



CITY OF LA PINE, OREGON

REGULAR CITY COUNCIL MEETING

Wednesday, January 27, 2021 at 5:30 PM
La Pine City Hall: 16345 Sixth Street, La Pine, Oregon 97739

The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting to City Hall at (541-536-1432). For deaf, hearing impaired, or speech disabled dial 541-536-1432 for TTY.

AGENDA

1. CALL TO ORDER

2. REAFFIRMATION OF OATH

3. ESTABLISH A QUORUM

4. PLEDGE OF ALLEGIANCE

5. PUBLIC COMMENTS

Three (3) minutes per person; when asked to the podium, please state your name and whether you live within La Pine city limits.

6. ADDED AGENDA ITEMS

Any matters added to the Agenda at this time will be discussed during the "Other Matters" portion of this Agenda or such time selected by the City Council

7. CONSENT AGENDA

Information concerning the matters listed within the Consent Agenda has been distributed to each member of the City Council for reading and study, is considered to be routine, and will be enacted or approved by one motion of the City Council without separate discussion. If separate discussion is desired concerning a particular matter listed within the Consent Agenda, that matter may be removed from the Consent Agenda and placed on the regular agenda by request of any member of the City Council.

- [1.](#) 1.13.2021 Regular City Council Meeting Minutes

8. CITIZEN AGENDA ITEM

1. Ms. Pat Stone – Route 31 Cascade East Transit

9. PRESENTATION OF 2019-2020 FISCAL YEAR AUDIT

10. LETTER OF APPEAL TO GOVERNOR KATE BROWN (RE-INTRODUCTION)

11. CITY MANAGER REPORT

12. OTHER MATTERS

Only Items that were previously added above in the Added Agenda Items will be discussed.

13. PUBLIC COMMENTS

Three (3) minutes per person; when asked to the podium, please state your name and whether you live within La Pine city limits.

14. STAFF COMMENTS

15. MAYOR & COUNCIL COMMENTS

16. ADJOURNMENT

17. OPEN EXECUTIVE SESSION

EXECUTIVE SESSION

The public will not be permitted to attend the executive session; provided, however, representatives of the news media and designated staff will be allowed to attend the executive session. Representatives of the news media are specifically directed not to report on any of the deliberations during the executive session, except to state the general subject of the executive session as previously announced. No decision will be made in the executive session.

18. CALL TO ORDER

19. ESTABLISH A QUORUM

20. ITEMS FOR DISCUSSION

1. Executive Session - ORS 192.660(2)(e)- to conduct deliberations with person designated by the governing body to negotiate real property transactions.
2. Executive Session – ORS 192.660(2)(f)- to consider information or records that are exempt by law from public inspection.

21. AJOURN EXECUTIVE SESSION

Pursuant to ORS 192.640: This notice includes a list of the principal subjects anticipated to be considered or discussed at the above-referenced meeting. This notice does not limit the ability of the City Council to consider or discuss additional subjects. This meeting is subject to cancellation without notice. The regular meeting is open to the public and interested citizens are invited to attend.

CITY OF LA PINE, OREGON
REGULAR CITY COUNCIL MEETING

Wednesday, January 13, 2021 at 5:30 PM
La Pine City Hall: 16345 Sixth Street, La Pine, Oregon 97739

MINUTES

1. CALL TO ORDER

Meeting is called to order at 5:35 p.m.

2. ESTABLISH A QUORUM

PRESENT

Mayor Daniel Richer
Councilor Colleen Scott
Councilor Mike Shields
Councilor Alisha Powell
Councilor Scott Henderson

STAFF

City Manager Geoffrey Wullschlager
Public Works Manager Jacob Obrist
Assistant Planner Alexa Repko
City Recorder Robin Neace

3. SWEARING IN OF NEW COUNCILORS AND MAYOR AND OATH OF OFFICE

Mayor Richer, Councilor Henderson and Councilor Powell are sworn in and take Oath of Office.

4. PLEDGE OF ALLEGIANCE

5. PUBLIC COMMENTS

Three (3) minutes per person; when asked to the podium, please state your name and whether you live within La Pine city limits.

None.

6. ADDED AGENDA ITEMS

Any matters added to the Agenda at this time will be discussed during the "Other Matters" portion of this Agenda or such time selected by the City Council

Mayor Richer presented an informational sheet listing the committees the councilors currently have a representative member. Mayor Richer instructed the Councilors to review the sheet to determine which councilor would be available and interested to sit on the various committees.

7. CONSENT AGENDA

Information concerning the matters listed within the Consent Agenda has been distributed to each member of the City Council for reading and study, is considered to be routine, and will be enacted or approved by one motion of the City Council without separate discussion. If separate discussion is desired

concerning a particular matter listed within the Consent Agenda, that matter may be removed from the Consent Agenda and placed on the regular agenda by request of any member of the City Council.

1. 12.9.2020 Regular City Council Meeting Minutes

Motion to pass the Consent Agenda made by Councilor Scott, Seconded by Councilor Powell.

Voting Yea: Councilor Scott, Councilor Shields, Councilor Powell, Councilor Henderson

8. FINAL PLAT APPROVAL- ACTION ITEM

Revisions made to final decision are discussed and noted by City Recorder Neace and Assistant Planner Repko. Updated plat is available in meeting packet.

Motion to approve the final plat made by Councilor Powell, Seconded by Councilor Shields.

Voting Yea: Councilor Scott, Councilor Shields, Councilor Powell, Councilor Henderson

9. APPOINTMENT OF PLANNING COMMISSION MEMBERS- ACTION ITEM

Committee members John Cameron, Mary Hatfield, and Russ Smith all appointed by Mayor Richer to additional term.

10. UPDATE ON PUBLIC WORKS PROJECTS

Public Works Manager Jacob Obrist gives updated report on public works projects.

11. OTHER MATTERS

Only Items that were previously added above in the Added Agenda Items will be discussed.

12. PUBLIC COMMENTS

Three (3) minutes per person; when asked to the podium, please state your name and whether you live within La Pine city limits.

None.

13. STAFF COMMENTS

City Manager Geoff Wullschlager gives staff report summarizing his written City Manager's Report.

14. MAYOR & COUNCIL COMMENTS

Mayor Richer recognizes former Council President Greiner for his service to the City.

15. SELECTION OF COUNCIL PRESIDENT

Motion to nominate Councilor Scott as Council President made by Councilor Powell, Seconded by Councilor Shields.

Voting Yea: Councilor Scott, Councilor Shields, Councilor Powell, Councilor Henderson

16. ADJOURNMENT

Meeting adjourned at 6:28 p.m.

To all of concern at La Pine City Council

My name is Pat Stone. I am a strong advocate for our Special Needs community here in La Pine. I would like to present my thoughts on our Cascade East Transit (CET) bus service here in La Pine. I am also on the Special Transportation Fund Advisory Committee that works with the Central Oregon Interagency Council that, among other responsibilities, review the proposed distribution of Formula Program funds and make recommendations to the Deschutes County Board of Commissioners.

I have 3 areas of concern:

1. Extending the boundaries of Dial a Ride (Deschutes County)
2. Getting CET Service down Day Road (Deschutes County)
3. Adding an additional stop at the Senior Center to Route 31, the CET route to Sunriver (In City Limits)

Because your area of service is the City of La Pine my request of you today is concerning point 3, adding an addition stop for Route 31. I will include a chart (addendum to follow) showing total number of riders from this summer.

I have spoken to CET about my observation for an additional stop at our Senior Center and they have said "We are going to revisit the service planning for the route this spring and will take into consideration the recommendation to stop at the Senior Center." I know a letter to CET from the Council would add more to the request. I have also spoken to Jamie Donahue, Director at La Pine Senior Center, and have her endorsement for this as well.

I want to point out the large number of elderly residents, low income housing, and homes right in the vicinity of the Senior Center that would be served by this additional stop. At this present time the bus leaves the transportation hub on 4th and goes to St Charles and onto Wickiup Junction. I will include (addendum to follow) a chart on this summer's ridership. Which I also want to point out was drastically impacted by COVID 19.

My concern is for the population that lives East of Huntington must cross the road at Memorial Lane to get to St Charles. There are no crosswalks, no sidewalks, and a curve of south going traffic that make it dangerous to cross the road.

I truly would appreciate your endorsement of this action.

Sincerely,

Pat Stone
541-977-5266
gemstone@bendnet.com

ROUTE 31 LA PINE – SUNRIVER SUMMER SHUTTLE DRAFT END-OF-SEASON REPORT

OCTOBER, 2020



BACKGROUND

During the public input process for Cascades East Transit’s (CET) 2040 Transit Master Plan, many community members emphasized the need to connect La Pine and Sunriver for access to employment opportunities. Throughout the summer months, an influx of visitors creates many seasonal jobs at Sunriver hotels, resorts, property management companies, and recreation centers. Despite the availability of summer jobs, many potential workers in La Pine are not able to pursue these opportunities due to transportation barriers. Through a collaborative community effort, a summer shuttle service (Route 31) connecting La Pine and Sunriver was implemented between June 1 and September 7, 2020 to help fill existing transportation gaps and provide a free, reliable, and frequent transit service. COVID-19 hindered the ability for staff to fully promote the new route and directly impacted overall ridership. A total of 298 rides were provided on Route 31 during the summer service period.

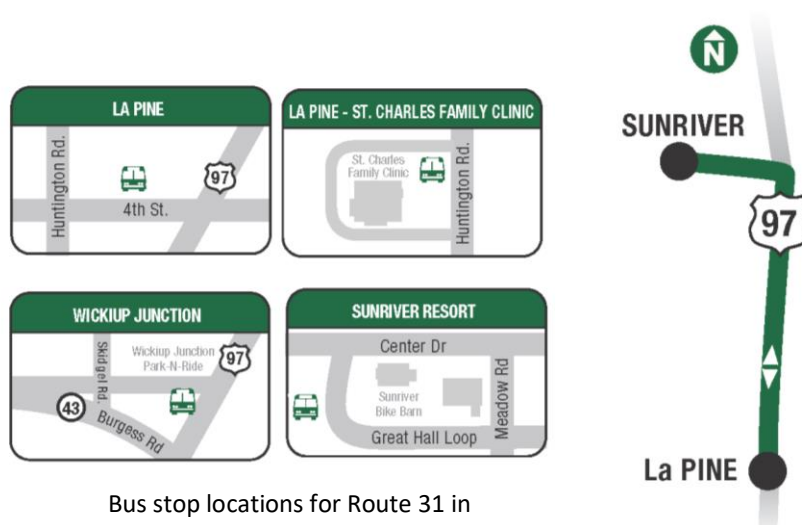
“Route 31 is an amazing service that provided my daughter and my clients with access to unique job opportunities in Sunriver to expand their work experience and build independence.”

OPERATIONS

CET’s Route 31 is an employee-focused transit service that provides access to jobs, healthcare needs, grocery shopping, and other services in La Pine and Sunriver. CET staff worked directly with community stakeholders to plan service operations, including the bus stops and schedule. These stakeholders included the Sunriver Area Chamber of Commerce, the Sunriver Owner’s Association, Sunriver Resort, The Village, La Pine Chamber of Commerce, City of La Pine, Deschutes County, and First Interstate Bank. The service ran seven days a week between June 1 and September 7 and was funded through the

Deschutes County’s Statewide Transportation Improvement Fund (STIF). The Route 31 service was offered free of charge, as the entire CET public transportation system went fareless on March 21 to minimize interactions between drivers and passengers and eliminate the handling of cash transactions.

Route 31 began service at 5:15 AM and continued until 7:39 PM. The route originated at 4th and Huntington Rd in La Pine and made stops at St. Charles Family Clinic and Wickiup Junction Park N Ride in La Pine before continuing on to its final stop at the Sunriver Resort. The route then returned to La Pine, following the reverse order of the stops. Route 31 ran on a frequency of 60 - 180 minute intervals, with the largest break in service taking place between 10:30 AM to 1:30 PM. The frequency of the service was designed mirror common commute times and to accommodate various work shifts. It is important to note that the original stop at the Deschutes County Sunriver Library was requested to be removed by the Library Manager just prior to service, which greatly increased the walking distance between the Bike Barn stop by the Sunriver Resort and major employment destinations, such as the SHARC pool. In August, the stop at the Bike Barn was relocated across the street for ease of access in the parking lot at the owner’s request. These changes in stop locations likely impacted ridership for the service.



Bus stop locations for Route 31 in La Pine and Sunriver.

COMMUNITY OUTREACH

CET worked directly with community partners in La Pine and Sunriver to develop a marketing and communications strategy. Beginning in fall 2019, regular stakeholder meetings occurred to finalize operational details for the route and to coordinate CET’s participation in local events, such as job fairs, to promote the new transit service. Prior to service launch, CET pushed out a press release, which was picked up by local media outlets. A ribbon cutting ceremony was planned on May 21 to celebrate the launch of Route 31; however, this event was cancelled due to COVID-19. Staff engaged with the community through two newsletters to 1,563 recipients. Additionally, CET leveraged \$1,000 in radio ads from COIC’s Sponsorship and Bus Advertisement to promote Route 31 and to reach a wider audience.

To boost public visibility, CET staff designed a bus graphic to create a rolling advertisement on the bus serving Route 31. For additional local advertising, CET worked with the “Sunriver Scene” and the “Newberry Eagle” to post promotional ads in online publications and newspapers throughout the summer. Social media played an important role in disseminating information, as tweets and Facebook posts were linked directly to Route 31 schedule on CET’s website and included engaging photos and

content. A total of 21,256 people were reached via Facebook, with 100 shares during this outreach period. \$235 was invested for boosted Facebook posts to increase visibility to key audiences.

Posters and flyers were distributed across La Pine and Sunriver directly to community partners (e.g. service providers, employers) and posted in public spaces (e.g. bulletin boards). Reaching the partners was often challenging because many physical offices were closed in response to COVID-19. Staff designed multiple posters to share with partners and employers to increase service awareness and boost ridership within the confines of social distancing requirements. All materials were provided in both English and Spanish to ensure inclusive outreach. Additional materials were posted on all CET vehicles and at Hawthorne Station to market the new service to current riders.

CET staff adapted to the ever-changing environment caused by COVID-19 by promoting Route 31 in new and creative ways. Multiple socially distanced tabling events were hosted in Sunriver and in La Pine to thank riders for using the service and to distribute hand sanitizer and face masks. To support Sunriver Resort with their internal promotion of the service, CET developed a tailored travel training presentation for the Human Resources Department to increase awareness of Route 31 (La Pine – Sunriver) for new employees.

The following employee training events were planned to promote Route 31, but were cancelled due to COVID-19:

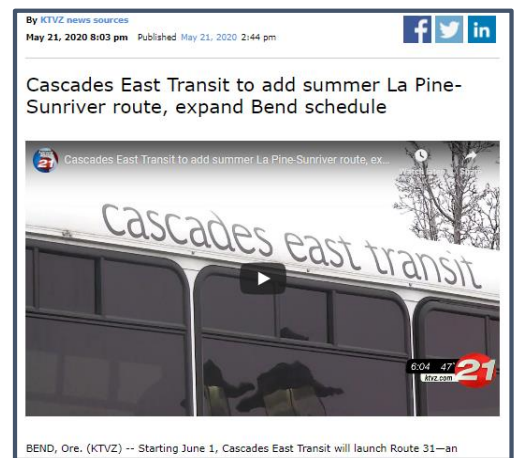
- SHARC Job Fair on March 25
- Sunriver Resort Hiring Fair in La Pine on April 11 (and two others that were yet to be scheduled)
- Travel Training presentation at La Pine High School on May 6
- Workforce Summit (hosted by La Pine and Sunriver chambers) on May 7
- Route 31 Ribbon Cutting Ceremony on May 21



Social distance tabling in Sunriver



Route 31 promotional poster



A KTZV article published on May 21 to share information about Route 31.



Rider at the 4th and Huntington bus stop

RIDERSHIP

CET's new Route 31 service connected La Pine and Sunriver for the first time—providing access to jobs, healthcare, and recreation. Although ridership was directly impacted by COVID-19, the riders who did utilize the service were able to reach employment opportunities that would not be possible without public transportation. In addition to building strategic partnerships with the Sunriver Resort and the Sunriver Owner's Association (operator of SHARC), CET worked closely with Advocates for Life skills and Opportunity (ALSO) to provide those who experience intellectual and developmental disabilities with the tools and resources to access Route 31. CET staff led a "Train-the-Trainer" virtual travel training session to provide ALSO staff with a thorough understanding of CET's services, especially Route 31. This travel training presentation was used as a tool to tailor one-on-one sessions for clients based on their needs and ability. Although many ALSO clients were unable to utilize the new service due to compromised immune systems, CET staff and ALSO built the foundation for a successful partnership to increase public transportation access in the future.

Although CET and many community partners promoted Route 31 through diverse marketing strategies, the number of jobs typically available in Sunriver were significantly reduced due to COVID-19. This decrease in the overall employee base impacted ridership for the new La Pine-Sunriver route. The SHARC normally hires 80 – 100 employees per summer; however, only 20 were hired for the season due to COVID-19—a 75% decrease. Additionally, many employers, like SHARC, relied on previously trained employees this season to abide by social distance requirements. For example, it was not possible to train new lifeguards because the training itself was not socially distanced. Former employees who were previously able to coordinate their own transportation were hired, which greatly reduced the opportunity for new employees without transportation options to ride the bus to work. Overall, the SHARC saw a decrease of 166,000 visitors compared to previous years due to reduced capacity restrictions and limited staff.

For the Sunriver Resort, a workforce of 900 employees is needed during busy summer months, but only 600 were hired this year. COVID-19 forced the resort to cancel three jobs fairs that represented critical promotional opportunities to reach over 100 potential applicants at each event. Other options to discuss the route with employees, such as orientations or daily shift meetings, were cancelled because employees were not permitted to gather in large groups, which made pushing out information about Route 31 directly to employees increasingly difficult.



HOW TO RIDE DURING COVID-19 RESTRICTIONS

- Face coverings are required inside buses and facilities - bring a clean mask or bandana
- You must have a destination to ride the bus. Please only use transit when necessary such as going to work, the doctor, or the store
- Maintain 3 feet of distance between riders and stay 6 feet away from the driver
- Sit in assigned seats and respect maximum occupancy limits on each bus

THANK YOU FOR HELPING KEEP OUR COMMUNITY SAFE!
CascadesEastTransit.com 541-385-8680

Example of a poster to notify riders of Oregon Health Authority Guidelines to combat the spread of COVID-19



Launch of New Service Connecting La Pine and Sunriver

Summer service operating from June 1 to September 7, seven days a week

- FREE bus service saves you money
- It's CONVENIENT! Frequent schedules
- No more parking hassles
- Fewer cars on the road

LA PINE TO SUNRIVER **FREE SUMMER SHUTTLE**

CascadesEastTransit.com 541-385-8680

Screenshot of a virtual travel training session with an ALSO caseworker who taught her clients how to utilize Route 31 to reach jobs in Sunriver

EVALUATION

Although the global pandemic created a barrier to access for many potential transit riders in La Pine and Sunriver, CET collected important ridership data and feedback for future service improvements. CET worked with the Sunriver Resort to push out an employee-focused survey, which was completed by 33 participants, in addition to a general public survey, which was completed by 22 participants. The wording of questions was slightly different in each surveys due to the focus on a different subset of targeted populations. See the Appendix for more detailed survey data.

Key Survey Takeaways

- Over 80% of responses from the general public survey indicated overall travel patterns were impacted by COVID-19.
- 46% of employees live in La Pine with 43% living in Sunriver. For the general survey, the vast majority of responses (95%) were La Pine residents.
- More than 2/3 of employee and public survey participants were aware that Route 31 existed and 70% noted that they would ride it next year, but only a small number utilized the service this year. These results indicate a majority of people were aware of the service but likely did not use it due to factors such as COVID-19 and having access to a vehicle or a shared ride with a member of their household.
- The most common service improvement suggestions were running the service for longer periods of time (e.g. before Memorial Day and after Labor Day) and providing more frequent service.
- Social media was effective in pushing out Route 31 information, with 50% of responses from the general public survey indicating social media was the main way they heard about Route 31.
- Social media, CET's website, and local news articles are preferred ways people want to get information about public transportation services

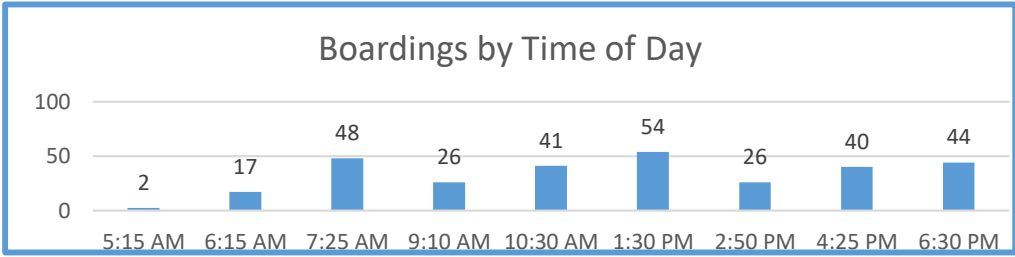
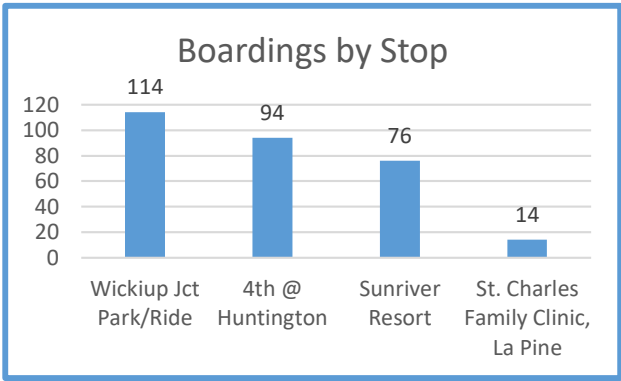
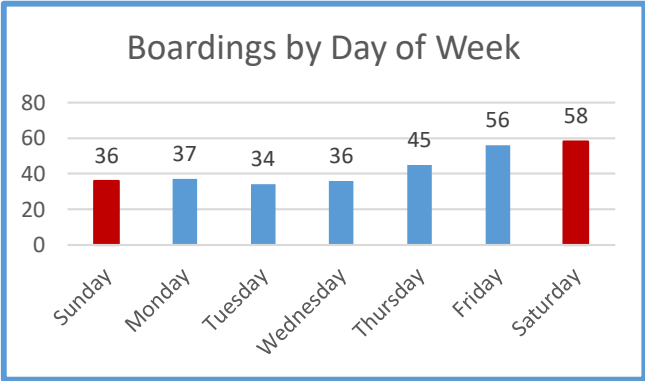
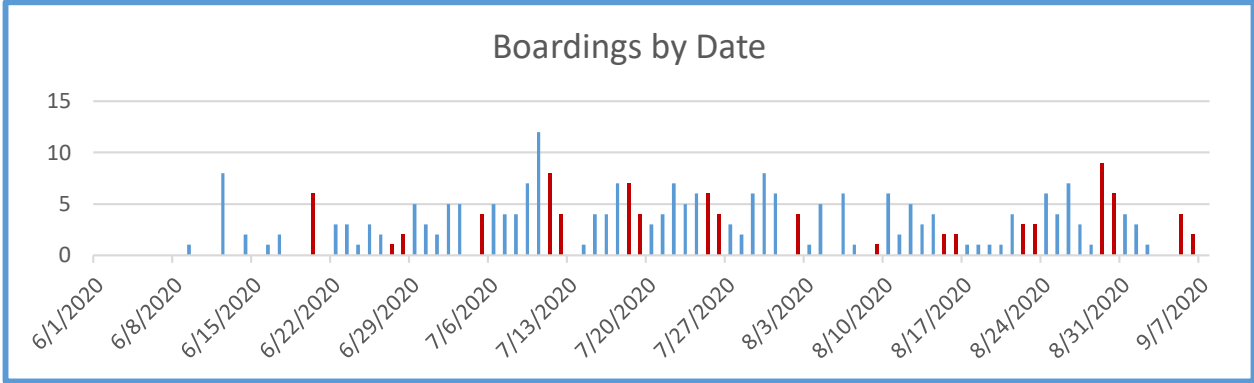
Ridership Highlights

- Highest ridership occurred on Friday and Saturday, which coincides with busy tourism days
- July saw the highest ridership of the summer
- The most common boarding stop was at Wickiup Junction

Ridership Overview	
Rides	298
Revenue Hours	1,188
Revenue Miles	31,631
Rides Per Hour	0.25



This rider used Route 31 to reach medical appointments at St. Charles Family Clinic



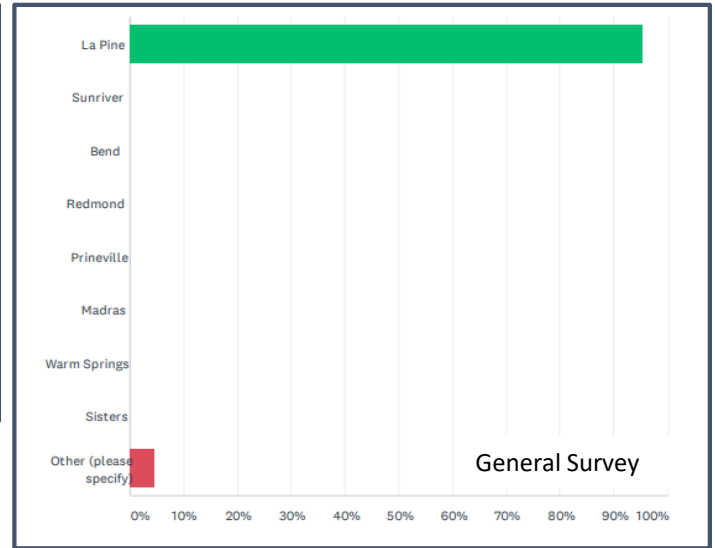
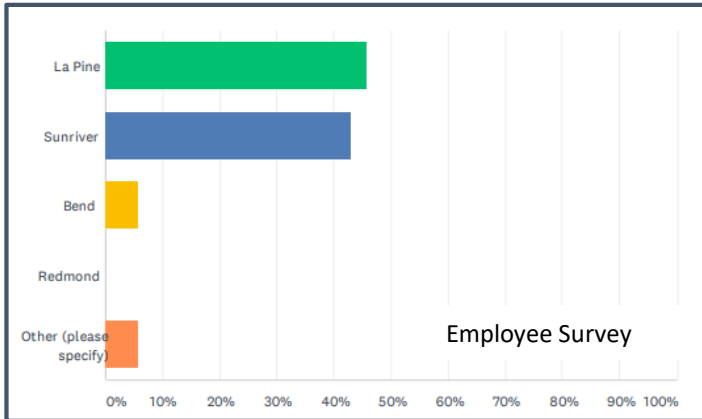
NEXT STEPS & LESSONS LEARNED

Despite the challenges posed by COVID-19 on ridership for Route 31 (La Pine – Sunriver), the summer season offered CET and community partners an opportunity to increase public awareness of transportation services available for current and potential employees in Sunriver. This will result in a better positioning for a successful service in 2021. While COVID-19 made traditional community engagement efforts through in-person events and presentations impossible, CET staff focused on communication through local partners and creative media engagement (radio, web, social media platforms) to reach potential riders. Through the data collected from the employee-focused and general public surveys, CET has identified potential bus stops to explore in 2021, including SHARC, the Business Park, and The Village. A new bus was procured through Deschutes County STIF dollars to serve Route 31 next year and CET will work with community partners to place new graphics on the bus to increase public visibility. The local stakeholder group will reconvene to assess new opportunities to grow the ridership for next summer when COVID-19 concerns will hopefully ease with the development and distribution of a vaccine.

APPENDIX - SURVEY DATA

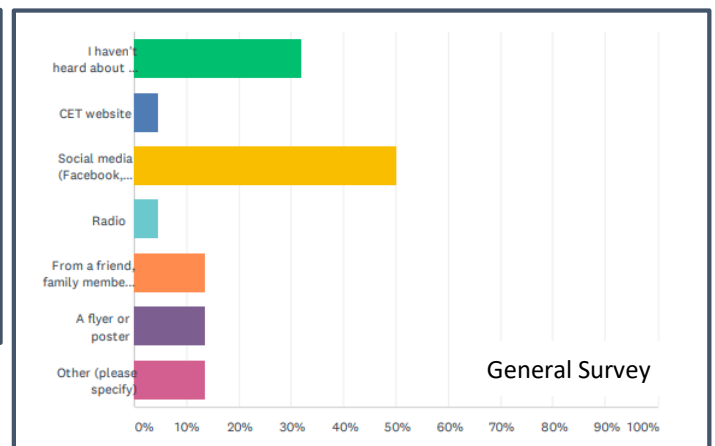
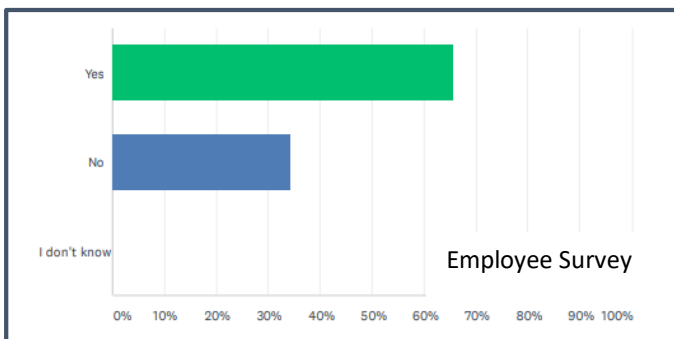
Question 1 – In which city do you live?

- 46% of employees live in La Pine, while 43% living in Sunriver, and 6% live in Bend.
- For the general survey, the vast majority of responses (95%) were La Pine residents, except one from Gilchrist.



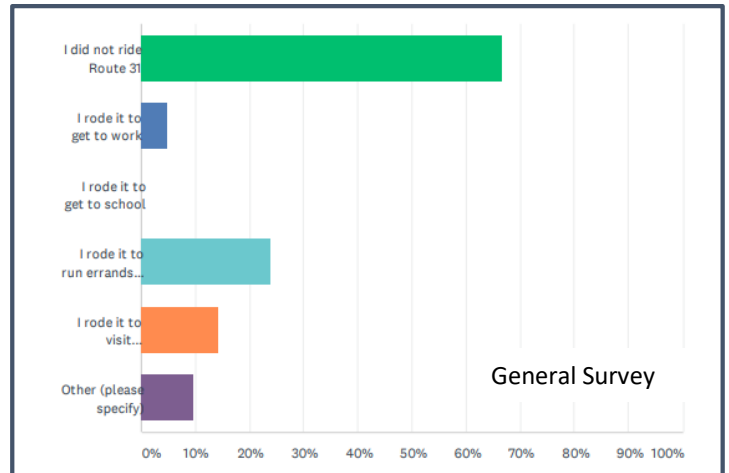
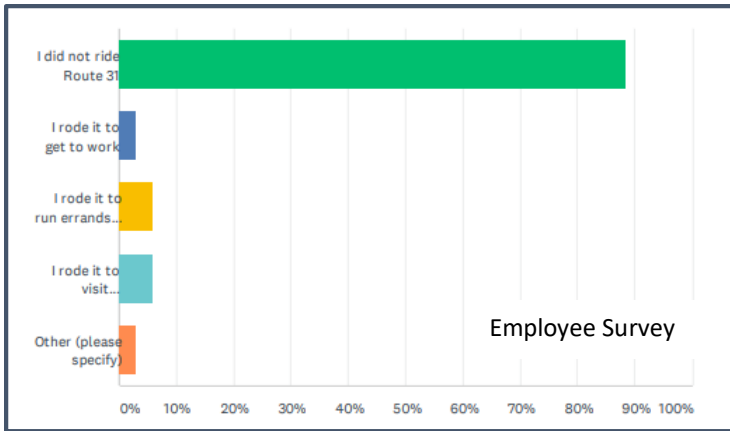
Question 2 – Before today, have you read, heard or seen anything about the Route 31 Free Summer Shuttle that connects La Pine and Sunriver?

- Roughly, 2/3 of employee and public participants were aware of the service.
- For the general public survey, social media was the main way in which they heard about the service (50%).



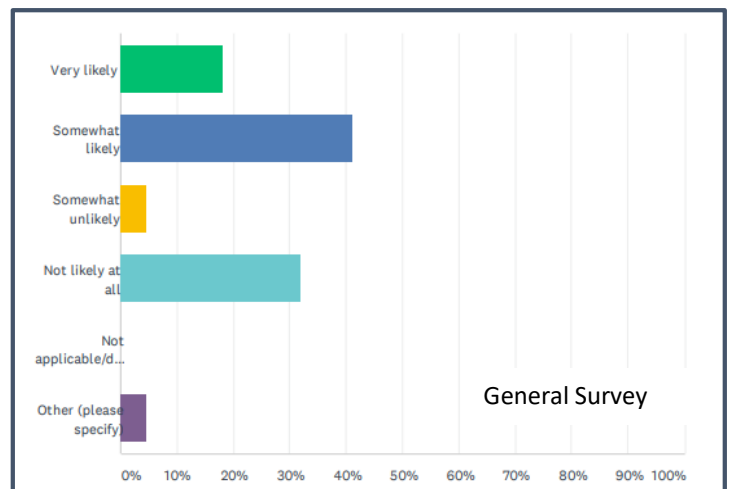
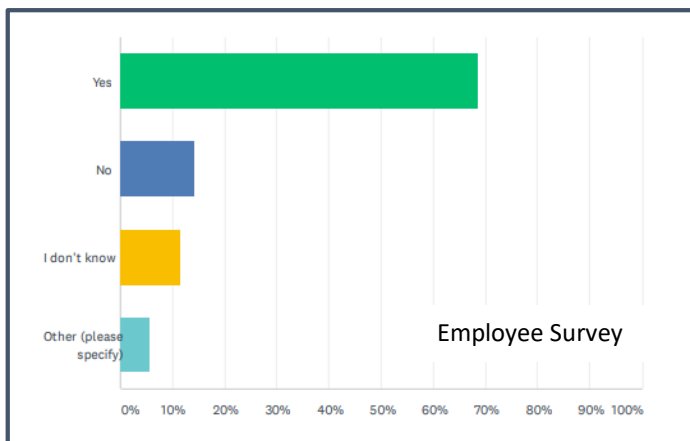
Question 3 – If you rode Route 31, what types of trips did you make?

- 72% of employees responded that they did not use the shuttle. Those that did ride Route 31 used it for work, errands, and visiting friends/family.
- For the general public survey, 67% responded that they did not use the Route 31 service. 24% used the service to go to work, 14% visited friends/family, and one used the service to get to work. For the “other” category, one respondent indicated that they used the service for shopping and another used the service to go to dinner. Respondents were allowed to select multiple answer choices.



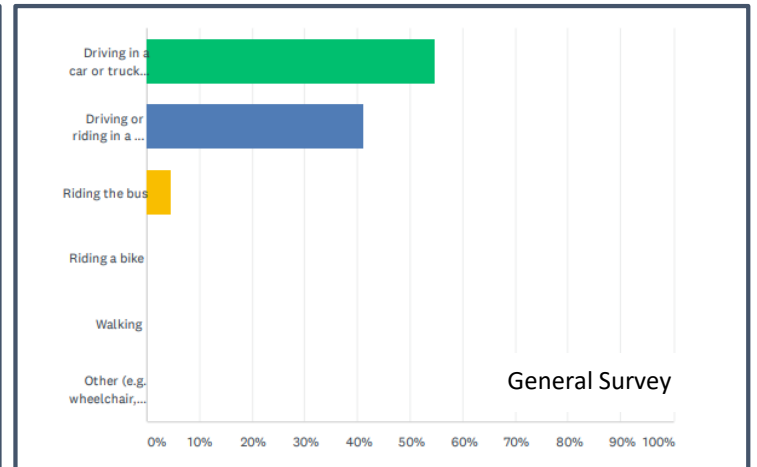
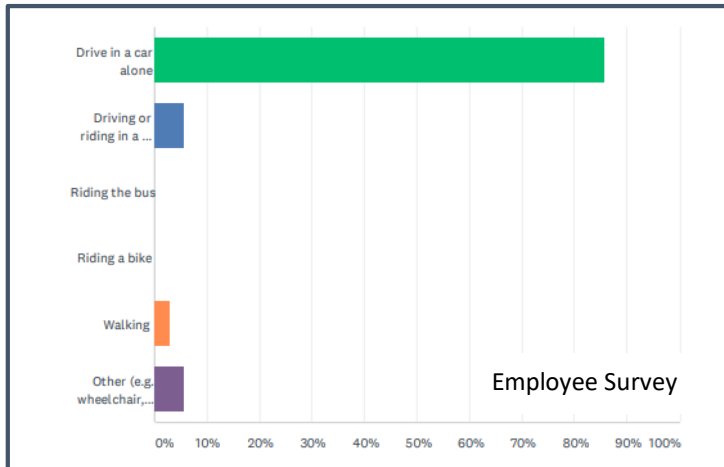
Question 4 – Would you consider riding the Free Shuttle more often to get to work or other destinations in La Pine or Sunriver?

- For the employee survey, nearly 70% say they will consider riding the shuttle next year.
- For the general public survey, the responses were similar to the employee survey with 60% very or somewhat likely to ride it. This analysis indicates COVID-19 was likely a big factor for why respondents did not use it this year. More than 2/3 were aware the service existed, 70% would ride it next year, but only a small number utilized the service this year.



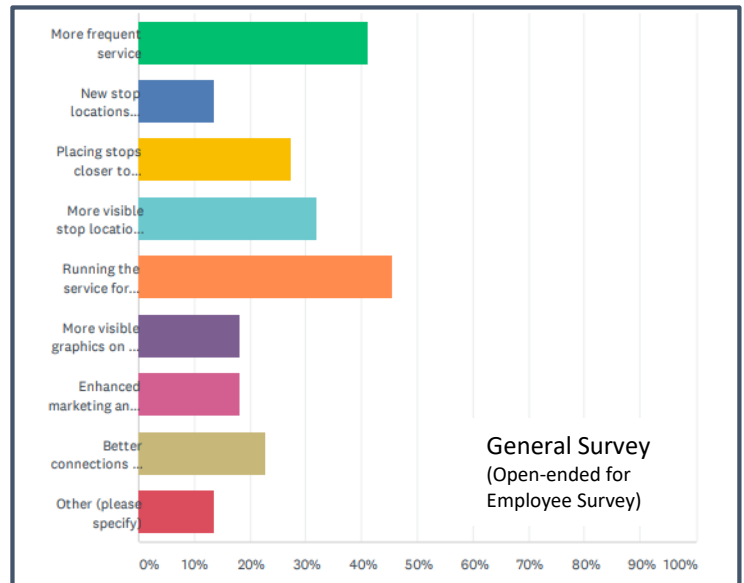
Question 5 – How do you typically travel to and from work?

- Most people are driving or carpooling to destinations; a greater percentage of the general public carpools compared to employees.
- Wheelchair use among the employee sample (2 out of 33 responses)



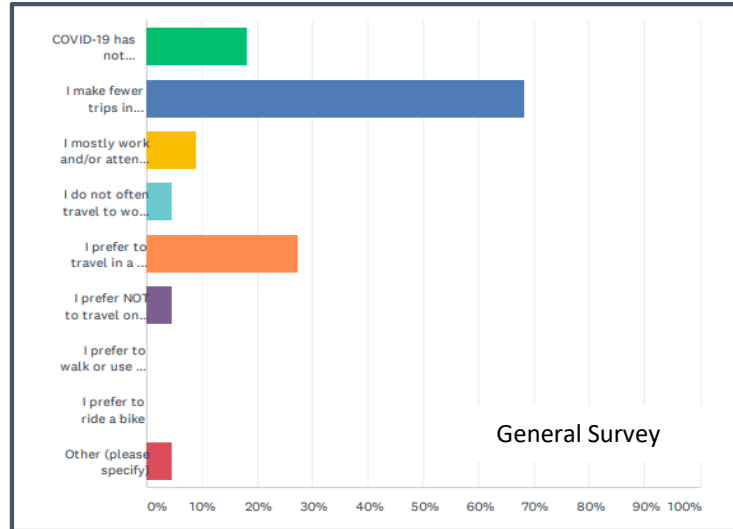
Question 6 – Which of the following Route 31 possible service improvements might encourage you to try it out the shuttle or ride it more often during the summer of 2021?

The most common suggestions for service improvements included running the service for longer periods of time (e.g. before Memorial Day and after Labor Day) and more frequent service. The request for longer periods of service is due in part because many seasonal jobs continue through the end of September. The employee survey included 12 requests for new stop locations (e.g. The Village, Business Park, SHARC, Crosswater/Caldera, Thousand Trails, Sage Springs Gas Station, or the Marina) and three requests to expand the shuttle hours as much as possible—especially earlier in the morning and later in the evenings.



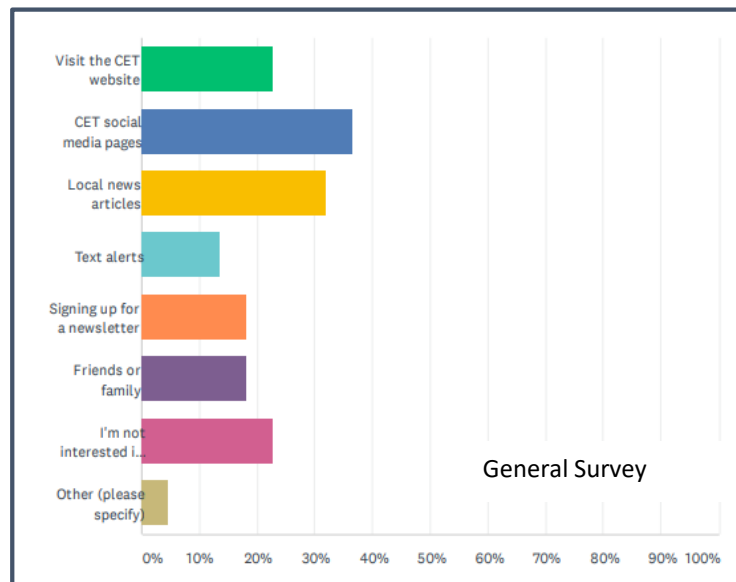
Question 7 – In what ways has COVID-19 affected your travel patterns?

- More than 80% of responses indicated that COVID-19 affected their travel patterns in some way (e.g. making fewer trips or prefer to travel alone or only with friends/family. Respondents were able to select more than one answer choice.



Question 8 – How do you prefer to receive updates about CET's transit services?

- Social media, web, and local news articles are preferred ways people get information about transit.





November 18, 2020

To the Mayor and City Councilors
City of La Pine, Oregon

I have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of City of La Pine for the year ended June 30, 2020. Professional standards require that I provide you with information about my responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of my audit. I have communicated such information in my engagement letter to you dated May 15, 2020. Professional standards also require that I communicate to you the following information related to my audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

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

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the City's financial statements was:

Management's estimate of the City's capital asset values is based on both actual and estimated historical costs. I evaluated the key factors and assumptions used to develop the capital asset valuations in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

I encountered no significant difficulties in dealing with management in performing and completing my audit.

Corrected and Uncorrected Misstatements

Professional standards require me to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to my satisfaction, that could be significant to the financial statements or the auditor's report. I am pleased to report that no such disagreements arose during the course of my audit.

Management Representations

I have requested certain representations from management that are included in the management representation letter dated September 29, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to City of La Pine's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, my professional standards require the consulting accountant to check with me to determine that the consultant has all the relevant facts. To my knowledge, there were no such consultations with other accountants. The arrangement with Brenda and SGA CPAs, which I believe is of great value to the City of LaPine, is not the kind of consulting referred to here, although Brenda and I do discuss accounting principle matters from time to time.

Other Audit Findings or Issues

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

Other Matters

I applied certain limited procedures to management's discussion and analysis, and the major governmental budgetary comparison schedules, which are required supplementary information (RSI) that supplements the basic financial statements. My procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

I was engaged to report on the proprietary funds budgetary comparison schedules, the non-major funds budgetary comparison schedules, and additional supporting schedules, which accompany the financial statements but are not RSI. With respect to the supplementary information accompanying the financial statements, I made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to my audit of the financial statements. I compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Mayor, City Councilors and management of City of La Pine and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Steve Tuchscherer', with a stylized flourish at the end.

Steve Tuchscherer, CPA



L A P I N E

O R E G O N

Annual Financial Report

June 30, 2020

CITY OF LA PINE

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

MAYOR AND CITY COUNCIL

DANIEL RICHER PO Box 2460, La Pine, OR 97739	Mayor
DON GREINER PO Box 2460, La Pine, OR 97739	Council President
COLLEEN SCOTT PO Box 2460, La Pine, OR 97739	Councilor
MIKE SHIELDS PO Box 2460, La Pine, OR 97739	Councilor
CONNIE BRIESE PO Box 2460, La Pine, OR 97739	Councilor
MAX MILLER PO Box 2460, La Pine, OR 97739	Student Councilor
MICHAEL HARPER PO Box 2460, La Pine, OR 97739	Ex-Councilor

CITY ADMINISTRATION

BRENDA BARTLETT, SGA CPA & CONSULTANTS 499 SW Upper Terrace Drive, Bend, OR 97702	Finance Manager
MELISSA BETHEL PO Box 2460, La Pine, OR 97739	City Manager

CITY OF LA PINE

AUDIT REPORT

June 30, 2020

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-10
BASIC FINANCIAL STATEMENTS:	
<u>Government-wide Financial Statements:</u>	
Statement of Net Position	11
Statement of Activities	12
<u>Governmental Fund Financial Statements:</u>	
Balance Sheet - Governmental Funds	13
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	14
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities	16
<u>Proprietary Fund Financial Statements:</u>	
Statement of Net Position - Proprietary Funds	17
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	18
Statement of Cash Flows - Proprietary Funds	19
<u>Notes To The Basic Financial Statements:</u>	20-33
REQUIRED SUPPLEMENTARY INFORMATION:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
General Fund	34
Streets Fund	35
Community Development Fund	36
Urban Renewal Agency Fund	37

CITY OF LA PINE

AUDIT REPORT

June 30, 2020

TABLE OF CONTENTS (Cont.)

OTHER SUPPLEMENTARY DATA:	<u>PAGE</u>
<u>Combining Schedules:</u>	
Combining Balance Sheet - General and Cemetery Funds	38
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - General and Cemetery Funds	39
<u>Non-Major Special Revenue Funds:</u>	
Combining Balance Sheet	40
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	41
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
Tourism Fund	42
Industrial/Economic Development Fund	43
Cemetery Fund	44
<u>Proprietary Funds:</u>	
Combining Statement of Net Position - Water and Debt Reserve Funds	45
Combining Statement of Revenues, Expenses and Changes in Net Position - Water and Debt Reserve Funds	46
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	
Water Fund	47
Sewer Fund	48
SDC Fund	49
Water/Sewer Reserve Fund	50
Debt Reserve Fund	51
<u>Additional Supporting Schedules:</u>	
Schedule of Long Term Debt Transactions & Future Requirements	52-54
ACCOMPANYING INFORMATION:	
Independent Auditor's Report Required by Oregon State Regulations	55



INDEPENDENT AUDITOR'S REPORT

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

I 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 as of and for the year ended June 30, 2020 which collectively comprise the 's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions

Opinions

In my 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 as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-10, the schedules of revenues, expenditures and changes in fund balances – budget and actuals on pages 34-37. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

I have applied certain limited procedures to the management's discussion and analysis and the pension schedules in accordance with the auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of La Pine's basic financial statements. The schedules of revenues, expenditures and changes in fund balances – budget and actuals described above on pages 34-37 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The schedules of revenues, expenditures and changes in fund balances – budget and actuals have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedules of revenues, expenditures and changes in fund balances – budget and actuals are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of La Pine's basic financial statements. The other supplementary data on pages 38-54 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City of La Pine .

The other supplementary data on pages 38-54 are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, other supplementary data is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued our report dated November 18, 2020, on our consideration of the City of La Pine's internal control over financial reporting and on our tests of 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 an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of La Pine's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, I have issued my report dated November 18, 2020, on my consideration of the 's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of my testing of compliance and the results of that testing and not to provide an opinion on the 's compliance.



Steve Tuchscherer, CPA
November 18, 2020

MANAGEMENT'S DISCUSSION
AND ANALYSIS

BASIC FINANCIAL
STATEMENTS

Government – Wide
Financial Statements

CITY OF LA PINE

STATEMENT OF NET POSITION

For the Fiscal Year Ended June 30, 2020

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS:</u>			
Current Assets:			
Cash and Investments	\$ 3,037,786	\$ 6,096,246	\$ 9,134,032
Account Receivables - Net	96,182	269,773	365,955
Property Taxes Receivable	11,485	-	11,485
Inventory	470	18,446	18,916
Total Current Assets	<u>3,145,923</u>	<u>6,384,465</u>	<u>9,530,388</u>
Non-Current Assets:			
Restricted Cash	-	193,503	193,503
Capital Assets:			
Land	321,528	831,268	1,152,796
Intangible Assets	-	24,514	24,514
Construction in Progress	13,058	1,827,382	1,840,440
Infrastructure	6,617,873	10,566,726	17,184,599
Buildings & Improvements	588,673	376,265	964,938
Equipment & Vehicles	109,240	493,985	603,225
Other Capital Assets	-	43,000	43,000
Less: Accumulated Depreciation	<u>(5,094,068)</u>	<u>(9,194,738)</u>	<u>(14,288,806)</u>
Total Capital Assets, Net of Depreciation	<u>2,556,304</u>	<u>4,968,402</u>	<u>7,524,706</u>
Total Assets	<u>\$ 5,702,227</u>	<u>\$ 11,546,370</u>	<u>\$ 17,248,597</u>
<u>LIABILITIES:</u>			
Current Liabilities:			
Accounts Payable	\$ 35,320	\$ 87,111	\$ 122,431
Customer Deposits	4,500	38,005	42,505
Payroll Liabilities	14,699	9,760	24,459
Unearned Revenue	11,265	-	11,265
Interest Payable	1,582	3,714	5,296
Retirement Benefits Payable	-	97	97
Current Portion of Long-Term Liabilities	<u>25,000</u>	<u>145,873</u>	<u>170,873</u>
Total Current Liabilities	92,366	284,560	376,926
Long-Term Liabilities:			
Noncurrent Portion of Long-Term Liabilities	<u>325,000</u>	<u>2,280,918</u>	<u>2,605,918</u>
Total Long-Term Liabilities	<u>325,000</u>	<u>2,280,918</u>	<u>2,605,918</u>
Total Liabilities	<u>\$ 417,366</u>	<u>\$ 2,565,478</u>	<u>\$ 2,982,844</u>
<u>NET POSITION:</u>			
Net Investment in Capital Assets	\$ 2,206,304	\$ 2,541,611	\$ 4,747,915
Restricted for:			
Highways & Streets	1,016,322	-	1,016,322
Capital Projects	-	4,454,632	4,454,632
Urban Renewal	307,302	-	307,302
Tourism	225,866	-	225,866
Unrestricted	<u>1,529,067</u>	<u>1,984,649</u>	<u>3,513,716</u>
Total Net Position	<u>\$ 5,284,862</u>	<u>\$ 8,980,892</u>	<u>\$ 14,265,754</u>

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

CITY OF LA PINE

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2020

	<u>(Expenses)</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Change in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
<u>GOVERNMENTAL ACTIVITIES:</u>					
General Government	\$ 345,467	\$ 14,292	\$ 11,843	\$ -	\$ (319,332)
Highway and Streets	412,803	-	-	-	(412,803)
Tourism	74,871	-	209	-	(74,662)
Planning	161,729	118,309	12,650	-	(30,770)
Urban Renewal	13,629	-	-	-	(13,629)
Interest on Long-Term Debt	19,372	-	-	-	(19,372)
Total Governmental Activities	\$1,027,871	\$ 132,601	\$ 24,702	\$ -	\$ (870,568)
<u>BUSINESS-TYPE ACTIVITIES:</u>					
Water Utilities	\$ 585,944	\$ 889,917	\$ -	\$ -	\$ 303,973
Sewer Utilities	430,373	981,399	-	77,719	628,745
Interest on Long-Term Debt	64,452	-	-	-	(64,452)
Total Business-type Activities	\$1,080,769	\$1,871,316	\$ -	\$ 77,719	\$ 868,266
Total Primary Government	\$2,108,640	\$2,003,917	\$ 24,702	\$ 77,719	\$ (2,302)
			<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<u>CHANGES IN NET POSITION:</u>					
Net (expense) revenue			\$ (870,568)	\$ 868,266	\$ (2,302)
General Revenues:					
Property Taxes, Levied for General Purposes			447,314	-	447,314
Transient Room Tax			146,996	-	146,996
Intergovernmental Tax Turnovers			292,781	-	292,781
Franchise Taxes			277,562	-	277,562
Interest and Investment Earnings			27,235	58,982	86,217
Other Revenue			68,351	12,700	81,051
Total General Revenues and Transfers			1,260,239	71,682	1,331,921
Change in Net Position			389,671	939,948	1,329,619
Net Position, July 1, 2019			4,895,191	8,040,944	12,936,135
Net Position, June 30, 2020			\$ 5,284,862	\$ 8,980,892	\$ 14,265,754

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

BASIC FINANCIAL
STATEMENTS

Governmental Fund
Financial Statements

CITY OF LA PINE

BALANCE SHEET

GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2020

	Component Unit					Total Governmental Funds
	General Fund	Street Fund	Community Development Fund	Urban Renewal Agency Fund	Other Governmental Funds	
ASSETS:						
Cash and Investments	\$ 1,225,045	\$ 1,020,563	\$ 204,060	\$ 306,536	281,582	\$ 3,037,786
Receivables:						
Accounts	71,969	8,002	-	-	10,986	90,957
Business License	5,225	-	-	-	-	5,225
Property Tax	8,755	-	-	2,730	-	11,485
Inventory	-	470	-	-	-	470
Total Assets	\$ 1,310,994	\$ 1,029,035	\$ 204,060	\$ 309,266	\$ 292,568	\$ 3,145,923
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:						
Liabilities:						
Accounts Payable	\$ 14,420	\$ 11,007	\$ 9,893	\$ -	\$ -	\$ 35,320
Payroll Payable	10,988	1,236	2,475	-	-	14,699
Deposits Payable	4,500	-	-	-	-	4,500
Unearned Revenue	11,265	-	-	-	-	11,265
Total Liabilities	41,173	12,243	12,368	-	-	65,784
Deferred Inflows of Resources:						
Delinquent Property Tax Revenue Not Available	6,179	-	-	1,964	-	8,143
Total Deferred Inflows of Resources	6,179	-	-	1,964	-	8,143
Fund Balances:						
Nonspendable	-	470	-	-	-	470
Restricted for:						
Highways and Streets	-	1,016,322	-	-	-	1,016,322
Urban Renewal	-	-	-	307,302	-	307,302
Tourism	-	-	-	-	225,866	225,866
Committed for:						
Cemetery Maintenance	27,629	-	-	-	-	27,629
Community Development	-	-	191,694	-	66,702	258,396
Assigned for:						
Appropriated Ending Fund Balance	679,616	-	-	-	-	679,616
Unassigned	556,395	-	-	-	-	556,395
Total Fund Balances	1,263,640	1,016,792	191,694	307,302	292,568	3,071,996
Total Liabilities, Deferred Inflows of Resources & Fund Balances	\$ 1,310,992	\$ 1,029,035	\$ 204,062	\$ 309,266	\$ 292,568	\$ 3,145,923

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

CITY OF LA PINE

Reconciliation of the Balance Sheet to the Statement of Net Position - Governmental Funds For the Fiscal Year Ended June 30, 2020

Total Fund Balances - Governmental Funds \$ 3,071,996

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

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

The cost of the assets is -	\$ 7,650,372	
The accumulated depreciation is -	<u>(5,094,068)</u>	
Net Value of Assets		2,556,304

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

Property Taxes	8,143
----------------	-------

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. (350,000)

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

Accrued Interest	<u>(1,582)</u>
------------------	----------------

Net Position of Governmental Activities **\$ 5,284,861**

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

CITY OF LA PINE

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

GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2020

	<u>Component Unit</u>					<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Street Fund</u>	<u>Community Development Fund</u>	<u>Urban Renewal Agency Fund</u>	<u>Other Governmental Funds</u>	
<u>REVENUES:</u>						
Taxes and Assessments	\$ 334,991	\$ -	\$ -	\$ 111,509	\$ -	\$ 446,500
Intergovernmental	152,322	140,459	-	-	-	292,781
Franchise Taxes	277,562	-	-	-	-	277,562
Licenses & Permits	11,007	-	-	-	-	11,007
Transient Room Tax	41,332	-	-	-	105,664	146,996
Charges for Service	3,285	-	103,841	-	14,468	121,594
Investment Revenue	10,946	10,389	1,640	2,452	1,808	27,235
Grants	11,843	-	-	-	12,859	24,702
Miscellaneous and Other Revenue	39,454	-	-	-	28,897	68,351
Total Revenues	882,742	150,848	105,481	113,961	163,696	1,416,728
<u>EXPENDITURES:</u>						
Current Operating:						
General Government	318,815	-	-	-	-	318,815
Cemetery Services	1,618	-	-	-	-	1,618
Highway and Streets	-	163,653	-	-	-	163,653
Tourism	-	-	-	-	72,770	72,770
Community Development	-	-	111,525	-	50,204	161,729
Urban Renewal	-	-	-	13,629	-	13,629
Debt Service:	44,536	-	-	-	-	44,536
Capital Outlay	17,003	43,608	-	-	-	60,611
Total Expenditures	381,972	207,261	111,525	13,629	122,974	837,361
Excess (Deficiency) of Revenues Over Expenditures	500,770	(56,413)	(6,044)	100,332	40,722	579,367
<u>OTHER FINANCING SOURCES (USES):</u>						
Interfund Transfers In	-	-	63,000	-	-	63,000
Interfund Transfers (Out)	(63,000)	-	-	-	-	(63,000)
Total Other Financing Sources/(Uses)	(63,000)	-	63,000	-	-	-
Net Change in Fund Balances	437,770	(56,413)	56,956	100,332	40,722	579,367
Fund Balances, July 1, 2019	825,870	1,073,205	134,738	206,970	251,846	2,492,629
Fund Balances, June 30, 2020	\$ 1,263,640	\$ 1,016,792	\$ 191,694	\$ 307,302	\$ 292,568	\$ 3,071,996

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

CITY OF LA PINE

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

For the Fiscal Year Ended June 30, 2020

Net Changes in Fund Balances - Total Governmental Funds \$ 579,367

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

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

Expenditures for capitalized assets	\$ 57,003	
Less current year depreciation	<u>(272,677)</u>	
		(215,674)

Some revenues will not be collected for several months after the City's fiscal year end and are therefore not considered "available" revenues in the governmental funds, instead these funds are shown as deferred revenue. However, these funds are recorded as revenue in the Statement of Activities.

The changes in amounts deferred are as follows:

Property Taxes	814
----------------	-----

Expense accruals in the governmental funds do not include all accrued interest expense payable. The change in payables from the prior year to the current year is reconciled here.

164

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

Retirement of debt principal	25,000
------------------------------	--------

Change in Net Position of Governmental Activities **\$ 389,671**

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

BASIC FINANCIAL
STATEMENTS

Proprietary Fund
Financial Statements

CITY OF LA PINE

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

For the Fiscal Year Ended June 30, 2020

	Water Funds	Sewer Fund	Water/ Sewer Reserve Fund	SDC Fund	Total Proprietary Funds
<u>ASSETS:</u>					
Current Assets:					
Cash and Investments	\$ 1,009,643	\$ 663,633	\$ 1,864,475	\$ 2,558,495	\$ 6,096,246
Accounts Receivable - Net	91,600	146,511	-	31,662	269,773
Inventory	17,617	829	-	-	18,446
Total Current Assets	1,118,860	810,973	1,864,475	2,590,157	6,384,465
Non-Current Assets:					
Restricted Cash	193,503	-	-	-	193,503
Capital Assets:					
Land	33,500	797,768	-	-	831,268
Intangible Assets	24,514	-	-	-	24,514
Construction in Progress	611,288	1,216,094	-	-	1,827,382
Infrastructure	5,651,572	4,915,154	-	-	10,566,726
Buildings & Improvements	219,953	156,312	-	-	376,265
Equipment & Vehicles	157,938	336,047	-	-	493,985
Other Capital Assets	22,500	20,500	-	-	43,000
Less: Accumulated Depreciation	(4,818,202)	(4,376,536)	-	-	(9,194,738)
Total Capital Assets, Net of Depreciation	1,903,063	3,065,339	-	-	4,968,402
Total Assets	3,215,426	3,876,312	1,864,475	2,590,157	11,546,370
<u>LIABILITIES:</u>					
Current Liabilities:					
Accounts Payable	80,522	6,589	-	-	87,111
Interest Payable	3,714	-	-	-	3,714
Customer Deposits	38,005	-	-	-	38,005
Payroll Liabilities	4,880	4,880	-	-	9,760
Retirement Benefits Payable	97	-	-	-	97
Current Portion of Long-Term Obligations	145,873	-	-	-	145,873
Total Current Liabilities	273,091	11,469	-	-	284,560
Long-Term Obligations	1,710,946	569,972	-	-	2,280,918
Total Long-Term Liabilities	1,710,946	569,972	-	-	2,280,918
Total Liabilities	1,984,037	581,441	-	-	2,565,478
<u>NET POSITION:</u>					
Net Investment in Capital Assets	46,244	2,495,367	-	-	2,541,611
Restricted for:					
Capital Projects	-	-	1,864,475	2,590,157	4,454,632
Unrestricted	1,185,145	799,504	-	-	1,984,649
Total Net Position	\$ 1,231,389	\$ 3,294,871	\$ 1,864,475	\$ 2,590,157	\$ 8,980,892

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

CITY OF LA PINE

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

PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2020

	Water Funds	Sewer Fund	Water/ Sewer Reserve Fund	SDC Fund	Total Proprietary Funds
<u>OPERATING REVENUES:</u>					
Charges for Services & Fees	\$ 696,974	\$ 729,849	\$ -	\$ -	\$ 1,426,823
SDC Income	-	-	-	444,493	444,493
Micellaneous & Other Income	3,200	9,500	-	-	12,700
Total Revenues	700,174	739,349	-	444,493	1,884,016
<u>OPERATING EXPENSES:</u>					
Personnel Services	164,865	164,962	-	-	329,827
Materials and Supplies	121,601	214,072	-	-	335,673
Depreciation Expense	299,478	153,909	-	-	453,386
Total Operating Expenses	585,944	532,943	-	-	1,118,887
Income (Loss) from Operations	114,230	206,406	-	444,493	765,129
<u>NON-OPERATING REVENUES (EXPENSES):</u>					
Intergovernmental- Grants	-	77,719	-	-	77,719
Investment Revenue	9,045	9,032	15,275	25,630	58,982
Interest Expense	(46,903)	(17,549)	-	-	(64,452)
Special Payments	-	(2,611)	-	-	(2,611)
Recovered Prior Year Interest Expense	-	105,181	-	-	105,181
Total Non-Operating Rev. (Exp.)	(37,858)	171,772	15,275	25,630	174,819
Income before Transfers	76,372	378,178	15,275	470,123	939,948
<u>TRANSFERS:</u>					
Transfers from Other Funds	550,000	-	315,000	-	865,000
Transfers to Other Funds	(176,000)	(315,000)	-	(374,000)	(865,000)
Changes in Net Position	450,372	63,178	330,275	96,123	939,948
Net Position, July 1, 2019	781,017	3,231,693	1,534,200	2,494,034	8,040,944
Net Position, June 30, 2020	\$ 1,231,389	\$ 3,294,871	\$ 1,864,475	\$ 2,590,157	\$ 8,980,892

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

CITY OF LA PINE

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2020

	Water Funds	Sewer Fund	Water/Sewer Reserve Fund	SDC Fund	Total Proprietary Funds
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>					
Cash Received from User Charges	\$ 682,498	\$ 710,755	\$ -	\$ 313,979	\$ 1,707,232
Cash Payments for Employee Services	(163,973)	(164,166)	-	-	(328,139)
Cash Payments to Suppliers	(138,882)	(219,425)	-	-	(358,307)
Net Cash Provided (Used) by Operating Activities	379,643	327,164	-	313,979	1,020,786
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</u>					
Transfer from Other Funds	550,000	-	315,000	111,890	976,890
Transfer to Other Funds	(176,000)	(426,890)	-	(374,000)	(976,890)
Net Cash Provided (Used) by Non-Capital Financing Activities	374,000	(426,890)	315,000	(262,110)	-
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>					
Proceeds from Collection of Grants & Other Non-Operating Revenue	-	77,719	-	-	77,719
Special Payments	-	(2,611)	-	-	(2,611)
Acquisition of Capital Assets	(397,407)	(174,899)	-	-	(572,306)
Principal Paid on Long Term Debt	(145,873)	-	-	-	(145,873)
Interest Paid on Long Term Debt	(47,194)	-	-	-	(47,194)
Net Cash Provided (Used) by Capital and Related Financing Activities	(590,474)	(99,791)	-	-	(690,265)
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>					
Investment Income	9,045	9,032	15,275	25,630	58,982
Net Cash Provided (Used) by Investing Activities	9,045	9,032	15,275	25,630	58,982
Cash and Cash Equivalents at July 1, 2019	837,430	854,118	1,534,200	2,480,996	5,706,744
Cash and Cash Equivalents at June 30, 2020	\$ 1,009,644	\$ 663,633	\$ 1,864,475	\$ 2,558,495	\$ 6,096,246
<u>RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS</u>					
<u>TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u>					
Income from Operations	\$ 114,230	\$ 206,406	\$ -	\$ 444,493	\$ 765,129
Adjustments to Reconcile Income from Operations to Net Cash Provided by Operating Activities:					
Depreciation	299,478	153,909	-	-	453,386
Revenues Collected by Agent, Not Received	-	-	-	(111,890)	(111,890)
Change in Assets and Liabilities:					
Decrease (Increase) in Accounts Receivable	(12,959)	(28,594)	-	(18,624)	(60,177)
Inventory	1,218	810	-	-	2,028
Increase (Decrease) in Customer Deposits	(4,717)	-	-	-	(4,717)
Increase (Decrease) in Payables	(17,607)	(5,367)	-	-	(22,974)
Net Cash Provided (Used) by Operating Activities	\$ 379,643	\$ 327,164	\$ -	\$ 313,979	\$ 1,020,786
Non Cash Transactions:					
Related to Notes Payable - Deschutes County					
SDC Fees Paid to County and Applied to Note Payable	\$ -	\$ -	\$ -	\$ 111,890	\$ 111,890
Interest Paid from SDCs Collected by County	-	(17,549)	-	-	(17,549)
Payments on Loan from SDCs Collected by County	-	(94,341)	-	-	(94,341)
Total Non-Cash Transactions	\$ -	\$ (111,890)	\$ -	\$ 111,890	\$ -

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

BASIC FINANCIAL
STATEMENTS

Notes to the Basic
Financial Statements

CITY OF LA PINE

Notes to the Basic Financial Statements

June 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

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

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

Reporting Entity

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

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

Basis of Presentation

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

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

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

CITY OF LA PINE

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Basis of Presentation (Cont.)

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

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

General Fund - The General Fund is the main operating fund of the City. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

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

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

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

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

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

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

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

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

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

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

CITY OF LA PINE

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Basis of Presentation (Cont.)

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

Measurement Focus/Basis of Accounting

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

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

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

CITY OF LA PINE
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Budgeting

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

Cash and Investments

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

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

Accumulated Compensated Absences

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

Receivables

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

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

CITY OF LA PINE
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Deferred Inflows/Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has no deferred outflows at year end.

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

Inventory

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

Long-Term Debt

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

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

CITY OF LA PINE
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Capital Assets

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

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

The estimated useful lives are as follows:

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

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

Use of Estimates

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

Equity Classifications:

Government-wide Statements

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

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

The City’s policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. At June 30, 2020, \$6,004,122 was restricted for enabling legislation.

CITY OF LA PINE

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Equity Classifications (Cont.):

Fund Financial Statements

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

- Nonspendable: This classification includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. The City's nonspendable resources as of June 30, 2020 include inventory and prepaid expenses.
- Restricted: This classification includes fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The City has restricted funds for various projects that are to be used for governmental purposes.
- Committed: This classification includes fund balance amounts that are constrained for specific purpose that are internally imposed by the government through resolution of the highest level of decision-making authority, the City Council, and does not lapse at year-end. The City has committed resources for various projects and purposes.
- Assigned: This classification includes fund balance amounts that are intended to be used for specific purposes that are neither restricted nor committed. This intent can be expressed by the City Council or through delegating this responsibility to selected staff members or through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned: This classification includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories, and negative fund balances of other governmental funds.

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

Property Taxes

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

Inter-Fund Transactions

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

CITY OF LA PINE
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

CASH AND INVESTMENTS:

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

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

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

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

As of June 30, 2020, the reported amount of the City's deposits was \$9,327,536 and the bank balance was \$8,891,428. Of the bank balance, the entire amount was insured by the FDIC or covered by the collateral held in a multiple financial institutions collateral pool administered by the Oregon State Treasurer.

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

Credit Risk - Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. As of June 30, 2020, the City had no investments.

Concentration of Credit Risk - An increased risk of loss occurs as more investments are acquired from one issuer. This results in a concentration of credit risk. The City places no limit on the amount that may be invested in any one issuer. There were no investments as of June 30, 2020.

CITY OF LA PINE
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

CAPITAL ASSETS:

The following is a summary of capital asset activity for the fiscal year ended June 30, 2020:

Depreciable Assets Schedule
For the Fiscal Year Ended June 30, 2020

Governmental Activities	<u>Beginning Balances</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balances</u>
Assets not being depreciated:				
Land	\$ 321,528	\$ -	\$ -	\$ 321,528
Construction in Progress	-	13,058	-	13,058
Total	321,528	13,058	-	334,586
Assets being depreciated:				
Building and Building Improvement	588,673	-	-	588,673
Machinery and Equipment	65,295	43,945	-	109,240
Infrastructure	6,617,873	-	-	6,617,873
Total Depreciable Assets	7,271,841	43,945	-	7,315,786
Less: Accumulated Depreciation				
Building and Building Improvement	82,399	15,878	-	98,277
Machinery and Equipment	27,992	11,974	-	39,966
Infrastructure	4,711,000	244,825	-	4,955,824
Total Accumulated Depreciation	4,821,390	272,677	-	5,094,068
Net Value of Capital Assets Being Depreciated	<u>2,450,451</u>	<u>(228,732)</u>	<u>-</u>	<u>2,221,718</u>
Total Governmental Activities -- Net Value of Capital Assets	<u>\$ 2,771,979</u>	<u>\$ (215,674)</u>	<u>\$ -</u>	<u>\$ 2,556,304</u>
Depreciation expense was charged to the functions of governmental activities as follows:				
General Government		\$ 21,426		
Public Works		249,150		
Tourism		2,101		
Total Depreciation Expense		<u>\$ 272,677</u>		

CITY OF LA PINE

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

CAPITAL ASSETS (Cont.):

Business-Type Activities	<u>Beginning Balances</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balances</u>
Assets not being depreciated:				
Land	\$ 831,268	\$ -	\$ -	\$ 831,268
Construction in Progress	1,243,539	583,843	-	1,827,382
Intangible Assets	24,514	-	-	24,514
Total	2,099,321	583,843	-	2,683,164
Assets being depreciated:				
Utility Systems	10,566,726	-	-	10,566,726
Building and Building Improvement	376,265	-	-	376,265
Machinery and Equipment	462,121	31,864	-	493,985
Master Plan	43,000	-	-	43,000
Total Depreciable Assets	11,448,112	31,864	-	11,479,976
Less: Accumulated Depreciation				
Utility Systems	8,110,145	415,884	-	8,526,029
Building and Building Improvement	215,491	15,147	-	230,638
Machinery and Equipment	401,026	18,089	-	419,115
Master Plan	14,692	4,300	-	18,992
Total Accumulated Depreciation	8,741,354	453,421	-	9,194,775
Net Value of Capital Assets Being Depreciated	<u>2,706,758</u>	<u>(421,557)</u>	<u>-</u>	<u>2,285,201</u>
Total Business-Type Activities -- Net Value of Capital Assets	<u>\$ 4,806,079</u>	<u>\$ 162,286</u>	<u>\$ -</u>	<u>\$ 4,968,365</u>
Total Net Value of Capital Assets of Primary Government	<u>\$ 7,578,057</u>	<u>\$ (53,388)</u>	<u>\$ -</u>	<u>\$ 7,524,669</u>

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

Water	\$ 299,512
Sewer	<u>153,909</u>
Total Depreciation Expense	<u>\$ 453,421</u>

CITY OF LA PINE

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

LONG-TERM DEBT:

A summary of debt transactions for the year ended June 30, 2020 is as follows:

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

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

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

On March 2, 2020, the City entered into a loan agreement with Oregon Department of Environmental Quality for wastewater improvements. The contract of the loan is for \$1,000,000 and carries an interest rate of 1.10% with a .5% service fee. The City must set up a reserve of \$19,845. Payments are due the first day of February and August beginning February 1, 2022. The City has not received any loan disbursements as of June 30, 2020.

On March 2, 2020, the City entered into an interim loan agreement with Oregon Department of Environmental Quality for wastewater system improvements. The contract of the loan is for \$7,832,500 and carries an interest rate of .69%. The loan is scheduled to be retired in one payment of total principal owed along with interest of \$130,238 on December 31, 2022. The City has not received any loan disbursements as of June 30, 2020.

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

<u>Governmental Long-Term Debt</u>	Outstanding Balance July 1, 2019	New Issues	Principal Paid	Interest Paid	Outstanding Balance June 30, 2020	Due Within One Year
Bonds Payable:						
Bank of New York Mellon Certificate of Participation, Series 2011 A	\$ 375,000	\$ -	\$ 25,000	\$ 19,536	\$ 350,000	\$ 25,000
Total Bonds Payable	375,000	-	25,000	19,536	350,000	25,000
Total Governmental Long-Term Debt	\$ 375,000	\$ -	\$ 25,000	\$ 19,536	\$ 350,000	\$ 25,000
<u>Business-Type Long-Term Debt</u>						
Bonds Payable:						
City of La Pine Water Revenue Refunding Bond, Series 2016	\$ 2,002,692	\$ -	\$ 145,873	\$ 47,195	\$ 1,856,819	\$ 145,873
Total Bonds Payable	2,002,692	-	145,873	47,195	1,856,819	145,873
Notes from Direct Borrowings:						
Sewer System Expansion Loan	\$ 769,494	\$ (105,181)	94,341	\$ 17,549	\$ 569,972	\$ -
DEQ Wastewater Improvement Loan	-	-	-	-	-	-
DEQ Wastewater Improvement Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Notes from Direct Borrowings	769,494	(105,181)	94,341	17,549	569,972	-
Total Business-Type Long-Term Debt	\$ 2,772,186	\$ (105,181)	\$ 240,214	\$ 64,744	\$ 2,426,791	\$ 145,873

CITY OF LA PINE

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

LONG-TERM DEBT (Cont.):

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

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

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

Governmental Activities

Due Fiscal Year Ending June 30,	Bonds Payable		
	Principal	Interest	Total
2021	\$ 25,000	\$ 18,442	\$ 43,442
2022	25,000	17,239	42,239
2023	25,000	15,926	40,926
2024	30,000	14,483	44,483
2025	30,000	12,908	42,908
2026 - 2030	175,000	37,412	212,412
2031 - 2035	40,000	1,140	41,140
Total	<u>\$ 350,000</u>	<u>\$ 117,550</u>	<u>\$ 467,550</u>

Business-Type Activities

Due Fiscal Year Ending June 30,	Bonds Payable		
	Principal	Interest	Total
2021	\$ 149,395	\$ 43,673	\$ 193,068
2022	153,002	40,066	193,068
2023	156,696	36,372	193,068
2024	160,479	32,588	193,068
2025	164,354	28,714	193,068
2026 - 2030	883,244	82,095	965,339
2031 - 2035	189,647	3,421	193,068
Total	<u>\$ 1,856,819</u>	<u>\$ 266,927</u>	<u>\$ 2,123,745</u>

CITY OF LA PINE
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

LONG-TERM DEBT (Cont.):

The City has no unused lines of credit.

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

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

DEFERRED COMPENSATION AND DEFINED CONTRIBUTION PLAN:

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

The City also offers its employees retirement benefits under Internal Revenue Code Section 401 (a). The Plan, available to all City employees with at least three months of continuous employment, provides for employer contributions up to 6% of employee wages. The employer's share of contributions paid for the year ended June 30, 2020 was \$20,770.

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

OTHER POST-EMPLOYMENT BENEFITS (OPEB):

Plan Description

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

CONTINGENT LIABILITIES:

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

RISK MANAGEMENT:

There is exposure to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters.

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

CITY OF LA PINE

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

RISK MANAGEMENT (Cont.):

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

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

INTERFUND TRANSFERS:

Interfund transfers for the year ended June 30, 2020 were as follows:

	Transfers Out	Transfers In
General Fund	\$ 63,000	\$ -
Community Development Fund	-	63,000
Reserve Fund	-	315,000
SDC Fund #41	374,000	-
Water Fund	176,000	550,000
Sewer Fund	315,000	-
Total	<u>\$ 928,000</u>	<u>\$ 928,000</u>

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

COMMITMENTS:

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

SUBSEQUENT EVENT:

On March 11, 2020, the World Health Organization declared a world-wide pandemic related to COVID-19 coronavirus. The pandemic continues to cause significant disruption to the United States economy. Tax collections in the state of Oregon, including highway tax revenues, have been impacted. We consider potential future impacts on property tax collections to be possible as homeowners continue to face economic uncertainty. The future impact of the pandemic on the City's operations is unknown as of the date of this report

REQUIRED
SUPPLEMENTARY
INFORMATION

CITY OF LA PINE

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

GENERAL FUND

For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Budgetary Basis) (See Note 1)	with Final Budget Over (Under)
<u>REVENUES:</u>				
Property Taxes and Assessments	\$ 317,000	\$ 317,000	\$ 334,991	\$ 17,991
Motel Tax	39,000	39,000	41,332	2,332
State Revenue Sharing	91,100	91,100	152,322	61,222
Franchise Taxes	200,000	200,000	277,562	77,562
Licenses, Permits and Fees	11,600	11,600	11,007	(593)
Investment Revenue	5,000	5,000	10,946	5,946
Grants	744,835	744,835	11,843	(732,992)
Rents	32,000	32,000	33,308	1,308
Miscellaneous Revenue	5,000	5,000	5,826	826
Total Revenues	1,445,535	1,445,535	879,137	(566,398)
<u>EXPENDITURES:</u>				
General/Administration Program	1,284,862	1,284,862	331,873	(952,989)
Not Allocated to Organizational Unit or Program:				
Debt Service	44,600	44,600	44,536	(64)
Contingency	127,500	127,500	-	(127,500)
Total Expenditures	1,456,962	1,456,962	376,409	(1,080,553)
Excess (Deficiency) of Revenues Over Expenditures	(11,427)	(11,427)	502,728	514,155
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating Transfer (Out)	(318,000)	(318,000)	(63,000)	255,000
Total Other Financing Sources (Uses)	(318,000)	(318,000)	(63,000)	255,000
Net Change in Fund Balance	(329,427)	(329,427)	439,728	769,155
Fund Balance - July 1, 2019	629,427	629,427	796,283	166,856
Fund Balance - June 30, 2020	\$ 300,000	\$ 300,000	\$1,236,011	\$ 936,011

Reconciliation to Governmental Fund Balance as required by GASB #54:

Cemetery Fund Balance

27,629

Total General Fund Balance reported on Balance Sheet

\$ 1,263,640

CITY OF LA PINE

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

STREETS FUND

For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	Original	Final		
	<u>REVENUES:</u>			
State Gas Funds	\$ 115,000	\$ 115,000	\$ 140,459	\$ 25,459
Investment Revenue	-	-	10,389	10,389
Total Revenues	115,000	115,000	150,848	35,848
<u>EXPENDITURES:</u>				
Streets Program	579,112	579,112	207,261	(371,851)
Not Allocated to Organizational Unit or Program:				
Contingency	128,000	128,000	-	(128,000)
Total Expenditures	707,112	707,112	207,261	(499,851)
Excess (Deficiency) of Revenues Over Expenditures	(592,112)	(592,112)	(56,413)	535,699
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating Transfer In	200,000	200,000	-	(200,000)
Total Other Financing Sources (Uses):	200,000	200,000	-	(200,000)
Net Change In Fund Balance	(392,112)	(392,112)	(56,413)	335,699
Fund Balance - July 1, 2019	942,112	942,112	1,073,205	131,093
Fund Balance - June 30, 2020	\$ 550,000	\$ 550,000	\$1,016,792	\$ 466,792

CITY OF LA PINE

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

COMMUNITY DEVELOPMENT FUND

For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with</u>
			<u>(Budgetary Basis)</u>	<u>Final Budget</u>
			<u>(See Note 1)</u>	<u>Over</u>
				<u>(Under)</u>
<u>REVENUES:</u>				
Planning Fees	\$ 80,000	\$ 80,000	\$ 103,841	\$ 23,841
Investment Revenue	-	-	1,640	1,640
Grants	1,000	1,000	-	(1,000)
Total Revenues	81,000	81,000	105,481	24,481
<u>EXPENDITURES:</u>				
Community Development Program	190,943	190,943	111,525	(79,418)
Not Allocated to Organizational Unit or Program:				
Contingency	23,000	23,000	-	(23,000)
Total Expenditures	213,943	213,943	111,525	(102,418)
Excess (Deficiency) of Revenues Over Expenditures	(132,943)	(132,943)	(6,044)	126,899
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating Transfer In	63,000	63,000	63,000	-
Total Other Financing Sources (Uses)	63,000	63,000	63,000	-
Net Change In Fund Balance	(69,943)	(69,943)	56,956	126,899
Fund Balance - July 1, 2019	69,943	69,943	134,738	64,795
Fund Balance - June 30, 2020	\$ -	\$ -	\$ 191,694	\$ 191,694

CITY OF LA PINE

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

URBAN RENEWAL AGENCY

For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Property Taxes - Prior	\$ 112,000	\$ 112,000	\$ 110,348	\$ (1,652)
Property Taxes - Current	-	-	1,161	1,161
Investment Revenue	-	-	2,452	2,452
Total Revenues	112,000	112,000	113,961	1,961
<u>EXPENDITURES:</u>				
Materials and Services	102,141	102,141	13,629	(88,512)
Contingency	25,000	25,000	-	(25,000)
Total Expenditures	127,141	127,141	13,629	(113,512)
Excess (Deficiency) of Revenues Over Expenditures	(15,141)	(15,141)	100,332	115,473
Net Change In Fund Balance	(15,141)	(15,141)	100,332	115,473
Fund Balance - July 1, 2019	165,141	165,141	206,970	41,829
Fund Balance - June 30, 2020	\$ 150,000	\$ 150,000	\$ 307,302	\$ 157,302

OTHER
SUPPLEMENTARY
DATA

Combining Schedules

CITY OF LA PINE

**COMBINING BALANCE SHEET
GENERAL AND CEMETERY FUNDS
For the Fiscal Year Ended June 30, 2020**

	General Fund	Cemetery Fund	Totals
<u>ASSETS:</u>			
Cash and Investments	\$ 1,192,916	\$ 32,129	\$ 1,225,045
Receivables:			
Accounts	71,969	-	71,969
Business License	5,225	-	5,225
Property Tax	8,755	-	8,755
Total Assets	<u>1,278,865</u>	<u>32,129</u>	<u>1,310,994</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</u>			
Liabilities:			
Accounts Payable	14,420	-	14,420
Payroll Payable	10,988	-	10,988
Deposits Payable	-	4,500	4,500
Unearned Revenue	11,265	-	11,265
Total Liabilities	<u>36,673</u>	<u>4,500</u>	<u>41,173</u>
Deferred Inflows of Resources:			
Delinquent Property Tax Revenue Not Available	6,179	-	6,179
Total Deferred Inflows of Resources	<u>6,179</u>	<u>-</u>	<u>6,179</u>
Fund Balances:			
Committed for:			
Cemetery Maintenance	-	27,629	27,629
Appropriated Ending Fund Balance	679,616	-	679,616
Unassigned	556,395	-	556,395
Total Fund Balances	<u>1,236,011</u>	<u>27,629</u>	<u>1,263,640</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 1,278,863</u>	<u>\$ 32,129</u>	<u>\$ 1,310,992</u>

CITY OF LA PINE
**Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance**
GENERAL AND CEMETERY FUNDS
For the Fiscal Year Ended June 30, 2020

	General Fund	Cemetery Fund	Totals
<u>REVENUES:</u>			
Property Taxes and Assessments	\$ 334,991	\$ -	\$ 334,991
Motel Tax	41,332	-	41,332
State Revenue Sharing	152,322	-	152,322
Franchise Taxes	277,562	-	277,562
Licenses, Permits and Fees	11,007	-	11,007
Charges for Service	-	3,285	3,285
Investment Revenue	10,946	-	10,946
Grants	11,843	-	11,843
Rents	33,308	-	33,308
Miscellaneous Revenue	5,826	320	6,146
Total Revenues	879,137	3,605	882,742
<u>EXPENDITURES:</u>			
Current Operating:			
General Government	318,815	1,618	320,433
Debt Service	44,536	-	44,536
Capital Outlay	13,058	3,945	17,003
Total Expenditures	376,409	5,563	381,972
Excess (Deficiency) of Revenues Over Expenditures	502,728	(1,958)	500,770
<u>OTHER FINANCING SOURCES (USES):</u>			
Operating Transfer (Out)	(63,000)	-	(63,000)
Total Other Financing Sources (Uses)	(63,000)	-	(63,000)
Net Change in Fund Balance	439,728	(1,958)	437,770
Fund Balance - July 1, 2019	796,283	29,587	825,870
Fund Balance - June 30, 2020	\$1,236,011	\$ 27,629	\$1,263,640

OTHER
SUPPLEMENTARY
DATA

Non-Major Special
Revenue Funds

CITY OF LA PINE
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2020

	<u>Industrial/ Economic Development Fund</u>	<u>Tourism Fund</u>	<u>Total</u>
<u>ASSETS:</u>			
Cash & Investments	\$ 66,702	\$ 214,880	\$ 281,582
Accounts Receivable	-	10,986	10,986
Total Assets	<u>66,702</u>	<u>225,866</u>	<u>292,568</u>
<u>LIABILITIES:</u>			
Accounts Payable	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES:</u>			
Restricted for:			
Tourism	-	225,866	225,866
Committed for:			
Community Development	<u>66,702</u>	<u>-</u>	<u>66,702</u>
Total Fund Balances	<u>66,702</u>	<u>225,866</u>	<u>292,568</u>
Total Liabilities and Fund Balances	<u>\$ 66,702</u>	<u>\$ 225,866</u>	<u>\$ 292,568</u>

CITY OF LA PINE

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

NON-MAJOR SPECIAL REVENUE FUNDS

For the Fiscal Year Ended June 30, 2020

	Industrial/ Economic Development Fund	Tourism Fund	Total
<u>REVENUES:</u>			
Transient Room Tax	\$ -	\$ 105,664	\$ 105,664
Charges for Services	14,468	-	14,468
Investment Revenue	659	1,149	1,808
Grants	12,650	209	12,859
Other Revenue	28,897	-	28,897
Total Revenues	<u>56,674</u>	<u>107,022</u>	<u>163,696</u>
<u>EXPENDITURES:</u>			
Current Operating:			
Tourism	-	72,770	72,770
Community Development	50,204	-	50,204
Total Expenditures	<u>50,204</u>	<u>72,770</u>	<u>122,974</u>
Net Change In Fund Balances	6,470	34,252	40,722
Fund Balances - July 1, 2019	60,232	191,614	251,846
Fund Balances - June 30, 2020	<u>\$ 66,702</u>	<u>\$ 225,866</u>	<u>\$ 292,568</u>

CITY OF LA PINE

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

TOURISM FUND

For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with</u>
			<u>(Budgetary Basis)</u>	<u>Final Budget</u>
			<u>(See Note 1)</u>	<u>Over</u>
				<u>(Under)</u>
<u>REVENUES:</u>				
Taxes and Assessments	\$ 90,000	\$ 90,000	\$ 105,664	\$ 15,664
Investment Revenue	-	-	1,149	1,149
Grants	201	201	209	8
Total Revenues	90,201	90,201	107,022	16,821
<u>EXPENDITURES:</u>				
Tourism Program	180,410	180,410	72,770	(107,640)
Not Allocated to Organizational Unit or Program:				
Contingency	25,000	25,000	-	(25,000)
Total Expenditures	205,410	205,410	72,770	(132,640)
Net Change In Fund Balance	(115,209)	(115,209)	34,252	149,461
Fund Balance - July 1, 2019	170,209	170,209	191,614	21,405
Fund Balance - June 30, 2020	\$ 55,000	\$ 55,000	\$ 225,866	\$ 170,866

CITY OF LA PINE

**Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
INDUSTRIAL / ECONOMIC DEVELOPMENT FUND
For the Fiscal Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with</u>
			<u>(Budgetary Basis)</u>	<u>Final Budget</u>
			<u>(See Note 1)</u>	<u>Over</u>
				<u>(Under)</u>
<u>REVENUES:</u>				
Industrial Site Leases	\$ 13,000	\$ 13,000	\$ 14,468	\$ 1,468
Industrial Site Sales & Options	5,000	5,000	-	(5,000)
Business Sponsorship	15,000	15,000	12,650	(2,350)
Investment Revenue	-	-	659	659
Miscellaneous	-	-	28,897	28,897
Total Revenues	33,000	33,000	56,674	23,674
<u>EXPENDITURES:</u>				
Industrial/Economic Development Program	94,888	94,888	50,204	(44,684)
Not Allocated to Organizational Unit or Program:				
Contingency	16,000	16,000	-	(16,000)
Total Expenditures	110,888	110,888	50,204	(60,684)
Excess (Deficiency) of Revenues Over Expenditures	(77,888)	(77,888)	6,470	84,358
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating Transfer In	45,000	45,000	-	(45,000)
Total Other Financing Sources (Uses)	45,000	45,000	-	(45,000)
Net Change In Fund Balance	(32,888)	(32,888)	6,470	39,358
Fund Balance - July 1, 2019	32,888	32,888	60,232	27,344
Fund Balance - June 30, 2020	\$ -	\$ -	\$ 66,702	\$ 66,702

CITY OF LA PINE

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

CEMETERY FUND

For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	Original	Final		
<u>REVENUES:</u>				
Plot Sales	\$ 3,500	\$ 3,500	\$ 3,285	\$ (215)
Miscellaneous Revenue	-	-	320	320
Total Revenues	3,500	3,500	3,605	105
<u>EXPENDITURES:</u>				
Cemetery Program	23,767	23,767	5,563	(18,204)
Not Allocated to Organizational Unit or Program:				
Contingency	7,300	7,300	-	(7,300)
Total Expenditures	31,067	31,067	5,563	(25,504)
Excess (Deficiency) of Revenues Over Expenditures	(27,567)	(27,567)	(1,958)	25,609
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating Transfer In	10,000	10,000	-	(10,000)
Total Other Financing Sources (Uses)	10,000	10,000	-	(10,000)
Net Change in Fund Balance	(17,567)	(17,567)	(1,958)	15,609
Fund Balance - July 1, 2019	17,567	17,567	29,587	12,020
Fund Balance - June 30, 2020	\$ -	\$ -	\$ 27,629	\$ 27,629

OTHER
SUPPLEMENTARY
DATA

Proprietary Funds

CITY OF LA PINE
COMBINING STATEMENT OF NET POSITION
WATER AND DEBT RESERVE FUNDS
For the Fiscal Year Ended June 30, 2020

	Water Fund	Debt Reserve Fund	Total Water Funds
<u>ASSETS:</u>			
Current Assets:			
Cash and Investments	\$ 1,009,643	\$ -	\$ 1,009,643
Restricted Cash	-	193,503	193,503
Accounts Receivable - Net	91,600	-	91,600
Inventory	17,617	-	17,617
Total Current Assets	1,118,860	193,503	1,312,363
Capital Assets:			
Land	33,500	-	33,500
Intangible Assets	24,514	-	24,514
Construction in Progress	611,288	-	611,288
Infrastructure	5,651,572	-	5,651,572
Buildings & Improvements	219,953	-	219,953
Equipment & Vehicles	157,938	-	157,938
Other Capital Assets	22,500	-	22,500
Less: Accumulated Depreciation	(4,818,202)	-	(4,818,202)
Total Capital Assets, Net of Depreciation	1,903,063	-	1,903,063
Total Assets	3,021,923	193,503	3,215,426
<u>LIABILITIES:</u>			
Current Liabilities:			
Accounts Payable	80,522	-	80,522
Interest Payable	3,714	-	3,714
Customer Deposits	38,005	-	38,005
Payroll Liabilities	4,880	-	4,880
Retirement Benefits Payable	97	-	97
Current Portion of Long-Term Obligations	145,873	-	145,873
Total Current Liabilities	273,091	-	273,091
Long-Term Obligations	1,710,946	-	1,710,946
Total Long-Term Liabilities	1,710,946	-	1,710,946
Total Liabilities	1,984,037	-	1,984,037
<u>NET POSITION:</u>			
Net Investment in Capital Assets	46,244	-	46,244
Unrestricted	991,642	193,503	1,185,145
Total Net Position	\$ 1,037,886	\$ 193,503	\$ 1,231,389

CITY OF LA PINE
**Combining Statement of Revenues, Expenses,
and Changes in Net Position**
WATER AND DEBT RESERVE FUNDS
For the Fiscal Year Ended June 30, 2020

	Water Fund	Debt Reserve Fund	Total Water Funds
<u>OPERATING REVENUES:</u>			
Charges for Services & Fees	\$ 677,221	\$ -	\$ 677,221
Micellaneous & Other Income	22,953	-	22,953
Total Revenues	700,174	-	700,174
<u>OPERATING EXPENSES:</u>			
Personnel Services	164,865	-	164,865
Materials and Supplies	121,601	-	121,601
Depreciation Expense	299,478	-	299,478
Total Operating Expenses	585,944	-	585,944
Income (Loss) from Operations	114,230	-	114,230
<u>NON-OPERATING REVENUES (EXPENSES):</u>			
Investment Revenue	9,045	-	9,045
Interest Expense	(46,903)	-	(46,903)
Total Non-Operating Rev. (Exp.)	(37,858)	-	(37,858)
Income before Transfers	76,372	-	76,372
<u>TRANSFERS:</u>			
Transfers from Other Funds	550,000	-	550,000
Transfers to Other Funds	(176,000)	-	(176,000)
Changes in Net Position	450,372	-	450,372
Net Position, July 1, 2019	587,514	193,503	781,017
Net Position, June 30, 2020	\$ 1,037,886	\$ 193,503	\$ 1,231,389

CITY OF LA PINE

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

WATER FUND

For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	Original	Final		
<u>REVENUES:</u>				
Charges for Services	\$ 639,000	\$ 639,000	\$ 677,221	\$ 38,221
Licenses, Permits and Fees	8,000	8,000	15,918	7,918
Investment Revenue	-	-	9,045	9,045
Other Revenue	500	500	7,035	6,535
Total Revenues	647,500	647,500	709,219	61,719
<u>EXPENDITURES:</u>				
Water Utility Services Program	2,013,748	2,013,748	762,220	(1,251,528)
Not Allocated to Organizational Unit or Program:				
Debt Service	194,000	194,000	193,068	(932)
Contingency	85,000	85,000	-	(85,000)
Total Expenditures	2,292,748	2,292,748	955,288	(1,337,460)
Excess (Deficiency) of Revenues Over Expenditures	(1,645,248)	(1,645,248)	(246,069)	1,399,179
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating Transfer In	550,000	550,000	550,000	-
Operating Transfer (Out)	-	-	(176,000)	(176,000)
Special Payments	(5,000)	(5,000)	-	5,000
Debt Proceeds	1,000,000	1,000,000	-	(1,000,000)
Total Other Financing Sources (Uses)	1,545,000	1,545,000	374,000	(1,171,000)
Net Change In Fund Balance	(100,248)	(100,248)	127,931	228,179
Fund Balance - July 1, 2019	200,248	200,248	870,208	669,960
Fund Balance - June 30, 2020	\$ 100,000	\$ 100,000	\$ 998,139	\$ 898,139
Reconciliation to generally accepted accounting principles basis:				
Net Change in Fund Balance			127,931	
Debt Repayment - Principal			145,873	
Capital outlay that is capitalized			475,754	
Depreciation Expense			(299,512)	
Change in Interest Payable			292	
Change in Net Position as Reported in Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position			<u>\$ 450,338</u>	

CITY OF LA PINE

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

SEWER FUND

For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	Original	Final		
<u>REVENUES:</u>				
Charges for Services	\$ 610,000	\$ 610,000	\$ 726,014	\$ 116,014
Grants	-	77,719	77,719	-
Investment Revenue	-	-	9,032	9,032
Other Revenue	1,000	1,000	13,335	12,335
Total Revenues	611,000	688,719	826,100	137,381
<u>EXPENDITURES:</u>				
Sewer Utility Services Program	7,568,122	7,645,841	518,988	(7,126,853)
Not Allocated to Organizational Unit or Program:				
Contingency	250,000	250,000	-	(250,000)
Total Expenditures	7,818,122	7,895,841	518,988	(7,376,853)
Excess (Deficiency) of Revenues Over Expenditures	(7,207,122)	(7,207,122)	307,112	7,514,234
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating Transfer (Out)	(315,000)	(315,000)	(315,000)	-
Special Payments	(10,000)	(10,000)	(2,611)	7,389
Debt Proceeds	7,000,000	7,000,000	-	(7,000,000)
Total Other Financing Sources (Uses)	6,675,000	6,675,000	(317,611)	(6,992,611)
Net Change In Fund Balance	(532,122)	(532,122)	(10,499)	521,623
Fund Balance - July 1, 2019	632,122	632,122	995,294	363,172
Fund Balance - June 30, 2020	\$ 100,000	\$ 100,000	\$ 984,795	\$ 884,795

Reconciliation to generally accepted accounting principles basis

Net Change in Fund Balance	(10,499)
Construction in Progress	139,954
Depreciation Expense	(153,909)
Change in Net Position as Reported in Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position	<u>\$ (24,454)</u>

CITY OF LA PINE

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

SDC FUND

For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Budgetary Basis) (See Note 1)	with Final Budget Over (Under)
<u>REVENUES:</u>				
SDC Income - Water	\$ 75,000	\$ 75,000	\$ 181,543	\$ 106,543
SDC Income - Sewer	120,000	120,000	262,950	142,950
Investment Revenue	-	-	25,630	25,630
Total Revenues	195,000	195,000	470,123	275,123
<u>EXPENDITURES:</u>				
Materials and Services	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	195,000	195,000	470,123	275,123
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating Transfer (Out)	(374,000)	(374,000)	(374,000)	-
Total Other Financing Sources (Uses):	(374,000)	(374,000)	(374,000)	-
Net Change In Fund Balance	(179,000)	(179,000)	96,123	275,123
Fund Balance - July 1, 2019	2,348,044	2,348,044	2,495,484	147,440
Fund Balance - June 30, 2020	\$2,169,044	\$2,169,044	\$2,591,607	\$ 422,563

CITY OF LA PINE

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

WATER / SEWER RESERVE FUND

For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	Original	Final		
<u>REVENUES:</u>				
Investment Revenue	\$ -	\$ -	\$ 15,275	\$ 15,275
Total Revenues	-	-	15,275	15,275
<u>EXPENDITURES:</u>				
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	15,275	15,275
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating Transfer In	\$ 315,000	\$ 315,000	\$ 315,000	\$ -
Operating Transfer (Out)	(176,000)	(176,000)	-	(176,000)
Total Other Financing Sources (Uses)	139,000	139,000	315,000	(176,000)
Net Change In Fund Balance	139,000	139,000	330,275	(160,725)
Fund Balance - July 1, 2019	1,539,225	1,539,225	1,534,200	(5,025)
Fund Balance - June 30, 2020	\$1,678,225	\$1,678,225	\$1,864,475	\$ (165,750)

CITY OF LA PINE

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

DEBT RESERVE FUND

For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	Original	Final		
<u>REVENUES:</u>				
Miscellaneous Revenue	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
<u>EXPENDITURES:</u>				
Not Allocated to Organizational Unit or Program:				
Debt Service	-	-	-	-
Total Expenditures	-	-	-	-
Net Change In Fund Balance	-	-	-	-
Fund Balance - July 1, 2019	193,503	193,503	193,503	-
Fund Balance - June 30, 2020	\$ 193,503	\$ 193,503	\$ 193,503	\$ -

OTHER
SUPPLEMENTARY
DATA

Additional Supporting
Schedules

CITY OF LA PINE
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2020

GOVERNMENTAL ACTIVITIES

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

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

Current Year Activity:

	Outstanding Balance July 1, 2019	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2020	Due Within One Year
Principal	\$ 375,000	\$ -	\$ 25,000	\$ 350,000	\$ 25,000
Interest	-	19,536	19,536	-	18,442
Total	\$ 375,000	\$ 19,536	\$ 44,536	\$ 350,000	\$ 43,442

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2021	\$ 25,000	\$ 18,442	\$ 43,442	4.38%
	2022	25,000	17,239	42,239	4.38%
	2023	25,000	15,926	40,926	4.38%
	2024	30,000	14,483	44,483	4.38%
	2025	30,000	12,908	42,908	5.25%
	2026	30,000	11,333	41,333	5.25%
	2027	35,000	9,548	44,548	5.25%
	2028	35,000	7,553	42,553	5.25%
	2029	35,000	5,558	40,558	5.25%
	2030	40,000	3,420	43,420	5.70%
	2031	40,000	1,140	41,140	5.70%
Total		\$ 350,000	\$ 117,550	\$ 467,550	

CITY OF LA PINE
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2020

BUSINESS-TYPE ACTIVITIES

Sewer System Expansion Loan

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

Current Year Activity:

	Outstanding Balance <u>July 1, 2019</u>	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance <u>June 30, 2020</u>	Due Within One Year
Principal	\$ 769,494	\$ (105,181)	\$ 94,341	\$ 569,972	\$ -
Interest	-	17,549	17,549	-	-
Total	<u>\$ 769,494</u>	<u>\$ (87,632)</u>	<u>\$ 111,890</u>	<u>\$ 569,972</u>	<u>\$ -</u>

CITY OF LA PINE
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2020

BUSINESS-TYPE ACTIVITIES

City of La Pine Water Revenue Refunding Bond, Series 2016

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

Current Year Activity:

	Outstanding Balance <u>July 1, 2019</u>	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance <u>June 30, 2020</u>	Due Within One Year
Principal	\$ 2,002,692	\$ -	\$ 145,873	\$ 1,856,819	\$ 149,395
Interest	-	47,195	47,195	-	43,673
Total	\$ 2,002,692	\$ 47,195	\$ 193,068	\$ 1,856,819	\$ 193,068

Future Requirements:

	Fiscal Year Ended June <u>30,</u>	Principal	Interest	Total	Interest Rate
	2021	\$ 149,395	\$ 43,673	\$ 193,068	2.40%
	2022	153,002	40,066	193,068	2.40%
	2023	156,696	36,372	193,068	2.40%
	2024	160,479	32,588	193,068	2.40%
	2025	164,354	28,714	193,068	2.40%
	2026	168,322	24,745	193,068	2.40%
	2027	172,386	20,682	193,068	2.40%
	2028	176,548	16,519	193,068	2.40%
	2029	180,811	12,257	193,068	2.40%
	2030	185,176	7,891	193,068	2.40%
	2031	189,647	3,421	193,068	2.40%
Total		\$ 1,856,819	\$ 266,927	\$ 2,123,745	

ACCOMPANYING
INFORMATION

CITY OF LA PINE
INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS
As of June 30, 2020

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

I have audited the basic financial statements of the City of La Pine as of and for the year ended June 30, 2020 and have issued my report thereon dated November 18, 2020. I conducted my audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

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

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

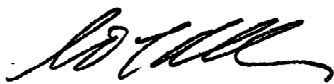
- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Highway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

In connection with my 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.

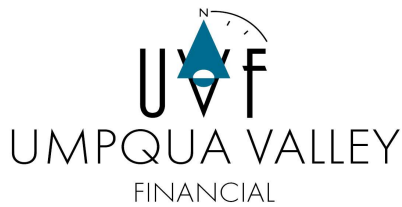
OAR 162-10-0230 Internal Control

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

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



Steve Tuchscherer, CPA
Umpqua Valley Financial
Roseburg, Oregon
November 18, 2020



Audit Mailing Instructions

For the Secretary of State-

A copy of the Audit Report has already been sent to the Oregon Secretary of State.

We have already submitted a copy of the Oregon Audits Division Summary of Revenues and Expenditures online.

You can either pay the highlighted amount indicated on the report online through the Secretary of State's Secure site at:

<https://secure.sos.state.or.us/emuni/preparePayment.action> **OR** by check payable to "Oregon Secretary of State." Be sure to include a hardcopy with your payment.

Then mail to:

Secretary of State
255 Capitol Street NE, Ste. 180
Salem, OR 97310

Thank you,

Umpqua Valley Financial



Summary of Revenues and Expenditures

Please refer to instructions on next page.

A. Municipal corporation information

Municipality name: <u>CITY OF LA PINE</u>		Reporting period: From <u>07/01/2019</u>
Address line 1: <u>PO BOX 2460</u>		To <u>6/30/2020</u>
Address line 2: _____		
City, state, ZIP: <u>LA PINE</u> <u>OR</u> <u>97739</u>		Report type: <u>Audit</u>
Check if new address: <input type="checkbox"/>		Opinion issued: <u>Unmodified</u>
If this is the final report, please enter the last date of operations: _____		Basis of accounting: <u>GAAP</u>

B. Financial statement audit – Reported deficiencies

1. Regarding internal controls over financial reporting, how many significant deficiencies and material weaknesses were reported? <u>0</u>	3. How were deficiencies communicated? Check all that apply. <input type="checkbox"/> Report issued in accordance with Government Auditing Standards <input type="checkbox"/> Communication in accordance with Statements on Auditing Standards AU-C 265 "Communicating Internal Control Related Matters Identified in an Audit" <input type="checkbox"/> Other (specify communication): _____ <input checked="" type="checkbox"/> No deficiencies
2. Of those control deficiencies reported, how many resulted in the following: Accounting errors/Misstatements: <u>0</u> Noncompliance: <u>0</u>	Per OAR 162-010-0230, a copy must be filed with Secretary of State.

C. Summary of revenues and expenditures

Revenues and/or receipts		Expenditures and/or disbursements	
a. Revenues from government-wide statement of activities:	\$ 3,438,259	a. Expenditures from government-wide statement of activities:	\$ 2,108,640
b. Fiduciary fund additions:	\$ 0	b. Fiduciary fund deductions:	\$ 0
c. Gross revenues subtotal (a + b):	\$ 3,438,259	c. Gross expenditures subtotal (a + b):	\$ 2,108,640
d. Revenues of component units:	\$ 114,420	d. Component unit expenditures reported with primary government:	\$ 13,629
e. Taxes, assessments and other collections to be distributed to other governments:	\$ 0	e. Turnovers to other municipal corporations:	
f. Exempt revenue subtotal (d + e):	\$ 114,420	f. Exempt expenditures subtotal (d + e):	\$ 13,629
g. Net revenues (c – f):	\$ 3,323,839	g. Net expenditures (c – f):	\$ 2,095,011

D. Filing fee: \$ 250**E. Submitted by**

Auditor name: <u>Steve Tuchscherer, CPA</u>	Municipal license number: <u>1114</u>
Firm name: <u>Umpqua Valley Financial</u>	Date: <u>11/18/2020</u>
Municipal contact name, title: <u>Brenda Bartlett, Finance Manager</u>	Municipal phone: <u>(541) 536-1432</u>

Submit: Click the "Submit" button on the right to submit this form via email. Save a copy for your records.

Submit

Within 30 days of delivering the audit report to the municipal corporation, one copy of this summary must be filed with the Secretary of State, Audits Division, and one copy must be delivered to the municipal corporation. If deficiencies are communicated in a separate letter or in a report issued in accordance with *Government Auditing Standards*, a copy of that communication must also be filed. (OAR 162-010-0230)

Instructions

Section A: Municipal corporation information

Type information or use drop-down menu to complete this section. Indicate new address by checking the box.

- **Report type:** Select Audit or Review
- **Opinion issued:** Select from unmodified, qualified, adverse, or disclaimer. If any opinion unit received other than unmodified, please identify that opinion type.
- **Basis of accounting:** Identify whether GAAP, cash, or modified cash basis statements are presented.

Section B: Financial statement audit – Reported deficiencies

B.1. How many significant deficiencies and material weaknesses were communicated?

Include the total number of *material weaknesses* and *significant deficiencies* reported in accordance with AU-C 265, ORS 297.466, and OAR 162-010-0230. Do not count “other matters” communicated.

If none were reported, insert a zero.

B.2. Of those control deficiencies reported, how many resulted in accounting errors/misstatements or noncompliance?

Most deficiencies relate to internal controls over financial reporting. Some control deficiencies might also directly result in accounting errors and misstatements or non-compliance. If any of the findings communicated resulted in accounting errors and misstatements or noncompliance, indicate the number of deficiencies included in the total for B.1 that also pertain to those categories.

B.3. How were deficiencies communicated?

Select the format used to communicate deficiencies to those charged with governance. Check all that apply. If no material weaknesses or significant deficiencies were communicated select No Deficiencies.

NOTE: If deficiencies are communicated (including other matters), the auditor shall file a copy of the communication with the Secretary of State within 30 days of delivering the report to the municipal corporation. (OAR 162-010-0230)

Section C: Summary of revenues and expenditures

Revenues/receipts and expenditures/disbursements information is derived from amounts reported for government-wide and fiduciary activities and on the basis of accounting used in the audited or reviewed financial statements.

Section D: Filing fee

The filing fee is based on net expenditures; section C, line g. Enter the fee based on the chart below:

Net expenditures over	Net expenditures do not exceed	Fee
\$ 0	\$ 50,000	\$ 20
\$ 50,000	\$ 150,000	\$ 40
\$ 150,000	\$ 500,000	\$ 150
\$ 500,000	\$ 1,000,000	\$ 200
\$ 1,000,000	\$ 5,000,000	\$ 250
\$ 5,000,000	\$ 10,000,000	\$ 300
\$ 10,000,000	\$ 50,000,000	\$ 350
\$ 50,000,000		\$ 400

ORS 297.485(1):

Net expenditures and/or disbursements

The filing fee shall be determined by the total **expenditures** made by the municipal corporation for any and all purposes during the calendar or fiscal year audited, except that **expenditures** for principal of bonded debt, principal of short-term loans, principal of warrants redeemed which were issued during prior audit periods, transfers or loans between funds and turnovers of taxes or other trust moneys to other municipal corporations shall not be included in the **total expenditures** upon which the amount of the fee is based.

Section E: Submitted by

Include the name of the licensed municipal auditor who performed the engagement and is submitting this form. Also include their title, firm name, and date this summary form was completed.

To submit: • Click the “Submit” button on page one to submit this form via email

• Save and email the completed form to municipalfilings.sos@oregon.gov or

• Print a hardcopy and mail to: Audits Division, 255 Capitol St NE, Ste 500, Salem, Oregon 97310-0720



January 22, 2021

The Honorable Katherine Brown
Office of the Governor
900 Court Street NE, Ste. 254
Salem, OR 97301-4047

Re: Covid-19 restrictions

Dear Governor Brown:

We, the unified Council of the City of La Pine, are writing you to appeal to your interests as they concern our fair city and community. As this pandemic makes its way across, and through, our collective Oregon society, we share in your concern for the preparedness, adequate response, and management of public welfare and health. We also share your charge in maintaining an appropriate balance in the physical health of our constituents, and that of our local economy. As such we are asking for the following considerations.

As each County is apportioned responsibility for public health management with the state, we ask that you consider re-introducing relaxed response standards for communities that are adhering to the phase two requirements as issued by your administration. We also ask that you permit responsible communities to continue to survive economically during these trying times by not imposing further restrictions on those that are displaying responsible public behavior. The life blood of our community depends upon our local businesses, and we feel it is our responsibility as the locally elected body to represent our citizens best interests.

We understand that the decisions you are faced with are not without enormous responsibility, and we support your efforts in maintaining competing priorities for the betterment of Oregon. Please take our local matters to heart, and we extend our gratitude and appreciation for any consideration afforded to the City of La Pine and that of Deschutes County.

Sincerely,

Mayor Daniel Richer

Council President Colleen Scott

Councilwoman Alisha Powell

Councilman Mike Shields

Councilman D. Scott Henderson



City Manager's Report – January 22, 2020

Administration:

City Administration has been working on land use applications, inquires, in addition to economic development following our last meeting, and strategizing staff needs. We state this last item, as I am sorry to report the resignation of Ms. Robin Neace. Ms. Neace will be with us through February 26th, 2021. We will miss her and the many contributions she brought to the organization over the last year in her time with the City. When you have a moment, please let Ms. Neace know of your appreciation and wish her well as she starts a new chapter in her life.

Land Use:

During the last two weeks we have executed two decisions; one final plat, and one conditional use application, and met with five different developers in pre-application meetings regarding eight individual properties. We should have another site plan completed in the next business week as well.

Going forward, we have received confirmation from Morgan CPS Group, a private planning consultancy based out of Keizer OR to contract with the City for planning services. Mr. Morgan and his associate Mr. Wendolowski have over forty years of combined community development experience. We endeavor to partner with Morgan CPS Group to assist in file review, and code revision in the coming year. The Morgan CPS Group will help staff with capacity during our unprecedented growth that we are experiencing.

Economic Development:

City Administration is moving ahead with a submission of a memorandum to the Board of County Commissioners to remove restrictions in the IGA for the spec. building in the Industrial Park, This has been previously reported on but we wanted to make you aware that we are now submitting for the BOCC review.

Staff also continues to work with SLEP representative Patricia Lucas in the review and marketing of materials for website posting and distribution to real estate agents through Oregon in the marketing of the park. We are also continuing work on our RFP for the spec. building selection process that should be completed in the next month.

There are two new leads for property purchase in the Industrial Park, and as discussions move forward, more information will be shared with the Council.

Additionally, there is a parcel of land in the industrial park that the City Manager will discuss under executive session with the Council.

Sincerely,

A handwritten signature in cursive script that reads "Geoff Wullschlager". The signature is written in dark ink and is positioned above the printed name.

Geoff Wullschlager
City Manager