

CITY OF MADRAS
FINANCIAL REPORT
June 30, 2022



CITY OF MADRAS
OFFICERS AND MEMBERS OF THE GOVERNING BODY
Year Ended June 30, 2022

MAYOR

Richard Ladeby

CITY COUNCIL

Mike Seibold

Gary Walker

Rosalind Canga

Jennifer Holcomb

Gabriel Soliz

Lamar Yoder

All council members receive mail at the address listed below

CITY ADMINISTRATOR

Gus Burrell (thru March 3, 2023)
Christy Wurster (Interim City Administrator)

FINANCE DIRECTOR

Kristal Hughes

CITY ADDRESS

125 SW E Street
Madras, OR 97741

CITY OF MADRAS
CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	A – D
MANAGEMENT'S DISCUSSION AND ANALYSIS	a – i
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	1
Statement of Activities	2
Fund Financial Statements	
Governmental Funds	
Balance Sheet	3
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of	
Net Position	4
Statement of Revenues, Expenditures and Changes in Fund Balances	5
Reconciliation of the Statement of Revenues, Expenditures and Changes in	
Fund Balances of Governmental Funds to the Statement of Activities	6
Statements of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
General	7
Transportation Operations	8
Madras Redevelopment Commission Commercial Project	9
Proprietary Funds	
Statement of Net Position	10
Statement of Revenues, Expenses and Changes in Net Position	11
Statement of Cash Flows	12
Notes to Basic Financial Statements	13 – 56
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of the Proportionate Share of the Net Pension Liability	57
Schedule of Contributions	58
Schedule of the Proportionate Share of the Net Other Postemployment	
Benefit Liability (Asset) - Oregon Public Employees Retirement System	59
Schedule of Contributions - Oregon Public Employees Retirement System	60
Schedule of Changes in the City's Total Other Postemployment Benefit Liability	
and Related Ratios	61
COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES	
Major Governmental Funds	
General Funds	
Combining Balance Sheet	62
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	63
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
Parks	64
Community Development	65
Community Cleanup	66
Pension Stabilization	67

CITY OF MADRAS
CONTENTS

	<u>Page</u>
COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES (Continued)	
Madras Redevelopment Commission Commercial Property Tax and Debt Service Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	68
Nonmajor Governmental Funds	
Combining Balance Sheet	69
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	70
Special Revenue Funds	
Combining Balance Sheet	71
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	72
Debt Service Funds	
Combining Balance Sheet	73
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	74
Capital Projects Funds	
Combining Balance Sheet	75
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	76
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Special Revenue Funds	
Tourism/Economic Development	77
Improvement Fee	78
Madras Redevelopment Commission Commercial Revolving Loan	79
Madras Redevelopment Commission Housing Project	80
Madras Redevelopment Commission General	81
Debt Service Funds	
Debt Service	82
Debt Reserve	83
Madras Redevelopment Commission Housing Property Tax and Debt Service	84
Capital Projects Funds	
SDC Street Improvement	85
SDC Park Improvement	86
SDC Stormwater Improvement	87
Major Enterprise Funds	
Water Fund Schedule of Revenues, Expenditures and Changes in Fund Balance –	
Budget and Actual	88
Wastewater Funds	
Combining Statement of Net Position	89
Combining Statement of Revenues, Expenses and Changes in Net Position	90
Combining Statement of Cash Flows	91
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Wastewater	92
SDC Wastewater Improvement	93
Airport Funds	
Combining Statement of Net Position	94
Combining Statement of Revenues, Expenses and Changes in Net Position	95

CITY OF MADRAS
CONTENTS

	<u>Page</u>
COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES (Continued)	
Combining Statement of Cash Flows	96
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Airport	97
Airport Construction	98
Internal Service Funds	
Combining Statement of Net Position	99
Combining Statement of Revenues, Expenses and Changes in Net Position	100
Combining Statement of Cash Flows	101
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Central Services	102
Public Works	103
Buildings	104
Information Technology	105
OTHER INFORMATION	
Post Compliance Reporting	106 – 110
COMPLIANCE SECTION	
Independent Auditor’s Report Required by Oregon State Regulations	111 – 112

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INDEPENDENT AUDITOR'S REPORT

Mayor and Members
of the City Council
City of Madras

Report on the Audit of the Financial Statements

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 Madras (the "City") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Madras as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General, Transportation Operations and Madras Redevelopment Commission Commercial Project funds 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 auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City 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 the 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 the City'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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect material misstatements 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedules of Proportionate Share of the Net Pension Liability, Contributions, Proportionate Share of the Net Other Postemployment Benefit Liability (Asset), Other Postemployment Benefit Contributions and Changes in the City's Total Other Postemployment Benefit Liability and Related Ratios 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 City's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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. The 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 GAAS. In our opinion, the combining and individual fund financial statements and schedules is 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 post compliance reporting section but does not include the basic financial statements and our auditor's 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.

Mayor and Members
of the City Council
City of Madras
Independent Auditor's Report
Page 4

Other Reporting Required by Oregon State Regulations

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated June 12, 2023, on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Singer Lewak LLP

June 12, 2023

By:



Bradley G. Bingenheimer, Partner

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Madras (City), we offer readers this discussion and analysis of the City's financial performance for the fiscal year ended June 30, 2022. The report has been prepared in accordance with generally accepted accounting principles (GAAP) as promulgated by the Government Accounting Standard Board (GASB). This report should be read in conjunction with the basic financial statements and notes to the financial statements.

FINANCIAL HIGHLIGHTS

- The City's total net position increased (11.07%) over the course of the fiscal year by \$6,176,149 for total net position of \$61.9 million. This is the net result of a \$3,044,109 (20.34%) increase in the governmental net position, and \$3,132,040 (7.68%) increase in the business-type net position.
- Net capital assets for business-type activities increased \$1,002,269 (2.34%). Increases are the result of construction projects including grant-funded sewer projects. Governmental-type activities net capital assets increased \$1,560,014 (6.31%) of which is primarily due to the improvement of a local street.
- Property tax revenue increased compared to prior year. Property tax revenues primarily consist of \$1.616 million in the General Fund and \$0.702 million related to the Madras Redevelopment Commission's Urban Renewal District and \$0.055 related to the Housing Urban Renewal District of the City of Madras for overall property tax revenues of \$2.37 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances and are made up of the following two statements: the *statement of net position* and the *statement of activities*. Both statements are prepared using accounting methods similar to those used by private-sector businesses, which use the economic resources measurement focus and the accrual basis of accounting.

- 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 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 government'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 only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused compensated absences).

Both of the government-wide financial statements differentiate 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 general government, parks, community development, public safety and highways and streets. The business-type activities (*proprietary fund type*) of the City include the water, wastewater, and airport operations. The government-wide financial statements include not only the City but also the legally separate *Madras Urban Renewal Area* comprised of two Urban Renewal Districts of the City of Madras for which the City is financially accountable.

Measurement focus and basis of accounting

Governmental financial reporting is characterized as having two distinct objectives for its financial reporting. These objectives are categorized as governmental activities which are supported by levying taxes and business-type activities which are supported by charges for services. The measurement focus for each of these activities is uniquely different, both the governmental-wide financial statements and the business-type activities focus on the changes in economic resources similar to private-sector businesses. The objective of the proprietary fund operating statement is to answer the question, "*What transactions and events have incurred that increase or decrease the fund's total economic resources during the period?*" Therefore, both the governmental-wide and the proprietary funds financial statements are based on full accrual accounting.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

Accrual accounting measures the effects of transactions, events, and inter-fund activities when they occur, regardless of the timing of the related cash flows. The measurement focus for governmental funds however, is to view changes in current financial resources. The objective is to answer the question, “*What are the transactions or events of the current period that have increased or decreased the resources available for spending in the near future?*”

Governmental funds use modified accrual accounting in which revenues are not recognized until they are measurable and available, and expenditures are recognized in the period in which governments in general normally liquidate the related liability rather than when the liability is first incurred.

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 functions. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the City’s funds can be divided into two categories: governmental funds and proprietary funds. Fund financial statements focus on individual parts of the City’s government, reporting the City’s operations in more detail than the government-wide statements.

- **Governmental funds** are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. These statements tell how governmental services such as the General Fund (police department), Special Revenue Fund, Madras Redevelopment Commission Fund, and the Debt Service Fund, were financed in the short term as well as what remains for future spending. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements. However, this information does not encompass the additional long-term focus of the government-wide statements. Therefore, both the governmental fund financial statements are followed by a reconciliation that explains the relationship or differences between governmental funds and the governmental-wide financial statements.

The City maintains thirteen individual governmental funds. Of these individual funds, the City considers four funds to be *major governmental funds*. These four major governmental funds - represented individually in the balance sheet and the statement of revenues expenditures, and change in fund balances - include the General, Transportation Operations, Madras Redevelopment Commission Commercial Project, and Madras Redevelopment Commission Commercial Property Tax and Debt Service Funds.

As part of supplementary information, budgetary comparison statements are presented for the reader’s information. These statements compare the original adopted budget along with the final adjusted budget to the year-end actual activities.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

- **Proprietary Funds** are similar to business-type activities which utilize full accrual accounting. The City maintains two different types of proprietary funds consisting of the *enterprise funds* and the *internal service funds*. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Enterprise funds are used to account for the City’s Water, Wastewater and Airport operations. Internal Service Funds are an accounting device used to accumulate the costs allocated internally among the City’s various functions (departments). The City uses an Internal Service Fund to allocate costs associated with administrative services, public works staff and fleet, and buildings. These costs are considered to be indirect overhead costs that cannot be directly associated with an individual function. Therefore, these costs are allocated to other functions in a systematic method. Because these services predominantly benefit governmental activities rather than business-type functions, they are included within the governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Wastewater and Airport operations. The Internal Service Fund is shown as a separate fund in the proprietary fund financial statement.

The financial statements also include notes that provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. In addition to the basic financial statements and the accompanying notes, additional pertinent information for the reader, referred to as *Required Supplementary Information* (RSI). The RSI can be found in this report following the notes to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position: Our analysis focuses on the net position (Table 1) and changes in net position (Table 2) for the City’s governmental and business-type activities. The City’s net position is made up of three components: invested in capital assets, restricted net position, and unrestricted net position. Restricted net position is subject to constraints that are either externally imposed by outside agencies, for example banks or grant agencies, or imposed by law through constitutional provisions or enabling legislation. The capital assets reflected within Table 1 are stated net of accumulated depreciation. As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City of Madras, combined net position for fiscal year ended June 30, 2022 totaled \$61.9 million, an increase of \$6.2 million from June 30, 2021.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

Table 1
STATEMENT OF NET POSITION

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Assets:						
Current and other assets	\$ 4,106,967	\$ 1,252,912	\$ 12,468,312	\$ 10,639,160	\$ 16,575,279	\$ 11,892,072
Capital assets	<u>26,294,108</u>	<u>24,972,414</u>	<u>43,883,238</u>	<u>53,527,005</u>	<u>70,177,346</u>	<u>78,499,419</u>
Total Assets	<u>30,401,075</u>	<u>26,225,326</u>	<u>56,351,550</u>	<u>64,166,165</u>	<u>86,752,625</u>	<u>90,391,491</u>
Deferred Outflows	<u>2,225,454</u>	<u>1,684,532</u>	<u>941,623</u>	<u>397,983</u>	<u>3,167,077</u>	<u>2,082,515</u>
Liabilities:						
Current liabilities	2,294,125	2,388,008	448,188	756,562	2,742,313	3,144,570
Non-current liabilities	<u>10,259,916</u>	<u>10,122,950</u>	<u>12,512,589</u>	<u>12,251,299</u>	<u>22,772,505</u>	<u>22,374,249</u>
Total Liabilities	<u>12,554,041</u>	<u>12,510,958</u>	<u>12,960,777</u>	<u>13,007,861</u>	<u>25,514,818</u>	<u>25,518,819</u>
Deferred Inflows	<u>2,063,005</u>	<u>433,526</u>	<u>398,676</u>	<u>115,447</u>	<u>2,461,681</u>	<u>548,973</u>
Net Position:						
Invested in capital assets, net of related debt	19,334,248	18,831,292	32,730,883	31,440,888	52,065,131	50,272,180
Restricted	5,318,056	5,323,470	703,648	543,314	6,021,704	5,866,784
Unrestricted	<u>(6,642,821)</u>	<u>(9,189,388)</u>	<u>10,499,189</u>	<u>8,817,478</u>	<u>3,856,368</u>	<u>(371,910)</u>
Total Net Position	<u>\$ 18,009,483</u>	<u>\$ 14,965,374</u>	<u>\$ 43,933,720</u>	<u>\$ 40,801,680</u>	<u>\$ 61,943,203</u>	<u>\$ 55,767,054</u>

The largest component of the City’s \$61.9 million net position is net investments in capital assets (*e.g., land, buildings, improvements, equipment, infrastructure and construction in progress*). 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.

Restricted net position is calculated by reducing the carrying value of restricted assets by amounts repayable from those assets, excluding capital-related debt. The restricted net position represent resources subject to restrictions imposed either by external creditors or imposed by law through constitutional provisions or enabling legislation.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

Change in Net Position

Table 2
CHANGE IN NET POSITION

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues:						
Program Revenues:						
Charges for services	\$ 1,308,801	\$ 840,960	\$ 5,282,800	\$ 5,118,552	\$ 6,591,601	\$ 5,959,512
Operating grants and contributions	2,935,401	1,042,477	20,717	82,924	2,956,118	1,125,401
Capital grants and contributions	1,389,131	889,889	2,493,386	1,431,268	3,882,517	2,321,157
General Revenues:						
Property taxes	2,377,851	2,099,151	-	-	2,377,851	2,099,151
Franchise and public services tax	2,019,411	1,579,752	-	-	2,019,411	1,579,752
Investment earnings and other	606,251	350,217	709,715	813,677	1,315,966	1,163,894
Transfers	315,516	1,079,345	(315,516)	(1,079,345)	-	-
Total Revenues	10,952,362	7,881,791	8,191,102	6,367,076	19,143,464	14,248,867
Expenses:						
General government	688,064	504,447	-	-	688,064	504,447
Public safety	2,213,394	2,265,514	-	-	2,213,394	2,265,514
Highway and streets	2,274,230	2,491,369	-	-	2,274,230	2,491,369
Community development	1,892,250	1,996,990	-	-	1,892,250	1,996,990
Culture and recreation	677,410	624,852	-	-	677,410	624,852
Interest	162,905	269,296	-	-	162,905	269,296
Enterprise operations	-	-	5,059,062	4,871,382	5,059,062	4,871,382
Total Expenses	7,908,253	8,152,468	5,059,062	4,871,382	12,967,315	13,023,850
Change in Net Position	3,044,109	(270,677)	3,132,040	1,495,694	6,176,149	1,225,017
Net position - beginning of year	14,965,374	15,236,051	40,801,680	39,614,083	55,767,054	54,850,134
Prior period adjustment	-	-	-	(308,097)	-	(308,097)
Net position - end of year	\$ 18,009,483	\$ 14,965,374	\$ 43,933,720	\$ 40,801,680	\$ 61,943,203	\$ 55,767,054

Governmental Activities: -

Governmental activities represent 24% of the City’s total net position. The governmental activities net position increased by \$3,044,109. Total revenue from governmental activities for fiscal year 2022 were \$3,070,571 more than prior year.

Business-Type Activities:

Business-type activities represent 76% of the City’s total net position. These business–type activities consist of the Water, Wastewater and Airport operations and capital projects. In fiscal year end 2022, net position increased by \$3.13 million.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

FINANCIAL ANALYSIS OF THE CITY’S FUNDS

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

During the year ended June 30, 2022, major governmental funds included the General Fund, Transportation Operations, Madras Redevelopment Commission Project, and the MRC Commercial Property Tax and Debt Funds. As of June 30, 2022, the City’s governmental funds reported a combined ending fund balance of \$8.20 million. This is an increase of \$2.037 million from the prior year activity.

Table 3
SUMMARY STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - GOVERNMENTAL FUNDS

Fiscal Year 2021-2022

	General Fund	Transportation Operations	Madras Redevelopment Commission Project	MRC Commercial Property Tax and Debt	Nonmajor Governmental Funds	Total
Total revenues	\$ 6,095,087	\$ 2,202,191	\$ -	\$ 702,229	\$ 1,024,826	\$ 10,024,333
Total expenditures	<u>4,752,989</u>	<u>2,735,533</u>	<u>549,915</u>	<u>1,461,785</u>	<u>1,229,640</u>	<u>10,729,862</u>
Revenues over/(under) expenditures	1,342,098	(533,342)	(549,915)	(759,556)	(204,814)	(705,529)
Total other financing sources/(uses)	<u>384,351</u>	<u>818,257</u>	<u>95,500</u>	<u>(433)</u>	<u>935,379</u>	<u>2,233,054</u>
Net change in fund balance	1,726,449	284,915	(454,415)	(759,989)	730,565	1,527,525
Fund balance - beginning	<u>2,411,101</u>	<u>881,297</u>	<u>694</u>	<u>(1,492,685)</u>	<u>4,365,632</u>	<u>6,166,039</u>
Fund balance (deficit) - ending	<u>\$ 4,137,550</u>	<u>\$ 1,166,212</u>	<u>\$ (453,721)</u>	<u>\$ (2,252,674)</u>	<u>\$ 5,096,197</u>	<u>\$ 7,693,564</u>

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

GENERAL FUND BUDGET HIGHLIGHTS

The City adopted the operating budget for the fiscal year 2021-2022 budget on June 22, 2021, in the amount of \$29,388,800 excluding reserve and unappropriated ending fund balance. The General Fund budgetary comparison can be found on page 7. Other major governmental special revenue funds budgetary comparisons can be found on pages 8 through 9.

CAPITAL ASSETS

The capital assets of the City are those assets that are used in the performance of the City’s functions including infrastructure assets. Capital assets include buildings, equipment, land, park facilities, roads, and construction in progress. Both land owned by the City for its own use and acquired land designated for resale are considered non-depreciable assets based on generally accepted accounting principles.

Governmental activities capital assets increased \$1,560,014 (6.31%). Business-type activities capital assets decreased by \$1,002,269 (2.34%).

Table 4
CAPITAL ASSETS

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Non-depreciable assets:						
Land	\$ 3,038,867	\$ 3,038,867	\$ 1,727,177	\$ 1,727,177	\$ 4,766,044	\$ 4,766,044
Construction in progress	<u>2,610,479</u>	<u>742,557</u>	<u>123,595</u>	<u>136,466</u>	<u>2,734,074</u>	<u>879,023</u>
Total non-depreciable assets	<u>5,649,346</u>	<u>3,781,424</u>	<u>1,850,772</u>	<u>1,863,643</u>	<u>7,500,118</u>	<u>5,645,067</u>
Capital assets being depreciated, net:						
Land improvements	2,022,744	2,184,720	77,531	81,956	2,100,275	2,266,676
Building and improvements	5,787,871	5,998,706	4,195,029	4,253,334	9,982,900	10,252,040
Equipment	506,334	568,486	407,634	375,341	913,968	943,827
Infrastructure	<u>12,282,325</u>	<u>12,200,758</u>	<u>37,352,272</u>	<u>36,306,695</u>	<u>49,634,597</u>	<u>48,507,453</u>
Total depreciable assets, net	<u>20,599,274</u>	<u>20,952,670</u>	<u>42,032,466</u>	<u>41,017,326</u>	<u>62,631,740</u>	<u>61,969,996</u>
Lease assets, net	<u>45,488</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,488</u>	<u>-</u>
Total capital assets	<u>\$ 26,294,108</u>	<u>\$ 24,734,094</u>	<u>\$ 43,883,238</u>	<u>\$ 42,880,969</u>	<u>\$ 70,177,346</u>	<u>\$ 67,615,063</u>

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

DEBT ADMINISTRATION

For more information regarding the City’s outstanding debt please refer to the Notes 8, 9, and 10 to the basic financial statements located on pages 28 through 32 of this report.

The City drew an additional \$645,000 on the existing line of credit for the Madras Urban Renewal District during the fiscal year to fund façade improvement projects; additionally, the newly formed Housing Urban Renewal District drew \$180,000 for expenses related to establishing the District. Total outstanding debt for business-type activities decreased approximately \$263,066 from the prior year. Total outstanding debt for governmental activities increased \$424,951. For more information on the explanation and calculation of the other post-employment benefits (OPEB) liability please see pages 44 through 53 of the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

Economic factors considered for the next fiscal year (2022-23) include:

- Property taxes are forecasted to grow by 4.8%.
- Residential permit activity appears to be slowing as we budget in FY 2022-2023 (in 2022 there were a total of 76 new residential building permits). In 2023 there is continued housing activity forecasted across six separate housing developments located within the Housing Urban Renewal District.
- The City plans to increase water and sewer user rates by 5.5% each. The 2021-22 fiscal year ended in a good position and above estimates for ending cash.
- Other updates related to revenue estimates from COVID-19:
 - Transient Room Tax was not negatively affected by COVID-19
 - State Revenue sharing was forecasted to be less but has since been revised upward from original guidance in the spring of 2020.
- Airport Operations: While there was not a large fire season, with the large Daimler ground lease, airport lease revenues are making the airport much more financially stable than any prior period.
- Personnel costs include a 3% cost of living adjustment. PERS liability and rate increases are a continuing concern.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City of Madras’ finances for all those with an interest in the government’s finances. Madras Redevelopment Commission has issued a separate report, which is available to those who are interested. Questions concerning any of the information provided in this report or requests for additional financial information should be address to the City of Madras, Attention: Finance Director, 125 S.W. “E” Street, Madras, Oregon 97741, (541) 475-2344, or visit the City’s website at www.ci.madras.or.us.

BASIC FINANCIAL STATEMENTS

CITY OF MADRAS
STATEMENT OF NET POSITION
June 30, 2022

	Governmental Activities	Business-type Activities	Totals
Assets			
Current assets			
Cash and cash equivalents	\$ 8,496,693	\$ 4,075,949	\$ 12,572,642
Receivables			
Property taxes	94,177	-	94,177
Accounts, net	2,067,290	688,525	2,755,815
Notes receivable	515,613	-	515,613
Lease receivable	93,830	-	93,830
Internal balances	(7,524,350)	7,524,350	-
Inventory	110,193	169,768	279,961
Prepaid items	-	1,425	1,425
	<u>3,853,446</u>	<u>12,460,017</u>	<u>16,313,463</u>
Total current assets			
Noncurrent assets			
Net other postemployment benefit asset	41,021	8,295	49,316
Investment in land held for resale	212,500	-	212,500
Capital assets:			
Land and construction in progress	5,649,346	1,850,772	7,500,118
Other capital assets, net	20,644,762	42,032,466	62,677,228
	<u>26,547,629</u>	<u>43,891,533</u>	<u>70,439,162</u>
Total noncurrent assets			
	<u>30,401,075</u>	<u>56,351,550</u>	<u>86,752,625</u>
Total assets			
Deferred outflows of resources			
Refunded debt charges	254,640	543,106	797,746
Pension related items	1,855,220	375,142	2,230,362
Other postemployment benefit related items	115,594	23,375	138,969
	<u>2,225,454</u>	<u>941,623</u>	<u>3,167,077</u>
Total deferred outflows of resources			
Liabilities			
Accounts payable and accrued liabilities	1,362,704	172,302	1,535,006
Accrued interest payable	8,852	220,495	229,347
Customer deposits payable	95,200	55,391	150,591
Short-term debt obligations	793,985	-	793,985
Unearned revenue	33,384	-	33,384
Long-term liabilities:			
Due within one year	433,717	522,862	956,579
Due in more than one year	9,826,199	11,989,727	21,815,926
	<u>12,554,041</u>	<u>12,960,777</u>	<u>25,514,818</u>
Total liabilities			
Deferred inflows of resources			
Leases	91,401	-	91,401
Refunded debt charges			
Pension related items	1,827,344	369,504	2,196,848
Other postemployment benefit related items	144,260	29,172	173,432
	<u>2,063,005</u>	<u>398,676</u>	<u>2,461,681</u>
Total deferred inflows of resources			
Net position			
Net investment in capital assets	19,334,248	32,730,883	52,065,131
Restricted for:			
Highways and streets	1,599,569	-	1,599,569
Economic development	598,616	-	598,616
Capital projects	1,548,221	703,648	2,251,869
Debt service	1,571,650	-	1,571,650
Unrestricted (deficit)	(6,642,821)	10,499,189	3,856,368
	<u>\$ 18,009,483</u>	<u>\$ 43,933,720</u>	<u>\$ 61,943,203</u>
Total net position			

See notes to financial statements

CITY OF MADRAS
STATEMENT OF ACTIVITIES
Year Ended June 30, 2022

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating	Capital Grants	Governmental Activities	Business-type Activities	Totals
			Grants and Contributions	and Contributions			
Governmental activities:							
General government	\$ 688,064	\$ 506,505	\$ 37,500	\$ 65,500	\$ (78,559)	\$ -	\$ (78,559)
Public safety	2,213,394	-	1,957,928	-	(255,466)	-	(255,466)
Highways and streets	2,274,230	89,271	919,118	1,192,574	(73,267)	-	(73,267)
Community development	1,892,292	508,795	-	-	(1,383,497)	-	(1,383,497)
Culture and recreation	677,410	204,230	20,855	131,057	(321,268)	-	(321,268)
Interest	162,863	-	-	-	(162,863)	-	(162,863)
Total governmental activities	<u>7,908,253</u>	<u>1,308,801</u>	<u>2,935,401</u>	<u>1,389,131</u>	<u>(2,274,920)</u>	<u>-</u>	<u>(2,274,920)</u>
Business-type activities:							
Water	1,039,742	791,830	20,717	-	-	(227,195)	(227,195)
Wastewater	2,363,435	3,727,163	-	2,381,488	-	3,745,216	3,745,216
Airport	1,655,885	763,807	-	111,898	-	(780,180)	(780,180)
Total business-type activities	<u>5,059,062</u>	<u>5,282,800</u>	<u>20,717</u>	<u>2,493,386</u>	<u>-</u>	<u>2,737,841</u>	<u>2,737,841</u>
Totals	\$ 12,967,315	\$ 6,591,601	\$ 2,956,118	\$ 3,882,517	(2,274,920)	2,737,841	462,921
General revenues:							
Taxes levied for:							
General purposes					1,619,838	-	1,619,838
Madras Redevelopment Commission					758,013	-	758,013
Franchise fees and other taxes					2,019,411	-	2,019,411
Rents					-	685,514	685,514
Unrestricted investment earnings					106,973	23,068	130,041
Miscellaneous					499,278	1,133	500,411
Transfers					<u>315,516</u>	<u>(315,516)</u>	<u>-</u>
Total general revenues and transfers					<u>5,319,029</u>	<u>394,199</u>	<u>5,713,228</u>
Change in net position					3,044,109	3,132,040	6,176,149
Net position - beginning					<u>14,965,374</u>	<u>40,801,680</u>	<u>55,767,054</u>
Net position - ending					\$ 18,009,483	\$ 43,933,720	\$ 61,943,203

See notes to financial statements

CITY OF MADRAS
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022

	Madras					Total Nonmajor Funds	Total Governmental Funds
	General	Transportation Operations	Madras Redevelopment Commission Commercial Project	Madras Redevelopment Commission Property Tax and Debt Service	Commercial		
Assets							
Cash and cash equivalents	\$ 4,054,028	\$ 781,056	\$ -	\$ 156,625		\$ 2,566,696	\$ 7,558,405
Receivables							
Property taxes	67,897	1,369,990	-	26,280		-	1,464,167
Accounts, net	592,896	-	-	-		55,414	648,310
Notes	-	-	-	-		515,613	515,613
Leases	-	93,830	-	-		-	93,830
Due from other funds	-	-	-	103,861		2,515,000	2,618,861
Inventory	5,644	90,680	-	-		-	96,324
Investment in land held for sale	25,000	-	187,500	-		-	212,500
Total assets	\$ 4,745,465	\$ 2,335,556	\$ 187,500	\$ 286,766		\$ 5,652,723	\$ 13,208,010
Liabilities, deferred inflows and fund balances							
Liabilities							
Accounts payable and accrued liabilities	\$ 176,373	\$ 976,813	\$ 27,360	\$ -		\$ 11,717	\$ 1,192,263
Short-term obligations	-	-	510,000	-		283,985	793,985
Due to other funds	-	-	103,861	2,515,000		-	2,618,861
Unearned revenues	11,029	-	-	-		-	11,029
Consumer deposits	-	95,000	-	-		-	95,000
Total liabilities	187,402	1,071,813	641,221	2,515,000		295,702	4,711,138
Deferred inflows of resources							
Unavailable revenue	420,513	6,130	-	24,440		544,809	995,892
Lease related	-	91,401	-	-		-	91,401
Total deferred inflows of resources	420,513	97,531	-	24,440		544,809	1,087,293
Fund balances							
Nonspendable	30,644	90,680	187,500	-		-	308,824
Restricted for:							
Highways and streets	-	1,075,532	-	-		517,927	1,593,459
Economic development	-	-	-	-		87,890	87,890
Debt service	-	-	-	-		2,561,650	2,561,650
Capital projects	-	-	-	-		1,511,982	1,511,982
Committed for tourism	-	-	-	-		414,592	414,592
Assigned for:							
Pensions	43,475	-	-	-		-	43,475
Community development	206,714	-	-	-		-	206,714
Parks	1,221,489	-	-	-		(281,829)	939,660
Unassigned (deficit)	2,635,228	-	(641,221)	(2,252,674)		-	(258,667)
Total fund balances (deficit)	4,137,550	1,166,212	(453,721)	(2,252,674)		4,812,212	7,409,579
Total liabilities, deferred inflows and fund balances (deficit)	\$ 4,745,465	\$ 2,335,556	\$ 187,500	\$ 286,766		\$ 5,652,723	\$ 13,208,010

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

Fund balances - total governmental funds		\$ 7,409,579
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
The statement of net position reports a net other postemployment benefit asset for its participation in the OPERS Retirement Health Insurance Account		41,021
Capital assets and lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		26,294,108
Deferred charges relating to debt issuances are not financial resources and, therefore, are not reported in the funds		254,640
Other long-term assets are not available for current period expenditures and, therefore, are reported as unavailable revenue in the funds		995,892
Deferred outflows related to the pension plan and other postemployment benefit plans are not current financial resources and therefore are not reported in the funds		1,970,814
Internal service funds are used by management to charge the costs of centralized services and facilities maintenance services to individual funds. A portion of the assets and liabilities of the internal service funds is included in governmental activities in the statement of net position		
Net position of the internal service funds	\$ 3,436,311	
Net position allocable to the business-type activities	(7,524,350)	
Internal service fund amounts included in other reconciling items:		
Net other postemployment benefit asset	(17,859)	
Capital assets	(6,752,787)	
Deferred outflows of resources	(998,368)	
Accrued interest payable	3,036	
Long-term liabilities	4,279,459	
Deferred inflows of resources	<u>858,359</u>	(6,716,199)
Long-term liabilities, including bonds payable, bond premiums, accrued interest, and compensated absences are not due and payable in the current period, and, therefore, are not reported in the funds		
Accrued interest	(8,852)	
Long-term debt obligations	(6,756,863)	
Leases payable	(46,003)	
Bond premium	(487,018)	
Compensated absences	<u>(57,445)</u>	(7,356,181)
The net pension liability is reported in the statement of net position, but is not reported in the funds		(2,015,421)
The other postemployment benefit liability is reported in the statement of net position, but is not reported in the funds		(897,166)
Deferred inflows related to the pension plan and other postemployment benefit plan are reported in the statement of net position but are not reported in the funds		<u>(1,971,604)</u>
Net position of governmental activities		<u>\$ 18,009,483</u>

CITY OF MADRAS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2022

	General	Transportation Operations	Madras Redevelopment Commission Commercial Project	Madras Redevelopment Commission Commercial Property Tax and Debt Service	Total Nonmajor Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 1,615,789	\$ -	\$ -	\$ 702,173	\$ 54,552	\$ 2,372,514
Franchise fees	481,767	481,768	-	-	-	963,535
Miscellaneous taxes	744,983	-	-	-	-	744,983
Licenses, permits and fees	708,102	-	-	-	89,271	797,373
Fines and forfeitures	48,275	-	-	-	-	48,275
Charges for services	381,906	-	-	-	25,000	406,906
System development charges	-	7,142	-	-	599,419	606,561
Intergovernmental	2,008,436	1,670,895	-	-	20,855	3,700,186
Loan repayments	-	-	-	-	139,837	139,837
Interest	20,282	3,426	-	56	83,149	106,913
Miscellaneous	85,547	38,960	-	-	12,743	137,250
Total revenues	6,095,087	2,202,191	-	702,229	1,024,826	10,024,333
Expenditures						
Current						
General government	610,636	-	-	-	26,948	637,584
Public safety	2,457,217	-	-	-	-	2,457,217
Highways and streets	-	822,645	-	-	-	822,645
Community development	486,383	-	549,915	42	920,838	1,957,178
Culture and recreation	702,890	-	-	-	-	702,890
Debt service	23,426	61,073	-	1,426,728	285,854	1,797,081
Capital outlay	472,437	1,851,815	-	-	-	2,324,252
Total expenditures	4,752,989	2,735,533	549,915	1,426,770	1,233,640	10,698,847
Excess (deficiency) of revenues over expenditures	1,342,098	(533,342)	(549,915)	(724,541)	(208,814)	(674,514)
Other financing sources (uses)						
Proceeds from short-term obligations	-	-	-	1,115,067	-	1,115,067
Issuance of long-term obligations	-	518,257	-	-	-	518,257
Refunding bonds issued	-	-	-	-	1,154,275	1,154,275
Payment to refunded bond escrow agent	-	-	-	-	(1,127,552)	(1,127,552)
Sale of asset	11,690	-	-	-	-	11,690
Transfers in	893,214	300,000	95,500	-	1,469,485	2,758,199
Transfers out	(520,553)	-	-	(1,150,515)	(840,814)	(2,511,882)
Total other financing sources (uses)	384,351	818,257	95,500	(35,448)	655,394	1,918,054
Net change in fund balances	1,726,449	284,915	(454,415)	(759,989)	446,580	1,243,540
Fund balances (deficit) at beginning of year	2,411,101	881,297	694	(1,492,685)	4,365,632	6,166,039
Fund balances (deficit) at end of year	\$ 4,137,550	\$ 1,166,212	\$ (453,721)	\$ (2,252,674)	\$ 4,812,212	\$ 7,409,579

See notes to financial statements

CITY OF MADRAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2022

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

Net change in fund balances - total governmental funds		\$ 1,243,540
Governmental funds report the acquisition of capital assets as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. The difference between those two amounts is:		
Acquisition of capital assets	\$ 2,311,514	
Depreciation	<u>(724,028)</u>	1,587,486
The net effect of transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position		
		(2,420)
Leases in which the City is the lessee in governmental activities, an expenditure is recorded in the governmental funds for the amount of the present value of future lease payments; however, in the statement of activities, the present value of future lease payments is recognized as an intangible asset and amortized over the lease term		
Amortization		(18,822)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds as follows:		
Taxes	5,337	
Loans	189,534	
System development charges	(47,715)	
Other	<u>310,893</u>	458,049
The changes in net pension liability and deferred inflows and outflows related to the City's participation in OPERS are reported as additional expenses for increases and a reduction of expenses for decreases		
		317,665
The changes in other postemployment benefit liability (asset) and deferred outflows related to the entity's participation in the Retirement Health Insurance Account and its own City plan are reported as other postemployment benefit revenue or expense on the statement of activities		
		(4,233)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds		
Compensated absences		(1,150)
Repayment of long-term obligation principal and lease payments is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the statement of net position. Additionally, the issuance of debt is an other financing source in the funds but increases long-term obligations in the statement of net position		
Issuance of long-term debt	(1,548,257)	
Premium on refunding	(124,275)	
Deferred charges on refunding	39,207	
Lease payments	18,307	
Principal payments	1,600,737	
Amortization of bond premium	12,533	
Amortization of deferred amounts on refunding	(7,594)	
Accrued interest	<u>597</u>	(8,745)
Additional transfer from the business-type activities for capital assets purchased by the proprietary funds for the governmental activities		
		260,680
Net income of the internal service funds allocated to the governmental activities		
		<u>(787,941)</u>
Change in net position of governmental activities		<u>\$ 3,044,109</u>

CITY OF MADRAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2022

	Budget		Actual	Variance
	Original	Final		
Revenues				
Property taxes	\$ 1,622,375	\$ 1,622,375	\$ 1,615,789	\$ (6,586)
Franchise fees	421,800	421,800	481,767	59,967
Miscellaneous taxes	632,000	632,000	744,983	112,983
Licenses, permits and fees	10,890	10,890	40,077	29,187
Fines and forfeitures	45,000	45,000	48,275	3,275
Intergovernmental	996,598	3,406,436	1,957,928	(1,448,508)
Interest	19,000	19,000	13,719	(5,281)
Interfund loan repayment	675,000	530,000	85,501	(444,499)
Miscellaneous	1,000	1,000	775	(225)
	<u>4,423,663</u>	<u>6,688,501</u>	<u>4,988,814</u>	<u>(1,699,687)</u>
Expenditures				
Police				
Personnel services	1,787,560	1,787,560	1,702,126	85,434
Materials and services	861,355	861,355	758,820	102,535
Capital outlay	60,000	73,000	12,737	60,263
City council and administration	85,000	2,635,000	498,311	2,136,689
Contingency	1,344,500	565,457	-	565,457
	<u>4,138,415</u>	<u>5,922,372</u>	<u>2,971,994</u>	<u>2,950,378</u>
Excess (deficiency) of revenues over expenditures	<u>285,248</u>	<u>766,129</u>	<u>2,016,820</u>	<u>1,250,691</u>
Other financing sources (uses)				
Interfund loan	(675,000)	(530,000)	(85,501)	444,499
Transfers out	(491,119)	(1,117,000)	(520,553)	596,447
	<u>(1,166,119)</u>	<u>(1,647,000)</u>	<u>(606,054)</u>	<u>1,040,946</u>
Net change in fund balance	(880,871)	(880,871)	1,410,766	2,291,637
Fund balance at beginning of year	<u>1,818,196</u>	<u>1,818,196</u>	<u>1,224,462</u>	<u>(593,734)</u>
Fund balance at end of year	<u>\$ 937,325</u>	<u>\$ 937,325</u>	<u>\$ 2,635,228</u>	<u>\$ 1,697,903</u>

See notes to financial statements

CITY OF MADRAS
TRANSPORTATION OPERATIONS FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2022

	Budget		Actual	Variance
	Original	Final		
Revenues				
Franchise fees	\$ 421,800	\$ 421,800	\$ 481,768	\$ 59,968
System development charges	3,040	3,040	7,142	4,102
Intergovernmental	2,755,717	2,755,717	1,670,895	(1,084,822)
Interest	4,500	4,500	3,426	(1,074)
Miscellaneous	8,500	8,500	38,960	30,460
Total revenues	3,193,557	3,193,557	2,202,191	(991,366)
Expenditures				
Materials and services	1,100,063	1,100,063	822,645	277,418
Special payment	75,000	75,000	-	75,000
Capital outlay	3,980,000	4,068,500	1,851,815	2,216,685
Debt service	109,000	109,000	61,073	47,927
Contingency	75,000	838,500	-	838,500
Total expenditures	5,339,063	6,191,063	2,735,533	3,455,530
Excess (deficiency) of revenues over expenditures	(2,145,506)	(2,997,506)	(533,342)	2,464,164
Other financing sources (uses)				
Issuance of long-term obligations	1,500,000	1,500,000	518,257	(981,743)
Transfers in	233,000	935,000	300,000	(635,000)
Total other financing sources (uses)	1,733,000	2,435,000	818,257	(1,616,743)
Net change in fund balance	(412,506)	(562,506)	284,915	847,421
Fund balance at beginning of year	686,980	836,980	881,297	44,317
Fund balance at end of year	\$ 274,474	\$ 274,474	\$ 1,166,212	\$ 891,738

See notes to financial statements

CITY OF MADRAS
MADRAS REDEVELOPMENT COMMISSION COMMERCIAL PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2022

	Biennium Budget		FY 2021-22	
	Original	Final	Actual	Variance
Expenditures				
Materials and services	198,250	\$ 203,250	\$ 65,794	\$ 137,456
Special payments	2,341,000	2,353,000	484,121	1,868,879
Contingency	200,000	183,000	-	183,000
Total expenditures	<u>2,739,250</u>	<u>2,739,250</u>	<u>549,915</u>	<u>2,189,335</u>
Excess (deficiency) of revenues over expenditures	<u>(2,739,250)</u>	<u>(2,739,250)</u>	<u>(549,915)</u>	<u>2,189,335</u>
Other financing sources (uses)				
Issuance of short-term obligations	2,800,000	2,800,000	510,000	(2,290,000)
Transfers in	-	-	95,500	95,500
Total other financing sources (uses)	<u>2,800,000</u>	<u>2,800,000</u>	<u>605,500</u>	<u>(2,194,500)</u>
Net change in fund balance	60,750	60,750	55,585	(5,165)
Fund balance at beginning of year	<u>38,169</u>	<u>38,169</u>	<u>694</u>	<u>(37,475)</u>
Fund balance at end of year	<u>\$ 98,919</u>	<u>\$ 98,919</u>	<u>\$ 56,279</u>	<u>\$ (42,640)</u>
Reconciliation to generally accepted accounting principles				
Short-term obligations			<u>(510,000)</u>	
Fund balance - ending			<u>\$ (453,721)</u>	

CITY OF MADRAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2022

	Business-type Activities			Total Enterprise Funds	Internal Service Funds
	Water	Wastewater	Airport		
Assets					
Current assets					
Cash and cash equivalents	\$ 287,010	\$ 2,965,391	\$ 823,548	\$ 4,075,949	\$ 938,290
Receivables, net	79,680	428,178	180,667	688,525	48,990
Inventory	39,528	50,550	79,690	169,768	13,869
Prepaid items	-	-	1,425	1,425	-
Total current assets	<u>406,218</u>	<u>3,444,119</u>	<u>1,085,330</u>	<u>4,935,667</u>	<u>1,001,149</u>
Net other postemployment benefits asset	1,272	7,023	-	8,295	17,859
Capital assets					
Land and construction in progress	6,048	1,668,247	176,477	1,850,772	2,270,000
Other capital assets, net	590,175	26,692,585	14,749,706	42,032,466	4,482,787
Total capital assets	<u>596,223</u>	<u>28,360,832</u>	<u>14,926,183</u>	<u>43,883,238</u>	<u>6,752,787</u>
Total assets	<u>1,003,713</u>	<u>31,811,974</u>	<u>16,011,513</u>	<u>48,827,200</u>	<u>7,771,795</u>
Deferred outflows of resources					
Refunded debt charges	-	543,106	-	543,106	140,352
Pension related items	57,513	317,629	-	375,142	807,691
Other postemployment benefit related items	3,584	19,791	-	23,375	50,325
Total deferred outflows of resources	<u>61,097</u>	<u>880,526</u>	<u>-</u>	<u>941,623</u>	<u>998,368</u>
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	39,276	38,963	94,063	172,302	170,441
Accrued interest payable	250	217,755	2,490	220,495	3,038
Consumer deposits	10,914	44,477	-	55,391	200
Unearned revenue	-	-	-	-	22,355
Compensated absences	-	-	-	-	33,697
Long-term obligations due within one year	6,623	453,833	62,406	522,862	132,941
Total current liabilities	<u>57,063</u>	<u>755,028</u>	<u>158,959</u>	<u>971,050</u>	<u>362,672</u>
Long-term obligations due in more than one year	223,898	11,034,278	731,551	11,989,727	4,112,821
Total liabilities	<u>280,961</u>	<u>11,789,306</u>	<u>890,510</u>	<u>12,960,777</u>	<u>4,475,493</u>
Deferred inflows of resources					
Pension related items	56,649	312,855	-	369,504	795,554
Other postemployment benefit related items	4,473	24,699	-	29,172	62,805
Total deferred inflows of resources	<u>61,122</u>	<u>337,554</u>	<u>-</u>	<u>398,676</u>	<u>858,359</u>
Net position					
Net investment in capital assets	509,409	18,089,252	14,132,222	32,730,883	3,785,196
Restricted for:					
Capital projects	-	703,648	-	703,648	-
Unrestricted	213,318	1,772,740	988,781	2,974,839	(348,885)
Total net position	<u>\$ 722,727</u>	<u>\$ 20,565,640</u>	<u>\$ 15,121,003</u>	36,409,370	<u>\$ 3,436,311</u>
Adjustment to reflect internal service fund balances related to business-type activities				<u>7,524,350</u>	
Net position of the business-type activities				<u>\$ 43,933,720</u>	

CITY OF MADRAS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2022

	<u>Business-type Activities</u>			<u>Totals Enterprise Funds</u>	<u>Internal Service Funds</u>
	<u>Water</u>	<u>Wastewater</u>	<u>Airport</u>		
Operating revenues					
Charges for services	\$ 791,830	\$ 3,727,163	\$ 763,807	\$ 5,282,800	\$ 4,077,931
Licenses, permits and fees	-	-	-	-	56,247
Rental income	-	-	685,514	685,514	55
Miscellaneous	-	1,088	45	1,133	13,487
Total operating revenues	<u>791,830</u>	<u>3,728,251</u>	<u>1,449,366</u>	<u>5,969,447</u>	<u>4,147,720</u>
Operating expenses					
Personnel services	(13,256)	(84,178)	-	(97,434)	2,205,778
Materials and services	847,921	2,431,796	1,267,550	4,547,267	1,591,443
Depreciation	21,501	495,554	527,851	1,044,906	119,041
Total operating expenses	<u>856,166</u>	<u>2,843,172</u>	<u>1,795,401</u>	<u>5,494,739</u>	<u>3,916,262</u>
Operating income (loss)	<u>(64,336)</u>	<u>885,079</u>	<u>(346,035)</u>	<u>474,708</u>	<u>231,458</u>
Nonoperating revenues (expenses)					
Grants	20,717	1,881,493	111,898	2,014,108	65,500
Interest income	1,863	16,727	4,478	23,068	60
Gain on sale of capital assets	-	-	-	-	7,401
Interest expense	(2,788)	(413,001)	(25,524)	(441,313)	(23,889)
Total nonoperating revenue (expenses)	<u>19,792</u>	<u>1,485,219</u>	<u>90,852</u>	<u>1,595,863</u>	<u>49,072</u>
Income (loss) before capital contributions and transfers	<u>(44,544)</u>	<u>2,370,298</u>	<u>(255,183)</u>	<u>2,070,571</u>	<u>280,530</u>
Capital contributions	-	499,995	-	499,995	-
Transfers in	-	363,917	-	363,917	329,494
Transfers out	-	(670,433)	(9,000)	(679,433)	(520,975)
Change in net position	<u>(44,544)</u>	<u>2,563,777</u>	<u>(264,183)</u>	<u>2,255,050</u>	<u>89,049</u>
Net position - beginning	<u>767,271</u>	<u>18,001,863</u>	<u>15,385,186</u>	<u>34,154,320</u>	<u>3,347,262</u>
Net position - ending	<u>\$ 722,727</u>	<u>\$ 20,565,640</u>	<u>\$ 15,121,003</u>	<u>\$ 36,409,370</u>	<u>\$ 3,436,311</u>
Change in net position				\$ 2,255,050	
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds				<u>876,990</u>	
Change in net position of the business-type activities				<u>\$ 3,132,040</u>	

See notes to financial statements

CITY OF MADRAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2022

	Business-type Activities			Total Enterprise Funds	Internal Service Funds
	Water	Wastewater	Airport		
Cash flows from operating activities					
Receipts from customers	\$ 818,823	\$ 3,824,060	\$ 1,319,131	\$ 5,962,014	\$ -
Receipts from other funds	-	-	-	-	4,101,530
Payments to suppliers	(860,704)	(2,458,810)	(1,251,346)	(4,570,860)	(1,624,245)
Payments to other funds	-	-	-	-	(1,630)
Payments to employees	-	-	-	-	(2,432,197)
Net cash provided by (used in) operating activities	<u>(41,881)</u>	<u>1,365,250</u>	<u>67,785</u>	<u>1,391,154</u>	<u>43,458</u>
Cash flows from noncapital financing activities					
Transfers in	-	345,699	-	345,699	329,494
Transfers out	-	(670,433)	(9,000)	(679,433)	(242,077)
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>(324,734)</u>	<u>(9,000)</u>	<u>(333,734)</u>	<u>87,417</u>
Cash flows from capital and related financing activities					
System development charges received	-	499,995	-	499,995	-
Grants	20,717	1,881,493	111,898	2,014,108	65,500
Rents	-	552	-	552	-
Acquisition of capital assets	-	(1,930,425)	(116,749)	(2,047,174)	(48,500)
Proceeds from the sale of assets	-	-	-	-	7,401
Principal paid on long-term obligations	(6,300)	(10,630,995)	(59,455)	(10,696,750)	(2,131,244)
Interest paid on long-term obligations	(3,120)	(307,771)	(28,467)	(339,358)	(63,115)
Net cash provided by (used in) capital and related financing activities	<u>11,297</u>	<u>(97,151)</u>	<u>(92,773)</u>	<u>(178,627)</u>	<u>(180,795)</u>
Cash flows from investing activities					
Interest on investments	1,863	16,727	4,478	23,068	60
Net increase (decrease) in cash and cash equivalents	(28,721)	960,092	(29,510)	901,861	(49,860)
Cash and cash equivalents - beginning	315,731	2,005,299	853,058	3,174,088	988,150
Cash and cash equivalents - ending	<u>\$ 287,010</u>	<u>\$ 2,965,391</u>	<u>\$ 823,548</u>	<u>\$ 4,075,949</u>	<u>\$ 938,290</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	\$ (64,336)	\$ 885,079	\$ (346,035)	\$ 474,708	\$ 231,458
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	21,501	495,554	527,851	1,044,906	119,041
(Increase) decrease in assets and deferred outflows					
Receivables, net	29,859	95,942	(130,235)	(4,434)	(46,190)
Inventories	3,087	(25,766)	(12,916)	(35,595)	(1,853)
Prepaid items	-	-	(1,425)	(1,425)	5,804
Net other postemployment benefits asset	(39)	(1,380)	-	(1,419)	(6,844)
Pension related items	8,707	(14,509)	-	(5,802)	(216,017)
Other postemployment benefit related items	1,551	3,717	-	5,268	(4,439)
Increase (decrease) in liabilities and deferred inflows					
Accounts payable and accrued liabilities	(17,208)	(1,248)	30,545	12,089	(36,753)
Retainage payable	1,338	-	-	1,338	-
Due to other funds	-	-	-	-	(1,630)
Consumer deposits	(2,866)	(133)	-	(2,999)	-
Compensated absences payable	-	-	-	-	(395)
Unearned revenue	-	-	-	-	19,418
Net pension liability	(51,425)	(284,002)	-	(335,427)	(722,186)
Net other postemployment benefits liability	(12,473)	(30,810)	-	(43,283)	30,629
Pension related items	43,280	251,658	-	294,938	676,101
Other postemployment benefit related items	(2,857)	(8,852)	-	(11,709)	(2,686)
Net cash provided by (used in) operating activities	<u>\$ (41,881)</u>	<u>\$ 1,365,250</u>	<u>\$ 67,785</u>	<u>\$ 1,391,154</u>	<u>\$ 43,458</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS					
Refunded debt charges	\$ -	\$ 543,106	\$ -	\$ 543,106	\$ -
Non cash transfers	-	18,218	-	18,218	(278,898)
Total noncash transactions	<u>\$ -</u>	<u>\$ 561,324</u>	<u>\$ -</u>	<u>\$ 561,324</u>	<u>\$ (278,898)</u>

CITY OF MADRAS

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 – FINANCIAL REPORTING ENTITY

The City of Madras (the “City”) was incorporated in 1911. The City provides basic services to the citizens within the city limits.

The city council, comprised of the mayor and six council members, forms the legislative branch of the government. Individual departments are under the direction and authority of the city administrator, who is appointed by the city council.

The accompanying financial statements present all activities 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.

The city council appoints the governing body of the Madras Redevelopment Commission (the “MRC”), the MRC provides a financial benefit to the City, and the MRC is fiscally dependent on the City. Therefore, the accounts of the MRC are included in the financial statements of the City as a blended component unit.

Complete financial statements for the MRC may be obtained from the City’s finance department.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Government-wide financial statements and financial statement presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the 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 governmental funds and major enterprise funds are reported as separate columns in the fund financial statements

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund 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.

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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Significant revenues, which are susceptible to accrual under the modified accrual basis of accounting, include property taxes and federal and state grants. Other revenue items are considered to be measurable and available when received by the City. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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. Included in the General Fund are the separately budgeted Parks, Community Development, Community Cleanup and Pension Stabilization funds. Principal sources of revenue are property taxes, franchise fees, and state shared revenues. Expenditures are primarily for public safety, parks and the industrial site.

Transportation Operations - accounts for improving and maintaining streets, the multi-use trail system, street greenways, street/trail lighting and associated material purchases. The City's street capital program is also accounted for in this fund.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement focus, basis of accounting and financial statement presentation

Madras Redevelopment Commission Commercial Project – accounts for payment of principal and interest on long-term obligations within the Madras Redevelopment Commission. The principal revenue source is property taxes.

Madras Redevelopment Commission Commercial Property Tax and Debt Service – accounts for property tax revenues and debt service payments.

The City reports the following major proprietary funds:

Water - accounts for the operations of the City's water distribution system which is financed primarily through fees.

Wastewater - accounts for the operations of the City's wastewater collection and treatment system which is financed primarily through user charges to the general public.

Airport - accounts for the operations and capital improvements of the City's municipal airport.

Additionally, the City reports the following fund types:

Special Revenue – accounts for revenue derived from specific taxes or other revenue sources which are legally restricted to finance particular functions or activities.

Debt Service – accounts for the payment of principal and interest on long-term obligations. The principal revenue source is property taxes.

Capital Projects – accounts for major construction projects or equipment acquisition. The principal revenue resources are system development charges and proceeds from long-term obligations.

Internal Service – accounts for the cost of providing services to other funds of the City which are charged a fee on a cost reimbursement basis for those services.

Budget policies and budgetary control

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

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budget policies and budgetary control (continued)

The City begins its budgeting process by appointing budget committee members in January or February 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 adopts the budget, makes appropriations, and declares the tax levy no later than June 30. Disbursement 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 disbursements cannot legally exceed appropriations. The City established the levels of budgetary control at the department level along with debt service, transfers and contingencies.

Budget amounts shown in the financial statements have been revised since the original budget amounts were adopted. The city council must authorize all appropriation transfers and supplementary budgetary appropriations.

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.

Property taxes

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic remittances of collections to entities levying taxes. Real and personal property taxes are levied upon all taxable property and become a lien against the property as of July 1 of each year. Property taxes are payable in three installments following the lien date on November 15, February 15 and May 15 each year.

Uncollected property taxes are reported in the governmental funds balance sheet as receivables; the portion which is available to finance expenditures of the current period is recorded as revenue and the remaining balance is recorded as unavailable revenues. Property taxes which are collected within 60 days of the end of the current period are considered available and recognized as revenue.

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

User charges and fines

User charges are reported at the amount management expects to collect on balances outstanding at year end. Management closely monitors outstanding balances and writes off, as of year-end, all balances that are not expected to be collected.

The City has uncollected municipal court fines and fees, however due to the uncertainty of collection these amounts are not reported in the financial statements. The City maintains a listing of receivables they believe are collectible as of June 30, 2022 .

Inventory

Inventory is valued at cost (first-in, first-out method). Inventory consists of expendable supplies held for consumption.

Capital assets

Fund financial statements

In the fund financial statements, capital assets arising from cash transactions acquired for use in governmental fund operations are accounted for as capital outlay disbursements of the governmental fund upon acquisition. Capital assets acquired for use in proprietary fund operations are accounted for the same as in the government-wide statements.

Government-wide statements

Capital assets are recorded at historical cost or estimated historical cost and adjusted by estimated amounts for accumulated depreciation in the statement of net position and depreciation expense in the statement of activities.

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed capital assets are recorded at estimated fair market value at the time received. 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.

Capital assets are depreciated using the straight-line method over the following estimated useful lives.

<u>Assets</u>	<u>Years</u>
Land improvements	20 – 50
Buildings and improvements	25 – 75
Equipment	5 – 15
Infrastructure	30 – 50

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. The excess of bond amounts issued to refund previously issued debt over the refunded debt are reported as deferred charges and amortized over the term of the related debt. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Leases

Lease contracts that provide the City with control of a non-financial asset, such as land, buildings or equipment, for a period of time in excess of twelve months are reported as a leased asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The intangible leased asset is recorded for the same amount as the related lease liability plus any prepayments and initial direct costs to place the asset in service. Leased assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment.

Lease contracts for which the City is a lessor for a period of time in excess of twelve months are reported as a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements. At the commencement of the lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Compensated absences

Vacation leave

The City has a policy which permits employees to earn vacation leave. Any leave not used or forfeited will be paid upon the employee's termination of employment.

Sick leave

The City has a policy which permits employees to earn sick leave. The City does not compensate the employees for unused sick leave upon termination of employment.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net pension liability

The net pension liability, measured as of June 30, 2021, is the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service, net of the pension plan’s fiduciary net position as of that date.

Other postemployment benefits liability

The other postemployment benefits (OPEB) liability is based on actuarial valuations. The latest valuation used to determine the other postemployment obligation was dated July 1, 2020.

Deferred outflows / inflows of resources

In addition to assets, the statements of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, 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. These include refunded debt charges, pension related items and other postemployment benefit related items

In addition to liabilities, the statement of net position will report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents amounts that apply to future periods and so will not be recognized as an inflow of resources (revenue) until that time. Pension other postemployment benefit related items which are amortized over specified periods are reported as deferred inflows of resources.

The balance sheet of governmental funds will report as deferred inflows unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Interfund loans

Lending and borrowing arrangements between funds, which are outstanding at the end of the year, are presented as either “interfund receivables/payables” for the current portion or “advances to/from other funds” for the non-current portion of the interfund loan. All other outstanding balances between funds are reported as due to/from other funds. Advances to other funds are offset by a reservation of fund equity to indicate that they are not available financial resources.

Retirement plans

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

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net position

Government-wide and proprietary fund financial statements

Equity is classified as net position and displayed in three components:

Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

In the government-wide and proprietary fund financial statements when both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, and then unrestricted resources as they are needed.

Fund balance

Governmental fund type fund balance reporting

Governmental type fund balance amounts are to be reported within one of the fund balance categories listed below:

Non spendable — Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted — Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed — Amounts that can be used only for specific purposes determined by a formal action of the city council. The city council is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the city council.

Assigned — Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The City Administrator has authority to assign fund balance amounts.

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund balance (continued)

Unassigned – The residual classification for the government’s general fund and includes all spendable amounts not contained in the other classifications. Additionally, other funds may report negative unassigned fund balance in certain circumstances.

In the governmental fund financial statements when an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless provided otherwise in commitment or assignment actions.

Fair value measurements

The City categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

New accounting standard implemented

In June 2017, the GASB issued Statement No. 87, *Leases* (GASB 87). The statement establishes accounting and financial reporting standards for leases by lessees and lessors. The statement requires lessees to report a “right to use” asset and a lease liability and requires lessors to report a lease receivable and a deferred inflow, for leases with a term of more than one year. The City implemented the provisions of GASB 87 as of July 1, 2021, which required right to use assets be recorded with equal amounts for lease liabilities, and lease receivables and equal amounts of deferred inflows, without impact to net position or fund balances.

NOTE 3 – CASH AND CASH EQUIVALENTS

The City’s cash and cash equivalents at June 30, 2022 are as follows:

State of Oregon Local Government Investment Pool	\$ 7,540,106
Cash held with County Treasurer	4,502,090
Deposits with financial institutions	329,846
Cash with fiscal agent	198,500
Cash on hand	<u>2,100</u>
Total cash and cash equivalents	<u>\$ 12,572,642</u>

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

NOTE 3 – CASH AND CASH EQUIVALENTS (Continued)

Deposits with financial institutions

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 Depository 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 financial institutions participating in the Oregon Public Funds Collateralization Program are collateralized under the Public Funds Collateralization Program (PFCP) of the Oregon State Treasurer. The PFCP is a shared liability structure for participating financial institutions and is considered additional depository insurance as defined in GASB 40. Participating financial institutions are required to pledge securities, held by the Federal Home Loan Bank of Seattle in the name of the financial institution, with a value equal to at least 10%, with limited exceptions that may require up to 110%, of the amount of deposits of Oregon municipal corporations in excess of FDIC depository insurance. In the event of a failure of a participating financial institution the collective amount of all pledged securities under the PFCP are available to return the City's deposits. As of June 30, 2022, none of the City's deposits with financial institutions were exposed to custodial credit risk.

State of Oregon Local Government Investment Pool

Balances in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value. Fair value is determined at the quoted market price, if available; otherwise the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale.

The Oregon State Treasury administers the LGIP. The LGIP is an unrated, open-ended, no-load, diversified portfolio offered to any agency, political subdivision or public corporation of the state who by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. To provide regulatory oversight, the Oregon Legislature established the Oregon Short-Term Fund Board and LGIP investments are approved by the Oregon Investment Council. The fair value of the City's position in the LGIP is the same as the value of the pool shares.

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-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the state treasurer's investment pool.

NOTE 3 – CASH AND CASH EQUIVALENTS (Continued)

Concentration of Credit Risk: The City does not have a formal policy that places a limit on the amount that may be invested in any one insurer. 100% of the City's investments are in the State of Oregon State and Local Investment Pool.

Interest Rate Risk: The City does not have a formal policy that limits investment maturities as a means of managing its exposure to fair-value losses arising from increases in interest rates.

Portfolio Credit Rating: The City does not have a formal policy that establishes a minimum average credit rating for its investment portfolio.

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. The City does not have a policy which limits the amount of investments that can be held by counterparties.

NOTE 4 – INVESTMENT IN LAND FOR SALE

Through MRC, the City holds land for sale which is reported at its estimated fair value measured using level 3 inputs.

NOTE 5 – NOTES RECEIVABLE

Through MRC, the City has made grants and loans to improve and refurbish buildings for the benefit of businesses in the City. Notes receivable have been recorded to reflect the amount the property owners will repay under the program. Loans are repayable over a maximum of 120 months. The loans are secured by the improved property and are considered fully collectible.

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 6 – CAPITAL ASSETS

Activity for the governmental activities for the year ended June 30, 2022 was as follows:

	Balances July 1, 2021	Additions	Deletions and Reclassification	Balances June 30, 2022
Capital assets not being depreciated				
Land	\$ 3,038,867	\$ -	\$ -	\$ 3,038,867
Construction in progress	<u>742,557</u>	<u>2,311,515</u>	<u>(443,593)</u>	<u>2,610,479</u>
Total capital assets not being depreciated	<u>3,781,424</u>	<u>2,311,515</u>	<u>(443,593)</u>	<u>5,649,346</u>
Capital assets being depreciated				
Land improvements	3,858,512	-	-	3,858,512
Buildings and improvements	8,342,580	-	-	8,342,580
Equipment	2,476,639	48,500	-	2,525,139
Infrastructure	<u>15,850,732</u>	<u>-</u>	<u>441,173</u>	<u>16,291,905</u>
Total capital assets being depreciated	<u>30,528,463</u>	<u>48,500</u>	<u>441,173</u>	<u>31,018,136</u>
Less accumulated depreciation for:				
Land improvements	1,673,792	161,976	-	1,835,768
Buildings and improvements	2,343,874	210,835	-	2,554,709
Equipment	1,908,153	110,652	-	2,018,805
Infrastructure	<u>3,649,974</u>	<u>359,606</u>	<u>-</u>	<u>4,009,580</u>
Total accumulated depreciation	<u>9,575,793</u>	<u>843,069</u>	<u>-</u>	<u>10,418,862</u>
Total capital assets being depreciated	<u>20,952,670</u>	<u>(794,569)</u>	<u>441,173</u>	<u>20,599,274</u>
Lease assets				
Right to Use - Equipment	<u>64,310</u>	<u>-</u>	<u>-</u>	<u>64,310</u>
Less accumulated amortization for:				
Right to Use - Equipment	<u>-</u>	<u>18,822</u>	<u>-</u>	<u>18,822</u>
Lease assets, net	<u>64,310</u>	<u>(18,822)</u>	<u>-</u>	<u>45,488</u>
Capital assets, net	<u>\$ 24,798,404</u>	<u>\$ 1,498,124</u>	<u>\$ (2,420)</u>	<u>\$ 26,294,108</u>

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 6 – CAPITAL ASSETS (Continued)

Depreciation and amortization was charged to expense for the year ended June 30, 2022 as follows:

Depreciation and amortization:

General government	\$ 95,407
Public safety	72,263
Highways and streets	536,382
Culture and recreation	<u>157,839</u>
	<u><u>\$ 861,891</u></u>

Activity for business-type activities for the year ended June 30, 2022 was as follows:

	Balances July 1, 2021	Additions	Reclassifications and Deletions	Balances June 30, 2022
Capital assets not being depreciated				
Land	\$ 1,727,177	\$ -	\$ -	\$ 1,727,177
Construction in progress	<u>136,466</u>	<u>2,125,205</u>	<u>(2,138,076)</u>	<u>123,595</u>
Total capital assets not being depreciated	<u>1,863,643</u>	<u>2,125,205</u>	<u>(2,138,076)</u>	<u>1,850,772</u>
Capital assets being depreciated				
Land improvements	132,765	-	-	\$ 132,765
Buildings and improvements	5,640,437	-	28,541	5,668,978
Equipment	1,357,243	-	75,000	1,432,243
Infrastructure	<u>49,004,394</u>	<u>-</u>	<u>1,956,505</u>	<u>50,960,899</u>
Total capital assets being depreciated	<u>56,134,839</u>	<u>-</u>	<u>2,060,046</u>	<u>58,194,885</u>
Less accumulated depreciation for:				
Land improvements	50,809	4,425	-	55,234
Buildings and improvements	1,387,103	86,846	-	1,473,949
Equipment	981,902	42,707	-	1,024,609
Infrastructure	<u>12,697,699</u>	<u>910,928</u>	<u>-</u>	<u>13,608,627</u>
Total accumulated depreciation	<u>15,117,513</u>	<u>1,044,906</u>	<u>-</u>	<u>16,162,419</u>
Total capital assets being depreciated	<u>41,017,326</u>	<u>(1,044,906)</u>	<u>2,060,046</u>	<u>42,032,466</u>
Capital assets, net	<u>\$ 42,880,969</u>	<u>\$ 1,080,299</u>	<u>\$ (78,030)</u>	<u>\$ 43,883,238</u>

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 6 – CAPITAL ASSETS (Continued)

Depreciation was charged to expense for the year ended June 30, 2022 as follows:

Water	\$	21,501
Wastewater		495,554
Airport		<u>527,851</u>
		<u>\$ 1,044,906</u>

NOTE 7 – LEASES

City as lessee

The City, as a lessee, has entered into lease agreements for the use of equipment. As of June 30, 2022, the total of the County's lease assets is recorded at a cost of \$64,310, less accumulated amortization of \$18,822.

As of June 30, 2022, the future lease payments under lease agreements are as follows:

Fiscal Year	Lease Liability	Interest Expense	Total
2023	18,666	1,031	19,697
2024	19,186	511	19,697
2025	<u>8,151</u>	<u>56</u>	<u>8,207</u>
	<u>46,003</u>	<u>1,598</u>	<u>47,601</u>

City as lessor

The City, as a lessor, has entered into lease agreements involving an industrial site. The total amount of inflows of resources, including lease revenue, interest revenue, and other lease-related inflows recognized during the year ended June 30, 2022, was \$8,254.

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 8 – UNAVAILABLE REVENUE

As of June 30, 2022 resources in the governmental funds, which are measurable but unavailable, consist of the following:

	Governmental Funds				
	Madras				
	Redevelopment		Commission		
	Commercial		Property Tax and		
	General	Transportation Operations	Debt Service	Nonmajor	Total
Property taxes	\$ 62,294	\$ -	\$ 24,440	\$ -	\$ 86,734
Notes	-	-	-	508,570	508,570
Other	<u>358,219</u>	<u>6,130</u>	<u>-</u>	<u>36,239</u>	<u>400,588</u>
	<u>\$ 420,513</u>	<u>\$ 6,130</u>	<u>\$ 24,440</u>	<u>\$ 544,809</u>	<u>\$ 995,892</u>

NOTE 9 – SHORT-TERM DEBT OBLIGATIONS

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

	Outstanding July 1, 2021	Additions	Reductions	Outstanding June 30, 2022
MRC line of credit - Commercial	\$ 1,344,892	\$ 645,000	\$ 1,479,892	\$ 510,000
MRC line of credit - Housing	<u>50,000</u>	<u>279,985</u>	<u>46,000</u>	<u>283,985</u>
	<u>\$ 1,394,892</u>	<u>\$ 924,985</u>	<u>\$ 1,525,892</u>	<u>\$ 793,985</u>

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 9 – SHORT-TERM DEBT OBLIGATIONS (Continued)

MRC line of credit – Commercial

The maximum principal available is \$1,900,000, with 3.00% interest only payments due monthly. A one-time payment of all outstanding principal plus accrued interest is due April 30, 2023.

MRC line of credit – Housing

The maximum principal available is \$1,000,000. A one-time payment of all outstanding principal plus accrued interest at 3.00% is due April 30, 2023.

NOTE 10 – LONG-TERM OBLIGATIONS

Changes in governmental activities long-term obligations for the year ended June 30, 2022 were as follows:

	Outstanding July 1, 2021	Additions	Reductions	Outstanding June 30, 2022	Balances Due Within One Year
Long-term debt					
Bonded debt					
Series 2015	\$ 577,665	\$ -	\$ 40,845	\$ 536,820	\$ 40,845
Series 2017	2,850,000	-	205,000	2,645,000	215,000
Series 2021A	-	2,805,000	105,000	2,700,000	75,000
Bond premium	198,600	338,439	23,258	513,781	26,763
Direct borrowings and placements					
Leases	64,310	-	18,307	46,003	18,666
USDA Rural Development	1,946,512	-	1,946,512	-	-
Oregon Department of Transportation	330,025	518,257	-	848,282	-
Total long-term debt obligations	5,967,112	3,661,696	2,338,922	7,289,886	376,274
Other long-term obligations					
Compensated absences	56,690	57,443	56,690	57,443	57,443
Net pension liability	3,674,241	-	1,658,820	2,015,421	-
Other postemployment benefit liability	843,785	53,381	-	897,166	-
Total long-term obligations	<u>\$ 10,541,828</u>	<u>\$ 3,772,520</u>	<u>\$ 4,054,432</u>	<u>\$ 10,259,916</u>	<u>\$ 433,717</u>

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 10 – LONG-TERM OBLIGATIONS (Continued)

Changes in business-type activities long-term obligations for the year ended June 30, 2022 were as follows:

	Outstanding July 1, 2021	Additions	Reductions	Outstanding June 30, 2022	Balances Due Within One Year
Long-term debt					
Bonded debt					
Series 2013	\$ 9,675,000	\$ -	\$ 9,675,000	\$ -	\$ -
Series 2015	907,334	-	64,156	843,178	64,155
Series 2021B	-	10,390,000	340,000	10,050,000	420,000
Bond premium	93,954	-	7,683	86,271	7,684
Direct borrowings and placements					
DEQ's Clean Water	127,331	-	8,684	118,647	8,922
Oregon DEQ	580,872	-	17,427	563,445	17,674
Jefferson County	38,221	-	4,298	33,923	4,427
Capital lease	17,369	-	17,369	-	-
Total long-term debt obligations	11,440,081	10,390,000	10,134,617	11,695,464	522,862
Other long-term obligations					
Net pension liability	971,138	-	335,427	635,711	-
Other postemployment benefit liability	224,697	-	43,283	181,414	-
Total long-term obligations	<u>\$ 12,635,916</u>	<u>\$ 10,390,000</u>	<u>\$ 10,513,327</u>	<u>\$ 12,512,589</u>	<u>\$ 522,862</u>

Governmental activities long-term debt

Series 2015, Full Faith and Credit Obligation – The City borrowed \$805,230 to refund previously issued long-term debt obligations. Annual principal and interest payments are due in December. The payments range from \$22,757 to \$61,890 and include interest at rates of 1 to 4%. Annual interest only payments are due in June and range from \$467 to \$21,823.

Series 2017, Full Faith and Credit Obligation – the City borrowed \$3,145,000 to refund previously issued long-term debt obligations. Annual principal and interest payments are due in December. The payments range from \$73,050 to \$296,300 and include interest at rates of 3 to 4%. Annual interest only payments are due in June and range from \$225 to \$53,050.

Series 2021A, Full Faith and Credit Obligation – the City borrowed \$3,143,438 to refund previously issued long-term and short-term debt obligations. Annual principal payments are due in March. The payments range from \$60,000 to \$125,000 plus interest at a rate of 3%. Semiannual interest payments are due in March and September and range from \$1,800 to \$44,650. The City refunded debt to reduce its total debt service payments over the next 30 years by \$273,031 and to obtain an economic gain (difference between the present values of the debt service payments on the old debt and the new debt) of \$147,216.

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 10 – LONG-TERM OBLIGATIONS (Continued)

Governmental activities long-term debt (continued)

USDA Rural Development Revenue Installment – The City borrowed \$2,200,000 to finance the construction of the police station. Annual principal and interest payments are due in December. The payments range from \$95,534 to \$179,130 and include interest at 3.125%. These direct borrowings were refinanced in the current year.

Oregon Department of Transportation - The City entered into a \$2,233,420 loan agreement with the State of Oregon Department of Transportation to expand the Willow Creek Bridge. During fiscal year 2020, the City drew down \$106,190 of the loan. Annual principal and interest payments of \$70,060 are due in October and include interest at a rate of 1.99%.

Business-type activities long-term debt

Series 2013, Full Faith and Credit Obligation – The City borrowed \$10,495,000 to refund previously issued long-term debt obligations. Annual principal and interest payments are due in February. The payments range from \$464,944 to \$908,538 and include interest at rates of 2 to 4.125%. Annual interest only payments are due in August and range from \$35,236 to \$424,944. These bonds were refunded in the current year.

Series 2015, Full Faith and Credit Obligation – The City borrowed \$1,264,770 to refund previously issued long-term debt obligations. Annual principal and interest payments are due in December. The payments range from \$35,743 to \$97,210 and include interest at rates of 1 to 4%. Annual interest only payments are due in June and range from \$733 to \$36,889.

Series 2021B, Full Faith and Credit Obligation – The City borrowed \$10,390,000 to refund previously issued long-term debt obligations. Annual principal payments are due in March. The payments range from \$340,000 to \$830,000 plus interest at rates of .321% to 2.051%. Semiannual interest payments are due in March and September and range from \$11,624 to \$106,126.

DEQ's Clean Water Revolving Fund Loan Program – The City borrowed \$174,778 through DEQ's clean water revolving fund loan program. Annual principal and interest payments are due in December in the amount of \$12,076 and include interest at 2.71%. Annual interest only payments are due in June and range from \$60 to \$4,687.

Oregon DEQ – The City borrowed \$1,115,000 from DEQ's Clean Water State Revolving Fund. Upon completion of the project, DEQ forgave \$500,000 of the loan amount. Semiannual principal and interest payments range from \$12,778 to \$15,853 and include interest at 1.41%.

Jefferson County – The City received a \$65,000 loan from Jefferson County to fund the Berg Drive Extension to Cherry Lane. Annual principal and interest payments are due in February in the amount of \$5,445 and include interest at 3%. Annual interest only payments are due in August and range from \$159 to \$1,845.

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 10 – LONG-TERM OBLIGATIONS (Continued)

The future maturities for governmental activities long-term debt obligations as of June 30, 2022 are as follows:

Fiscal Year	Full Faith and Credit Obligations Series 2015		Full Faith and Credit Obligations Series 2017		Full Faith and Credit Obligations Series 2021A		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
	2023	\$ 40,845	\$ 19,411	\$ 215,000	\$ 86,800	\$ 75,000	\$ 89,300	\$ 330,845
2024	40,845	18,390	220,000	79,200	75,000	87,050	335,845	184,640
2025	42,790	17,135	225,000	71,400	75,000	84,800	342,790	173,335
2026	44,735	15,599	235,000	62,200	85,000	82,550	364,735	160,349
2027	46,680	13,771	245,000	52,600	85,000	80,000	376,680	146,371
2028-32	233,400	41,157	1,375,000	126,600	455,000	360,850	2,063,400	528,607
2033-37	87,525	7,119	130,000	2,400	535,000	287,950	752,525	297,469
2038-42	-	-	-	-	545,000	202,900	545,000	202,900
2043-47	-	-	-	-	345,000	127,400	345,000	127,400
2048-52	-	-	-	-	425,000	52,200	425,000	52,200
	<u>\$ 536,820</u>	<u>\$ 132,582</u>	<u>\$ 2,645,000</u>	<u>\$ 481,200</u>	<u>\$ 2,700,000</u>	<u>\$ 1,455,000</u>	<u>\$ 5,881,820</u>	<u>\$ 2,068,782</u>

The future maturities for business-type activities long-term debt obligations as of June 30, 2022 are as follows:

Fiscal Year	Full Faith and Credit Obligations Series 2015		Full Faith and Credit Obligations Series 2021B		DEQ's Clean Water Revolving Fund Loan Program	
	Principal	Interest	Principal	Interest	Principal	Interest
	2023	\$ 64,155	\$ 30,489	\$ 420,000	\$ 212,251	\$ 8,922
2024	64,155	28,885	450,000	210,357	9,165	2,911
2025	67,210	26,915	470,000	206,914	9,415	2,661
2026	70,265	24,501	500,000	202,026	9,671	2,405
2027	73,320	21,629	520,000	195,676	9,935	2,141
2028-32	366,600	64,643	3,050,000	833,784	53,895	6,485
2033-37	137,473	11,181	3,810,000	433,850	17,644	459
2038-42	-	-	830,000	23,248	-	-
2043-47	-	-	-	-	-	-
2048-52	-	-	-	-	-	-
	<u>\$ 843,178</u>	<u>\$ 208,243</u>	<u>\$ 10,050,000</u>	<u>\$ 2,318,106</u>	<u>\$ 118,647</u>	<u>\$ 20,216</u>

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 10 – LONG-TERM OBLIGATIONS (Continued)

Fiscal Year	Oregon DEQ		Jefferson County Berg Drive		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
	2023	\$ 17,674	\$ 10,699	\$ 4,427	\$ 1,018	\$ 515,178
2024	17,923	10,362	4,560	885	545,803	253,400
2025	18,178	10,017	4,697	748	569,500	247,255
2026	18,435	9,669	4,838	607	603,209	239,208
2027	18,695	9,317	4,983	462	626,933	229,225
2028-32	97,520	41,112	10,418	472	3,578,433	946,496
2033-37	104,618	31,506	-	-	4,069,735	476,996
2038-42	112,230	21,203	-	-	942,230	44,451
2043-47	120,399	10,149	-	-	120,399	10,149
2048-52	37,773	785	-	-	37,773	785
	<u>\$ 563,445</u>	<u>\$ 154,819</u>	<u>\$ 33,923</u>	<u>\$ 4,192</u>	<u>\$ 11,609,193</u>	<u>\$ 2,705,576</u>

Advance Refunding

On October 12, 2021, the City issued \$10,390,000 of full faith and credit bonds with interest rates ranging from .3% to 2.8%. The proceeds were used to advance refund \$9,675,000 of outstanding 2013 full faith and credit bonds which had interest rates ranging from 2% to 4.125%. The net proceeds of \$10,244,816 (after payment of \$145,184 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the 2013 full faith and credit bonds are considered defeased and the liability for those bonds has been removed from the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$569,816. This amount is reported as a deferred outflow of resources and amortized over the remaining life of the refunding debt. The advance refunding reduced its total debt service payments by \$898,005 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$755,914.

NOTE 11 – DEFINED BENEFIT PENSION PLAN

Plan description

Employees of the City are provided with pensions through the Oregon Public Employee Retirement Systems (OPERS).

The OPERS consists of a single cost-sharing multiple employer defined benefit pension plan. The Oregon Legislature has delegated the authority to the Public Employees Retirement Board to administer and manage the system.

NOTE 11 – DEFINED BENEFIT PENSION PLAN (Continued)

Plan description (continued)

OPERS produces an independently audited Comprehensive Annual Financial Report which includes detailed information about the pension plan's fiduciary net position. The report can be found at: www.oregon.gov/pers/Documents/Financials/CAFR/2021-ACFR.pdf.

Description of benefit terms

All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A.

Tier One/Tier Two retirement benefit (Chapter 238)

Tier One/Tier Two Retirement Benefit plan is closed to new members hired on or after August 29, 2003.

Pension benefits

The OPERS 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 (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 benefit 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. General service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60.

Death benefits

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

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

NOTE 11 – DEFINED BENEFIT PENSION PLAN (Continued)

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 OPERS judge members) for disability benefits regardless of the length of OPERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit.

Benefit changes after retirement

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

Oregon Public Service Retirement Plan (Chapter 238A) (OPSRP)

Pension benefits

The OPSRP pension program provides benefits to members hired on or after August 29, 2003.

This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

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.

Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 60, or age 53 with 25 years of retirement credit.

A member of the OPSRP pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

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.

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.

NOTE 11 – DEFINED BENEFIT PENSION PLAN (Continued)

Description of benefit terms

Benefit changes after retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes.

Contributions

OPERS funding policy provides for periodic member and employer contributions at actuarial determined rates, subject to limits set in statute. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation.

Tier One/Tier Two employer contribution rates are 26.62% and the OPSRP employer contribution rates are 19.23% for general service employees and 23.59% for police and fire employees. Employer contributions for the year ended June 30, 2022 were \$1,013,290, which includes a City funded employer's side account totaling \$500,000, for which they received a match of \$37,500 from the State's Employer Incentive Fund. The side account will reduce future required contributions for the next 20 years.

Net pension liability, pension expense and deferred outflows of resources and deferred inflows of resources related to pensions

Net pension liability

At June 30, 2022, the City reported a liability of \$2,651,132 for its proportionate share of the net pension liability. The net 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 as of 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.

Employers' long-term contribution efforts are based on projected rates that have two major components:

Normal Cost Rate: The PVFNC represents the portion of the projected long-term contribution effort related to future service. An employer's PVFNC depends on both the normal cost rates charged on the employer's payrolls, and on the underlying demographics of the respective payrolls. For OPERS funding, employers have up to three different payrolls, each with a different normal cost rate: (1) Tier One/Tier Two payroll, (2) OPSRP general service payroll, and (3) OPSRP police and fire payroll.

UAL Rate: A UAL can arise when an event such as experience differing from the assumptions used in the actuarial valuation occurs. An amortization schedule is established to eliminate the UAL that arises over a fixed period of time if future experience follows assumption. The UAL Rate is the upcoming year's component of the cumulative amortization schedules, stated as a percent of payroll. The UAL represents the portion of the projected long-term contribution effort related to past service.

NOTE 11 – DEFINED BENEFIT PENSION PLAN (Continued)

Net pension liability, pension expense and deferred outflows of resources and deferred inflows of resources related to pensions (continued)

After the employer's projected long-term contribution effort is calculated, that amount is reduced by the value of the employer's supplemental lump-sum payments, known as side accounts, transition surpluses and pre-SLGRP (State and Local Government Rate Pool) surpluses as of the valuation date. Side accounts decrease the employer's projected long-term contribution effort because side accounts are effectively prepaid contributions.

At June 30, 2021, the City's proportion was 0.02215465%, which was an increase of 0.00086846% from its proportion measured as of June 30, 2020.

Pension expense

For the year ended June 30, 2022, the City recognized a credit to pension expense of \$396,707.

Deferred inflows of resources and deferred outflows of resources

Deferred inflows of resources and deferred outflows of resources are calculated at the plan level and are allocated to employers based on their proportionate share. For the measurement period ended June 30, 2021, employers will report the following deferred inflows or resources and/or deferred outflows of resources:

- Difference between expected and actual experience
- Changes in assumptions
- Net differences between projected and actual investment earnings
- Changes in employer proportion since the prior measurement date
- Differences between employer contributions and employer's proportionate share of system contributions
- Contributions subsequent to the measurement date

Differences between expected and actual experience, changes in assumptions and changes in employer proportionate are amortized over the average remaining service lives of all plan participants, including retirees, determined at the beginning of the respective measurement period. Employers are required to recognize pension expense based on the balance of the closed period "layers" attributable to each measurement period. The average remaining service lives determined as of the beginning of each measurement period are:

- Fiscal Year ended June 30, 2021 - 5.4 years
- Fiscal Year ended June 30, 2020 - 5.3 years
- Fiscal Year ended June 30, 2019 - 5.2 years
- Fiscal Year ended June 30, 2018 - 5.2 years
- Fiscal Year ended June 30, 2017 - 5.3 years
- Fiscal Year ended June 30, 2016 - 5.3 years
- Fiscal Year ended June 30, 2015 - 5.4 years
- Fiscal Year ended June 30, 2014 - 5.6 years

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 11 – DEFINED BENEFIT PENSION PLAN (Continued)

Pension expense (continued)

The net difference between projected and actual investment earnings attributable to each measurement period is amortized over a closed five-year period.

Net pension liability, pension expense and deferred outflows of resources and deferred inflows of resources related to pensions (continued)

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 248,163	\$ –
Changes of assumptions	663,658	6,977
Net difference between projected and actual earnings on pension plan investments	–	1,962,612
Changes in proportionate share	289,951	170,734
Difference between contributions and proportionate share of system contributions	15,301	56,525
Contributions subsequent to the measurement date	<u>1,013,290</u>	<u>–</u>
 Total	 <u>\$ 2,230,363</u>	 <u>\$ 2,196,848</u>

Deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement in the amount of \$535,850 will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. \$514,940 related to the balance of the side account at June 30, 2022 will be amortized over the next 20 years. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending June 30,	
2023	\$ (145,919)
2024	(155,260)
2025	(288,071)
2026	(461,573)
2027	<u>71,049</u>
Total	<u>\$ 979,774</u>

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 11 – DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial methods and assumptions used in developing contribution rates and total pension liability

The total pension liability measured as of June 30, 2021 was based on an actuarial valuation as of December 31, 2019 using the following methods and assumptions:

Experience study report	2018, published July 24, 2019
Actuarial cost method	Entry age normal
Inflation rate	2.4%
Long-term expected rate of return	6.9%
Discount rate	6.9%
Administrative expenses – Tier One/Tier Two	\$32.5 million per year added to normal cost
Administrative expenses – OPSRP	\$8 million per year added to normal cost
Projected salary increases	3.4%
Cost of living adjustments (COLA)	Blend of 2% COLA and graded COLA (1.25%/ .015) in accordance with <i>Moro</i> decision; blend based on service
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Health Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

NOTE 11 – DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial methods and assumptions used in developing contribution rates and total pension liability (continued)

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

UAL amortization

The Tier 1/Tier 2 UAL amortization period was reset to 20 years as of December 31, 2013. Gains and losses between subsequent odd-year valuations will be amortized as a level percentage of projected combined valuation payroll (Tier 1/ Tier 2 plus OPSRP payroll) over a closed 20-year period from the valuation in which they are first recognized. Senate Bill 1049 was signed into law in June 2019 and requires a one-time re-amortization of Tier1/Tier2 UAL over a closed 22 year period at the December 31, 2019 rate-setting actuarial valuation, which will set actuarially determined contribution rates for the 2021-2023 biennium.

The OPSRP UAL as of December 31, 2007 is amortized as a level percentage of projected combined valuation payroll (Tier 1/ Tier 2 plus OPSRP payroll) over a closed period 16 year period. Gains and losses between subsequent odd-year valuations are amortized as a level percentage of combined valuation payroll over 16 years from the valuation in which they are first recognized.

Discount rate

The discount rate used to measure the total pension liability was 6.9%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 11 – DEFINED BENEFIT PENSION PLAN (Continued)

Assumed asset allocation

Asset Class	Target Allocation
Cash	0.00%
Debt securities	20.00%
Public equity	32.50%
Private equity	17.50%
Real estate	12.50%
Alternatives portfolio	15.00%
Risk parity	2.50%
Total	100.00%

Actuarial methods and assumptions used in developing contribution rates and total pension liability (continued)

Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both the actuary's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on forward-looking capital market economic model.

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 11 – DEFINED BENEFIT PENSION PLAN (Continued)

<u>Long-Term Expected Rate of Return</u> ¹				
Asset Class	Target Allocation	Annual Arithmetic Return ²	20-Year Annualized Geometric Mean	Annual Standard Deviation
Global Equity	30.62 %	7.11 %	5.85 %	17.05 %
Private Equity	25.50	11.35	7.71	30.00
Core Fixed Income	23.75	2.80	2.73	3.85
Real Estate	12.25	6.29	5.66	12.00
Master Limited Partnerships	0.75	7.65	5.71	21.30
Infrastructure	1.50	7.24	6.26	15.00
Commodities	0.63	4.68	3.10	18.85
Hedge Fund of Funds - Multistrategy	1.25	5.42	5.11	8.45
Hedge Fund Equity - Hedge	0.63	5.85	5.31	11.05
Hedge Fund - Macro	5.62	5.33	5.06	7.90
US Cash	-2.50 ³	1.77	1.76	1.20
Assumed Inflation - Mean			2.40 %	1.65 %

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

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

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

Actuarial methods and assumptions used in developing contribution rates and total pension liability (continued)

Depletion date projection

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan’s fiduciary net position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the fiduciary net position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

NOTE 11 – DEFINED BENEFIT PENSION PLAN (Continued)

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

- OPERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan’s funded position.

Based on these circumstances, it is OPERS independent actuary’s opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses.

Changes in actuarial methods and assumptions

Key changes implemented since the December 31, 2017 valuation are:

- On July 23, 2021, the PERS Board voted to set the assumed rate of return to 6.9 percent, down from 7.2 percent. The PERS Board reviews the assumed rate in odd-numbered years as part of the board’s adoption of actuarial methods and assumptions. The rate was then adopted in an administrative rule at the PERS Board’s October 1, 2021, meeting. The new assumed rate will be reflected in the December 31, 2021 actuarial valuation for funding, and decreases in the assumed rate typically increase the system’s unfunded actuarial liability as well as employer contribution rates. The new assumed rate was applied by the actuaries to the Net Pension Liability as of June 30, 2021.

Sensitivity of the proportionate share of the net pension liability to changes in the discount rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.9%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.9%) or 1-percentage-point higher (7.9%) than the current rate:

	1 Percentage Point Lower	Current Discount Rate	1 Percentage Point Higher
Proportionate share of net pension liability	\$ 5,206,189	\$ 2,651,132	\$ 513,477

NOTE 12 – DEFINED CONTRIBUTION PLAN

Plan description

Individual account program (IAP) - Participants in OPERS defined benefit pension plan also participate in the defined contribution plan.

Pension benefits

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

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

Death benefits

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

Contributions

Starting July 1, 2020, Senate Bill 1049 required a portion of member contributions to their IAP accounts to be redirected to the Defined Benefit Pension Plan. If the member earns more than \$2,500 per month (increased to \$2,535 per month on January 1, 2021) 0.75 percent (if OPSRP member) or 2.5 percent (if Tier One/Tier Two member) of the member's contributions that were previously contributed to the member's IAP now fund the new Employee Pension Stability Accounts (EPSA). The EPSA accounts will be used to fund the cost of future pension benefits without changing those benefits, which means reduced contributions to the member's IAP account. Members may elect to make voluntary IAP contributions equal to the amount redirected.

The City makes the employee contributions of 6% of covered payroll to the plan. Contributions for the year ended June 30, 2022 were \$144,301.

Recordkeeping

PERS contracts with VOYA Financial to maintain IAP participant records.

NOTE 13 – OTHER POSTEMPLOYMENT BENEFIT PLANS

City of Madras Other Postemployment Benefit Plan

Plan description and benefits provided

The City provides other postemployment benefits (OPEB) for employees, retirees, spouses and dependents through a single employer defined benefit plan in the form of group health insurance benefits. As required by ORS 243.303(2), retirees who were hired after July 1, 2003 are allowed to continue, at the retirees' expense, coverage under the group health insurance plan until age 65. The difference between the premium actually paid by the retirees under the group insurance plan and the premium that they would pay if they were not included in the plan is considered to be an implicit subsidy under the provisions of GASB 75. The plan does not issue a separate stand-alone financial report.

The City also provides explicit healthcare benefits to certain retirees meeting eligibility requirements of the plan. This includes retirees hired prior to March 11, 2014 who retire from active service with at least 20 years, and who are eligible to receive a pension from Oregon PERS. These retirees may continue coverage through the City's benefit plan through age 65, with the City paying the employee only premium at the same rate as active employees. The City also makes contributions to retirees' Health Savings Accounts in the same amount as those made for active employees.

Plan membership

As of the July 1, 2020 valuation, there were 31 active employees, 4 eligible retirees, and no spouses of ineligible retirees for a total of 35 plan members.

Contributions

The City funds the plan only to the extent of current year insurance premium requirements on a pay-as-you-go basis. The average monthly premium requirement for the City per individual is \$627 per retiree and \$686 per spouse.

Total OPEB liability, changes in total OPEB liability, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB

At June 30, 2022, the City reported a total OPEB liability of \$1,078,580. The total OPEB liability was measured as of June 30, 2021 and determined by an actuarial valuation dated July 1, 2020.

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 13 – OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

Total OPEB liability, changes in total OPEB liability, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB (continued)

For the year ended June 30, 2022 changes in the total OPEB liability are as follows:

	Total OPEB Liability
Balances at June 30, 2021	\$ 1,068,482
Changes for the year:	
Service cost	48,557
Interest	23,959
Changes in assumptions or other inputs	3,827
Benefit payments	(66,245)
Balances at June 30, 2022	\$ 1,078,580

For the year ended June 30, 2022, the City recognized OPEB expense of \$109,247. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 32,055	\$ 9,184
Changes of assumptions	24,984	150,422
City's contributions subsequent to the measurement date	76,976	-
Total	\$ 134,015	\$ 159,606

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 13 – OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

Total OPEB liability, changes in total OPEB liability, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB (continued)

Deferred outflows of resources related to OPEB resulting from the City's contributions subsequent to the measurement date in the amount of \$76,976 will be recognized as an adjustment to the Total OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending June 30,	
2023	\$ (20,308)
2024	(20,308)
2025	(20,308)
2026	(20,308)
2027	(18,170)
Thereafter	<u>(3,165)</u>
	<u>\$ (102,567)</u>

Actuarial valuation

The City's contributions are based on the accruing benefit costs measured using the individual entry age normal actuarial cost method. The present value of benefits is allocated over the service for each active employee from their date of hire to their expected retirement age, as a level percent of the employee's pay. This level percent times pay is referred to as the service cost and is that portion of the present value of benefits attributable to an employee's service in a current year. The service cost equals \$0 for retired members. The total OPEB liability is the present value of benefits less the actuarial present value of future normal costs and represents the liabilities allocated to service up to the valuation date. For retirees, the total OPEB liability is equal to the present value of benefits.

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 13 – OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

Actuarial methods and assumptions used in developing total OPEB liability

Valuation Date	July 1, 2020
Actuarial Cost Method	Entry Age Normal, Level Percent of Pay
Actuarial Assumptions:	
Inflation Rate	2.5%
Projected Salary Increases	3.5%
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
Election and Lapse Rates	40% of eligible employees. 60% of male members and 35% of female members will elect spouse coverage. 5% annual lapse rate

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Discount rate

The discount rate used to measure the total OPEB liability was 2.16%. The discount rate is based on the Bond Buyer 20-year General Obligation Bond Index. The discount rate at the prior measurement date was 3.5%.

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 13 – OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

Healthcare cost trend rate

The assumed healthcare cost trend for medical and vision costs is as follows:

<u>Year</u>	<u>Pre-65 Trend</u>
2020	3.75%
2021	5.75%
2022	5.25%
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 costs are assumed to decrease 1.25% for 2020 and increase 4% per year thereafter.

Sensitivity of the City's total OPEB liability to changes in the discount and healthcare cost trend rates

The following presents the City's total OPEB liability calculated using the discount rate of 2.16%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16%) or 1-percentage-point higher (3.16%) than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

	<u>1 Percentage Point Lower</u>	<u>Current Discount Rate</u>	<u>1 Percentage Point Higher</u>
City's total OPEB liability	\$ 1,157,860	\$ 1,078,580	\$ 1,003,657
	<u>1 Percentage Point Lower</u>	<u>Current Trend Rate</u>	<u>1 Percentage Point Higher</u>
City's total OPEB liability	\$ 974,840	\$ 1,078,580	\$ 1,201,056

Changes since prior valuation

Expected Claims and Premiums was updated to reflect changes in available benefits and premium levels. If applicable, expected retiree and dependent costs were updated to reflect current health cost guidelines.

NOTE 13 – OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

Changes since prior valuation (continued)

The health care cost trend was updated to reflect changes in current premium levels as well as future expected economic and regulatory conditions.

The mortality, withdrawal and retirement rates were updated to reflect assumptions used in the Oregon PERS December 31, 2019 actuarial valuation.

The data processing assumptions for missing dates of hire and inconsistent or missing PERS tier information were updated to provide a better approximation for missing or inconsistent data.

Oregon Public Employees Retirement System Retirement Health Insurance Account

Plan description

The City contributes to the Oregon PERS Retirement Health Insurance Account (RHIA) for each of its eligible employees. The RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by PERS. Contributions are mandatory for each employer that is a member of PERS.

The Oregon Legislature has delegated the authority to the Public Employees Retirement Board to administer and manage the system.

OPERS produces an independently audited Comprehensive Annual Financial Report which includes detailed information about the plan's fiduciary net position. The report can be found at:

www.oregon.gov/pers/Documents/Financials/CAFR/2021-ACFR.pdf

Description of benefit terms

All benefits of the System are established by the legislature pursuant to Oregon Revised Statutes Chapters 238 and 238A.

The RHIA is closed to new members hired on or after August 29, 2003.

Other Postemployment Healthcare benefits

Eligible retired members receive a monthly healthcare benefit for life up to \$60 toward the monthly cost health insurance.

To be eligible, the member must:

- 1) Have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS
- 2) Receive both Medicare Parts A and B coverage
- 3) Enroll in a PERS-sponsored health plan

NOTE 13 – OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

Surviving spouse or dependent benefits

A surviving spouse or dependent of a deceased retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she is receiving a retirement benefit or allowance from PERS or was insured at the time the member died and the member retired before May 1, 1991.

Contributions

OPERS funding policy provides for periodic member and employer contributions at the rates established by the Public Employees Retirement Board, subject to limits set in statute. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation.

The City contributed 0.06% of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA benefits. Since the funded status of the RHIA UAL is in excess of 100%, no contributions were required to fund the RHIA UAL. For the year ended June 30, 2022, the City made contributions in the amount of \$358 to the RHIA.

Net OPEB liability/(asset), pension expense and deferred outflows of resources and deferred inflows of resources related to other postemployment benefits

Net OPEB liability (asset)

At June 30, 2022, the City reported an (asset) of \$(49,315) for its proportionate share of the net OPEB liability/(asset). The net OPEB liability/(asset) was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of that date. The City's proportion of the net OPEB liability/(asset) was based on its actual, legally required contributions made during the fiscal year with the total actual contributions of all employers during the fiscal year.

At June 30, 2021, the City's proportion was 0.01436074 percent, which was a decrease of .00168553 percent from its proportion measured as of June 30, 2020.

OPEB expense

For the year ended June 30, 2021, the City recognized a credit to OPEB expenses of \$5,100.

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 13 – OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

Net OPEB liability/(asset), pension expense and deferred outflows of resources and deferred inflows of resources related to other postemployment benefits (continued)

Deferred inflows of resources and deferred outflows of resources

Deferred inflows of resources and deferred outflows of resources are calculated at the plan level and are allocated to employers based on their proportionate share. For the measurement period ended June 30, 2021, employers will report the following deferred inflows or resources and/or deferred outflows of resources:

- Difference between expected and actual experience
- Changes in assumptions
- Changes in employer proportion since the prior measurement date
- Net difference between projected and actual investment earnings
- Contributions subsequent to the measurement date

Differences between expected and actual experience, changes in assumptions and changes in employer proportionate are amortized over the average remaining service lives of all plan participants, including retirees, determined at the beginning of the respective measurement period. Employers are required to recognize OPEB expense based on the balance of the closed period “layers” attributable to each measurement period. The average remaining service lives determined as of the beginning of each measurement period are described below:

- Fiscal Year ended June 30, 2021 – 2.7 years
- Fiscal Year ended June 30, 2020 – 2.9 years
- Fiscal Year ended June 30, 2019 – 3.1 years
- Fiscal Year ended June 30, 2018 – 3.3 years
- Fiscal Year ended June 30, 2017 – 3.7 years

The net difference between projected and actual investment earnings attributable to each measurement period is amortized over a closed five-year period.

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ –	\$ 1,372
Changes of assumptions	970	734
Net difference between projected and actual earnings on pension plan investments	–	11,720
Changes in proportionate share	3,626	–
Contributions subsequent to the measurement date	358	–
Total	\$ 4,954	\$ 13,826

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 13 – OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

Net OPEB liability/(asset), pension expense and deferred outflows of resources and deferred inflows of resources related to other postemployment benefits (continued)

Deferred outflows of resources related to OPEB resulting from the City's contributions subsequent to the measurement date in the amount of \$358 will be recognized as an adjustment to the net OPEB (asset)/liability in the years ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ends June 30,	
2023	\$ (1,337)
2024	(1,514)
2025	(2,676)
2026	(3,702)
2027	<u> —</u>
Total	<u>\$ (9,230)</u>

Actuarial methods and assumptions used in developing total OPEB liability

Except as identified below, actuarial methods and assumptions used in developing the total OPEB liability are the same as those used to develop the total PERS pension liability as discussed in Note 11.

Retiree healthcare participation

Healthy retirees are assumed to participate 32% of the time while disabled retirees are assumed to participate 20% of the time.

Healthcare cost trend rate

A healthcare cost trend rate is not utilized in the actuarial valuation as statute stipulates a \$60 monthly payment to retirees for health insurance.

NOTE 13 – OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

Actuarial methods and assumptions used in developing total OPEB liability (continued)

Depletion date projection

GASB 75 generally requires that a blended discount rate be used to measure the Total OPEB Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan’s fiduciary net position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the fiduciary net position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 75 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 75 (paragraph 82) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for Oregon PERS (OPERS):

- OPERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100 percent funded position by the end of the amortization period if future experience follows assumption.
- GASB 75 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan’s funded position.

Based on these circumstances, it is OPERS independent actuary’s opinion that the detailed depletion date projections outlined in GASB 75 would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses.

Sensitivity of the proportionate share of the net OPEB liability/(asset) to changes in the discount rate

The following presents the proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 6.9%, as well as what the proportionate share of the net OPEB liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.9%) or 1-percentage-point higher (7.9%) than the current rate:

	1 Percentage Point Lower	Current Discount Rate	1 Percentage Point Higher
Proportionate share of net OPEB liability/(asset)	\$ (43,612)	\$ (49,315)	\$ (54,187)

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 14 – 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.

NOTE 15 – INTERFUND TRANSFERS AND BALANCES

Interfund transfers were as follows during the year ended June 30, 2022:

Fund	Transfers	
	In	Out
General	\$ 893,214	\$ 520,553
Transportation Operations	300,000	-
MRC Commercial Project	85,500	-
MRC Commercial Property Tax and Debt Service	-	1,115,500
Nonmajor governmental	1,350,485	746,829
Nonmajor governmental - non-cash	260,680	-
Wastewater Operations	345,699	670,433
Wastewater Operations - non-cash	18,218	-
Airport	-	9,000
Internal Service	329,494	242,077
Internal Service - non-cash	-	278,898
	<u>\$ 3,583,290</u>	<u>\$ 3,583,290</u>

As part of the budget process, the City plans to make interfund transfers to move resources between funds to provide resources for specific expenditures that are not supported by other revenues.

Non-cash transfers occur when a fund 1) acquires capital assets which will be used in the operation of a different fund's activities, 2) issues long-term obligations which will be repaid out of a different fund's resources or 3) pays principal on long-term obligations reported in a different fund.

An advance (loan) from the Debt Service Fund to the MRC Fund is being repaid in annual installments, including interest of 2.5 to 4% through June 2032. At June 30, 2022, the balance is \$2,515,000.

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 16 – NET POSITION RESTRICTED THROUGH ENABLING LEGISLATION

Capital Projects – Ordinances imposing System Development Charges (SDC) restrict the use of those funds to capital improvements which expand the capacity of the system for which the charges were made. Net position related to SDC's as of June 30, 2022 was \$2,251,869.

NOTE 17 – DEFICIT FUND BALANCES

As of June 30, 2022, deficit fund balances existed in the Madras Redevelopment Commission Commercial Property Tax and Debt Service Fund in the amount of \$(2,252,674), the Madras Redevelopment Commission Commercial Project Fund in the amount of \$(641,221), and the Madras Redevelopment Commission Housing Project Fund in the amount of \$(281,829). Management has a plan in place to correct the deficit fund balances with prudent fiscal management to ensure revenues exceed expenditures in the coming years.

NOTE 18 – TAX ABATEMENTS

Jefferson County has established an Enterprise Zone under ORS 285C.175 and ORS 285C.362 that abates property taxes on new business development within the zone. As a result, the property taxes that the City received for the year ended June 30, 2022 have been reduced by \$290,231.

NOTE 19 – COMMITMENTS

Option agreement

The City entered into an option agreement with a local land developer for the sale of 67 acres within the City limits and 542 acres outside the City limits. \$50,000 was paid as part of the agreement for the first five-year term of additional eight years by paying \$10,000 annually beginning December 1, 2014. The option may be exercised through phases consisting of not less than ten acre contiguous parcels. The price for each phase shall be at fair market value, but in no event will the purchase price be less than \$9,000 per acre.

Bean Foundation

The City is committed to providing the Bean Foundation either 120 acres of land or cash in the value of 120 acres. The City holds the option to either deed assets (land) or to pay cash. The option choices are dependent upon land development sales in the Yarrow development.

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 19 – COMMITMENTS (Continued)

Construction commitments

The City has active construction projects as of June 30, 2022 as follows:

<u>Capital Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Airport Master Plan Update	\$ 454,215	\$ -
Cleveland Street Sewer	1,001,088	-
J Street Bridge	1,962,298	1,403,033
Grizzly Sewer Project	865,197	-
Homeless Services Center	425,715	2,709,553
Juniper Hills to East Madras Trails Pedestrian Crossing	169,300	14,110
Willowbrook Park Expansion	6,750	80,000
Cart Barn Extension	34,525	21,000
Mountain View Estates/Skyridge Sewer Extension	13,830	763,728
Culver Hwy Sewer - Fairgrounds to Hall	2,127	1,000,000
Headworks Odor Control System	12,579	300,000
	<u>\$ 4,947,624</u>	<u>\$ 6,291,424</u>

Grant commitments

The City had the following new development assistance grant commitments as of June 30, 2022:

<u>Grantee</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>Total</u>
Love's	\$ 70,000	\$ 70,000	\$ 70,000	\$ -	\$ -	\$ 210,000
Bunkhouse Hotel	110,000	110,000	110,000	110,000	110,000	550,000
City of Madras	325,500	75,500	-	-	-	401,000
	<u>\$ 505,500</u>	<u>\$ 255,500</u>	<u>\$ 180,000</u>	<u>\$ 110,000</u>	<u>\$ 110,000</u>	<u>\$ 1,161,000</u>

Housing credits

The City provides housing credits to developers at a rate of \$1,500 per apartment and \$2,000 per home. At June 30, 2022, the City estimates the future commitments per year to be as follows:

	<u>Development</u>			
	<u>Treasure Hills</u>	<u>Willowbrook</u>	<u>Yarrow</u>	<u>Morning</u>
		<u>Pkg 1</u>	<u>Apartment</u>	<u>Crest -</u>
		<u>Pkg 1</u>	<u>Phase 6</u>	
2022-23	\$ 47,000	\$ 37,786	\$ 72,000	\$ 6,696
2023-24	70,953	151,578	72,000	16,497
2024-25	75,000	156,125	72,000	31,000
2025-26	80,000	160,809	72,000	31,000
2026-27	80,000	170,333	72,000	31,000
Thereafter	160,000	340,667	144,000	62,000
	<u>\$ 512,953</u>	<u>\$ 1,017,298</u>	<u>\$ 504,000</u>	<u>\$ 178,193</u>

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MADRAS
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last 10 Plan Years Ended June 30, *

Year Ended June 30,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.02215465%	\$ 2,651,132	2,362,839	112.20%	88%
2020	0.02128619%	4,645,379	2,313,705	200.78%	76%
2019	0.02276083%	3,937,079	2,147,013	183.37%	80%
2018	0.01945789%	2,947,614	2,043,787	144.22%	82%
2017	0.02105521%	2,838,250	1,872,016	151.61%	83%
2016	0.02025036%	3,040,049	1,758,503	172.88%	81%
2015	0.02722843%	1,563,310	1,571,466	99.48%	92%
2014	0.02674091%	(606,140)	1,533,879	-39.52%	104%

* Information will be accumulated annually until 10 years is presented

CITY OF MADRAS
SCHEDULE OF CONTRIBUTIONS
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last 10 Fiscal Years Ended June 30, *

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percent of covered payroll
2022	\$ 535,850	\$ 535,850	-	\$ 2,552,418	20.99%
2021	471,568	471,568	-	2,362,839	19.96%
2020	460,010	460,010	-	2,313,705	19.88%
2019	343,167	343,167	-	2,147,013	15.98%
2018	331,183	331,183	-	2,043,787	16.20%
2017	244,594	244,594	-	1,872,016	13.07%
2016	237,410	237,410	-	1,758,503	13.50%
2015	197,022	197,022	-	1,571,466	12.54%
2014	203,857	203,857	-	1,533,879	13.29%

* Information will be accumulated until 10 years are presented.

CITY OF MADRAS
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last 10 Plan Years Ended June 30, *

Year Ended June 30,	Proportion of the net OPEB liability (asset)	Proportionate share of the net OPEB liability (asset)	Covered payroll	Proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2021	0.01436074%	\$ (49,315)	\$ 2,362,839	-2.09%	183.90%
2020	0.01604627%	(32,696)	2,313,705	-1.41%	150.10%
2019	0.01926362%	(37,224)	2,147,013	-1.73%	144.36%
2018	0.01955149%	(21,826)	2,043,787	-1.07%	123.99%
2017	0.01783509%	(7,433)	1,872,016	-0.40%	108.88%
2016	0.01779924%	4,834	1,758,503	0.27%	94.15%

* Information will be accumulated annually until 10 years is presented

CITY OF MADRAS
SCHEDULE OF CONTRIBUTIONS
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last 10 Fiscal Years Ended June 30, *

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percent of covered payroll
2022	\$ 358	\$ 358	-	\$ 2,552,418	0.01%
2021	384	384	-	2,362,839	0.02%
2020	1,146	1,146	-	2,313,705	0.05%
2019	9,547	9,547	-	2,147,013	0.44%
2018	9,467	9,467	-	2,043,787	0.46%
2017	8,567	8,567	-	1,872,016	0.46%

* Information will be accumulated until 10 years are presented.

CITY OF MADRAS
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY
AND RELATED RATIOS
Last 10 Plan Fiscal Years*

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Service cost	\$ 48,557	\$ 50,646	\$ 44,846	\$ 55,352	\$ 59,790
Interest on total OPEB liability	23,959	38,992	40,327	38,973	31,266
Effect of economic/demographic gains or losses	-	42,739	-	(16,384)	-
Effect of assumptions changes or inputs	3,827	(98,759)	32,273	(76,599)	(68,982)
Benefit payments	(66,245)	(56,612)	(45,877)	(29,183)	(23,002)
Net change in total OPEB liability	10,098	(22,994)	71,569	(27,841)	(928)
Total OPEB liability - beginning of year	1,068,482	1,091,476	1,019,907	1,047,748	1,048,676
Total OPEB liability - end of year	<u>\$ 1,078,580</u>	<u>\$ 1,068,482</u>	<u>\$ 1,091,476</u>	<u>\$ 1,019,907</u>	<u>\$ 1,047,748</u>
Covered employee payroll	\$ 2,552,418	\$ 2,313,705	\$ 2,147,013	\$ 2,043,787	\$ 1,872,016
Total OPEB liability as a percentage of covered employee payroll	42.3%	46.2%	50.8%	49.9%	56.0%

Notes to schedule

*Information will be accumulated until 10 years are presented.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

CITY OF MADRAS
COMBINING BALANCE SHEET
GENERAL FUNDS
June 30, 2022

	<u>General</u>	<u>Parks</u>	<u>Community Development</u>	<u>Community Cleanup</u>	<u>Pension Stabilization</u>	<u>Total</u>
Assets						
Cash and cash equivalents	\$ 2,511,852	\$ 1,262,929	\$ 155,113	\$ 80,659	\$ 43,475	\$ 4,054,028
Receivables						
Property taxes	67,897	-	-	-	-	67,897
Accounts, net	589,323	3,573	-	-	-	592,896
Inventory	-	5,644	-	-	-	5,644
Investment in land held for sale	-	-	-	25,000	-	25,000
Total assets	<u>\$ 3,169,072</u>	<u>\$ 1,272,146</u>	<u>\$ 155,113</u>	<u>\$ 105,659</u>	<u>\$ 43,475</u>	<u>\$ 4,745,465</u>
Liabilities, deferred inflows and fund balances						
Liabilities						
Accounts payable and accrued liabilities	\$ 116,389	\$ 41,955	\$ 15,585	\$ 2,444	\$ -	\$ 176,373
Unearned revenues	-	-	11,029	-	-	11,029
Total liabilities	<u>116,389</u>	<u>41,955</u>	<u>26,614</u>	<u>2,444</u>	<u>-</u>	<u>187,402</u>
Deferred inflows of resources						
Unavailable revenue	<u>417,455</u>	<u>3,058</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>420,513</u>
Fund balances						
Nonspendable	-	5,644	-	25,000	-	30,644
Assigned for:						
Pensions	-	-	-	-	43,475	43,475
Community development	-	-	128,499	78,215	-	206,714
Parks	-	1,221,489	-	-	-	1,221,489
Unassigned	<u>2,635,228</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,635,228</u>
Total fund balances	<u>2,635,228</u>	<u>1,227,133</u>	<u>128,499</u>	<u>103,215</u>	<u>43,475</u>	<u>4,137,550</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,169,072</u>	<u>\$ 1,272,146</u>	<u>\$ 155,113</u>	<u>\$ 105,659</u>	<u>\$ 43,475</u>	<u>\$ 4,745,465</u>

CITY OF MADRAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GENERAL FUNDS
Year Ended June 30, 2022

	General	Parks	Community Development	Community Cleanup	Pension Stabilization	Total
Revenues						
Property taxes	\$ 1,615,789	\$ -	\$ -	\$ -	\$ -	\$ 1,615,789
Franchise fees	481,767	-	-	-	-	481,767
Miscellaneous taxes	744,983	-	-	-	-	744,983
Licenses, permits and fees	40,077	204,230	463,795	-	-	708,102
Fines and forfeitures	48,275	-	-	-	-	48,275
Charges for services	-	400	45,000	-	336,506	381,906
Intergovernmental	1,957,928	-	-	13,008	37,500	2,008,436
Interest	13,719	5,926	637	-	-	20,282
Miscellaneous	775	68,994	-	15,778	-	85,547
Total revenues	<u>4,903,313</u>	<u>279,550</u>	<u>509,432</u>	<u>28,786</u>	<u>374,006</u>	<u>6,095,087</u>
Expenditures						
Current						
General government	73,136	-	-	-	537,500	610,636
Public safety	2,457,217	-	-	-	-	2,457,217
Community development	-	17,000	458,909	10,474	-	486,383
Culture and recreation	-	702,890	-	-	-	702,890
Debt service	3,729	19,697	-	-	-	23,426
Capital outlay	437,912	34,525	-	-	-	472,437
Total expenditures	<u>2,971,994</u>	<u>774,112</u>	<u>458,909</u>	<u>10,474</u>	<u>537,500</u>	<u>4,752,989</u>
Excess (deficiency) of revenues over expenditures	<u>1,931,319</u>	<u>(494,562)</u>	<u>50,523</u>	<u>18,312</u>	<u>(163,494)</u>	<u>1,342,098</u>
Other financing sources (uses)						
Sale of asset	-	-	-	11,690	-	11,690
Transfers in	-	893,214	-	-	-	893,214
Transfers out	(520,553)	-	-	-	-	(520,553)
Total other financing sources (uses)	<u>(520,553)</u>	<u>893,214</u>	<u>-</u>	<u>11,690</u>	<u>-</u>	<u>384,351</u>
Net change in fund balances	1,410,766	398,652	50,523	30,002	(163,494)	1,726,449
Fund balances at beginning of year	<u>1,224,462</u>	<u>828,481</u>	<u>77,976</u>	<u>73,213</u>	<u>206,969</u>	<u>2,411,101</u>
Fund balances at end of year	<u>\$ 2,635,228</u>	<u>\$ 1,227,133</u>	<u>\$ 128,499</u>	<u>\$ 103,215</u>	<u>\$ 43,475</u>	<u>\$ 4,137,550</u>

CITY OF MADRAS
PARKS - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Licenses, permits and fees	\$ 132,000	\$ 204,230	\$ 72,230
Charges for services	1,000	400	(600)
Interest	2,500	5,926	3,426
Miscellaneous	<u>56,000</u>	<u>68,994</u>	<u>12,994</u>
Total revenues	<u>191,500</u>	<u>279,550</u>	<u>88,050</u>
Expenditures			
Parks	433,002	312,808	120,194
Golf course	552,824	461,304	91,520
Contingency	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total expenditures	<u>1,035,826</u>	<u>774,112</u>	<u>261,714</u>
Excess (deficiency) of revenues over expenditures	<u>(844,326)</u>	<u>(494,562)</u>	<u>349,764</u>
Other financing sources (uses)			
Transfers in	<u>862,343</u>	<u>893,214</u>	<u>30,871</u>
Net change in fund balance	18,017	398,652	380,635
Fund balance at beginning of year	<u>751,384</u>	<u>828,481</u>	<u>77,097</u>
Fund balance at end of year	<u>\$ 769,401</u>	<u>\$ 1,227,133</u>	<u>\$ 457,732</u>

CITY OF MADRAS
COMMUNITY DEVELOPMENT - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Licenses, permits and fees	\$ 117,500	\$ 463,795	\$ 346,295
Charges for services	45,000	45,000	-
Interest	100	637	537
	<u>162,600</u>	<u>509,432</u>	<u>346,832</u>
Expenditures			
Personnel services	297,456	294,759	2,697
Materials and services	217,968	164,150	53,818
Contingency	25,000	-	25,000
	<u>540,424</u>	<u>458,909</u>	<u>81,515</u>
Excess (deficiency) of revenues over expenditures	<u>(377,824)</u>	<u>50,523</u>	<u>428,347</u>
Other financing sources (uses)			
Transfers in	<u>350,000</u>	-	<u>(350,000)</u>
Total other financing sources (uses)	<u>350,000</u>	-	<u>(350,000)</u>
Net change in fund balance	(27,824)	50,523	78,347
Fund balance at beginning of year	<u>51,481</u>	<u>77,976</u>	<u>26,495</u>
Fund balance at end of year	<u>\$ 23,657</u>	<u>\$ 128,499</u>	<u>\$ 104,842</u>

CITY OF MADRAS
COMMUNITY CLEANUP - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Intergovernmental	\$ 8,000	\$ 13,008	\$ 5,008
Miscellaneous	<u>11,500</u>	<u>15,778</u>	<u>4,278</u>
Total revenues	<u>19,500</u>	<u>28,786</u>	<u>9,286</u>
Expenditures			
Materials and services	35,000	10,474	24,526
Contingency	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total expenditures	<u>50,000</u>	<u>10,474</u>	<u>39,526</u>
Excess (deficiency) of revenues over expenditures	<u>(30,500)</u>	<u>18,312</u>	<u>48,812</u>
Other financing sources (uses)			
Sale of capital assets	<u>-</u>	<u>11,690</u>	<u>11,690</u>
Net change in fund balance	(30,500)	30,002	60,502
Fund balance at beginning of year	<u>42,466</u>	<u>73,213</u>	<u>30,747</u>
Fund balance at end of year	<u>\$ 11,966</u>	<u>\$ 103,215</u>	<u>\$ 91,249</u>

CITY OF MADRAS
PENSION STABILIZATION - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Charges for services	\$ 313,840	\$ 336,506	\$ 22,666
Total revenues	<u>313,840</u>	<u>336,506</u>	<u>22,666</u>
Expenditures			
Special payments	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Total expenditures	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Net change in fund balance	(186,160)	(163,494)	22,666
Fund balance at beginning of year	<u>229,098</u>	<u>206,969</u>	<u>(22,129)</u>
Fund balance at end of year	<u>\$ 42,938</u>	<u>\$ 43,475</u>	<u>\$ 537</u>

CITY OF MADRAS
MADRAS REDEVELOPMENT COMMISSION COMMERCIAL PROPERTY TAX AND DEBT SERVICE
DEBT SERVICE FUND (A MAJOR FUND)
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2022

	FY 2021-22		
	Biennium Budget	Actual	Variance
Revenues			
Property taxes	\$ 1,146,725	\$ 702,173	\$ (444,552)
Interest	<u>50</u>	<u>56</u>	<u>6</u>
Total revenues	<u>1,146,775</u>	<u>702,229</u>	<u>(444,546)</u>
Expenditures			
Debt service	<u>1,252,500</u>	<u>597,218</u>	<u>655,282</u>
Total expenditures	<u>1,252,500</u>	<u>597,218</u>	<u>655,282</u>
Excess (deficiency) of revenues over expenditures	<u>(105,725)</u>	<u>105,011</u>	<u>210,736</u>
Other financing sources (uses)			
Issuance of short-term obligations	-	1,115,067	1,115,067
Proceeds from refunding debt	-	1,030,000	1,030,000
Payment on refunded debt	-	(2,145,067)	(2,145,067) *
Transfers in	<u>67,500</u>	<u>-</u>	<u>(67,500)</u>
Total other financing sources (uses)	<u>67,500</u>	<u>-</u>	<u>(67,500)</u>
Net change in fund balance	(38,225)	105,011	143,236
Fund balance at beginning of year	<u>196,356</u>	<u>157,315</u>	<u>(39,041)</u>
Fund balance at end of year	<u>\$ 158,131</u>	<u>262,326</u>	<u>\$ 104,195</u>
Reconciliation to generally accepted accounting principles			
Due to other funds		<u>(2,515,000)</u>	
Net position - ending		<u>\$ (2,252,674)</u>	

*ORS294.338(4)(c) exempts the expenditure of proceeds of debt issued to refund previously issued obligations. The expenditure is the result of the issuance of refunding debt and is not an overexpenditure of appropriations

CITY OF MADRAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2022

	Special Revenue	Debt Service	Capital Projects	Total
Assets				
Cash and cash equivalents	\$ 1,021,520	\$ 46,650	\$ 1,498,526	\$ 2,566,696
Receivables				
Accounts, net	5,719	-	49,695	55,414
Notes	515,613	-	-	515,613
Due from other funds	-	2,515,000	-	2,515,000
Total assets	<u>\$ 1,542,852</u>	<u>\$ 2,561,650</u>	<u>\$ 1,548,221</u>	<u>\$ 5,652,723</u>
Liabilities, deferred inflows and fund balances				
Liabilities				
Accounts payable and accrued liabilities	\$ 11,717	\$ -	\$ -	\$ 11,717
Short-term obligations	283,985	-	-	283,985
Total liabilities	<u>295,702</u>	<u>-</u>	<u>-</u>	<u>295,702</u>
Deferred inflows of resources				
Unavailable revenue	508,570	-	36,239	544,809
Total deferred inflows of resources	<u>508,570</u>	<u>-</u>	<u>36,239</u>	<u>544,809</u>
Fund balances				
Restricted for:				
Highways and streets	517,927	-	-	517,927
Economic development	87,890	-	-	87,890
Debt service	-	2,561,650	-	2,561,650
Capital projects	-	-	1,511,982	1,511,982
Committed for tourism	414,592	-	-	414,592
Total fund balances	<u>738,580</u>	<u>2,561,650</u>	<u>1,511,982</u>	<u>4,812,212</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,542,852</u>	<u>\$ 2,561,650</u>	<u>\$ 1,548,221</u>	<u>\$ 5,652,723</u>

CITY OF MADRAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2022

	Special Revenue	Debt Service	Capital Projects	Total
Revenues				
Property taxes	\$ -	\$ 54,552	\$ -	\$ 54,552
Licenses, permits and fees	89,271	-	-	89,271
Charges for services	25,000	-	-	25,000
System development charges	-	-	599,419	599,419
Intergovernmental	20,855	-	-	20,855
Loan repayments	139,837	-	-	139,837
Interest	8,882	66,985	7,282	83,149
Miscellaneous	6,129	-	6,614	12,743
	<u>289,974</u>	<u>121,537</u>	<u>613,315</u>	<u>1,024,826</u>
Expenditures				
Current				
General government	-	26,948	-	26,948
Community development	920,838	-	-	920,838
Debt service	-	285,854	-	285,854
	<u>920,838</u>	<u>312,802</u>	<u>-</u>	<u>1,233,640</u>
Excess (deficiency) of revenues over expenditures	<u>(630,864)</u>	<u>(191,265)</u>	<u>613,315</u>	<u>(208,814)</u>
Other financing sources (uses)				
Refunding bonds issued	-	1,154,275	-	1,154,275
Payment on refunded obligations	-	(1,127,552)	-	(1,127,552)
Transfers in	408,063	1,061,422	-	1,469,485
Transfers out	(148,985)	(442,829)	(249,000)	(840,814)
	<u>259,078</u>	<u>645,316</u>	<u>(249,000)</u>	<u>655,394</u>
Net change in fund balances	(371,786)	454,051	364,315	446,580
Fund balances at beginning of year	<u>1,110,366</u>	<u>2,107,599</u>	<u>1,147,667</u>	<u>4,365,632</u>
Fund balances at end of year	<u>\$ 738,580</u>	<u>\$ 2,561,650</u>	<u>\$ 1,511,982</u>	<u>\$ 4,812,212</u>

CITY OF MADRAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2022

	Tourism/Economic Development	Improvement Fee	Madras Redevelopment Commission Commercial Revolving Loan	Madras Redevelopment Commission Housing Project	Madras Redevelopment Commission General	Total
Assets						
Cash and cash equivalents	\$ 417,093	\$ 517,927	\$ 79,011	\$ 2,281	\$ 5,208	\$ 1,021,520
Receivables						
Accounts, net	5,719	-	-	-	-	5,719
Notes	-	-	515,613	-	-	515,613
Total assets	\$ 422,812	\$ 517,927	\$ 594,624	\$ 2,281	\$ 5,208	\$ 1,542,852
Liabilities, deferred inflows and fund balances						
Liabilities						
Accounts payable and accrued liabilities	\$ 8,220	\$ -	\$ 2,648	\$ 125	\$ 724	\$ 11,717
Short-term obligations	-	-	-	283,985	-	283,985
Total liabilities	8,220	-	2,648	284,110	724	295,702
Deferred inflows of resources						
Unavailable revenue	-	-	508,570	-	-	508,570
Total deferred inflows of resources	-	-	508,570	-	-	508,570
Fund balances						
Restricted for:						
Highways and streets	-	517,927	-	-	-	517,927
Economic development	-	-	83,406	-	4,484	87,890
Committed for:						
Tourism	414,592	-	-	-	-	414,592
Unassigned	-	-	-	(281,829)	-	(281,829)
Total fund balances	414,592	517,927	83,406	(281,829)	4,484	738,580
Total liabilities, deferred inflows of resources and fund balances	\$ 422,812	\$ 517,927	\$ 594,624	\$ 2,281	\$ 5,208	\$ 1,542,852

CITY OF MADRAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2022

	Tourism/Economic Development	Improvement Fee	Madras Redevelopment Commission Commercial Revolving Loan	Madras Redevelopment Commission Housing Project	Madras Redevelopment Commission General	Total
Revenues						
Licenses, permits and fees	\$ -	\$ 89,271	\$ -	\$ -	\$ -	\$ 89,271
Charges for services	-	-	-	-	25,000	25,000
Intergovernmental	20,855	-	-	-	-	20,855
Loan repayments	-	-	139,837	-	-	139,837
Interest	1,604	2,415	4,863	-	-	8,882
Miscellaneous	4,500	-	1,629	-	-	6,129
Total revenues	<u>26,959</u>	<u>91,686</u>	<u>146,329</u>	<u>-</u>	<u>25,000</u>	<u>289,974</u>
Expenditures						
Current						
Community development	183,680	-	179,999	536,579	20,580	920,838
Total expenditures	<u>183,680</u>	<u>-</u>	<u>179,999</u>	<u>536,579</u>	<u>20,580</u>	<u>920,838</u>
Excess (deficiency) of revenues over expenditures	<u>(156,721)</u>	<u>91,686</u>	<u>(33,670)</u>	<u>(536,579)</u>	<u>4,420</u>	<u>(630,864)</u>
Other financing sources (uses)						
Transfers in	293,063	-	115,000	-	-	408,063
Transfers out	(55,000)	-	-	(93,985)	-	(148,985)
Total other financing sources (uses)	<u>238,063</u>	<u>-</u>	<u>115,000</u>	<u>(93,985)</u>	<u>-</u>	<u>259,078</u>
Net change in fund balances	81,342	91,686	81,330	(630,564)	4,420	(371,786)
Fund balances at beginning of year	333,250	426,241	2,076	348,735	64	1,110,366
Fund balances at end of year	<u>\$ 414,592</u>	<u>\$ 517,927</u>	<u>\$ 83,406</u>	<u>\$ (281,829)</u>	<u>\$ 4,484</u>	<u>\$ 738,580</u>

CITY OF MADRAS
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
June 30, 2022

	<u>Debt Service</u>	<u>Debt Reserve</u>	<u>Madras Redevelopment Commission Housing Property Tax and Debt Service</u>	<u>Total</u>
Assets				
Cash and cash equivalents	\$ 4,575	\$ 36,863	\$ 5,212	\$ 46,650
Due from other funds	<u>2,515,000</u>	<u>-</u>	<u>-</u>	<u>2,515,000</u>
Total assets	<u>\$ 2,519,575</u>	<u>\$ 36,863</u>	<u>\$ 5,212</u>	<u>\$ 2,561,650</u>
Liabilities, deferred inflows and fund balances				
Fund balances				
Restricted for debt service	<u>\$ 2,519,575</u>	<u>\$ 36,863</u>	<u>\$ 5,212</u>	<u>\$ 2,561,650</u>
Total fund balances	<u>2,519,575</u>	<u>36,863</u>	<u>5,212</u>	<u>2,561,650</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,519,575</u>	<u>\$ 36,863</u>	<u>\$ 5,212</u>	<u>\$ 2,561,650</u>

CITY OF MADRAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
Year Ended June 30, 2022

	<u>Debt Service</u>	<u>Debt Reserve</u>	<u>Madras Redevelopment Commission Housing Property Tax and Debt Service</u>	<u>Total</u>
Revenues				
Property taxes	\$ -	\$ -	\$ 54,552	\$ 54,552
Interest	<u>66,981</u>	<u>-</u>	<u>4</u>	<u>66,985</u>
Total revenues	<u>66,981</u>	<u>-</u>	<u>54,556</u>	<u>121,537</u>
Expenditures				
Current				
General government	26,948	-	-	26,948
Debt service	<u>231,756</u>	<u>-</u>	<u>54,098</u>	<u>285,854</u>
Total expenditures	<u>258,704</u>	<u>-</u>	<u>54,098</u>	<u>312,802</u>
Excess (deficiency) of revenues over expenditures	<u>(191,723)</u>	<u>-</u>	<u>458</u>	<u>(191,265)</u>
Other financing sources (uses)				
Refunding bonds issued	1,154,275	-	-	1,154,275
Payment on refunded obligations	(1,127,552)	-	-	(1,127,552)
Transfers in	1,030,000	27,422	4,000	1,061,422
Transfers out	<u>-</u>	<u>(442,829)</u>	<u>-</u>	<u>(442,829)</u>
Total other financing sources (uses)	<u>1,056,723</u>	<u>(415,407)</u>	<u>4,000</u>	<u>645,316</u>
Net change in fund balances	865,000	(415,407)	4,458	454,051
Fund balances at beginning of year	<u>1,654,575</u>	<u>452,270</u>	<u>754</u>	<u>2,107,599</u>
Fund balances at end of year	<u>\$ 2,519,575</u>	<u>\$ 36,863</u>	<u>\$ 5,212</u>	<u>\$ 2,561,650</u>

CITY OF MADRAS
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
June 30, 2022

	SDC Street Improvement	SDC Parks Improvement	SDC Stormwater Improvement	Total
Assets				
Cash and cash equivalents	\$ 1,013,177	\$ 375,675	\$ 109,674	\$ 1,498,526
Receivables	28,732	16,404	4,559	49,695
Total assets	<u>\$ 1,041,909</u>	<u>\$ 392,079</u>	<u>\$ 114,233</u>	<u>\$ 1,548,221</u>
Liabilities, deferred inflows and fund balances				
Deferred inflows of resources				
Unavailable revenue	\$ 23,077	\$ 11,976	\$ 1,186	\$ 36,239
Total deferred inflows of resources	<u>23,077</u>	<u>11,976</u>	<u>1,186</u>	<u>36,239</u>
Fund balances				
Restricted for capital projects	<u>1,018,832</u>	<u>380,103</u>	<u>113,047</u>	<u>1,511,982</u>
Total fund balances	<u>1,018,832</u>	<u>380,103</u>	<u>113,047</u>	<u>1,511,982</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,041,909</u>	<u>\$ 392,079</u>	<u>\$ 114,233</u>	<u>\$ 1,548,221</u>

CITY OF MADRAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
Year Ended June 30, 2022

	SDC Street Improvement	SDC Parks Improvement	SDC Stormwater Improvement	Total
Revenues				
System development charges	\$ 400,954	\$ 147,930	\$ 50,535	\$ 599,419
Interest	4,898	1,849	535	7,282
Miscellaneous	-	6,614	-	6,614
Total revenues	<u>405,852</u>	<u>156,393</u>	<u>51,070</u>	<u>613,315</u>
Other financing sources (uses)				
Transfers out	<u>(224,000)</u>	-	<u>(25,000)</u>	<u>(249,000)</u>
Total other financing sources (uses)	<u>(224,000)</u>	-	<u>(25,000)</u>	<u>(249,000)</u>
Net change in fund balances	181,852	156,393	26,070	364,315
Fund balances at beginning of year	<u>836,980</u>	<u>223,710</u>	<u>86,977</u>	<u>1,147,667</u>
Fund balances at end of year	<u>\$ 1,018,832</u>	<u>\$ 380,103</u>	<u>\$ 113,047</u>	<u>\$ 1,511,982</u>

CITY OF MADRAS
TOURISM/ECONOMIC DEVELOPMENT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2022

	Budget	Actual	Variance
Revenues			
Intergovernmental	\$ 185,000	\$ 20,855	\$ (164,145)
Interest	2,500	1,604	(896)
Miscellaneous	4,500	4,500	-
Total revenues	<u>192,000</u>	<u>26,959</u>	<u>(165,041)</u>
Expenditures			
Materials and services	181,356	155,855	25,501
Special payments	200,900	27,825	173,075
Contingency	157,981	-	157,981
Total expenditures	<u>540,237</u>	<u>183,680</u>	<u>356,557</u>
Excess (deficiency) of revenues over expenditures	<u>(348,237)</u>	<u>(156,721)</u>	<u>191,516</u>
Other financing sources (uses)			
Transfers in	260,381	293,063	32,682
Transfers out	(55,000)	(55,000)	-
Total other financing sources (uses)	<u>205,381</u>	<u>238,063</u>	<u>32,682</u>
Net change in fund balance	(142,856)	81,342	224,198
Fund balance at beginning of year	<u>277,630</u>	<u>333,250</u>	<u>55,620</u>
Fund balance at end of year	<u>\$ 134,774</u>	<u>\$ 414,592</u>	<u>\$ 279,818</u>

CITY OF MADRAS
IMPROVEMENT FEE - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Licenses, permits and fees	\$ 35,101	\$ 89,271	\$ 54,170
Interest	<u>6,850</u>	<u>2,415</u>	<u>(4,435)</u>
Total revenues	<u>41,951</u>	<u>91,686</u>	<u>49,735</u>
Expenditures			
Capital outlay	<u>450,000</u>	<u>-</u>	<u>450,000</u>
Total expenditures	<u>450,000</u>	<u>-</u>	<u>450,000</u>
Net change in fund balance	(408,049)	91,686	499,735
Fund balance at beginning of year	<u>415,156</u>	<u>426,241</u>	<u>11,085</u>
Fund balance at end of year	<u>\$ 7,107</u>	<u>\$ 517,927</u>	<u>\$ 510,820</u>

CITY OF MADRAS
MADRAS REDEVELOPMENT COMMISSION COMMERCIAL REVOLVING LOAN - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2022

	Biennium Budget	FY 2021-22 Actual	Variance
Revenues			
Loan repayments	\$ 71,000	\$ 139,837	\$ 68,837
Interest	3,850	4,863	1,013
Miscellaneous	-	1,629	1,629
Total revenues	<u>74,850</u>	<u>146,329</u>	<u>71,479</u>
Expenditures			
Special payments	1,385,000	179,999	1,205,001
Contingency	64,919	-	64,919
Total expenditures	<u>1,449,919</u>	<u>179,999</u>	<u>1,269,920</u>
Excess (deficiency) of revenues over expenditures	<u>(1,375,069)</u>	<u>(33,670)</u>	<u>1,341,399</u>
Other financing sources (uses)			
Issuance of short-term obligations	<u>1,375,000</u>	<u>115,000</u>	<u>(1,260,000)</u>
Total other financing sources (uses)	<u>1,375,000</u>	<u>115,000</u>	<u>(1,260,000)</u>
Net change in fund balance	(69)	81,330	81,399
Fund balance at beginning of year	<u>569</u>	<u>2,076</u>	<u>1,507</u>
Fund balance at end of year	<u>\$ 500</u>	<u>\$ 83,406</u>	<u>\$ 82,906</u>
Reconciliation to generally accepted accounting principles			
Proceeds from short-term obligations		(115,000)	
Transfers out		<u>115,000</u>	
Net position - ending		<u>\$ 83,406</u>	

CITY OF MADRAS
MADRAS REDEVELOPMENT COMMISSION HOUSING PROJECT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2022

	FY 2021-22		
	Biennium Budget	Actual	Variance
Expenditures			
Materials and services	\$ 109,463	\$ 48,318	\$ 61,145
Special payments	1,195,000	488,261	706,739
Contingency	145,000	-	145,000
	<u>1,449,463</u>	<u>536,579</u>	<u>912,884</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	<u>(1,449,463)</u>	<u>(536,579)</u>	<u>912,884</u>
Other financing sources (uses)			
Issuance of short-term obligations	1,100,000	190,000	(910,000)
Transfers in	350,000	-	(350,000)
	<u>1,450,000</u>	<u>190,000</u>	<u>(1,260,000)</u>
Total other financing sources (uses)			
Net change in fund balance	537	(346,579)	(347,116)
Fund balance at beginning of year	<u>8,750</u>	<u>348,735</u>	<u>339,985</u>
Fund balance at end of year	<u>\$ 9,287</u>	<u>\$ 2,156</u>	<u>\$ (7,131)</u>
Reconciliation to generally accepted accounting principles			
Short-term obligations		<u>(283,985)</u>	
Net position - ending		<u>\$ (281,829)</u>	

CITY OF MADRAS
MADRAS REDEVELOPMENT COMMISSION GENERAL - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2022

	Budget	FY 2021-22 Actual	Variance
Revenues			
Charges for services	\$ 50,000	\$ 25,000	\$ (25,000)
Total revenues	50,000	25,000	(25,000)
Expenditures			
Materials and services	50,000	20,580	29,420
Total expenditures	50,000	20,580	29,420
Net change in fund balance	-	4,420	4,420
Fund balance at beginning of year	-	64	64
Fund balance at end of year	\$ -	\$ 4,484	\$ 4,484

CITY OF MADRAS
DEBT SERVICE - DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2022

	Budget	Actual	Variance
Revenues			
Interest	\$ 235,450	\$ 231,981	\$ (3,469)
Total revenues	235,450	231,981	(3,469)
Expenditures			
Materials and services	450	26,948	(26,498)
Debt service	235,000	231,756	3,244
Total expenditures	235,450	258,704	(23,254)
Excess (deficiency) of revenues over expenditures	-	(26,723)	(26,723)
Other financing sources (uses)			
Refunded bond issued	-	1,154,275	1,154,275
Payments to escrow agent on refunded bond	-	(1,127,552)	(1,127,552)
Total other financing sources (uses)	-	26,723	26,723
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	4,575	4,575
Fund balance at end of year	\$ -	4,575	\$ 4,575
Reconciliation to generally accepted accounting principles			
Due from other funds		2,515,000	
Fund balance at end of year		\$ 2,519,575	

CITY OF MADRAS
DEBT RESERVE - DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2022

	Budget	Actual	Variance
Other financing sources (uses)			
Transfers in	\$ 76,994	\$ 27,422	\$ (49,572)
Transfers out	(442,829)	(442,829)	-
Total other financing sources (uses)	(365,835)	(415,407)	(49,572)
Net change in fund balance	(365,835)	(415,407)	(49,572)
Fund balance at beginning of year	452,270	452,270	-
Fund balance at end of year	\$ 86,435	\$ 36,863	\$ (49,572)

CITY OF MADRAS
MADRAS REDEVELOPMENT COMMISSION HOUSING PROPERTY TAX AND DEBT SERVICE
- DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2022

	FY 2021-22		
	Biennium Budget	Actual	Variance
Revenues			
Property taxes	\$ 419,000	\$ 54,552	\$ (364,448)
Interest	-	4	4
Total revenues	<u>419,000</u>	<u>54,556</u>	<u>(364,444)</u>
Expenditures			
Debt service	<u>390,000</u>	<u>50,098</u>	<u>339,902</u>
Total expenditures	<u>390,000</u>	<u>50,098</u>	<u>339,902</u>
Net change in fund balance	29,000	4,458	(24,542)
Fund balance at beginning of year	<u>-</u>	<u>754</u>	<u>754</u>
Fund balance at end of year	<u>\$ 29,000</u>	<u>\$ 5,212</u>	<u>\$ (23,788)</u>
Reconciliation to generally accepted accounting principles			
Transfer in from other funds		4,000	
Additional debt service - short-term obligations		<u>(4,000)</u>	
Net position - ending		<u>\$ 5,212</u>	

CITY OF MADRAS
SDC STREET IMPROVEMENT - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2022

	Budget	Actual	Variance
Revenues			
System development charges	\$ 127,946	\$ 400,954	\$ 273,008
Interest	<u>15,000</u>	<u>4,898</u>	<u>(10,102)</u>
Total revenues	<u>142,946</u>	<u>405,852</u>	<u>262,906</u>
Expenditures			
Contingency	<u>320,000</u>	<u>-</u>	<u>320,000</u>
Total expenditures	<u>320,000</u>	<u>-</u>	<u>320,000</u>
Excess (deficiency) of revenues over expenditures	<u>(177,054)</u>	<u>405,852</u>	<u>582,906</u>
Other financing sources (uses)			
Transfers out	<u>(224,000)</u>	<u>(224,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(224,000)</u>	<u>(224,000)</u>	<u>-</u>
Net change in fund balance	(401,054)	181,852	582,906
Fund balance at beginning of year	<u>698,940</u>	<u>836,980</u>	<u>138,040</u>
Fund balance at end of year	<u>\$ 297,886</u>	<u>\$ 1,018,832</u>	<u>\$ 720,946</u>

CITY OF MADRAS
SDC PARKS IMPROVEMENT - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
System development charges	\$ 66,825	\$ 147,930	\$ 81,105
Interest	1,800	1,849	49
Miscellaneous	<u>4,725</u>	<u>6,614</u>	<u>1,889</u>
 Total revenues	 <u>73,350</u>	 <u>156,393</u>	 <u>83,043</u>
Expenditures			
Contingency	<u>110,000</u>	<u>-</u>	<u>110,000</u>
 Total expenditures	 <u>110,000</u>	 <u>-</u>	 <u>110,000</u>
 Net change in fund balance	 (36,650)	 156,393	 193,043
 Fund balance at beginning of year	 <u>171,342</u>	 <u>223,710</u>	 <u>52,368</u>
 Fund balance at end of year	 <u>\$ 134,692</u>	 <u>\$ 380,103</u>	 <u>\$ 245,411</u>

CITY OF MADRAS
SDC STORMWATER IMPROVEMENT - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
System development charges	\$ 7,796	\$ 50,535	\$ 42,739
Interest	<u>800</u>	<u>535</u>	<u>(265)</u>
Total revenues	<u>8,596</u>	<u>51,070</u>	<u>42,474</u>
Expenditures			
Contingency	<u>55,000</u>	<u>-</u>	<u>55,000</u>
Total expenditures	<u>55,000</u>	<u>-</u>	<u>55,000</u>
Excess (deficiency) of revenues over expenditures	<u>(46,404)</u>	<u>51,070</u>	<u>97,474</u>
Other financing sources (uses)			
Transfers out	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Net change in fund balance	(71,404)	26,070	97,474
Fund balance at beginning of year	<u>86,528</u>	<u>86,977</u>	<u>449</u>
Fund balance at end of year	<u>\$ 15,124</u>	<u>\$ 113,047</u>	<u>\$ 97,923</u>

CITY OF MADRAS
WATER OPERATIONS - ENTERPRISE FUND (MAJOR FUND)
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2022

	Budget	Actual	Variance
Revenues			
Charges for services	\$ 831,500	\$ 791,830	\$ (39,670)
System development charges	3,201	3,575	374
Intergovernmental	35,000	20,749	(14,251)
Interest	3,462	1,863	(1,599)
Total revenues	873,163	818,017	(55,146)
Expenditures			
Materials and services	913,139	847,921	65,218
Capital outlay	35,000	-	35,000
Debt service	10,200	9,420	780
Contingency	60,000	-	60,000
Total expenditures	1,018,339	857,341	160,998
Net change in fund balance	(145,176)	(39,324)	105,852
Fund balance at beginning of year	306,745	395,352	88,607
Fund balance at end of year	\$ 161,569	356,028	\$ 194,459
Reconciliation to generally accepted accounting principles			
Net other postemployment benefit asset		1,272	
Capital assets, net		596,223	
Deferred outflows of resources		61,097	
Accrued interest payable		(250)	
Net pension liability		(115,895)	
Net other postemployment benefit liability		(27,813)	
Long-term obligations		(86,813)	
Deferred inflows of resources		(61,122)	
Net position - ending		\$ 722,727	

CITY OF MADRAS
COMBINING STATEMENT OF NET POSITION
WASTEWATER FUND
June 30, 2022

	Wastewater Operations	SDC Wastewater Improvement	Totals
Assets			
Current assets			
Cash and cash equivalents	\$ 2,299,265	\$ 666,126	\$ 2,965,391
Receivables, net	390,656	37,522	428,178
Inventory	50,550	-	50,550
Total current assets	<u>2,740,471</u>	<u>703,648</u>	<u>3,444,119</u>
Net other postemployment benefits asset	7,023	-	7,023
Capital assets			
Land and construction in progress	1,668,247	-	1,668,247
Other capital assets, net	26,692,585	-	26,692,585
Total capital assets	<u>28,360,832</u>	<u>-</u>	<u>28,360,832</u>
Total assets	<u>31,108,326</u>	<u>703,648</u>	<u>31,811,974</u>
Deferred outflows of resources			
Refunded debt charges	543,106	-	543,106
Pension related items	317,629	-	317,629
Other postemployment benefit related items	19,791	-	19,791
Total deferred outflows of resources	<u>880,526</u>	<u>-</u>	<u>880,526</u>
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	38,963	-	38,963
Accrued interest payable	217,755	-	217,755
Consumer deposits	44,477	-	44,477
Long-term obligations due within one year	453,833	-	453,833
Total current liabilities	755,028	-	755,028
Long-term obligations due in more than one year	<u>11,034,278</u>	<u>-</u>	<u>11,034,278</u>
Total liabilities	<u>11,789,306</u>	<u>-</u>	<u>11,789,306</u>
Deferred inflows of resources			
Pension related items	312,855	-	312,855
Other postemployment benefit related items	24,699	-	24,699
Total deferred inflows of resources	<u>337,554</u>	<u>-</u>	<u>337,554</u>
Net position			
Net investment in capital assets	18,089,252	-	18,089,252
Restricted for capital projects	-	703,648	703,648
Unrestricted	1,772,740	-	1,772,740
Total net position	<u>\$ 19,861,992</u>	<u>\$ 703,648</u>	<u>\$ 20,565,640</u>

CITY OF MADRAS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
WASTEWATER FUND
Year Ended June 30, 2022

	Wastewater Operations	SDC Wastewater Improvement	Eliminations	Totals
Operating revenues				
Charges for services	\$ 3,727,163	\$ -	\$ -	\$ 3,727,163
Miscellaneous	1,088	-	-	1,088
Total operating revenues	<u>3,728,251</u>	<u>-</u>	<u>-</u>	<u>3,728,251</u>
Operating expenses				
Personnel services	(84,178)	-	-	(84,178)
Materials and services	2,431,796	-	-	2,431,796
Depreciation	495,554	-	-	495,554
Total operating expenses	<u>2,843,172</u>	<u>-</u>	<u>-</u>	<u>2,843,172</u>
Operating income (loss)	<u>885,079</u>	<u>-</u>	<u>-</u>	<u>885,079</u>
Nonoperating revenues (expenses)				
Grants	1,881,493	-	-	1,881,493
Interest income	13,225	3,502	-	16,727
Interest expense	(413,001)	-	-	(413,001)
Total nonoperating revenues (expenses)	<u>1,481,717</u>	<u>3,502</u>	<u>-</u>	<u>1,485,219</u>
Income (loss) before capital contributions and transfers	2,366,796	3,502	-	2,370,298
Capital contributions	151,834	348,161	-	499,995
Transfers in	513,246	-	(149,329)	363,917
Transfers out	(628,433)	(191,329)	149,329	(670,433)
Change in net position	2,403,443	160,334	-	2,563,777
Net position - beginning	<u>17,458,549</u>	<u>543,314</u>	<u>-</u>	<u>18,001,863</u>
Net position - ending	<u>\$ 19,861,992</u>	<u>\$ 703,648</u>	<u>\$ -</u>	<u>\$ 20,565,640</u>

CITY OF MADRAS
COMBINING STATEMENT OF CASH FLOWS
WASTEWATER FUND
Year Ended June 30, 2022

	SDC			Totals
	Wastewater Operations	Wastewater Improvement	Eliminations	
Cash flows from operating activities				
Receipts from customers	\$ 3,787,314	\$ 36,746	\$ -	\$ 3,824,060
Payments to suppliers	(2,458,810)	-	-	(2,458,810)
Net cash provided by (used in) operating activities	<u>1,328,504</u>	<u>36,746</u>	<u>-</u>	<u>1,365,250</u>
Cash flows from noncapital financing activities				
Transfers in	495,028	-	(149,329)	345,699
Transfers out	(628,433)	(191,329)	149,329	(670,433)
Net cash provided by (used in) noncapital financing activities	<u>(133,405)</u>	<u>(191,329)</u>	<u>-</u>	<u>(324,734)</u>
Cash flows from capital and related financing activities				
System development charges received	151,834	348,161	-	499,995
Grants	1,881,493	-	-	1,881,493
Receipt from property taxes	552	-	-	552
Acquisition of capital assets	(1,930,425)	-	-	(1,930,425)
Issuance of long-term obligations	10,390,000	-	-	10,390,000
Principal paid on long-term obligations	(10,630,995)	-	-	(10,630,995)
Interest paid on long-term obligations	(307,771)	-	-	(307,771)
Net cash provided by (used in) capital and related financing activities	<u>(445,312)</u>	<u>348,161</u>	<u>-</u>	<u>(97,151)</u>
Cash flows from investing activities				
Interest on investments	13,225	3,502	-	16,727
Net cash provided by (used in) investing activities	<u>13,225</u>	<u>3,502</u>	<u>-</u>	<u>16,727</u>
Net increase (decrease) in cash and cash equivalents	763,012	197,080	-	960,092
Cash and cash equivalents - beginning	1,536,253	469,046	-	2,005,299
Cash and cash equivalents - ending	<u>\$ 2,299,265</u>	<u>\$ 666,126</u>	<u>\$ -</u>	<u>\$ 2,965,391</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ 885,079	\$ -	\$ -	\$ 885,079
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	495,554	-	-	495,554
(Increase) decrease in assets and deferred outflows of resources				
Receivables, net	59,196	36,746	-	95,942
Inventories	(25,766)	-	-	(25,766)
Net other postemployment benefits asset	(1,380)	-	-	(1,380)
Pension related items	(14,509)	-	-	(14,509)
Other postemployment benefit related items	3,717	-	-	3,717
Increase (decrease) in liabilities and deferred inflows of resources				
Accounts payable and accrued liabilities	(1,248)	-	-	(1,248)
Consumer deposits	(133)	-	-	(133)
Net pension liability	(284,002)	-	-	(284,002)
Net other postemployment benefits liability	(30,810)	-	-	(30,810)
Pension related items	251,658	-	-	251,658
Other postemployment benefit related items	(8,852)	-	-	(8,852)
Net cash provided by (used in) operating activities	<u>\$ 1,328,504</u>	<u>\$ 36,746</u>	<u>\$ -</u>	<u>\$ 1,365,250</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS				
Refunded debt charges	\$ 543,106	\$ -	\$ -	\$ 543,106
Non cash transfers	18,218	-	-	18,218
Total noncash transactions	<u>\$ 561,324</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 561,324</u>

CITY OF MADRAS
WASTEWATER OPERATIONS - ENTERPRISE FUND (MAJOR FUND)
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2022

	Budget	Actual	Variance
Revenues			
Charges for services	\$ 3,783,070	\$ 3,727,163	\$ (55,907)
System development charges	43,170	158,347	115,177
Intergovernmental	20,000	1,881,493	1,861,493
Interest	24,000	13,225	(10,775)
Miscellaneous	2,000	1,088	(912)
	<u>3,872,240</u>	<u>5,781,316</u>	<u>1,909,076</u>
Expenditures			
Materials and services	2,956,931	2,425,697	531,234
Capital outlay	2,726,699	1,936,525	790,174
Debt service	776,228	692,845	83,383
Contingency	20,319	-	20,319
	<u>6,480,177</u>	<u>5,055,067</u>	<u>1,425,110</u>
Excess (deficiency) of revenues over expenditures	<u>(2,607,937)</u>	<u>726,249</u>	<u>3,334,186</u>
Other financing sources (uses)			
Sale of capital assets	-	-	-
Refunding debt issued	2,105,000	10,390,000	8,285,000
Payments to escrow agent on refunded debt	-	(10,244,816)	(10,244,816)
Transfers in	495,027	495,028	1
Transfers out	(678,005)	(628,433)	49,572
	<u>1,922,022</u>	<u>11,779</u>	<u>(1,910,243)</u>
Net change in fund balance	<u>(685,915)</u>	<u>738,028</u>	<u>1,423,943</u>
Fund balance at beginning of year	<u>1,693,912</u>	<u>1,911,449</u>	<u>217,537</u>
Fund balance at end of year	<u>\$ 1,007,997</u>	2,649,477	<u>\$ 1,641,480</u>
Reconciliation to generally accepted accounting principles			
Net other postemployment benefit asset		7,023	
Capital assets, net		28,360,832	
Deferred outflows of resources		880,526	
Unavailable revenues		7,554	
Accrued interest payable		(217,755)	
Net pension liability		(519,816)	
Net other postemployment benefit liability		(153,601)	
Long-term obligations		(10,814,694)	
Deferred inflows of resources		(337,554)	
Net position - ending		<u>\$ 19,861,992</u>	

CITY OF MADRAS
SDC WASTEWATER IMPROVEMENT - WASTEWATER FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2022

	Budget	Actual	Variance
Revenues			
System development charges	\$ 148,500	\$ 388,282	\$ 239,782
Interest	<u>5,340</u>	<u>3,502</u>	<u>(1,838)</u>
 Total revenues	 <u>153,840</u>	 <u>391,784</u>	 <u>237,944</u>
 Expenditures			
Contingency	<u>134,000</u>	<u>-</u>	<u>134,000</u>
 Total expenditures	 <u>134,000</u>	 <u>-</u>	 <u>134,000</u>
 Excess (deficiency) of revenues over expenditures	 <u>19,840</u>	 <u>391,784</u>	 <u>371,944</u>
 Other financing sources (uses)			
Transfers out	<u>(191,328)</u>	<u>(191,329)</u>	<u>(1)</u>
 Total other financing sources (uses)	 <u>(191,328)</u>	 <u>(191,329)</u>	 <u>(1)</u>
 Net change in fund balance	 (171,488)	 200,455	 371,943
 Fund balance at beginning of year	 <u>469,073</u>	 <u>475,798</u>	 <u>6,725</u>
 Fund balance at end of year	 <u>\$ 297,585</u>	 676,253	 <u>\$ 378,668</u>
 Reconciliation to generally accepted accounting principles			
Unavailable revenues		<u>27,395</u>	
 Net position - ending		 <u>\$ 703,648</u>	

CITY OF MADRAS
COMBINING STATEMENT OF NET POSITION
AIRPORT FUND
June 30, 2022

	Airport Operations	Airport Construction	Totals
Assets			
Current assets			
Cash and cash equivalents	\$ 787,578	\$ 35,970	\$ 823,548
Receivables, net	180,667	-	180,667
Inventory	79,690	-	79,690
Prepaid items	1,425	-	1,425
Total current assets	1,049,360	35,970	1,085,330
Capital assets			
Land and construction in progress	176,477	-	176,477
Other capital assets, net	14,749,706	-	14,749,706
Total capital assets	14,926,183	-	14,926,183
Total assets	15,975,543	35,970	16,011,513
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	94,063	-	94,063
Accrued interest payable	2,490	-	2,490
Long-term obligations due within one year	62,406	-	62,406
Total current liabilities	158,959	-	158,959
Long-term obligations due in more than one year	731,551	-	731,551
Total liabilities	890,510	-	890,510
Net position			
Net investment in capital assets	14,132,222	-	14,132,222
Unrestricted	952,811	35,970	988,781
Total net position	\$ 15,085,033	\$ 35,970	\$ 15,121,003

CITY OF MADRAS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
AIRPORT FUND
Year Ended June 30, 2022

	Airport Operations	Airport Construction	Totals
Operating revenues			
Charges for services	\$ 763,807	\$ -	\$ 763,807
Rental income	685,514	-	685,514
Miscellaneous	45	-	45
	<u>1,449,366</u>	<u>-</u>	<u>1,449,366</u>
Operating expenses			
Materials and services	1,267,550	-	1,267,550
Depreciation	527,851	-	527,851
	<u>1,795,401</u>	<u>-</u>	<u>1,795,401</u>
Operating income (loss)	<u>(346,035)</u>	<u>-</u>	<u>(346,035)</u>
Nonoperating revenues (expenses)			
Grants	111,898	-	111,898
Interest income	4,478	-	4,478
Interest expense	(25,524)	-	(25,524)
	<u>90,852</u>	<u>-</u>	<u>90,852</u>
Income (loss) before transfers	(255,183)	-	(255,183)
Transfers out	(9,000)	-	(9,000)
Change in net position	(264,183)	-	(264,183)
Net position - beginning	<u>15,349,216</u>	<u>35,970</u>	<u>15,385,186</u>
Net position - ending	<u>\$ 15,085,033</u>	<u>\$ 35,970</u>	<u>\$ 15,121,003</u>

CITY OF MADRAS
COMBINING STATEMENT OF CASH FLOWS
AIRPORT FUND
Year Ended June 30, 2022

	Airport Operations	Airport Construction	Totals
Cash flows from operating activities			
Receipts from customers	\$ 1,319,131	\$ -	\$ 1,319,131
Payments to suppliers	(1,251,346)	-	(1,251,346)
Net cash provided by (used in) operating activities	<u>67,785</u>	<u>-</u>	<u>67,785</u>
Cash flows from noncapital financing activities			
Transfers out	(9,000)	-	(9,000)
Net cash provided by (used in) noncapital financing activities	<u>(9,000)</u>	<u>-</u>	<u>(9,000)</u>
Cash flows from capital and related financing activities			
Grants	111,898	-	111,898
Acquisition of capital assets	(116,749)	-	(116,749)
Principal paid on long-term obligations	(59,455)	-	(59,455)
Interest paid on long-term obligations	(28,467)	-	(28,467)
Net cash provided by (used in) capital and related financing activities	<u>(92,773)</u>	<u>-</u>	<u>(92,773)</u>
Cash flows from investing activities			
Interest on investments	4,478	-	4,478
Net cash provided by (used in) investing activities	<u>4,478</u>	<u>-</u>	<u>4,478</u>
Net increase (decrease) in cash and cash equivalents	(29,510)	-	(29,510)
Cash and cash equivalents - beginning	817,088	35,970	853,058
Cash and cash equivalents - ending	<u>\$ 787,578</u>	<u>\$ 35,970</u>	<u>\$ 823,548</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ (346,035)	\$ -	\$ (346,035)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Depreciation	527,851	-	527,851
(Increase) decrease in assets and deferred outflows of resources			
Receivables, net	(130,235)	-	(130,235)
Inventories	(12,916)	-	(12,916)
Prepaid items	(1,425)	-	(1,425)
Increase (decrease) in liabilities and deferred inflows of resources			
Accounts payable and accrued liabilities	30,545	-	30,545
Net cash provided by (used in) operating activities	<u>\$ 67,785</u>	<u>\$ -</u>	<u>\$ 67,785</u>

CITY OF MADRAS
AIRPORT OPERATIONS - ENTERPRISE FUND (MAJOR FUND)
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Charges for services	\$ 728,350	\$ 763,807	\$ 35,457
Intergovernmental	215,527	142,267	(73,260)
Rents	688,058	685,514	(2,544)
Interest	2,500	4,478	1,978
Miscellaneous	-	45	45
	<u>1,634,435</u>	<u>1,596,111</u>	<u>(38,324)</u>
Total revenues			
Expenditures			
Materials and services	1,445,326	1,249,663	195,663
Capital outlay	374,000	134,636	239,364
Debt service	89,550	87,922	1,628
Contingency	50,000	-	50,000
	<u>1,958,876</u>	<u>1,472,221</u>	<u>486,655</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	<u>(324,441)</u>	<u>123,890</u>	<u>448,331</u>
Other financing sources (uses)			
Transfers in	31,000	-	(31,000)
Transfers out	<u>(9,000)</u>	<u>(9,000)</u>	<u>-</u>
	<u>22,000</u>	<u>(9,000)</u>	<u>(31,000)</u>
Total other financing sources (uses)			
Net change in fund balance	(302,441)	114,890	417,331
Fund balance at beginning of year	<u>729,655</u>	<u>810,057</u>	<u>80,402</u>
Fund balance at end of year	<u>\$ 427,214</u>	924,947	<u>\$ 497,733</u>
Reconciliation to generally accepted accounting principles			
Capital assets, net		14,926,183	
Unavailable revenues		30,350	
Accrued interest payable		(2,490)	
Long-term obligations		<u>(793,957)</u>	
Net position - ending		<u>\$ 15,085,033</u>	

CITY OF MADRAS
AIRPORT CONSTRUCTION - AIRPORT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2022

	Budget	Actual	Variance
Other financing sources (uses)			
Transfers out	(31,000)	-	31,000
Total other financing sources (uses)	(31,000)	-	31,000
Net change in fund balance	(31,000)	-	31,000
Fund balance at beginning of year	35,970	35,970	-
Fund balance at end of year	\$ 4,970	\$ 35,970	\$ 31,000

CITY OF MADRAS
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2022

	Central Services	Public Works Staff	Buildings	Information Technology	Totals
Assets					
Current assets					
Cash and cash equivalents	\$ 312,792	\$ 604,597	\$ -	\$ 20,901	\$ 938,290
Receivables, net	47,824	1,166	-	-	48,990
Inventory	-	13,869	-	-	13,869
Total current assets	<u>360,616</u>	<u>619,632</u>	<u>-</u>	<u>20,901</u>	<u>1,001,149</u>
Net other postemployment benefits asset	<u>11,703</u>	<u>6,156</u>	<u>-</u>	<u>-</u>	<u>17,859</u>
Capital assets					
Land and construction in progress	-	-	2,270,000	-	2,270,000
Other capital assets, net	-	46,998	4,435,789	-	4,482,787
Total capital assets	<u>-</u>	<u>46,998</u>	<u>6,705,789</u>	<u>-</u>	<u>6,752,787</u>
Total assets	<u>372,319</u>	<u>672,786</u>	<u>6,705,789</u>	<u>20,901</u>	<u>7,771,795</u>
Deferred outflows of resources					
Refunded debt charges	-	-	140,352	-	140,352
Pension related items	529,277	278,414	-	-	807,691
Other postemployment benefit related items	<u>32,978</u>	<u>17,347</u>	<u>-</u>	<u>-</u>	<u>50,325</u>
Total deferred outflows of resources	<u>562,255</u>	<u>295,761</u>	<u>140,352</u>	<u>-</u>	<u>998,368</u>
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	56,057	98,483	-	15,901	170,441
Accrued interest payable	-	-	3,038	-	3,038
Customer deposits	-	200	-	-	200
Compensated absences	22,185	11,512	-	-	33,697
Unearned revenue	22,355	-	-	-	22,355
Long-term obligations due within one year	<u>-</u>	<u>-</u>	<u>132,941</u>	<u>-</u>	<u>132,941</u>
Total current liabilities	<u>100,597</u>	<u>110,195</u>	<u>135,979</u>	<u>15,901</u>	<u>362,672</u>
Long-term obligations due in more than one year	<u>695,452</u>	<u>442,367</u>	<u>2,975,002</u>	<u>-</u>	<u>4,112,821</u>
Total liabilities	<u>796,049</u>	<u>552,562</u>	<u>3,110,981</u>	<u>15,901</u>	<u>4,475,493</u>
Deferred inflows of resources					
Pension related items	521,324	274,230	-	-	795,554
Other postemployment benefit related items	<u>41,156</u>	<u>21,649</u>	<u>-</u>	<u>-</u>	<u>62,805</u>
Total deferred inflows of resources	<u>562,480</u>	<u>295,879</u>	<u>-</u>	<u>-</u>	<u>858,359</u>
Net position					
Net investment in capital assets	-	46,998	3,738,198	-	3,785,196
Unrestricted (deficit)	<u>(423,955)</u>	<u>73,108</u>	<u>(3,038)</u>	<u>5,000</u>	<u>(348,885)</u>
Total net position (deficit)	<u>\$ (423,955)</u>	<u>\$ 120,106</u>	<u>\$ 3,735,160</u>	<u>\$ 5,000</u>	<u>\$ 3,436,311</u>

CITY OF MADRAS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
Year Ended June 30, 2022

	Central Services	Public Works Staff	Buildings	Fleet	Information Technology	Totals
Operating revenues						
Licenses, permits and fees	\$ 38,868	\$ 17,379	\$ -	\$ -	\$ -	\$ 56,247
Charges for services	1,149,522	2,434,868	142,615	-	350,926	4,077,931
Rents	55	-	-	-	-	55
Miscellaneous	13,151	336	-	-	-	13,487
Total operating revenues	<u>1,201,596</u>	<u>2,452,583</u>	<u>142,615</u>	<u>-</u>	<u>350,926</u>	<u>4,147,720</u>
Operating expenses						
Personnel services	905,851	1,299,927	-	-	-	2,205,778
Materials and services	362,730	861,650	21,137	-	345,926	1,591,443
Depreciation	-	1,502	117,539	-	-	119,041
Total operating expenses	<u>1,268,581</u>	<u>2,163,079</u>	<u>138,676</u>	<u>-</u>	<u>345,926</u>	<u>3,916,262</u>
Operating income (loss)	<u>(66,985)</u>	<u>289,504</u>	<u>3,939</u>	<u>-</u>	<u>5,000</u>	<u>231,458</u>
Nonoperating revenues (expenses)						
Capital grants	-	-	65,500	-	-	65,500
Interest on investments	-	60	-	-	-	60
Sale of assets	-	7,401	-	-	-	7,401
Interest expense	-	-	(23,889)	-	-	(23,889)
Total nonoperating revenue (expenses)	<u>-</u>	<u>7,461</u>	<u>41,611</u>	<u>-</u>	<u>-</u>	<u>49,072</u>
Income (loss) before transfers	(66,985)	296,965	45,550	-	5,000	280,530
Transfers in	232,364	-	97,130	-	-	329,494
Transfers out	-	(18,218)	(242,077)	(260,680)	-	(520,975)
Change in net position	165,379	278,747	(99,397)	(260,680)	5,000	89,049
Net position (deficit) - beginning	(589,334)	(158,641)	3,834,557	260,680	-	3,347,262
Net position (deficit) - ending	<u>\$ (423,955)</u>	<u>\$ 120,106</u>	<u>\$ 3,735,160</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 3,436,311</u>

CITY OF MADRAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended June 30, 2022

	Central Services	Public Works	Building	Fleet	Information Technology	Totals
Cash flows from operating activities						
Receipts from other funds	\$ 1,155,260	\$ 2,452,729	\$ 142,615	\$ -	\$ 350,926	\$ 4,101,530
Payments to suppliers	(359,318)	(878,421)	(58,111)	1,630	(330,025)	(1,624,245)
Payments to other funds	-	-	-	(1,630)	-	(1,630)
Payments to employees	(1,037,970)	(1,394,227)	-	-	-	(2,432,197)
Net cash provided by (used in) operating activities	(242,028)	180,081	84,504	-	20,901	43,458
Cash flows from noncapital financing activities						
Transfers in	232,364	-	97,130	-	-	329,494
Transfers out	-	-	(242,077)	-	-	(242,077)
Net cash provided by (used in) noncapital financing activities	232,364	-	(144,947)	-	-	87,417
Cash flows from capital and related financing activities						
Grants	-	-	65,500	-	-	65,500
Acquisition of capital assets	-	(48,500)	-	-	-	(48,500)
Issuance of long-term obligations	-	-	1,989,163	-	-	1,989,163
Principal paid on long-term obligations	-	(18,218)	(2,113,026)	-	-	(2,131,244)
Proceeds from the sale of assets	-	7,401	-	-	-	7,401
Interest paid on long-term obligations	-	-	(63,115)	-	-	(63,115)
Net cash provided by (used in) capital and related financing activities	-	(59,317)	(121,478)	-	-	(180,795)
Cash flows from investing activities						
Interest on investments	-	60	-	-	-	60
Net cash provided by (used in) investing activities	-	60	-	-	-	60
Net increase (decrease) in cash and cash equivalents	(9,664)	120,824	(181,921)	-	20,901	(49,860)
Cash and cash equivalents - beginning	322,456	483,773	181,921	-	-	988,150
Cash and cash equivalents - ending	\$ 312,792	\$ 604,597	\$ -	\$ -	\$ 20,901	\$ 938,290
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities						
Operating income (loss)	\$ (66,985)	\$ 289,504	\$ 3,939	\$ -	\$ 5,000	\$ 231,458
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation	-	1,502	117,539	-	-	119,041
(Increase) decrease in assets and deferred outflows of resources						
Receivables, net	(46,336)	146	-	-	-	(46,190)
Inventories	-	(13,869)	-	12,016	-	(1,853)
Prepaid items	5,804	-	-	-	-	5,804
Net other postemployment benefits asset	(4,137)	(2,707)	-	-	-	(6,844)
Pension related items	(122,892)	(93,125)	-	-	-	(216,017)
Other postemployment benefit related items	(1,462)	(2,977)	-	-	-	(4,439)
Increase (decrease) in liabilities and deferred inflows of resources						
Accounts payable and accrued liabilities	(2,392)	(2,902)	(36,974)	(10,386)	15,901	(36,753)
Due to other funds	-	-	-	(1,630)	-	(1,630)
Compensated absences payable	6,031	(6,426)	-	-	-	(395)
Unearned revenue	19,418	-	-	-	-	19,418
Net pension liability	(473,246)	(248,940)	-	-	-	(722,186)
Net other postemployment benefits liability	8,716	21,913	-	-	-	30,629
Pension related items	439,279	236,822	-	-	-	676,101
Other postemployment benefit related items	(3,826)	1,140	-	-	-	(2,686)
Net cash provided by (used in) operating activities	\$ (242,028)	\$ 180,081	\$ 84,504	\$ -	\$ 20,901	\$ 43,458
SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS						
Transfers out	\$ -	\$ 18,218	\$ -	\$ 260,680	\$ -	\$ 278,898

CITY OF MADRAS
CENTRAL SERVICES - INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Licenses, permits and fees	\$ 38,000	\$ 38,868	\$ 868
Charges for services	1,538,401	1,149,522	(388,879)
Rents	1,255	55	(1,200)
Interest	2,700	-	(2,700)
Miscellaneous	<u>8,500</u>	<u>13,151</u>	<u>4,651</u>
 Total revenues	 <u>1,588,856</u>	 <u>1,201,596</u>	 <u>(387,260)</u>
Expenditures			
Personnel services	1,058,205	1,057,388	817
Materials and services	382,084	362,730	19,354
Contingency	<u>35,000</u>	<u>-</u>	<u>35,000</u>
 Total expenditures	 <u>1,475,289</u>	 <u>1,420,118</u>	 <u>55,171</u>
 Excess (deficiency) of revenues over expenditures	 <u>113,567</u>	 <u>(218,522)</u>	 <u>(332,089)</u>
Other financing sources (uses)			
Transfers in	232,130	232,364	234
Transfers out	<u>(175,000)</u>	<u>-</u>	<u>175,000</u>
 Total other financing sources (uses)	 <u>57,130</u>	 <u>232,364</u>	 <u>175,234</u>
 Net change in fund balance	 170,697	 13,842	 (156,855)
 Fund balance at beginning of year	 <u>268,362</u>	 <u>268,362</u>	 <u>-</u>
 Fund balance at end of year	 <u>\$ 439,059</u>	 282,204	 <u>\$ (156,855)</u>
Reconciliation to generally accepted accounting principles			
Net other postemployment benefit asset		11,703	
Deferred outflows of resources		562,255	
Compensated absences payable		(22,185)	
Net pension liability		(439,499)	
Net other postemployment benefit liability		(255,953)	
Deferred inflows of resources		<u>(562,480)</u>	
 Net deficit - ending		 <u>\$ (423,955)</u>	

CITY OF MADRAS
PUBLIC WORKS STAFF- INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2022

	Budget	Actual	Variance
Revenues			
Licenses, permits and fees	\$ 12,000	\$ 17,379	\$ 5,379
Charges for services	2,736,966	2,434,868	(302,098)
Interest	150	60	(90)
Miscellaneous	<u>-</u>	<u>336</u>	<u>336</u>
 Total revenues	 <u>2,749,116</u>	 <u>2,452,643</u>	 <u>(296,473)</u>
Expenditures			
Personnel services	1,454,620	1,394,227	60,393
Materials and services	922,562	859,399	63,163
Capital outlay	79,000	68,969	10,031
Contingency	<u>50,000</u>	<u>-</u>	<u>50,000</u>
 Total expenditures	 <u>2,506,182</u>	 <u>2,322,595</u>	 <u>183,587</u>
 Excess (deficiency) of revenues over expenditures	 <u>242,934</u>	 <u>130,048</u>	 <u>(112,886)</u>
Other financing sources (uses)			
Sale of capital assets	-	7,401	7,401
Transfers out	<u>(175,000)</u>	<u>-</u>	<u>175,000</u>
 Total other financing sources (uses)	 <u>(175,000)</u>	 <u>7,401</u>	 <u>182,401</u>
 Net change in fund balance	 67,934	 137,449	 69,515
 Fund balance at beginning of year	 <u>383,501</u>	 <u>383,500</u>	 <u>(1)</u>
 Fund balance at end of year	 <u>\$ 451,435</u>	 520,949	 <u>\$ 69,514</u>
Reconciliation to generally accepted accounting principles			
Net other postemployment benefit asset		6,156	
Deferred outflows of resources		295,761	
Compensated absences payable		(11,512)	
Net pension liability		(307,729)	
Net other postemployment benefit liability		(134,638)	
Deferred inflows of resources		<u>(295,879)</u>	
 Net Deficit - ending		 <u>\$ 120,106</u>	

CITY OF MADRAS
BUILDINGS - INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2022

	Budget	Actual	Variance
Revenues			
Charges for services	\$ 672,812	\$ 142,615	\$ (530,197)
Intergovernmental	65,500	65,500	-
Total revenues	738,312	208,115	(530,197)
Expenditures			
Materials and services	327,272	21,137	306,135
Capital outlay	90,000	-	90,000
Debt service	221,000	208,115	12,885
Contingency	50,000	-	50,000
Total expenditures	688,272	229,252	459,020
Excess (deficiency) of revenues over expenditures	50,040	(21,137)	(71,177)
Other financing sources (uses)			
Refunding debt issued	-	1,989,163	1,989,163
Payment to escrow agent on refunded debt	-	(1,968,026)	(1,968,026)
Transfers in	97,130	97,130	-
Transfers out	(241,843)	(242,077)	(234)
Total other financing sources (uses)	(144,713)	(123,810)	20,903
Net change in fund balance	(94,673)	(144,947)	(50,274)
Fund balance at beginning of year	150,779	144,947	(5,832)
Fund balance at end of year	\$ 56,106	-	\$ (56,106)
Reconciliation to generally accepted accounting principles			
Capital assets, net		6,705,789	
Deferred outflows of resources		140,352	
Accrued interest payable		(3,038)	
Unamortized bond premium		(265,002)	
Long-term obligations		(2,842,941)	
Net position - ending		\$ 3,735,160	

CITY OF MADRAS
INFORMATION TECHNOLOGY - INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Charges for services	\$ 379,665	\$ 350,926	\$ (28,739)
Total revenues	<u>379,665</u>	<u>350,926</u>	<u>(28,739)</u>
Expenditures			
Materials and services	342,029	326,512	15,517
Capital outlay	57,636	19,414	38,222
Contingency	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Total expenditures	<u>419,665</u>	<u>345,926</u>	<u>73,739</u>
Excess (deficiency) of revenues over expenditures	<u>(40,000)</u>	<u>5,000</u>	<u>45,000</u>
Other financing sources (uses)			
Transfers in	<u>60,000</u>	<u>-</u>	<u>(60,000)</u>
Total other financing sources (uses)	<u>60,000</u>	<u>-</u>	<u>(60,000)</u>
Net change in fund balance	20,000	5,000	(15,000)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 20,000</u>	<u>\$ 5,000</u>	<u>\$ (15,000)</u>

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OTHER INFORMATION



**Post Compliance Reporting
Fiscal Year Ending June 30, 2022**

- Local Oregon Capital Assets Program, Certificates of Participation, Series 2011B (“2011B COPs”)**
- Local Oregon Capital Assets Program, Certificates of Participation, Series 2011B (“2012B COPs”)**
- City of Madras, Full Faith and Credit Refunding Obligations, Series 2013 (“2013 Obligations”)**
- City of Madras, Full Faith and Credit Refunding Obligations, Series 2015 (“2015 Obligations”)**
- City of Madras, Full Faith and Credit Refunding Obligations, Series 2017 (“2017 Obligations”)**
- City of Madras, Full Faith and Credit Refunding Obligations, Series 2021 (“2021 Obligations”)**

Securities and Exchange Commission Rule 15c2-12, as amended (the “Rule”) requires at least annual disclosure of current financial information and timely disclosure of certain events with respect to the Obligations, if material. Pursuant to the Rule, the City has agreed to provide to the Municipal Securities Rulemaking Board (“MSRB”), audited financial information of the City and certain financial information or operating data. In addition, the City has agreed to provide to the MSRB, notice of certain events, pursuant to the requirements of Section (b)(5)(i) of the Rule.

The following information meets the other operating data required to be reported with the audited financial information of the City under the Securities and Exchange Commission Rule 15c2-12.

Property Values – City of Madras

Taxable Property Values

The City					
Permanent Levy and Bond Levy					
Fiscal Year	Measure 5 Real Market Value	Total Taxable Assessed Value	Urban Renewal Excess Value	Assessed Value to compute the Taxes	Taxes to Be Received General Fund
2022	1,007,446,337	499,000,492	64,968,529	434,031,963	1,779,514
2021	784,072,764	457,381,891	52,530,462	404,851,429	1,663,061
2020	693,109,691	424,053,558	37,140,034	386,913,524	1,595,013
2019	611,741,256	394,775,192	33,020,744	361,754,448	1,492,046
2018	455,110,414	352,041,191	26,675,246	325,365,945	1,342,544
2017	407,686,611	344,015,154	24,278,096	309,737,058	1,279,434
2016	369,700,511	318,255,793	23,978,363	294,277,430	1,214,558
2015	375,072,095	305,835,643	22,317,792	283,517,851	1,177,669
2014	362,214,121	283,117,698	21,112,484	262,005,214	1,150,281

¹ Value represents the Real Market Value of taxable properties, including the reduction in Real Market Value of specially assessed properties such as farm and forestland. This value is also commonly referred to as the Measure 5 Real Market Value by county assessors.

² Assessed value of property in the City on which the permanent rate is applied to derive *ad valorem* property taxes, excluding any other offsets.

Source: Jefferson County Department of Assessment and Taxation and the Oregon Department of Revenue.

Tax Rate History and Percent Collected

Tax Collection Record¹

Fiscal Year	Permanent Tax		Local Option		Percent collected as of	
	Rate	Bond Tax Rate	Rate	Levy Year ²	6/30/2022 ³	
2021	\$4.1262	0.000	0.00	96.1%	97.1%	
2021	\$4.1262	0.000	0.00	96.2%	97.1%	
2020	4.1262	0.000	0.00	94.5	97.1	
2019	4.1262	0.000	0.00	95.2	98.0	
2018	4.1262	0.000	0.00	95.6	98.0	
2017	4.1262	0.000	0.00	95.2	98.0	
2016	4.1262	0.000	0.00	97.4	97.4	
2015	4.1262	0.000	0.00	96.7	98.3	
2014	4.1262	0.2996	0.00	96.4	99.1	

¹ Percentage of total tax levy collection in the County. Pre-payment discounts are considered to be collected when outstanding taxes are calculated. The tax rates are before offsets.

² The percentage of taxes collected in the “year of the levy” represents taxes collected in a single levy year, beginning July 1 and ending June 30.

³ The percentage of taxes collected represents taxes collected for that levy year through June 30, 2022.

Source: Jefferson County Department of Assessment and Taxation.

Major Taxpayers – City of Madras

(Fiscal Year 2022-23)

The following table shows the top taxpayers in the City.

Taxpayer	Business/Service	Tax ¹	Assessed Value ²	Percent of Value
Bright Wood Corporation	Manufacturer (Wood Components)	\$ 686,070	\$ 37,663,520	7.55%
Keith Investments, LLC	Manufacturer (Material Handling Systems)	372,713	20,635,300	4.14%
Love's Travel Stops & Countrys	Fuel Station/Convenience Store	199,548	9,910,390	1.99%
Pacificorp (PP&L)	Power Utility	174,857	9,714,000	1.95%
Pratum Co-Op	Agriculture Co-Op	140,390	7,570,894	1.52%
ACI Real Estate SPE 130, LLC dba Albertsons Co.	Grocer	138,071	6,780,930	1.36%
East Cascade Retirement Community	Retirement Community	102,689	5,049,360	1.01%
Daimler Trucks North America	Trucking	101,443	5,313,223	1.06%
Aero Air. LLC DBA Erickson Aero Tankers	Aeronautics	79,747	4,064,960	0.81%
Cascade Natural Gas Corp	Natural Gas Utility	75,530	4,196,000	0.84%
Subtotal - Ten largest taxpayers		<u>2,071,058</u>	110,898,577	22.22%
All Other City Taxpayers			388,101,915	77.78%
Total City			<u>\$ 499,000,492</u>	100%

¹ Tax amount is the total tax paid by the taxpayer. This amount is distributed to individual local governments by the County. A breakdown of amounts paid to each individual local government is not available.

² Assessed value does not exclude offsets such as urban renewal and farm tax credits.

Source: Jefferson County Department of Assessment and Taxation.

Major Taxpayers – Jefferson County

(Fiscal Year 2022-23)

The following table shows the top taxpayers in the County.

Taxpayer	Business/Service	Tax ¹	Assessed Value ²	Percent of Value
Portland General Electric	Electric Utility	\$ 3,758,081	\$268,764,000	12.5%
PacifiCorp	Power Utility	912,853	58,190,000	2.7%
Bright Wood Corporation	Manufacturer (Wood Components)	830,814	46,047,350	2.1%
Northwest Corp. Gas Trans.	Gas Utility	655,927	47,921,170	2.2%
Keith Manufacturing Inc./Keith investments	Manufacturer (Material Handling Systems)	422,557	23,438,700	1.1%
Warm Springs Power Enterprises	Hydroelectric Utilities	254,165	17,500,000	0.8%
Love's Travel Stops & Country	Fuel Station/Convenience Store	199,548	9,910,390	0.5%
BNSF Railway Company	Railroad	181,289	11,563,000	0.5%
Union Pacific Railroad Co	Railroad	161,513	9,574,000	0.4%
Pratum Co-op	Agriculture Co-Op	140,390	7,570,894	0.4%
Subtotal - Ten largest taxpayers		<u>7,517,137</u>	<u>\$500,479,504</u>	23.4%
All other County taxpayers			1,642,870,729	76.6%
Total County			\$2,143,350,233	100.00%

¹ Tax amount is the total tax paid by the taxpayer within the boundaries of the County. This amount is distributed to individual local governments by the County. A breakdown of amounts paid to each individual local government is not available.

² Assessed value does not exclude offsets such as urban renewal and farm tax credits.

³ Portland General Electric (“PGE”) operates the Pelton Round Butte hydroelectric project. It is the only project in the U.S. jointly owned by a Native American tribe and a utility. Currently, the project is fifty-one percent (51%) owned by PGE, and forty-nine (49%) owned by the Confederated Tribes of the Warm Springs Reservation of Oregon, through its Warm Springs Power Enterprises. The project is located on the Deschutes River in Jefferson County approximately six miles west of Madras, and approximately 90 miles southeast of downtown Portland. About one third of the central hydro project (dams, reservoirs and shore land) is located on the Warm Springs Reservation. Source: portlandgeneral.com.

Source: Jefferson County Department of Assessment and Taxation

Summary of Overlapping Debt

Fiscal Year 2021-22				
Overlapping Issuer Name	Overlapping Real Market Valuation	Percent Overlapping	Overlapping Debt	
			Gross Property Tax-Backed Debt ¹	Net Property Tax-Backed Debt ²
Central Oregon Community College	\$56,815,699,819	1.22%	\$592,757	\$510,345
Jefferson County	3,717,601,565	18.64	2,011,857	2,011,857
Jefferson Cnty RFPD 1 (Madras)	1,731,270,887	40.03	32,028	32,028
Jefferson Co./Madras School District No. 509J	2,122,104,027	32.66	28,898,807	28,898,807
Jefferson ESD	3,118,990,100	22.22	528,888	528,888
Madras Aquatic Center	2,077,973,823	33.36	786,276	786,276
			<u>\$32,850,613</u>	<u>\$32,768,201</u>

¹ Gross Property Tax-Backed Debt includes all limited and unlimited tax supported debt.

² Net Property Tax-backed Debt is Gross Property Tax-Backed debt less self-supporting unlimited tax general obligation debt and less self-supporting full faith and credit debt.

Source: Debt Management Division, the Office of the State Treasurer.

Debt Ratios

The following table presents information regarding the City's tax supported direct debt, including the Obligations, and the estimated portion of the debt of overlapping taxing districts allocated to the City's property owners. Property tax-backed debt shown in the following table does not include appropriation credits, conduit revenue bonds, dedicated niche obligations, revenue bonds, obligations issued for less than 13-month, lease purchase agreements, loans, lines of credit or other non-publicly offered financial obligations.

Debt Ratios		
Real Market Value	\$693,109,691	
Estimated Population	6,470	
Per Capita Real Market Value	\$107,127	
Debt Information	Gross Property Tax-Backed Debt ^{1, 2}	Net Property Tax-Backed Debt ^{1, 3}
Direct Debt	\$16,775,000	\$16,775,000
Overlapping Direct Debt	152,678,854	145,923,198
Total Direct Debt	<u>\$169,453,854</u>	<u>\$162,698,198</u>
Bonded Debt Ratios ¹		
Direct Debt to Real Market Value	2.42%	2.42%
Total Direct Debt to Real Market Value	24.45%	23.47%
Per Capita Direct Debt	\$2,593	\$2,593
Per Capita Total Direct Debt	\$26,191	\$25,147

¹ Preliminary; subject to change.

² Gross Property Tax-Backed Debt includes all limited and unlimited tax supported debt, including the Obligations.

³ Net Property Tax-backed Debt is Gross Property Tax-Backed debt less self-supporting unlimited tax general obligation debt and less self-supporting full faith and credit debt. The Obligations are *NOT* classified as self-supporting for the purposes of this table.

Source: Jefferson County, Oregon State Treasury, City's Audited Financial Statements and the Obligations.

Outstanding Long-Term Debt

	Outstanding July 1, 2021			Outstanding June 30, 2022		Balances Due Within One Year
		Additions	Reductions			
Long-term debt						
Bonded debt						
Series 2015	\$ 577,665	\$ -	\$ 40,845	\$ 536,820	\$ 40,845	
Series 2017	2,850,000	-	205,000	2,645,000	215,000	
Series 2021A	-	2,805,000	105,000	2,700,000	75,000	
Bond premium	198,600	338,439	23,258	513,781	26,763	
Direct borrowings and placements						
Leases	64,310	-	18,307	46,003	18,666	
USDA Rural Development	1,946,512	-	1,946,512	-	-	
Oregon Department of Transportation	330,025	518,257	-	848,282	-	
Total long-term debt obligations	5,967,112	3,661,696	2,338,922	7,289,886	376,274	
Other long-term obligations						
Compensated absences	56,690	57,443	56,690	57,443	57,443	
Net pension liability	3,674,241	-	1,658,820	2,015,421	-	
Other postemployment benefit liability	843,785	53,381	-	897,166	-	
Total long-term obligations	\$ 10,541,828	\$ 3,772,520	\$ 4,054,432	\$ 10,259,916	\$ 433,717	

Source: City of Madras, Financial Report June 30, 2022

City Pension Plan Actuarial Valuations

	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
Allocated Pooled SLGRP T1/T2 UAL	\$3,732,485	\$4,446,562	\$4,149,638	\$4,678,691	\$3,467,454
Allocated Pre SLGRP pooled liability/(surplus)	\$0	\$0	\$0	\$0	\$0
Transition liability/(surplus)	(\$533,329)	(\$495,559)	(\$454,881)	(\$406,702)	(\$355,711)
Allocated pooled OPSRP UAL	\$294,837	\$370,141	\$362,504	\$471,299	\$292,436
Side Account	\$0	\$0	\$0	\$0	\$496,062
Net unfunded pension actuarial accrued liability	\$3,493,993	\$4,321,144	\$4,057,261	\$4,743,288	\$2,908,112
Combined Valuation Payroll	\$1,956,566	\$2,049,915	\$2,205,071	\$2,302,417	\$2,379,868
Net Pension UAL as a % of Payroll	179%	211%	184%	206%	122%
Pre-SLGRP Pooled Rate	0.00%	0.00%	0.00%	0.00%	0.00%
Transition Rate	-3.28%	-3.18%	-3.00%	-2.87%	-2.79%
Side Account Rate Relief	0.00%	0.00%	0.00%	0.00%	-1.56%
Allocated Pooled RHIA UAL	(\$22,419)	(\$30,047)	(\$45,932)	(\$52,883)	(\$73,930)
Allocated Pooled RHIPA UAL	\$0	\$0	\$0	\$0	\$0

Source: Oregon Public Employees Retirement System (OPERS) website, 2021 Actuarial Valuations

Possible Contribution Rate Collar

12/31/2021 Valuation:

The rate collar limits changes in the UAL Rate for the rate pool, but does not limit changes in rates for individual employers related to pre-SLGRP liabilities or side accounts and does not limit the change in the normal cost rate. The table below shows the possible minimum and maximum UAL Rates for the SLGRP first effective as of July 1, 2025. The collar width, which in general is the amount the UAL Rate could increase or decrease from the current UAL Rate being paid, is 3% of pay. However, the UAL Rate is only allowed to decrease by the full collar width if the funded status (excluding side accounts) of the SLGRP is greater than or equal to 90%. The UAL Rate is not allowed to decrease at all if funded status is below 87%, and the allowable decrease is phased in for funded status levels from 87% to 90%.

For Comparison the Pool's Funded Status as of December 31, 2021 is 77%.

2021-2023 Biennium	2023-2025 Biennium	
	15.46%	<< No higher than this
12.46%	12.46%	<< No lower than this if December 31, 2023 funded status is 87% or lower
	9.46%	<<No lower than this if December 31, 2023 funded status is 90% or higher

COMPLIANCE SECTION

**INDEPENDENT AUDITOR'S REPORT REQUIRED BY
OREGON STATE REGULATIONS**

Mayor and Members
of the City Council
City of Madras

We have audited the basic financial statements of the City of Madras (the "City") as of and for the year ended June 30, 2022, and have issued our report thereon dated June 12, 2023. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America.

Compliance and Other Matters

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

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

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

Compliance and Other Matters (continued)

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

Mayor and Members
of the City Council
City of Madras
Independent Auditor's Report Required by Oregon State Regulations

OAR 162-10-0230 Internal Control

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Restriction of Use

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

Singer Lewak LLP

June 12, 2023

By:



Bradley G. Bingenheimer, Partner