



Falls City Oregon City Council Meeting

Monday, February 13, 2023 at 6:00 pm

Meeting Location

320 N Main St • Falls City, OR 97344

How to Attend and/or Participate

1. In Person: 320 N Main St. Falls City, OR 97344
2. Call-in: a. 1-253-215-8782 Passcode: 878 7406 4319
You will be muted but may “raise your hand” to indicate you wish to comment.
3. Web Application: Zoom Webinar <https://us06web.zoom.us/j/87874064319>
You will be muted but may “raise your hand” to indicate you wish to comment during Public Comments.
4. Write-In: Using regular mail or email. a. info@fallscityoregon.gov; 299 Mill St. Falls City, OR 97344

The City of Falls City does not discriminate in providing access to its programs, services, and activities on the basis of race, color, religion, ancestry, national origin, political affiliation, sex, age, marital status, physical or mental disability, or any other inappropriate reason prohibited by law or policy of the state or federal government. Should a person need special accommodations or interpretation services, contact the City at 503.787.3631 at least one working day prior to the need for services and every reasonable effort to accommodate the need will be made.

1. CALL TO ORDER & ROLL CALL

Mayor TJ Bailey, Council President Houghtaling, Councilor Nick Backus, Councilor Martha Jirovec, Councilor Tony Meier, Councilor Dennis Sickles, Councilor Lori Jean Sickles

2. PLEDGE OF ALLEGIANCE

3. ANNOUNCEMENTS, APPOINTMENTS, APPRECIATIONS, & PROCLAMATIONS

4. PUBLIC COMMENTS & LETTER COMMUNICATIONS

In order to encourage an environment of openness, courtesy and respect for differing points of view, please refrain from behavior that is disruptive to the meeting such as making loud noises, clapping, shouting, booing, or any other activity that disrupts the orderly conduct of the meeting. Abusive language will not be tolerated.

Please limit your commentary to 3 minutes or less.

5. AUDIT REPORT

Attachments:

- **2021-2022 Audit Report** (Falls_City_Financial_Audit.pdf)
- **Corrective Plan** (Falls_City_Audit_Corrective_action_plan.pdf)

6. CONSENT AGENDA

a. January 9, 2023 Minutes

Attachments:

- **Minutes** (2023.01.09_Council_Minutes.pdf)

7. REPORTS OR COMMENTS FROM MAYOR AND COUNCIL MEMBERS

a. Mayor's Report

b. Councilor Comments

8. REPORTS FROM CITY MANAGER & STAFF

a. Falls City Fire Report

Attachments:

- **January Calls** (FD_January_Calls___Staff_Report.pdf)

b. Polk County Sheriff's Report

Attachments:

- **January Calls** (SD_January_Falls_City_Stats.pdf)

c. Falls City Public Works Report

Attachments:

- **January Report** (PW_January_Report.pdf)

d. City Manager's Report

Attachments:

- **Manager's Report** (2022.02.013_Monthly_Manager_s_Report.pdf)

9. EXECUTIVE SESSION

ORS 192.600.2.a: The governing body of a public body may hold an executive session to consider the employment of a public officer, employee, staff member or individual agent.

10. GOOD OF THE ORDER

11. ADJOURN

Posted for Public at Frink's Hardware, City Hall Bulletin Board, Community Center, & Falls City Website

CITY OF FALLS CITY
Annual Financial Report
For the Year Ended June 30, 2022

CITY OF FALLS CITY, OREGON
Officers and Members of the City Council
June 30, 2022

<u>Name</u>	<u>Term Expires</u>
TJ Baily, Mayor	
Council Members	
Amy Houghtaling, President	December 31, 2024
Lori Jean Sickles	December 31, 2026
Nick Backus	December 31, 2026
Tony Meier	December 31, 2026
Dennis Sickles	December 31, 2024
Martha Jirovec	December 31, 2024

CITY MANAGER

AJ Foscolli

REGISTERED ADDRESS

299 Mill Street
Falls City, Oregon 97344

CITY OF FALLS CITY
 For the year ended June 30, 2022
 TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR’S REPORT	1
MANAGEMENT’S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Position (Cash Basis)	8
Statement of Activities (Cash Basis)	9
Fund Financial Statements:	
Governmental Funds	
Balance Sheet (Cash Basis)	10
Statement of Revenues, Expenditures and Changes in Fund Balances (Cash Basis)	11
Proprietary Funds	
Statement of Net Position (Cash Basis)	12
Statement of Revenues, Expenses and Changes in Net Position (Cash Basis)	13
Notes to Financial Statements	14
SUPPLEMENTARY INFORMATION	
Schedule of Proportionate Share of Net Pension Liability and Related Ratios – Public Employees Retirement System	32
Governmental Funds:	
Combining Balance Sheet (Cash Basis) – Nonmajor Funds	33
Combining Statement of Revenues, Expenses and Changes in Fund Balance (Cash Basis) – Nonmajor Funds	34
Schedules of Revenues, Expenditures and Changes in Fund Balances (Budgetary Basis) – Budget and Actual	
General Fund	35
Street Fund	36
Polk Community Development Fund	37
Wagner Library 80% Fund	38
Fire Levy Fund	39
Proprietary Funds:	
Schedules of Revenues, Expenditures and Changes in Fund Balances (Budgetary Basis) – Budget and Actual	
Sewer Fund	40
Water Fund	41
Utility Reserve Fund	42
COMPLIANCE SECTION	
Independent Auditor’s Comments and Disclosures Required by State Regulations	43



DOUGALL CONRADIE LLC
CERTIFIED PUBLIC ACCOUNTANTS

Geoffrey Dougall, CPA
Heather Jackson, CPA
Lee Owen, CPA
Richard Winkel, CPA
Members of AICPA & OSCPA

Independent Auditor's Report

To the City Council
Falls City, Oregon

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Falls City, Oregon as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Falls City'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 the City of Falls City as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with the cash basis of accounting.

Basis for 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 the City of Falls City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter—Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Falls City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Falls City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Falls City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Falls City's basic financial statements. The combining and individual fund budget to actual schedules are presented for purposes of additional analysis and are not a required part of the basic

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

Reports on Other Legal and Regulatory Requirements

Other Reporting Required by Oregon Revised Statutes

In accordance with Oregon State Regulations, we have also issued our report dated [DATE] on our consideration of the City of Falls City’s internal control over financial reporting and on our procedures to address its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is required by Oregon State Regulations.

DOUGALL CONRADIE LLC
Portland, Oregon
[DATE]

By: _____
Richard Winkel, Partner

MANAGEMENT'S DISCUSSION AND ANALYSIS

**CITY OF FALLS CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2022**

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

Financial Highlights

- The City's governmental activities assets exceed liabilities (net position) as of June 30, 2022 by \$975,813, a decrease of \$123,050 from the prior year.
- The City's business-type activities assets exceed liabilities (net position) by \$833,093, an increase of \$214,009 from the prior year.
- Total revenues for the year ended June 30, 2022 were \$1,644,613, a decrease of \$534,776 from the prior year. The decrease was due to higher grant revenue in the prior year.
- Total expenses at the City for the year ended June 30, 2022 were \$1,553,654, a decrease of \$406,947 from the prior year.

Overview of the Financial Statements

The following discussion and analysis is intended to serve as an introduction to the City's basic financial statements and other supplementary information. The City's basic financial statements are comprised of three components:

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

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

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

The statement of activities (cash basis) presents information showing how the City's net position changed during the most recent fiscal year by tracking revenues, expenses and other transactions that increase or reduce net position. All changes in net position are reported as soon as the related cash flow occurs under the cash basis of accounting.

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

- General government
- Community development
- Fire service
- Parks
- Street

**CITY OF FALLS CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2022**

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

- Water
- Sewer

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

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

Supplementary information – The combining statements and schedules are presented as supplementary information.

Requests for information

The City's financial statements are designed to present users with a general overview of the City's finances and to demonstrate the City's accountability. If you have any questions about this report, please contact the City at 20239 Main Street, PO Box 7, St. Paul, Oregon 97137.

The City's assets, liabilities and net position for June 30, 2022 and 2021 are as follows:

Government-Wide Financial Analysis

	Governmental Activities		Business-type Activities		Totals	
	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021
Assets:						
Cash and investments	\$ 975,813	\$ 1,093,724	\$ 827,954	\$ 619,084	\$ 1,803,767	\$ 1,712,808
Total assets	<u>975,813</u>	<u>1,093,724</u>	<u>827,954</u>	<u>619,084</u>	<u>1,803,767</u>	<u>1,712,808</u>
Net Position:						
Restricted	138,514	111,446	-	61,762	138,514	173,208
Unrestricted	<u>837,299</u>	<u>982,278</u>	<u>827,954</u>	<u>557,322</u>	<u>1,665,253</u>	<u>1,539,600</u>
Total net position	<u>\$ 975,813</u>	<u>\$ 1,093,724</u>	<u>\$ 827,954</u>	<u>\$ 619,084</u>	<u>\$ 1,803,767</u>	<u>\$ 1,712,808</u>

A portion of the City's net position, \$138,514 or approximately 8%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position totaling \$1,665,253 represents the balance that may be used to meet the City's ongoing obligations to citizens and creditors.

**CITY OF FALLS CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2022**

The change in net position for the years ended June 30, 2022 and 2021 is as follows:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2021</u>
Revenues						
Program						
Charges for services	\$ 51,230	\$ 223,450	\$ 523,311	\$ 493,217	\$ 574,541	\$ 716,667
Operating grants and contributions	524,076	252,137	-	59,604	524,076	311,741
Capital grants	-	653,528	88,235	-	88,235	653,528
General						
Taxes and assessments	185,380	176,662	-	-	185,380	176,662
Franchise fees	62,199	57,327	-	-	62,199	57,327
Intergovernmental	120,178	35,610	-	-	120,178	35,610
Miscellaneous	90,004	226,013	-	1,841	90,004	227,854
Total revenues	<u>1,033,067</u>	<u>1,624,727</u>	<u>611,546</u>	<u>554,662</u>	<u>1,644,613</u>	<u>2,179,389</u>
Expenses						
General government	392,576	496,774	-	-	392,576	496,774
Community development	317,860	257,611	-	-	317,860	257,611
Fire service	112,518	79,009	-	-	112,518	79,009
Parks	29,121	25,188	-	-	29,121	25,188
Streets	301,085	555,366	-	-	301,085	555,366
Interest on long-term debt	2,957	3,868	-	-	2,957	3,868
Water	-	-	224,016	284,482	224,016	284,482
Wastewater	-	-	173,521	258,303	173,521	258,303
Total expenses	<u>1,156,117</u>	<u>1,417,816</u>	<u>397,537</u>	<u>542,785</u>	<u>1,553,654</u>	<u>1,960,601</u>
Change in net position	(123,050)	206,911	214,009	11,877	90,959	218,788
Net position - beginning	<u>1,098,863</u>	<u>891,952</u>	<u>613,945</u>	<u>602,068</u>	<u>1,712,808</u>	<u>1,494,020</u>
Total net position	<u>\$ 975,813</u>	<u>\$ 1,098,863</u>	<u>\$ 827,954</u>	<u>\$ 613,945</u>	<u>\$1,803,767</u>	<u>\$1,712,808</u>

Financial Analysis of the City's Funds

Governmental funds – Governmental funds are used to account for activities where the emphasis is placed on available financial resources, rather than upon net income determination. However, unlike the government-wide financial statements, governmental fund financial statements focus on each major fund. Such information may be useful in evaluating the City's near term financial requirements.

CITY OF FALLS CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2022

The City maintained seven individual governmental funds. Information for the funds that are considered significant (major) is presented separately in the governmental fund balance sheet (cash basis) and in the governmental fund statement of revenues, expenditures and changes in fund balances (cash basis). Two of the City's funds are considered to be major funds: General Fund and Street Fund.

The City adopts annual appropriated budgets for all funds. To demonstrate compliance with the budget, budgetary comparison statements have been provided for all funds.

The General Fund ended the year with a fund balance of \$965,321, a decrease of \$3,877 from the prior year. Revenues in the General Fund for fiscal year ended June 30, 2022 were \$823,051 and expenses were \$826,928. Total governmental funds ended the year with a fund balance of \$975,813, which was a decrease of \$123,050 from the prior year.

Proprietary funds – Proprietary funds are used to account for activities where the emphasis is placed on net income determination. Enterprise funds are used to report the same functions presented as business-type activities in the governmental-wide financial statements.

The City uses enterprise funds to account for its water and sewer utility activities. The enterprise funds of the City are reported separately as proprietary fund financial statements in the basic financial statements.

The City presents six individual proprietary funds. Information is presented separately in the enterprise fund balance sheet and in the enterprise fund statement of revenue, expenditures and changes in fund balances for those funds that are considered significant (major) to the City taken as a whole. These financial statements report four major funds: Water, Sewer, Water Improvement, and Sewer Improvement. Data from the other four enterprise funds are combined into a single aggregated presentation.

The City's proprietary funds ended the year with a total net position of \$827,954, an increase of \$214,009 from the prior year.

Budgetary Highlights

During the year ended June 30, 2022, General Fund revenues were over budget by \$593,701 and expenditures were overbudget by \$297,578. General Fund budgetary appropriations exceeded actual expenditures in the Administration, Community Development, Council and Debt Principal categories.

Long-Term Obligations

At the end of the fiscal year, the City had revenue-backed bonded debt outstanding of \$735,000 and long-term loans in the amount of \$59,130. During the current year the City paid \$104,945 as principal payments to reduce the debt. The long-term debt is not included in the Statement of Net Position under the cash basis of accounting. Additional information on the City's long-term obligations can be found in Note 3 to the basic financial statements.

Economic Factors and Next Year's Budget

During the preparation of the budget for the ensuing fiscal year, the long-term impacts of the local economy were examined in conjunction with business decisions made by the City. The City uses a conservative approach when preparing the budget each year.

BASIC FINANCIAL STATEMENTS

CITY OF FALLS CITY, OREGON

**Statement of Net Position
(Cash Basis)**

June 30, 2022

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and cash equivalents	\$ 975,813	\$ 827,954	\$ 1,803,767
Total assets	975,813	827,954	1,803,767
NET POSITION:			
Restricted for:			
Debt service	-	-	-
Community development	92,215	-	92,215
Fire service	46,299	-	46,299
Unrestricted	837,299	827,954	1,665,253
Total net position	\$ 975,813	\$ 827,954	\$ 1,803,767

CITY OF FALLS CITY, OREGON

**Statement of Activities
(Cash Basis)**

For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Totals
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:							
General government	\$ 392,576	\$ 51,230	\$ 210,569	\$ -	\$ (130,777)	\$ -	\$ (130,777)
Community development	317,860	-	307,217	-	(10,643)	-	(10,643)
Fire service	112,518	-	6,290	-	(106,228)	-	(106,228)
Parks	29,121	-	-	-	(29,121)	-	(29,121)
Street	301,085	-	-	-	(301,085)	-	(301,085)
Interest on long-term debt	2,957	-	-	-	(2,957)	-	(2,957)
Total governmental activities	1,156,117	51,230	524,076	-	(580,811)	-	(580,811)
Business-type activities:							
Water	224,016	375,289	-	-	-	151,273	151,273
Sewer	173,521	148,022	-	88,235	-	62,736	62,736
Total business-type activities	397,537	523,311	-	88,235	-	214,009	214,009
Total activities	\$ 1,553,654	\$ 574,541	\$ 524,076	\$ 88,235	(580,811)	214,009	(366,802)
General revenues:							
Property taxes					185,380	-	185,380
Franchise taxes					62,199	-	62,199
Intergovernmental					120,178	-	120,178
Miscellaneous					90,004	-	90,004
Total general revenues					457,761	-	457,761
Change in net position					(123,050)	214,009	90,959
Net position - beginning					1,098,863	613,945	1,712,808
Net position - ending					\$ 975,813	\$ 827,954	\$ 1,803,767

The accompanying notes are an integral part of these financial statements.

CITY OF FALLS CITY, OREGON

**Balance Sheet - Governmental Funds
(Cash Basis)
June 30, 2022**

	Special Revenue			Other Governmental Funds	Total
	General	Streets	Polk Community Development		
ASSETS:					
Cash and investments	\$ 562,623	\$ -	\$ 274,676	\$ 138,514	\$ 975,813
Due from other funds	402,698	-	-	-	402,698
Total assets	\$ 562,623	\$ -	\$ 274,676	\$ 138,514	\$ 975,813
LIABILITIES:					
Due to other funds	\$ -	\$ 402,698	\$ -	\$ -	\$ 402,698
Total liabilities	-	402,698	-	-	402,698
FUND BALANCES:					
Restricted for:					
Community development	-	-	-	92,215	92,215
Fire services	-	-	-	46,299	46,299
Committed to:					
Community development	-	-	274,676	-	274,676
Unassigned	965,321	(402,698)	-	-	562,623
Total fund balances	965,321	(402,698)	274,676	138,514	975,813
Total liabilities and fund balances	\$ 965,321	\$ -	\$ 274,676	\$ 138,514	\$ 1,378,511

The accompanying notes are an integral part of these financial statements.

CITY OF FALLS CITY, OREGON

**Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
(Cash Basis)
For the Year Ended June 30, 2022**

	Special Revenue			Other Governmental Funds	Total
	General	Streets	Polk Community Development		
REVENUES:					
Taxes and assessments	\$ 136,498	\$ -	\$ -	\$ 48,882	\$ 185,380
Franchise fees	62,199	-	-	-	62,199
Grants	517,786	-	-	6,290	524,076
Charges for services	51,230	-	-	-	51,230
Intergovernmental	33,747	86,431	-	-	120,178
Miscellaneous	21,591	-	68,413	-	90,004
Total revenues	823,051	86,431	68,413	55,172	1,033,067
EXPENDITURES:					
General government	392,576	-	-	-	392,576
Community development	264,897	-	-	-	264,897
Fire service	86,393	-	-	9,143	95,536
Parks	29,121	-	-	-	29,121
Streets	-	36,871	-	-	36,871
Debt payments					
Principal	52,963	-	-	16,982	69,945
Interest	978	-	-	1,979	2,957
Capital acquisitions	-	264,214	-	-	264,214
Total expenditures	826,928	301,085	-	28,104	1,156,117
Net change in fund balances	(3,877)	(214,654)	68,413	27,068	(123,050)
Fund balances, beginning of year	969,198	(188,044)	206,263	111,446	1,098,863
Fund balances, end of year	<u>\$ 965,321</u>	<u>\$ (402,698)</u>	<u>\$ 274,676</u>	<u>\$ 138,514</u>	<u>\$ 975,813</u>

The accompanying notes are an integral part of these financial statements.

CITY OF FALLS CITY, OREGON

**Statement of Net Position
Enterprise Funds**

(Cash Basis)

June 30, 2022

	Business-type Activities / Enterprise Funds			
	Water	Sewer	Utility Reserve	Total
ASSETS:				
Cash and investments	\$ 331,196	\$ 93,107	\$ 403,651	\$ 827,954
LIABILITIES:				
Due to other funds	-	-	-	-
NET POSITION:				
Restricted for:				
Debt service	-	-	-	-
Unrestricted	331,196	93,107	403,651	827,954
Total net position	\$ 331,196	\$ 93,107	\$ 403,651	\$ 827,954

The accompanying notes are an integral part of these financial statements.

CITY OF FALLS CITY, OREGON

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

(Cash Basis)

For the Year Ended June 30, 2022

	Business-type Activities / Enterprise Funds			
	Water	Sewer	Utility Reserve	Total
Operating revenues				
Charges for services	\$ 324,075	\$ 148,022	\$ 51,214	\$ 523,311
Grants	-	88,235	-	88,235
Miscellaneous	-	-	-	-
Total operating revenues	324,075	236,257	51,214	611,546
Operating expenses				
Personal services	63,452	17,419	-	80,871
Materials and services	94,485	63,246	4,667	162,398
Total operating expenses	157,937	80,665	4,667	243,269
Operating income (loss)	166,138	155,592	46,547	368,277
Non-operating revenues (expenses)				
Capital acquisitions	-	(92,856)	-	(92,856)
Debt payments:				
Principal	(35,000)	-	-	(35,000)
Interest expense	(26,412)	-	-	(26,412)
Total non-operating revenues (expenses)	(61,412)	(92,856)	-	(154,268)
Change in net position	104,726	62,736	46,547	214,009
Net position, beginning of year	226,470	30,371	357,104	613,945
Net position, end of year	\$ 331,196	\$ 93,107	\$ 403,651	\$ 827,954

The accompanying notes are an integral part of these financial statements.

CITY OF FALLS CITY, OREGON
Notes to Financial Statements
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Falls City, Oregon is governed by an elected mayor and six council members who comprise the City Council. The City Council exercises supervisory responsibilities over the City operations, but day-to-day management control is the responsibility of the city administrator, who report to the City Council.

The accompanying financial statements present all activities, funds, and component units for which the City is financially accountable. The criteria used in making this determination includes appointment of a voting majority, imposition of will, financial benefit or burden on the primary government, and fiscal dependency on the primary government. Based upon the evaluation of this criteria, the City is a primary government with no includable component units.

As discussed further under *Measurement Focus and Basis of Accounting*, these financial statements are prepared under the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) established by the Governmental Accounting Standards Board (GASB). These cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the cash basis of accounting.

Basic Financial Statements

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either government or business-type. Governmental activities, which are normally 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.

Government-wide financial statements report information on all activities of the primary government. As a general rule, the effect of interfund activity has been eliminated from these statements. These statements focus on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the Statement of Net Position (Cash Basis) and the Statement of Activities (Cash Basis).

The Statement of Net Position (Cash Basis) presents all the assets and liabilities of the City. Net position, representing assets less liabilities, is shown in two components. Restricted for special purposes (amounts which must be spent in accordance with legal restrictions) and unrestricted (the amount available for ongoing City activities).

The Statement of Activities (Cash Basis) demonstrates the degree to which the direct and allocated indirect expenses of a given function or business-type activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or program. Indirect expenses are those costs, usually administrative in nature, that support all City functions and enable direct services to be provided. Program revenues include (1) fees, fines, and charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

CITY OF FALLS CITY, OREGON
Notes to Financial Statements
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund financial statements display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental, proprietary or fiduciary. Currently, the City has governmental funds (general and special revenue) and proprietary funds (enterprise). Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements. Nonmajor funds are consolidated into a single column within each fund type in the financial section of the basic financial statements and are detailed in the supplemental information.

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe what transactions or events are recorded within the various financial statements. Basis of accounting refers to when and how transactions or events are recorded, regardless of the measurement focus applied.

In the government-wide financial statements both governmental and business-type activities are accounted for using the economic resource measurement focus, within the limits of the cash basis of accounting as defined below.

The financial statements are presented on the cash basis of accounting, which is a basis of accounting other than GAAP established by GASB.

The cash basis of accounting differs from GAAP primarily because certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected and other accrued revenue and receivables) and certain liabilities and their related expenses or expenditures (such as accounts payable and expenses for goods and services received but not yet paid and other accrued expenses and liabilities) are not recorded in these financial statements. In addition, other economic assets, deferred outflows, liabilities, and deferred inflows that do not arise from a cash transaction or event are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value. Additionally, capital assets such as property and equipment, and long-term liabilities such as debt are only reported in the notes to the financial statements.

If the City utilized the basis of accounting recognized as generally accepted in the United States of America, the fund financial statements for the governmental funds would use the modified accrual basis of accounting, and the fund financial statements for the enterprise funds would use the accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

The City's policy, although not in accordance with GAAP, is acceptable under Oregon Law (ORS 294.333), which leaves the selection of the method of accounting to the discretion of the municipal corporation.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for charges for services. Operating expenses for proprietary funds include payroll expense and materials and supplies. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, receipts and disbursements.

CITY OF FALLS CITY, OREGON
Notes to Financial Statements
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reports the following major governmental funds:

General Fund – This is the City’s primary operating fund. It accounts for all the financial operations of the City, except for those required to be accounted for in another fund. Principal sources of revenue are property taxes, franchise fees and state and county shared revenues. Primary expenditures are for general government, parks, City Council, and municipal court.

Street Fund – This fund accounts for the cost of construction, reconstruction, improvement, repair and maintenance of public highways, roads and streets within the City. Principal sources of revenues are gas tax apportionments received from the State and grants. Expenditures are for street construction and maintenance.

Polk Community Development Fund – This fund accounts for rehabilitation housing loan repayments received from Polk Community Development Corporation (Polk CDC).

The City reports the following non-major governmental funds:

Wagner Library 80% Fund – This fund accounts for funds to restore the Wagner Public Library. Sources of revenues are contributions.

Fire Levy Fund – This fund accounts for the fire levy funds to augment the fire portion of the General Fund by providing equipment and funding to the City Fire Department. The principal source of revenue is the fire levy approved by voters.

The City reports the following major proprietary funds:

Water Fund – This fund accounts for the operations, maintenance, debt service and capital construction projects for the City’s water system. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, and billing and collection. The water fund receives utility fees, construction fees, grants and debt proceeds to fund activities.

Sewer Fund – This fund accounts for the operations, maintenance, debt service and capital construction projects for the City’s sewer system. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, and billing and collection. The sewer fund receives utility fees, construction fees, grants and debt proceeds to fund activities.

Utility Reserve Fund – This fund accounts for funds reserved for capital improvements and repairs for the water and sewer system and is funded by a utility capital improvement fee.

CITY OF FALLS CITY, OREGON
Notes to Financial Statements
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or regulations of other governments. Net position is classified in the following three categories:

Restricted net position – consists of net position with constraints placed on them by entities outside of the City.

Unrestricted net position – all other net positions that do not meet either of the criteria above.

Fund Balance

The City follows the guidance in GASB 54. Under this standard, the fund balances are classified within one of the fund balance categories listed below.

- Nonspendable fund balance represents amounts that are not in a spendable form.
- Restricted fund balance represents amounts constrained to specific purpose by their providers (such as grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents amounts that can be used only for specific purposes determined by a formal action of the City Council. The City Council is the highest level of decision making authority for the City. Commitments may be established, modified or rescinded only through ordinances or resolutions approved by the City Council.
- Assigned fund balance represents amounts a government intends to use for a specific purpose; intent can be expressed by the City Council or by an official or body to which the City Council delegates the authority.
- Unassigned fund balance represents amounts that are available for any purpose; these amounts are reported only in the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds in certain circumstances.

When both restricted and unrestricted resources are available for use, it is the City’s practice to use restricted resources first, then unrestricted resources as they are needed.

Definitions of Governmental Fund Types

The General Fund is used to account for all financial resources not accounted for in another fund.

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term “proceeds of specific revenues sources” means that the revenue sources for the fund must be from restricted or committed sources, specifically that a substantial portion of the revenue must be from these sources and be expended in accordance with those requirements.

CITY OF FALLS CITY, OREGON
Notes to Financial Statements
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In the fund financial statements, the current financial resources measurement focus or the economic resources measurement focus is applied to the cash basis of accounting as appropriate:

- a. All governmental funds utilize a current financial resources measurement focus within the limitations of the cash basis of accounting. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary funds utilize an economic resource measurement focus within the limitations of the cash basis of accounting. The accounting objectives of this measurement focus are the determination of operating income, change in net position (or cost recovery), net financial position, and cash flows. All assets, deferred outflows, liabilities, and deferred inflows (whether current or noncurrent or financial or nonfinancial) associated with their activities are generally reported within the limitations of the cash basis of accounting.

Cash and Investments

The City maintains cash and cash equivalents in a common pool that is available for use by all funds. Each fund type's portion of this pool is displayed in the financial statements as cash and cash equivalents. The City considers cash on hand, demand deposits and savings accounts, and short-term investments with an original maturity of three months or less from the date of acquisition to be cash and cash equivalents. Oregon Revised Statutes authorize the City to invest in certificates of deposit, savings accounts, bank repurchase agreements, bankers' acceptances, general obligations of U.S. Government and its agencies, certain bonded obligations of Oregon municipalities and the State Treasurer's Local Government Investment Pool, among others.

Property Taxes

Real and personal property taxes are levied by the County Assessor and collected by the County Tax Collector. Property taxes are an enforceable lien on both real and personal property as of July 1 and are due and payable in three installments on November 15, February 15, and May 15. All property taxes are billed and collected by the County Tax Collector and remitted to the City. Property tax revenues are recognized when collected under the cash basis of accounting, whereby revenues are recognized when they are received.

Fund Deficit

As of June 30, 2022 the Streets Fund had a fund deficit of \$402,698. The City plans to correct these deficits by controlling expenditures and through transfers from the General Fund in the year ended June 30, 2023.

Budget and Budgetary Accounting

A budget is prepared for each fund in accordance with the cash basis of accounting for all funds. The budget is adopted on a department basis for the General Fund and on an object basis (personal services, materials and services, capital outlay and debt service) for all other funds. Expenditures may not legally exceed appropriations. Appropriations lapse at the end of each fiscal year. Budget amounts include original approved amounts and all subsequent appropriation transfers approved by the City Council. After budget approval, the City Council may approve supplemental appropriations if an occurrence, condition, or need exists which had not been ascertained at the time the budget was adopted. Management may not amend the budget. A supplemental budget requires hearing before the public, publications in newspapers and approval by the City Council.

CITY OF FALLS CITY, OREGON
Notes to Financial Statements
June 30, 2022

2. CASH AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Each fund’s portion of this pool is displayed on the financial statements as cash and investments.

Cash and investments are comprised of the following at June 30, 2022:

<i>Deposits</i>	
Cash on hand	\$ 306
Deposits with financial institutions	91,640
Cash held by fiscal agents	270,517
 <i>Investments</i>	
Local Government Investment Pool	<u>1,441,304</u>
 Total	 <u>\$ 1,803,767</u>

Deposits

Deposits are secured to legal limits by federal deposit insurance. The remaining amount is secured in accordance with ORS 295 under a collateral program administered by the Oregon State Treasurer.

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the City’s deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the City’s deposits with financial institutions up to \$250,000 for the aggregate of all demand deposits and the aggregate of all time deposit and interest bearing accounts at each institution. Deposits in excess of FDIC coverage are with institutions participating in the Oregon Public Funds Collateralization Program (PFCP). The PFCP is a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities. As of June 30, 2022, bank balances were fully insured.

Investments

The State Treasurer of Oregon maintains the Oregon Short Term Fund, of which the Local Government Investment Pool (LGIP) is part. The state of Oregon’s investment policies used in administering the LGIP are governed by statute and the Oregon Investment Council (the Council). The State Treasurer is the investment officer for the Council and is responsible for the funds on deposit in the State Treasury. The State Treasury’s investments in short-term securities are limited by the portfolio rules established by the Oregon Short-term Fund Board and the Council. In accordance with Oregon statutes, the investment funds are invested and the investments are those funds managed, as a prudent investor would do, exercising reasonable care, skill, and caution.

CITY OF FALLS CITY, OREGON
Notes to Financial Statements
June 30, 2022

2. CASH AND INVESTMENTS (Continued)

Investments in the LGIP are carried at fair value, which approximates the value of the pool shares. Separate financial statements for the Oregon Short Term Fund are available from the Oregon State Treasurer.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the risk that its fair value will decline if interest rates rise. In order to manage the interest rate risk of its investments, the City only invests in the LGIP. The LGIP has rules that require at least 50 percent of its investments to mature within 93 days, not more than 25 percent may mature in over a year, and all other investments must mature in no more than three years.

Custodial Risk - Investments

For an investment, this is the risk that, in the event of a failure of the counterparty, the City will not be able to recover the value of its investments or collateralized securities that are in the possession of an outside party. The City's investment policy limits the types of investments that may be held and does not allow securities to be held by the counterparty.

The LGIP is administered by the Oregon State Treasury with the advice of other state agencies and is not registered with the U.S. Securities and Exchange Council. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision, or public corporation of the state that by law is made the custodian of, or has control of any fund. The LGIP's portfolio rules provide that broker/dealers meet certain qualifications and that investments are delivered to and held by a third-party custodian which holds the securities in the state of Oregon's name.

Cash Held by Fiscal Agents

Cash held by fiscal agents is held by Polk CDC as part of the City's revolving loan fund.

CITY OF FALLS CITY, OREGON
Notes to Financial Statements
June 30, 2022

3. LONG-TERM OBLIGATIONS

As a result of the use of the cash basis of accounting, obligations related to long-term debt and other obligations are not reported as liabilities in the financial statements.

Long-term debt transactions for the year ended June 30, 2022 were as follows:

	July 1, 2021	Additions	Payments	June 30, 2022	Due Within One Year
<i>Governmental activities</i>					
<i>Direct borrowings</i>					
Fire truck lease	\$ 34,925	\$ -	\$ (16,981)	\$ 17,944	\$ 17,944
Polk CDC park loan	43,272	-	(2,086)	41,186	2,107
Polk CDC expansion loan	<u>50,878</u>	<u>-</u>	<u>(50,878)</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 129,075</u>	<u>\$ -</u>	<u>\$ (69,945)</u>	<u>\$ 59,130</u>	<u>\$ 20,051</u>
<i>Business-type activities</i>					
<i>Direct placement</i>					
Water bonds	<u>\$ 770,000</u>	<u>\$ -</u>	<u>\$ (35,000)</u>	<u>\$ 735,000</u>	<u>\$ 40,000</u>

Loans from Direct Borrowings – Governmental Activities

Fire Truck lease – In May 2019 the City entered into a lease-purchase agreement to acquire a fire truck. The loan was for \$85,170 and requires annual payments of \$18,961 including interest at 5.66% with the final payment due in May 2023. The loan is secured by the fire truck.

Polk CDC park loan – In May 2010 the City entered into a loan agreement with Polk CDC to fund park improvements. The loan was for \$65,000 and requires annual payments of \$2,519 including interest at 1.0% through May 2040.

Polk CDC park expansion loan – In October 2017 the City entered into a loan agreement with Polk CDC to fund capital improvements to the park. The loan was for \$57,856 and requires annual payments of \$2,242 including interest at 1.0% through October 2024. During the year ended June 30, 2022 this loan was fully paid off.

Bonds payable from Direct Placement Business-type activities

Full Faith and Credit Obligation – In October 2017 the City borrowed \$925,000 from US Bank through the Oregon Cities Financing Pool to refinance USDA water revenue bonds that had been issued in 2003. The loan requires semi-annual payments with coupon interest rates from 2.0% to 4.0% with maturity in April 2037.

CITY OF FALLS CITY, OREGON
Notes to Financial Statements
June 30, 2022

3. LONG-TERM OBLIGATIONS (Continued)

Future debt service requirements on these long-term obligations for each year ended June 30 are as follows:

Governmental Activities

Fiscal Year	Principal	Interest	Total
2023	\$ 20,051	\$ 1,428	\$ 21,479
2024	2,128	391	2,519
2025	2,149	370	2,519
2026	2,171	348	2,519
2027	2,192	327	2,519
2028-2032	11,295	1,298	12,593
2033-2037	11,871	722	12,593
2038-2042	7,273	149	7,422
	<u>\$ 59,130</u>	<u>\$ 5,033</u>	<u>\$ 64,163</u>

Business-type Activities

Fiscal Year	Principal	Interest	Total
2023	\$ 40,000	\$ 24,663	\$ 64,663
2024	40,000	23,063	63,063
2025	40,000	21,462	61,462
2026	45,000	19,862	64,862
2027	45,000	18,063	63,063
2028-2032	250,000	66,787	316,787
2033-2037	275,000	25,000	300,000
	<u>\$ 735,000</u>	<u>\$ 198,900</u>	<u>\$ 933,900</u>

CITY OF FALLS CITY, OREGON
Notes to Financial Statements
June 30, 2022

4. PENSION PLAN

Plan Description

Employees of the City are provided with pensions through the Oregon Public Employees Retirement System (OPERS), a cost-sharing multiple-employer pension plan with both defined benefit and defined contribution components. The Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. All benefits of OPERS are established by the legislature pursuant to ORS Chapters 238 and 238A. The Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The Oregon Public Service Retirement Plan (OPSRP Pension Program), established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003.

The Individual Account Program (IAP) was created by the Oregon legislature in 2003 to provide an individual account-based retirement benefit for new workers hired on or after August 29, 2003, and for Tier One / Tier Two members active on or after January 1, 2004. The IAP benefit is a defined contribution plan, and it is in addition to the member's defined benefit plan (i.e., Tier One, Tier Two, or OPSRP Pension Programs). OPERS issues a publicly available Comprehensive Annual Financial Report and Actuarial Valuation that can be obtained at: http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx.

Benefits Provided

Tier One/Tier Two Retirement Benefit:

Pension Benefits

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

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

Death Benefits

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

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

4. *PENSION PLAN (Continued)*

Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit.

Benefit Changes After Retirement

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living (COLA) changes. The COLA is capped at 2.0 percent.

OPSRP Defined Benefit Pension Program

Pension Benefits

The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age. For general service members, 1.5% is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit. For police and fire members, 1.8% is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement. A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and if the pension program is terminated, the date on which termination becomes effective.

Death Benefits

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

Disability Benefits

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit Changes After Retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA for creditable service earned before October 2013 is 2.00%. The COLA for creditable service earned after October 2013 is calculated as 1.25% on the first \$60,000 of annual benefit and \$750 plus 0.15 percent on annual benefits above \$60,000.

4. PENSION PLAN (Continued)

OPSRP Pension Program

Pension Benefits

The OPSRP Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated by formula for members who attain normal retirement age. For general service members, 1.5% is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit. For police and fire members, 1.8% is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement. A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and if the pension program is terminated, the date on which termination becomes effective.

Death Benefits

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

Disability Benefits

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit Changes After Retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA for creditable service earned before October 2013 is 2.00%. The COLA for creditable service earned after October 2013 is calculated as 1.25% on the first \$60,000 of annual benefit and 0.15% on amounts above \$60,000 of annual benefit.

OPSRP Individual Account Program (IAP)

Pension Benefits

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

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

CITY OF FALLS CITY, OREGON
Notes to Financial Statements
June 30, 2022

4. PENSION PLAN (Continued)

Recordkeeping

OPERS contracts with VOYA Financial to maintain IAP participant records.

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation. The rates based on a percentage of payroll first became effective July 1, 2021. Employer contributions for the year ended June 30, 2022 were \$42,315, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2022 were 24.69 percent for Tier One/Tier Two General Service Member, 18.39 percent for OPSRP Pension Program General Service Members, 22.75 percent for OPSRP Police and Fire Members and 6.0 percent for OPSRP IAP.

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

Since the City's financial statements are reported on the cash basis, no amounts are reported on the statement of net position for pension related assets, deferred outflows, liabilities or deferred inflows. Had the City's financial statements been reported in accordance with GAAP, at June 30, 2022, the City would have reported a liability of \$244,591 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019 rolled forward to June 30, 2021. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2022, the City's proportion was 0.002044 percent, which was an increase from its proportion of 0.001969 percent measured as of June 30, 2021.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 22,895	\$ -
Changes of assumptions	61,229	644
Net difference between projected and actual earnings on investments	-	181,069
Changes in proportionate share	45,445	4,292
Differences between employer contributions and employer's proportionate share of system contributions	105	19,332
Total (prior to post-Measurement Date contributions)	<u>129,674</u>	<u>205,337</u>
Contributions subsequent to the Measurement Date	<u>42,315</u>	<u>-</u>
Total	<u>\$ 171,989</u>	<u>\$ 205,337</u>

CITY OF FALLS CITY, OREGON
Notes to Financial Statements
June 30, 2022

4. PENSION PLAN (Continued)

The \$42,315 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Deferred Outflows	
Amortization Period	
FY 2023	\$ (10,787)
FY 2024	(9,416)
FY 2025	(19,163)
FY 2026	(41,860)
FY 2027	5,563
Total	\$ (75,663)

Actuarial Methods and Assumptions

The employer contribution rates effective July 1, 2021 through June 30, 2022 were set using the entry age normal method. For the ORS 238 Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), and (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years.

For the ORS 238A OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an actuarially determined amount for funding a disability benefit component, and (3) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2019
Measurement Date	June 30, 2021
Experience Study	2018, published July 2019
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.40%
Investment Rate of Return	6.90%
Discount Rate	6.90%
Projected Salary Increases	3.40%

CITY OF FALLS CITY, OREGON
Notes to Financial Statements
June 30, 2022

4. PENSION PLAN (Continued)

Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision; blend based on service
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disabled retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

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

Discount Rate

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

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

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net pension liability (asset)	\$ 480,319	\$ 244,591	\$ 47,373

CITY OF FALLS CITY, OREGON
Notes to Financial Statements
June 30, 2022

4. PENSION PLAN (Continued)

Long-term Expected Rate of Return

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

Depletion Date Projection

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

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

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 67 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is our independent actuary's opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

Changes in Plan Provisions During the Measurement Period

There were no changes during the June 30, 2021 measurement period that require disclosure.

CITY OF FALLS CITY, OREGON
Notes to Financial Statements
June 30, 2022

5. OTHER POST-EMPLOYMENT HEALTH BENEFITS

Retirement Health Insurance Account

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

Because RHIA was created by enabling legislation, contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight or more years of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating governments are contractually required to contribute to RHIA at a rate assessed each year by OPERS. The OPERS Board of Trustees sets the employer contribution rate based on the annual required contribution of the employers (ARC). The ARC represents a level of funding that is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The City's contributions for the year ended June 30, 2022 equaled the required contributions for the year.

6. REVOLVING LOAN FUND

The City has an agreement with Polk CDC to administer a revolving loan fund on behalf of the City. The loan fund provides Falls City home and business owners with low interest loans for renovation projects. At June 30, 2022 the loan fund had \$270,517 in cash and there were \$139,372 of outstanding loans.

7. CONTINGENCIES

The City purchases insurance to cover all commonly insurable risks, which includes property damage, liability and employee bonds. Most policies carry a small deductible amount. The City has not had any losses in the past three years that have exceeded policy coverage.

CITY OF FALLS CITY, OREGON
Notes to Financial Statements
June 30, 2022

8. EXPENDITURES IN EXCESS OF APPROPRIATIONS

Oregon law prohibits expenditures of a fund in excess of Council approved appropriations. Expenditures in excess of appropriations in individual funds were as follows for the year ended June 30, 2022:

<u>Fund / Appropriation Category</u>	<u>Appropriation</u>	<u>Disbursement</u>	<u>Variance</u>
General Fund			
Administration	\$ 216,550	\$ 388,489	\$ (171,939)
Community development	-	264,897	(264,897)
Council	3,100	3,142	(42)
Debt principal	3,781	52,963	(49,182)
Street Fund			
Personal service	22,248	36,871	(14,623)
Capital outlay	202,352	264,214	(61,862)
Fire Levy Fund			
Debt principal	16,075	16,982	(907)
Water Fund			
Materials and services	49,750	94,485	(44,735)

9. SUBSEQUENT EVENTS

Management has evaluated subsequent events through [DATE], the date on which the financial statements were available to be issued noting no events that require disclosure in the accompanying financial statements.

SUPPLEMENTARY INFORMATION

CITY OF FALLS CITY, OREGON
Schedule of Proportionate Share of Net Pension Liability and Related Ratios

Year Ended	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Member Payroll	Net Pension Liability (Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
6/30/2022	0.002044%	\$ 244,591	\$ 201,319	121.5%	87.6%
6/30/2021	0.001969%	\$ 429,719	\$ 187,356	229.4%	75.2%
6/30/2020	0.001674%	\$ 289,621	\$ 216,939	133.5%	80.2%
6/30/2019	0.001540%	\$ 233,299	\$ 233,641	99.9%	82.1%
6/30/2018	0.001469%	\$ 197,958	\$ 184,918	107.1%	83.1%
6/30/2017	0.002377%	\$ 356,784	\$ 157,064	227.2%	80.5%
6/30/2016	0.002089%	\$ 119,996	\$ 142,579	84.1%	91.9%

Schedule of the District's Contributions
Oregon Public Employees Retirement System

Year Ended	Statutorily Required Contribution	Actual Employer Contributions	Contribution Excess / (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
6/30/2022	\$ 42,315	\$ 42,315	\$ -	\$ 201,319	21.0%
6/30/2021	\$ 31,312	\$ 31,312	\$ -	\$ 187,356	16.7%
6/30/2020	\$ 31,683	\$ 31,683	\$ -	\$ 216,939	14.6%
6/30/2019	\$ 23,944	\$ 23,944	\$ -	\$ 233,641	10.3%
6/30/2018	\$ 20,350	\$ 20,350	\$ -	\$ 184,918	11.0%
6/30/2017	\$ 17,732	\$ 17,732	\$ -	\$ 157,064	11.3%
6/30/2016	\$ 15,138	\$ 15,138	\$ -	\$ 142,579	10.6%

Note: 10-year trend information required by GASB Statement 68 will be presented prospectively

CITY OF FALLS CITY
Combining Balance Sheet -
Nonmajor Governmental Funds
(Cash Basis)

June 30, 2022

	Special Revenue		
	Wagner Library 80%	Fire Levy	Total
ASSETS:			
Current assets			
Cash and investments	\$ 92,215	\$ 46,299	\$ 138,514
FUND BALANCES:			
Restricted for fire service	\$ -	\$ 46,299	\$ 46,299
Restricted for community development	92,215	-	92,215
Total fund balance	\$ 92,215	\$ 46,299	\$ 138,514

CITY OF FALLS CITY

**Combining Statement Revenues, Expenses and Changes in Fund Balance -
Nonmajor Governmental Funds
(Cash Basis)**

For the Year Ended June 30, 2022

	Special Revenue		
	Wagner Library 80%	Fire Levy	Total
REVENUES:			
Taxes and assessments	\$ -	\$ 48,882	\$ 48,882
Grants	-	6,290	6,290
Miscellaneous	-	-	-
Total revenues	-	55,172	55,172
EXPENDITURES:			
Fire service	-	9,143	9,143
Debt service			
Principal	-	16,982	16,982
Interest	-	1,979	1,979
Total expenditures	-	28,104	28,104
Net change in fund balances	-	27,068	27,068
Fund balances, beginning of year	92,215	19,231	111,446
Fund balances, end of year	\$ 92,215	\$ 46,299	\$ 138,514

CITY OF FALLS CITY, OREGON

**Schedule of Revenues, Expenditures and
Changes in Fund Balance – Budget and Actual
General Fund
(Budgetary Basis)
For the Year Ended June 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
Taxes and assessments	\$ 121,000	\$ 121,000	\$ 136,498	\$ 15,498
Franchise fees	51,750	51,750	62,199	10,449
Grants	79,500	-	517,786	517,786
Charges for services	6,100	6,100	51,230	45,130
Intergovernmental	27,000	27,000	33,747	6,747
Miscellaneous	23,500	23,500	21,591	(1,909)
Total revenues	308,850	229,350	823,051	593,701
EXPENDITURES:				
Administration	216,550	216,550	388,489	(171,939)
Community development	-	-	264,897	(264,897)
Fire	87,075	87,075	86,393	682
Parks and cemeteries	33,122	33,122	29,121	4,001
Council	3,100	3,100	3,142	(42)
Code enforcement and court	33,765	33,765	945	32,820
Debt service				-
Principal	3,781	3,781	52,963	(49,182)
Interest	982	982	978	4
Contingency	230,475	150,975	-	150,975
Total expenditures	608,850	529,350	826,928	(297,578)
Net change in fund balances	(300,000)	(300,000)	(3,877)	891,279
Fund balances, beginning of year	300,000	300,000	969,198	669,198
Fund balances, end of year	\$ -	\$ -	\$ 965,321	\$ 1,560,477

CITY OF FALLS CITY, OREGON

**Schedule of Revenues, Expenditures and
Changes in Fund Balance – Budget and Actual
Street Fund
(Budgetary Basis)
For the Year Ended June 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
Intergovernmental	\$ 641,520	\$ 70,000	\$ 86,431	\$ 16,431
Miscellaneous	-	-	-	-
Total revenues	<u>641,520</u>	<u>70,000</u>	<u>86,431</u>	<u>(555,089)</u>
EXPENDITURES:				
Personal services	22,248	22,248	36,871	(14,623)
Materials and services	25,400	25,400	-	25,400
Capital outlay	571,520	202,352	264,214	(61,862)
Contingency	202,352	-	-	-
Total expenditures	<u>821,520</u>	<u>250,000</u>	<u>301,085</u>	<u>(51,085)</u>
Net change in fund balance	(180,000)	(180,000)	(214,654)	(504,004)
Beginning fund balance	<u>180,000</u>	<u>180,000</u>	<u>(188,044)</u>	<u>(368,044)</u>
Ending fund balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (402,698)</u></u>	<u><u>\$ (402,698)</u></u>

CITY OF FALLS CITY, OREGON

**Schedule of Revenues, Expenditures and
Changes in Fund Balance – Budget and Actual
Polk Community Development Fund
(Budgetary Basis)
For the Year Ended June 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
Miscellaneous	\$ 7,000	\$ 58,569	\$ 68,413	\$ 9,844
Total revenues	<u>7,000</u>	<u>58,569</u>	<u>68,413</u>	<u>61,413</u>
EXPENDITURES:				
Materials and services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	7,000	58,569	68,413	61,413
Beginning fund balance	<u>200,000</u>	<u>200,000</u>	<u>206,263</u>	<u>6,263</u>
Ending fund balance	<u>\$ 207,000</u>	<u>\$ 258,569</u>	<u>\$ 274,676</u>	<u>\$ 16,107</u>

CITY OF FALLS CITY, OREGON

**Schedule of Revenues, Expenditures and
Changes in Fund Balance – Budget and Actual
Wagner Library 80% Fund
(Budgetary Basis)
For the Year Ended June 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Materials and services	10,000	10,000	-	10,000
Contingency	57,215	57,215	-	57,215
Total expenditures	<u>67,215</u>	<u>67,215</u>	<u>-</u>	<u>67,215</u>
Net change in fund balance	(67,215)	(67,215)	-	(67,215)
Beginning fund balance	<u>67,215</u>	<u>67,215</u>	<u>92,215</u>	<u>25,000</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 92,215</u>	<u>\$ 92,215</u>

CITY OF FALLS CITY, OREGON

**Schedule of Revenues, Expenditures and
Changes in Fund Balance – Budget and Actual
Fire Levy Fund
(Budgetary Basis)
For the Year Ended June 30, 2022**

	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Taxes and assessments	\$ 39,000	\$ 46,045	\$ 48,882	\$ 2,837
Grants	-	-	6,290	6,290
Miscellaneous	-	-	-	-
Total revenues	39,000	46,045	55,172	16,172
EXPENDITURES:				
Materials and services	19,300	19,300	9,143	10,157
Debt service				
Principal	16,075	16,075	16,982	(907)
Interest	2,890	2,890	1,979	911
Contingency	735	735	-	735
Total expenditures	39,000	39,000	28,104	10,896
Net change in fund balance	-	7,045	27,068	5,276
Beginning fund balance	-	-	19,231	19,231
Ending fund balance	\$ -	\$ 7,045	\$ 46,299	\$ 39,254

CITY OF FALLS CITY

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

(Budgetary Basis)

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Charges for services	\$ 113,000	\$ 113,000	\$ 148,022	\$ 35,022
Grants	120,000	120,000	88,235	(31,765)
Miscellaneous	-	-	-	-
Total revenues	233,000	233,000	236,257	3,257
EXPENDITURES:				
Personal services	25,778	25,778	17,419	8,359
Materials and services	94,500	94,500	63,246	31,254
Capital outlay	120,000	120,000	92,856	27,144
Contingency	92,722	92,722	-	92,722
Total expenditures	333,000	333,000	173,521	159,479
Net change in fund balances	(100,000)	(100,000)	62,736	(156,222)
Fund balance, beginning of year	100,000	100,000	30,371	(69,629)
Fund balance, end of year	\$ -	\$ -	\$ 93,107	\$ 93,107

CITY OF FALLS CITY

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

(Budgetary Basis)

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Charges for services	\$ 300,000	\$ 300,000	\$ 324,075	\$ 24,075
Miscellaneous	-	-	-	-
Total revenues	300,000	300,000	324,075	24,075
EXPENDITURES:				
Personal services	127,836	127,836	63,452	64,384
Materials and services	49,750	49,750	94,485	(44,735)
Debt service				
Principal	35,000	35,000	35,000	-
Interest	26,800	26,800	26,412	388
Contingency	254,114	254,114	-	254,114
Total expenditures	493,500	493,500	219,349	274,151
Net change before transfers	(193,500)	(193,500)	104,726	(250,076)
OTHER USES:				
Transfers out	(6,500)	(6,500)	-	6,500
Net change in fund balances	(200,000)	(200,000)	104,726	(243,576)
Fund balance, beginning of year	200,000	200,000	226,470	26,470
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 331,196</u>	<u>\$ 331,196</u>

CITY OF FALLS CITY

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Utility Reserve Fund**

(Budgetary Basis)

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Charges for services	\$ 50,000	\$ 50,000	\$ 51,214	\$ 1,214
Total revenues	50,000	50,000	51,214	1,214
EXPENDITURES:				
Materials and services	295,000	295,000	4,667	290,333
Contingency	75,000	75,000	-	75,000
Total expenditures	370,000	370,000	4,667	365,333
Net change in fund balances	(320,000)	(320,000)	46,547	(364,119)
Fund balance, beginning of year	320,000	320,000	357,104	37,104
Fund balance, end of year	\$ -	\$ -	\$ 403,651	\$ 403,651

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



DOUGALL CONRADIE LLC
CERTIFIED PUBLIC ACCOUNTANTS

Geoffrey Dougall, CPA
Heather Jackson, CPA
Lee Owen, CPA
Richard Winkel, CPA
Members of AICPA & OSCPA

Independent Auditor's Report Required by Oregon State Regulations

To the City Council
Falls City, Oregon

We have audited the basic financial statements of the City of Falls City (the City) as of and for the year ended June 30, 2022 and have issued our report thereon dated [DATE]. 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'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 Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-000 to 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 statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which 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 Bond Coverage
- Public Contracts and Purchasing (ORS Chapters 279A, 279B, 279C)
- Highway revenues used for public highways, roads and streets
- Programs Funded From Outside Sources
- Authorized investment of surplus funds (ORS Chapter 294)

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

The City had the following expenditures that exceeded appropriations for the year ended June 30, 2022:

<u>Fund / Appropriation Category</u>	<u>Appropriation</u>	<u>Disbursement</u>	<u>Variance</u>
General Fund			
Administration	\$ 216,550	\$ 388,489	\$ (171,939)
Community development	-	264,897	(264,897)
Council	3,100	3,142	(42)
Debt principal	3,781	52,963	(49,182)
Street Fund			
Personal service	22,248	36,871	(14,623)
Capital outlay	202,352	264,214	(61,862)
Fire Levy Fund			
Debt principal	16,075	16,982	(907)
Water Fund			
Materials and services	49,750	94,485	(44,735)

As of June 30, 2022 the Streets Fund had a fund deficit of \$402,698.

Internal Control Over Financial Reporting

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 District’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control over financial reporting.

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

Restriction on Use

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

DOUGALL CONRADIE LLC
 Portland, Oregon
 [DATE]

By: _____
 Richard Winkel, Partner

February 3, 2023

Oregon Secretary of
State, Audits Division
255 Capitol St. NE,
Suite #500 Salem, OR
97310

Plan of Action for City of Falls City, Oregon

City of Falls City, Oregon respectfully submits the following corrective action plan in response to deficiencies reported in our audit of fiscal year ended June 30, 2022. The audit was completed by the independent auditing firm Dougall Conradie LLC and reported the deficiencies listed below. The plan of action was adopted by the governing body at their meeting on February 13, 2023, as indicated by signatures below.

The deficiencies are listed below, including the adopted plan of action and timeframe for each.

1. Deficiency #1

a. Material Weakness:

The City lacks appropriate controls over the preparation and oversight of the annual budget, which resulted in several line items exceeding the annual appropriation and a fund ended the year with a deficit fund balance. A supplemental budget during the year was approved with reductions to revenues but no corresponding reductions to expenditures resulting in budgeted deficits.

b. Plan of Action:

The City has hired an outside accountant to assist with the budgetary functions. We will review the budget to actual reports on a timely basis to identify any budget issues and will ensure that supplemental budgets are prepared appropriately.

c. Timeframe for (or date of) implementation: Immediate

Amy Houghtaling, City Council President

TJ Bailey, City Mayor

FALLS CITY CITY COUNCIL		MONDAY, JANUARY 9, 2023	
The Falls City City Council met in regular session on Monday, January 9, 2023 at 6:01 p.m. in the Community Center located at 320 N. Main Street			
Council Members Present: Council President Amy Houghtaling, Councilor Nick Backus, Councilor Martha Jirovec, Councilor Tony Meier, Councilor Dennis Sickles, Councilor Lori Jean Sickles			
Staff Present: City Manager AJ Foscoli, City Recorder Jeremy Teal			
AGENDA		ACTION	
Swearing In Ceremony		Mr. Teal swore in Councilors Backus, Meier, and LJ Sickles. He also swore in Mayor Bailey.	
Election of Council President		<p>Councilor LJ Sickles nominated Amy Houghtaling.</p> <p>It was moved by Councilor LJ Sickles to appoint Amy Houghtaling as Council President. The motion was duly seconded by Councilor Backus and CARRIED with a vote of 5-0 with Councilors Backus, Jirovec, Meier, D Sickles, and LJ Sickles voting YES.</p>	
Announcements, Appointments, Appreciations & Proclamations		Mayor Bailey thanked everyone involved in the 2022 Thanksgiving Dinner.	
Public Comment		<p>Mayor Bailey opened the Public Comments at 6:09 p.m.</p> <p>Jeremy Gordon, 180 Dayton, advised that the Polk County annual point in time count regarding homelessness would be taking place on Tuesday 24, Wednesday 25 & Saturday 28th. He advised that the main event would be on Tuesday, January 24 at the EBC Church in Dallas. He noted the event would offer haircuts, personal services and other amenities to help. He mentioned there would be transportation throughout the County to help everyone attend the event. He noted the shuttle buses would drop off and pick up at the Mountain Gospel Church in Falls City.</p> <p>Council President Houghtaling noted there was no schedule for the shuttle yet. She noted there were volunteer and donation opportunities for the event.</p> <p>Mayor Bailey opened the Public Comments at 6:15 p.m.</p>	

Fire Chief Brush Truck Discussion

Mr. Foscoli gave a brief staff report regarding brush truck. He noted Chief Young and Mr. Gilbert have worked tirelessly to acquire the information.

Councilor Jirovec explained that the annual payment for the new truck payment would be 1/3 of the entire budget.

Council President Houghtaling stated that the levy money would cover annual payment. Mr. Foscoli noted that the Fire budget was at a \$30,000 deficit due to SW Polk parting ways.

Councilor Meier asked if the truck was necessary. He noted he was not happy with fire levy because it said nothing about the new truck, but just said equipment.

Councilor Jirovec explained that the Fire Department and the Levy were two different accounts in the City budget. She noted there were overages. Council President Houghtaling indicated that it was due to the lack of taxes that have come in on the levy.

Council President Houghtaling asked if the remaining Bootleg Fire money was earmarked for anything. Mr. Teal answered no. She then asked when the ARPA money needed to be spent. Mr. Foscoli responded by December of 2024.

Councilor Jirovec asked about out of state fires and Falls City responding. Mr. Gilbert explained that 2 people could go at a time to an out of state fire. He noted that the Department would make \$6000 for each person and the truck would earn \$14,000 for a 14 day trip. Councilor Meier stated that doesn't cover the wear and tear on equipment, so it isn't even a \$1000 a day.

Mr. Gilbert reported that he and Chief spent 6-7 hours to acquire the list of quotes. He noted that the Department was calling in a lot of favors to get this truck built.

It was moved by Dennis Sickles to approve the purchase of the brush truck. The motion was duly

	<p>permission to work on the landscape. Mr. Foscoli noted that any improvement the grounds was fine.</p>
<p>Reports from City Manager & Staff</p> <p>a) Falls City Fire Report b) Polk County Sheriff Report</p> <p>c) Falls City Public Works Report d) City Manager</p>	<p>There were no comments.</p> <p>Councilor Jirovec asked about the Polk county code help. Mr. Foscoli noted the former code guy was a sheriff Sgt. with the county and we can go directly to him for help.</p> <p>There were no comments.</p> <p>Mr. Foscoli gave his report regarding the wastewater project, LCB, Code enforcement, towing, speed test, emergency routes to school, air filtration grant and the Community center roof leak, brush truck, and the mobile broadband deployment.</p> <p>Mr. Foscoli advised that the funding was moving forward quickly. He noted that Thursday the state revolving fund to a permanent state with either DEQ or USDA.</p>
<p>Executive Session ORS 192.600.2.a: The governing body of a public body may hold an executive session to consider the employment of a public officer, employee, staff member or individual agent.</p>	<p>Mayor Bailey opened the Executive Session at 7:23 p.m.</p> <p>Mayor Bailey closed the Executive Session at 8:08 p.m.</p>
<p>Good of the Order</p>	<p>Mr. Gilbert reported the Falls City Fire Department Toys for Tots in coordination with Walmart for 9 years and delivered 9 bags of toys this year. He noted Santa delivered toys to Pre-K thru seniors so everyone got something for Christmas. He reported that the Fire Department delivered to 53 houses in 1 night with 2 Santas and made 169 kids. He noted 79 families received Christmas Cheer boxes in Falls City.</p> <p>Mayor Bailey thanked the Falls City Fire Department for their community work.</p>
<p>Adjourn</p>	<p>There being no further business the meeting was adjourned at 8:08 p.m.</p>
<p>Read and approved this ____ day of _____ 2023.</p> <p>Mayor: _____</p> <p>ATTEST:</p> <p>City Recorder: _____</p>	

**Call Volume for Falls City Volunteer Fire Dept. 2023 Calls
(JANUARY-DECEMBER)**

2023 MONTH	MEDICAL	PUBLIC ASSIST	MV A	STRUCTURE FIRE	GRASS BRUSH TREE FIRE	POWER LINE	SW CALLS FCFD RESPOND ON	SW ASSISTED FCFD CALLS	MO. TOTAL CALLS
JAN	6	1				1			8
FEB									
MAR									
APR									
MAY									
JUNE									
JULY									
AUG									
SEPT									
OCT									
NOV									
DEC									
YR TOTALS									

Fire Department Report for February 2023 Council Meeting:

Greetings:

The finance contract has been signed with Power Chevrolet for the purchase of the new Brush Truck. Chief Young has ordered the truck bed and components to start putting the truck together as soon as parts come in.

We are finishing up classes for more Volunteers to receive their State and National Fire Certification status as Fire Fighter I. This has taken many hours of hard work for each individual to achieve. We are also working towards more Volunteers becoming State Certified Emergency Medical Technicians (EMR's) .The department welcomes a new Volunteer, Retired EMS Chief Mike Mayfield as a Volunteer. He brings with him over 35+ years experience as a Fire Fighter/Officer and Paramedic. He will join us in training drills and occasional calls as available.

Sharon is working on a (New) project with the OSFM office to obtain possible (free) funds to purchase and support our Emergency Evacuation Program for Falls City. This is an Outreach Pilot Investment Project with respect to wildfire risk, defensible space and community preparedness. Hopefully, this will pay for the new evacuation signs, emergency route maps, address locator signs and education to the community. Sharon will keep AJ and Jeremy informed as this develops. :-)

Thank you for your continued support and all of your hard work for our community!

Prepared by Sharon Volk Greve, Assistant Chief, Falls City Fire (503) 871-5140

January 2023 Falls City Stats

Falls City Calls for Service							
Animal	14	Check Welfare	3	Follow Up	5	Susp. Vehicle	1
Assist Other Agency	5	Crime (misc)	1	Hang Up	3	Theft	5
Area Check	1	Criminal Mischief	2	Prowler	1	Trespass	3
ATL	1	Domestic Dstrb	4	Sex Offense	2	Traffic Stop	1
Burglary	1	Driving Complaint	3	Stolen Vehicle	1	Warrant	1
Citizen Contact	4	Fire/EMS	1	Susp. Activity	3		
Civil	13	EDP	2	Susp. Person	3		

Falls City Calls for Service Total Calls for Service (county wide) Falls City % of Total Calls	84 1632 5.1%	Of the FC Calls for Service FC Cases Cleared by Arrest Total Arrests in Falls City	19 3 3	involved crimes 15.8% 5.5%	clearance of total arrests
---	--------------------	---	--------------	----------------------------------	-------------------------------

Total Service Calls (Polk County) Cases Cleared by arrest Total Arrests (county wide)	1632 113 49 55	Crimes Occ 43.4%	Juvenile Arrests Juvenile Arrests (only true crimes reported here)	1 0	(county wide) (Falls City)
--	-----------------------------	--------------------------------	---	--------	-------------------------------

© 2023 Polk County Sheriff's Office



City of Falls City

299 Mill St • Falls City, Oregon • 97344
Ph. (503) 787-3631 • www.fallscityoregon.gov

Public Works Report January of 2023

Administration

Normal operations.

Water Division

Normal operations.

Sewer Division

Normal operations.

Streets Division

Normal operations.

Parks & Cemeteries Division

Normal operations.

Non-Sewer Wastewater Division (TMDL)

Normal operations.



City of Falls City
299 Mill Street
Falls City, OR 97344
Ph 503.787.3631

City Manager's Report February 13, 2023

Introduction

A month into 2023, and we are quickly gathering speed in many of the projects that are going to define this year. The new Wastewater Treatment Facility project is moving into the contract and bidding phase, Main Street to Boundary/Prospect Streets road sidewalk improvement designs are progressing along and a water infrastructure upgrades project is slowly coming together. On top of that, we are making headway in identifying a code enforcement pathway that will be sustainable and help this community improve its curb appeal.

Wastewater Project – As part of the successful CDBG grant application for construction funding, we are now going through the process of setting up protocols for the \$2 million reimbursement process for the project. Working with DEQ's Senior Loan Specialist for the Clean Water State Revolving Fund, we have shifted our Interim funding to Permanent funding due to their lower rates for the community's ratepayers and the additional federal grant forgiveness portion of a long-term loan (up to \$500,000 or 50% of the loan, whichever is smaller). We expect to bring to the City Council documentation with hard numbers by the March meeting due to the extensive legal review process. Parallel to these efforts, staff is continuing to lobby both state and county organizations to bring that loan amount down as much as possible.

Luckiamute Community Building – The business space had plumbing work done to ensure that both floors have restroom facilities that are as user-friendly as possible. The city is still working on video camera options at the facility to ensure that the space is as secure as possible, but the hardware is in, so the install should be imminent. New curtains and a washer/dryer are now on site for community use. Tenants in the building are working very hard at making the space usable for a variety of activities and are actively recruiting other businesses for additional temporary uses of the space.

Code Enforcement & Municipal Court – Additional cars are continuing to be towed on Main Street by Polk County after being tagged by their Polk County Sheriff's Office's Community Service deputy, though that person has now left that position, so we expect there will be delays in the near-future until that position is filled. One person has expressed interest in helping Falls City on a part-time basis as a Code Enforcement officer, and we are now in the process of outlining what strategy might work going forward.

Note: If you have questions/concerns, please respond to me individually by email, phone, or in person. This way we avoid violating any public meetings laws with a "reply all" response, or multiple councilors discussing on the same thread.

Towing Services – Thanks to Polk County Community Service deputy and the vehicle tagged & towing, we hope that extended parking on Main Street, especially of inoperable vehicles will continue to decrease. In order to have more leverage to deter extended parking, reviewing a permit-only parking zone on Main Street may be an option in future council meetings. This topic will be brought up to the Public Works Committee in conjunction with their review of the Safe Route to School sidewalk project at the next meeting in February.

Radar Speed Signs – The Radar Speed Signs have been delivered to City Hall, to be installed on Main Street before the end of the February.

Emergency Escape Routes out of Falls City – City staff has reengaged Polk County Emergency Management staff about setting up meetings to discuss coordination of emergency escape routes. We met in December and are working on scheduling another meeting at the end of February/early March, to reconvene the group to work on a process for this year’s fire season. In the meantime, we have identified grant funds to pay for evacuation signs, and we will be creating a map to share with the community before fire season.

Community Center Roof Leaks – Staff is working with construction professionals to set up a time to repair the roof above the Community Center.

Mobile Broadband Deployment Opportunity – The Oregon Raindrop Foundation has expressed interest in deploying mobile hotspots to underserved and underrepresented populations in Falls City. These mobile hotspots would be used for educational and healthcare (telehealth) purposes by individuals who would otherwise not be able to afford such digital access. There is a need on behalf of city, school district and other entities interested in supporting underserved and underrepresented populations to curate a list of individuals willing to be part of the small-scale proof-of-concept mobile hotspots deployment. The list is currently being drawn up with the help of community members.

Excessive Domestic Sewer Pumping – Public Works staff has been having to pump some residents’ septic tanks at a much higher frequency than is financially sustainable for the city. These occurrences are exclusively due to too many people living in one domicile, which negatively impacts the septic tanks. Since the city has no control over how many people live in each dwelling, this topic will be brought up to the Public Works Committee at the next meeting in February to discuss enacting changes in fees to offset the financial impact to the Wastewater Fund.

Sincerely,



Clerk's Report

- **Speed signs** will be installed when the weather improves
- **Speed test** will be conducted next spring by the County
- **Mill lot fence** has been put on hold to install cameras to monitor the lot
- **Rumble strips** are ready to install as soon as we get some warmer weather
- **Old Grader liquidation** – continuing work with State Surplus
- **Tree Removal** – 220 Fairview and 306 N Main we both removed over the last month

Luckiamute Community Building

- **Curtains are installed**
- **Plumbing is complete**, including the repair of the water heater
- **Electrical is complete**, including new wiring and plug for the dryer
- **Washer and Dryer** are installed and operational
- **Smoke detectors** are all installed
- **Fire Extinguishers** are all installed
- **Exterior cameras** are ready to install as soon as we get some decent weather