retiree tables, sex distinct for members and dependents, with a one-year setback for male general service employees and female safety employees.

Disability Not used

Withdrawal Based on Oregon PERS assumptions. Annual rates are based on employment classification, gender, and duration from hire date.

Retirement Based on Oregon PERS assumptions. Annual rates are based on age, Tier/OPSRP, duration of service, and employment classification.

Changes in the Net OPEB Liability

Total OPEB Liability at June 30, 2021	\$ 182,073
Changes for the year:	
Service cost	20,752
Interest	4,405
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other input	799
Benefit payments	<u>(7,037)</u>
Balance as of June 30, 2022	<u>\$ 200,992</u>

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

11. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Trend Rates

The following analysis presents the net OPEB liability using a discount rate of 2.21%, as well as what the City's net OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (1.21%) or one percentage point higher (3.21%) than the current rate, a similar sensitivity analysis is presented for the changes in the healthcare trend assumption:

	1% Decrease 1.21%	Current Discount Rate 2.21%	1% Increase 3.21%
Total OPEB Liability	\$ 217,535	\$ 200,992	\$ 185,509

	1% Decrease Healthcare	Current Trend Rate Healthcare	1% Increase Healthcare
Total OPEB Liability	\$ 175,666	\$ 200,992	\$ 231,317

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Benefits

The City reports information on deferred outflows and deferred inflows of resources at year end as well as a schedule of amounts of those deferred outflows of resources and deferred inflows of resources that will be recognized in other post-employment benefit expense for the following five years.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ (10,627)	\$ 22,897
Changes in assumptions or other input	(15,572)	3,812
Benefit Payments	-	8,796
Deferred outflow (inflow) of resources	<u>\$ (26,199)</u>	<u>\$ 35,505</u>

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2023	\$ (1,045)
2024	(1,045)
2025	(1,045)
2026	(1,045)
2027	(228)
Thereafter	4,918
Total	<u>\$ 510</u>

12. DEFICIT FUND BALANCES

The ending fund balance of the Parks Construction Fund as of June 30, 2022 was negative \$20,147. The deficit was the result of a timing difference between an expenditure and receipt of reimbursement. A transfer has been budgeted in 2022-2023 to eliminate the deficit balance.

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

13. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance for such risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2022**

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	0.02 %	\$ 3,381,403	\$ 3,156,424	107%	87.6 %
2021	0.02	5,713,874	3,300,218	173	75.8
2020	0.02	4,044,479	2,957,914	137	80.2
2019	0.02	3,269,663	2,715,431	120	82.1
2018	0.02	2,424,799	2,649,160	91	83.1
2017	0.02	2,930,363	2,477,286	118	80.5
2016	0.02	1,190,449	2,268,510	52	91.9
2015	0.02	(385,502)	2,224,914	(17)	103.6
2014	0.02	867,896	2,156,450	39	92.0

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

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

SCHEDULE OF CONTRIBUTIONS

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2022	\$ 631,725	\$ 631,725	\$ -	\$ 3,547,995	17.8 %
2021	463,725	463,725	-	3,156,424	14.7
2020	435,692	435,692	-	3,300,218	13.2
2019	249,946	249,946	-	2,957,914	8.5
2018	218,437	218,437	-	2,715,431	8.0
2017	168,464	168,464	-	2,649,160	6.4
2016	154,896	154,896	-	2,477,286	6.3
2015	153,399	153,399	-	2,268,510	6.9
2014	159,387	159,387	-	2,224,914	7.4

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

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

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF CHANGES IN OTHER POST-EMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS
For the Year Ended June 30, 2022**

	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>
Total Other Post Employment Benefits Liability at beginning of year	\$ 139,232	\$ 145,603	\$ 129,935	\$ 146,689	\$ 182,073
Changes for the year:					
Service Cost	17,235	16,386	14,081	15,669	20,752
Interest	4,377	5,663	5,433	5,523	4,405
Changes in Benefit Terms	-	-	-	-	-
Differences between expected and actual experience	-	(18,647)	-	29,535	-
Changes in assumptions or other input	(9,403)	(11,409)	4,582	(6,164)	799
Benefit Payments	<u>(5,838)</u>	<u>(7,661)</u>	<u>(7,342)</u>	<u>(9,179)</u>	<u>(7,037)</u>
Net changes for the year	<u>6,371</u>	<u>(15,668)</u>	<u>16,754</u>	<u>35,384</u>	<u>18,919</u>
Total Other Post Employment Benefits Liability at year end	<u>\$ 145,603</u>	<u>\$ 129,935</u>	<u>\$ 146,689</u>	<u>\$ 182,073</u>	<u>\$ 200,992</u>
Fiduciary Net Position - Beginning	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - Employer	5,838	7,661	7,342	9,179	7,037
Contributions - Employee	-	-	-	-	-
Net Investment Income	-	-	-	-	-
Benefit Payments	(5,838)	(7,661)	(7,342)	(9,179)	(7,037)
Administrative Expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fiduciary Net Position - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Liability for Other Post Employment Benefits - End of Year	<u>\$ 145,603</u>	<u>\$ 129,935</u>	<u>\$ 146,689</u>	<u>\$ 182,073</u>	<u>\$ 200,992</u>
Fiduciary Net Position as a percentage of the total Single Employer Pension Liability	0%	0%	0%	0%	0%
Covered Payroll	\$ 2,732,858	\$ 2,965,721	\$ 3,176,337	\$ 3,156,424	\$ 3,547,995
Net Single Employer Pension Plan as a Percentage of Covered Payroll	5%	4%	5%	6%	6%

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2022**

	<u>GENERAL FUND</u>			VARIANCE POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES				
Property Taxes	\$ 3,395,800	\$ 3,395,800	\$ 3,349,956	\$ (45,844)
Franchise Fees	460,225	460,225	495,804	35,579
Licences, Permits and Fees	15,000	15,000	1,050	(13,950)
Fines and Forfeitures	135,000	135,000	148,166	13,166
Charges for Services	9,500	9,500	43,817	34,317
Intergovernmental	1,370,042	1,370,042	1,570,992	200,950
Interest, Loss on LGIP	20,000	20,000	(92,372)	(112,372)
Miscellaneous	2,500	2,500	45,037	42,537
Total Revenues	<u>5,408,067</u>	<u>5,408,067</u>	<u>5,562,450</u>	<u>154,383</u>
EXPENDITURES				
City Manager's Office	153,641	153,641 (1)	160,948	(7,307)
City Attorney	42,700	42,700 (1)	23,965	18,735
Mayor & Council	5,000	5,000 (1)	3,532	1,468
Non-Departmental	325,550	357,550 (1)	351,914	5,636
City Recorder/HR	284,108	284,108 (1)	265,078	19,030
Municipal Court	217,218	217,218 (1)	188,604	28,614
Finance	468,135	480,635 (1)	440,989	39,646
Planning	512,329	512,329 (1)	443,227	69,102
Police	2,545,040	2,545,040 (1)	2,264,203	280,837
Parks/Facilities	283,544	283,544 (1)	228,358	55,186
Fire	1,365,781	1,365,781 (1)	1,167,094	198,687
Contingency	200,000	155,500 (1)	-	155,500
Total Expenditures	<u>6,403,046</u>	<u>6,403,046</u>	<u>5,537,912</u>	<u>865,134</u>
Excess of Revenues Over, (Under) Expenditures	(994,979)	(994,979)	24,538	1,019,517
OTHER FINANCING SOURCES, (USES)				
Loan to URA	(1,000,000)	(1,000,000) (1)	(457,032)	542,968
Transfers Out	(1,446,400)	(1,446,400) (1)	(1,446,400)	-
Transfers In	1,195,900	1,195,900	1,195,900	-
Net Change in Fund Balance	(2,245,479)	(2,245,479)	(682,994)	1,562,485
Beginning Fund Balance	<u>3,526,000</u>	<u>3,526,000</u>	<u>3,754,509</u>	<u>228,509</u>
Ending Fund Balance	<u>\$ 1,280,521</u>	<u>\$ 1,280,521</u>	<u>\$ 3,071,515</u>	<u>\$ 1,790,994</u>
Reconciliation to GAAP Fund Balance:				
Interfund Loan			457,032	
Ending Fund Balances				
Bicycle / Footpath Fund			20,410	
Police Reserve			376,325	
Public Works Operations Reserve			195,273	
Fire Reserve Fund			441,165	
Parks Facilities Reserve Fund			228,170	
			<u>\$ 4,789,890</u>	

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2022**

<u>STREET CONSTRUCTION FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Interest	\$ 250	\$ 250	\$ 312	\$ 62
Total Revenues	<u>250</u>	<u>250</u>	<u>312</u>	<u>62</u>
EXPENDITURES				
Materials & Services	-	- (1)	-	-
Capital Outlay	200,000	200,000 (1)	199,302	698
Contingency	<u>54,250</u>	<u>54,250 (1)</u>	<u>-</u>	<u>54,250</u>
Total Expenditures	<u>254,250</u>	<u>254,250</u>	<u>199,302</u>	<u>54,948</u>
Excess of Revenues Over, (Under) Expenditures	(254,000)	(254,000)	(198,990)	55,010
OTHER FINANCING SOURCES, (USES)				
Transfers In	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Total Other Financing Sources, (Uses)	250,000	250,000	250,000	-
Net Change in Fund Balance	(4,000)	(4,000)	51,010	55,010
Beginning Fund Balance	<u>4,000</u>	<u>4,000</u>	<u>3,924</u>	<u>(76)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,934</u>	<u>\$ 54,934</u>

(1) Appropriation Level

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

SUPPLEMENTARY INFORMATION

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2022**

<u>WATER OPERATIONS FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Charges for Services	\$ 2,385,280	\$ 2,385,280	\$ 2,316,191	\$ (69,089)
System Development Charges	4,000	4,000	22,884	18,884
Interest	<u>7,000</u>	<u>7,000</u>	<u>3,617</u>	<u>(3,383)</u>
Total Revenues	<u>2,396,280</u>	<u>2,396,280</u>	<u>2,342,692</u>	<u>(53,588)</u>
EXPENDITURES				
Materials and Services	495,850	495,850 (1)	380,901	114,949
Capital Outlay	3,000	3,000 (1)	-	3,000
Contingency	<u>301,030</u>	<u>301,030</u> (1)	<u>-</u>	<u>301,030</u>
Total Expenditures	<u>799,880</u>	<u>799,880</u>	<u>380,901</u>	<u>301,030</u>
Excess of Revenues Over, (Under) Expenditures	<u>1,596,400</u>	<u>1,596,400</u>	<u>1,961,791</u>	<u>365,391</u>
OTHER FINANCING SOURCES, (USES)				
Transfers Out	<u>(1,937,400)</u>	<u>(1,937,400)</u> (1)	<u>(1,937,400)</u>	<u>-</u>
Total Other Financing Sources, (Uses)	<u>(1,937,400)</u>	<u>(1,937,400)</u>	<u>(1,937,400)</u>	<u>-</u>
Net Change in Fund Balance	(341,000)	(341,000)	24,391	365,391
Beginning Fund Balance	<u>341,000</u>	<u>341,000</u>	<u>400,427</u>	<u>59,427</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>424,818</u>	<u>\$ 424,818</u>
Reconciling Items:				
Capital Assets, Net			16,947,551	
Deferred Revenue			35,326	
Accrued Interest			(72,471)	
Long-Term Obligations			<u>(9,054,748)</u>	
Net Position			<u>\$ 8,280,476</u>	

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2022**

<u>WASTEWATER OPERATIONS FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Charges for Services	\$ 2,831,968	\$ 2,831,968	\$ 2,893,308	\$ 61,340
Interest	5,000	5,000	5,862	862
Miscellaneous	-	-	7,800	7,800
Total Revenues	<u>2,836,968</u>	<u>2,836,968</u>	<u>2,906,970</u>	<u>70,002</u>
EXPENDITURES				
Materials and Services	595,350	595,350 (1)	495,530	99,820
Contingency	<u>909,318</u>	<u>909,318 (1)</u>	<u>-</u>	<u>909,318</u>
Total Expenditures	<u>1,504,668</u>	<u>1,504,668</u>	<u>495,530</u>	<u>1,009,138</u>
Excess of Revenues over Expenditures	1,332,300	1,332,300	2,411,440	(939,136)
OTHER FINANCING SOURCES, (USES)				
Transfers Out	<u>(2,003,300)</u>	<u>(2,003,300) (1)</u>	<u>(1,853,300)</u>	<u>150,000</u>
Total Other Financing Sources	<u>(2,003,300)</u>	<u>(2,003,300)</u>	<u>(1,853,300)</u>	<u>150,000</u>
Net Change in Fund Balance	(671,000)	(671,000)	558,140	220,002
Beginning Fund Balance	<u>671,000</u>	<u>671,000</u>	<u>734,386</u>	<u>63,386</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,292,526</u>	<u>\$ 1,292,526</u>
Reconciling Items:				
Capital Assets, Net			28,170,893	
Deferred Revenue			45,026	
Accrued Interest			(146,569)	
Long-Term Obligations			<u>(22,268,253)</u>	
Net Position			<u>\$ 7,093,623</u>	

(1) Appropriation Level

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2022

WATER CONSTRUCTION FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
System Development Charges	\$ 60,000	\$ 60,000	\$ 90,006	\$ 30,006
Intergovernmental	380,000	380,000	-	(380,000)
Interest	10,000	10,000	5,813	(4,187)
Total Revenues	450,000	450,000	95,819	(354,181)
EXPENDITURES				
Capital Outlay	5,755,000	5,755,000 (1)	2,654,932	3,100,068
Contingency	1,727,000	1,727,000 (1)	-	1,727,000
Total Expenditures	7,482,000	7,482,000	2,654,932	4,827,068
Excess of Revenues Over, (Under) Expenditures	(7,032,000)	(7,032,000)	(2,559,113)	4,472,887
OTHER FINANCING SOURCES, (USES)				
Debt Proceeds	5,120,000	5,120,000	2,549,913	(2,570,087)
Transfers In	525,000	525,000	525,000	-
Net Change in Fund Balance	(1,387,000)	(1,387,000)	515,800	1,902,800
Beginning Fund Balance	1,387,000	1,387,000	825,338	(561,662)
Ending Fund Balance	\$ -	\$ -	\$ 1,341,138	\$ 1,341,138

(1) Appropriation Level

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2022

WASTEWATER CONSTRUCTION FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
System Development Charges	\$ 3,500	\$ 3,500	\$ 77,798	\$ 74,298
Interest	2,000	2,000	4,050	2,050
Total Revenues	5,500	5,500	81,848	76,348
EXPENDITURES				
Capital Outlay	110,000	110,000 (1)	32,009	77,991
Contingency	729,500	729,500 (1)	-	729,500
Total Expenditures	839,500	839,500	32,009	807,491
Excess of Revenues Over, (Under) Expenditures	(834,000)	(834,000)	49,839	883,839
OTHER FINANCING SOURCES, (USES)				
Transfers In	300,000	300,000	150,000	(150,000)
Net Change in Fund Balance	(534,000)	(534,000)	199,839	733,839
Beginning Fund Balance	534,000	534,000	627,355	93,355
Ending Fund Balance	\$ -	\$ -	\$ 827,194	\$ 827,194

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS**

June 30, 2022

	STATE GAS TAX FUND	STREET SDC FUND	TOURISM MOTEL TAX	LIBRARY BOARD FUND
ASSETS				
Cash and Equivalents	\$ 683,297	\$ 504,213	\$ 313,086	\$ 664
Prepays	27,439	-	-	-
Accounts Receivable	-	-	34,668	-
Total Assets	<u>\$ 710,736</u>	<u>\$ 504,213</u>	<u>\$ 347,754</u>	<u>\$ 664</u>
LIABILITIES				
Accounts Payable	\$ 60,057	\$ -	\$ 4,103	\$ -
Due to Other Funds	-	-	-	-
Deferred Revenue	-	-	-	-
Total Liabilities	<u>60,057</u>	<u>-</u>	<u>4,103</u>	<u>-</u>
FUND BALANCES				
Unspendable	27,439	-	-	-
Restricted	623,240	504,213	-	-
Committed	-	-	343,651	-
Assigned	-	-	-	664
Unassigned	-	-	-	-
Total Fund Balances	<u>650,679</u>	<u>504,213</u>	<u>343,651</u>	<u>664</u>
Total Liabilities and Fund Balances	<u>\$ 710,736</u>	<u>\$ 504,213</u>	<u>\$ 347,754</u>	<u>\$ 664</u>

DEBT SERVICE LIBRARY GO BOND FUND	CAPITAL PROJECTS FUNDS PARKS CONSTRUCTION FUND	URBAN RENEWAL		TOTAL
		GENERAL URA FUND	DEBT SERVICE URA FUND	
\$ 1,688	\$ (47,203)	\$ -	\$ 60,545	\$ 1,516,290
-	98,922	-	-	126,361
5,329	158,920	-	386	199,303
<u>\$ 7,017</u>	<u>\$ 210,639</u>	<u>\$ -</u>	<u>\$ 60,931</u>	<u>\$ 1,841,954</u>
\$ -	\$ 230,786	\$ -	\$ -	\$ 294,946
-	-	-	-	-
5,329	-	-	-	5,329
<u>5,329</u>	<u>230,786</u>	<u>-</u>	<u>-</u>	<u>300,275</u>
-	98,922	-	-	126,361
1,688	-	-	60,931	1,190,072
-	-	-	-	343,651
-	-	-	-	664
-	(119,069)	-	-	(119,069)
<u>1,688</u>	<u>(20,147)</u>	<u>-</u>	<u>60,931</u>	<u>1,541,679</u>
<u>\$ 7,017</u>	<u>\$ 210,639</u>	<u>\$ -</u>	<u>\$ 60,931</u>	<u>\$ 1,841,954</u>

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2022

	STATE GAS TAX FUND	STREET SDC FUND	TOURISM MOTEL TAX	LIBRARY BOARD FUND
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
System Development Charges	-	151,797	-	-
Assessments	-	-	250,607	-
Grants and Contributions	-	-	-	-
Intergovernmental	728,957	-	-	-
Interest	3,504	2,410	1,632	-
Miscellaneous	135,960	-	-	-
Total Revenues	<u>\$ 868,421</u>	<u>\$ 154,207</u>	<u>\$ 252,239</u>	<u>\$ -</u>
EXPENDITURES				
Current				
General Government	-	-	-	-
Culture and Recreation	-	-	-	26,400
Tourism	-	-	106,565	-
Highways and Streets	86,364	-	-	-
Capital Outlay	122,065	-	-	-
Debt Service	54,877	-	-	-
Total Expenditures	<u>263,306</u>	<u>-</u>	<u>106,565</u>	<u>26,400</u>
Excess of Revenues Over, (Under) Expenditures	605,115	154,207	145,674	(26,400)
OTHER FINANCING SOURCES, (USES)				
Proceeds from Line of Credit	-	-	-	-
Transfers In	-	-	-	26,400
Transfers Out	(368,300)	-	(34,900)	-
Total Other Financing Sources, (Uses)	<u>(368,300)</u>	<u>-</u>	<u>(34,900)</u>	<u>26,400</u>
NET CHANGE IN FUND BALANCES	236,815	154,207	110,774	-
BEGINNING FUND BALANCES	<u>413,864</u>	<u>350,006</u>	<u>232,877</u>	<u>664</u>
ENDING FUND BALANCES	<u><u>\$ 650,679</u></u>	<u><u>\$ 504,213</u></u>	<u><u>\$ 343,651</u></u>	<u><u>\$ 664</u></u>

DEBT SERVICE LIBRARY GO BOND FUND	CAPITAL PROJECTS FUNDS PARKS CONSTRUCTION FUND	URBAN RENEWAL		TOTAL
		GENERAL URA FUND	DEBT SERVICE URA FUND	
\$ 61,500	\$ -	\$ -	\$ 101,623	\$ 163,123
-	64,565	-	-	216,362
-	-	-	-	250,607
-	251,291	-	-	251,291
-	-	-	-	728,957
2	115	-	-	7,663
-	-	-	523	136,483
<u>\$ 61,502</u>	<u>\$ 315,971</u>	<u>\$ -</u>	<u>\$ 102,146</u>	<u>\$ 1,754,486</u>
-	-	72,517	-	72,517
-	-	-	-	26,400
-	-	-	-	106,565
-	-	-	-	86,364
-	513,497	384,535	-	1,020,097
60,750	-	-	41,215	156,842
<u>60,750</u>	<u>513,497</u>	<u>457,052</u>	<u>41,215</u>	<u>1,468,785</u>
752	(197,526)	(457,052)	60,931	285,701
-	-	457,052	-	457,052
-	220,000	-	-	246,400
-	-	-	-	(403,200)
<u>-</u>	<u>220,000</u>	<u>457,052</u>	<u>-</u>	<u>300,252</u>
752	22,474	-	60,931	585,953
936	(42,621)	-	-	955,726
<u>\$ 1,688</u>	<u>\$ (20,147)</u>	<u>\$ -</u>	<u>\$ 60,931</u>	<u>\$ 1,541,679</u>

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2022

<u>STATE GAS TAX FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Intergovernmental	\$ 600,000	\$ 600,000	\$ 728,957	\$ 128,957
Charges for Service	135,900	135,900	135,960	60
Interest	4,000	4,000	3,504	(496)
Total Revenues	<u>739,900</u>	<u>739,900</u>	<u>868,421</u>	<u>128,521</u>
EXPENDITURES				
Materials and Services	201,700	201,700 (1)	86,364	115,336
Capital Outlay	400,000	400,000 (1)	122,065	277,935
Debt Service	54,877	54,877 (1)	54,877	-
Contingency	82,023	82,023 (1)	-	82,023
Total Expenditures	<u>738,600</u>	<u>738,600</u>	<u>263,306</u>	<u>475,294</u>
Excess of Revenues Over, (Under) Expenditures	1,300	1,300	605,115	603,815
OTHER FINANCING SOURCES, (USES)				
Transfers Out	<u>(368,300)</u>	<u>(368,300) (1)</u>	<u>(368,300)</u>	<u>-</u>
Net Change in Fund Balance	(367,000)	(367,000)	236,815	603,815
Beginning Fund Balance	<u>367,000</u>	<u>367,000</u>	<u>413,864</u>	<u>46,864</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 650,679</u>	<u>\$ 650,679</u>

(1) Appropriation Level

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2022

STREET SDC SPECIAL REVENUE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
System Development Charges	\$ 50,000	\$ 50,000	\$ 151,797	\$ 101,797
Interest	<u>4,000</u>	<u>4,000</u>	<u>2,410</u>	<u>(1,590)</u>
Total Revenues	<u>54,000</u>	<u>54,000</u>	<u>154,207</u>	<u>100,207</u>
EXPENDITURES				
Contingency	<u>383,000</u>	<u>383,000</u> (1)	<u>-</u>	<u>383,000</u>
Total Expenditures	<u>383,000</u>	<u>383,000</u>	<u>-</u>	<u>383,000</u>
Net Change in Fund Balance	(329,000)	(329,000)	154,207	483,207
Beginning Fund Balance	<u>329,000</u>	<u>329,000</u>	<u>350,006</u>	<u>21,006</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 504,213</u>	<u>\$ 504,213</u>

(1) Appropriation Level

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2022

<u>TOURISM - MOTEL TAX FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Assessments	\$ 170,000	\$ 170,000	\$ 250,607	\$ 80,607
Interest	<u>1,500</u>	<u>1,500</u>	<u>1,632</u>	<u>132</u>
Total Revenues	<u>171,500</u>	<u>171,500</u>	<u>252,239</u>	<u>80,739</u>
EXPENDITURES				
Materials and Services	106,700	106,700 (1)	106,565	135
Contingency	<u>222,900</u>	<u>222,900 (1)</u>	<u>-</u>	<u>222,900</u>
Total Expenditures	<u>329,600</u>	<u>329,600</u>	<u>106,565</u>	<u>223,035</u>
Excess of Revenues Over, (Under) Expenditures	(158,100)	(158,100)	145,674	303,774
OTHER FINANCING SOURCES, (USES)				
Transfers Out	<u>(34,900)</u>	<u>(34,900) (1)</u>	<u>(34,900)</u>	<u>-</u>
Net Change in Fund Balance	(193,000)	(193,000)	110,774	303,774
Beginning Fund Balance	<u>193,000</u>	<u>193,000</u>	<u>232,877</u>	<u>39,877</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 343,651</u>	<u>\$ 343,651</u>

(1) Appropriation Level

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2022

	<u>LIBRARY BOARD FUND</u>			
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Interest	\$ 25	\$ 25	\$	\$ (25)
Total Revenues	<u>25</u>	<u>25</u>	<u>-</u>	<u>(25)</u>
EXPENDITURES				
Materials and Services	26,400	26,400 (1)	26,400	-
Contingency	<u>125</u>	<u>125 (1)</u>	<u>-</u>	<u>125</u>
Total Expenditures	<u>26,525</u>	<u>26,525</u>	<u>26,400</u>	<u>125</u>
Excess of Revenues Over, (Under) Expenditures	(26,500)	(26,500)	(26,400)	100
OTHER FINANCING SOURCES, (USES)				
Transfers In	<u>26,400</u>	<u>26,400</u>	<u>26,400</u>	<u>-</u>
Net Change in Fund Balance	(100)	(100)	-	100
Beginning Fund Balance	<u>100</u>	<u>100</u>	<u>664</u>	<u>564</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 664</u>	<u>\$ 664</u>

(1) Appropriation Level

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2022

<u>LIBRARY GO BOND FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Property Taxes	\$ 61,500	\$ 61,500	\$ 61,500	\$ -
Interest	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
Total Revenues	<u>61,500</u>	<u>61,500</u>	<u>61,502</u>	<u>2</u>
EXPENDITURES				
Debt Service	<u>60,750</u>	<u>60,750</u> (1)	<u>60,750</u>	<u>-</u>
Total Expenditures	<u>60,750</u>	<u>60,750</u>	<u>60,750</u>	<u>-</u>
Net Change in Fund Balance	750	750	752	2
Beginning Fund Balance	<u>1,000</u>	<u>1,000</u>	<u>936</u>	<u>(64)</u>
Ending Fund Balance	<u>\$ 1,750</u>	<u>\$ 1,750</u>	<u>\$ 1,688</u>	<u>\$ (62)</u>

(1) Appropriation Level

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2022

<u>PARKS CONSTRUCTION FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
System Development Charges	\$ 15,000	\$ 15,000	\$ 64,565	\$ 49,565
Grants and Contributions	964,397	964,397	251,291	(713,106)
Interest	<u>1,000</u>	<u>1,000</u>	<u>115</u>	<u>(885)</u>
Total Revenues	<u>980,397</u>	<u>980,397</u>	<u>315,971</u>	<u>(664,426)</u>
EXPENDITURES				
Capital Outlay	1,164,397	1,164,397 (1)	513,497	650,900
Contingency	<u>42,000</u>	<u>42,000 (1)</u>	<u>-</u>	<u>42,000</u>
Total Expenditures	<u>1,206,397</u>	<u>1,206,397</u>	<u>513,497</u>	<u>692,900</u>
Excess of Revenues Over, (Under) Expenditures	(226,000)	(226,000)	(197,526)	28,474
OTHER FINANCING SOURCES, (USES)				
Transfers In	<u>220,000</u>	<u>220,000 (1)</u>	<u>220,000</u>	<u>-</u>
Net Change in Fund Balance	(6,000)	(6,000)	22,474	28,474
Beginning Fund Balance	<u>6,000</u>	<u>6,000</u>	<u>(42,621)</u>	<u>(48,621)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (20,147)</u>	<u>\$ (20,147)</u>

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2022**

<u>BICYCLE FOOTPATH FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Intergovernmental	\$ 6,000	\$ 6,000	\$ 6,858	\$ 858
Interest	<u>200</u>	<u>200</u>	<u>74</u>	<u>(126)</u>
Total Revenues	<u>6,200</u>	<u>6,200</u>	<u>6,932</u>	<u>732</u>
EXPENDITURES				
Contingency	<u>20,200</u>	<u>20,200</u> (1)	<u>-</u>	<u>20,200</u>
Total Expenditures	<u>20,200</u>	<u>20,200</u>	<u>-</u>	<u>20,200</u>
Net Change in Fund Balance	(14,000)	(14,000)	6,932	20,932
Beginning Fund Balance	<u>14,000</u>	<u>14,000</u>	<u>13,478</u>	<u>(522)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,410</u>	<u>\$ 20,410</u>

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2022**

<u>POLICE RESERVE FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Interest	\$ 1,000	\$ 1,000	\$ 1,385	\$ 385
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>1,385</u>	<u>385</u>
EXPENDITURES				
Capital Outlay	181,000	181,000 (1)	102,253	78,747
Contingency	<u>293,000</u>	<u>293,000 (1)</u>	<u>-</u>	<u>293,000</u>
Total Expenditures	<u>474,000</u>	<u>474,000</u>	<u>102,253</u>	<u>371,747</u>
Excess of Revenues Over, (Under) Expenditures	(473,000)	(473,000)	(100,868)	372,132
OTHER FINANCING SOURCES, (USES)				
Transfers In	<u>285,000</u>	<u>285,000</u>	<u>285,000</u>	<u>-</u>
Net Change in Fund Balance	(188,000)	(188,000)	184,132	372,132
Beginning Fund Balance	<u>188,000</u>	<u>188,000</u>	<u>192,193</u>	<u>4,193</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 376,325</u>	<u>\$ 376,325</u>

(1) Appropriation Level

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2022

	<u>FIRE RESERVE FUND</u>			
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Intergovernmental	\$ 855,000	\$ 855,000	\$ -	\$ (855,000)
Interest	<u>5,000</u>	<u>5,000</u>	<u>2,244</u>	<u>(2,756)</u>
Total Revenues	<u>860,000</u>	<u>860,000</u>	<u>2,244</u>	<u>(857,756)</u>
EXPENDITURES				
Capital Outlay	1,148,000	1,148,000 (1)	167,435	980,565
Contingency	<u>366,000</u>	<u>366,000 (1)</u>	<u>-</u>	<u>366,000</u>
Total Expenditures	<u>1,514,000</u>	<u>1,514,000</u>	<u>167,435</u>	<u>1,346,565</u>
Excess of Revenues Over, (Under) Expenditures	(654,000)	(654,000)	(165,191)	488,809
OTHER FINANCING SOURCES, (USES)				
Transfers In	<u>190,000</u>	<u>190,000</u>	<u>190,000</u>	<u>-</u>
Net Change in Fund Balance	(464,000)	(464,000)	24,809	488,809
Beginning Fund Balance	<u>464,000</u>	<u>464,000</u>	<u>416,356</u>	<u>(47,644)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 441,165</u>	<u>\$ 441,165</u>

(1) Appropriation Level

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2022

PUBLIC WORKS OPERATIONS RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Interest	200	200	41,869	41,669
Total Revenues	200	200	41,869	41,669
EXPENDITURES				
Capital Outlay	95,000	95,000 (1)	95,000	-
Contingency	153,200	153,200 (1)	-	153,200
Total Expenditures	248,200	248,200	95,000	153,200
Excess of Revenues Over, (Under) Expenditures	(248,000)	(248,000)	(53,131)	194,869
OTHER FINANCING SOURCES, (USES)				
Transfers In	50,000	50,000	50,000	-
Net Change in Fund Balance	(198,000)	(198,000)	(3,131)	194,869
Beginning Fund Balance	198,000	198,000	198,404	404
Ending Fund Balance	\$ -	\$ -	\$ 195,273	\$ 195,273

(1) Appropriation Level

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2022

<u>PARKS/FACILITIES RESERVE FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Interest	\$ 2,000	\$ 2,000	\$ 1,293	\$ (707)
Miscellaneous	<u>2,000</u>	<u>2,000</u>	<u></u>	<u>(2,000)</u>
Total Revenues	<u>4,000</u>	<u>4,000</u>	<u>1,293</u>	<u>(2,707)</u>
EXPENDITURES				
Capital Outlay	237,500	237,500 (1)	147,552	89,948
Contingency	<u>94,500</u>	<u>94,500 (1)</u>	<u>-</u>	<u>94,500</u>
Total Expenditures	<u>332,000</u>	<u>332,000</u>	<u>147,552</u>	<u>184,448</u>
Excess of Revenues Over, (Under) Expenditures	(328,000)	(328,000)	(146,259)	181,741
OTHER FINANCING SOURCES, (USES)				
Transfers In	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>-</u>
Net Change in Fund Balance	(248,000)	(248,000)	(66,259)	181,741
Beginning Fund Balance	<u>248,000</u>	<u>248,000</u>	<u>294,429</u>	<u>46,429</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 228,170</u>	<u>\$ 228,170</u>

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2022**

<u>URBAN RENEWAL AGENCY FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Materials and Services	\$ 384,000	\$ 384,000 (1)	\$ 72,517	\$ 311,483
Capital Outlay	650,000	650,000 (1)	384,535	265,465
Contingency	-	- (1)	-	-
Total Expenditures	1,034,000	1,034,000	457,052	576,948
Excess of Revenues Over, (Under) Expenditures	(1,034,000)	(1,034,000)	(457,052)	576,948
OTHER FINANCING SOURCES, (USES)				
Proceeds from Line of Credit	1,034,000	1,034,000	457,052	(576,948)
Net Change in Fund Balance	-	-	-	-
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2022**

URA DEBT SERVICE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 75,600	\$ 75,600	\$ 101,623	\$ 26,023
Miscellaneous	1,000	1,000	523	(477)
Total Revenues	76,600	76,600	102,146	25,546
EXPENDITURES				
Debt Service	\$ 56,500	\$ 56,500 (1)	\$ 41,215	\$ 15,285
Contingency	20,100	20,100 (1)	-	20,100
Total Expenditures	76,600	76,600	41,215	35,385
Net Change in Fund Balance	-	-	60,931	60,931
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	\$ -	\$ -	\$ 60,931	\$ 60,931

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**COMBINING STATEMENT OF NET POSITION -
NONMAJOR ENTERPRISE FUNDS**

June 30, 2022

	WATER RESERVE FUND	WASTEWATER RESERVE FUND	KNOLLS ESTATE STEP SURCHARGE FUND
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and Cash Equivalents	\$ 343,430	\$ 142,731	\$ 80,168
Accounts Receivable	-	-	-
Accrued Interest	-	-	-
Prepays	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 343,430</u>	<u>\$ 142,731</u>	<u>\$ 80,168</u>
NET POSITION			
Restricted for Bond Covenant	-	-	-
Restricted for Debt Service	-	-	-
Unrestricted	<u>343,430</u>	<u>142,731</u>	<u>80,168</u>
Total Net Position	<u>343,430</u>	<u>142,731</u>	<u>80,168</u>
Total Liabilities and Net Position	<u>\$ 343,430</u>	<u>\$ 142,731</u>	<u>\$ 80,168</u>

WATER DEBT SERVICE FUND	WASTEWATER DEBT SERVICE FUND	TOTAL
\$ 429,366	\$ 1,450,892	\$ 2,446,587
-	87,000	87,000
-	395	395
21,488	-	21,488
<u>\$ 450,854</u>	<u>\$ 1,538,287</u>	<u>\$ 2,555,470</u>
357,261	-	357,261
93,593	1,538,287	1,631,880
-	-	566,329
<u>450,854</u>	<u>1,538,287</u>	<u>2,555,470</u>
<u>\$ 450,854</u>	<u>\$ 1,538,287</u>	<u>\$ 2,555,470</u>

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - NONMAJOR ENTERPRISE FUNDS**

For the Year Ended June 30, 2022

	WATER RESERVE FUND	WASTEWATER RESERVE FUND	KNOLLS ESTATE STEP SURCHARGE FUND
	<u> </u>	<u> </u>	<u> </u>
OPERATING REVENUES			
Charges for Services	\$ -	\$ -	\$ 22,858
OPERATING EXPENSES			
Materials and Services	<u>-</u>	<u>-</u>	<u>12,054</u>
Operating income (loss)	-	-	10,804
NONOPERATING REVENUES (EXPENSES)			
Interest	1,861	728	404
Debt Service	-	-	-
Transfers In	-	15,000	-
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>1,861</u>	<u>15,728</u>	<u>404</u>
Change in Net Position	1,861	15,728	11,208
Beginning Net Position	<u>341,569</u>	<u>127,003</u>	<u>68,960</u>
Ending Net Position	<u>\$ 343,430</u>	<u>\$ 142,731</u>	<u>\$ 80,168</u>

WATER DEBT SERVICE FUND	WASTEWATER DEBT SERVICE FUND	TOTAL
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,858</u>
<u>-</u>	<u>-</u>	<u>12,054</u>
-	-	10,804
1,757	8,828	13,578
(415,600)	(980,484)	(1,396,084)
460,000	600,000	1,075,000
<u>-</u>	<u>-</u>	<u>-</u>
<u>46,157</u>	<u>(371,656)</u>	<u>(307,506)</u>
46,157	(371,656)	(296,702)
<u>404,697</u>	<u>1,909,943</u>	<u>2,852,172</u>
<u>\$ 450,854</u>	<u>\$ 1,538,287</u>	<u>\$ 2,555,470</u>

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2022

	WATER RESERVE FUND	WASTEWATER RESERVE FUND	KNOLLS ESTATE STEP SURCHARGE FUND
Cash Flows from Operating Activities:			
Cash from Customers	\$ -	\$ -	\$ 22,858
Cash paid to Suppliers	-	-	(12,654)
	-	-	10,204
Cash flow from Operations	-	-	10,204
Cash Flows from Investing Activities:			
Earnings on Investments and Other	1,861	728	404
Cash Flows from Noncapital Financing Activities:			
Transfers	-	15,000	-
Cash flow from Noncapital Financing	-	15,000	-
Cash Flows from Capital and Related Financing Activities:			
Payments on long term debt	-	-	-
Cash flow from Capital Financing	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	1,861	15,728	10,608
Cash and Cash Equivalents, Beginning	341,569	127,003	69,560
Cash and Cash Equivalents, Ending	\$ 343,430	\$ 142,731	\$ 80,168
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating Income, (Loss)	\$ -	\$ -	\$ 10,804
Noncash Items Included in Income:			
(Increase), Decrease in Assets	-	-	-
Increase (Decrease) in Accounts Payable and Accrued Liabilities	-	-	(600)
Net Cash Provided (Used) by Operating Activities	\$ -	\$ -	\$ 10,204

WATER DEBT SERVICE FUND	WASTEWATER DEBT SERVICE FUND	TOTAL
\$ -	\$ 23,605	\$ 46,463
-	-	(12,654)
-	23,605	33,809
1,757	8,828	13,578
460,000	600,000	1,075,000
460,000	600,000	1,075,000
(415,600)	(980,484)	(1,396,084)
(415,600)	(980,484)	(1,396,084)
46,157	(348,051)	(273,697)
383,209	1,798,943	2,720,284
\$ 429,366	\$ 1,450,892	\$ 2,446,587
\$ -	\$ -	\$ 10,804
-	-	-
-	23,605	23,005
\$ -	\$ 23,605	\$ 33,809

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2022

	<u>WATER RESERVE FUND</u> <u>A NONMAJOR ENTERPRISE FUND</u>			
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Interest	\$ 5,000	\$ 5,000	\$ 1,861	\$ (3,139)
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>1,861</u>	<u>(3,139)</u>
EXPENDITURES				
Capital Outlay	40,000	40,000 (1)	-	40,000
Contingency	<u>307,000</u>	<u>307,000 (1)</u>	<u>-</u>	<u>307,000</u>
Total Expenditures	<u>347,000</u>	<u>347,000</u>	<u>-</u>	<u>347,000</u>
Excess of Revenues Over, (Under) Expenditures	<u>(342,000)</u>	<u>(342,000)</u>	<u>1,861</u>	<u>343,861</u>
Net Change in Fund Balance	(342,000)	(342,000)	1,861	343,861
Beginning Fund Balance	<u>342,000</u>	<u>342,000</u>	<u>341,569</u>	<u>(431)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 343,430</u>	<u>\$ 343,430</u>

(1) Appropriation Level

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2022

<u>PUBLIC WORKS WASTEWATER RESERVE FUND</u> <u>A NONMAJOR ENTERPRISE FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Interest	\$ 1,250	\$ 1,250	\$ 728	\$ (522)
Total Revenues	<u>1,250</u>	<u>1,250</u>	<u>728</u>	<u>(522)</u>
EXPENDITURES				
Capital Outlay	80,000	80,000 (1)	-	80,000
Contingency	<u>63,250</u>	<u>63,250 (1)</u>	<u>-</u>	<u>63,250</u>
Total Expenditures	<u>143,250</u>	<u>143,250</u>	<u>-</u>	<u>143,250</u>
Excess of Revenues Over, (Under) Expenditures	(142,000)	(142,000)	728	142,728
OTHER FINANCING SOURCES, (USES)				
Transfers In	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Net Change in Fund Balance	(127,000)	(127,000)	15,728	142,728
Beginning Fund Balance	<u>127,000</u>	<u>127,000</u>	<u>127,003</u>	<u>3</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 142,731</u>	<u>\$ 142,731</u>

(1) Appropriation Level

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2022

KNOLLS ESTATE STEP SURCHARGE FUND
A NONMAJOR ENTERPRISE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Charges for Services	\$ 20,000	\$ 20,000	\$ 22,858	\$ 2,858
Interest	500	500	404	(96)
Total Revenues	20,500	20,500	23,262	2,762
EXPENDITURES				
Materials and Services	25,000	25,000 (1)	12,054	12,946
Contingency	63,500	63,500 (1)	-	63,500
Total Expenditures	88,500	88,500	12,054	76,446
Net Change in Fund Balance	(68,000)	(68,000)	11,208	79,208
Beginning Fund Balance	68,000	68,000	68,960	960
Ending Fund Balance	\$ -	\$ -	\$ 80,168	\$ 80,168

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2022**

<u>WATER DEBT SERVICE FUND</u> <u>A NONMAJOR ENTERPRISE FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Interest	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 1,757</u>	<u>\$ (1,243)</u>
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>1,757</u>	<u>(1,243)</u>
EXPENDITURES				
Debt Service	424,925	424,925 (1)	415,600	9,325
Contingency	<u>90,605</u>	<u>90,605 (1)</u>	<u>-</u>	<u>90,605</u>
Total Expenditures	<u>515,530</u>	<u>515,530</u>	<u>415,600</u>	<u>99,930</u>
Excess of Revenues Over, (Under) Expenditures	(512,530)	(512,530)	(413,843)	98,687
OTHER FINANCING SOURCES, (USES)				
Transfers In	<u>460,000</u>	<u>460,000</u>	<u>460,000</u>	<u>-</u>
Net Change in Fund Balance	(52,530)	(52,530)	46,157	98,687
Beginning Fund Balance	<u>405,000</u>	<u>405,000</u>	<u>404,697</u>	<u>(303)</u>
Ending Fund Balance	<u>\$ 352,470</u>	<u>\$ 352,470</u>	<u>\$ 450,854</u>	<u>\$ 98,384</u>

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2022**

<u>WASTEWATER DEBT SERVICE FUND</u> <u>A NONMAJOR ENTERPRISE FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Assessments	\$ 27,400	\$ 27,400	\$ -	\$ (27,400)
Interest	7,500	7,500	8,433	933
Total Revenues	<u>34,900</u>	<u>34,900</u>	<u>8,433</u>	<u>(26,467)</u>
EXPENDITURES				
Debt Service	380,990	989,990 (1)	980,484	9,506
Contingency	<u>2,058,910</u>	<u>1,449,910 (1)</u>	<u>-</u>	<u>1,449,910</u>
Total Expenditures	<u>2,439,900</u>	<u>2,439,900</u>	<u>980,484</u>	<u>1,459,416</u>
Excess of Revenues Over, (Under) Expenditures	(2,405,000)	(2,405,000)	(972,051)	1,432,949
OTHER FINANCING SOURCES, (USES)				
Transfers In	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>-</u>
Net Change in Fund Balance	(1,805,000)	(1,805,000)	(372,051)	1,432,949
Beginning Fund Balance	<u>1,805,000</u>	<u>1,805,000</u>	<u>1,798,943</u>	<u>(6,057)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,426,892</u>	<u>\$ 1,426,892</u>
Reconciliation to GAAP:				
Deferred Revenue			<u>\$ 111,395</u>	
GAAP Net Position			<u>\$ 1,538,287</u>	

(1) Appropriation Level

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2022

PUBLIC WORKS OPERATIONS FUND - INTERNAL SERVICE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Interest	\$ 2,000	\$ 2,000	\$ 44	\$ (1,956)
Total Revenues	2,000	2,000	44	(1,956)
EXPENDITURES				
Personnel Services	\$ 1,578,773	\$ 1,578,773 (1)	\$ 1,511,076	\$ 67,697
Materials and Services	77,500	77,500 (1)	55,072	22,428
Contingency	38,727	38,727 (1)	-	38,727
Total Expenditures	1,695,000	1,695,000	1,566,148	128,852
Excess of Revenues Over, (Under) Expenditures	(1,693,000)	(1,693,000)	(1,566,104)	126,896
OTHER FINANCING SOURCES, (USES)				
Transfers Out	(50,000)	(50,000) (1)	(50,000)	-
Transfers In	1,643,000	1,643,000	1,643,000	-
Net Change in Fund Balance	(100,000)	(100,000)	26,896	126,896
Beginning Fund Balance	100,000	100,000	146,436	46,436
Ending Fund Balance	\$ -	\$ -	\$ 173,332	\$ 173,332

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**INDEPENDENT AUDITORS' REPORT REQUIRED BY
OREGON STATE REGULATIONS**



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November 14, 2022

Independent Auditors' Report Required by Oregon State Requirements

We have audited the basic financial statements of the City of Sutherlin as of and for the year ended June 30, 2022, and have issued our report thereon dated November 14, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards..

Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

In connection with our testing nothing came to our attention that caused us to believe the City of Sutherlin was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except as follows:

1. Expenditures of the various funds were within authorized appropriations, except as noted on page 15.

OAR 162-10-0230 Internal Control

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

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

A handwritten signature in dark ink, appearing to read "Ken Allen", with a stylized, flowing script.

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

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

GRANT COMPLIANCE REVIEW

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2022**

	Pass Through Organization	CFDA Number	Pass Through Entity Number	Grant Period	Expenditures	Pass Through to Subrecipients
US DEPARTMENT OF AGRICULTURE						
Capitalization Grants for Drinking Water						
State Revolving Funds	Oregon DEQ	66.468	S19006	02/27/2019- 10/1/2021	(1) \$ 7,415	\$ -
Capitalization Grants for Drinking Water						
State Revolving Funds	Oregon DEQ	66.468	S19026	04/01/2021- 08/31/2023	(1) 2,477,457	-
Total Capitalization Grants for Drinking Water State Revolving Funds					2,484,872	
US DEPARTMENT OF TRANSPORTATION						
Recreational Trails Program	Oregon Parks and Recreation Department	20.219	RT18-022	05/01/2018- 06/30/2022	40,430	-
US DEPARTMENT OF THE TREASURY						
Coronavirus Relief Fund (COVID-19)	Oregon Department of Administrative Services	21.019	OR8191	05/01/2021- 09/30/2026	435,063	-
TOTAL FEDERAL FINANCIAL EXPENDITURES					\$ 2,960,365	\$ -

(1) This amount is included in the total loan drawn downs from OBDD (See page 23)



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November 14, 2022

To the Mayor and City Council
City of Sutherlin, Oregon

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Sutherlin as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated November 14, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express an opinion on the effectiveness of internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected, on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in blue ink, appearing to read "Ken Allen", is positioned above the printed name.

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



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November 14, 2022

To the Mayor and City Council
City of Sutherlin, Oregon

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Sutherlin's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2022. The major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Sutherlin complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Sutherlin and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to its federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

A handwritten signature in black ink, appearing to read "Ken Allen", with a stylized, cursive script.

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

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Year Ended June 30, 2022

SECTION I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditors’ report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? ☐ yes ☒ no

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

Noncompliance material to financial statements noted? ☐ yes ☒ no

Any GAGAS audit findings disclosed that are required to be reported
in accordance with section 515(d)(2) of the Uniform Guidance? ☐ yes ☒ no

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified? ☐ yes ☒ no

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

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

Any audit findings disclosed that are required to be reported in
accordance with section 200.516(a) of the Uniform Guidance? ☐ yes ☒ no

IDENTIFICATION OF MAJOR PROGRAMS

CFDA NUMBER NAME OF FEDERAL PROGRAM CLUSTER

66.468 Clean Water State Revolving Funds

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

Auditee qualified as low-risk auditee? ☒ yes ☐ no

**CITY OF SUTHERLIN
DOUGLAS COUNTY OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Year Ended June 30, 2022

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL EXPENDITURES

1. BASIS OF PRESENTATION

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3. FEDERAL LOAN PROGRAMS

The federal loan programs listed subsequently are administered directly by the entity and balances and transactions relating to the programs are included in the entity's basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the schedule. The balance of loans outstanding as of June 30, 2022 consists of:

<u>CFDA</u> <u>Number</u>	<u>Program Name</u>	<u>Outstanding</u> <u>Balance at 6/30/22</u>
66.458	Clean Water State Revolving Funds	\$18,000,000
66.458	Clean Water State Revolving Funds	\$1,717,456
66.468	Drinking Water State Revolving Funds	\$3,878,133
66.468	Drinking Water State Revolving Funds	\$336,882



Sutherlin Area Chamber of Commerce Executive Director





CONSENT AGENDA



CITY OF SUTHERLIN
City Council Meeting
Civic Auditorium
Monday, November 14, 2022 – 7:00pm

COUNCIL MEMBERS:

Tom Boggs, Gary Dagel, Joe Groussman, Debbie Hamilton, Shawn Smalley and Larry Whitaker

MAYOR: Michelle Sumner

CITY STAFF: City Manager, Jerry Gillham

Finance Director, Tami Trowbridge
City Recorder/HR Director, Diane Harris
Deputy City Recorder, Melanie Masterfield
Public Works Director, Aaron Swan
Community Development Director, Brian Elliott
Community Development Supervisor, Kristi Gilbert
City Planner, Jamie Chartier
Police Captain, Kurt Sorenson
Fire Chief, Mike Lane
Library Director/Livability Services Director, Pat Lynch
City Attorney, Chad Jacobs (via Zoom)

Audience: Bruce Conner, Wayne Ellsworth (Umpqua Heart President), Calvin Calvin, Debra Lines, Len Bodeen, Josh Gomez, David & Molly Hamner

Via Zoom: Larry Bahr, Jim Houseman

Meeting called to order by Mayor Sumner at 7:00 p.m.

Flag Salute:

Roll Call: All present

Introduction of Media: None

****Mayor made an announcement for Zoom attendees.****

PUBLIC COMMENT (agenda items only)

- Debra Lines (business owner of Roseburg Saw & Tool – located next to Hastings Village) expressed concerns with the growing size of Hastings Village. There's been a significant increase in traffic, trash, animals, people screaming throughout the night, and most recently an issue with fires.
- Josh Gomez – Resident of Hastings Village. Expressed concern for fire hazards and hygiene issues due to lack of water. There are 37 people residing at Hastings Village and one dumpster is not enough.
 - Councilor Hamilton – Was water being provided to the camp? *Gomez – The Arts's across the street were providing water but stopped.*
 - Mayor Sumner – Why? *Gomez – Their truck had been broken into but unsure of who the assailant was.*
- Len Bodeen wanted clarification regarding the rumor of needles being provided to Hastings Village by the City. *Mayor Sumner - Not aware of that happening.* Inquired about psilocybin. *Councilor Whitaker - The two year prohibition was recommended by our City Attorney and done to provide the City more time to analyze the data.* Expressed enjoyment for the new entertainment stage in Central Park.

CONSENT AGENDA

- **October 10, 2022 Minutes – Regular Meeting**

MOTION made by Councilor Hamilton to approve Consent Agenda as presented; second by Councilor Groussman.

Discussion: None

In favor: Councilors Boggs, Dagel, Whitaker, Smalley, Groussman, Hamilton and Mayor Sumner.

Opposed: None

Motion carried unanimously.

COUNCIL BUSINESS

- **Resolution No. 2022.12 – Fee Schedule**

Staff Report – City Recorder, Diane Harris – The new addition of the Central Park Stage rental fees prompted an update of all City fees. Various departments have provided fee updates to the proposed fee schedule as well.

MOTION made by Councilor Boggs to approve Resolution No. 2022.12 – Fee Schedule as presented; second by Councilor Hamilton.

Discussion:

- Councilor Dagel – What are the renters of the Central Park Stage responsible for cleaning? Should specify what needs to be cleaned. *Harris – Language will be added to the rental/user agreement.*

Discussion ensued between Council and Staff.

- City Attorney, Chad Jacobs – Since new fees are being added to the fee schedule, a public comment period needs to be given.

Mayor Sumner asked for public comment. *None given.*

In Favor: Councilors Boggs, Whitaker, Smalley, Groussman, Hamilton and Mayor Sumner.

Opposed: Councilor Dagel

Motion carried.

- **Public Hearing – Supplemental Budget Adjustment**

Mayor Sumner opened the Public Hearing at 7:24 p.m.

Staff Report – Finance Director, Tami Trowbridge – This Public Hearing is for interested parties to speak regarding changes to the 2022-2023 budget. An adjustment is needed to move forward with the Everett Street property purchase and Mainstreet Grant for the Historic Bank Building improvements. All funds loaned to the Urban Renewal Agency (URA) will be repaid as revenue comes in.

Mayor Sumner asked for Public Comment. *None given*

Mayor Sumner closed the Public Hearing at 7:25 p.m.

- **Resolution No. 2022.13 – Supplemental Budget Adjustment**

MOTION made by Councilor Hamilton to approve Resolution No. 2022.13 – Supplemental Budget Adjustment as presented; second by Councilor Boggs.

Discussion:

- Councilor Boggs asked for clarification of used and available funds for URA. *Trowbridge explained.*

In favor: Councilors Boggs, Dagel, Whitaker, Smalley, Groussman, Hamilton and Mayor Sumner.

Opposed: None

Motion carried unanimously.

REPORTS

- **LOC Conference Update**

Councilor Groussman provided a brief update from the LOC (League of Oregon Cities) Conference. Five City members including Council and Staff attended the conference in Bend, October 2022.

- **Ford's Pond Report**

Community Development Director, Brian Elliott, provided a brief update on the progress at Ford's Pond.

- The wetland delineation is moving forward – 500 lineal feet of boardwalk is needed. No cost estimate available at this time.
- The boardwalk and path have to be ADA accessible.
- Restrooms and pavilions are moving forward.
- RV overflow parking hasn't been discussed at this point.
- Inclusive playground equipment has a funding shortfall.

- January – scope of work, cost estimate and design; go out to bid in early spring; start construction weather permitting; completion by early to late fall 2023.
- Councilor Hamilton – Have the issues of loose dogs been addressed? *Elliott – It's an ongoing problem.*

CITY MANAGER REPORT (verbal)

City Manager, Jerry Gillham, introduced Wayne Ellsworth – Umpqua Heart President; and Pat Lynch – Livability Services Director, whom provided an update regarding Hastings Village and the proposed regional center.

Wayne Ellsworth:

- To date, shelter has been found for nearly 100 people.
- Crime, littering, loitering, trespassing, public intoxication, and vandalism associated with houselessness has decreased considerable.
- The Police Department has a wonderful relationship with many of the unhoused population.
- Residents at Hastings Village are becoming self-sufficient. Five are working full-time and four are waiting on appropriate housing. Five have paid off their court fines through designated work programs.
- Churches, Sutherlin/Oakland Food Pantry, St. Vincent De Paul and local community members are working together to help with food, clothing, peer support, and other resources.
- Multiple agencies are working together to provide necessary resources.
- There have been a few fires due to heaters being too close to flammable items.
- There are currently 37 residents at Hastings Village.
- A water source is needed.
- Progress continues towards a regional center located in the Roseburg area.

Councilor Groussman – What is your recommendation to solve the water need, fire suppression, and the need for more dumpsters? *Ellsworth – A larger dumpster is needed or frequent emptying of the current dumpster. A spigot would be the best to provide water to the property. Providing a storage tank with potable water has been discussed.*

Councilor Boggs – How much water is needed? *It's unknown, however a standard 2,500 gallon tank should be sufficient for a month.*

Councilor Whitaker – How many occupants can be supported at the camp? *About 18.*

Discussion continued between Council and Ellsworth.

CITY COUNCIL COMMENT

Councilor Dagel

- Expressed concern for the growing homeless situation.

Councilor Whitaker

- Thanked the Council for volunteering him for the Employee Policies and Procedures Handbook review committee.

Councilor Smalley

- Agreed with Councilor Whitaker.

Councilor Groussman

- Thanked Councilors Smalley and Whitaker for reviewing the Employee Policies and Procedures Handbook.
- We're in this for the long run whether it's homeless or houseless.

Councilor Hamilton

- Thanked the Lion's Club for putting up the flags.
- Thanked Public Works for putting up the holiday decorations.
- When will the holiday trees be installed? *Public Works Director, Aaron Swan – Soon. Gillham – When will the lights along Central be lit? City Planner, Jamie Chartier – November 25th.*

Councilor Boggs

- Potholes in pavement on Fort McKay.

- Announced his resignation effective December 1, 2022.

Mayor Sumner

- Thanked Councilor Boggs for his service.
- Spoke at SKP Park. They're thankful for the paving of Everett and State St. but people are running the stop signs on State St. Asked if "STOP" could be written on the pavement. *Swan – We're considering a lit stop sign.*

PUBLIC COMMENT (Off Agenda Items)

- None

ADJOURNMENT

With no further business, meeting adjourned at 8:22 p.m.

Approved:

Jerry Gillham, City Manager

Respectfully submitted by,

Melanie Masterfield, Deputy City Recorder

Michelle Sumner, Mayor



COUNCIL BUSINESS





City of Sutherlin

126 E. Central Avenue
Sutherlin, OR 97479
541-459-2856
Fax: 541-459-9363
www.cityofsutherlin.com

STAFF REPORT					
Re: Acceptance of Resignation & Declaring a Vacancy				Meeting Date:	12/12/2022
Purpose:	Action Item <input checked="" type="checkbox"/>	Workshop <input type="checkbox"/>	Report Only <input type="checkbox"/>	Discussion <input checked="" type="checkbox"/>	Update <input type="checkbox"/>
Submitted By: Diane Harris, City Recorder				City Manager Review	<input checked="" type="checkbox"/>
Attachments: Councilor Boggs – Letter of Resignation					

WHAT IS BEING ASKED OF COUNCIL?

Council is being asked to recognize and accept the resignation of Councilor Tom Boggs and declaring a vacancy.

EXPLANATION

At the November 14, 2022 Council meeting, Councilor Tom Boggs announced his resignation, to be effective December 1, 2022.

The Charter of the City of Sutherlin, Chapter VII, Section 28 – Filling of Vacancies states “Upon the declared vacancy of any council position that occurs within six months of a council or mayoral election, the City Council shall offer the appointment to the council or mayoral candidate from the most recent election who received the highest number votes without being elected”.

Outgoing Councilor, Gary Dagel, received the next highest votes during the November 8, 2022 General Election.

OPTIONS

Upon the acceptance of Councilor Boggs’ resignation and declaring a vacancy, Council shall offer the appointment to fill the vacant position to the next highest vote getter, Gary Dagel. If Councilor Dagel accepts the position, he will be sworn in at the January 9, 2023 City Council Meeting.

SUGGESTED MOTION(S)

Motion to accept Councilor Boggs resignation and declaring a vacancy.

November 15, 2022

To: Mayor Michelle Sumner and Sutherlin City Council

City Manager Jerry Gillham

HR Director Diane Harris

RE: Step Down

As referenced at November 14, 2022 City Council meeting this is my letter informing all that I am stepping down as a Sutherlin city councilor effective December 1, 2022.



Tom Boggs



126 E. Central Avenue
Sutherlin, OR 97479
541-459-2856
Fax: 541-459-9363
www.cityofsutherlin.com

City of Sutherlin

STAFF REPORT					
Re: Resolution 2022.14 – Certificate of Approval - Employee Policy & Procedures				Meeting Date:	12/12/2022
Purpose:	Action Item <input checked="" type="checkbox"/>	Workshop <input type="checkbox"/>	Report Only <input type="checkbox"/>	Discussion <input type="checkbox"/>	Update <input type="checkbox"/>
Submitted By: Diane Harris, City Recorder				City Manager Review	<input checked="" type="checkbox"/>
Attachments: Resolution No. 2022.14					

WHAT IS BEING ASKED OF COUNCIL?

Council is being asked approve the resolution to authorize the Certificate of Approval for the recently amended Employee Policies & Procedures Handbook.

EXPLANATION

As a best practice, CIS suggests that all entities review their employee policies and procedures every 2 to 3 years. This ensures that all policies are compliant with legislation, policy, and best practices. The handbook that is currently in use was approved March of 2019 after completing a year and a half long review process.

During this current review process, the handbook was initially presented to CIS Legal/HR personnel, followed by several meetings that included staff members from various classifications, departments, and representatives from both unions. The handbook was then passed on to the City Manager, who reviewed it and provided comments prior to the final step of the process that included three members of council.

OPTIONS

See suggested motions.

SUGGESTED MOTION(S)

Motion to approve (amend or not approve) Resolution No. 2022.14 Certificate of Approval for the City of Sutherlin Employee Policies and Procedures Handbook.

RESOLUTION NO. 2022.14

**A RESOLUTION ADOPTING AN AMENDED EMPLOYEE POLICIES AND
PROCEDURES HANDBOOK FOR THE CITY OF SUTHERLIN.**

WHEREAS, pursuant to the Sutherlin Municipal Code Section 2.44.020, personnel rules shall be adopted and amended by resolution of the common council; and

WHEREAS, the City Manager shall be responsible for administering all provisions of Sutherlin Municipal Code, Chapter 2.44 and of the personnel rules not specifically reserved to the common council; and

WHEREAS, the Employee Policies and Procedures Handbook shall be periodically reviewed to ensure all existing personnel policies are compliant with legislation, policy and best practices; and

WHEREAS, City/County Insurance Services, and city staff representing various classifications, departments, and labor unions, were consulted in the drafting of an updated handbook; and

WHEREAS, The City Council of Sutherlin desires to treat City employees in a fair, dignified and equitable manner.

NOW, THEREFORE BE IT RESOLVED, the Sutherlin City Council hereby approves the Employee Policies and Procedures Handbook dated December 12, 2022 as follows:

Section 1. The City Council of the City of Sutherlin hereby adopts the City of Sutherlin Employee Policies and Procedures Handbook by Certificate of Approval attached as Exhibit A.

Section 2. This resolution is effective immediately upon its enactment by the City Council.

PASSED BY THE CITY COUNCIL, ON THIS 12TH DAY OF DECEMBER, 2022

APPROVED BY THE MAYOR, ON THIS 12TH DAY OF DECEMBER, 2022

Michelle Sumner, Mayor

ATTEST:

Diane Harris, City Recorder, CMC

Exhibit A



CERTIFICATE OF APPROVAL

This is to certify that the City of Sutherlin
Employee Handbook Policies & Procedures
contained herein were adopted by the Sutherlin City Council
consistent with the authority of the City Manager of Sutherlin
on this 12th day of December, 2022
(Sutherlin Municipal Code 12.44.020)

Tami Trowbridge, Finance Director
Director

Brian Elliott, Community Development

Gary Fugate, PW Facilities Supervisor

Kurt Sorenson, Police Captain

Mike Lane, Fire Chief

Melanie Masterfield, Deputy City Recorder

Kitty Page, AFSCME Representative

Kyle Nelson, SPOA Representative

Diane Harris, Human Resources Mgr

Debbie Hamilton, City Councilor

Shawn Smalley, City Councilor

Larry Whitaker, City Councilor

Jerry Gillham, City Manager

Michelle Sumner, Mayor



City of Sutherlin

STAFF REPORT					
Re: Resolution 2022.15 – Election Canvass of Votes				Meeting Date:	Dec 12, 2022
Purpose:	Action Item <input checked="" type="checkbox"/>	Workshop <input type="checkbox"/>	Report Only <input type="checkbox"/>	Discussion <input type="checkbox"/>	Update <input type="checkbox"/>
Submitted By: City Recorder, Diane Harris				City Manager Review	<input checked="" type="checkbox"/>
Attachments:	Resolution 2022.15, Notice of Election Canvass, and Overvote & Undervote Information				

WHAT IS BEING ASKED OF COUNCIL?

Council is being asked to acknowledge and certify the official results of the General Election held on Tuesday, November 8, 2022, as officially received from the office of the Douglas County Clerk and Douglas County Elections Division on December 5, 2022.

EXPLANATION

The purpose of the canvass is to account for every ballot cast and ensure that every valid vote cast is included in the election totals. Douglas County Clerk's Election Division provides the official Canvass of Votes to the City of Sutherlin following an election.

OPTIONS

Office of the City of Sutherlin Election Officer requests approval and adoption of Resolution 2022.15 – Canvass of Votes as presented.

Further, the City Recorder will issue Certificates of Election to the individuals elected at the November 8, 2022 General Election and will be presented at the January 9th City Council Meeting.

SUGGESTED MOTION(S)

Motion to approve (not approve or amend) Resolution 2022.15 – Canvass of Votes with attachments from the November 8, 2022 General Election as presented.

RESOLUTION NO. 2022.15

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUTHERLIN, OREGON, CERTIFYING THE RESULTS OF THE NOVEMBER 8, 2022, GENERAL ELECTION.

WHEREAS, the election results from the November 8, 2022 General Election have been certified by the Office of the Douglas County Clerk and the Douglas County Elections Division and received by the City of Sutherlin on December 5, 2022.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sutherlin that:

Section 1: That the votes cast by electors of the City of Sutherlin for Mayor and Councilors and Ballot Measure 10-201 – Psilocybin 2-year prohibition, at the November 8, 2022 General Election, are hereby found, determined and declared to be as follows:

MAYOR

Michelle Sumner	2,636
Write-ins	116
Overvotes	0
Undervotes	1,383

COUNCIL MEMBERS

Debbie Hamilton	2,090
Lisa Woods	1,921
Tom Boggs	1,842
Gary Dagel	1,643
Miscellaneous write-ins	112
Overvotes	3
Undervotes	4,794

MEASURE 10-201 – Psilocybin Prohibition

Yes	2,736
No	1,233
Overvotes	0
Undervotes	166

Section 2: Pursuant to the foregoing election results, certified to by the Douglas County Clerk and canvassed and ratified by the City Council by this resolution, it is hereby found, determined and declared that the following are the official results of the general election held on November 8, 2022. Certified election results, attached incorporated herein as “Exhibit A” and, are hereby made a part of the record of proceedings of the City Council. This Council Resolution is effective upon adoption.

Section 3. The City Recorder is hereby directed to issue certificates of election to the persons declared elected in Section 1 above within thirty (30) days after the effective date of this resolution.

PASSED BY THE CITY COUNCIL, ON THIS 12TH DAY OF DECEMBER, 2022

APPROVED BY THE MAYOR ON THIS 12TH DAY OF DECEMBER, 2022

Mayor, Michelle Sumner

ATTEST:

City Recorder, Diane Harris, CMC

Abstract of Votes for Sutherlin Candidates and Measures

Douglas County, November 8, 2022 General Election

Page: 1 of 2

2022-12-01

12:18:51

All Precincts, All Districts, All Counter Groups, All ScanStations, City of Sutherlin, Councilor, City of Sutherlin, Mayor, Question 10-201, All Boxes

Total Ballots Cast: 4135 (includes some ballots not yet counted), Registered Voters: 88079, Overall Turnout: 4.69%

1 precincts reported out of 1 total

Choice	Votes	Vote %
--------	-------	--------

Precinct 17

City of Sutherlin, Mayor (Vote for 1)

4135 ballots (0 over voted ballots, 0 overvotes, 1383 undervotes), 6742 registered voters, turnout 61.33%

Michelle Sumner	2636	95.78%
Write-in	116	4.22%
Total	2752	100.00%
Overvotes	0	
Undervotes	1383	

City of Sutherlin, Councilor (Vote for 3)

4135 ballots (1 over voted ballots, 3 overvotes, 4794 undervotes), 6742 registered voters, turnout 61.33%

Tom Boggs	1842	24.21%
Lisa Woods	1921	25.25%
Debbie Hamilton	2090	27.47%
Gary Dagel	1643	21.60%
Write-in	69	0.91%
Write-in	28	0.37%
Write-in	15	0.20%
Total	7608	100.00%
Overvotes	3	
Undervotes	4794	

Question 10-201 (Vote for 1)

4135 ballots (0 over voted ballots, 0 overvotes, 166 undervotes), 6742 registered voters, turnout 61.33%

Yes	2736	68.93%
No	1233	31.07%
Total	3969	100.00%
Overvotes	0	
Undervotes	166	

All Precincts

City of Sutherlin, Mayor (Vote for 1)

4135 ballots (0 over voted ballots, 0 overvotes, 1383 undervotes), 6742 registered voters, turnout 61.33%

Michelle Sumner	2636	95.78%
Write-in	116	4.22%
Total	2752	100.00%
Overvotes	0	
Undervotes	1383	

City of Sutherlin, Councilor (Vote for 3)

4135 ballots (1 over voted ballots, 3 overvotes, 4794 undervotes), 6742 registered voters, turnout 61.33%

Tom Boggs	1842	24.21%
Lisa Woods	1921	25.25%
Debbie Hamilton	2090	27.47%
Gary Dagel	1643	21.60%
Write-in	69	0.91%
Write-in	28	0.37%
Write-in	15	0.20%
Total	7608	100.00%
Overvotes	3	
Undervotes	4794	

Question 10-201 (Vote for 1)

4135 ballots (0 over voted ballots, 0 overvotes, 166 undervotes), 6742 registered voters, turnout 61.33%

Yes	2736	68.93%
No	1233	31.07%

I certify the votes recorded on this abstract correctly summarize the tally of votes cast at the election indicated.

Douglas County Clerk
December 1st, 2022



Abstract of Votes for Sutherlin Candidates and Measures

Douglas County, November 8, 2022 General Election

All Precincts, All Districts, All Counter Groups, All Scan Stations, City of Sutherlin, Councilor, City of Sutherlin, Mayor, Question 10-201, All Boxes

Total Ballots Cast: 4135 (includes some ballots not yet counted), Registered Voters: 88079, Overall Turnout: 4.69%

1 precincts reported out of 1 total

Page: 2 of 2

2022-12-01

12:18:51

Choice	Votes	Vote %
Total	3969	100.00%
Overvotes	0	
Undervotes	166	

I certify the votes recorded on this abstract correctly summarize the tally of votes cast at the election indicated.


Daniel J. Loomis
Douglas County Clerk
December 1st, 2022



About Overvotes and Undervotes

When votes are counted for an election, there are instances in which individual ballots do not contain valid votes. This can happen for two reasons: overvoting and undervoting. When overvotes and undervotes occur, it can mean that your votes are canceled or you do not cast as many votes as you are permitted to.

Overvotes

An Overvote happens when you vote for more candidates than the number of candidates you are permitted to vote for in a particular office race.

Overvotes can only occur when voting on an optical scan or paper ballot voting system. Overvotes cannot occur when voting on a direct recording electronic voting system.

How to Avoid an Overvote

To avoid overvoting when using an optical scan or paper ballot voting system:

Be sure to read the voting instructions for the voting system used in your election district. Examples of instructions for voting include: "Vote for One," "Vote for not more than Two," or "Vote for not more than Three."

If you accidentally vote for more than the allowed number of candidates for a particular office, ask for a new ballot before the defective ballot is cast. If you have not cast the ballot, the District Board of Elections is obligated to provide you with a replacement ballot upon request.

Undervoting

Undervoting means that you cast fewer votes for a particular office race than you are permitted to cast. Unlike overvoting, you have the right to undervote if you choose to do so. No ballot or vote will be canceled as a result of an undervote.

Ask for Help

If you are confused as to whether you have overvoted or undervoted, please do not hesitate to ask for assistance from a member of the Douglas County Elections Department.



126 E. Central Avenue
Sutherlin, OR 97479
541-459-2856
Fax: 541-459-9363
www.cityofsutherlin.com

City of Sutherlin

STAFF REPORT					
Re: Truck Purchase for Water Treatment				Meeting Date:	12/12/2022
Purpose:	Action Item <input checked="" type="checkbox"/>	Workshop <input type="checkbox"/>	Report Only <input type="checkbox"/>	Discussion <input type="checkbox"/>	Update <input type="checkbox"/>
Submitted By: Aaron Swan, Public Works Director				City Manager Review	<input checked="" type="checkbox"/>
Attachments: Purchase Agreement					

WHAT IS BEING ASKED OF COUNCIL?

Council is being asked to approve the purchase of a 2022 Chevrolet Silverado pick-up.

EXPLANATION

Water Treatment Division budgeted for a new ½ ton pick-up truck for the fiscal year 2022-23. A 2022 Chevrolet Silverado that fits the department's needs has been located at Suburban Auto Group in Sandy, Oregon for the price of \$45,769.25. Suburban Auto Group meets our state purchasing requirements.

OPTIONS

See suggested motion below

SUGGESTED MOTION(S)

To approve purchase of 2022 Chevrolet Silverado pick-up from Suburban Auto Group for \$45,759.25.



HWY 26 • SANDY, OR 97055
www.suburbanautogroup.com



(503) 668-5511 FAX 668-7933
37000 Hwy. 26
SANDY, OR 97055



(503) 668-5515 • P.O. BOX 636
SANDY, OR 97055



(503) 668-5555 FAX 668-5550
36936 Hwy. 26
SANDY, OR 97055

Deal: 81505

MOTOR VEHICLE PURCHASE AGREEMENT
(INCLUDES TERMS ON BACK OF PAGE)

ANTICIPATED
DELIVERY DATE 09/06/2022

AGREEMENT
DATE 09/06/2022

PURCHASER'S NAME City Of Sutherlin		PHONE RES BUS	STOCK NO. 10D38670450	
ADDRESS 126 E Central			CITY Sutherlin	STATE OR
E-MAIL: a.atencio@ci.sutherlin.or.us		ZIP 97479		
CELL PHONE:				

The undersigned (herein called Purchaser, whether one or more) hereby agrees to purchase from you (herein called Dealer) subject to the terms and conditions hereof, the following described property. Delivery is to be made on the expected delivery date shown above or as soon thereafter as possible. It is agreed, however, that neither the Dealer nor the manufacturer will be liable for failure to effect delivery.

NEW OR USED New	YEAR 2022	# CYL. 0	MAKE UNKNOWN	BODY TYPE	MODEL	VEHICLE IDENTIFICATION NUMBER (V.I.N.) 1GCRDAED8NZ619722
COLOR SUMMIT WHITE			MILEAGE 0	LICENSE	SILVERADO	SALES REPRESENTATIVE DJ Anderson

ALL DEPOSITS TAKEN ON NEW VEHICLE ORDERS ARE NON-REFUNDABLE EARNEST MONIES

DESCRIPTION OF TRADE-IN			
YEAR	MAKE	BODY TYPE	MODEL

VEHICLE IDENTIFICATION NO.

DESCRIPTION OF TRADE-IN			
YEAR	MAKE	BODY TYPE	MODEL

VEHICLE IDENTIFICATION NO.

TRADE-IN ALLOWANCE AND PAYOFF BALANCE

Purchaser agrees to deliver to Dealer the title(s) to the Trade-in and warrants that Purchaser holds title to the Trade-in free and clear of all liens and encumbrances except as noted below. Purchaser agrees to pay any lost title replacement fees. Subject to the terms set forth on the back of this Agreement, the Trade-in allowance shown on line 2C above is the amount Dealer agrees to credit to Purchaser's account, providing Purchaser accepts delivery of the Vehicle and completes the transaction in accordance with this Agreement. If the value of the Trade-in exceeds the amount owing on the Trade-in, the excess shall be included in Purchaser's down payment. If the payoff balance (amount owing) exceeds the amount shown on line 2C above, Purchaser shall pay the deficiency in cash on demand.

PAYOFF
OWED
TO

TRADE-IN DISCLOSURE STATEMENT

Under penalty of perjury, I hereby certify that the Trade-in vehicle described herein has not been declared totaled out by an insurance carrier, and has not been determined to have an uncorrected non-conformity or serious safety defect as the result of any final determination, adjudication or settlement, and that the certificate of title does not indicate said vehicle is a "lemon", is "Rebuilt", "Salvaged", "Totaled", "Previous Damage", or is otherwise defective, unless noted below. I further certify that the vehicle has not sustained flood or fire damage, extensive collision damage, suffered frame damage, or had collision repairs in excess of \$500.00, unless noted below. I further certify that the airbag(s) are intact and have not been deployed or repaired, unless noted below. In the case of an R/V, I further state that all accessories, appliances and water systems are fully operable, unless noted below.

PURCHASER ☒ _____

USED CAR BUYERS GUIDE

A Buyers Guide has been posted on the window of each used vehicle. The information on the Buyers Guide for this Vehicle is part of and overrides any contrary provisions in this Agreement. Purchaser acknowledges receipt of Buyers Guide.

PURCHASER ☒ _____

BINDING ARBITRATION

All disputes arising out of or relating to this agreement or to the interpretation or breach thereof, shall be resolved by binding arbitration in accordance with paragraph 10 on the back of this agreement. Both parties are waiving their right to a jury trial.

PURCHASER ☒ _____

IMPORTANT WARRANTY INFORMATION

Unless Dealer furnishes Purchaser with a separate written warranty or service contract made by Dealer on its own behalf, DEALER HEREBY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE ON ALL GOODS AND SERVICES SOLD BY DEALER. ALL USED VEHICLES ARE SOLD AS IS. Any warranty on any new vehicle or used vehicle still subject to a Manufacturer's warranty is that made by the Manufacturer only. All warranties, if any, by Manufacturers and suppliers are theirs, not Dealer's, and only the Manufacturers and suppliers shall be liable for performance under such warranties.

LIMITATION OF DAMAGES. PURCHASER SHALL NOT BE ENTITLED TO RECOVER FROM DEALER ANY DAMAGES FOR LOSS TO PROPERTY OR PERSONS OR DAMAGES FOR LOSS OF USE, LOSS OF TIME, LOSS OF PROFITS, LOSS OF INCOME, OR ANY OTHER CONSEQUENTIAL OR INCIDENTAL DAMAGES.

A WORD FROM YOUR DEALER ABOUT THE EMISSION CONTROL EQUIPMENT ON YOUR NEW AUTOMOBILE.

If the vehicle described above is new, Dealer wants you to know that at the time of delivery:

- Based upon written notification furnished by the manufacturer, we have knowledge that this vehicle is covered by an Environmental Protection Agency (EPA) Certificate of Conformity.
- We have made a visual inspection limited to those emissions control devices or portions thereof which are visible without removal or adjustment of any component or system of the vehicle, whether emissions related or otherwise. Based upon such visual inspection, there are no apparent deficiencies in the installation of emission control devices by the manufacturer. ("Emissions control device" is limited to all devices installed on a vehicle for the sole or primary purpose of controlling vehicle emissions which were not in general use prior to 1968.)
- We have performed all emission control system preparation required by the manufacturer prior to the sale of the vehicle, as set forth in the current predelivery service manual provided by the manufacturer.
- Except as may be provided in Paragraph 5 below, if this vehicle fails an EPA-approved

I have read all terms printed on the back hereof and agree to it as a part of this order the same as if it were printed above my signature.

"No salesman has made any oral promises or statements which are not in this written agreement."

PURCHASER SIGNATURE ☒ _____

DEALER SUBURBAN CHEVROLET

Purchaser agrees to obtain physical damage and liability insurance on the Vehicle. Delivery of the Vehicle to Purchaser is subject to credit approved by a financial institution of Dealer's choice (Lender). If Purchaser's credit is not approved by Lender, Purchaser will immediately return the Vehicle to Dealer. THE FRONT AND BACK OF THIS AGREEMENT COMPRISE THE ENTIRE AGREEMENT PERTAINING TO THIS TRANSACTION AND IT MAY ONLY BE AMENDED BY A WRITING SIGNED BY ALL OF THE PARTIES.

ITEMIZATION OF PURCHASE

1. Cash Sale Price\$ 45,233.00

A. N/A\$ N/A

B. N/A\$ N/A

C. N/A\$ N/A

D. N/A\$ N/A

E. N/A\$ N/A

Total Charges (1 + 1A through 1E)\$ 45,233.00

2. Downpayment:

A. Cash Downpayment\$ N/A

B. Rebate\$ N/A

C. Trade In: Value \$ N/A

Less

Owing \$ N/A Net \$ N/A

Total Down (A + B + C)\$ N/A

3. Unpaid Balance of Cash Sale Price\$ 45,233.00

4. Other Charges:

GAP Insurance\$ N/A

Service Contract\$ N/A

Maintenance\$ N/A

Lic/Reg Fees/Title/Processing Fees ..\$ 29.50/101.00

Sales Tax\$ N/A

Privilege Tax\$ 226.17

Est. Corp. Act. Tax\$ 179.58

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TERMS AND CONDITIONS OF VEHICLE PURCHASE AGREEMENT

The Motor Vehicle Purchase Agreement on the reverse side is subject to the following terms and conditions which have been mutually agreed upon.

1. Purchaser acknowledges that the Dealer is not the agent of the manufacturer and that the following DEFINITIONS are agreed upon. As used in this Motor Vehicle Purchase Agreement the term (a) DEALER means the dealer to whom this Order Agreement is addressed; (b) PURCHASER means the party or parties that execute the face of this Order as purchaser; (c) MANUFACTURER means the company that manufactured the Vehicle or any part thereof; (d) VEHICLE means the motor vehicle that is to be purchased by the Purchaser.
2. Said motor vehicle, accessories and extras to be delivered on the date specified or as soon thereafter as practicable subject to delays on account of fires, strikes, riot, war, shutdowns of the factory. Dealer's inability to procure delivery from the factory, or to other casualties or circumstances beyond Dealer's control, time of delivery in any event is to be deemed extended correspondingly.
3. The Manufacturer has reserved the right to change the price to the Dealer of a new motor vehicle without notice. In the event the manufacturer's price to the Dealer of the new motor vehicle ordered hereunder is so changed, the cash delivered price to the Purchaser will be changed accordingly. If such cash delivery price is increased, the Purchaser may, if dissatisfied with such increased purchase price, cancel this Order. If Purchaser has traded in a used motor vehicle as a part of the consideration for the Vehicle (the Trade-in), the Trade-in shall be returned to Purchaser upon payment of a reasonable charge for storage and repairs, if any. If the Trade-in has been previously sold by Dealer, the amount received by Dealer for the Trade-in, less a selling commission of 15 percent and any expense incurred in storing, insuring, repairing, conditioning or advertising the Trade-in, shall be returned to Purchaser. The manufacturer has the right to make any changes in the model or design of any accessories or parts of any motor vehicle at any time without creating any obligation on the part of the manufacturer or the Dealer to make corresponding changes in the motor vehicle covered by this Order, either before or subsequent to the delivery of such motor vehicle to the Purchaser. Purchaser agrees to accept vehicle and tires subject to usage and wear resulting from the necessity of driving over land to the point of delivery.
4. The price quoted in this Order is for immediate delivery, but if the price of the motor vehicle or accessories or the tax imposed by any governmental authority should be changed by the manufacturer or governmental authority before the motor vehicle has been delivered to the Dealer, then this Order shall be construed as if the changed price was originally inserted herein. The Purchaser hereby agrees that the Dealer shall in no way be held liable for any changes in design or models, even though they do not meet the approval of the Purchaser. The Purchaser hereby agrees to take the motor vehicle as produced by the manufacturer. Purchaser agrees to take delivery and pay balance due within twenty-four (24) hours after being notified that the motor vehicle is ready for delivery.
5. The Purchaser warrants that all taxes of every kind levied against the used vehicle traded in fully have been paid. Should any government agency levy or claim a tax lien or demand on or against such used vehicle, the Dealer may, at his option, pay the same and the Purchaser agrees to apply the amount thereof immediately upon demand. If the used vehicle traded in is registered or licensed in any place other than the State of this sale, the Purchaser agrees to immediately secure registration for such vehicle and to pay any and all expenses or registration fees incidental thereto. Should the Dealer assume or be put to any expenses in connection with such registration, the Purchaser will pay the Dealer the amount thereof on demand.
6. Purchaser hereby authorizes placing of the insurance shown on this Order. The Dealer is authorized to inform the insurance company to furnish a loss payable clause to the Dealer or his assigns. It is understood that Purchaser is not covered by insurance until accepted by insurance company and Purchaser holds Dealer harmless from any claims due to any loss or demand prior to insurance coverage by insurance company.
7. If the used vehicle traded in by the Purchaser is not delivered to the Dealer at the time this Order is signed, or, if at the time of such delivery the said vehicle and/or its tires or equipment is not in the same condition as when appraised, then it is agreed that such used vehicle shall be appraised by the Dealer as of the time of such delivery and the trade-in allowance for such used vehicle shall be the amount of such re-appraisal. If such re-appraisal value is lower than the original allowance shown on the reverse side hereof, Purchaser may, if dissatisfied with such re-appraisal value, cancel this Order. Such right to cancel, however, must be exercised by the Purchaser prior to the delivery of the motor vehicle covered by the Order to the Purchaser and the surrender of the used motor vehicle traded in to the Dealer. The Purchaser agrees to deliver the original Bill of Sale and the title to any used motor vehicle traded herein along with the delivery of such motor vehicle and the Purchaser warrants such used motor vehicle to be his property, free and clear of all liens and encumbrances, except as otherwise noted herein. The trade-in allowance shown in this Order is the amount that the Dealer agrees to allow providing the purchaser accepts delivery and completes the deal at the time agreed upon in accordance with the stipulated terms. In the event of any disagreement over the value of the car traded in, the Dealer will not be liable for anymore than the wholesale market value, as determined by the wholesale figure as shown in the Kelley Blue Book or N.A.D.A. Book, less the estimated cost of reconditioning same.
8. In the event that the transaction referred to in this Order is not a cash transaction, the Purchaser, before or at the time of delivery of the motor vehicle ordered, and in accordance, with the terms and conditions of payment indicated on this Order, will execute a Conditional Sale Contract.
9. To secure the punctual payment and performance of Purchaser's obligations under this or any other agreement with Dealer, Purchaser hereby grants to Dealer or its assigns a security interest in the vehicle and the Trade-in, together with all proceeds and products thereof.

BINDING ARBITRATION

10. Each party, at such party's option, shall have the right to require that any claim, controversy, or dispute between the parties, including but not limited to those arising out of or relating to the Agreement or the Vehicle, and including those based on or arising from any statute, constitution, regulation, ordinance, rule or any alleged tort, be determined by arbitration in accordance with the then effective arbitration rules of Arbitration Service of Portland, Inc., or the then effective commercial arbitration rules of the American Arbitration Association, whichever organization is selected by the party which first initiates arbitration by filing a claim in accordance with the filing rules of the organization selected, and any judgment upon the award rendered pursuant to such arbitration may be entered in any court having jurisdiction thereof. If litigation has been commenced in court by either party (Dealer or Purchaser) with respect to a dispute (in the hope that a default judgment could be obtained):
 - (a) the party who is the defendant or respondent in such litigation shall be deemed to have waived its option to arbitrate said dispute if such party files a general appearance in the litigation prior to filing a claim in arbitration in the manner specified above, and
 - (b) the plaintiff or petitioner in such litigation will be deemed to have waived its right to arbitrate said dispute if such party fails to file a claim for arbitration in the manner specified above within sixty days after a general appearance in the litigation has been filed by the party who is the defendant or respondent in the litigation.

The arbitrator shall have sole authority to decide whether the matter is subject to arbitration. The parties agree that the arbitration hearing must be held in Multnomah or Washington County and that exclusive jurisdiction for any court proceeding is in Washington or Multnomah county circuit courts.

If either party properly exercises its option to arbitrate, arbitration of such dispute shall be mandatory and any pending litigation shall be stayed (except litigation permitted below). Either party shall be entitled to exercise (before an arbitration claim has been filed, during arbitration, or after its conclusion) any one or more of the following remedies: 1) set-off; 2) self-help repossession; 3) judicial or non-judicial foreclosure against any real or personal property collateral; 4) application to any court having jurisdiction thereof for the issuance of any provisional process remedy described in rules 79 through 85 of the Oregon Rules of Civil Procedure (or the corresponding statutory remedies under federal or any other applicable arbitrator(s)). The proceeds of the exercise of any such remedies shall be held by the party obtaining such proceeds for disposition may be determined by the arbitration award. The exercise of any such remedies shall not constitute a waiver of such party's right to require arbitration of any claim or dispute. Nothing contained herein shall in any way preclude purchaser from participating in an informal dispute settlement procedure set forth in Oregon's "Lemon Law" in ORS 646.315-646.375 or any other applicable state's lemon laws. In the event that purchaser finances any portion of the purchase or lease of the Vehicle, this arbitration paragraph shall not apply to and shall not bind either Purchaser or the financial institution(s) involved in such financing, but this arbitration paragraph shall continue to apply to and bind Purchaser and Dealer with respect to the disputes identified above. All statutes of limitation which would otherwise be applicable if heard in a court of law shall apply to any arbitration claim. The provisions of this arbitration paragraph shall survive any termination, amendment, or expiration of this Agreement, unless the parties otherwise expressly agree in writing by specific reference to this arbitration paragraph.

11. In the even suit or action is brought, or an arbitration proceeding is initiated, to enforce or interpret any of the provisions of this Agreement, or which is based thereon, the prevailing party shall be entitled to reasonable attorney fees (including paralegal fees and expenses) in connection therewith. The determination of who is the prevailing party and the amount of reasonable attorney's fees to be paid to the prevailing party shall be decided by the arbitrator(s) (with respect to attorney fees incurred prior to and during the arbitration proceedings) and by the court or courts, including any appellate court, in which such matter is tried, heard, or decided, including the court which hears any exceptions made to an arbitration award submitted to it for confirmation as judgment (with respect to attorney fees incurred in such confirmation proceedings).
12. The purchaser hereby guarantees that all statements made by him and set forth in this Order and in the reference statement concerning credit information signed at the time of signing this Order are true and correct and that the Dealer may accept them as being true representations of existing facts. Purchaser understands that credit purchases are subject to finance or bank approval, and if rejected, motor vehicle must be returned to Dealer on demand in the same condition as when accepted by Purchaser.
13. If Purchaser fails or refuses to accept delivery of the Vehicle or to comply with the terms of this Order, Dealer shall have the right to retain as liquidated damages any cash deposits made by Purchaser unless the Order is cancelled by Purchaser as provided in paragraph 3 or 7 above. In addition, dealer may sell the Trade-in and retain from the sale proceeds the expenses specified in paragraph 2 above and all other expenses and losses, including lost profits, as Dealer may incur or suffer as a result of Purchaser's failure or refusal to perform the terms of this Order.
14. The Order is not assignable or transferable without the written consent of the Dealer. No changes in the terms or conditions of this Order after execution by the Purchaser can be made without the written consent of the Dealer.
15. If Purchaser fails to perform all the terms and conditions of this Order, the Dealer may exercise any right or remedy given him by law in addition to all rights and remedies specified herein, and all such rights and remedies shall be cumulative and may be exercised at the Dealer's election.
16. THERE ARE NO WARRANTIES, EXPRESSED OR IMPLIED, MADE BY THE DEALER HEREIN, OR THE MANUFACTURER, ON THE VEHICLE OR CHASSIS DESCRIBED ON THE FACE HEREOF EXCEPT THAT IN THE CASE OF A NEW VEHICLE OR CHASSIS, THE PRINTED NEW VEHICLE WARRANTY DELIVERED TO PURCHASES WITH SUCH VEHICLE OR CHASSIS SHALL APPLY AND THE SAME IS HEREBY MADE A PART HEREOF AS THOUGHTFULLY SET FORTH HEREIN. THE NEW VEHICLE WARRANTY IS THE ONLY WARRANTY APPLICABLE TO SUCH NEW VEHICLE OR CHASSIS AND IS EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN THE CASE OF A USED VEHICLE OR CHASSIS THE APPLICABILITY OF AN EXISTING MANUFACTURER'S WARRANTY THEREON, IF ANY, SHALL BE DETERMINED SOLELY BY THE TERMS OF SUCH WARRANTY. IF A SEPARATE WRITTEN WARRANTY IS GIVEN BY THE DEALER TO THE PURCHASER AT THE TIME OF SALE, THE PURCHASER MUST HAVE WRITTEN GUARANTEE IN HIS POSSESSION TO SECURE AN ADJUSTMENT.



STRATEGIC PLAN UPDATE





Sidewalk Extension - Central Ave. from Grove Ln. to Opal St. Update (verbal)



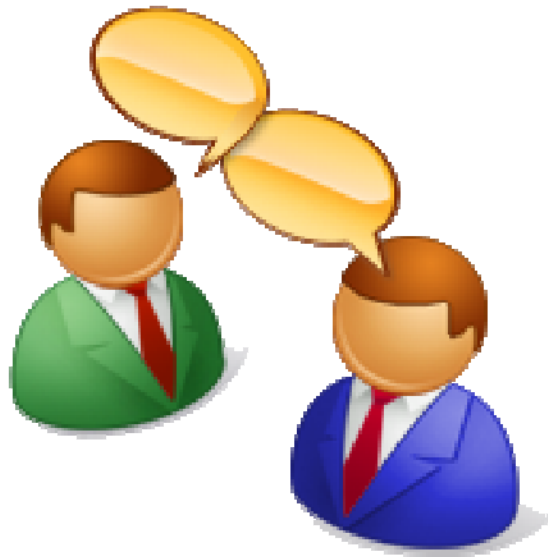


CITY MANAGER REPORT (verbal)





COUNCIL COMMENTS





PUBLIC COMMENT





ADJOURNMENT





FOR YOUR INFORMATION



STRATEGIC PLAN - ACCOUNTABILITY BENCHMARKS

MONTH	DEPT	GOAL	ACTION	
JAN 2022				
01/10/22	Finance	Create a street management master plan with funding options	Report new plan and options (Workshop)	✓
01/10/22	CDD/PW-Transportation	Update and refresh Exit 135 sign - complete construction	Report to Council	✓
FEB 2022				
02/14/22	CDD/PW-Facilities/Parks	Inventory/inspect all city structural facilities/develop maint funding plan	Report to Council	✓
02/14/22	CDD/PW-Transportation	Develop "Plan-of-Action" for upgrading Waite St from Central to Southside Rd	Report to Council	✓
02/14/22	Fire	Replace 1992 Pierce Ladder Truck pending Grant award	Report to Council	✓
MAR 2022				
03/14/22	CDD/PW-Facilities/Parks	Ford's Pond Comm Park Improv. Proj. 1 (Phase 2) & Proj 2A/2B (Phase 2)	Construction bid award, present to Council Moved to 2023	↓
03/14/22	CDD/PW-Facilities/Parks	Central Park Multi Use Staging area to be used for several annual events-Award Contract	Present to Council for contract award Moved to April	↓
03/14/22	CDD/PW-Facilities/Parks	Complete Sidewalks from Grove Ln to Nicholas Ct	Bid Award, present to Council moved to May	↓
APR 2022				
04/11/22	CDD/PW-Facilities/Parks	Central Park Multi Use Staging area to be used for annual events-Award Contract	Present to Council for contract award	✓
MAY 2022				
05/09/22	CDD/PW-Transportation	Complete Sidewalks from Grove Ln to Nicholas Ct	Report to Council	✓
05/09/22	CDD/PW-Wastewater	Wastewater Treatment Plant one-year performance report	Report to Council	✓
JUN 2022				
06/13/22	CDD/PW-Facilities/Parks	Central Park Multi Use Staging area to be used for several annual events-complete construction	Report to Council	✓
06/13/22	CDD/PW-Transportation	Purchase Asphalt Crack Sealing Machine	Report to Council	✓
06/13/22	CDD/PW-Wastewater	Initiate a new in-flow and infiltration prevention program	Report to Council	✓
JUL 2022				
AUG 2022				
08/08/22	CDD/PW-Water	Nonpareil WTP modernization improvements	Report to Council after completed	✓
SEP 2022				
09/12/22	CDD/PW	Bid Award Update - Ford's Pond Comm Park Impr. Proj 1 (Phase 2) & Proj 2A/2B (Phase 2)	Report to Council for update	✓
OCT 2022				
10/10/22	CDD/PW-Transportation	Sidewalks from Grove Ln to Nicholas Ct (extended to Opal St)	Bid Award	✓
NOV 2022				
DEC 2022				
12/12/2022	CDD/PW-Transportation	Complete Sidewalks from Grove Ln to Nicholas Ct (extended to Opal St)	Report to Council	✓

Note: "Report to Council" can be a written Strategic Plan Update, Presentation or Workshop

Revised 11/15/2022

PUBLIC NOTICE – CITY OF SUTHERLIN

CITY COUNCIL MEETING

The December 12, 2022, City Council Meeting, will begin at 7:00 p.m. in Civic Auditorium at 175 E Everett. The City has taken steps to utilize current technology in order to make meetings available to the public in compliance with ORS 192.670 – Meetings by Means of Telephone or Electronic Communication. The public is welcome to attend the meeting in person or join via Zoom.

City of Sutherlin is inviting you to a scheduled Zoom meeting.

Topic: City Council Meeting

Time: Dec 12, 2022 7:00 PM Pacific Time (US and Canada)

Join Zoom Meeting

<https://us06web.zoom.us/j/81032284434?pwd=S0pBR04rVFNVY01xS0RYTFg0NDVYQT09>

Meeting ID: 810 3228 4434

Passcode: 528277

Meeting ID: 810 3228 4434

Find your local number: <https://us06web.zoom.us/u/kdfnW71Zvn>