



L A P I N E  

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O R E G O N

**Annual Financial Report**

**June 30, 2022**

PO Box 2460  
La Pine, Oregon 97739  
(541) 536-1432

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**MAYOR AND CITY COUNCIL**

DANIEL RICHER	Mayor
PO Box 2460, La Pine, OR 97739	

COLLEEN SCOTT	Council President
PO Box 2460, La Pine, OR 97739	

MIKE SHIELDS	Councilor
PO Box 2460, La Pine, OR 97739	

CATHI VANDAMME	Councilor
PO Box 2460, La Pine, OR 97739	

COURTNEY IGNAZZITTO	Councilor
PO Box 2460, La Pine, OR 97739	

**CITY ADMINISTRATION**

GEOFF WULLSCHLAGER	City Manager
PO Box 2460, La Pine, OR 97739	

ASHLEY WILLIAMS	Asst. City Manager/Finance Director
PO Box 2460, La Pine, OR 97739	

# **CITY OF LA PINE**

## **AUDIT REPORT**

**June 30, 2022**

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### **TABLE OF CONTENTS**

	<b><u>PAGE</u></b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	i-iii
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	1-10
<b>BASIC FINANCIAL STATEMENTS:</b>	
<b><u>Government-wide Financial Statements:</u></b>	
Statement of Net Position	12
Statement of Activities	13
<b><u>Governmental Fund Financial Statements:</u></b>	
Balance Sheet - Governmental Funds	15
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	16
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities	18
<b><u>Proprietary Fund Financial Statements:</u></b>	
Statement of Net Position - Proprietary Funds	20
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary F	21
Statement of Cash Flows - Proprietary Funds	22
<b><u>Notes To The Basic Financial Statements:</u></b>	23-37
<b>REQUIRED SUPPLEMENTARY INFORMATION:</b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
General Fund	39
Streets Fund	40
Community Development Fund	41
Urban Renewal Agency Fund	42

# **CITY OF LA PINE**

## **AUDIT REPORT**

**June 30, 2022**

---

### **TABLE OF CONTENTS (Cont.)**

<b>SUPPLEMENTARY INFORMATION</b>	<b><u>PAGE</u></b>
<b><u>Combining Schedules:</u></b>	
Combining Balance Sheet - General and Cemetery Funds	44
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - General and Cemetery Funds	45
<b><u>Non-Major Special Revenue Funds:</u></b>	
Combining Balance Sheet	47
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	48
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
Tourism Fund	49
Industrial/Economic Development Fund	50
Cemetery Fund	51
<b><u>Proprietary Funds:</u></b>	
Combining Statement of Net Position - Water and Debt Reserve Funds	53
Combining Statement of Revenues, Expenses and Changes in Net Position - Water and Debt Reserve Funds	54
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	
Water Fund	55
Sewer Fund	56
SDC Fund	57
Water/Sewer Reserve Fund	58
Debt Reserve Fund	59
<b>OTHER INFORMATION</b>	
<b><u>Additional Supporting Schedules:</u></b>	
Schedule of Long Term Debt Transactions & Future Requirements	61-63
<b>ACCOMPANYING INFORMATION:</b>	
Independent Auditor's Report Required by Oregon State Regulations	65



## **INDEPENDENT AUDITOR'S REPORT**

To the Mayor and Council members  
City of La Pine, Oregon

### **Report on the Audit of the Financial Statements**

#### **Opinions**

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of La Pine as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis of Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 City of La Pine and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about City of La Pine'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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of La Pine'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 City of La Pine's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion on pages 2-9, schedules of revenues, expenditures and changes in fund balances – budget and actuals on pages 73-77, 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 management's discussion and analysis in accordance with the auditing standards generally accepted in the United States of America, which consisted principally 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The schedules of revenues, expenditures and changes in fund balances – budget and actuals described on pages 73-77 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The schedules of revenues, expenditures and changes in fund balances – budget and actuals have 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of revenues, expenditures and changes in fund balances – budget and actuals are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of La Pine's basic financial statements. The supplementary information on pages 79-87 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City of La Pine.

The supplementary information on pages 79-87 is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements taken as a whole.

## Other Information

Management is responsible for the other information included in the annual report. The other information comprises the additional schedules listed in the Other Information section of the Table of Contents 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 of 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 our report.

## Reports on Other Legal and Regulatory Requirements

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have issued our report dated February 5, 2023, on our consideration of the City of La Pine'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 the City's compliance.



Steve Tuchscherer, CPA  
Umpqua Valley Financial, LLC  
Roseburg, Oregon  
February 5, 2023

**MANAGEMENT'S DISCUSSION**  
**AND ANALYSIS**



**CITY OF LA PINE**  
**Management's Discussion and Analysis (MD&A)**  
**For the Fiscal Year Ended June 30, 2022**

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The management discussion and analysis of the City of La Pine, Oregon (the City) financial performance provides an overview of the City's financial activities for the fiscal year that ended June 30, 2022. The intent of this discussion and analysis is to look at the City's financial performance. Readers should also review the basic financial statements and notes to enhance their understanding of the City's financial performance.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the fiscal year ended June 30, 2022, are as follows:

- The City's net position increased by \$3,413,589, representing an 20.14% increase from the previous year.
- Total revenue for the City was \$5,659,161, representing a 18% increase from the previous year. General revenues accounted for \$1,378,641 of revenue, representing 24% of all revenues. Program-specifics in the form of charges for services accounted for \$3,958,684, representing 70% of total revenues. Operating grants received totaled \$321,836.
- The City had \$2,247,023 in program expenses. Of the program expenses, \$660,762 was for providing water service and \$575,804 was for providing sewer service.
- The City's long-term liabilities decreased by \$446,796, a 19% decrease from the previous year due to payments on long-term debt.
- Among the governmental funds, the General Fund had \$1,134,861 in revenues, which primarily consisted of property taxes, intergovernmental revenues, franchise taxes and grants. The Street Fund had \$264,179 in revenues, which primarily consisted of intergovernmental revenues. The La Pine Urban Renewal Agency Fund had \$149,908 in revenues, which entirely consisted of property taxes.
- Among proprietary funds, the Water Fund had \$912,781 in operating revenues, which primarily consisted of user fees. The Sewer Fund had \$718,941 in operating revenues, which primarily consisted of user fees.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

Management's Discussion and Analysis introduce the City's basic financial statements. The basic financial statements include: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also includes additional supplementary information to supplement the basic financial statements.

*Government-wide Financial Statements*

The first of the government-wide statements is the *Statement of Net Position*. This is the City-wide statement of position presenting information that includes all of the City's assets and liabilities. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall economic health of the City would extend to other non-financial factors such as the condition of buildings, and water and sewer systems facilities.

The second government-wide statement is the *Statement of Activities* which reports how the City's net position changed during the current fiscal year. All current-year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the *Statement of Activities* is to show the financial reliance of the City's distinct activities or functions of the City that are principally supported by user fee revenues, intergovernmental revenues from grants, and property tax revenues. The governmental activities of the City include general government activities, street maintenance, contracted police services, and providing resources for cultural, tourism, and economic development activities. The proprietary activities of the City include water and sewer utilities.

**CITY OF LA PINE**  
**Management's Discussion and Analysis (MD&A)**  
**For the Fiscal Year Ended June 30, 2022**

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*Fund Financial Statements*

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, Fund Financial Statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining and individual fund statements in a later section of this report. The City reports two types of funds:

*Governmental funds*, focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. Unlike government-wide financial statements, these statements report short-term fiscal accountability focusing on the use of spendable resources during the year and balances of spendable resources available at the end of the fiscal year.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to government-wide statements to assist in understanding the differences between these two perspectives.

Budgetary comparison schedules of major funds are included as required supplementary information following the Notes to the Financial Statements.

*Proprietary funds* are used to report the functions presented as business-type activities in the government-wide financial statements, only in more detail. The City maintains one type of proprietary fund - enterprise funds. The City uses enterprise funds to account for water and sewer operations. The proprietary fund financial statements provide separate information for the Water Fund, the Sewer Fund, the Water/Sewer Reserve Fund, and the SDC Fund.

*Notes to the Financial Statements*

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin immediately following the basic financial statements.

*Other Information*

In addition to the basic financial statements and accompanying notes, this report also presents as required supplementary information budgetary comparison statements for the General Fund, the Street Fund, the Community Development Fund, and the La Pine Urban Renewal Agency Fund. The required supplementary information immediately follows the Notes to the Financial Statements.

Other supplementary data includes combining statements, individual fund statements and schedules, and other schedules. These statements and schedules immediately follow the required supplementary information in this report.

**CITY OF LA PINE**  
**Management's Discussion and Analysis (MD&A)**  
**For the Fiscal Year Ended June 30, 2022**

**FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

Recall that the Statement of Net Position provides the perspective of the City as a whole. Net position may serve over time as a useful indicator of a government's financial position.

The City's net position at fiscal year-end is \$20,366,303 this is an increase of \$3,413,589 or 20.1%.

A portion of the City's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, improvements other than buildings, vehicles, and machinery and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending.

Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The City's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following table provides a summary of the City's net position for the current and prior year.

**SUMMARY 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>
<b>Assets</b>						
Current and Other Assets	\$ 5,363,107	\$ 4,268,443	\$ 9,581,869	\$ 7,569,921	\$ 14,944,976	\$ 11,838,364
Non-Current Assets	-	-	277,279	193,503	277,279	193,503
Capital Assets	<u>2,760,176</u>	<u>2,502,024</u>	<u>4,636,609</u>	<u>4,876,485</u>	<u>7,396,785</u>	<u>7,378,509</u>
Total Assets	<u>8,123,283</u>	<u>6,770,467</u>	<u>14,495,757</u>	<u>12,639,909</u>	<u>22,619,040</u>	<u>19,410,376</u>
<b>Liabilities</b>						
Current Liabilities	239,401	86,547	335,176	235,337	574,577	321,884
Long-Term Liabilities	<u>275,000</u>	<u>300,000</u>	<u>1,397,725</u>	<u>1,830,344</u>	<u>1,672,725</u>	<u>2,130,344</u>
Total Liabilities	<u>514,401</u>	<u>386,547</u>	<u>1,732,901</u>	<u>2,065,681</u>	<u>2,247,302</u>	<u>2,452,228</u>
<b>Deferred Inflows of Resources</b>	<u>5,435</u>	<u>5,435</u>	<u>-</u>	<u>-</u>	<u>5,435</u>	<u>5,435</u>
<b>Net Position</b>						
Net Investment in Capital Assets	2,460,176	2,177,024	3,082,188	2,900,268	5,542,364	5,077,292
Restricted	2,081,778	1,772,477	7,980,844	6,223,150	10,062,622	7,995,627
Unrestricted	<u>3,061,494</u>	<u>2,428,984</u>	<u>1,699,824</u>	<u>1,450,810</u>	<u>4,761,318</u>	<u>3,879,794</u>
Total Net Position	<u>\$ 7,603,447</u>	<u>\$ 6,378,486</u>	<u>\$ 12,762,856</u>	<u>\$ 10,574,228</u>	<u>\$ 20,366,303</u>	<u>\$ 16,952,714</u>

**CITY OF LA PINE**  
**Management's Discussion and Analysis (MD&A)**  
**For the Fiscal Year Ended June 30, 2022**

**Changes in net position** - The City's total revenues for the fiscal year ended June 30, 2022, were \$5,659,161. The total cost of all programs and services was \$2,247,023. The following table shows a comparative analysis of government-wide revenues, expenses and changes in net position.

**Summary of Changes in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 496,727	\$ 508,274	\$ 3,461,957	\$ 2,806,421	\$ 3,958,684	\$ 3,314,695
Operating Grants and Contribution	321,836	39,574	-	-	321,836	39,574
Total Program Revenues	818,563	547,848	3,461,957	2,806,421	4,280,520	3,354,269
General Revenues						
Local Sources						
Property Taxes	531,121	491,540	-	-	531,121	491,540
Transient Room Tax	182,662	156,805	-	-	182,662	156,805
Intergovernmental	311,318	417,139	-	-	311,318	417,139
Franchise Taxes	272,033	294,547	-	-	272,033	294,547
Intergovernmental	-	-	-	-	-	-
Interest & Investment Earnings	15,897	3,413	-	6,111	15,897	9,524
Other Revenues	64,310	71,714	1,300	1,350	65,610	73,064
Total General Revenues	1,377,341	1,435,158	1,300	7,461	1,378,641	1,442,619
Total Revenues	2,195,904	1,983,006	3,463,257	2,813,882	5,659,161	4,796,888
<b>Program Expenses</b>						
General Government	300,383	296,451	-	-	300,383	296,451
Highways and Streets	374,694	321,834	-	-	374,694	321,834
Tourism	91,618	74,512	-	-	91,618	74,512
Culture and Recreation	179,700	173,054	-	-	179,700	173,054
Urban Renewal	7,309	5,180	-	-	7,309	5,180
Debt Service	17,239	18,351	39,513	56,785	56,752	75,136
<b>Utility Services</b>						
Water / Sewer	-	-	660,762	644,832	660,762	644,832
Sewer Utilities	-	-	575,805	518,929	575,805	518,929
Total Program Expenses	970,943	889,382	1,276,080	1,220,546	2,247,023	2,109,928
<b>Change in Net Position</b>	<b>\$ 1,224,961</b>	<b>\$ 1,093,624</b>	<b>\$ 2,187,177</b>	<b>\$ 1,593,336</b>	<b>\$ 3,412,138</b>	<b>\$ 2,686,960</b>

**CITY OF LA PINE**  
**Management's Discussion and Analysis (MD&A)**  
**For the Fiscal Year Ended June 30, 2022**

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The Statement of Activities shows the cost of program services and the charges for services, grants, and contributions offsetting those services. The following table shows, for governmental activity, the total cost of the four major functional activities of the City. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

<b>Governmental Activities</b>				
	Total Cost of Services		Net (Cost) Profit of	
	2021-22	2020-21	2021-22	2020-21
General Government	\$ 300,383	\$ 296,451	\$ (67,152)	\$ (256,870)
Highways and Streets	374,694	321,834	(283,693)	(321,834)
Tourism	91,618	74,512	(91,618)	(74,264)
Planning	179,700	173,054	314,631	334,965
Urban Renewal	7,309	5,180	(7,309)	(5,180)
Interest Expense	17,239	18,351	(17,239)	(18,351)
Total Program Expenses	<u>\$ 970,943</u>	<u>\$ 889,382</u>	<u>\$ (152,380)</u>	<u>\$ (341,534)</u>

For the current year, governmental-type activity cost of services increased from \$889,382 in the prior year, to \$970,943. Primary increases are identified in Highways and Streets, and Tourism.

<b>Business-Type Activities</b>				
	Total Cost of Services		Net (Cost) Profit of Services	
	2021-22	2020-21	2021-22	2020-21
Utility Services	\$ 1,236,567	\$ 1,163,761	\$ 2,225,390	\$ 1,642,660
Interest on Long-Term Debt	39,513	56,785	(39,513)	(56,785)
Total Program Expenses	<u>\$ 1,276,080</u>	<u>\$ 1,220,546</u>	<u>\$ 2,185,877</u>	<u>\$ 1,585,875</u>

For the current year, business-type activity cost of services increased from \$1,220,546 in the prior year, to \$1,276,080. All increases are identified in utility services, offset but some reduction in interest on long term debt.

**CITY OF LA PINE**  
**Management's Discussion and Analysis (MD&A)**  
**For the Fiscal Year Ended June 30, 2022**

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**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

***Governmental Funds***

As the City completed the year, its governmental funds reported a combined fund balance of \$5,140,533, an increase of \$944,624. The fund balance constitutes restricted, committed, assigned, and unassigned amounts. Of the current fund balances, \$1,202,850 is restricted for highway and street projects, \$576,865 is restricted for urban renewal projects, \$302,063 is restricted for tourism projects, \$1,156,626 is committed for community development projects, and \$1,231,328 is unassigned and available for spending at the City's discretion.

The General Fund is the principal operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$1,231,328. The total fund balance of the General Fund increased by \$61,508 during the fiscal year, ending at \$1,762,121.

***Proprietary Funds***

The City's enterprise funds ended the fiscal year with a net position of \$12,762,856. Included is an unrestricted net position of \$1,699,824, an increase of \$249,014. The enterprise funds also report \$7,980,844 in restricted net position with \$7,787,341 for capital projects. The enterprise net position includes \$3,082,188 invested in capital assets, net of the related debt.

**CITY OF LA PINE**  
**Management's Discussion and Analysis (MD&A)**  
**For the Fiscal Year Ended June 30, 2022**

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**Budgetary Highlights**

General Fund resources were budgeted and anticipated to be available in the amount of \$1,738,433 during the fiscal year. Actual resources of \$1,128,975 were available, \$609,458 less than budgeted. The General Fund expenditures budget was under-spent by \$1,315,443. The ending fund balance of \$1,719,765 was less than what was budgeted by \$134,066.

The Water Fund balance increased during the fiscal year by \$287,874, primarily due to revenue in Charges for Services of \$882,374, which was \$218,628 more than budgeted. The Sewer Fund's actual revenues were more than budgeted by \$121,942. Further, expenses were \$9,491,985 less than budgeted. The City had budgeted \$9,100,000 in debt proceeds, but this was not realized in the fiscal year.

The SDC fund balance increased by \$1,562,741 and the Sewer Fund increased its fund balance by \$151,306.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

As of June 30, 2022, the City had invested, before net reduction for accumulated depreciation, \$22,272,058 in capital assets, including buildings, land, machinery and equipment, water and sewer utility systems, construction in progress, and other intangible assets. This amount represents an increase of \$656,068 from the prior year. In the governmental activities, there were \$451,767 in additions and no deletions in the current year. In the business-type activities, there were \$204,301 in additions and \$0 in deletions.

Total depreciation expense for the year was \$652,193; of which \$193,616 is associated with general government activities, \$297,987 from water utilities, and \$160,590 from sewer utilities. Additional information on the City's capital assets can be found in the Capital Asset Note of the Notes to the Basic Financial Statements section of this report.

**Long-Term Debt**

At June 30, 2022, the City had total long-term debt outstanding of \$1,554,422 principal paid on the existing debt was \$421,795, and the interest paid on the debt amounted to \$40,066. Additional information on the City's long-term debt can be found in the Long-Term Debt Note of the Notes to the Basic Financial Statements.

**CITY OF LA PINE**  
**Management's Discussion and Analysis (MD&A)**  
**For the Fiscal Year Ended June 30, 2022**

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**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

A number of factors were considered by the City's officials during the process of developing the fiscal year 2022-23 budget. This is especially due to the expectation of the beginning of large utility projects necessary to meet the needs created by economic growth and activity within the City limits.

The City's budget for the fiscal year ending June 30, 2023, is \$58,060,469, representing an overall increase of \$30,252,443. This includes \$51,601,446 of appropriations and \$6,459,023 of unappropriated and reserve amounts.

Amounts available in the 2022-23 budget for appropriation in the General Fund are \$3,478,284.

The City is budgeting a substantial increase in Water Fund and Sewer Fund in anticipation of significant capital project activities, along with increases in all other funds. The Water Fund appropriations total \$18,445,485. The Sewer Fund appropriations total \$20,560,798.

The property tax rate for the tax year 2022-23 is set at \$1.98 per \$1,000 of assessed value for permanent rate tax.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the resources it receives.

If you have any questions about this report or need additional information, contact the City of La Pine, Attention: City Manager, PO Box 2460, La Pine, Oregon 97739, (541) 536-1432, or visit the City's website at [www.ci.la.pine.or.us](http://www.ci.la.pine.or.us).



**BASIC FINANCIAL**  
**STATEMENTS**

**Government – Wide**  
**Financial Statements**

**CITY OF LA PINE**  
**STATEMENT OF NET POSITION**  
**June 30, 2022**

	<b><u>Governmental Activities</u></b>	<b><u>Business-Type Activities</u></b>	<b><u>Total</u></b>
<b><u>ASSETS:</u></b>			
Current Assets:			
Cash and Investments	\$ 5,349,276	\$ 9,333,730	\$ 14,683,006
Account Receivables - Net	8,118	227,193	235,311
Property Taxes Receivable	5,455	-	5,455
Inventory	258	20,946	21,204
Total Current Assets	5,363,107	9,581,869	14,944,976
Non-Current Assets:			
Restricted Cash	-	277,279	277,279
Capital Assets:			
Land	321,528	879,252	1,200,780
Intangible Assets	-	24,514	24,514
Construction in Progress	464,825	2,226,708	2,691,533
Infrastructure	6,759,500	10,566,726	17,326,226
Buildings & Improvements	588,673	376,265	964,938
Equipment & Vehicles	109,240	567,895	677,135
Other Capital Assets	-	43,000	43,000
Less: Accumulated Depreciation	(5,483,590)	(10,047,751)	(15,531,341)
Total Capital Assets, Net of Depreciation	2,760,176	4,636,609	7,396,785
<b>Total Assets</b>	<b>\$ 8,123,283</b>	<b>\$ 14,495,757</b>	<b>\$ 22,619,040</b>
<b><u>LIABILITIES:</u></b>			
Current Liabilities:			
Accounts Payable	\$ 193,323	\$ 41,672	\$ 234,995
Customer Deposits	4,500	121,481	125,981
Payroll Liabilities	7,872	12,368	20,240
Unearned Revenue	7,215	-	7,215
Interest Payable	1,491	2,862	4,353
Retirement Benefits Payable	-	97	97
Current Portion of Long-Term Liabilities	25,000	156,696	181,696
Total Current Liabilities	239,401	335,176	574,577
Long-Term Liabilities:			
Noncurrent Portion of Long-Term Liabilities	275,000	1,397,725	1,672,725
Total Long-Term Liabilities	275,000	1,397,725	1,672,725
<b>Total Liabilities</b>	<b>\$ 514,401</b>	<b>\$ 1,732,901</b>	<b>\$ 2,247,302</b>
<b><u>DEFERRED INFLOW OF RESOURCES:</u></b>			
Other Revenues Not Available	5,435	-	5,435
<b>Total Deferred Inflows of Resources</b>	<b>\$ 5,435</b>	<b>\$ -</b>	<b>\$ 5,435</b>
<b><u>NET POSITION:</u></b>			
Net Investment in Capital Assets	\$ 2,460,176	\$ 3,082,188	\$ 5,542,364
Restricted for:			
Highways & Streets	1,202,850	-	1,202,850
Capital Projects	-	7,787,341	7,787,341
Urban Renewal	576,865	-	576,865
Tourism	302,063	-	302,063
Debt Service	-	193,503	193,503
Unrestricted	3,061,493	1,699,824	4,761,317
<b>Total Net Position</b>	<b>\$ 7,603,447</b>	<b>\$ 12,762,856</b>	<b>\$ 20,366,303</b>

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

# CITY OF LA PINE

## STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2022

		Program Revenues			Net (Expense) Revenue and Change in Net Position
	(Expenses)	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b><u>GOVERNMENTAL ACTIVITIES:</u></b>					
General Government	\$ 300,383	\$ 19,001	\$ 214,230	\$ -	\$ (67,152)
Highway and Streets	374,694	-	91,001	-	(283,693)
Tourism	91,618	-	-	-	(91,618)
Planning	179,700	477,726	16,605	-	314,631
Urban Renewal	7,309	-	-	-	(7,309)
Interest on Long-Term Debt	17,239	-	-	-	(17,239)
<b>Total Governmental Activities</b>	<b>\$ 970,943</b>	<b>\$ 496,727</b>	<b>\$ 321,836</b>	<b>\$ -</b>	<b>\$ (152,380)</b>
<b><u>BUSINESS-TYPE ACTIVITIES:</u></b>					
Water Utilities	\$ 660,762	\$ 1,970,990	\$ -	\$ -	\$ 1,310,228
Sewer Utilities	575,805	1,490,967	-	-	915,162
Interest on Long-Term Debt	39,513	-	-	-	(39,513)
<b>Total Business-type Activities</b>	<b>\$ 1,276,080</b>	<b>\$ 3,461,957</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,185,877</b>
<b>Total Primary Government</b>	<b>\$ 2,247,023</b>	<b>\$ 3,958,684</b>	<b>\$ 321,836</b>	<b>\$ -</b>	<b>\$ 2,033,497</b>
			<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b><u>CHANGES IN NET POSITION:</u></b>					
<b>Net (expense) revenue</b>			<b>\$ (152,380)</b>	<b>\$ 2,185,877</b>	<b>\$ 2,033,497</b>
General Revenues:					
Property Taxes, Levied for General Purposes			531,121	-	531,121
Transient Room Tax			182,662	-	182,662
Intergovernmental Tax Turnovers			311,318	-	311,318
Franchise Taxes			272,033	-	272,033
Interest and Investment Earnings			15,897	-	15,897
Other Revenue			64,310	1,300	65,610
Total General Revenues and Transfers			1,377,341	1,300	1,378,641
Change in Net Position			1,224,961	2,187,177	3,412,138
Net Position, July 1, 2021			6,378,486	10,575,679	16,954,165
<b>Net Position, June 30, 2022</b>			<b>\$ 7,603,447</b>	<b>\$ 12,762,856</b>	<b>\$ 20,366,303</b>

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

**BASIC FINANCIAL**  
**STATEMENTS**

**Governmental Fund**  
**Financial Statements**

**CITY OF LA PINE**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2022**

	<b><u>Component Unit</u></b>					
	<b><u>General Fund</u></b>	<b><u>Street Fund</u></b>	<b><u>Communit Development Fund</u></b>	<b><u>Urban Renewal Agency Fund</u></b>	<b><u>Other Governmental Funds</u></b>	<b><u>Total Governmental Funds</u></b>
<b><u>ASSETS:</u></b>						
Cash and Investments	\$ 1,921,805	\$ 1,362,600	\$ 731,946	\$ 576,533	756,392	\$ 5,349,276
Receivables:						
Business License	8,118	-	-	-	-	8,118
Property Tax	4,741	-	-	714	-	5,455
Inventory	-	258	-	-	-	258
<b>Total Assets</b>	<b><u>\$ 1,934,664</u></b>	<b><u>\$ 1,362,858</u></b>	<b><u>\$ 731,946</u></b>	<b><u>\$ 577,247</u></b>	<b><u>\$ 756,392</u></b>	<b><u>\$ 5,363,107</u></b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</u></b>						
<b>Liabilities:</b>						
Accounts Payable	\$ 148,239	\$ 18,322	\$ 3,229	\$ -	\$ 23,533	\$ 193,323
Payroll Payable	3,306	1,678	2,887	-	-	7,871
Deposits Payable	4,500	-	-	-	-	4,500
Unearned Revenue	7,215	-	-	-	-	7,215
<b>Total Liabilities</b>	<b><u>163,260</u></b>	<b><u>20,000</u></b>	<b><u>6,116</u></b>	<b><u>-</u></b>	<b><u>23,533</u></b>	<b><u>212,909</u></b>
<b>Deferred Inflows of Resources:</b>						
Delinquent Property Tax Revenue Not Available	3,848	-	-	382	-	4,230
Other Revenues Not Available	5,435	-	-	-	-	5,435
<b>Total Deferred Inflows of Resources</b>	<b><u>9,283</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>382</u></b>	<b><u>-</u></b>	<b><u>9,665</u></b>
<b>Fund Balances:</b>						
Nonspendable	-	258	-	-	-	258
Restricted for:						
Highways and Streets	-	1,202,850	-	-	-	1,202,850
Urban Renewal	-	-	-	576,865	-	576,865
Tourism	-	-	-	-	302,063	302,063
Committed for:						
Cemetery Maintenance	42,356	-	-	-	-	42,356
Community Development	-	-	725,830	-	430,796	1,156,626
Assigned for:						
Appropriated Ending Fund Balance	488,437	139,750	-	-	-	628,187
Unassigned	1,231,328	-	-	-	-	1,231,328
<b>Total Fund Balances</b>	<b><u>1,762,121</u></b>	<b><u>1,342,858</u></b>	<b><u>725,830</u></b>	<b><u>576,865</u></b>	<b><u>732,859</u></b>	<b><u>5,140,533</u></b>
<b>Total Liabilities, Deferred Inflows of Resources &amp; Fund Balances</b>	<b><u>\$ 1,934,664</u></b>	<b><u>\$ 1,362,858</u></b>	<b><u>\$ 731,946</u></b>	<b><u>\$ 577,247</u></b>	<b><u>\$ 756,392</u></b>	<b><u>\$ 5,363,107</u></b>

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

## CITY OF LA PINE

### **Reconciliation of the Balance Sheet to the Statement of Net Position - Governmental Funds**

**June 30, 2022**

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**Total Fund Balances - Governmental Funds** **\$ 5,140,533**

**Amounts reported for governmental activities in the Statement of Net Position are different because:**

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

The cost of the assets is -	\$ 8,243,766	
The accumulated depreciation is -	<u>(5,483,590)</u>	
Net Value of Assets		2,760,176

Certain receivables that will not be available to pay for current-period expenditures are deferred in the governmental funds:

Property Taxes	4,229
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. (300,000)

Accrued interest is not due and payable in the current period and therefore is not reported in the funds.

Accrued Interest	<u>(1,491)</u>
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**Net Position of Governmental Activities** **\$7,603,447**

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

**CITY OF LA PINE**

**Statement of Revenues, Expenditures,  
and Changes in Fund Balances**

**GOVERNMENTAL FUNDS**

**For the Fiscal Year Ended June 30, 2022**

	<b><u>Component Unit</u></b>					
	<b><u>General Fund</u></b>	<b><u>Street Fund</u></b>	<b><u>Community Development Fund</u></b>	<b><u>Urban Renewal Agency Fund</u></b>	<b><u>Other Governmental Funds</u></b>	<b><u>Total Governmental Funds</u></b>
<b><u>REVENUES:</u></b>						
Taxes and Assessments	\$ 384,028	\$ -	\$ -	\$ 149,907	\$ -	\$ 533,935
Intergovernmental	138,140	173,178	-	-	-	311,318
Franchise Taxes	272,033	-	-	-	-	272,033
Licenses & Permits	13,571	-	-	-	-	13,571
Transient Room Tax	54,923	-	-	-	127,739	182,662
Charges for Service	5,430	-	173,112	-	304,614	483,156
Investment Revenue	15,896	-	-	1	-	15,897
Grants	214,230	91,001	-	-	16,605	321,836
Miscellaneous and Other Revenue	36,610	-	-	-	27,700	64,310
<b>Total Revenues</b>	<b>1,134,861</b>	<b>264,179</b>	<b>173,112</b>	<b>149,908</b>	<b>476,658</b>	<b>2,198,718</b>
<b><u>EXPENDITURES:</u></b>						
Current Operating:						
General Government	270,572	-	-	-	-	270,572
Cemetery Services	1,775	-	-	-	-	1,775
Highway and Streets	-	201,081	-	-	-	201,081
Tourism	-	-	-	-	89,517	89,517
Community Development	-	-	108,831	-	70,869	179,700
Urban Renewal	-	-	-	7,309	-	7,309
Debt Service	42,239	-	-	-	-	42,239
Capital Outlay	453,767	8,134	-	-	-	461,901
<b>Total Expenditures</b>	<b>768,353</b>	<b>209,215</b>	<b>108,831</b>	<b>7,309</b>	<b>160,386</b>	<b>1,254,094</b>
Excess (Deficiency) of Revenues Over Expenditures	366,508	54,964	64,281	142,599	316,272	944,624
<b><u>OTHER FINANCING SOURCES (USES):</u></b>						
Interfund Transfers In	7,500	200,000	60,000	-	45,000	312,500
Interfund Transfers (Out)	(312,500)	-	-	-	-	(312,500)
Total Other Financing Sources/(Uses)	(305,000)	200,000	60,000	-	45,000	-
Net Change in Fund Balances	61,508	254,964	124,281	142,599	361,272	944,624
Fund Balances, July 1, 2021	1,700,613	1,087,894	601,549	434,266	371,587	4,195,909
<b>Fund Balances, June 30, 2022</b>	<b>\$ 1,762,121</b>	<b>\$ 1,342,858</b>	<b>\$ 725,830</b>	<b>\$ 576,865</b>	<b>\$ 732,859</b>	<b>\$ 5,140,533</b>

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

## **CITY OF LA PINE**

### **Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds to the Statement of Activities**

**For the Fiscal Year Ended June 30, 2022**

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**Net Changes in Fund Balances - Total Governmental Funds** **\$ 944,624**

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

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense.

Expenditures for capitalized assets	\$ 451,767	
Less current year depreciation	<u>(193,616)</u>	
		258,151

Repayment of long-term debt principal amounts are expenditures in the governmental funds, but the repayment reduces long-term debt liabilities in the Statement of Net Position.

Retirement of debt principal	25,000
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<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ 1,224,961</u></b>
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The accompanying notes to the basic financial statements are an integral part of this statement.



**BASIC FINANCIAL**  
**STATEMENTS**

**Proprietary Fund**  
**Financial Statements**

**CITY OF LA PINE**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**June 30, 2022**

	<b>Water Funds</b>	<b>Sewer Fund</b>	<b>Water/ Sewer Reserve Fund</b>	<b>SDC Fund</b>	<b>Total Proprietary Funds</b>
<b><u>ASSETS:</u></b>					
Current Assets:					
Cash and Investments	\$ 1,027,070	\$ 593,937	\$ 2,511,024	\$ 5,201,699	\$ 9,333,730
Accounts Receivable - Net	65,022	87,553	-	74,618	227,193
Inventory	20,019	927	-	-	20,946
Prepaid Expense	-	-	-	-	-
Total Current Assets	1,112,111	682,417	2,511,024	5,276,317	9,581,869
Non-Current Assets:					
Restricted Cash	193,503	83,776	-	-	277,279
Capital Assets:					
Land	33,500	845,752	-	-	879,252
Intangible Assets	24,514	-	-	-	24,514
Construction in Progress	864,919	1,361,789	-	-	2,226,708
Infrastructure	5,651,572	4,915,154	-	-	10,566,726
Buildings & Improvements	219,953	156,312	-	-	376,265
Equipment & Vehicles	151,938	415,957	-	-	567,895
Other Capital Assets	22,500	20,500	-	-	43,000
Less: Accumulated Depreciation	(5,393,775)	(4,653,976)	-	-	(10,047,751)
Total Capital Assets, Net of Depreciation	1,575,121	3,061,488	-	-	4,636,609
<b>Total Assets</b>	<b>2,880,735</b>	<b>3,827,681</b>	<b>2,511,024</b>	<b>5,276,317</b>	<b>14,495,757</b>
<b><u>LIABILITIES:</u></b>					
Current Liabilities:					
Accounts Payable	18,050	23,622	-	-	41,672
Interest Payable	2,862	-	-	-	2,862
Customer Deposits	37,705	83,776	-	-	121,481
Payroll Liabilities	6,184	6,184	-	-	12,368
Accrued Compensated Absences	-	-	-	-	-
Retirement Benefits Payable	97	-	-	-	97
Current Portion of Long-Term Obligations	156,696	-	-	-	156,696
Total Current Liabilities	221,594	113,582	-	-	335,176
Long-Term Obligations	1,397,725	-	-	-	1,397,725
Total Long-Term Liabilities	1,397,725	-	-	-	1,397,725
<b>Total Liabilities</b>	<b>1,619,319</b>	<b>113,582</b>	<b>-</b>	<b>-</b>	<b>1,732,901</b>
<b><u>NET POSITION:</u></b>					
Net Investment in Capital Assets	20,700	3,061,488	-	-	3,082,188
Restricted for:					
Capital Projects	-	-	2,511,024	5,276,317	7,787,341
Debt Service	193,503	-	-	-	193,503
Other Purposes	-	-	-	-	-
Unrestricted	1,047,213	652,611	-	-	1,699,824
<b>Total Net Position</b>	<b>\$ 1,261,416</b>	<b>\$ 3,714,099</b>	<b>\$ 2,511,024</b>	<b>\$ 5,276,317</b>	<b>\$ 12,762,856</b>

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

**CITY OF LA PINE**

**Statement of Revenues, Expenses,  
and Changes in Net Position**

**PROPRIETARY FUNDS**

**For the Fiscal Year Ended June 30, 2022**

	<b>Water Funds</b>	<b>Sewer Fund</b>	<b>Water/ Sewer Reserve Fund</b>	<b>SDC Fund</b>	<b>Total Proprietary Funds</b>
<b><u>OPERATING REVENUES:</u></b>					
Charges for Services & Fees	\$ 911,481	\$ 718,942	\$ -	\$ -	\$ 1,630,423
SDC Income	-	-	-	1,831,534	1,831,534
Micellaneous & Other Income	1,300	-	-	-	1,300
<b>Total Revenues</b>	<b>912,781</b>	<b>718,942</b>	<b>-</b>	<b>1,831,534</b>	<b>3,463,257</b>
<b><u>OPERATING EXPENSES:</u></b>					
Personnel Services	226,742	226,742	-	-	453,484
Materials and Supplies	150,434	188,473	-	-	338,907
Depreciation Expense	283,586	160,590	-	-	444,176
<b>Total Operating Expenses</b>	<b>660,762</b>	<b>575,805</b>	<b>-</b>	<b>-</b>	<b>1,236,567</b>
Income (Loss) from Operations	252,019	143,137	-	1,831,534	2,226,690
<b><u>NON-OPERATING REVENUES (EXPENSES):</u></b>					
Interest Expense	(39,513)	-	-	-	(39,513)
<b>Total Non-Operating Rev. (Exp.)</b>	<b>(39,513)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(39,513)</b>
Income before Transfers	212,506	143,137	-	1,831,534	2,187,177
<b><u>TRANSFERS:</u></b>					
Transfers from Other Funds	-	268,793	-	-	268,793
Transfers to Other Funds	-	-	-	(268,793)	(268,793)
<b>Changes in Net Position</b>	<b>212,506</b>	<b>411,930</b>	<b>-</b>	<b>1,562,741</b>	<b>2,187,177</b>
Net Position, July 1, 2021	1,048,910	3,302,169	2,511,024	3,713,576	10,575,679
<b>Net Position, June 30, 2022</b>	<b>\$ 1,261,416</b>	<b>\$ 3,714,099</b>	<b>\$ 2,511,024</b>	<b>\$ 5,276,317</b>	<b>\$12,762,856</b>

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

**CITY OF LA PINE**

**STATEMENT OF CASH FLOWS**

**PROPRIETARY FUNDS**

**For the Fiscal Year Ended June 30, 2022**

	<b><u>Water Funds</u></b>	<b><u>Sewer Fund</u></b>	<b><u>Water/Sewer Reserve Fund</u></b>	<b><u>SDC Fund</u></b>	<b><u>Total Proprietary Funds</u></b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>					
Cash Received from User Charges	\$ 918,097	\$ 803,431	\$ -	\$ 1,772,860	\$ 3,494,388
Cash Payments for Employee Services	(226,659)	(226,659)	-	-	(453,318)
Cash Payments to Suppliers	(158,597)	(165,618)	-	-	(324,215)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b><u>532,841</u></b>	<b><u>411,154</u></b>	<b><u>-</u></b>	<b><u>1,772,860</u></b>	<b><u>2,716,855</u></b>
<b><u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</u></b>					
Transfer from Other Funds	-	268,793	-	-	268,793
Transfer to Other Funds	-	-	-	(268,793)	(268,793)
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b><u>-</u></b>	<b><u>268,793</u></b>	<b><u>-</u></b>	<b><u>(268,793)</u></b>	<b><u>-</u></b>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u></b>					
Acquisition of Capital Assets	(51,880)	(152,420)	-	-	(204,300)
Principal Paid on Long Term Debt	(153,003)	(268,793)	-	-	(421,796)
Interest Paid on Long Term Debt	(40,065)	-	-	-	(40,065)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b><u>(244,948)</u></b>	<b><u>(421,213)</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>(666,161)</u></b>
Cash and Cash Equivalents at July 1, 2021	<u>932,679</u>	<u>418,979</u>	<u>2,511,024</u>	<u>3,697,632</u>	<u>7,560,314</u>
<b>Cash and Cash Equivalents at June 30, 2022</b>	<b><u>\$ 1,220,573</u></b>	<b><u>\$ 677,713</u></b>	<b><u>\$ 2,511,024</u></b>	<b><u>\$ 5,201,699</u></b>	<b><u>\$ 9,611,010</u></b>
<b><u>RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u></b>					
Income from Operations	\$ 252,019	\$ (125,656)	\$ -	\$ 1,831,534	\$ 1,957,897
Adjustments to Reconcile Income from Operations to Net Cash Provided by Operating Activities:					
Depreciation	283,586	160,591	-	-	444,177
Change in Assets and Liabilities:					
Decrease (Increase) in Accounts Receivable	14,381	713	-	(58,674)	(43,580)
Increase (Decrease) in Customer Deposits	(9,065)	83,775	-	-	74,710
Increase (Decrease) in Payables	(8,080)	22,938	-	-	14,858
<b>Net Cash Provided (Used) by Operating Activities</b>	<b><u>\$ 532,841</u></b>	<b><u>\$ 142,361</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,772,860</u></b>	<b><u>\$ 2,448,062</u></b>
Non Cash Transactions:					
Related to Notes Payable - Deschutes County					
Payments on Loan from SDCs Collected by County	\$ -	\$ 268,793	\$ -	\$ -	\$ 268,793
<b>Total Non-Cash Transactions</b>	<b><u>\$ -</u></b>	<b><u>\$ 268,793</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 268,793</u></b>

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

**BASIC FINANCIAL**  
**STATEMENTS**

**Notes to the Basic**  
**Financial Statements**

# **CITY OF LA PINE**

## **Notes to the Basic Financial Statements**

**June 30, 2021**

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### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The City of La Pine, Oregon (City) is a municipal corporation incorporated under the laws of the State of Oregon. The City is governed by an elected Mayor and an elected council. Administrative functions are delegated to the City Manager who reports to and is responsible to the mayor and council. The chief administrative officer is the City Manager.

The financial statements of the City have been prepared in accordance with Generally Accepted Accounting Principles (GAAP). GAAP Statements include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The following is a summary of the more significant policies of the City:

#### **Reporting Entity**

In determining the financial reporting entity, the City of La Pine complies with Governmental Accounting Standards Board Statement 14, "The Financial Reporting Entity." The criteria for including organizations as component units within the City's reporting entity, include whether 1) the organization is legally separate (can sue and be sued in their own name); 2) the City holds the corporate powers of the organization; 3) the City appoints a voting majority of the organization's board; 4) the City is able to impose its will on the organization; 5) the organization has the potential to impose a financial benefit/burden on the City; and 6) there is fiscal dependency by the organization on the City. Based on the criteria, the City of La Pine has one component unit, the Urban Renewal Agency.

*Blended Component Unit.* The City has included the financial operations of its Urban Renewal Agency as a blended component unit in the basic financial statements. The Agency is a legally separate entity, which is governed by a board comprised of the members of the City Council as stipulated in the Agency's bylaws. The City Council has the ability to impose its will on the Agency as determined based on budget adoption, taxing authority, and funding for the Agency. The Agency is reported as a special revenue fund and a debt service fund. Complete financial statements for the Agency can be obtained from the Finance Department of the City.

#### **Basis of Presentation**

*Government-wide Statements:* The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the overall City. Eliminations have been made to minimize the double counting of internal activities. 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. Direct expenses are those that are specifically associated with a program of function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the City.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. The City does not allocate indirect expenses. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

**CITY OF LA PINE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2022**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):**

**Basis of Presentation (Cont.)**

*Fund Financial Statements:* The fund financial statements provide information about the city's funds including those of a fiduciary nature, if applicable. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as other governmental funds.

**Governmental Funds** are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses, and balance of current financial resources. The City reports the following major governmental funds:

General Fund - The General Fund is the main operating fund of the City. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other funds are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid from the General Fund. Within the Balance Sheet and Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position, the General Fund is combined with the Cemetery Fund. The cemetery fund is utilized to account for cemetery activities.

Street Fund – This Fund provides for street and bridge repairs and maintenance within the City. The primary source of revenue is from state gas tax turnovers and maintenance fees collected by the City.

Community Development Fund – The purpose of this fund is to provide Public Planning/Land Use Services both in terms of current development and shaping the future of La Pine through long-range planning efforts.

Urban Renewal Agency Fund – This fund accounts for the General Fund revenues and expenditures of the Urban Renewal Agency.

Additionally, the City also reports non-major funds within the governmental fund type.

Special Revenue Funds are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Non-major special revenue funds include the Tourism Fund and the Industrial/Economic Development Fund.

**Proprietary Funds** are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position, and cash flow. All assets and liabilities are included in the Statement of Net Position. The City has presented the following major proprietary funds:

Water Fund - The Water Fund is used to account for the provision of water services to the residents of the City. Activities of the fund include administration, operations, and maintenance of the water system and billing and collection activities. Within the Statement of Net Position – Proprietary Funds and the Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds, the Water Fund is combined with the Debt Reserve Fund – Water. The Debt Reserve Fund – Water is utilized to hold the long-term debt service reserve required by the USDA on the Water Fund revenue bonds.

Sewer Fund - The Sewer Fund is used to account for the provision of sewer services to the residents of the City. Activities of the fund include administration, operations, and maintenance of the sewer system and billing and collection activities.

Water/Sewer Reserve Fund – The Water/Sewer Reserve Fund is used to account for the acquisition or construction of sewer and water utility projects.

SDC Fund – Water/Sewer – The SDC fund is used to account for the water and sewer system development charges which have been collected over the years. As capital projects and other qualifying expenditures are incurred that can legally be paid with SDC funds, the City will pay the expenditure directly from the fund.

**CITY OF LA PINE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2022**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):**

**Basis of Presentation (Cont.)**

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Measurement Focus/Basis of Accounting**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (when they are measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The city considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt, which is recognized when the obligations are expected to be liquidated with expendable available financial resources. Property taxes, interest, and special assessments are susceptible to accrual. Other receipts and taxes become measurable and available when the cash is received by the government and is recognized as revenue at that time. Entitlements and shared revenues are recorded at the time of receipt or earlier if the "susceptible to accrual" criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the city's Sewer and Water Funds are charges to customers for sales and services. These funds also recognize fees intended to recover the cost of connecting new customers to the city's utility systems as operating revenue. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.



**CITY OF LA PINE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2022**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):**

**Budgeting**

A budget is prepared for each city fund in accordance with the modified accrual basis of accounting and legal requirements set forth in the Oregon local budget law. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total personnel services, materials and services, capital outlay, contingencies, and debt service by the fund are the levels of control. The detailed budget document, however, is required to contain more specific, detailed information for the above-mentioned expenditure categories. Appropriations lapse at June 30. Unexpected additional resources may be added to the budget by a supplemental budget and appropriations resolution. A supplemental budget may require hearings before the public, publications in newspapers, and approval by the city council. Original and supplemental budgets may be modified by using appropriations transfers between the levels of control. Such transfers require approval by the city council. The city does not utilize encumbrance accounting for budgeted funds.

**Cash and Investments**

For purposes of the statement of cash flows, cash and cash equivalents include cash on hand, checking, savings and money market accounts and any short-term, highly liquid investments with initial maturity dates of three months or less.

The City does not have an investment policy. However, Oregon statutes authorize that the City's investments may consist of time certificates of deposit, banker's acceptances, commercial paper, U.S. Government Agency securities, and the State of Oregon Treasurer's Local Government Investment Pool (LGIP). The City's investments are reported at fair value at year-end. Changes in the fair value of investments are recorded as investment earnings.

**Accumulated Compensated Absences**

Accumulated vested vacation and compensatory pay is accrued as it is earned. For governmental funds, compensation not expected to be liquidated with the current resources are reported as liabilities in the government-wide statements and represent a reconciling item between the fund level and government-wide presentations. In business-type funds both the current and long-term liabilities are recorded. Sick pay, which does not vest, is recognized in applicable funds when leave is taken.

**Receivables**

Amounts due from individuals, organizations or other governmental units are recorded as receivables at year-end. These amounts include charges for services rendered, or for goods and material provided by the City. All receivables are expected to be collected. Accordingly, receivables are reported at the gross amount without an allowance for uncollectible accounts.

Receivables are also recognized for property taxes and intergovernmental grants. Property taxes receivable consist of uncollected taxes levied and payable at the end of the fiscal year. All taxes are considered collectible. Consequently, no allowance for uncollectible taxes has been established. In the governmental fund financial statements, property taxes not collected within sixty days of the end of the fiscal year are reported as a deferred inflow of resources.

**CITY OF LA PINE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2022**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):**

**Deferred Inflows/Outflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, 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. The City has no deferred outflows at year end.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items that qualify for reporting in this category, rent income and other income not available. In the governmental funds balance sheet, a different category of deferred inflow of resources, delinquent property tax revenue not available, is reported. Property taxes levied and considered receivable at the end of the fiscal year, but not collected within sixty days of the end of the fiscal year are reported in this category. These amounts are recognized as an inflow of resources (revenue) in the period that the amounts become available.

**Inventory**

Inventories are valued at cost, which approximates market value, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when purchased. The costs of proprietary fund type inventories are recorded as expenditures when consumed rather than when purchased.

**Long-Term Debt**

All bonds to be paid from governmental and business-type resources are reported as liabilities in the government-wide financial statements. Amounts of the long-term debt due within the following fiscal year are included in the current liabilities section of the Statement of Net Position.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures. The accounting for proprietary funds is the same in the fund financial statements as it is in the government-wide statements.

**CITY OF LA PINE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2022**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):**

**Capital Assets**

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Purchased or constructed capital assets are reported at cost, or estimated cost when the original cost is not available. Donated capital assets are valued at their estimated fair market value on the date received. Maintenance and repairs of capital assets that do not significantly extend the useful life of an asset are not capitalized, but rather are charged to expenditures in the funds.

Assets capitalized have an original cost of \$5,000 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method.

The estimated useful lives are as follows:

Buildings and Improvements	30-50 years
Equipment and Vehicles	5-7 years
Water and Sewer Systems	5-20 years
Infrastructure	20 years
Intellectual Property (Master Plan)	20 years

Monthly depreciation is taken in the year the assets are acquired or retired.

**Use of Estimates**

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as well as disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**Equity Classifications:**

***Government-wide Statements***

Equity is classified as net position, which represents the difference between assets and liabilities, and deferred accounts. Net position is displayed in three components:

- a. 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 borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantor, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The City’s policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. At June 30, 2021, \$7,995,627 was restricted for enabling legislation.

**CITY OF LA PINE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2022**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):**

Equity Classifications (Cont.):

*Fund Financial Statements*

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. The City's nonspendable resources as of June 30, 2021, include inventory and prepaid expenses.
- Restricted: This classification includes fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The City has restricted funds for various projects that are to be used for governmental purposes.
- Committed: This classification includes fund balance amounts that are constrained for specific purpose that are internally imposed by the government through resolution of the highest level of decision-making authority, the City Council, and does not lapse at year-end. The City has committed resources for various projects and purposes.
- Assigned: This classification includes fund balance amounts that are intended to be used for specific purposes that are neither restricted nor committed. This intent can be expressed by the City Council or through delegating this responsibility to selected staff members or through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned: This classification includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories, and negative fund balances of other governmental funds.

The City's policy is to use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of the constrained fund balances.

Property Taxes

The assessment date for the tax year is July 1. Personal and real property taxes are a lien on July 1. Total personal property tax becomes due and is delinquent when any installment is not paid by its due date. Real property tax is due and payable on November 15. However, a taxpayer may pay real property taxes in three equal installments, due the 15th day of November, February and May. Real property taxes become delinquent if not paid by May 15.

Inter-Fund Transactions

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers in the fund financial statements. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

**CITY OF LA PINE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2022**

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**CASH AND INVESTMENTS:**

For a discussion of deposit and investment policies and other related information, see Cash and Investments note under the Summary of Significant Accounting Policies.

The City follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Various restrictions on deposits and investments are imposed by state statutes. These restrictions are summarized in Cash and Investments note under the Summary of Significant Accounting Policies.

Deposits - All cash is deposited in compliance with Oregon statutes. The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. FDIC insurance of \$250,000 applies to the deposits in each depository. ORS 295 governs the collateralization of Oregon public funds and provides the statutory requirements for the Oregon Public Funds Collateralization Program (PFCP). Where balances continually exceed \$250,000, ORS 295 requires the depositor to verify that deposit accounts are only maintained at financial institutions on the list of qualified depositories found on the state treasurer's website.

*Custodial Credit Risk for Deposits* - Custodial credit risk for deposits exists when, in the event of a depository failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk.

As of June 30, 2021, the reported amount of the City's deposits was \$14,959,751 and the bank balance was \$14,989,650. The City also held \$535 in petty cash. Of the bank balance, the entire amount was insured by the FDIC or covered by the collateral held in a multiple financial institutions collateral pool administered by the Oregon State Treasurer.

Investments - Oregon statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, banker's acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the Local Governmental Investment Pool. The City has no credit risk policy or investment policy that would further limit its investment choices.

*Credit Risk* - Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. As of June 30, 2021, the City had no investments.

*Concentration of Credit Risk* - An increased risk of loss occurs as more investments are acquired from one issuer. This results in a concentration of credit risk. The City places no limit on the amount that may be invested in any one issuer. There were no investments as of June 30, 2021.

**CITY OF LA PINE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2022**

**CAPITAL ASSETS:**

The following is a summary of capital asset activity for the fiscal year ended June 30, 2022:

<b>Governmental Activities</b>	<u>Beginning Balances</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balances</u>
<b>Assets not being depreciated:</b>				
Land	\$ 321,528	\$ -	\$ -	\$ 321,528
Construction in Progress	<u>13,058</u>	<u>451,767</u>	<u>-</u>	<u>464,825</u>
Total	334,586	451,767	-	786,353
<b>Assets being depreciated:</b>				
Building and Building Improvement	588,673	-	-	588,673
Machinery and Equipment	109,240	-	-	109,240
Infrastructure	<u>6,759,500</u>	<u>-</u>	<u>-</u>	<u>6,759,500</u>
Total Depreciable Assets	7,457,413	-	-	7,457,413
<b>Less: Accumulated Depreciation</b>				
Building and Building Improvement	114,156	15,878	-	130,034
Machinery and Equipment	54,557	10,831	-	65,388
Infrastructure	<u>5,121,262</u>	<u>166,906</u>	<u>-</u>	<u>5,288,168</u>
Total Accumulated Depreciation	5,289,975	193,616	-	5,483,590
Net Value of Capital Assets Being Depreciated	<u>2,167,438</u>	<u>(193,616)</u>	<u>-</u>	<u>1,973,823</u>
Total Governmental Activities -- Net Value of Capital Assets	<u>\$2,502,024</u>	<u>\$ 258,151</u>	<u>\$ -</u>	<u>\$ 2,760,176</u>
<b>Depreciation expense was charged to the functions of governmental activities as follows:</b>				
General Government		\$ 17,902		
Public Works		173,613		
Tourism		<u>2,101</u>		
Total Depreciation Expense		<u>\$ 193,616</u>		

**CITY OF LA PINE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2022**

**CAPITAL ASSETS (Cont.):**

<b>Business-Type Activities</b>	<u>Beginning Balances</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balances</u>
<b>Assets not being depreciated:</b>				
Land	\$ 879,252	\$ -	\$ -	\$ 879,252
Construction in Progress	2,134,817	91,891	-	2,226,708
Intangible Assets	24,514	-	-	24,514
Total	3,038,583	91,891	-	3,130,474
<b>Assets being depreciated:</b>				
Utility Systems	10,566,726	-	-	10,566,726
Building and Building Improvement	376,265	-	-	376,265
Machinery and Equipment	455,485	112,410	-	567,895
Master Plan	43,000	-	-	43,000
Total Depreciable Assets	11,441,476	112,410	-	11,553,886
<b>Less: Accumulated Depreciation</b>				
Utility Systems	8,940,095	414,066	-	9,354,162
Building and Building Improvement	245,786	15,147	-	260,933
Machinery and Equipment	394,437	25,063	-	419,501
Master Plan	23,292	4,300	-	27,592
Total Accumulated Depreciation	9,603,610	458,577	-	10,062,188
Net Value of Capital Assets Being Depreciated	1,837,865	(346,167)	-	1,491,698
Total Business-Type Activities -- Net Value of Capital Assets	<u>\$4,876,448</u>	<u>\$ (254,276)</u>	<u>\$ -</u>	<u>\$ 4,622,172</u>
Total Net Value of Captial Assets of Primary Government	<u>\$7,378,473</u>	<u>\$ 3,875</u>	<u>\$ -</u>	<u>\$ 7,382,348</u>

**Depreciation expense was charged to the functions of business-type activities as follows:**

Water	\$ 297,987
Sewer	<u>160,590</u>
Total Depreciation Expense	<u>\$ 458,577</u>

# CITY OF LA PINE

## NOTES TO THE BASIC FINANCIAL STATEMENTS

**June 30, 2022**

### **LONG-TERM DEBT:**

A summary of debt transactions for the year ended June 30, 2022 is as follows:

Bank of New York Mellon Certificate of Participation Series 2011A, dated 2011, for the amount of \$520,000 for the purchase and improvements to a building for use as a new City Hall. Fixed interest rates vary on outstanding bonds from 3.0% to 5.7%.

Sewer System Expansion Loan, dated June 28, 2004 from Deschutes County. Principal reductions are credited base on SDC payments received at the County for Crescent Creek Division. Interest is capitalized at 2.86% annually. No repayments are required to be paid directly by the City of La Pine. The loan terminates in fifty years, even if the loan is not paid in full at that time.

Refinance of USDA Revenue Bonds with Washington Federal Bank in the amount of \$2,420,000, dated June 2, 2016. The bond is payable in annual installments of \$96,533.88, including interest at 2.40% per annum. The bond matures June 2, 2031. The bond requires the city to place \$193,068 in a reserve account.

On March 2, 2020, the City entered into a loan agreement with Oregon Department of Environmental Quality for wastewater improvements. The contract of the loan is for \$1,000,000 and carries an interest rate of 1.10% with a .5% service fee. As of the June 30, 2022 the City has taken no disbursements.

On March 2, 2020, the City entered into an interim loan agreement with Oregon Department of Environmental Quality for wastewater system improvements. The contract of the loan is for \$7,832,500 and carries an interest rate of .69%. After the fiscal year end, in October 2022, the amount available for borrowing was increased to a total of \$13,000,000. As of the June 30, 2022 the City has taken no disbursements.

The tables below present current year changes in long term obligations and the current portions due for each issue. Governmental and business-type activities are shown separately:

	Outstanding Balance July 1, 2021	New Issues	Principal Paid	Interest Paid	Outstanding Balance June 30, 2022	Due Within One Year
<b><u>Governmental Long-Term Debt</u></b>						
<b>Bonds Payable:</b>						
Bank of New York Mellon Certificate of Participation, Series 2011 A	\$ 325,000	\$ -	\$ 25,000	\$ 17,000	\$ 300,000	\$ 25,000
<b>Total Bonds Payable</b>	<b>325,000</b>	<b>-</b>	<b>25,000</b>	<b>17,000</b>	<b>300,000</b>	<b>25,000</b>
<b>Notes from Direct Borrowings:</b>						
<b>Total Notes from Direct Borrowings</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Governmental Long-Term Debt</b>	<b>\$ 325,000</b>	<b>\$ -</b>	<b>\$ 25,000</b>	<b>\$ 17,000</b>	<b>\$ 300,000</b>	<b>\$ 25,000</b>
<b><u>Business-Type Long-Term Debt</u></b>						
<b>Bonds Payable:</b>						
City of La Pine Water Revenue Refunding Bond, Series 2016	\$ 1,707,424	\$ -	\$ 153,002	\$ 40,066	\$ 1,554,422	\$ 156,696
<b>Total Bonds Payable</b>	<b>1,707,424</b>	<b>-</b>	<b>153,002</b>	<b>40,066</b>	<b>1,554,422</b>	<b>156,696</b>
<b>Notes from Direct Borrowings:</b>						
Sewer System Expansion Loan	268,793	-	268,793	-	-	-
<b>Total Notes from Direct Borrowings</b>	<b>268,793</b>	<b>-</b>	<b>268,793</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Business-Type Long-Term Debt</b>	<b>\$ 1,976,217</b>	<b>\$ -</b>	<b>\$ 421,795</b>	<b>\$ 40,066</b>	<b>\$ 1,554,422</b>	<b>\$ 156,696</b>



**CITY OF LA PINE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2022**

**LONG-TERM DEBT (Cont.):**

The Note from Direct Borrowing with Deschutes County is paid with SDC payments received and therefore is not included in the future debt requirements below.

The Sewer Expansion note from direct borrowing described above has no defined payment schedule. Accordingly, no repayment schedule is reported here.

The debt service requirements on the above debt are as follows:

**Governmental Activities**

Due Fiscal Year Ending June 30,	Bonds Payable		
	Principal	Interest	Total
2023	\$ 25,000	\$ 15,926	\$ 40,926
2024	30,000	14,483	44,483
2025	30,000	12,908	42,908
2026	30,000	11,333	41,333
2027	35,000	9,548	44,548
2028 - 2032	150,000	17,671	167,671
Total	<u>\$ 300,000</u>	<u>\$ 81,869</u>	<u>\$ 381,869</u>

**Business-Type Activities**

Due Fiscal Year Ending June 30,	Bonds Payable		
	Principal	Interest	Total
2023	\$ 156,696	\$ 36,372	\$ 193,068
2024	160,479	32,588	193,068
2025	164,354	28,714	193,068
2026	168,322	24,745	193,068
2027	172,386	20,682	193,068
2028 - 2032	732,183	40,088	772,271
Total	<u>\$ 1,554,421</u>	<u>\$ 183,189</u>	<u>\$ 1,737,610</u>

**CITY OF LA PINE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2022**

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**LONG-TERM DEBT (Cont.):**

The City has no unused lines of credit.

The City has no assets that are specifically pledged as collateral for any of the debt.

For further detail on debt service, see the 'Schedule of Long-Term Debt Transactions' in the Other Supplementary Data section of this report.

**DEFERRED COMPENSATION AND DEFINED CONTRIBUTION PLAN:**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all City employees with at least three months of continuous employment, permits them to defer a portion of their salary until future years.

The City also offers its employees retirement benefits under Internal Revenue Code Section 401 (a). The Plan, available to all City employees with at least three months of continuous employment, provides for employer contributions up to 6% of employee wages. The employer's share of contributions paid for the year ended June 30, 2022 was \$25,362.

The assets for both of these plans are held in trust for the exclusive benefit of the Plan participants and their beneficiaries. The plans are administered by AIG. The assets cannot be diverted for any other purpose. The City has little administrative involvement and does not perform the investing functions for these plans.

**OTHER POST-EMPLOYMENT BENEFITS (OPEB):**

**Plan Description**

The City is required by Oregon Revised Statutes 243.303 to provide retirees with group health insurance from the date of retirement to age 65 at the same rate provided to current employees. Although the City does not pay any portion of the retiree's healthcare insurance, a retired employee receives the implicit benefit of a lower healthcare premium which is subsidized amount the premium cost of coverage for active employee. The City's group plan is rated based on its own group experience. Currently, no retirees are participating in the plan. Management has determined there is no implicit rate subsidy related to their health insurance.

**CONTINGENT LIABILITIES:**

Amounts received or receivable from grantor agencies are subject to review and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amount, if any, to be immaterial.

**RISK MANAGEMENT:**

There is exposure 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.

In 1981 the League of Oregon Cities joined together with the Association of Oregon Counties to form City County Insurance Services (CCIS), a public entity risk pool currently operating as a common risk management and insurance program for approximately 265 municipal corporations and associated entities in the State of Oregon. An annual premium is paid

**CITY OF LA PINE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2022**

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**RISK MANAGEMENT (Cont.):**

to CCIS for general insurance coverage and to SAIF for workers compensation insurance coverage. CCIS and SAIF are self-sustaining through member premiums.

The City has obtained commercial insurance for risks of loss, including employee health and accident insurance and for errors and omissions insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

**INTERFUND TRANSFERS:**

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

	Transfers Out	Transfers In
General Fund	\$ 312,500	\$ -
Cemetery Fund	-	7,500
Streets Fund	-	200,000
Community Development Fund	-	60,000
Industrial/Economic Development Fund	-	45,000
SDC Fund #41	268,793	-
Sewer Fund	-	268,793
Total	<u>\$ 581,293</u>	<u>\$ 581,293</u>

The City makes interfund transfers to move resources between funds to provide resources for specific expenditures that are not supported by other revenues. The transfers are part of the City's budget preparation and adoption.

**COMMITMENTS:**

During the 2016-17 fiscal year, the City began preliminary efforts for grant and debt funding for wastewater collection system and treatment facility improvements. The City received a letter dated September 8, 2017 from United States Department of Agriculture (USDA) in which conditions were established for a \$5,000,000 loan and \$3,699,500 in grant funding from USDA. The total project cost is \$14,028,000. The \$5,328,500 remainder is expected to be funded with proceeds from additional grants and \$1,633,000 from the City. The City agreed to the conditions of the September 8 letter. The letter does not constitute loan or grant approval. Nor does it ensure that funds will be available for the planned project.

**REQUIRED**  
**SUPPLEMENTARY**  
**INFORMATION**

**CITY OF LA PINE**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**GENERAL FUND**  
**For the Fiscal Year Ended June 30, 2022**

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	Original	Final		
<b><u>REVENUES:</u></b>				
Property Taxes and Assessments	\$ 360,775	\$ 360,775	\$ 384,028	\$ 23,253
Marijuana Tax	-	-	-	-
Motel Tax	36,404	36,404	54,923	18,519
State Revenue Sharing	159,895	159,895	138,140	(21,755)
Franchise Taxes	262,353	262,353	272,033	9,680
Licenses, Permits and Fees	10,990	10,990	13,571	2,581
Investment Revenue	8,000	8,000	15,896	7,896
Grants	864,000	864,000	214,230	(649,770)
Rents	33,516	33,516	32,073	(1,443)
Miscellaneous Revenue	2,500	2,500	4,081	1,581
<b>Total Revenues</b>	<b>1,738,433</b>	<b>1,738,433</b>	<b>1,128,975</b>	<b>(609,458)</b>
<b><u>EXPENDITURES:</u></b>				
General/Administration Program	1,787,782	1,787,782	722,339	(1,065,443)
Not Allocated to Organizational Unit or Program:				
Debt Service	42,239	42,239	42,239	-
Contingency	250,000	250,000	-	(250,000)
<b>Total Expenditures</b>	<b>2,080,021</b>	<b>2,080,021</b>	<b>764,578</b>	<b>(1,315,443)</b>
Excess (Deficiency) of Revenues Over Expenditures	(341,588)	(341,588)	364,397	705,985
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Operating Transfer (Out)	(312,500)	(312,500)	(312,500)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(312,500)</b>	<b>(312,500)</b>	<b>(312,500)</b>	<b>-</b>
Net Change in Fund Balance	(654,088)	(654,088)	51,897	705,985
Fund Balance - July 1, 2021	2,507,919	2,507,919	1,667,868	(840,051)
<b>Fund Balance - June 30, 2022</b>	<b>\$ 1,853,831</b>	<b>\$ 1,853,831</b>	<b>\$ 1,719,765</b>	<b>\$ (134,066)</b>
Reconciliation to Governmental Fund Balance as required by GASB #54:				
Cemetery Fund Balance			42,356	
Total General Fund Balance reported on Balance Sheet			\$ 1,762,121	

**CITY OF LA PINE**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**

**STREETS FUND**

**For the Fiscal Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
State Gas Funds	\$ 100,000	\$ 100,000	\$ 173,178	\$ 73,178
Grants and Contributions	270,000	270,000	91,001	(178,999)
Investment Revenue	9,500	9,500	-	(9,500)
<b>Total Revenues</b>	<b>379,500</b>	<b>379,500</b>	<b>264,179</b>	<b>(115,321)</b>
<b><u>EXPENDITURES:</u></b>				
Streets Program	773,120	773,120	209,215	(563,905)
Not Allocated to Organizational Unit or Program:				
Contingency	150,000	150,000	-	(150,000)
<b>Total Expenditures</b>	<b>923,120</b>	<b>923,120</b>	<b>209,215</b>	<b>(713,905)</b>
Excess (Deficiency) of Revenues Over Expenditures	(543,620)	(543,620)	54,964	598,584
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Operating Transfer In	200,000	200,000	200,000	-
Operating Transfer (Out)	-	-	-	-
<b>Total Other Financing Sources (Uses):</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>-</b>
Net Change In Fund Balance	(343,620)	(343,620)	254,964	598,584
Fund Balance - July 1, 2021	883,370	883,370	1,087,894	204,524
<b>Fund Balance - June 30, 2022</b>	<b>\$ 539,750</b>	<b>\$ 539,750</b>	<b>\$ 1,342,858</b>	<b>\$ 803,108</b>

**CITY OF LA PINE**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**COMMUNITY DEVELOPMENT FUND**  
**For the Fiscal Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(Budgetary Basis)</u> <u>(See Note 1)</u>	<u>Variance</u> <u>with</u> <u>Final Budget</u> <u>Over</u> <u>(Under)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Planning Fees	\$ 94,460	\$ 94,460	\$ 173,112	\$ 78,652
Investment Revenue	-	-	-	-
Grants	-	-	-	-
<b>Total Revenues</b>	<b><u>94,460</u></b>	<b><u>94,460</u></b>	<b><u>173,112</u></b>	<b><u>78,652</u></b>
<b><u>EXPENDITURES:</u></b>				
Community Development Program	329,318	329,318	108,831	(220,487)
Not Allocated to Organizational Unit or Program:				
Contingency	<u>58,000</u>	<u>58,000</u>	<u>-</u>	<u>(58,000)</u>
<b>Total Expenditures</b>	<b><u>387,318</u></b>	<b><u>387,318</u></b>	<b><u>108,831</u></b>	<b><u>(278,487)</u></b>
Excess (Deficiency) of Revenues Over Expenditures	(292,858)	(292,858)	64,281	357,139
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Operating Transfer In	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<b><u>60,000</u></b>	<b><u>60,000</u></b>	<b><u>60,000</u></b>	<b><u>-</u></b>
Net Change In Fund Balance	(232,858)	(232,858)	124,281	357,139
Fund Balance - July 1, 2021	<u>435,531</u>	<u>435,531</u>	<u>601,549</u>	<u>166,018</u>
<b>Fund Balance - June 30, 2022</b>	<b><u>\$ 202,673</u></b>	<b><u>\$ 202,673</u></b>	<b><u>\$ 725,830</u></b>	<b><u>\$ 523,157</u></b>

**CITY OF LA PINE**

**Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual**

**URBAN RENEWAL AGENCY**

**For the Fiscal Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(Budgetary Basis)</u> <u>(See Note 1)</u>	<u>Variance</u> <u>with</u> <u>Final Budget</u> <u>Over</u> <u>(Under)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Property Taxes - Current	\$ 131,932	\$ 131,932	\$ 149,332	\$ 17,400
Property Taxes - Prior	-	-	575	575
Investment Revenue	75	75	1	(74)
Miscellaneous Income	-	-	-	-
<b>Total Revenues</b>	<b><u>132,007</u></b>	<b><u>132,007</u></b>	<b><u>149,908</u></b>	<b><u>17,901</u></b>
<b><u>EXPENDITURES:</u></b>				
Materials and Services	127,700	127,700	7,309	(120,391)
Capital Outlay	60,000	60,000	-	(60,000)
Contingency	125,000	125,000	-	(125,000)
<b>Total Expenditures</b>	<b><u>312,700</u></b>	<b><u>312,700</u></b>	<b><u>7,309</u></b>	<b><u>(305,391)</u></b>
Excess (Deficiency) of Revenues Over Expenditures	(180,693)	(180,693)	142,599	323,292
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Operating Transfer In	-	-	-	-
Operating Transfer (Out)	-	-	-	-
<b>Total Other Financing Sources (Uses):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change In Fund Balance	(180,693)	(180,693)	142,599	323,292
Fund Balance - July 1, 2021	430,144	430,144	434,266	4,122
<b>Fund Balance - June 30, 2022</b>	<b><u>\$ 249,451</u></b>	<b><u>\$ 249,451</u></b>	<b><u>\$ 576,865</u></b>	<b><u>\$ 327,414</u></b>



**SUPPLEMENTARY**  
**INFORMATION**

**Combining Schedules**

**CITY OF LA PINE**  
**COMBINING BALANCE SHEET**  
**GENERAL AND CEMETERY FUNDS**  
**For the Fiscal Year Ended June 30, 2022**

	<b>General Fund</b>	<b>Cemetery Fund</b>	<b>Totals</b>
<b><u>ASSETS:</u></b>			
Cash and Investments	\$ 1,874,849	\$ 46,956	\$ 1,921,805
Receivables:			
Business License	8,118	-	8,118
Property Tax	4,741	-	4,741
<b>Total Assets</b>	<b><u>1,887,708</u></b>	<b><u>46,956</u></b>	<b><u>1,934,664</u></b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</u></b>			
<b>Liabilities:</b>			
Accounts Payable	148,139	100	148,239
Payroll Payable	3,306	-	3,306
Deposits Payable	-	4,500	4,500
Unearned Revenue	7,215	-	7,215
<b>Total Liabilities</b>	<b><u>158,660</u></b>	<b><u>4,600</u></b>	<b><u>163,260</u></b>
<b>Deferred Inflows of Resources:</b>			
Delinquent Property Tax Revenue Not Available	3,848	-	3,848
Other Revenues Not Available	5,435	-	5,435
<b>Total Deferred Inflows of Resources</b>	<b><u>9,283</u></b>	<b><u>-</u></b>	<b><u>9,283</u></b>
<b>Fund Balances:</b>			
Committed for:			
Cemetery Maintenance	-	42,356	42,356
Appropriated Ending Fund Balance	250,000	-	250,000
Unassigned	1,469,765	-	1,469,765
<b>Total Fund Balances</b>	<b><u>1,719,765</u></b>	<b><u>42,356</u></b>	<b><u>1,762,121</u></b>
<b>Total Liabilities, Deferred Inflows of Resources &amp; Fund Balances</b>	<b><u>\$ 1,887,708</u></b>	<b><u>\$ 46,956</u></b>	<b><u>\$ 1,934,664</u></b>

**CITY OF LA PINE**

**Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance**

**GENERAL AND CEMETERY FUNDS**

**For the Fiscal Year Ended June 30, 2022**

	General Fund	Cemetery Fund	Totals
<b><u>REVENUES:</u></b>			
Property Taxes and Assessments	\$ 384,028	\$ -	\$ 384,028
Motel Tax	54,923	-	54,923
State Revenue Sharing	138,140	-	138,140
Franchise Taxes	272,033	-	272,033
Licenses, Permits and Fees	13,571	-	13,571
Charges for Service	-	5,430	5,430
Investment Revenue	15,896	-	15,896
Grants	214,230	-	214,230
Rents	32,073	-	32,073
Miscellaneous Revenue	4,081	456	4,537
<b>Total Revenues</b>	<b>1,128,975</b>	<b>5,886</b>	<b>1,134,861</b>
<b><u>EXPENDITURES:</u></b>			
Current Operating:			
General Government	270,572	1,775	272,347
Debt Service	42,239	-	42,239
Capital Outlay	451,767	2,000	453,767
<b>Total Expenditures</b>	<b>764,578</b>	<b>3,775</b>	<b>768,353</b>
Excess (Deficiency) of Revenues Over Expenditures	364,397	2,111	366,508
<b><u>OTHER FINANCING SOURCES (USES):</u></b>			
Operating Transfer In	-	7,500	7,500
Operating Transfer (Out)	(312,500)	-	(312,500)
<b>Total Other Financing Sources (Uses)</b>	<b>(312,500)</b>	<b>7,500</b>	<b>(305,000)</b>
Net Change in Fund Balance	51,897	9,611	61,508
Fund Balance - July 1, 2021	1,667,868	32,745	1,700,613
<b>Fund Balance - June 30, 2022</b>	<b>\$ 1,719,765</b>	<b>\$ 42,356</b>	<b>\$ 1,762,121</b>

**SUPPLEMENTARY**  
**INFORMATION**

**Non-Major Special**  
**Revenue Funds**

**CITY OF LA PINE**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**For the Fiscal Year Ended June 30, 2022**

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	Industrial/ Economic Development Fund	Tourism Fund	Total
<b><u>ASSETS:</u></b>			
Cash & Investments	\$ 431,796	\$ 324,596	\$ 756,392
<b>Total Assets</b>	<b><u>431,796</u></b>	<b><u>324,596</u></b>	<b><u>756,392</u></b>
<b><u>LIABILITIES:</u></b>			
Accounts Payable	1,000	22,533	23,533
<b>Total Liabilities</b>	<b><u>1,000</u></b>	<b><u>22,533</u></b>	<b><u>23,533</u></b>
<b><u>FUND BALANCES:</u></b>			
Restricted for:			
Tourism	-	302,063	302,063
Committed for:			
Community Development	430,796	-	430,796
<b>Total Fund Balances</b>	<b><u>430,796</u></b>	<b><u>302,063</u></b>	<b><u>732,859</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 431,796</u></b>	<b><u>\$ 324,596</u></b>	<b><u>\$ 756,392</u></b>

**CITY OF LA PINE**

**Combining Statement of Revenues,  
Expenditures, and Changes in Fund Balances**

**NON-MAJOR SPECIAL REVENUE FUNDS**

**For the Fiscal Year Ended June 30, 2022**

	Industrial/ Economic Development Fund	Tourism Fund	Total
<b><u>REVENUES:</u></b>			
Transient Room Tax	\$ -	\$ 127,739	\$ 127,739
Charges for Services	304,614	-	304,614
Grants	16,605	-	16,605
Other Revenue	27,700	-	27,700
<b>Total Revenues</b>	<b>348,919</b>	<b>127,739</b>	<b>476,658</b>
<b><u>EXPENDITURES:</u></b>			
Tourism	-	89,517	89,517
Community Development	70,869	-	70,869
<b>Total Expenditures</b>	<b>70,869</b>	<b>89,517</b>	<b>160,386</b>
Excess (Deficiency) of Revenues Over Expenditures	278,050	38,222	316,272
<b><u>OTHER FINANCING SOURCES (USES):</u></b>			
Operating Transfers In	45,000	-	45,000
<b>Total Other Financing Sources (Uses)</b>	<b>45,000</b>	<b>-</b>	<b>45,000</b>
Net Change In Fund Balances	323,050	38,222	361,272
Fund Balances - July 1, 2021	107,746	263,841	371,587
<b>Fund Balances - June 30, 2022</b>	<b>\$ 430,796</b>	<b>\$ 302,063</b>	<b>\$ 732,859</b>

**CITY OF LA PINE**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**

**TOURISM FUND**

**For the Fiscal Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Taxes and Assessments	\$ 76,000	\$ 76,000	\$ 127,739	\$ 51,739
Grants	250	250	-	(250)
<b>Total Revenues</b>	<b><u>76,250</u></b>	<b><u>76,250</u></b>	<b><u>127,739</u></b>	<b><u>51,489</u></b>
<b><u>EXPENDITURES:</u></b>				
Tourism Program	165,500	165,500	89,517	(75,983)
Not Allocated to Organizational Unit or Program:				
Contingency	30,508	30,508	-	(30,508)
<b>Total Expenditures</b>	<b><u>196,008</u></b>	<b><u>196,008</u></b>	<b><u>89,517</u></b>	<b><u>(106,491)</u></b>
Net Change In Fund Balance	(119,758)	(119,758)	38,222	157,980
Fund Balance - July 1, 2021	228,289	228,289	263,841	35,552
<b>Fund Balance - June 30, 2022</b>	<b><u>\$ 108,531</u></b>	<b><u>\$ 108,531</u></b>	<b><u>\$ 302,063</u></b>	<b><u>\$ 193,532</u></b>

**CITY OF LA PINE**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**INDUSTRIAL / ECONOMIC DEVELOPMENT FUND**  
**For the Fiscal Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(Budgetary Basis)</u> <u>(See Note 1)</u>	<u>Variance</u> <u>with</u> <u>Final Budget</u> <u>Over</u> <u>(Under)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Industrial Site Leases	\$ 14,705	\$ 14,705	\$ 261,037	\$ 246,332
Industrial Site Sales & Options	20,520	20,520	43,577	23,057
Business Sponsorship	6,000	6,000	16,605	10,605
Miscellaneous	35,000	35,000	27,700	(7,300)
<b>Total Revenues</b>	<b>76,225</b>	<b>76,225</b>	<b>348,919</b>	<b>272,694</b>
<b><u>EXPENDITURES:</u></b>				
Industrial/Economic Development Program	138,500	138,500	70,869	(67,631)
Not Allocated to Organizational Unit or Program:				
Contingency	25,000	25,000	-	(25,000)
<b>Total Expenditures</b>	<b>163,500</b>	<b>163,500</b>	<b>70,869</b>	<b>(92,631)</b>
Excess (Deficiency) of Revenues Over Expenditures	(87,275)	(87,275)	278,050	365,325
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Operating Transfer In	45,000	45,000	45,000	-
<b>Total Other Financing Sources (Uses)</b>	<b>45,000</b>	<b>45,000</b>	<b>45,000</b>	<b>-</b>
Net Change In Fund Balance	(42,275)	(42,275)	323,050	365,325
Fund Balance - July 1, 2021	98,016	98,016	107,746	9,730
<b>Fund Balance - June 30, 2022</b>	<b>\$ 55,741</b>	<b>\$ 55,741</b>	<b>\$ 430,796</b>	<b>\$ 375,055</b>



**CITY OF LA PINE**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**CEMETERY FUND**

**For the Fiscal Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(Budgetary Basis)</u> <u>(See Note 1)</u>	<u>Variance</u> <u>with</u> <u>Final Budget</u> <u>Over</u> <u>(Under)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Plot Sales	\$ 3,775	\$ 3,775	\$ 5,430	\$ 1,655
Miscellaneous Revenue	-	-	456	456
<b>Total Revenues</b>	<b>3,775</b>	<b>3,775</b>	<b>5,886</b>	<b>2,111</b>
<b><u>EXPENDITURES:</u></b>				
Cemetery Program	23,868	23,868	3,775	(20,093)
Not Allocated to Organizational Unit or Program:				
Contingency	7,300	7,300	-	(7,300)
<b>Total Expenditures</b>	<b>31,168</b>	<b>31,168</b>	<b>3,775</b>	<b>(27,393)</b>
Excess (Deficiency) of Revenues Over Expenditures	(27,393)	(27,393)	2,111	29,504
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Operating Transfer In	7,500	7,500	7,500	-
<b>Total Other Financing Sources (Uses)</b>	<b>7,500</b>	<b>7,500</b>	<b>7,500</b>	<b>-</b>
Net Change in Fund Balance	(19,893)	(19,893)	9,611	29,504
Fund Balance - July 1, 2021	28,330	28,330	32,745	4,415
<b>Fund Balance - June 30, 2022</b>	<b>\$ 8,437</b>	<b>\$ 8,437</b>	<b>\$ 42,356</b>	<b>\$ 33,919</b>

**SUPPLEMENTARY**  
**INFORMATION**

**Proprietary Funds**

**CITY OF LA PINE**  
**COMBINING STATEMENT OF NET POSITION**  
**WATER AND DEBT RESERVE FUNDS**

**June 30, 2022**

	<b>Water Fund</b>	<b>Debt Reserve Fund</b>	<b>Total Water Funds</b>
<b><u>ASSETS:</u></b>			
Current Assets:			
Cash and Investments	\$ 1,027,070	\$ -	\$ 1,027,070
Restricted Cash	-	193,503	193,503
Accounts Receivable - Net	65,022	-	65,022
Inventory	20,019	-	20,019
Total Current Assets	1,112,111	193,503	1,305,614
Capital Assets:			
Land	33,500	-	33,500
Intangible Assets	24,514	-	24,514
Construction in Progress	864,919	-	864,919
Infrastructure	5,651,572	-	5,651,572
Buildings & Improvements	219,953	-	219,953
Equipment & Vehicles	151,938	-	151,938
Other Capital Assets	22,500	-	22,500
Less: Accumulated Depreciation	(5,393,775)	-	(5,393,775)
Total Capital Assets, Net of Depreciation	1,575,121	-	1,575,121
<b>Total Assets</b>	<b>2,687,232</b>	<b>193,503</b>	<b>2,880,735</b>
<b><u>LIABILITIES:</u></b>			
Current Liabilities:			
Accounts Payable	18,050	-	18,050
Interest Payable	2,862	-	2,862
Customer Deposits	37,705	-	37,705
Payroll Liabilities	6,184	-	6,184
Retirement Benefits Payable	97	-	97
Current Portion of Long-Term Obligations	156,696	-	156,696
Total Current Liabilities	221,594	-	221,594
Long-Term Obligations	1,397,725	-	1,397,725
Total Long-Term Liabilities	1,397,725	-	1,397,725
<b>Total Liabilities</b>	<b>1,619,319</b>	<b>-</b>	<b>1,619,319</b>
<b><u>NET POSITION:</u></b>			
Net Investment in Capital Assets	20,700	-	20,700
Restricted for:			
Debt Service	-	193,503	193,503
Unrestricted	1,047,213	-	1,047,213
<b>Total Net Position</b>	<b>\$ 1,067,913</b>	<b>\$ 193,503</b>	<b>\$ 1,261,416</b>

**CITY OF LA PINE**  
**Combining Statement of Revenues, Expenses,**  
**and Changes in Net Position**

**WATER AND DEBT RESERVE FUNDS**

**For the Fiscal Year Ended June 30, 2022**

	<b>Water Fund</b>	<b>Debt Reserve Fund</b>	<b>Total Water Funds</b>
<b><u>OPERATING REVENUES:</u></b>			
Charges for Services & Fees	\$ 882,374	\$ -	\$ 882,374
Micellaneous & Other Income	30,407	-	30,407
<b>Total Revenues</b>	<b>912,781</b>	<b>-</b>	<b>912,781</b>
<b><u>OPERATING EXPENSES:</u></b>			
Personnel Services	226,742	-	226,742
Materials and Supplies	150,434	-	150,434
Depreciation Expense	283,586	-	283,586
<b>Total Operating Expenses</b>	<b>660,762</b>	<b>-</b>	<b>660,762</b>
<b>Income (Loss) from Operations</b>	<b>252,019</b>	<b>-</b>	<b>252,019</b>
<b><u>NON-OPERATING REVENUES (EXPENSES):</u></b>			
Interest Expense	(39,513)	-	(39,513)
<b>Total Non-Operating Rev. (Exp.)</b>	<b>(39,513)</b>	<b>-</b>	<b>(39,513)</b>
<b>Income before Transfers</b>	<b>212,506</b>	<b>-</b>	<b>212,506</b>
<b><u>TRANSFERS:</u></b>			
<b>Changes in Net Position</b>	<b>212,506</b>	<b>-</b>	<b>212,506</b>
Net Position, July 1, 2021	855,407	193,503	1,048,910
<b>Net Position, June 30, 2022</b>	<b>\$ 1,067,913</b>	<b>\$ 193,503</b>	<b>\$ 1,261,416</b>

**CITY OF LA PINE**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**WATER FUND**  
**For the Fiscal Year Ended June 30, 2022**

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	Original	Final		
<b><u>REVENUES:</u></b>				
Charges for Services	\$ 663,746	\$ 663,746	\$ 882,374	\$ 218,628
Licenses, Permits and Fees	16,170	16,170	29,107	12,937
Other Revenue	500	500	1,300	800
<b>Total Revenues</b>	<b>680,416</b>	<b>680,416</b>	<b>912,781</b>	<b>232,365</b>
<b><u>EXPENDITURES:</u></b>				
Water Utility Services Program	2,221,169	2,221,169	431,839	(1,789,330)
Not Allocated to Organizational Unit or Program:				
Debt Service	193,069	193,069	193,068	(1)
Contingency	105,000	105,000	-	(105,000)
<b>Total Expenditures</b>	<b>2,519,238</b>	<b>2,519,238</b>	<b>624,907</b>	<b>(1,894,331)</b>
Excess (Deficiency) of Revenues Over Expenditures	(1,838,822)	(1,838,822)	287,874	2,126,696
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Operating Transfer In	374,000	374,000	-	(374,000)
Operating Transfer (Out)	-	-	-	-
Special Payments	-	-	-	-
Debt Proceeds	1,322,500	1,322,500	-	(1,322,500)
<b>Total Other Financing Sources (Uses)</b>	<b>1,696,500</b>	<b>1,696,500</b>	<b>-</b>	<b>(1,696,500)</b>
Net Change In Fund Balance	(142,322)	(142,322)	287,874	430,196
Fund Balance - July 1, 2021	796,493	796,493	762,202	(34,291)
<b>Fund Balance - June 30, 2022</b>	<b>\$ 654,171</b>	<b>\$ 654,171</b>	<b>\$ 1,050,076</b>	<b>\$ 395,905</b>

**Reconciliation to generally accepted accounting principles basis:**

Net Change in Fund Balance	287,874
Debt Repayment - Principal	153,002
Expenditures that are capitalized	51,880
Depreciation Expense	(283,586)
Proceeds from Debt	-
Other Accrual Adjustments	(9,367)
Change in Interest Payable	553
Loss on Disposal of Assets	-
Change in Net Position as Reported in Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position	<u>\$ 200,356</u>

**CITY OF LA PINE**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**SEWER FUND**

**For the Fiscal Year Ended June 30, 2022**

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	Original	Final		
<b><u>REVENUES:</u></b>				
Charges for Services	\$ 587,000	\$ 587,000	\$ 718,942	\$ 131,942
Investment Revenue	10,000	10,000	-	(10,000)
<b>Total Revenues</b>	<b>597,000</b>	<b>597,000</b>	<b>718,942</b>	<b>121,942</b>
<b><u>EXPENDITURES:</u></b>				
Sewer Utility Services Program	9,759,621	9,759,621	567,636	(9,191,985)
Not Allocated to Organizational Unit or Program:				
Contingency	300,000	300,000	-	(300,000)
<b>Total Expenditures</b>	<b>10,059,621</b>	<b>10,059,621</b>	<b>567,636</b>	<b>(9,491,985)</b>
Excess (Deficiency) of Revenues Over Expenditures	(9,462,621)	(9,462,621)	151,306	9,613,927
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Operating Transfer In	-	-	268,793	268,793
Special Payments	(5,000)	(5,000)	(268,793)	(263,793)
Debt Proceeds	9,100,000	9,100,000	-	(9,100,000)
<b>Total Other Financing Sources (Uses)</b>	<b>9,095,000</b>	<b>9,095,000</b>	<b>-</b>	<b>(9,095,000)</b>
Net Change In Fund Balance	(367,621)	(367,621)	151,306	518,927
Fund Balance - July 1, 2021	1,073,016	1,073,016	686,596	(386,420)
<b>Fund Balance - June 30, 2022</b>	<b>\$ 705,395</b>	<b>\$ 705,395</b>	<b>\$ 837,902</b>	<b>\$ 132,507</b>

**Reconciliation to generally accepted accounting principles basis**

Net Change in Fund Balance	151,306
Debt Repayment - Principal	268,793
Addition of Capital Assets	152,421
Depreciation Expense	(160,590)
Change in Net Position as Reported in Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position	<u>\$ 411,930</u>

**CITY OF LA PINE**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**SDC FUND**  
**For the Fiscal Year Ended June 30, 2022**

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over Under
	Original	Final		
<b><u>REVENUES:</u></b>				
SDC Income - Water	\$ 396,000	\$ 396,000	\$ 507,230	\$ 111,230
SDC Income - Transportation	350,000	350,000	-	(350,000)
SDC Income - Sewer	150,000	150,000	783,425	633,425
SDC Income - Streets	-	-	540,879	540,879
Investment Revenue	18,500	18,500	-	(18,500)
<b>Total Revenues</b>	<b>914,500</b>	<b>914,500</b>	<b>1,831,534</b>	<b>917,034</b>
<b><u>EXPENDITURES:</u></b>				
Capital Outlay	1,004,000	1,004,000	-	(1,004,000)
<b>Total Expenditures</b>	<b>1,004,000</b>	<b>1,004,000</b>	<b>-</b>	<b>(1,004,000)</b>
Excess (Deficiency) of Revenues Over Expenditures	(89,500)	(89,500)	1,831,534	1,921,034
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Operating Transfer (Out)	(374,000)	(374,000)	(268,793)	105,207
<b>Total Other Financing Sources (Uses):</b>	<b>(374,000)</b>	<b>(374,000)</b>	<b>(268,793)</b>	<b>105,207</b>
Net Change In Fund Balance	(463,500)	(463,500)	1,562,741	2,026,241
Fund Balance - July 1, 2021	3,575,800	3,575,800	3,713,576	137,776
<b>Fund Balance - June 30, 2022</b>	<b>\$ 3,112,300</b>	<b>\$ 3,112,300</b>	<b>\$ 5,276,317</b>	<b>\$ 2,164,017</b>

**CITY OF LA PINE**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**WATER / SEWER RESERVE FUND**  
**For the Fiscal Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(Budgetary Basis)</u> <u>(See Note 1)</u>	<u>Variance</u> <u>with</u> <u>Final Budget</u> <u>Over</u> <u>(Under)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Miscellaneous Revenue				
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>EXPENDITURES:</u></b>				
Capital Outlay	934,000	934,000	-	(934,000)
Not Allocated to Organizational Unit or Program:				
Contingency	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>934,000</u>	<u>934,000</u>	<u>-</u>	<u>(934,000)</u>
Excess (Deficiency) of Revenues Over Expenditures	(934,000)	(934,000)	-	934,000
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Net Change In Fund Balance	(934,000)	(934,000)	-	934,000
Fund Balance - July 1, 2021	<u>2,318,200</u>	<u>2,318,200</u>	<u>2,511,024</u>	<u>192,824</u>
<b>Fund Balance - June 30, 2022</b>	<u><b>\$ 1,384,200</b></u>	<u><b>\$ 1,384,200</b></u>	<u><b>\$ 2,511,024</b></u>	<u><b>\$ 1,126,824</b></u>



**CITY OF LA PINE**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**DEBT RESERVE FUND**  
**For the Fiscal Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Miscellaneous Revenue	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>EXPENDITURES:</u></b>				
Not Allocated to Organizational Unit or Program:				
Debt Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
Fund Balance - July 1, 2021	<u>193,503</u>	<u>193,503</u>	<u>193,503</u>	<u>-</u>
<b>Fund Balance - June 30, 2022</b>	<b><u>\$ 193,503</u></b>	<b><u>\$ 193,503</u></b>	<b><u>\$ 193,503</u></b>	<b><u>\$ -</u></b>

## **OTHER INFORMATION**

### **Additional Supporting Schedules**

**CITY OF LA PINE**  
**SCHEDULE OF LONG-TERM DEBT TRANSACTIONS**  
**For the Fiscal Year Ended June 30, 2022**

**GOVERNMENTAL ACTIVITIES**

**Bank of New York Mellon Certificate of Participation, Series 2011 A**

Bank of New York Mellon Certificate of Participation Series 2011A, dated 2011, in the amount of \$520,000 for the purchase and improvements to a building for use as a new City Hall. Fixed interest rates vary on outstanding bonds from 3.0% to 5.7%.

**Current Year Activity:**

	Outstanding Balance July 1, 2021	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2022	Due Within One Year
Principal	\$ 325,000	\$ -	\$ 25,000	\$ 300,000	\$ 25,000
Interest	-	17,000	17,000	-	15,926
Total	<u>\$ 325,000</u>	<u>\$ 17,000</u>	<u>\$ 42,000</u>	<u>\$ 300,000</u>	<u>\$ 40,926</u>

**Future Requirements:**

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2023	\$ 25,000	\$ 15,926	\$ 40,926	4.38%
	2024	30,000	14,483	44,483	4.38%
	2025	30,000	12,908	42,908	5.25%
	2026	30,000	11,333	41,333	5.25%
	2027	35,000	9,548	44,548	5.25%
	2028	35,000	7,553	42,553	5.25%
	2029	35,000	5,558	40,558	5.25%
	2030	40,000	3,420	43,420	5.70%
	2031	40,000	1,140	41,140	5.70%
Total		<u>\$ 300,000</u>	<u>\$ 81,869</u>	<u>\$ 381,869</u>	

**CITY OF LA PINE**  
**SCHEDULE OF LONG-TERM DEBT TRANSACTIONS**  
**For the Fiscal Year Ended June 30, 2022**

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**BUSINESS-TYPE ACTIVITIES**

**Sewer System Expansion Loan**

Sewer System Expansion Loan, dated June 28, 2004 from Deschutes County. Principal reductions are credited base on SDC payments received at the County for Crescent Creek Division. Interest is capitalized at 2.86% annually. No repayments are required to be paid directly by the City of La Pine. The loan terminates in fifty years, even if the loan is not paid in full at that time.

**Current Year Activity:**

	Outstanding Balance <u>July 1, 2021</u>	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance <u>June 30, 2022</u>	Due Within One Year
Principal	\$ 268,793	\$ -	\$ 268,793	\$ -	\$ -
Interest	-	-	-	-	-
Total	<u>\$ 268,793</u>	<u>\$ -</u>	<u>\$ 268,793</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF LA PINE**  
**SCHEDULE OF LONG-TERM DEBT TRANSACTIONS**  
**For the Fiscal Year Ended June 30, 2022**

**BUSINESS-TYPE ACTIVITIES**

**City of La Pine Water Revenue Refunding Bond, Series 2016**

Refinance of USDA Revenue Bonds with Washington Federal Bank in the amount of \$2,420,000, dated June 2, 2016. The bond is payable in annual installments of \$96,533.88, including interest at 2.40% per annum. The bond matures June 2, 2031. The bond requires the city to place \$193,068 in a reserve account.

**Current Year Activity:**

	Outstanding Balance July 1, 2021	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2022	Due Within One Year
Principal	\$ 1,707,424	\$ -	\$ 153,002	\$ 1,554,422	\$ 156,696
Interest	-	40,066	40,066	-	36,372
Total	<u>\$ 1,707,424</u>	<u>\$ 40,066</u>	<u>\$ 193,068</u>	<u>\$ 1,554,422</u>	<u>\$ 193,068</u>

**Future Requirements:**

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2023	\$ 156,696	\$ 36,372	\$ 193,068	2.40%
	2024	160,479	32,588	193,068	2.40%
	2025	164,354	28,714	193,068	2.40%
	2026	168,322	24,745	193,068	2.40%
	2027	172,386	20,682	193,068	2.40%
	2028	176,548	16,519	193,068	2.40%
	2029	180,811	12,257	193,068	2.40%
	2030	185,176	7,891	193,068	2.40%
	2031	189,647	3,421	193,068	2.40%
Total		<u>\$ 1,554,421</u>	<u>\$ 183,189</u>	<u>\$ 1,737,610</u>	

**REPORTS ON LEGAL**  
**AND REGULATORY REQUIREMENTS**

**CITY OF LA PINE**  
**INDEPENDENT AUDITOR'S REPORT**  
**REQUIRED BY OREGON STATE REGULATIONS**  
**As of June 30, 2022**

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To the Governing Body of the City of La Pine  
La Pine, Oregon

We have audited the basic financial statements of the City of La Pine as of and for the year ended June 30, 2022 and have issued my report thereon dated February 5, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

**Compliance**

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

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

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

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

**OAR 162-10-0230 Internal Control**

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

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



Steve Tuchscherer, CPA  
Umpqua Valley Financial  
Roseburg, Oregon  
February 5, 2023