



CITY OF MADRAS
FINANCIAL REPORT
June 30, 2023

CITY OF MADRAS
OFFICERS AND MEMBERS OF THE GOVERNING BODY
Year Ended June 30, 2023

MAYOR

Mike Lepin

CITY COUNCIL

Jennifer Townsend – Council President

Mike Seibold

Gabriel Soliz

Patricia Spencer

Gary Walker

Lamar Yoder

All council members receive mail at the address listed below

CITY ADMINISTRATOR

Christy Wurster (Interim City Administrator)

Will Ibershof (Oct 2024)

FINANCE DIRECTOR

Kristal Hughes (through June 2023)

Kate Knop (began January 2024)

CITY ADDRESS

125 SW E Street
Madras, OR 97741

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INDEPENDENT AUDITOR'S REPORT

Mayor and Members
of the City Council
City of Madras

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Madras (the "City") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Madras as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General and Transportation Operations funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 3 of the financial statements, the beginning net position of business-type activities and the Wastewater Fund have been adjusted to reflect the correction of errors that occurred in prior years. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect material misstatements when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedules of Proportionate Share of the Net Pension Liability, Contributions, Proportionate Share of the Net Other Postemployment Benefit Liability (Asset), Other Postemployment Benefit Contributions and Changes in the City's Total Other Postemployment Benefit Liability and Related Ratios be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining financial statements and individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining financial statements and individual fund schedules is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the post compliance reporting section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2024, on our consideration of the City'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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 the City's internal control over financial reporting and compliance.

Other Reporting Required by Oregon State Regulations

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated May 22, 2024, on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Singer Lewak LLP

May 22, 2024

By:



Brad Bingenheimer, Partner

MANAGEMENT'S DISCUSSION AND ANALYSIS

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Madras (City), we offer readers this discussion and analysis of the City's financial performance for the fiscal year ended June 30, 2023. The report has been prepared in accordance with generally accepted accounting principles (GAAP) as promulgated by the Government Accounting Standard Board (GASB). This report should be read with the basic financial statements and notes to the financial statements.

FINANCIAL HIGHLIGHTS

- The City of Madras has demonstrated financial growth, with the total net position increasing by 7.82% over the fiscal year, amounting to \$4,845,540, and reaching a total net position of \$66.8 million. This positive trend is the net result of an 8.86% increase in the governmental net position and a 7.40% increase in the business-type net position.
- The City's net capital assets for business-type Activities have seen a significant increase of \$2,844,383 (6.48%). This growth is a direct result of successful construction projects, including grant-funded sewer projects. Similarly, governmental-type activities have also seen a positive increase of \$2,017,081 (7.67%), primarily due to the improvement of a local street.
- Property tax revenues increased compared to the prior year. Property tax revenues primarily consist of \$1.72 million in the General Fund, \$0.746 million related to the Madras Redevelopment Commission's Urban Renewal District, and \$0.188 related to the Housing Urban Renewal District of the City of Madras for overall property tax revenues of \$2.65 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Government-Wide Financial Statements

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

- The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.
- The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

Both government-wide financial statements differentiate functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The City's governmental activities include general government, parks, community development, public safety, and highways and streets. The city's business-type activities (proprietary fund type) include water, wastewater, and airport operations. The government-wide financial statements include the City and the legally separate *Madras Urban Renewal Area*, which comprises two Urban Renewal Districts of the City of Madras for which the City is financially accountable.

Measurement focusses and basis of accounting

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

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

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

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

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or functions. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the City’s funds can be divided into two categories: governmental funds and proprietary funds. Fund financial statements focus on individual parts of the City’s government, reporting the City’s operations in more detail than the government-wide statements.

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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

Proprietary funds provide the same information as government-wide financial statements, but only in more detail. The proprietary fund financial statements provide separate information for the Water, Wastewater, Airport, and Golf Course (non-major) operations. The Internal Service Fund is shown separately in the proprietary fund financial statement.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position: Our analysis focuses on the net position (Table 1) and changes in net position (Table 2) for the City's governmental and business-type activities. The City's net position comprises three components: invested in capital assets, restricted net position, and unrestricted net position. Restricted net position is subject to constraints either externally imposed by outside agencies, for example, banks or grant agencies, or imposed by law through constitutional provisions or enabling legislation. The capital assets reflected in Table 1 are stated net of accumulated depreciation. As noted earlier, net position may be a useful indicator of a government's financial position over time. In the case of the City of Madras, the combined net position for the fiscal year ending June 30, 2023, totaled \$66.8 million, an increase of \$4.8 million from June 30, 2022.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

Table 1
STATEMENT OF NET POSITION

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Assets:						
Current and other assets	\$ 2,955,907	\$ 4,106,967	\$ 15,030,698	\$ 12,468,312	\$ 17,986,605	\$ 16,575,279
Capital assets	<u>28,311,189</u>	<u>26,294,108</u>	<u>46,727,621</u>	<u>43,883,238</u>	<u>75,038,810</u>	<u>70,177,346</u>
Total Assets	<u>31,267,096</u>	<u>30,401,075</u>	<u>61,758,319</u>	<u>56,351,550</u>	<u>93,025,415</u>	<u>86,752,625</u>
Deferred Outflows	<u>1,526,151</u>	<u>2,225,454</u>	<u>948,566</u>	<u>941,623</u>	<u>2,474,717</u>	<u>3,167,077</u>
Liabilities:						
Current liabilities	2,021,296	2,294,125	677,905	448,188	2,699,201	2,742,313
Non-current liabilities	<u>10,317,498</u>	<u>10,259,916</u>	<u>14,584,481</u>	<u>12,512,589</u>	<u>24,901,979</u>	<u>22,772,505</u>
Total Liabilities	<u>12,338,794</u>	<u>12,554,041</u>	<u>15,262,386</u>	<u>12,960,777</u>	<u>27,601,180</u>	<u>25,514,818</u>
Deferred Inflows	<u>848,432</u>	<u>433,526</u>	<u>261,777</u>	<u>115,447</u>	<u>1,110,209</u>	<u>548,973</u>
Net Position:						
Invested in capital assets, net of related debt	21,351,329	19,334,248	33,719,327	32,730,883	55,070,656	52,065,131
Restricted	7,069,260	5,318,056	764,880	703,648	7,834,140	6,021,704
Unrestricted	<u>(8,814,568)</u>	<u>(6,642,821)</u>	<u>12,698,515</u>	<u>10,499,189</u>	<u>3,883,947</u>	<u>3,856,368</u>
Total Net Position	<u>\$ 19,606,021</u>	<u>\$ 18,009,483</u>	<u>\$ 47,182,722</u>	<u>\$ 43,933,720</u>	<u>\$ 66,788,743</u>	<u>\$ 61,943,203</u>

The largest component of the City’s \$66.8 million net position is net investments in capital assets (*e.g., land, buildings, improvements, equipment, infrastructure, and construction in progress*). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

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

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

Change in Net Position

Table 2
CHANGE IN NET POSITION

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues:						
Program Revenues:						
Charges for services	\$ 660,694	\$ 1,308,801	\$ 6,120,338	\$ 5,282,800	\$ 6,781,032	\$ 6,591,601
Operating grants and contributions	2,113,419	2,935,401	2,187,866	20,717	4,301,285	2,956,118
Capital grants and contributions	1,660,615	1,389,131	962,426	2,493,386	2,623,041	3,882,517
General Revenues:						
Property taxes	2,678,866	2,377,851	-	-	2,678,866	2,377,851
Franchise and public services tax	1,810,577	2,019,411	-	-	1,810,577	2,019,411
Investment earnings and other	579,538	606,251	933,363	709,715	1,512,901	1,315,966
Transfers	(907,004)	315,516	907,004	(315,516)	-	-
Total Revenues	8,596,705	10,952,362	11,110,997	8,191,102	19,707,702	19,143,464
Expenses:						
General government	147,622	688,064	-	-	147,622	688,064
Public safety	2,230,684	2,213,394	-	-	2,230,684	2,213,394
Highway and streets	2,432,451	2,274,230	-	-	2,432,451	2,274,230
Community development	1,521,412	1,892,250	-	-	1,521,412	1,892,250
Culture and recreation	356,946	677,410	-	-	356,946	677,410
Interest	311,052	162,905	-	-	311,052	162,905
Enterprise operations	-	-	5,886,942	5,059,062	5,886,942	5,059,062
Total Expenses	7,000,167	7,908,253	5,886,942	5,059,062	12,887,109	12,967,315
Change in Net Position	1,596,538	3,044,109	5,224,055	3,132,040	6,820,593	6,176,149
Net position - beginning of year	18,009,483	14,965,374	43,933,720	40,801,680	61,943,203	55,767,054
Prior period adjustment	-	-	(1,975,053)	-	(1,975,053)	-
Net position - end of year	\$ 19,606,021	\$ 18,009,483	\$ 47,182,722	\$ 43,933,720	\$ 66,788,743	\$ 61,943,203

Governmental Activities

Governmental activities represent 27% of the City’s total net position. The net position of governmental activities increased by \$1,596,538. Total revenue from governmental activities for the fiscal year 2023 was <\$2,355,657> less than the prior year.

Business-Type Activities

Business-type activities represent 71% of the City’s total net position. These activities consist of Water, Wastewater, airport operations, golf course, and capital projects. At fiscal year-end 2023, the net position increased by \$3.25 million.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

FINANCIAL ANALYSIS OF THE CITY’S FUNDS

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

During the year ended June 30, 2023, major governmental funds included the General Fund, Transportation Operations, Madras Redevelopment Commission Project, and the MRC Commercial Property Tax and Debt Funds. As of June 30, 2023, the City’s governmental funds reported a combined ending fund balance of \$7.65 million, a decrease of \$.338 million from the prior year's activity.

	General Fund	Transportation Operations	Madras Redevelopment Commission Project	MRC Commercial Property Tax and Debt	Nonmajor Governmental Funds	Total
Total revenues	\$ 5,292,667	\$ 2,398,260	\$ 111,512	\$ 752,445	\$ 1,002,933	\$ 9,557,817
Total expenditures	<u>4,205,108</u>	<u>3,368,000</u>	<u>522,269</u>	<u>94,721</u>	<u>826,692</u>	<u>9,016,790</u>
Revenues over/(under) expenditures	1,087,559	(969,740)	(410,757)	657,724	176,241	541,027
Total other financing sources/(uses)	<u>(1,806,790)</u>	<u>1,679,599</u>	<u>390,000</u>	<u>(390,000)</u>	<u>(211,610)</u>	<u>(338,801)</u>
Net change in fund balance	(719,231)	709,859	(20,757)	267,724	(35,369)	202,226
Fund balance - beginning	<u>4,137,550</u>	<u>1,166,212</u>	<u>(453,721)</u>	<u>(2,252,674)</u>	<u>4,812,212</u>	<u>7,409,579</u>
Fund balance (deficit) - ending	<u>\$ 3,418,319</u>	<u>\$ 1,876,071</u>	<u>\$ (474,478)</u>	<u>\$ (1,984,950)</u>	<u>\$ 4,776,843</u>	<u>\$ 7,611,805</u>

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

GENERAL FUND BUDGET HIGHLIGHTS

The City adopted the operating budget for the fiscal year 2022-2023 on June 28, 2022, in the amount of \$37,047,612, excluding reserve and unappropriated ending fund balance. The General Fund budgetary comparison can be found on page 7. Other major governmental special revenue funds budgetary comparisons can be found on pages 8 through 9.

CAPITAL ASSETS

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

Governmental activities capital assets increased \$2,017,081 (7.67%). Business-type activities capital assets increased by \$6.48 (6.48%).

**Table 4
CAPITAL ASSETS**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Non-depreciable assets:						
Land	\$ 3,038,867	\$ 3,038,867	\$ 1,727,177	\$ 1,727,177	\$ 4,766,044	\$ 4,766,044
Construction in progress	4,468,180	2,610,479	2,843,917	123,595	7,312,097	2,734,074
Total non-depreciable assets	<u>7,507,047</u>	<u>5,649,346</u>	<u>4,571,094</u>	<u>1,850,772</u>	<u>12,078,141</u>	<u>7,500,118</u>
Capital assets being depreciated, net:						
Land improvements	2,020,095	2,022,744	90,475	77,531	2,110,570	2,100,275
Building and improvements	5,469,906	5,787,871	4,436,649	4,195,029	9,906,555	9,982,900
Equipment	586,589	506,334	370,361	407,634	956,950	913,968
Infrastructure	12,727,552	12,282,325	37,232,376	37,352,272	49,959,928	49,634,597
Total depreciable assets, net	<u>20,804,142</u>	<u>20,599,274</u>	<u>42,129,861</u>	<u>42,032,466</u>	<u>62,934,003</u>	<u>62,631,740</u>
Lease assets, net	<u>-</u>	<u>45,488</u>	<u>26,666</u>	<u>-</u>	<u>26,666</u>	<u>45,488</u>
Total capital assets	<u>\$ 28,311,189</u>	<u>\$ 26,294,108</u>	<u>\$ 46,727,621</u>	<u>\$ 43,883,238</u>	<u>\$ 75,038,810</u>	<u>\$ 70,177,346</u>

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

DEBT ADMINISTRATION

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

The City drew an additional \$480,000 on the existing line of credit for the Madras Urban Renewal District during the fiscal year to fund façade improvement projects; additionally, the newly formed Housing Urban Renewal District drew \$212,000 for expenses related to establishing the district. Total outstanding debt for business-type activities increased by \$96,839 from the prior year. Total outstanding debt for governmental activities increased by \$57,582. For more information on explaining and calculating the other post-employment benefits (OPEB) liability, please see pages 44 through 53 of the notes in the financial statements.

ECONOMIC FACTORS AND NEXT YEAR’S 2024-2025 BUDGET

Positives

The city benefitted from additional resources from the federal government’s stimulus package to remain stable through the pandemic. The City Council received approximately \$1.6 million locally from the American Rescue Plan Act. Fifty percent of Madras’ allocation was received in 2021, and the remaining fifty percent was received in 2022.

The city has also successfully obtained grant funding, including the Community Development Block Grant, Oregon Parks & Recreation, DEQ, the Oregon Department of Aviation, and the Economic Development Association. Funding applications continue into the next fiscal year. In addition, the city will receive a Department of Land Conservation and Development (DLCD) \$80,000 and \$1,200,000 from the State of Oregon to fund infrastructure for 84 apartments and townhomes.

Property tax revenues are forecasted to grow by 13%. The city saw growth in new multifamily units this past year, and both single-family and multi-family dwelling units are anticipated in 2024-2025.

The city plans to increase water and sewer user rates by 3% each. The 2022-2023 fiscal year ended in a good position and above estimates for ending cash.

Personnel

- Due to continued inflationary increases this past year, the cost of personnel services includes a three-point two percent (3.2%) increase to members in the Madras Police Employees’ Association and all non-represented staff effective July 1, 2024. These increases will help the city maintain its compensation standing with comparable cities. The city will perform a salary study this fiscal year once we have reviewed and updated all the job descriptions.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

Changes to Some of the Funds

- **General Fund/Internal Services Fund**
 - For the fiscal year 2024-25, the General Fund proposal includes the de minimis indirect cost rate instead of using the Special Revenue, Enterprise, and MURA Fund transfers to balance the operating budget. The re-alignment and correction of the indirect cost rate improves transparency; however, the total revenue drops from \$1,396,666 to \$901,108, negatively impacting the general operating fund.
- **Internal Services Information Technology (IT) fund**
 - Budgeted with an indirect cost rate of \$6,000 per person/year to each department and fund for IT funds’ current and future budgetary requirements. The change sustains current materials and services expenditures for \$216,965 and adds a reserve for future expenditures for \$30,000.
- **Public Works Internal Services Fund:**
 - The Public Works Internal Services Fund significantly reduced personnel from 14.0 FTE to 2.50 FTE for fiscal year 2024-2025.
 - Changes in staffing allocations were evaluated to reflect where work is performed.
 - The total expenditures for the ISF PW dropped from \$2,176,259 to \$441,918.
- **Tourism & Economic Development Fund**
 - In fiscal year 2024-25, the Tourism & Economic Development (TED) Fund will partner with Jefferson County to support an Economic Development for Central Oregon (EDCO) contract position at the city hall. EDCO will assist the city and county in attracting and guiding outside employers, mentor them, and advising scalable young companies on multiple issues.
 - The TED Fund also supports community grants and has a revised application and presentation process for 2024- 2025. No transfers are budgeted to the Golf Course and Airport Funds due to the revision in each enterprise fund's indirect costs charges. The savings in the TED fund is \$200,000, which can be allocated to other economic development projects.

REQUEST FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

CITY OF MADRAS
STATEMENT OF NET POSITION
June 30, 2023

	Governmental Activities	Business-type Activities	Totals
Assets			
Current assets			
Cash and cash equivalents	\$ 9,445,804	\$ 4,571,517	\$ 14,017,321
Receivables			
Property taxes	120,493	1,705	122,198
Accounts, net	1,061,461	1,461,762	2,523,223
Notes receivable	482,969	-	482,969
Lease receivable	87,813	-	87,813
Internal balances	(8,750,293)	8,750,293	-
Inventory	144,420	232,260	376,680
Prepaid items	1,130	-	1,130
	<u>2,593,797</u>	<u>15,017,537</u>	<u>17,611,334</u>
Total current assets			
Noncurrent assets			
Net other postemployment benefit asset	38,470	13,161	51,631
Investment in land held for resale	323,640	-	323,640
Capital assets:			
Land and construction in progress	7,507,047	4,571,094	12,078,141
Other capital assets, net	20,804,142	42,156,527	62,960,669
	<u>28,673,299</u>	<u>46,740,782</u>	<u>75,414,081</u>
Total noncurrent assets			
	<u>31,267,096</u>	<u>61,758,319</u>	<u>93,025,415</u>
Total assets			
Deferred outflows of resources			
Refunded debt charges	236,709	507,492	744,201
Pension related items	1,171,342	400,673	1,572,015
Other postemployment benefit related items	118,100	40,401	158,501
	<u>1,526,151</u>	<u>948,566</u>	<u>2,474,717</u>
Total deferred outflows of resources			
Liabilities			
Accounts payable and accrued liabilities	1,030,963	368,507	1,399,470
Accrued interest payable	8,133	250,176	258,309
Customer deposits payable	60,200	59,222	119,422
Short-term debt obligations	922,000	-	922,000
Long-term liabilities:			
Due within one year	544,346	618,482	1,162,828
Due in more than one year	9,773,152	13,965,999	23,739,151
	<u>12,338,794</u>	<u>15,262,386</u>	<u>27,601,180</u>
Total liabilities			
Deferred inflows of resources			
Leases	83,154	-	83,154
Pension related items	656,863	224,688	881,551
Other postemployment benefit related items	108,415	37,089	145,504
	<u>848,432</u>	<u>261,777</u>	<u>1,110,209</u>
Total deferred inflows of resources			
Net position			
Net investment in capital assets	21,351,329	33,719,327	55,070,656
Restricted for:			
Highways and streets	2,307,519	-	2,307,519
Economic development	668,719	-	668,719
Capital projects	1,689,747	764,880	2,454,627
Debt service	2,403,275	-	2,403,275
Unrestricted (deficit)	(8,814,568)	12,698,515	3,883,947
	<u>\$ 19,606,021</u>	<u>\$ 47,182,722</u>	<u>\$ 66,788,743</u>
Total net position			

See notes to financial statements

CITY OF MADRAS
STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		Totals
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:							
General government	\$ 147,622	\$ 171,583	\$ (334,083)	\$ 65,000	\$ (245,122)	\$ -	\$ (245,122)
Public safety	2,230,684	-	1,542,162	-	(688,522)	-	(688,522)
Highways and streets	2,432,451	42,509	825,026	1,443,619	(121,297)	-	(121,297)
Community development	1,521,412	446,602	80,314	87,379	(907,117)	-	(907,117)
Culture and recreation	356,946	-	-	64,617	(292,329)	-	(292,329)
Interest	311,052	-	-	-	(311,052)	-	(311,052)
Total governmental activities	<u>7,000,167</u>	<u>660,694</u>	<u>2,113,419</u>	<u>1,660,615</u>	<u>(2,565,439)</u>	<u>-</u>	<u>(2,565,439)</u>
Business-type activities:							
Water	973,723	891,274	2,187,866	-	-	2,105,417	2,105,417
Wastewater	2,567,595	4,178,280	-	631,509	-	2,242,194	2,242,194
Airport	1,629,872	723,788	-	330,917	-	(575,167)	(575,167)
Golf course	715,752	326,996	-	-	-	(388,756)	(388,756)
Total business-type activities	<u>5,886,942</u>	<u>6,120,338</u>	<u>2,187,866</u>	<u>962,426</u>	<u>-</u>	<u>3,383,688</u>	<u>3,383,688</u>
Totals	<u>\$ 12,887,109</u>	<u>\$ 6,781,032</u>	<u>\$ 4,301,285</u>	<u>\$ 2,623,041</u>	<u>(2,565,439)</u>	<u>3,383,688</u>	<u>818,249</u>
General revenues:							
Taxes levied for:							
General purposes					1,733,171	-	1,733,171
Madras Redevelopment Commission					945,695	-	945,695
Franchise fees and other taxes					1,810,577	-	1,810,577
Rents					-	685,777	685,777
Unrestricted investment earnings					408,850	140,350	549,200
Miscellaneous					170,688	107,236	277,924
Transfers					<u>(907,004)</u>	<u>907,004</u>	<u>-</u>
Total general revenues and transfers					<u>4,161,977</u>	<u>1,840,367</u>	<u>6,002,344</u>
Change in net position					1,596,538	5,224,055	6,820,593
Net position - beginning					18,009,483	43,933,720	61,943,203
Prior period adjustment					-	(1,975,053)	(1,975,053)
Net position - ending					<u>\$ 19,606,021</u>	<u>\$ 47,182,722</u>	<u>\$ 66,788,743</u>

See notes to financial statements

CITY OF MADRAS
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	General	Transportation Operations	Madras Redevelopment Commission Commercial Project	Madras Redevelopment Commission Property Tax and Debt Service	Total Nonmajor Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 3,074,878	\$ 1,868,526	\$ -	\$ 212,059	\$ 2,609,687	\$ 7,765,150
Receivables						
Property taxes	80,446	-	-	34,226	5,821	120,493
Accounts, net	576,468	173,633	-	-	308,128	1,058,229
Notes	-	-	-	-	482,969	482,969
Leases	-	87,813	-	-	-	87,813
Due from other funds	325,812	-	-	143,496	2,345,000	2,814,308
Inventory	-	131,347	-	-	-	131,347
Investment in land held for sale	25,000	-	298,640	-	-	323,640
Total assets	\$ 4,082,604	\$ 2,261,319	\$ 298,640	\$ 389,781	\$ 5,751,605	\$ 12,783,949
Liabilities, deferred inflows and fund balances						
Liabilities						
Accounts payable and accrued liabilities	\$ 546,733	\$ 232,283	\$ 29,622	\$ -	\$ 7,927	\$ 816,565
Short-term obligations	-	-	600,000	-	322,000	922,000
Due to other funds	-	-	143,496	2,345,000	-	2,488,496
Consumer deposits	-	60,000	-	-	-	60,000
Total liabilities	<u>546,733</u>	<u>292,283</u>	<u>773,118</u>	<u>2,345,000</u>	<u>329,927</u>	<u>4,287,061</u>
Deferred inflows of resources						
Unavailable revenue	117,552	9,811	-	29,731	644,835	801,929
Lease related	-	83,154	-	-	-	83,154
Total deferred inflows of resources	<u>117,552</u>	<u>92,965</u>	<u>-</u>	<u>29,731</u>	<u>644,835</u>	<u>885,083</u>
Fund balances						
Nonspendable	25,000	131,347	298,640	-	-	454,987
Restricted for:						
Highways and streets	-	1,744,724	-	-	421,637	2,166,361
Economic development	-	-	-	-	201,759	201,759
Debt service	-	-	-	-	2,398,093	2,398,093
Capital projects	-	-	-	-	1,517,054	1,517,054
Committed for tourism	-	-	-	-	556,566	556,566
Assigned for:						
Pensions	147,606	-	-	-	-	147,606
Community development	168,482	-	-	-	-	168,482
Parks	527,820	-	-	-	-	527,820
Unassigned (deficit)	2,549,411	-	(773,118)	(1,984,950)	(318,266)	(526,923)
Total fund balances (deficit)	<u>3,418,319</u>	<u>1,876,071</u>	<u>(474,478)</u>	<u>(1,984,950)</u>	<u>4,776,843</u>	<u>7,611,805</u>
Total liabilities, deferred inflows and fund balances (deficit)	\$ 4,082,604	\$ 2,261,319	\$ 298,640	\$ 389,781	\$ 5,751,605	\$ 12,783,949

See notes to financial statements

CITY OF MADRAS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
June 30, 2023

Fund balances - total governmental funds		\$ 7,611,805
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
The statement of net position reports a net other postemployment benefit asset for its participation in the OPERS Retirement Health Insurance Account		38,470
Capital assets and lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		28,311,189
Deferred charges relating to debt issuances are not financial resources and, therefore, are not reported in the funds		236,709
Other long-term assets are not available for current period expenditures and, therefore, are reported as unavailable revenue in the funds		801,929
Deferred outflows related to the pension plan and other postemployment benefit plans are not current financial resources and therefore are not reported in the funds		1,289,442
Internal service funds are used by management to charge the costs of centralized services and facilities maintenance services to individual funds. A portion of the assets and liabilities of the internal service funds is included in governmental activities in the statement of net position		
Net position of the internal service funds	\$ 346,614	
Net position allocable to the business-type activities	(9,076,105)	
Internal service fund amounts included in other reconciling items:		
Net other postemployment benefit asset	(20,926)	
Capital assets	(16,498)	
Deferred outflows of resources	(701,461)	
Accrued interest payable	-	
Long-term liabilities	1,459,452	
Deferred inflows of resources	<u>416,310</u>	(7,592,614)
Long-term liabilities, including bonds payable, bond premiums, accrued interest, and compensated absences are not due and payable in the current period, and, therefore, are not reported in the funds		
Accrued interest	(8,133)	
Long-term debt obligations	(6,500,096)	
Bond premium	(487,018)	
Compensated absences	<u>(59,949)</u>	(7,055,196)
The net pension liability is reported in the statement of net position, but is not reported in the funds		(2,447,556)
The other postemployment benefit liability is reported in the statement of net position, but is not reported in the funds		(822,879)
Deferred inflows related to the pension plan and other postemployment benefit plan are reported in the statement of net position but are not reported in the funds		<u>(765,278)</u>
Net position of governmental activities		<u>\$ 19,606,021</u>

See notes to financial statements

CITY OF MADRAS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2023

	General	Transportation Operations	Madras Redevelopment Commission Commercial Project	Madras Redevelopment Commission Commercial Property Tax and Debt Service	Total Nonmajor Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 1,722,980	\$ -	\$ -	\$ 746,926	\$ 188,296	\$ 2,658,202
Franchise fees	522,814	522,814	-	-	-	1,045,628
Miscellaneous taxes	764,949	-	-	-	-	764,949
Licenses, permits and fees	393,061	-	-	-	42,509	435,570
Fines and forfeitures	42,591	-	-	-	-	42,591
Charges for services	79,304	-	-	-	50,000	129,304
System development charges	-	4,358	-	-	324,424	328,782
Intergovernmental	1,662,227	1,807,670	-	-	80,314	3,550,211
Loan repayments	-	-	-	-	132,496	132,496
Interest	76,004	52,239	111,512	5,519	159,252	404,526
Miscellaneous	28,737	11,179	-	-	25,642	65,558
Total revenues	<u>5,292,667</u>	<u>2,398,260</u>	<u>111,512</u>	<u>752,445</u>	<u>1,002,933</u>	<u>9,557,817</u>
Expenditures						
Current						
General government	75,000	-	-	-	450	75,450
Public safety	2,234,137	-	-	-	-	2,234,137
Highways and streets	-	934,597	-	-	-	934,597
Community development	594,682	-	522,269	-	568,602	1,685,553
Culture and recreation	395,063	-	-	-	-	395,063
Debt service	-	203,635	-	94,721	257,640	555,996
Capital outlay	906,226	2,229,768	-	-	-	3,135,994
Total expenditures	<u>4,205,108</u>	<u>3,368,000</u>	<u>522,269</u>	<u>94,721</u>	<u>826,692</u>	<u>9,016,790</u>
Excess (deficiency) of revenues over expenditures	<u>1,087,559</u>	<u>(969,740)</u>	<u>(410,757)</u>	<u>657,724</u>	<u>176,241</u>	<u>541,027</u>
Other financing sources (uses)						
Issuance of long-term obligations	-	222,156	-	-	-	222,156
Transfers in	200,211	1,457,443	390,000	-	545,818	2,593,472
Transfers out	(2,007,001)	-	-	(390,000)	(757,428)	(3,154,429)
Total other financing sources (uses)	<u>(1,806,790)</u>	<u>1,679,599</u>	<u>390,000</u>	<u>(390,000)</u>	<u>(211,610)</u>	<u>(338,801)</u>
Net change in fund balances	(719,231)	709,859	(20,757)	267,724	(35,369)	202,226
Fund balances (deficit) at beginning of year	<u>4,137,550</u>	<u>1,166,212</u>	<u>(453,721)</u>	<u>(2,252,674)</u>	<u>4,812,212</u>	<u>7,409,579</u>
Fund balances (deficit) at end of year	<u>\$ 3,418,319</u>	<u>\$ 1,876,071</u>	<u>\$ (474,478)</u>	<u>\$ (1,984,950)</u>	<u>\$ 4,776,843</u>	<u>\$ 7,611,805</u>

See notes to financial statements

CITY OF MADRAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

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

Net change in fund balances - total governmental funds	\$	202,226
<p>Governmental funds report the acquisition of capital assets as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. The difference between those two amounts is:</p>		
Acquisition of capital assets	\$ 3,190,237	
Transfer of assets to proprietary funds	(327,707)	
Depreciation	<u>(808,665)</u>	2,053,865
<p>The net effect of transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position</p>		
		(36,784)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds as follows:</p>		
Taxes	20,664	
Loans	41,610	
System development charges	140,136	
Other	<u>(396,370)</u>	(193,960)
<p>The changes in net pension liability and deferred inflows and outflows related to the City's participation in OPERS are reported as additional expenses for increases and a reduction of expenses for decreases</p>		
		54,467
<p>The changes in other postemployment benefit liability (asset) and deferred outflows related to the entity's participation in the Retirement Health Insurance Account and its own City plan are reported as other postemployment benefit revenue or expense on the statement of activities</p>		
		110,087
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds</p>		
Compensated absences		(2,504)
<p>Repayment of long-term obligation principal and lease payments is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the statement of net position. Additionally, the issuance of debt is an other financing source in the funds but increases long-term obligations in the statement of net position</p>		
Transfer of lease liability to proprietary funds	46,003	
Principal payments	452,162	
Loan proceeds	(222,156)	
Amortization of bond premium	26,761	
Amortization of deferred amounts on refunding	(17,931)	
Accrued interest	<u>719</u>	285,558
<p>Net income of the internal service funds allocated to the governmental activities</p>		
		<u>(876,417)</u>
Change in net position of governmental activities		<u>\$ 1,596,538</u>

See notes to financial statements

CITY OF MADRAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2023

	Budget		Actual	Variance
	Original	Final		
Revenues				
Property taxes	\$ 1,689,768	\$ 1,689,768	\$ 1,722,980	\$ 33,212
Franchise fees	456,232	456,232	522,814	66,582
Miscellaneous taxes	741,787	741,787	764,949	23,162
Licenses, permits and fees	10,890	10,890	27,032	16,142
Fines and forfeitures	45,000	45,000	42,591	(2,409)
Intergovernmental	2,940,705	2,775,973	1,559,458	(1,216,515)
Interest	5,000	5,000	74,605	69,605
Interfund loan repayment	330,000	330,000	-	(330,000)
Miscellaneous	1,000	1,000	31	(969)
Total revenues	6,220,382	6,055,650	4,714,460	(1,341,190)
Expenditures				
Police				
Personnel services	1,843,769	1,843,769	1,533,787	309,982
Materials and services	831,595	811,595	731,770	79,825
Capital outlay	72,737	138,737	133,897	4,840
Non-departmental				
Materials and services	75,000	75,000	75,000	-
Capital outlay	2,227,000	2,873,268	628,917	2,244,351
Contingency	50,000	3,000	-	3,000
Total expenditures	5,100,101	5,745,369	3,103,371	2,641,998
Excess (deficiency) of revenues over expenditures	1,120,281	310,281	1,611,089	1,300,808
Other financing sources (uses)				
Interfund loan	(330,000)	(330,000)	-	330,000
Transfers out	(1,713,238)	(1,713,238)	(1,696,906)	16,332
Total other financing sources (uses)	(2,043,238)	(2,043,238)	(1,696,906)	346,332
Net change in fund balance	(922,957)	(1,732,957)	(85,817)	1,647,140
Fund balance at beginning of year	1,964,294	2,774,294	2,635,228	(139,066)
Fund balance at end of year	\$ 1,041,337	\$ 1,041,337	\$ 2,549,411	\$ 1,508,074

See notes to financial statements

CITY OF MADRAS
TRANSPORTATION OPERATIONS FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2023

	Budget		Actual	Variance
	Original	Final		
Revenues				
Franchise fees	\$ 456,232	\$ 456,232	\$ 522,814	\$ 66,582
System development charges	3,432	3,432	4,358	926
Intergovernmental	3,485,794	3,485,794	1,807,670	(1,678,124)
Interest	12,500	12,500	52,239	39,739
Miscellaneous	500	500	11,179	10,679
Total revenues	3,958,458	3,958,458	2,398,260	(1,560,198)
Expenditures				
Materials and services	1,185,251	1,210,251	934,597	275,654
Special payment	150,000	150,000	-	150,000
Capital outlay	5,800,000	5,969,943	2,229,768	3,740,175
Debt service	203,500	503,500	203,635	299,865
Contingency	75,000	237,175	-	237,175
Total expenditures	7,413,751	8,070,869	3,368,000	4,702,869
Excess (deficiency) of revenues over expenditures	(3,455,293)	(4,112,411)	(969,740)	3,142,671
Other financing sources (uses)				
Issuance of long-term obligations	2,700,000	2,700,000	222,156	(2,477,844)
Transfers in	1,287,500	1,457,443	1,457,443	-
Total other financing sources (uses)	3,987,500	4,157,443	1,679,599	(2,477,844)
Net change in fund balance	532,207	45,032	709,859	664,827
Fund balance at beginning of year	676,810	1,163,985	1,166,212	2,227
Fund balance at end of year	\$ 1,209,017	\$ 1,209,017	\$ 1,876,071	\$ 667,054

See notes to financial statements

CITY OF MADRAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2023

	Business-type Activities				Total Enterprise Funds	Internal Service Funds
	Water	Wastewater	Airport	(Non-major Golf Course)		
Assets						
Current assets						
Cash and cash equivalents	\$ -	\$ 3,557,074	\$ 850,327	\$ 164,116	\$ 4,571,517	\$ 1,680,654
Receivables, net	815,054	500,914	140,217	7,282	1,463,467	3,232
Inventory	126,173	34,856	65,975	5,256	232,260	13,073
Prepaid items	-	-	-	-	-	1,130
Total current assets	941,227	4,092,844	1,056,519	176,654	6,267,244	1,698,089
Net other postemployment benefits asset	1,952	10,775	434	-	13,161	20,926
Capital assets						
Land and construction in progress	2,208,138	1,778,982	583,974	-	4,571,094	-
Other capital assets, net	568,674	26,965,537	14,304,444	317,872	42,156,527	16,498
Total capital assets	2,776,812	28,744,519	14,888,418	317,872	46,727,621	16,498
Total assets	3,719,991	32,848,138	15,945,371	494,526	53,008,026	1,735,513
Deferred outflows of resources						
Refunded debt charges	-	507,492	-	-	507,492	-
Pension related items	59,398	328,035	13,240	-	400,673	637,220
Other postemployment benefit related items	5,991	33,079	1,331	-	40,401	64,241
Total deferred outflows of resources	65,389	868,606	14,571	-	948,566	701,461
Liabilities						
Current liabilities						
Accounts payable and accrued liabilities	158,962	138,405	57,050	14,090	368,507	214,398
Accrued interest payable	236	247,612	2,328	-	250,176	-
Consumer deposits	9,756	49,466	-	-	59,222	200
Compensated absences	-	-	3,659	-	3,659	29,532
Due to other funds	325,812	-	-	-	325,812	-
Long-term obligations due within one year	6,623	526,475	62,539	19,186	614,823	-
Total current liabilities	501,389	961,958	125,576	33,276	1,622,199	244,130
Long-term obligations due in more than one year	253,121	13,018,896	685,831	8,151	13,965,999	1,429,920
Total liabilities	754,510	13,980,854	811,407	41,427	15,588,198	1,674,050
Deferred inflows of resources						
Pension related items	33,309	183,954	7,425	-	224,688	357,338
Other postemployment benefit related items	5,500	30,367	1,222	-	37,089	58,972
Total deferred inflows of resources	38,809	214,321	8,647	-	261,777	416,310
Net position						
Net investment in capital assets	2,696,622	16,577,960	14,154,210	290,535	33,719,327	16,498
Restricted for:						
Capital projects	-	764,880	-	-	764,880	-
Unrestricted	295,439	2,178,729	985,678	162,564	3,622,410	330,116
Total net position	\$ 2,992,061	\$ 19,521,569	\$ 15,139,888	\$ 453,099	38,106,617	\$ 346,614
Adjustment to reflect internal service fund balances related to business-type activities					9,076,105	
Net position of the business-type activities					\$ 47,182,722	

See notes to financial statements

CITY OF MADRAS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2023

	Business-type Activities				Totals Enterprise Funds	Internal Service Funds
	Water	Wastewater	Airport	(Non-major Golf Course)		
Operating revenues						
Charges for services	\$ 891,274	\$ 4,178,280	\$ 723,788	\$ 326,996	\$ 6,120,338	\$ 4,985,052
Licenses, permits and fees	-	-	-	-	-	51,960
Rental income	-	-	685,777	-	685,777	5
Miscellaneous	-	-	42,453	20,870	63,323	14,239
Total operating revenues	891,274	4,178,280	1,452,018	347,866	6,869,438	5,051,256
Operating expenses						
Personnel services	8,561	47,224	45,573	-	101,358	2,699,071
Materials and services	884,361	3,150,161	1,180,833	684,792	5,900,147	1,383,178
Depreciation	21,501	518,382	531,104	11,107	1,082,094	4,500
Total operating expenses	914,423	3,715,767	1,757,510	695,899	7,083,599	4,086,749
Operating income (loss)	(23,149)	462,513	(305,492)	(348,033)	(214,161)	964,507
Nonoperating revenues (expenses)						
Grants	2,187,866	433,300	330,917	-	2,952,083	65,000
Interest income	7,186	102,826	26,225	4,113	140,350	4,324
Interest expense	(2,569)	(309,779)	(22,897)	(19,853)	(355,098)	(96,050)
Total nonoperating revenue (expenses)	2,192,483	270,260	334,245	(15,740)	2,781,248	(26,726)
Income (loss) before capital contributions and transfers	2,169,334	732,773	28,753	(363,773)	2,567,087	937,781
Capital contributions	-	198,209	-	-	198,209	-
Transfers in	100,000	-	-	817,387	917,387	-
Transfers out	-	-	(9,868)	(515)	(10,383)	(292,318)
Change in net position	2,269,334	930,982	18,885	453,099	3,672,300	645,463
Net position - beginning	722,727	20,565,640	15,121,003	-	36,409,370	(298,849)
Prior period adjustment	-	(1,975,053)	-	-	(1,975,053)	-
Net position - ending	\$ 2,992,061	\$ 19,521,569	\$ 15,139,888	\$ 453,099	\$ 38,106,617	\$ 346,614
Change in net position					\$ 3,672,300	
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds					1,551,755	
Change in net position of the business-type activities					\$ 5,224,055	

See notes to financial statements

CITY OF MADRAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2023

	Business-type Activities				Total Enterprise Funds	Internal Service Funds
	Water	Wastewater	Airport	(Non-major) Golf Course		
Cash flows from operating activities						
Receipts from customers	\$ 880,410	\$ 4,106,980	\$ 1,492,468	\$ 340,584	\$ 6,820,442	\$ 5,074,659
Payments to suppliers	(851,320)	(3,035,025)	(1,202,706)	(675,958)	(5,765,009)	(1,339,555)
Payments to employees	-	-	(34,110)	-	(34,110)	(2,699,696)
Net cash provided by (used in) operating activities	29,090	1,071,955	255,652	(335,374)	1,021,323	1,035,408
Cash flows from noncapital financing activities						
Advance from other fund	325,812	-	-	-	325,812	-
Transfers in	100,000	-	35,970	535,168	671,138	-
Transfers out	-	-	(45,838)	-	(45,838)	(64,343)
Net cash provided by (used in) noncapital financing activities	425,812	-	(9,868)	535,168	951,112	(64,343)
Cash flows from capital and related financing activities						
System development charges received	-	201,762	-	-	201,762	-
Other	-	43,913	-	-	43,913	-
Grants	1,462,198	433,300	330,917	-	2,226,415	65,000
Acquisition of capital assets	(2,202,090)	(902,069)	(493,339)	(20,094)	(3,617,592)	(81,975)
Issuance of long-term obligations	-	791,334	-	-	791,334	-
Premium on bond refunding	-	(431,235)	-	-	(431,235)	-
Principal paid on long-term obligations	(6,300)	(471,256)	(56,927)	(19,697)	(554,180)	(120,000)
Interest paid on long-term obligations	(2,906)	(248,847)	(25,881)	-	(277,634)	(96,050)
Net cash provided by (used in) capital and related financing activities	(749,098)	(583,098)	(245,230)	(39,791)	(1,617,217)	(233,025)
Cash flows from investing activities						
Interest on investments	7,186	102,826	26,225	4,113	140,350	4,324
Net increase (decrease) in cash and cash equivalents	(287,010)	591,683	26,779	164,116	495,568	742,364
Cash and cash equivalents - beginning	287,010	2,965,391	823,548	-	4,075,949	938,290
Cash and cash equivalents - ending	\$ -	\$ 3,557,074	\$ 850,327	\$ 164,116	\$ 4,571,517	\$ 1,680,654
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities						
Operating income (loss)	\$ (23,149)	\$ 462,513	\$ (305,492)	\$ (305,492)	\$ (171,620)	\$ 964,507
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation	21,501	518,382	531,104	531,104	1,602,091	4,500
(Increase) decrease in assets and deferred outflows						
Receivables, net	(9,706)	(72,736)	40,450	40,450	(1,542)	45,758
Inventories	(86,645)	15,694	13,715	13,715	(43,521)	796
Prepaid items	-	-	1,425	1,425	2,850	(1,130)
Net other postemployment benefits asset	(680)	(3,752)	(434)	(434)	(5,300)	(3,067)
Pension related items	(1,885)	(10,406)	(13,240)	(13,240)	(38,771)	170,471
Other postemployment benefit related items	(2,407)	(13,288)	(1,331)	(1,331)	(18,357)	(13,916)
Increase (decrease) in liabilities and deferred inflows						
Accounts payable and accrued liabilities	11,694	99,442	(37,013)	(37,013)	37,110	43,957
Retainage payable	107,992	-	-	-	107,992	-
Due to other funds	-	-	-	-	-	-
Consumer deposits	(1,158)	4,989	-	-	3,831	-
Compensated absences payable	-	-	3,659	3,659	7,318	(4,165)
Unearned revenue	-	-	-	-	-	(22,355)
Net pension liability	21,913	121,019	4,885	4,885	152,702	235,085
Net other postemployment benefits liability	13,933	76,884	9,277	9,277	109,371	57,016
Pension related items	(23,340)	(128,901)	7,425	7,425	(137,391)	(438,216)
Other postemployment benefit related items	1,027	5,668	1,222	1,222	9,139	(3,833)
Net cash provided by (used in) operating activities	\$ 29,090	\$ 1,075,508	\$ 255,652	\$ 255,652	\$ 1,615,902	\$ 1,035,408
SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS						
Non cash transfers	\$ -	\$ -	\$ -	\$ 281,704	\$ 281,704	\$ (227,975)

See notes to financial statements

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 – FINANCIAL REPORTING ENTITY

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

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

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

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

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

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Government-wide financial statements and financial statement presentation

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement focus, basis of accounting and financial statement presentation

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

The City reports the following major governmental funds:

General - accounts for all financial resources of the City, except those required to be accounted for in another fund. Included in the General Fund are the separately budgeted Parks, Community Development, Community Cleanup and Pension Stabilization funds. Principal sources of revenue are property taxes, franchise fees, and state shared revenues. Expenditures are primarily for public safety, parks and the industrial site.

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

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement focus, basis of accounting and financial statement presentation

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

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

The City reports the following major proprietary funds:

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

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

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

Additionally, the City reports the following fund types:

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

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

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

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

Budget policies and budgetary control

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

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budget policies and budgetary control (continued)

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

The resolution authorizing appropriations for each fund sets the level at which disbursements cannot legally exceed appropriations. The City established the levels of budgetary control at the department level along with debt service, transfers and contingencies.

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

Cash and cash equivalents

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

Property taxes

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

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

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

User charges and fines

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

The City has uncollected municipal court fines and fees, however due to the uncertainty of collection these amounts are not reported in the financial statements. The City maintains a listing of receivables they believe are collectible as of June 30, 2023.

Inventory

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

Capital assets

Fund financial statements

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

Government-wide statements

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

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed capital assets are recorded at estimated fair market value at the time received. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

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

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

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-term obligations

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

Leases

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

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

Compensated absences

Vacation leave

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

Sick leave

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

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net pension liability

The net pension liability, measured as of June 30, 2023, is the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service, net of the pension plan's fiduciary net position as of that date.

Other postemployment benefits liability

The other postemployment benefits (OPEB) liability is based on actuarial valuations. The latest valuation used to determine the other postemployment obligation was dated July 1, 2022.

Deferred outflows / inflows of resources

In addition to assets, the statements of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. These include refunded debt charges, pension related items and other postemployment benefit related items.

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

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

Interfund loans

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

Retirement plans

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

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net position

Government-wide and proprietary fund financial statements

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

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

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

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

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

Fund balance

Governmental fund type fund balance reporting

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

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

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

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

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

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund balance (continued)

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

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

Fair value measurements

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

NOTE 3 – ADJUSTMENTS TO AND RESTATEMENTS OF BEGINNING BALANCES

During the year ended June 30, 2023, the City identified, and corrected, errors in the beginning net position of business-type activities and the Wastewater fund related to the recognition of long-term debt received in prior years. As a result, the beginning net position for business-type activities and the Wastewater fund have been reduced by \$1,975,053 and long-term debt was increased by \$1,975,053.

NOTE 4 – CASH AND CASH EQUIVALENTS

The City’s cash and cash equivalents at June 30, 2023 are as follows:

State of Oregon Local Government Investment Pool	\$ 13,620,638
Cash held with County Treasurer	5,146
Deposits with financial institutions	188,487
Cash with fiscal agent	200,700
Cash on hand	<u>2,350</u>
Total cash and cash equivalents	<u><u>\$ 14,017,321</u></u>

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

NOTE 4 – CASH AND CASH EQUIVALENTS (Continued)

Deposits with financial institutions

Custodial Credit Risk – Deposits: This is the risk that in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the City's deposits with financial institutions up to \$250,000 each for the aggregate of all non-interest-bearing accounts and the aggregate of all interest-bearing accounts at each institution.

Deposits in excess of FDIC coverage with financial institutions participating in the Oregon Public Funds Collateralization Program are collateralized under the Public Funds Collateralization Program (PFCP) of the Oregon State Treasurer. The PFCP is a shared liability structure for participating financial institutions and is considered additional depository insurance as defined in GASB 40. Participating financial institutions are required to pledge securities, held by the Federal Home Loan Bank of Seattle in the name of the financial institution, with a value equal to at least 10%, with limited exceptions that may require up to 110%, of the amount of deposits of Oregon municipal corporations in excess of FDIC depository insurance. In the event of a failure of a participating financial institution the collective amount of all pledged securities under the PFCP are available to return the City's deposits. As of June 30, 2023, none of the City's deposits with financial institutions were exposed to custodial credit risk.

State of Oregon Local Government Investment Pool

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

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

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

NOTE 4 – CASH AND CASH EQUIVALENTS (Continued)

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

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

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

Custodial Credit Risk – Investments: This is the risk that, in the event of the failure of a counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. The City does not have a policy which limits the amount of investments that can be held by counterparties.

NOTE 5 – INVESTMENT IN LAND FOR SALE

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

NOTE 6 – NOTES RECEIVABLE

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

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 7 – CAPITAL ASSETS

Activity for the governmental activities for the year ended June 30, 2023 was as follows:

	Balances July 1, 2022	Additions	Deletions and Reclassification	Balances June 30, 2023
Capital assets not being depreciated				
Land	\$ 3,038,867	\$ -	\$ -	\$ 3,038,867
Construction in progress	<u>2,610,479</u>	<u>2,117,401</u>	<u>(259,700)</u>	<u>4,468,180</u>
Total capital assets not being depreciated	<u>5,649,346</u>	<u>2,117,401</u>	<u>(259,700)</u>	<u>7,507,047</u>
Capital assets being depreciated				
Land improvements	3,858,512	14,110	129,858	4,002,480
Buildings and improvements	8,342,580	40,594	(298,653)	8,084,521
Equipment	2,525,139	202,732	(163,522)	2,564,349
Infrastructure	<u>16,291,905</u>	<u>815,400</u>	<u>(2,909)</u>	<u>17,104,396</u>
Total capital assets being depreciated	<u>31,018,136</u>	<u>1,072,836</u>	<u>(335,226)</u>	<u>31,755,746</u>
Less accumulated depreciation for:				
Land improvements	1,835,768	164,746	(18,129)	1,982,385
Buildings and improvements	2,554,709	152,710	(92,804)	2,614,615
Equipment	2,018,805	122,478	(163,523)	1,977,760
Infrastructure	<u>4,009,580</u>	<u>368,731</u>	<u>(1,467)</u>	<u>4,376,844</u>
Total accumulated depreciation	<u>10,418,862</u>	<u>808,665</u>	<u>(275,923)</u>	<u>10,951,604</u>
Total capital assets being depreciated	<u>20,599,274</u>	<u>2,381,572</u>	<u>(319,003)</u>	<u>20,804,142</u>
Lease assets				
Right to Use - Equipment	<u>64,310</u>	<u>-</u>	<u>(64,310)</u>	<u>-</u>
Less accumulated amortization for:				
Right to Use - Equipment	<u>18,822</u>	<u>-</u>	<u>(18,822)</u>	<u>-</u>
Lease assets, net	<u>45,488</u>	<u>-</u>	<u>(45,488)</u>	<u>-</u>
Capital assets, net	<u>\$ 26,294,108</u>	<u>\$ 4,498,973</u>	<u>\$ (624,191)</u>	<u>\$ 28,311,189</u>

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 7 – CAPITAL ASSETS (Continued)

Depreciation and amortization was charged to expense for the year ended June 30, 2023 as follows:

General government	\$ 131,062
Public safety	146,613
Highways and streets	456,598
Culture and recreation	<u>74,392</u>
	<u>\$ 808,665</u>

Activity for business-type activities for the year ended June 30, 2023 was as follows:

	Balances July 1, 2022	Additions	Reclassifications and Deletions	Balances June 30, 2023
Capital assets not being depreciated				
Land	\$ 1,727,177	\$ -	\$ -	\$ 1,727,177
Construction in progress	<u>123,595</u>	<u>2,759,744</u>	<u>(39,422)</u>	<u>2,843,917</u>
Total capital assets not being depreciated	<u>1,850,772</u>	<u>2,759,744</u>	<u>(39,422)</u>	<u>4,571,094</u>
Capital assets being depreciated				
Land improvements	132,765	-	39,442	\$ 172,207
Buildings and improvements	5,668,978	80,344	358,770	6,108,092
Equipment	1,432,243	-	163,522	1,595,765
Infrastructure	<u>50,960,899</u>	<u>777,504</u>	<u>35,830</u>	<u>51,774,233</u>
Total capital assets being depreciated	<u>58,194,885</u>	<u>857,848</u>	<u>597,564</u>	<u>59,650,297</u>
Less accumulated depreciation for:				
Land improvements	55,234	8,369	18,129	81,732
Buildings and improvements	1,473,949	104,689	92,805	1,671,443
Equipment	1,024,609	37,273	163,522	1,225,404
Infrastructure	<u>13,608,627</u>	<u>931,763</u>	<u>1,467</u>	<u>14,541,857</u>
Total accumulated depreciation	<u>16,162,419</u>	<u>1,082,094</u>	<u>275,923</u>	<u>17,520,436</u>
Total capital assets being depreciated	<u>42,032,466</u>	<u>(224,246)</u>	<u>282,219</u>	<u>42,129,861</u>
Lease assets				
Right to Use - Equipment	<u>-</u>	<u>-</u>	<u>64,310</u>	<u>64,310</u>
Less accumulated amortization for:				
Right to Use - Equipment	<u>-</u>	<u>18,822</u>	<u>18,822</u>	<u>37,644</u>
Lease assets, net	<u>-</u>	<u>(18,822)</u>	<u>45,488</u>	<u>26,666</u>
Capital assets, net	<u>\$ 43,883,238</u>	<u>\$ 2,516,676</u>	<u>\$ 288,285</u>	<u>\$ 46,727,621</u>

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 7 – CAPITAL ASSETS (Continued)

Depreciation and amortization was charged to expense for the year ended June 30, 2023 as follows:

Water	\$	21,501
Wastewater		518,382
Golf course		11,107
Airport		<u>531,104</u>
		<u>\$ 1,082,094</u>

NOTE 8 – LEASES

City as lessee

The City, as a lessee, has entered into lease agreements for the use of equipment. As of June 30, 2023, the total of the City’s lease assets is recorded at a cost of \$64,310, less accumulated amortization of \$37,644.

As of June 30, 2023, the future lease payments under lease agreements are as follows:

Fiscal Year	Lease Liability	Interest Expense	Total
2024	\$ 19,186	\$ 511	\$ 19,697
2025	<u>8,151</u>	<u>56</u>	<u>8,207</u>
	<u>\$ 27,337</u>	<u>\$ 567</u>	<u>\$ 27,904</u>

City as lessor

The City, as a lessor, has entered into lease agreements involving an industrial site. The total amount of inflows of resources, including lease revenue, interest revenue, and other lease-related inflows recognized during the year ended June 30, 2023, was \$8,522.

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 9 – UNAVAILABLE REVENUE

As of June 30, 2023, resources in the governmental funds, which are measurable but unavailable, consist of the following:

	Governmental Funds				
	Madras				
	Redevelopment				
	Commission				
	Transportation		Property Tax and		Total
	General	Operations	Debt Service	Nonmajor	
Property taxes	\$ 72,485	\$ -	\$ 29,731	\$ 5,182	\$ 107,398
Notes	-	-	-	466,960	466,960
Other	45,067	9,811	-	172,693	227,571
	<u>\$ 117,552</u>	<u>\$ 9,811</u>	<u>\$ 29,731</u>	<u>\$ 644,835</u>	<u>\$ 801,929</u>

NOTE 10 – SHORT-TERM DEBT OBLIGATIONS

Transactions for the governmental activities for the year ended June 30, 2023 were as follows:

	Outstanding July 1, 2022	Additions	Reductions	Outstanding June 30, 2023
MRC line of credit - Commercial	\$ 510,000	\$ 480,000	\$ 390,000	\$ 600,000
MRC line of credit - Housing	283,985	212,000	173,985	322,000
	<u>\$ 793,985</u>	<u>\$ 692,000</u>	<u>\$ 563,985</u>	<u>\$ 922,000</u>

MRC line of credit – Commercial

The maximum principal available is \$1,900,000, with variable interest only payments of prime minus 1% due monthly. A one-time payment of all outstanding principal plus accrued interest is due June 30, 2024.

MRC line of credit – Housing

The maximum principal available is \$1,000,000, with variable interest only payments of prime minus 1% due monthly. A one-time payment of all outstanding principal plus accrued interest at 3.00% is due June 30, 2024.

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 11 – LONG-TERM OBLIGATIONS

Changes in governmental activities long-term obligations for the year ended June 30, 2023 were as follows:

	Outstanding July 1, 2022	Additions	Reductions	Outstanding June 30, 2023	Balances Due Within One Year
Long-term debt					
Bonded debt					
Series 2015	\$ 536,820	\$ -	\$ 43,050	\$ 493,770	\$ 40,845
Series 2017	2,645,000	-	215,000	2,430,000	220,000
Series 2021A	2,700,000	-	75,000	2,625,000	75,000
Bond premium	513,781	-	26,763	487,018	26,761
Direct borrowings and placements					
Leases	46,003	-	46,003	-	-
Oregon Department of Transportation	848,282	222,156	119,112	951,326	121,791
Total long-term debt obligations	7,289,886	222,156	524,928	6,987,114	484,397
Other long-term obligations					
Compensated absences	57,443	59,949	57,443	59,949	59,949
Net pension liability	2,015,421	432,135	-	2,447,556	-
Other postemployment benefit liability	897,166	-	74,287	822,879	-
Total long-term obligations	<u>\$ 10,259,916</u>	<u>\$ 714,240</u>	<u>\$ 656,658</u>	<u>\$ 10,317,498</u>	<u>\$ 544,346</u>

Changes in business-type activities long-term obligations for the year ended June 30, 2023 were as follows:

	Outstanding July 1, 2022 (restated)	Additions/ Reclassifications	Reductions	Outstanding June 30, 2023	Balances Due Within One Year
Long-term debt					
Bonded debt					
Series 2015	\$ 843,178	\$ -	\$ 61,950	\$ 781,228	\$ 64,155
Series 2021B	10,050,000	-	420,000	9,630,000	450,000
Bond premium	86,271	-	7,684	78,587	7,684
Direct borrowings and placements					
DEQ's Clean Water	118,647	-	8,920	109,727	9,165
Oregon DEQ R62372	563,445	-	17,674	545,771	17,923
Jefferson County	33,923	-	4,427	29,496	4,560
OBDD Pump Station Upgrade	611,495	-	14,189	597,306	14,570
Oregon DEQ R62373	501,088	-	7,323	493,765	14,755
Oregon DEQ R62374	862,470	-	431,235	431,235	12,825
Oregon DEQ R62375	-	791,334	-	791,334	-
Total long-term debt obligations	13,670,517	791,334	973,402	13,488,449	595,637
Other long-term obligations					
Leases	-	46,003	18,666	27,337	19,186
Compensated absences	-	3,659	-	3,659	3,659
Net pension liability	635,711	147,817	-	783,528	-
Other postemployment benefit liability	181,414	100,094	-	281,508	-
Total long-term obligations	<u>\$ 14,487,642</u>	<u>\$ 1,088,907</u>	<u>\$ 992,068</u>	<u>\$ 14,584,481</u>	<u>\$ 618,482</u>

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 11 – LONG-TERM OBLIGATIONS (Continued)

Governmental activities long-term debt

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

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

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

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

The future maturities for governmental activities long-term debt obligations as of June 30, 2023 are as follows:

Fiscal Year	Full Faith and Credit Obligations Series 2015		Full Faith and Credit Obligations Series 2017		Full Faith and Credit Obligations Series 2021A	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 40,845	\$ 18,390	\$ 220,000	\$ 79,200	\$ 75,000	\$ 87,050
2025	42,790	17,135	225,000	71,400	75,000	84,800
2026	44,735	15,599	235,000	62,200	85,000	82,550
2027	46,680	13,771	245,000	52,600	85,000	80,000
2028	44,735	11,942	255,000	42,600	85,000	74,900
2029-33	210,060	32,288	1,235,000	86,175	470,000	333,100
2034-38	63,925	4,046	15,000	225	550,000	255,400
2039-43	-	-	-	-	495,000	169,850
2044-48	-	-	-	-	360,000	99,200
2049-52	-	-	-	-	345,000	21,400
	<u>\$ 493,770</u>	<u>\$ 113,171</u>	<u>\$ 2,430,000</u>	<u>\$ 394,400</u>	<u>\$ 2,625,000</u>	<u>\$ 1,288,250</u>

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 11 – LONG-TERM OBLIGATIONS (Continued)

Future maturities – governmental activities (continued)

Fiscal Year	Oregon Department of Transportation Loan		Totals	
	Principal	Interest	Principal	Interest
2024	\$ 121,791	\$ 18,328	\$ 457,636	\$ 202,968
2025	124,227	15,893	467,017	189,228
2026	126,711	13,408	491,446	173,757
2027	129,245	10,874	505,925	157,245
2028	131,830	8,289	516,565	137,731
2029-33	317,522	9,074	2,232,582	460,637
2034-38	-	-	628,925	259,671
2039-43	-	-	495,000	169,850
2044-48	-	-	360,000	99,200
2049-52	-	-	345,000	21,400
	<u>\$ 951,326</u>	<u>\$ 75,866</u>	<u>\$ 6,500,096</u>	<u>\$ 1,871,687</u>

Business-type activities long-term debt

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

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

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

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

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

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 11 – LONG-TERM OBLIGATIONS (Continued)

Business-type activities long-term debt (continued)

Oregon Business Development Department (OBDD) – The City borrowed \$633,266 from the Business Oregon. Annual principal and interest payments are \$30,638 and include interest at 2.69%.

Oregon DEQ – The City borrowed \$1,001,088 from DEQ’s Clean Water State Revolving Fund. Upon completion of the project, DEQ forgave \$501,088 of the loan amount. Semiannual principal and interest payments range from \$9,829 to \$12,333 and include interest at 1.00%.

Oregon DEQ – The City borrowed \$862,470 from DEQ’s Clean Water State Revolving Fund. Upon completion of the project, DEQ forgave \$431,235 of the loan amount. Semiannual principal and interest payments range from \$8,339 to \$10,495 and include interest at 0.90%.

Oregon DEQ – The City borrowed \$791,334 from DEQ’s Clean Water State Revolving Fund. Upon completion of the project, it is expected that DEQ will forgive \$395,667 of the loan amount. No payments are due until the final loan amount is calculated.

The future maturities for business-type activities long-term debt obligations as of June 30, 2023 are as follows:

Fiscal Year	Full Faith and Credit Obligations Series 2015		Full Faith and Credit Obligations Series 2021B		DEQ's Clean Water Revolving Fund Loan Program	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 64,155	\$ 28,885	\$ 450,000	\$ 210,357	\$ 9,165	\$ 2,911
2025	67,210	26,915	470,000	206,914	9,415	2,661
2026	70,265	24,501	500,000	202,026	9,671	2,405
2027	73,320	21,629	520,000	195,676	9,935	2,141
2028	70,265	18,758	550,000	187,840	10,207	1,869
2029-33	329,940	50,712	3,210,000	771,471	55,365	5,015
2034-38	106,073	6,354	3,930,000	331,570	5,969	81
2039-43	-	-	-	-	-	-
2044-48	-	-	-	-	-	-
2049-52	-	-	-	-	-	-
	<u>\$ 781,228</u>	<u>\$ 177,754</u>	<u>\$ 9,630,000</u>	<u>\$ 2,105,854</u>	<u>\$ 109,727</u>	<u>\$ 17,083</u>

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 11 – LONG-TERM OBLIGATIONS (Continued)

Future maturities – business-type activities (continued)

Fiscal Year	Jefferson County					
	Oregon DEQ R62372		Berg Drive		OBDD Pump Station Upgrade	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 17,923	\$ 10,362	\$ 4,560	\$ 885	\$ 14,570	\$ 16,068
2025	18,178	10,017	4,697	748	14,962	15,676
2026	18,435	9,669	4,838	607	15,365	15,273
2027	18,695	9,317	4,983	462	15,778	14,860
2028	18,960	8,959	5,132	313	16,203	14,435
2029-33	98,900	39,244	5,286	158	87,789	65,399
2034-38	106,098	29,503	-	-	100,250	52,940
2039-43	113,818	19,054	-	-	114,479	38,711
2044-48	122,103	7,843	-	-	130,728	22,462
2049-52	12,661	152	-	-	87,182	4,732
	<u>\$ 545,771</u>	<u>\$ 144,120</u>	<u>\$ 29,496</u>	<u>\$ 3,173</u>	<u>\$ 597,306</u>	<u>\$ 260,556</u>

Fiscal Year	Totals					
	Oregon DEQ R62373		Oregon DEQ R62374		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 14,755	\$ 4,901	\$ 12,825	\$ 3,853	\$ 587,953	\$ 278,222
2025	14,903	4,753	12,941	3,737	612,306	271,421
2026	15,052	4,604	13,058	3,620	646,684	262,705
2027	15,204	4,452	13,176	3,502	671,091	252,039
2028	15,356	4,300	13,294	3,384	699,417	239,858
2029-33	79,119	19,161	68,294	15,096	3,934,693	966,256
2034-38	83,165	15,115	71,432	11,958	4,402,987	447,521
2039-43	87,420	10,860	74,711	8,679	390,428	77,304
2044-48	91,889	6,391	78,141	5,249	422,861	41,945
2049-52	76,902	1,741	73,363	1,659	250,108	8,284
	<u>\$ 493,765</u>	<u>\$ 76,278</u>	<u>\$ 431,235</u>	<u>\$ 60,737</u>	<u>\$ 12,618,528</u>	<u>\$ 2,845,555</u>

NOTE 11 – LONG-TERM OBLIGATIONS (Continued)

Advance Refunding

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

NOTE 12 – DEFINED BENEFIT PENSION PLAN

Plan description

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

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

Plan description (continued)

OPERS produces an independently audited Comprehensive Annual Financial Report which includes detailed information about the pension plan's fiduciary net position. The report can be found at: <https://www.oregon.gov/pers/Documents/Financials/ACFR/2022-Annual-Comprehensive-Financial-Report.pdf>.

Description of benefit terms

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

Tier One/Tier Two retirement benefit (Chapter 238)

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

NOTE 12 – DEFINED BENEFIT PENSION PLAN (Continued)

Pension benefits

The OPERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (1.67% for general service employees and 2% for police and fire employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55, and police and fire members after age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier 2 members are eligible for full benefits at age 60.

Death benefits

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

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

Disability benefits

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

Benefit changes after retirement

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

NOTE 12 – DEFINED BENEFIT PENSION PLAN (Continued)

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

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

Pension benefits

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

General service: 1.5% is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

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

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

Death benefits

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

Disability benefits

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

Description of benefit terms

Benefit changes after retirement

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

Contributions

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

NOTE 12 – DEFINED BENEFIT PENSION PLAN (Continued)

Tier One/Tier Two employer contribution rates are 26.62% and the OPSRP employer contribution rates are 19.23% for general service employees and 23.59% for police and fire employees. In 2022, the City funded a side account totaling \$500,000, with a match of \$37,500 from the State's Employer Incentive Fund, to reduce future required contributions. The side account will be amortized over a 20 year period. Employer contributions for the year ended June 30, 2023 were \$592,019.

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

Net pension liability

At June 30, 2023, the City reported a liability of \$3,231,084 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

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

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

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

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

NOTE 12 – DEFINED BENEFIT PENSION PLAN (Continued)

At June 30, 2022, the City's proportion was 0.02110164%, which was a decrease of 0.00105301% from its proportion measured as of June 30, 2021.

Pension expense

For the year ended June 30, 2023, the City recognized pension expense of \$515,021.

Deferred inflows of resources and deferred outflows of resources

Deferred inflows of resources and deferred outflows of resources are calculated at the plan level and are allocated to employers based on their proportionate share. For the measurement period ended June 30, 2022, employers will report the following deferred inflows or resources and/or deferred outflows of resources:

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

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

- Fiscal Year ended June 30, 2022 - 5.5 years
- Fiscal Year ended June 30, 2021 - 5.4 years
- Fiscal Year ended June 30, 2020 - 5.3 years
- Fiscal Year ended June 30, 2019 - 5.2 years
- Fiscal Year ended June 30, 2018 - 5.2 years
- Fiscal Year ended June 30, 2017 - 5.3 years
- Fiscal Year ended June 30, 2016 - 5.3 years
- Fiscal Year ended June 30, 2015 - 5.4 years
- Fiscal Year ended June 30, 2014 - 5.6 years

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 12 – DEFINED BENEFIT PENSION PLAN (Continued)

Pension expense (continued)

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

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

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 156,843	\$ 20,150
Changes of assumptions	506,975	4,632
Net difference between projected and actual earnings on pension plan investments	–	577,656
Changes in proportionate share	183,688	243,226
Difference between contributions and proportionate share of system contributions	132,490	35,887
Contributions subsequent to the measurement date	<u>592,019</u>	<u>–</u>
 Total	 <u>\$ 1,572,015</u>	 <u>\$ 881,551</u>

Deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement in the amount of \$592,019 will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending June 30,	
2024	\$ 75,094
2025	(53,643)
2026	(217,832)
2027	289,390
2028	<u>5,436</u>
 Total	 <u>\$ 98,445</u>

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 12 – DEFINED BENEFIT PENSION PLAN (Continued)

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

The total pension liability measured as of June 30, 2022 was based on an actuarial valuation as of December 31, 2020 using the following methods and assumptions:

Experience study report	2020, published July 20, 2021
Actuarial cost method	Entry age normal
Inflation rate	2.4%
Long-term expected rate of return	6.9%
Discount rate	6.9%
Administrative expenses – Tier One/Tier Two	\$40.9 million per year added to normal cost
Administrative expenses – OPSRP	\$8 million per year added to normal cost
Projected salary increases	3.4%
Cost of living adjustments (COLA)	Blend of 2% COLA and graded COLA (1.25%/ .015) in accordance with <i>Moro</i> decision; blend based on service
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Health Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

NOTE 12 – DEFINED BENEFIT PENSION PLAN (Continued)

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

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2020 Experience Study which reviewed experience for the four-year period ending on December 31, 2020.

UAL amortization

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

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

Discount rate

The discount rate used to measure the total pension liability was 6.9%, no change from the prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 12 – DEFINED BENEFIT PENSION PLAN (Continued)

Assumed asset allocation

<u>Asset Class</u>	<u>Target Allocation</u>
Cash	0.00%
Debt securities	20.00%
Public equity	30.00%
Private equity	20.00%
Real estate	12.50%
Real assets	7.50%
Diversifying strategies	7.50%
Risk parity	<u>2.50%</u>
Total	<u><u>100.00%</u></u>

Long-term expected rate of return

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

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 12 – DEFINED BENEFIT PENSION PLAN (Continued)

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

Long-Term Expected Rate of Return¹

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return²</u>	<u>20-Year</u>	
			<u>Annualized Geometric Mean</u>	<u>Annual Standard Deviation</u>
Global Equity	30.62%	7.11%	5.85%	17.05%
Private Equity	25.50	11.35	7.71	30.00
Core Fixed Income	23.75	2.80	2.73	3.85
Real Estate	12.25	6.29	5.66	12.00
Master Limited Partnerships	0.75	7.65	5.71	21.30
Infrastructure	1.50	7.24	6.26	15.00
Commodities	0.63	4.68	3.10	18.85
Hedge Fund of Funds – Multistrategy	1.25	5.42	5.11	8.45
Hedge Fund Equity – Hedge	0.63	5.85	5.31	11.05
Hedge Fund – Macro	5.62	5.33	5.06	7.90
US Cash	-2.50 ³	1.77	1.76	1.20
Assumed Inflation – Mean			2.40%	1.65%

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

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

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

Depletion date projection

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

NOTE 12 – DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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

Changes in actuarial methods and assumptions

There have been no changes in actuarial methods or assumptions since the December 31, 2020 valuation used for determining the collective net pension liability that are expected to have a significant effect on the City’s proportionate share of the collective net pension liability.

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

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

	1 Percentage Point Lower	Current Discount Rate	1 Percentage Point Higher
Proportionate share of net pension liability	\$ 5,730,049	\$ 3,231,084	\$ 1,139,567

NOTE 13 – DEFINED CONTRIBUTION PLAN

Plan description

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

Pension benefits

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

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

Death benefits

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

Contributions

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

The City makes the employee contributions of 6% of covered payroll to the plan. Contributions for the year ended June 30, 2023 were \$144,699.

Recordkeeping

PERS contracts with VOYA Financial to maintain IAP participant records.

NOTE 14 – OTHER POSTEMPLOYMENT BENEFIT PLANS

City of Madras Other Postemployment Benefit Plan

Plan description

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

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

Plan membership

As of the July 1, 2022 valuation, there were 32 active employees, 4 eligible retirees, and no spouses of ineligible retirees for a total of 36 plan members.

Contributions

The City funds the plan only to the extent of current year insurance premium requirements on a pay-as-you-go basis. The average monthly premium requirement for the City per individual is \$634 per retiree and \$690 per spouse.

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

At June 30, 2023, the City reported a total OPEB liability of \$1,104,387. The total OPEB liability was measured as of June 30, 2022 and determined by an actuarial valuation dated July 1, 2022.

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 14 – OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

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

For the year ended June 30, 2023 changes in the total OPEB liability are as follows:

	Total OPEB Liability
Balances at June 30, 2021	\$ 1,078,580
Changes for the year:	
Service cost	50,060
Interest	23,552
Economic/demographic gains or losses	(9,312)
Changes in assumptions or other inputs	38,483
Benefit payments	(76,976)
Balances at June 30, 2022	\$ 1,104,387

For the year ended June 30, 2023, the City recognized OPEB expense of \$138,356. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 26,713	\$ 15,639
Changes of assumptions	55,071	122,549
City's contributions subsequent to the measurement date	75,158	-
Total	\$ 156,942	\$ 138,188

Deferred outflows of resources related to OPEB resulting from the City's contributions subsequent to the measurement date in the amount of \$75,158 will be recognized as an adjustment to the Total OPEB liability in the year ending June 30, 2024.

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 14 – OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending June 30,	
2023	\$ (16,993)
2024	(16,993)
2025	(16,993)
2026	(14,855)
2027	(693)
Thereafter	<u>10,123</u>
	<u>\$ (56,404)</u>

Actuarial valuation

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

Actuarial methods and assumptions used in developing total OPEB liability

Valuation Date	July 1, 2022
Actuarial Cost Method	Entry Age Normal, Level Percent of Pay
Actuarial Assumptions:	
Inflation Rate	2.4%
Projected Salary Increases	3.4%
Mortality	Pub-2010 General and Safety Employee and Healthy Retiree tables, sex distinct for members and dependents, with a one-year setback for male general service employees and female safety employees
Election and Lapse Rates	35% of eligible employees. 60% of male members and 35% of female members will elect spouse coverage. 5% annual lapse rate

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 14 – OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

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

Discount rate

The discount rate used to measure the total OPEB liability was 3.54%. The discount rate is based on the Bond Buyer 20-year General Obligation Bond Index. The discount rate at the prior measurement date was 2.16%.

Healthcare cost trend rate

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

Year	Pre-65 Trend
2022	4.25%
2023	6.75%
2024	6.50%
2025	6.00%
2026	5.25%
2027	5.00%
2028 - 2029	4.75%
2030	4.50%
2031 - 2065	4.25%
2066 - 2071	4.00%
2072+	3.75%

Dental costs are assumed to decrease 1.75% for 2020 and increase 4% per year until 2072, then 3.75% thereafter.

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

The following presents the City's total OPEB liability calculated using the discount rate of 3.54%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

	1 Percentage Point Lower	Current Discount Rate	1 Percentage Point Higher
City's total OPEB liability	\$ 1,196,823	\$ 1,104,387	\$ 1,019,185

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 14 – OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

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

	1 Percentage Point Lower	Current Trend Rate	1 Percentage Point Higher
City's total OPEB liability	\$ 995,179	\$ 1,104,387	\$ 1,232,864

Changes since prior valuation

Discount rates were updated to reflect the requirement of GASB 75 as well as economic conditions as of the measurement dates.

Expected claims and premiums were updated to reflect changes in available benefits and premium levels. Expected retiree and dependent costs were updated to reflect current health cost guidelines.

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

The mortality, withdrawal and retirement rates were updated to reflect assumptions used in the Oregon PERS December 31, 2020 actuarial valuation.

In the prior valuation, 40% of members not eligible for explicit benefits were assumed to elect coverage upon retirement.

Oregon Public Employees Retirement System Retirement Health Insurance Account

Plan description

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

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

OPERS produces an independently audited Comprehensive Annual Financial Report which includes detailed information about the plan's fiduciary net position. The report can be found at: oregon.gov/pers/Documents/Financials/ACFR/2022-Annual-Comprehensive-Financial-Report.pdf

Description of benefit terms

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

NOTE 14 – OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

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

Other Postemployment Healthcare benefits

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

To be eligible, the member must:

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

Surviving spouse or dependent benefits

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

Contributions

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

The City contributed 0.06% of PERS-covered salaries for Tier 1 and Tier 2 members to fund the normal cost portion of RHIA benefits. Since the funded status of the RHIA UAL is in excess of 100%, no contributions were required to fund the RHIA UAL. For the year ended June 30, 2023, the City made contributions in the amount of \$305 to the RHIA.

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

At June 30, 2023, the City reported an (asset) of (\$51,631) for its proportionate share of the net OPEB liability/(asset). The net OPEB liability/(asset) was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2020. The City's proportion of the net OPEB liability/(asset) was based on its actual, legally required contributions made during the fiscal year with the total actual contributions of all employers during the fiscal year.

At June 30, 2022, the City's proportion was 0.01453026%, which was an increase of 0.00016952% from its proportion measured as of June 30, 2021.

OPEB expense

For the year ended June 30, 2023, the City recognized a credit to OPEB expense of \$5,121.

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 14 – OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

Deferred inflows of resources and deferred outflows of resources

Deferred inflows of resources and deferred outflows of resources are calculated at the plan level and are allocated to employers based on their proportionate share. For the measurement period ended June 30, 2022, employers will report the following deferred inflows or resources and/or deferred outflows of resources:

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

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

- Fiscal Year ended June 30, 2022 – 2.5 years
- Fiscal Year ended June 30, 2021 – 2.7 years
- Fiscal Year ended June 30, 2020 – 2.9 years
- Fiscal Year ended June 30, 2019 – 3.1 years
- Fiscal Year ended June 30, 2018 – 3.3 years
- Fiscal Year ended June 30, 2017 – 3.7 years

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

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ –	\$ 1,399
Changes of assumptions	404	1,721
Net difference between projected and actual earnings on pension plan investments	–	3,938
Changes in proportionate share	850	258
Contributions subsequent to the measurement date	305	–
Total	\$ 1,559	\$ 7,316

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 14 – OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

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

Deferred outflows of resources related to OPEB resulting from the City’s contributions subsequent to the measurement date in the amount of \$305 will be recognized as an adjustment to the net OPEB (asset)/liability in the years ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ends June 30,	
2023	\$ (2,355)
2024	(2,483)
2025	(2,485)
2026	1,261
2027	<u> —</u>
Total	<u>\$ (6,062)</u>

Actuarial methods and assumptions used in developing total OPEB liability

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

Retiree healthcare participation

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

Healthcare cost trend rate

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

Depletion date projection

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

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 14 – OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

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

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

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

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

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

	1 Percentage Point Lower	Current Discount Rate	1 Percentage Point Higher
Proportionate share of net OPEB liability/(asset)	\$ (46,315)	\$ (51,631)	\$ (56,000)

NOTE 15 – RISK MANAGEMENT

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

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 16 – INTERFUND TRANSFERS AND BALANCES

Interfund transfers were as follows during the year ended June 30, 2023:

	Transfers in							Total
	MRC							
	General	Transportation Operations	Commercial Project (non- cash)	Nonmajor governmental	Governmental activities - non-cash	Water Operations	Golf Course (non-major)	
Transfers out:								
General	\$ -	\$ 1,000,000	\$ -	\$ 371,833	\$ -	\$ 100,000	\$ 535,168	\$ 2,007,001
MRC Commercial Property Tax and Debt Service (non-cash)	-	-	390,000	-	-	-	-	390,000
Nonmajor governmental	135,000	448,443	-	173,985	-	-	-	757,428
Governmental activities - non-cash	-	-	-	-	282,219	-	282,219	564,438
Airport	868	9,000	-	-	-	-	-	9,868
Golf course (non-major)	-	-	-	-	515	-	-	515
Internal Service	64,343	-	-	-	227,975	-	-	292,318
	<u>\$ 200,211</u>	<u>\$ 1,457,443</u>	<u>\$ 390,000</u>	<u>\$ 545,818</u>	<u>\$ 510,709</u>	<u>\$ 100,000</u>	<u>\$ 817,387</u>	<u>\$ 4,021,568</u>

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

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

The primary purpose for significant transfers included the following:

- The General fund transferred \$1,000,000 to the Transportation Operations fund for the J Street and Willowcreek Stormwater projects.
- The Parks fund (a GASB 54 fund combined with the General fund) transferred \$535,168 to the newly established Golf Course fund to segregate golf enterprise activities from parks.
- Non-major SDC Street Improvement and Improvement Fee funds transferred \$298,443 and \$150,000, respectively, to the Transportation Operations fund for the J Street and 10th Street-Summer Place projects.

An advance (loan) from the Debt Service Fund to the MRC Fund is being repaid in annual installments, including interest of 2.5 to 4% through June 2032. At June 30, 2023, the balance is \$2,345,000.

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 17 – NET POSITION RESTRICTED THROUGH ENABLING LEGISLATION

Capital Projects – Ordinances imposing System Development Charges (SDC) restrict the use of those funds to capital improvements which expand the capacity of the system for which the charges were made. Net position related to SDC's as of June 30, 2023 was \$2,454,627.

NOTE 18 – DEFICIT FUND BALANCES AND OVEREXPENDITURES OF APPROPRIATIONS

As of June 30, 2023, deficit fund balances existed in the Madras Redevelopment Commission Commercial Property Tax and Debt Service Fund in the amount of \$(1,984,950), the Madras Redevelopment Commission Commercial Project Fund in the amount of \$(474,478), and the Madras Redevelopment Commission Housing Project Fund in the amount of \$(318,266). Management has a plan in place to correct the deficit fund balances with prudent fiscal management to ensure revenues exceed expenditures in the coming years.

At June 30, 2023, overexpenditures of appropriations \$10,967 in materials and services occurred in the Parks fund.

NOTE 19 – TAX ABATEMENTS

Jefferson County has established an Enterprise Zone under ORS 285C.175 and ORS 285C.362 that abates property taxes on new business development within the zone. As a result, the property taxes that the City received for the year ended June 30, 2023 have been reduced by \$90,979.

NOTE 20 – COMMITMENTS

Option agreement

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

Bean Foundation

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

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 20 – COMMITMENTS (Continued)

Construction commitments

The City has active construction projects as of June 30, 2023 as follows:

<u>Capital Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Airport Helipad	\$ 301,515	\$ -
Airport Apron & Fencing Improvements	170,113	1,492,975
J Street Bridge	3,406,771	1,643
G Street Waterline	2,202,090	-
Homeless Services Center	976,435	3,478,044
Server @ City Hall	22,068	22,068
PD Mobile Data Terminals	62,906	-
Culver Hwy Sewer - Fairgrounds to Hall	5,890	426,315
SWWTP Sludge Dewatering System	30,927	-
Sewer Effluent Irrigation Project	5,052	-
Headworks Odor Control System	<u>128,329</u>	<u>324,891</u>
	<u>\$ 7,312,096</u>	<u>\$ 5,745,936</u>

Grant commitments

The City had the following new development assistance grant commitments as of June 30, 2023:

<u>Grantee</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>Total</u>
Love's	\$ 70,000	\$ 70,000	\$ -	\$ -	\$ 140,000
Bunkhouse Hotel	110,000	110,000	110,000	110,000	440,000
The Basin	60,000	-	-	-	60,000
Initiative Brewing	200,000	-	-	-	200,000
Shangrilla	-	150,000	-	-	150,000
Starbucks	85,000	-	-	-	85,000
Wildwinds	49,000	-	-	-	49,000
Rio's	-	-	150,000	-	150,000
Harriman Building	-	-	50,000	-	50,000
City of Madras/Earl Street	-	-	500,000	-	500,000
City of Madras/Olive Street	<u>-</u>	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>300,000</u>
	<u>\$ 574,000</u>	<u>\$ 630,000</u>	<u>\$ 810,000</u>	<u>\$ 110,000</u>	<u>\$ 2,124,000</u>

CITY OF MADRAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 20 – COMMITMENTS (Continued)

Housing credits

The City provides housing credits to developers at a rate of \$1,500 per apartment and \$2,000 per home. At June 30, 2023, the City estimates the future commitments per year to be as follows:

	Development			
		Willowbrook	Yarrow Apartments	Morning Crest -
	Treasure Hills	Pkg 1	Pkg 1	Phase 6
	\$	\$	\$	\$
2023-24	82,551	132,679	48,852	35,284
2024-25	85,028	136,659	50,318	36,343
2025-26	87,579	140,759	51,827	37,433
2026-27	90,206	144,982	53,382	38,556
2027-28	92,912	149,331	54,984	39,713
Thereafter	-	263,781	114,966	74,800
	<u>\$ 438,277</u>	<u>\$ 968,192</u>	<u>\$ 374,329</u>	<u>\$ 262,129</u>

NOTE 21 – NEWLY ISSUED ACCOUNTING STANDARDS

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94). The statement improves financial reporting by addressing issues related to public-private partnership arrangements (PPPs) by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. It also provides guidance for accounting and financial reporting for availability payment arrangements (APAs) by requiring governments engaged in APAs that contain multiple components to recognize each component as a separate arrangement, and when related to operating or maintaining a nonfinancial asset, to report an outflow of resources in the period to which payments relate. Implementation of this standard had no impact on the City's financial statements.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96). This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users, including defining a SBITA, establishing that a SBITA results in an intangible right-to-use subscription asset and a corresponding liability, provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and requires note disclosures regarding a SBITA. Implementation of this standard had no impact on the City's financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

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

Year Ended June 30,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	0.02110164%	\$ 3,231,084	2,552,418	126.59%	85%
2021	0.02215465%	2,651,132	2,362,839	112.20%	88%
2020	0.02128619%	4,645,379	2,313,705	200.78%	76%
2019	0.02276083%	3,937,079	2,147,013	183.37%	80%
2018	0.01945789%	2,947,614	2,043,787	144.22%	82%
2017	0.02105521%	2,838,250	1,872,016	151.61%	83%
2016	0.02025036%	3,040,049	1,758,503	172.88%	81%
2015	0.02722843%	1,563,310	1,571,466	99.48%	92%
2014	0.02674091%	(606,140)	1,533,879	-39.52%	104%

* Information will be accumulated annually until 10 years is presented

Notes to schedule

Changes in Benefit Terms and Assumptions

Benefit Terms: The 2013 Oregon Legislature made a series of changes to PERS that lowered projected future benefit payments from the System. These changes included reductions to future Cost of Living Adjustments (COLA) made through Senate Bills 822 and 861. Senate Bill 822 also required the contribution rates scheduled to be in effect from July 2013 to June 2015 to be reduced. The Oregon Supreme Court decision in *Moro v. State of Oregon*, issued on April 30, 2015, reversed a significant portion of the reductions the 2013 Oregon Legislature made to future System Cost of Living Adjustments (COLA) through Senate Bills 822 and 861. This reversal increased the total pension liability as of June 30, 2015 compared to June 30, 2014 total pension liability.

Assumptions: The PERS Board adopted assumption changes that were used to measure the June 30, 2016 total pension liability and June 30, 2018 total pension liability. For June 30, 2016, the changes included the lowering of the long-term expected rate of return to 7.50 percent and lowering of the assumed inflation to 2.50 percent. For June 30, 2018, the long-term expected rate of return was lowered to 7.20 percent. For June 30, 2021, the long-term expected rate of return was lowered to 6.90 percent, and the inflation rate was lowered from 2.5 to 2.4 percent. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay were updated. There were no change for the year ended June 30, 2022.

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

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percent of covered payroll
2023	\$ 592,019	\$ 592,019	-	\$ 2,916,658	20.30%
2022	535,850	535,850	-	2,552,418	20.99%
2021	471,568	471,568	-	2,362,839	19.96%
2020	460,010	460,010	-	2,313,705	19.88%
2019	343,167	343,167	-	2,147,013	15.98%
2018	331,183	331,183	-	2,043,787	16.20%
2017	244,594	244,594	-	1,872,016	13.07%
2016	237,410	237,410	-	1,758,503	13.50%
2015	197,022	197,022	-	1,571,466	12.54%
2014	203,857	203,857	-	1,533,879	13.29%

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

Year Ended June 30,	Proportion of the net OPEB liability (asset)	Proportionate share of the net OPEB liability (asset)	Covered payroll	Proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2022	0.01453026%	\$ (51,631) \$	2,552,418	-2.02%	194.60%
2021	0.01436074%	(49,315)	2,362,839	-2.09%	183.90%
2020	0.01604627%	(32,696)	2,313,705	-1.41%	150.10%
2019	0.01926362%	(37,224)	2,147,013	-1.73%	144.36%
2018	0.01955149%	(21,826)	2,043,787	-1.07%	123.99%
2017	0.01783509%	(7,433)	1,872,016	-0.40%	108.88%
2016	0.01779924%	4,834	1,758,503	0.27%	94.15%

* Information will be accumulated annually until 10 years is presented

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

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percent of covered payroll
2023	\$ 305	\$ 305	-	\$ 2,916,658	0.01%
2022	358	358	-	2,552,418	0.01%
2021	384	384	-	2,362,839	0.02%
2020	1,146	1,146	-	2,313,705	0.05%
2019	9,547	9,547	-	2,147,013	0.44%
2018	9,467	9,467	-	2,043,787	0.46%
2017	8,567	8,567	-	1,872,016	0.46%

* Information will be accumulated until 10 years are presented.

Notes to schedule

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

Implicit rate subsidy

Contributions are not based on a measure of pay, therefore the covered-employee payroll is used in the percentages above.

Changes in assumptions

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Discount rate used	3.54%	2.16%	2.21%	3.50%	3.87%	3.58%

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

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Service cost	\$ 50,060	\$ 48,557	\$ 50,646	\$ 44,846	\$ 55,352	\$ 59,790
Interest on total OPEB liability	23,552	23,959	38,992	40,327	38,973	31,266
Effect of economic/demographic gains or losses	(9,312)	-	42,739	-	(16,384)	-
Effect of assumptions changes or inputs	38,483	3,827	(98,759)	32,273	(76,599)	(68,982)
Benefit payments	<u>(76,976)</u>	<u>(66,245)</u>	<u>(56,612)</u>	<u>(45,877)</u>	<u>(29,183)</u>	<u>(23,002)</u>
Net change in total OPEB liability	25,807	10,098	(22,994)	71,569	(27,841)	(928)
Total OPEB liability - beginning of year	<u>1,078,580</u>	<u>1,068,482</u>	<u>1,091,476</u>	<u>1,019,907</u>	<u>1,047,748</u>	<u>1,048,676</u>
Total OPEB liability - end of year	<u>\$ 1,104,387</u>	<u>\$ 1,078,580</u>	<u>\$ 1,068,482</u>	<u>\$ 1,091,476</u>	<u>\$ 1,019,907</u>	<u>\$ 1,047,748</u>
Covered employee payroll	\$ 2,916,658	\$ 2,552,418	\$ 2,313,705	\$ 2,147,013	\$ 2,043,787	\$ 1,872,016
Total OPEB liability as a percentage of covered employee payroll	37.9%	42.3%	46.2%	50.8%	49.9%	56.0%

Notes to schedule

*Information will be accumulated until 10 years are presented.

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

Implicit rate subsidy

Contributions are not based on a measure of pay, therefore the covered-employee payroll is used in the percentages above.

Changes in assumptions

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Discount rate used	3.54%	2.16%	2.21%	3.50%	3.87%	3.58%

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

CITY OF MADRAS
COMBINING BALANCE SHEET
GENERAL FUNDS
June 30, 2023

	<u>General</u>	<u>Parks</u>	<u>Community Development</u>	<u>Community Cleanup</u>	<u>Pension Stabilization</u>	<u>Total</u>
Assets						
Cash and cash equivalents	\$ 2,245,955	\$ 541,289	\$ 57,424	\$ 82,604	\$ 147,606	\$ 3,074,878
Receivables						
Property taxes	80,446	-	-	-	-	80,446
Accounts, net	488,871	-	87,597	-	-	576,468
Due from other funds	325,812	-	-	-	-	325,812
Investment in land held for sale	-	-	-	25,000	-	25,000
Total assets	<u>\$ 3,141,084</u>	<u>\$ 541,289</u>	<u>\$ 145,021</u>	<u>\$ 107,604</u>	<u>\$ 147,606</u>	<u>\$ 4,082,604</u>
Liabilities, deferred inflows and fund balances						
Liabilities						
Accounts payable and accrued liabilities	515,406	13,469	17,205	653	-	546,733
Deferred inflows of resources						
Unavailable revenue	76,267	-	41,285	-	-	117,552
Fund balances						
Nonspendable	-	-	-	25,000	-	25,000
Assigned for:						
Pensions	-	-	-	-	147,606	147,606
Community development	-	-	86,531	81,951	-	168,482
Parks	-	527,820	-	-	-	527,820
Unassigned	2,549,411	-	-	-	-	2,549,411
Total fund balances	2,549,411	527,820	86,531	106,951	147,606	3,418,319
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,141,084</u>	<u>\$ 541,289</u>	<u>\$ 145,021</u>	<u>\$ 107,604</u>	<u>\$ 147,606</u>	<u>\$ 4,082,604</u>

CITY OF MADRAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GENERAL FUNDS
Year Ended June 30, 2023

	General	Parks	Community Development	Community Cleanup	Pension Stabilization	Eliminations	Total
Revenues							
Property taxes	\$ 1,722,980	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,722,980
Franchise fees	522,814	-	-	-	-	-	522,814
Miscellaneous taxes	764,949	-	-	-	-	-	764,949
Licenses, permits and fees	27,032	-	366,029	-	-	-	393,061
Fines and forfeitures	42,591	-	-	-	-	-	42,591
Charges for services	-	-	79,304	-	-	-	79,304
Intergovernmental	1,559,458	-	87,379	15,390	-	-	1,662,227
Interest	74,605	256	(1,625)	2,768	-	-	76,004
Miscellaneous	31	14,001	-	14,705	-	-	28,737
Total revenues	4,714,460	14,257	531,087	32,863	-	-	5,292,667
Expenditures							
Current							
General government	75,000	-	-	-	-	-	75,000
Public safety	2,234,137	-	-	-	-	-	2,234,137
Community development	-	-	565,555	29,127	-	-	594,682
Culture and recreation	-	395,063	-	-	-	-	395,063
Capital outlay	762,814	143,412	-	-	-	-	906,226
Total expenditures	3,071,951	538,475	565,555	29,127	-	-	4,205,108
Excess (deficiency) of revenues over expenditures	1,642,509	(524,218)	(34,468)	3,736	-	-	1,087,559
Other financing sources (uses)							
Transfers in	-	360,073	-	-	104,131	(263,993)	200,211
Transfers out	(1,728,326)	(535,168)	(7,500)	-	-	263,993	(2,007,001)
Total other financing sources (uses)	(1,728,326)	(175,095)	(7,500)	-	104,131	-	(1,806,790)
Net change in fund balances	(85,817)	(699,313)	(41,968)	3,736	104,131	-	(719,231)
Fund balances at beginning of year	2,635,228	1,227,133	128,499	103,215	43,475	-	4,137,550
Fund balances at end of year	\$ 2,549,411	\$ 527,820	\$ 86,531	\$ 106,951	\$ 147,606	\$ -	\$ 3,418,319

CITY OF MADRAS
PARKS - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest	\$ 2,500	\$ 256	\$ (2,244)
Miscellaneous	-	14,001	14,001
Total revenues	<u>2,500</u>	<u>14,257</u>	<u>11,757</u>
Expenditures			
Materials and services	384,096	395,063	(10,967)
Capital outlay	275,000	143,412	131,588
Contingency	<u>25,000</u>	-	<u>25,000</u>
Total expenditures	<u>684,096</u>	<u>538,475</u>	<u>145,621</u>
Excess (deficiency) of revenues over expenditures	<u>(681,596)</u>	<u>(524,218)</u>	<u>157,378</u>
Other financing sources (uses)			
Transfers in	364,343	360,073	(4,270)
Transfers out	<u>(535,168)</u>	<u>(535,168)</u>	<u>-</u>
Total other financing sources (uses)	<u>(170,825)</u>	<u>(175,095)</u>	<u>(4,270)</u>
Net change in fund balance	(852,421)	(699,313)	153,108
Fund balance at beginning of year	<u>1,008,811</u>	<u>1,227,133</u>	<u>218,322</u>
Fund balance at end of year	<u>\$ 156,390</u>	<u>\$ 527,820</u>	<u>\$ 371,430</u>

CITY OF MADRAS
COMMUNITY DEVELOPMENT - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Licenses, permits and fees	\$ 400,000	\$ 366,029	\$ (33,971)
Charges for services	45,000	79,304	34,304
Intergovernmental	60,000	87,379	27,379
Interest	500	(1,625)	(2,125)
	<u>505,500</u>	<u>531,087</u>	<u>25,587</u>
Expenditures			
Personnel services	305,142	284,273	20,869
Materials and services	380,571	288,782	91,789
Contingency	60,000	-	60,000
	<u>745,713</u>	<u>573,055</u>	<u>172,658</u>
Excess (deficiency) of revenues over expenditures	<u>(240,213)</u>	<u>(41,968)</u>	<u>198,245</u>
Other financing sources (uses)			
Transfers in	<u>175,000</u>	<u>-</u>	<u>(175,000)</u>
Net change in fund balance	(65,213)	(41,968)	23,245
Fund balance at beginning of year	<u>131,878</u>	<u>128,499</u>	<u>(3,379)</u>
Fund balance at end of year	<u>\$ 66,665</u>	<u>\$ 86,531</u>	<u>\$ 19,866</u>

CITY OF MADRAS
COMMUNITY CLEANUP - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Intergovernmental	\$ 9,000	\$ 15,390	\$ 6,390
Interest	-	2,768	2,768
Miscellaneous	<u>8,000</u>	<u>14,705</u>	<u>6,705</u>
Total revenues	<u>17,000</u>	<u>32,863</u>	<u>15,863</u>
Expenditures			
Materials and services	<u>50,000</u>	<u>29,127</u>	<u>20,873</u>
Total expenditures	<u>50,000</u>	<u>29,127</u>	<u>20,873</u>
Net change in fund balance	(33,000)	3,736	36,736
Fund balance at beginning of year	<u>62,928</u>	<u>103,215</u>	<u>40,287</u>
Fund balance at end of year	<u>\$ 29,928</u>	<u>\$ 106,951</u>	<u>\$ 77,023</u>

CITY OF MADRAS
PENSION STABILIZATION - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2023

	Budget	Actual	Variance
Revenues			
Charges for services	\$ 118,327	\$ 104,131	\$ (14,196)
Total revenues	118,327	104,131	(14,196)
Net change in fund balance	118,327	104,131	(14,196)
Fund balance at beginning of year	43,452	43,475	23
Fund balance at end of year	\$ 161,779	\$ 147,606	\$ (14,173)

CITY OF MADRAS
MADRAS REDEVELOPMENT COMMISSION COMMERCIAL PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2023

	Biennium Budget	FY 2022-23 Actual	Variance
Revenues			
Interest	\$ -	\$ 372	\$ 372
Total revenues	-	372	372
Expenditures			
Materials and services	148,500	79,968	68,532
Special payments	3,870,180	442,301	3,427,879
Contingency	201,257	-	201,257
Total expenditures	4,219,937	522,269	3,697,668
Excess (deficiency) of revenues over expenditures	(4,219,937)	(521,897)	3,698,040
Other financing sources (uses)			
Issuance of short-term obligations	4,100,000	480,000	(3,620,000)
Net change in fund balance	(119,937)	(41,897)	78,040
Fund balance at beginning of year	119,937	56,279	(63,658)
Fund balance at end of year	\$ -	14,382	\$ 14,382
Reconciliation to generally accepted accounting principles			
Fair-value adjustment		111,140	
Short-term obligations		(600,000)	
Fund balance - ending (GAAP basis)		\$ (474,478)	

CITY OF MADRAS
MADRAS REDEVELOPMENT COMMISSION COMMERCIAL PROPERTY TAX AND DEBT SERVICE
DEBT SERVICE FUND (A MAJOR FUND)
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2023

	<u>Biennium Budget</u>	<u>Actual</u> FY 2022-23	<u>Variance</u>
Revenues			
Property taxes	\$ 1,544,986	\$ 746,926	\$ (798,060)
Interest	-	5,519	5,519
Total revenues	<u>1,544,986</u>	<u>752,445</u>	<u>(792,541)</u>
Expenditures			
Debt service	1,315,200	654,721	660,479
Contingency	<u>482,721</u>	-	<u>482,721</u>
Total expenditures	<u>1,797,921</u>	<u>654,721</u>	<u>1,143,200</u>
Net change in fund balance	(252,935)	97,724	350,659
Fund balance at beginning of year	<u>252,935</u>	<u>262,326</u>	<u>9,391</u>
Fund balance at end of year	<u>\$ -</u>	360,050	<u>\$ 360,050</u>
Reconciliation to generally accepted accounting principles			
Due to other funds		<u>(2,345,000)</u>	
Fund balance - ending (GAAP basis)		<u>\$ (1,984,950)</u>	

CITY OF MADRAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

	Special Revenue	Debt Service	Capital Projects	Total
Assets				
Cash and cash equivalents	\$ 1,148,952	\$ 52,454	\$ 1,408,281	\$ 2,609,687
Receivables				
Property taxes	-	5,821	-	5,821
Accounts, net	26,662	-	281,466	308,128
Notes	482,969	-	-	482,969
Due from other funds	-	2,345,000	-	2,345,000
Total assets	<u>\$ 1,658,583</u>	<u>\$ 2,403,275</u>	<u>\$ 1,689,747</u>	<u>\$ 5,751,605</u>
Liabilities, deferred inflows and fund balances				
Liabilities				
Accounts payable and accrued liabilities	\$ 7,927	\$ -	\$ -	\$ 7,927
Short-term obligations	322,000	-	-	322,000
Total liabilities	<u>329,927</u>	<u>-</u>	<u>-</u>	<u>329,927</u>
Deferred inflows of resources				
Unavailable revenue	466,960	5,182	172,693	644,835
Total deferred inflows of resources	<u>466,960</u>	<u>5,182</u>	<u>172,693</u>	<u>644,835</u>
Fund balances				
Restricted for:				
Highways and streets	421,637	-	-	421,637
Economic development	201,759	-	-	201,759
Debt service	-	2,398,093	-	2,398,093
Capital projects	-	-	1,517,054	1,517,054
Committed for tourism	556,566	-	-	556,566
Unassigned	(318,266)	-	-	(318,266)
Total fund balances	<u>861,696</u>	<u>2,398,093</u>	<u>1,517,054</u>	<u>4,776,843</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,658,583</u>	<u>\$ 2,403,275</u>	<u>\$ 1,689,747</u>	<u>\$ 5,751,605</u>

CITY OF MADRAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2023

	Special Revenue	Debt Service	Capital Projects	Total
Revenues				
Property taxes	\$ -	\$ 188,296	\$ -	\$ 188,296
Licenses, permits and fees	42,509	-	-	42,509
Charges for services	50,000	-	-	50,000
System development charges	-	-	324,424	324,424
Intergovernmental	80,314	-	-	80,314
Loan repayments	132,496	-	-	132,496
Interest	38,581	80,170	40,501	159,252
Miscellaneous	7,000	52	18,590	25,642
	<u>350,900</u>	<u>268,518</u>	<u>383,515</u>	<u>1,002,933</u>
Expenditures				
Current				
General government	-	450	-	450
Community development	568,602	-	-	568,602
Debt service	-	257,640	-	257,640
	<u>568,602</u>	<u>258,090</u>	<u>-</u>	<u>826,692</u>
Excess (deficiency) of revenues over expenditures	<u>(217,702)</u>	<u>10,428</u>	<u>383,515</u>	<u>176,241</u>
Other financing sources (uses)				
Transfers in	545,818	-	-	545,818
Transfers out	<u>(205,000)</u>	<u>(173,985)</u>	<u>(378,443)</u>	<u>(757,428)</u>
Total other financing sources (uses)	<u>340,818</u>	<u>(173,985)</u>	<u>(378,443)</u>	<u>(211,610)</u>
Net change in fund balances	123,116	(163,557)	5,072	(35,369)
Fund balances at beginning of year	<u>738,580</u>	<u>2,561,650</u>	<u>1,511,982</u>	<u>4,812,212</u>
Fund balances at end of year	<u>\$ 861,696</u>	<u>\$ 2,398,093</u>	<u>\$ 1,517,054</u>	<u>\$ 4,776,843</u>

CITY OF MADRAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2023

	Tourism/Economic Development	Improvement Fee	Madras Redevelopment Commission Commercial Revolving Loan	Madras Redevelopment Commission Housing Project	Madras Redevelopment Commission General	Total
Assets						
Cash and cash equivalents	\$ 543,291	\$ 412,037	\$ 153,620	\$ 3,734	\$ 36,270	\$ 1,148,952
Receivables						
Accounts, net	17,062	9,600	-	-	-	26,662
Notes	-	-	482,969	-	-	482,969
Total assets	\$ 560,353	\$ 421,637	\$ 636,589	\$ 3,734	\$ 36,270	\$ 1,658,583
Liabilities, deferred inflows and fund balances						
Liabilities						
Accounts payable and accrued liabilities	\$ 3,787	\$ -	\$ -	\$ -	\$ 4,140	\$ 7,927
Short-term obligations	-	-	-	322,000	-	322,000
Total liabilities	3,787	-	-	322,000	4,140	329,927
Deferred inflows of resources						
Unavailable revenue	-	-	466,960	-	-	466,960
Total deferred inflows of resources	-	-	466,960	-	-	466,960
Fund balances						
Restricted for:						
Highways and streets	-	421,637	-	-	-	421,637
Economic development	-	-	169,629	-	32,130	201,759
Committed for:						
Tourism	556,566	-	-	-	-	556,566
Unassigned	-	-	-	(318,266)	-	(318,266)
Total fund balances	556,566	421,637	169,629	(318,266)	32,130	861,696
Total liabilities, deferred inflows of resources and fund balances	\$ 560,353	\$ 421,637	\$ 636,589	\$ 3,734	\$ 36,270	\$ 1,658,583

CITY OF MADRAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2023

	Tourism/Economic Development	Improvement Fee	Madras Redevelopment Commission Commercial Revolving Loan	Madras Redevelopment Commission Housing Project	Madras Redevelopment Commission General	Total
Revenues						
Licenses, permits and fees	\$ -	\$ 42,509	\$ -	\$ -	\$ -	\$ 42,509
Charges for services	-	-	-	-	50,000	50,000
Intergovernmental	80,314	-	-	-	-	80,314
Loan repayments	-	-	132,496	-	-	132,496
Interest	14,756	11,201	11,696	96	832	38,581
Miscellaneous	4,500	-	2,500	-	-	7,000
Total revenues	99,570	53,710	146,692	96	50,832	350,900
Expenditures						
Current						
Community development	274,429	-	60,469	210,518	23,186	568,602
Total expenditures	274,429	-	60,469	210,518	23,186	568,602
Excess (deficiency) of revenues over expenditures	(174,859)	53,710	86,223	(210,422)	27,646	(217,702)
Other financing sources (uses)						
Transfers in	371,833	-	-	173,985	-	545,818
Transfers out	(55,000)	(150,000)	-	-	-	(205,000)
Total other financing sources (uses)	316,833	(150,000)	-	173,985	-	340,818
Net change in fund balances	141,974	(96,290)	86,223	(36,437)	27,646	123,116
Fund balances at beginning of year	414,592	517,927	83,406	(281,829)	4,484	738,580
Fund balances at end of year	\$ 556,566	\$ 421,637	\$ 169,629	\$ (318,266)	\$ 32,130	\$ 861,696

CITY OF MADRAS
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
June 30, 2023

			Madras Redevelopment Commission Housing Property Tax and Debt	
	Debt Service	Debt Reserve	Service	Total
Assets				
Cash and cash equivalents	\$ 4,125	\$ 36,863	\$ 11,466	\$ 52,454
Receivables	-	-	5,821	5,821
Due from other funds	2,345,000	-	-	2,345,000
Total assets	<u>\$ 2,349,125</u>	<u>\$ 36,863</u>	<u>\$ 17,287</u>	<u>\$ 2,403,275</u>
Liabilities, deferred inflows and fund balances				
Deferred inflows of resources				
Unavailable revenue	-	-	5,182	5,182
Total deferred inflows of resources	-	-	5,182	5,182
Fund balances				
Restricted for debt service	2,349,125	36,863	12,105	2,398,093
Total fund balances	2,349,125	36,863	12,105	2,398,093
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,349,125</u>	<u>\$ 36,863</u>	<u>\$ 17,287</u>	<u>\$ 2,403,275</u>

CITY OF MADRAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
Year Ended June 30, 2023

	<u>Debt Service</u>	<u>Debt Reserve</u>	<u>Madras Redevelopment Commission Housing Property Tax and Debt Service</u>	<u>Total</u>
Revenues				
Property taxes	\$ -	\$ -	\$ 188,296	\$ 188,296
Interest	80,050	-	120	80,170
Miscellaneous	-	-	52	52
	<u>80,050</u>	<u>-</u>	<u>188,468</u>	<u>268,518</u>
Total revenues				
	<u>80,050</u>	<u>-</u>	<u>188,468</u>	<u>268,518</u>
Expenditures				
Current				
General government	450	-	-	450
Debt service	250,050	-	7,590	257,640
	<u>250,500</u>	<u>-</u>	<u>7,590</u>	<u>258,090</u>
Total expenditures				
	<u>250,500</u>	<u>-</u>	<u>7,590</u>	<u>258,090</u>
Excess (deficiency) of revenues over expenditures	<u>(170,450)</u>	<u>-</u>	<u>180,878</u>	<u>10,428</u>
Other financing sources (uses)				
Transfers out	-	-	(173,985)	(173,985)
	<u>-</u>	<u>-</u>	<u>(173,985)</u>	<u>(173,985)</u>
Total other financing sources (uses)				
	<u>-</u>	<u>-</u>	<u>(173,985)</u>	<u>(173,985)</u>
Net change in fund balances	(170,450)	-	6,893	(163,557)
Fund balances at beginning of year	<u>2,519,575</u>	<u>36,863</u>	<u>5,212</u>	<u>2,561,650</u>
Fund balances at end of year	<u>\$ 2,349,125</u>	<u>\$ 36,863</u>	<u>\$ 12,105</u>	<u>\$ 2,398,093</u>

CITY OF MADRAS
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
June 30, 2023

	SDC Street Improvement	SDC Parks Improvement	SDC Stormwater Improvement	Total
Assets				
Cash and cash equivalents	\$ 892,669	\$ 386,562	\$ 129,050	\$ 1,408,281
Receivables	<u>256,781</u>	<u>19,162</u>	<u>5,523</u>	<u>281,466</u>
Total assets	<u>\$ 1,149,450</u>	<u>\$ 405,724</u>	<u>\$ 134,573</u>	<u>\$ 1,689,747</u>
Liabilities, deferred inflows and fund balances				
Deferred inflows of resources				
Unavailable revenue	\$ 156,587	\$ 13,200	\$ 2,906	\$ 172,693
Total deferred inflows of resources	<u>156,587</u>	<u>13,200</u>	<u>2,906</u>	<u>172,693</u>
Fund balances				
Restricted for capital projects	<u>992,863</u>	<u>392,524</u>	<u>131,667</u>	<u>1,517,054</u>
Total fund balances	<u>992,863</u>	<u>392,524</u>	<u>131,667</u>	<u>1,517,054</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,149,450</u>	<u>\$ 405,724</u>	<u>\$ 134,573</u>	<u>\$ 1,689,747</u>

CITY OF MADRAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
Year Ended June 30, 2023

	SDC			
	SDC Street Improvement	SDC Parks Improvement	Stormwater Improvement	Total
Revenues				
System development charges	\$ 245,917	\$ 63,393	\$ 15,114	\$ 324,424
Interest	26,557	10,438	3,506	40,501
Miscellaneous	-	18,590	-	18,590
	<u>272,474</u>	<u>92,421</u>	<u>18,620</u>	<u>383,515</u>
Total revenues				
	<u>272,474</u>	<u>92,421</u>	<u>18,620</u>	<u>383,515</u>
Other financing sources (uses)				
Transfers out	<u>(298,443)</u>	<u>(80,000)</u>	-	<u>(378,443)</u>
	<u>(298,443)</u>	<u>(80,000)</u>	-	<u>(378,443)</u>
Total other financing sources (uses)				
	<u>(298,443)</u>	<u>(80,000)</u>	-	<u>(378,443)</u>
Net change in fund balances	(25,969)	12,421	18,620	5,072
Fund balances at beginning of year	<u>1,018,832</u>	<u>380,103</u>	<u>113,047</u>	<u>1,511,982</u>
Fund balances at end of year	<u>\$ 992,863</u>	<u>\$ 392,524</u>	<u>\$ 131,667</u>	<u>\$ 1,517,054</u>

CITY OF MADRAS
TOURISM/ECONOMIC DEVELOPMENT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2023

	Budget	Actual	Variance
Revenues			
Intergovernmental	\$ 365,000	\$ 80,314	\$ (284,686)
Interest	4,500	14,756	10,256
Miscellaneous	4,500	4,500	-
Total revenues	<u>374,000</u>	<u>99,570</u>	<u>(274,430)</u>
Expenditures			
Materials and services	217,450	198,830	18,620
Special payments	475,500	75,599	399,901
Contingency	110,250	-	110,250
Total expenditures	<u>803,200</u>	<u>274,429</u>	<u>528,771</u>
Excess (deficiency) of revenues over expenditures	<u>(429,200)</u>	<u>(174,859)</u>	<u>254,341</u>
Other financing sources (uses)			
Transfers in	384,845	371,833	(13,012)
Transfers out	(55,000)	(55,000)	-
Total other financing sources (uses)	<u>329,845</u>	<u>316,833</u>	<u>(13,012)</u>
Net change in fund balance	(99,355)	141,974	241,329
Fund balance at beginning of year	<u>351,152</u>	<u>414,592</u>	<u>63,440</u>
Fund balance at end of year	<u>\$ 251,797</u>	<u>\$ 556,566</u>	<u>\$ 304,769</u>

CITY OF MADRAS
IMPROVEMENT FEE - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Licenses, permits and fees	\$ 5,000	\$ 42,509	\$ 37,509
Interest	<u>6,850</u>	<u>11,201</u>	<u>4,351</u>
Total revenues	<u>11,850</u>	<u>53,710</u>	<u>41,860</u>
Expenditures			
Capital outlay	<u>320,000</u>	<u>-</u>	<u>320,000</u>
Total expenditures	<u>320,000</u>	<u>-</u>	<u>320,000</u>
Excess (deficiency) of revenues over expenditures	<u>(308,150)</u>	<u>53,710</u>	<u>361,860</u>
Other financing sources (uses)			
Transfers out	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>
Net change in fund balance	(458,150)	(96,290)	361,860
Fund balance at beginning of year	<u>504,362</u>	<u>517,927</u>	<u>13,565</u>
Fund balance at end of year	<u>\$ 46,212</u>	<u>\$ 421,637</u>	<u>\$ 375,425</u>

CITY OF MADRAS

MADRAS REDEVELOPMENT COMMISSION COMMERCIAL REVOLVING LOAN - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2023

	FY 2022-23		
	<u>Biennium Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Loan repayments	\$ 131,900	\$ 132,496	\$ 596
Interest	-	11,696	11,696
Miscellaneous	-	2,500	2,500
 Total revenues	 <u>131,900</u>	 <u>146,692</u>	 <u>14,792</u>
Expenditures			
Special payments	1,800,000	60,469	1,739,531
Contingency	133,977	-	133,977
 Total expenditures	 <u>1,933,977</u>	 <u>60,469</u>	 <u>1,873,508</u>
 Excess (deficiency) of revenues over expenditures	 <u>(1,802,077)</u>	 <u>86,223</u>	 <u>1,888,300</u>
Other financing sources (uses)			
Issuance of short-term obligations	1,800,000	-	(1,800,000)
 Total other financing sources (uses)	 <u>1,800,000</u>	 <u>-</u>	 <u>(1,800,000)</u>
 Net change in fund balance	 (2,077)	 86,223	 88,300
 Fund balance at beginning of year	 <u>2,077</u>	 <u>83,406</u>	 <u>81,329</u>
 Fund balance at end of year	 <u>\$ -</u>	 <u>\$ 169,629</u>	 <u>\$ 169,629</u>

CITY OF MADRAS
MADRAS REDEVELOPMENT COMMISSION HOUSING PROJECT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2023

	FY 2022-23		
	Biennium Budget	Actual	Variance
Revenues			
Interest	\$ -	\$ 96	\$ 96
Expenditures			
Materials and services	101,992	60,868	41,124
Special payments	640,000	149,650	490,350
Contingency	9,571	-	9,571
Total expenditures	<u>751,563</u>	<u>210,518</u>	<u>541,045</u>
Excess (deficiency) of revenues over expenditures	<u>(751,563)</u>	<u>(210,422)</u>	<u>541,141</u>
Other financing sources (uses)			
Issuance of short-term obligations	<u>740,000</u>	<u>212,000</u>	<u>(528,000)</u>
Total other financing sources (uses)	<u>740,000</u>	<u>212,000</u>	<u>(528,000)</u>
Net change in fund balance	(11,563)	1,578	13,141
Fund balance at beginning of year	<u>11,563</u>	<u>2,156</u>	<u>(9,407)</u>
Fund balance at end of year	<u>\$ -</u>	<u>3,734</u>	<u>\$ 3,734</u>
Reconciliation to generally accepted accounting principles			
Short-term obligations		<u>(322,000)</u>	
Fund balance - ending (GAAP basis)		<u>\$ (318,266)</u>	

CITY OF MADRAS
MADRAS REDEVELOPMENT COMMISSION GENERAL - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2023

	FY 2022-23		
	Budget	Actual	Variance
Revenues			
Charges for services	\$ 60,000	\$ 50,000	\$ (10,000)
Interest	-	832	832
Total revenues	<u>60,000</u>	<u>50,832</u>	<u>(9,168)</u>
Expenditures			
Materials and services	<u>60,064</u>	<u>23,186</u>	<u>36,878</u>
Total expenditures	<u>60,064</u>	<u>23,186</u>	<u>36,878</u>
Net change in fund balance	(64)	27,646	27,710
Fund balance at beginning of year	<u>64</u>	<u>4,484</u>	<u>4,420</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 32,130</u>	<u>\$ 32,130</u>

CITY OF MADRAS
DEBT SERVICE - DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2023

	Budget	Actual	Variance
Revenues			
Interest	\$ 256,450	\$ 250,050	\$ (6,400)
Total revenues	256,450	250,050	(6,400)
Expenditures			
Materials and services	450	450	-
Debt service	256,000	250,050	5,950
Total expenditures	256,450	250,500	5,950
Net change in fund balance	-	(450)	(450)
Fund balance at beginning of year	4,575	4,575	-
Fund balance at end of year	\$ 4,575	4,125	\$ (450)
Reconciliation to generally accepted accounting principles			
Due from other funds		2,345,000	
Fund balance - ending (GAAP basis)		\$ 2,349,125	

CITY OF MADRAS
DEBT RESERVE - DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2023

	Budget	Actual	Variance
Other financing sources (uses)			
Transfers in	\$ 15,000	\$ -	\$ (15,000)
Total other financing sources (uses)	15,000	-	(15,000)
Net change in fund balance	15,000	-	(15,000)
Fund balance at beginning of year	36,862	36,863	1
Fund balance at end of year	\$ 51,862	\$ 36,863	\$ (14,999)

CITY OF MADRAS
MADRAS REDEVELOPMENT COMMISSION HOUSING PROPERTY TAX AND DEBT SERVICE
- DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2023

	FY 2022-23		
	Biennium Budget	Actual	Variance
Revenues			
Property taxes	\$ 476,000	\$ 188,296	\$ (287,704)
Interest	-	120	120
Miscellaneous	-	52	52
	<u>476,000</u>	<u>188,468</u>	<u>(287,532)</u>
Total revenues	<u>476,000</u>	<u>188,468</u>	<u>(287,532)</u>
Expenditures			
Debt service	485,000	181,575	303,425
Contingency	3,885	-	3,885
	<u>488,885</u>	<u>181,575</u>	<u>307,310</u>
Total expenditures	<u>488,885</u>	<u>181,575</u>	<u>307,310</u>
Net change in fund balance	(12,885)	6,893	19,778
Fund balance at beginning of year	<u>12,885</u>	<u>5,212</u>	<u>(7,673)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 12,105</u>	<u>\$ 12,105</u>

CITY OF MADRAS
SDC STREET IMPROVEMENT - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2023

	Budget	Actual	Variance
Revenues			
System development charges	\$ 144,500	\$ 245,917	\$ 101,417
Interest	<u>15,000</u>	<u>26,557</u>	<u>11,557</u>
 Total revenues	 <u>159,500</u>	 <u>272,474</u>	 <u>112,974</u>
Expenditures			
Contingency	<u>300,057</u>	<u>-</u>	<u>300,057</u>
 Total expenditures	 <u>300,057</u>	 <u>-</u>	 <u>300,057</u>
 Excess (deficiency) of revenues over expenditures	 <u>(140,557)</u>	 <u>272,474</u>	 <u>413,031</u>
Other financing sources (uses)			
Transfers out	<u>(298,443)</u>	<u>(298,443)</u>	<u>-</u>
 Total other financing sources (uses)	 <u>(298,443)</u>	 <u>(298,443)</u>	 <u>-</u>
 Net change in fund balance	 (439,000)	 (25,969)	 413,031
 Fund balance at beginning of year	 <u>983,217</u>	 <u>1,018,832</u>	 <u>35,615</u>
 Fund balance at end of year	 <u>\$ 544,217</u>	 <u>\$ 992,863</u>	 <u>\$ 448,646</u>

CITY OF MADRAS
SDC PARKS IMPROVEMENT - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
System development charges	\$ 75,000	\$ 63,393	\$ (11,607)
Interest	1,800	10,438	8,638
Miscellaneous	<u>-</u>	<u>18,590</u>	<u>18,590</u>
Total revenues	<u>76,800</u>	<u>92,421</u>	<u>15,621</u>
Expenditures			
Contingency	<u>320,000</u>	<u>-</u>	<u>320,000</u>
Total expenditures	<u>320,000</u>	<u>-</u>	<u>320,000</u>
Excess (deficiency) of revenues over expenditures	<u>(243,200)</u>	<u>92,421</u>	<u>335,621</u>
Other financing sources (uses)			
Transfers out	<u>(80,000)</u>	<u>(80,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(80,000)</u>	<u>(80,000)</u>	<u>-</u>
Net change in fund balance	(323,200)	12,421	335,621
Fund balance at beginning of year	<u>366,737</u>	<u>380,103</u>	<u>13,366</u>
Fund balance at end of year	<u>\$ 43,537</u>	<u>\$ 392,524</u>	<u>\$ 348,987</u>

CITY OF MADRAS
SDC STORMWATER IMPROVEMENT - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
System development charges	\$ 7,500	\$ 15,114	\$ 7,614
Interest	<u>800</u>	<u>3,506</u>	<u>2,706</u>
Total revenues	<u>8,300</u>	<u>18,620</u>	<u>10,320</u>
Expenditures			
Contingency	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total expenditures	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Net change in fund balance	(41,700)	18,620	60,320
Fund balance at beginning of year	<u>106,917</u>	<u>113,047</u>	<u>6,130</u>
Fund balance at end of year	<u>\$ 65,217</u>	<u>\$ 131,667</u>	<u>\$ 66,450</u>

CITY OF MADRAS
WATER OPERATIONS - ENTERPRISE FUND (MAJOR FUND)
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2023

	Budget		Actual	Variance
	Original	Final		
Revenues				
Charges for services	\$ 903,354	\$ 903,354	\$ 891,274	\$ (12,080)
System development charges	1,423	1,423	2,277	854
Intergovernmental	2,343,825	2,343,825	2,009,259	(334,566)
Interest	2,462	2,462	7,186	4,724
Total revenues	3,251,064	3,251,064	2,909,996	(341,068)
Expenditures				
Materials and services	1,089,868	1,109,868	884,361	225,507
Capital outlay	2,343,825	2,343,825	2,202,090	141,735
Debt service	10,200	10,200	9,206	994
Contingency	100,000	80,000	-	80,000
Total expenditures	3,543,893	3,543,893	3,095,657	448,236
Excess (deficiency) of revenues over expenditures	(292,829)	(292,829)	(185,661)	107,168
Other financing sources (uses)				
Transfers in	100,000	100,000	100,000	-
Total other financing sources (uses)	100,000	100,000	100,000	-
Net change in fund balance	(192,829)	(192,829)	(85,661)	107,168
Fund balance at beginning of year	374,898	374,898	356,028	(18,870)
Fund balance at end of year	\$ 182,069	\$ 182,069	270,367	\$ 88,298
Reconciliation to generally accepted accounting principles				
Net other postemployment benefit asset			1,952	
Capital assets, net			2,776,812	
Deferred outflows of resources			65,389	
Accrued interest payable			(236)	
Unavailable revenues			176,330	
Net pension liability			(137,808)	
Net other postemployment benefit liability			(41,746)	
Long-term obligations			(80,190)	
Deferred inflows of resources			(38,809)	
Net position - ending			\$ 2,992,061	

CITY OF MADRAS
COMBINING STATEMENT OF NET POSITION
WASTEWATER FUND
June 30, 2023

	Wastewater Operations	SDC Wastewater Improvement	Totals
Assets			
Current assets			
Cash and cash equivalents	\$ 2,826,163	\$ 730,911	\$ 3,557,074
Receivables, net	466,945	33,969	500,914
Inventory	34,856	-	34,856
Total current assets	<u>3,327,964</u>	<u>764,880</u>	<u>4,092,844</u>
Net other postemployment benefits asset	10,775	-	10,775
Capital assets			
Land and construction in progress	1,778,982	-	1,778,982
Other capital assets, net	26,965,537	-	26,965,537
Total capital assets	<u>28,744,519</u>	<u>-</u>	<u>28,744,519</u>
Total assets	<u>32,083,258</u>	<u>764,880</u>	<u>32,848,138</u>
Deferred outflows of resources			
Refunded debt charges	507,492	-	507,492
Pension related items	328,035	-	328,035
Other postemployment benefit related items	33,079	-	33,079
Total deferred outflows of resources	<u>868,606</u>	<u>-</u>	<u>868,606</u>
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	138,405	-	138,405
Accrued interest payable	247,612	-	247,612
Consumer deposits	49,466	-	49,466
Long-term obligations due within one year	526,475	-	526,475
Total current liabilities	<u>961,958</u>	<u>-</u>	<u>961,958</u>
Long-term obligations due in more than one year	<u>13,018,896</u>	<u>-</u>	<u>13,018,896</u>
Total liabilities	<u>13,980,854</u>	<u>-</u>	<u>13,980,854</u>
Deferred inflows of resources			
Pension related items	183,954	-	183,954
Other postemployment benefit related items	30,367	-	30,367
Total deferred inflows of resources	<u>214,321</u>	<u>-</u>	<u>214,321</u>
Net position			
Net investment in capital assets	16,577,960	-	16,577,960
Restricted for capital projects	-	764,880	764,880
Unrestricted	2,178,729	-	2,178,729
Total net position	<u>\$ 18,756,689</u>	<u>\$ 764,880</u>	<u>\$ 19,521,569</u>

CITY OF MADRAS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
WASTEWATER FUND
Year Ended June 30, 2023

	<u>Wastewater Operations</u>	<u>SDC Wastewater Improvement</u>	<u>Eliminations</u>	<u>Totals</u>
Operating revenues				
Charges for services	\$ 4,178,280	\$ -	\$ -	\$ 4,178,280
Total operating revenues	<u>4,178,280</u>	<u>-</u>	<u>-</u>	<u>4,178,280</u>
Operating expenses				
Personnel services	47,224	-	-	47,224
Materials and services	3,150,161	-	-	3,150,161
Depreciation	518,382	-	-	518,382
Total operating expenses	<u>3,715,767</u>	<u>-</u>	<u>-</u>	<u>3,715,767</u>
Operating income (loss)	<u>462,513</u>	<u>-</u>	<u>-</u>	<u>462,513</u>
Nonoperating revenues (expenses)				
Grants	433,300	-	-	433,300
Rents	-	-	-	-
Interest income	83,258	19,568	-	102,826
Miscellaneous	8,045	35,868	-	43,913
Interest expense	(309,779)	-	-	(309,779)
Total nonoperating revenues (expenses)	<u>214,824</u>	<u>55,436</u>	<u>-</u>	<u>270,260</u>
Income (loss) before capital contributions and transfers	677,337	55,436	-	732,773
Capital contributions	34,170	164,039	-	198,209
Transfers in	158,243	-	(158,243)	-
Transfers out	-	(158,243)	158,243	-
Change in net position	869,750	61,232	-	930,982
Net position - beginning	<u>19,861,992</u>	<u>703,648</u>	<u>-</u>	<u>20,565,640</u>
Prior period adjustment	<u>(1,975,053)</u>	<u>-</u>	<u>-</u>	<u>(1,975,053)</u>
Net position - ending	<u>\$ 18,756,689</u>	<u>\$ 764,880</u>	<u>\$ -</u>	<u>\$ 19,521,569</u>

CITY OF MADRAS
COMBINING STATEMENT OF CASH FLOWS
WASTEWATER FUND
Year Ended June 30, 2023

	SDC			Totals
	Wastewater Operations	Wastewater Improvement	Eliminations	
Cash flows from operating activities				
Receipts from customers	\$ 4,106,980	\$ -	\$ -	\$ 4,106,980
Payments to suppliers	(3,035,025)	-	-	(3,035,025)
Net cash provided by (used in) operating activities	<u>1,071,955</u>	<u>-</u>	<u>-</u>	<u>1,071,955</u>
Cash flows from noncapital financing activities				
Transfers in	158,243	-	(158,243)	-
Transfers out	-	(158,243)	158,243	-
Net cash provided by (used in) noncapital financing activities	<u>158,243</u>	<u>(158,243)</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities				
System development charges received	34,170	167,592	-	201,762
Other	8,045	35,868	-	43,913
Grants	433,300	-	-	433,300
Acquisition of capital assets	(902,069)	-	-	(902,069)
Issuance of long-term obligations	791,334	-	-	791,334
Forgiveness of long-term obligations	(431,235)	-	-	(431,235)
Principal paid on long-term obligations	(471,256)	-	-	(471,256)
Interest paid on long-term obligations	(248,847)	-	-	(248,847)
Net cash provided by (used in) capital and related financing activities	<u>(786,558)</u>	<u>203,460</u>	<u>-</u>	<u>(583,098)</u>
Cash flows from investing activities				
Interest on investments	83,258	19,568	-	102,826
Net cash provided by (used in) investing activities	<u>83,258</u>	<u>19,568</u>	<u>-</u>	<u>102,826</u>
Net increase (decrease) in cash and cash equivalents	526,898	64,785	-	591,683
Cash and cash equivalents - beginning	2,299,265	666,126	-	2,965,391
Cash and cash equivalents - ending	<u>\$ 2,826,163</u>	<u>\$ 730,911</u>	<u>\$ -</u>	<u>\$ 3,557,074</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ 462,513	\$ -	\$ -	\$ 462,513
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	518,382	-	-	518,382
(Increase) decrease in assets and deferred outflows of resources				
Receivables, net	(76,289)	3,553	-	(72,736)
Inventories	15,694	-	-	15,694
Net other postemployment benefits asset	(3,752)	-	-	(3,752)
Pension related items	(10,406)	-	-	(10,406)
Other postemployment benefit related items	(13,288)	-	-	(13,288)
Increase (decrease) in liabilities and deferred inflows of resources				
Accounts payable and accrued liabilities	99,442	-	-	99,442
Consumer deposits	4,989	-	-	4,989
Net pension liability	121,019	-	-	121,019
Net other postemployment benefits liability	76,884	-	-	76,884
Pension related items	(128,901)	-	-	(128,901)
Other postemployment benefit related items	5,668	-	-	5,668
Net cash provided by (used in) operating activities	<u>\$ 1,071,955</u>	<u>\$ 3,553</u>	<u>\$ -</u>	<u>\$ 1,075,508</u>

CITY OF MADRAS
WASTEWATER OPERATIONS - ENTERPRISE FUND (MAJOR FUND)
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2023

	Budget		Actual	Variance
	Original	Final		
Revenues				
Charges for services	\$ 3,912,250	\$ 3,912,250	\$ 4,178,280	\$ 266,030
System development charges	35,100	35,100	33,798	(1,302)
Intergovernmental	980,000	980,000	793,399	(186,601)
Interest	16,000	16,000	83,258	67,258
Miscellaneous	-	-	8,045	8,045
Total revenues	4,943,350	4,943,350	5,096,780	153,430
Expenditures				
Materials and services	3,075,899	3,075,899	3,039,448	36,451
Capital outlay	2,141,000	2,141,000	1,012,782	1,128,218
Debt service	798,243	798,243	720,103	78,140
Contingency	75,000	75,000	-	75,000
Total expenditures	6,090,142	6,090,142	4,772,333	1,317,809
Excess (deficiency) of revenues over expenditures	(1,146,792)	(1,146,792)	324,447	1,471,239
Other financing sources (uses)				
Issuance of long-term obligations	550,000	550,000	-	(550,000)
Transfers in	158,243	158,243	158,243	-
Transfers out	(588,907)	(588,907)	-	588,907
Total other financing sources (uses)	119,336	119,336	158,243	38,907
Net change in fund balance	(1,027,456)	(1,027,456)	482,690	1,510,146
Fund balance at beginning of year	2,248,966	2,248,966	2,649,477	400,511
Fund balance at end of year	\$ 1,221,510	\$ 1,221,510	3,132,167	\$ 1,910,657
Reconciliation to generally accepted accounting principles				
Net other postemployment benefit asset			10,775	
Capital assets, net			28,744,519	
Deferred outflows of resources			868,606	
Unavailable revenues			7,926	
Accrued interest payable			(247,612)	
Net pension liability			(640,835)	
Net other postemployment benefit liability			(230,485)	
Long-term obligations			(12,674,051)	
Deferred inflows of resources			(214,321)	
Net position - ending			\$ 18,756,689	

CITY OF MADRAS
SDC WASTEWATER IMPROVEMENT - WASTEWATER FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2023

	Budget	Actual	Variance
Revenues			
System development charges	\$ 228,750	\$ 161,239	\$ (67,511)
Interest	5,340	19,568	14,228
Miscellaneous	-	35,868	35,868
Total revenues	234,090	216,675	(17,415)
Expenditures			
Contingency	50,000	-	50,000
Total expenditures	50,000	-	50,000
Excess (deficiency) of revenues over expenditures	184,090	216,675	32,585
Other financing sources (uses)			
Transfers out	(158,243)	(158,243)	-
Total other financing sources (uses)	(158,243)	(158,243)	-
Net change in fund balance	25,847	58,432	32,585
Fund balance at beginning of year	669,181	676,253	7,072
Fund balance at end of year	\$ 695,028	734,685	\$ 39,657
Reconciliation to generally accepted accounting principles			
Unavailable revenues		30,195	
Net position - ending		\$ 764,880	

CITY OF MADRAS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
AIRPORT FUND
Year Ended June 30, 2023

	Airport Operations	Airport Construction	Eliminations	Totals
Operating revenues				
Charges for services	\$ 723,788	\$ -	\$ -	\$ 723,788
Rental income	685,777	-	-	685,777
Miscellaneous	42,453	-	-	42,453
Total operating revenues	<u>1,452,018</u>	<u>-</u>	<u>-</u>	<u>1,452,018</u>
Operating expenses				
Personnel services	45,573	-	-	45,573
Materials and services	1,180,833	-	-	1,180,833
Depreciation	531,104	-	-	531,104
Total operating expenses	<u>1,757,510</u>	<u>-</u>	<u>-</u>	<u>1,757,510</u>
Operating income (loss)	<u>(305,492)</u>	<u>-</u>	<u>-</u>	<u>(305,492)</u>
Nonoperating revenues (expenses)				
Grants	330,917	-	-	330,917
Interest income	26,225	-	-	26,225
Interest expense	(22,897)	-	-	(22,897)
Total nonoperating revenue (expenses)	<u>334,245</u>	<u>-</u>	<u>-</u>	<u>334,245</u>
Income (loss) before transfers	28,753	-	-	28,753
Transfers in	35,970	-	(35,970)	-
Transfers out	(9,868)	(35,970)	35,970	(9,868)
Change in net position	54,855	(35,970)	-	18,885
Net position - beginning	<u>15,085,033</u>	<u>35,970</u>	<u>-</u>	<u>15,121,003</u>
Net position - ending	<u>\$ 15,139,888</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,139,888</u>

CITY OF MADRAS
COMBINING STATEMENT OF CASH FLOWS
AIRPORT FUND
Year Ended June 30, 2023

	Airport Operations	Airport Construction	Totals
Cash flows from operating activities			
Receipts from customers	\$ 1,492,468	\$ -	\$ 1,492,468
Payments to suppliers	(1,202,706)	-	(1,202,706)
Payments to employees	(34,110)	-	(34,110)
Net cash provided by (used in) operating activities	<u>255,652</u>	<u>-</u>	<u>255,652</u>
Cash flows from noncapital financing activities			
Transfers in	35,970	-	35,970
Transfers out	(9,868)	(35,970)	(45,838)
Net cash provided by (used in) noncapital financing activities	<u>26,102</u>	<u>(35,970)</u>	<u>(9,868)</u>
Cash flows from capital and related financing activities			
Grants	330,917	-	330,917
Acquisition of capital assets	(493,339)	-	(493,339)
Principal paid on long-term obligations	(56,927)	-	(56,927)
Interest paid on long-term obligations	(25,881)	-	(25,881)
Net cash provided by (used in) capital and related financing activities	<u>(245,230)</u>	<u>-</u>	<u>(245,230)</u>
Cash flows from investing activities			
Interest on investments	26,225	-	26,225
Net cash provided by (used in) investing activities	<u>26,225</u>	<u>-</u>	<u>26,225</u>
Net increase (decrease) in cash and cash equivalents	62,749	(35,970)	26,779
Cash and cash equivalents - beginning	<u>787,578</u>	<u>35,970</u>	<u>823,548</u>
Cash and cash equivalents - ending	<u>\$ 850,327</u>	<u>\$ -</u>	<u>\$ 850,327</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ (305,492)	\$ -	\$ (305,492)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Depreciation	531,104	-	531,104
(Increase) decrease in assets and deferred outflows of resources			
Receivables, net	40,450	-	40,450
Inventories	13,715	-	13,715
Prepaid items	1,425	-	1,425
Net other postemployment benefits asset	(434)	-	(434)
Pension related items	(13,240)	-	(13,240)
Other postemployment benefit related items	(1,331)	-	(1,331)
Increase (decrease) in liabilities and deferred inflows of resources			
Accounts payable and accrued liabilities	(37,013)	-	(37,013)
Compensated absences payable	3,659	-	3,659
Net pension liability	4,885	-	4,885
Net other postemployment benefits liability	9,277	-	9,277
Pension related items	7,425	-	7,425
Other postemployment benefit related items	1,222	-	1,222
Net cash provided by (used in) operating activities	<u>\$ 255,652</u>	<u>\$ -</u>	<u>\$ 255,652</u>

CITY OF MADRAS
AIRPORT OPERATIONS - ENTERPRISE FUND (MAJOR FUND)
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2023

	Budget		Actual	Variance
	Original	Final		
Revenues				
Charges for services	\$ 610,436	\$ 760,436	\$ 721,861	\$ (38,575)
Intergovernmental	574,000	829,164	350,845	(478,319)
Rents	685,149	685,149	684,649	(500)
Interest	2,500	2,500	26,225	23,725
Miscellaneous	-	-	42,453	42,453
	<u>1,872,085</u>	<u>2,277,249</u>	<u>1,826,033</u>	<u>(451,216)</u>
Expenditures				
Personnel services	37,500	37,500	34,978	2,522
Materials and services	1,076,843	1,287,843	1,147,601	140,242
Capital outlay	777,000	1,071,393	526,571	544,822
Debt service	89,600	89,600	82,808	6,792
Contingency	50,000	149,771	-	149,771
	<u>2,030,943</u>	<u>2,636,107</u>	<u>1,791,958</u>	<u>844,149</u>
Excess (deficiency) of revenues over expenditures	<u>(158,858)</u>	<u>(358,858)</u>	<u>34,075</u>	<u>392,933</u>
Other financing sources (uses)				
Transfers in	35,970	35,970	35,970	-
Transfers out	(9,000)	(9,000)	(9,000)	-
	<u>26,970</u>	<u>26,970</u>	<u>26,970</u>	<u>-</u>
Net change in fund balance	(131,888)	(331,888)	61,045	392,933
Fund balance at beginning of year	<u>572,300</u>	<u>772,300</u>	<u>924,947</u>	<u>152,647</u>
Fund balance at end of year	<u>\$ 440,412</u>	<u>\$ 440,412</u>	985,992	<u>\$ 545,580</u>
Reconciliation to generally accepted accounting principles				
Net other postemployment benefit asset			434	
Capital assets, net			14,888,418	
Deferred outflows of resources			14,571	
Unavailable revenues			13,477	
Accrued interest payable			(2,328)	
Compensated absences payable			(3,659)	
Net pension liability			(4,885)	
Net other postemployment benefit liability			(9,277)	
Long-term obligations			(734,208)	
Deferred inflows of resources			<u>(8,647)</u>	
Net position - ending			<u>\$ 15,139,888</u>	

CITY OF MADRAS
AIRPORT CONSTRUCTION - AIRPORT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2023

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

CITY OF MADRAS
GOLF COURSE - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Charges for services	\$ 256,675	\$ 323,348	\$ 66,673
Interest	-	4,113	4,113
Miscellaneous	<u>10,800</u>	<u>20,870</u>	<u>10,070</u>
Total revenues	<u>267,475</u>	<u>348,331</u>	<u>80,856</u>
Expenditures			
Materials and services	710,750	704,489	6,261
Capital outlay	62,000	20,094	41,906
Contingency	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Total expenditures	<u>775,750</u>	<u>724,583</u>	<u>51,167</u>
Excess (deficiency) of revenues over expenditures	<u>(508,275)</u>	<u>(376,252)</u>	<u>132,023</u>
Other financing sources (uses)			
Transfers in	<u>1,109,075</u>	<u>535,168</u>	<u>(573,907)</u>
Net change in fund balance	600,800	158,916	(441,884)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 600,800</u>	158,916	<u>\$ (441,884)</u>
Reconciliation to generally accepted accounting principles			
Capital assets, net		317,872	
Unavailable revenues		3,648	
Long-term obligations		<u>(27,337)</u>	
Net position - ending		<u>\$ 453,099</u>	

CITY OF MADRAS
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2023

	Central Services	Public Works Staff	Information Technology	Totals
Assets				
Current assets				
Cash and cash equivalents	\$ 540,776	\$ 1,128,320	\$ 11,558	\$ 1,680,654
Receivables, net	-	3,232	-	3,232
Inventory	-	13,073	-	13,073
Prepaid items	1,130	-	-	1,130
Total current assets	<u>541,906</u>	<u>1,144,625</u>	<u>11,558</u>	<u>1,698,089</u>
Net other postemployment benefits asset	<u>11,483</u>	<u>9,443</u>	<u>-</u>	<u>20,926</u>
Capital assets				
Depreciable capital assets, net	<u>-</u>	<u>16,498</u>	<u>-</u>	<u>16,498</u>
Total capital assets	<u>-</u>	<u>16,498</u>	<u>-</u>	<u>16,498</u>
Total assets	<u>553,389</u>	<u>1,170,566</u>	<u>11,558</u>	<u>1,735,513</u>
Deferred outflows of resources				
Pension related items	349,683	287,537	-	637,220
Other postemployment benefit related items	<u>35,251</u>	<u>28,990</u>	<u>-</u>	<u>64,241</u>
Total deferred outflows of resources	<u>384,934</u>	<u>316,527</u>	<u>-</u>	<u>701,461</u>
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	111,283	101,557	1,558	214,398
Customer deposits	-	200	-	200
Compensated absences	<u>15,666</u>	<u>13,866</u>	<u>-</u>	<u>29,532</u>
Total current liabilities	126,949	115,623	1,558	244,130
Long-term obligations due in more than one year	<u>814,120</u>	<u>615,800</u>	<u>-</u>	<u>1,429,920</u>
Total liabilities	<u>941,069</u>	<u>731,423</u>	<u>1,558</u>	<u>1,674,050</u>
Deferred inflows of resources				
Pension related items	196,094	161,244	-	357,338
Other postemployment benefit related items	<u>32,360</u>	<u>26,612</u>	<u>-</u>	<u>58,972</u>
Total deferred inflows of resources	<u>228,454</u>	<u>187,856</u>	<u>-</u>	<u>416,310</u>
Net position				
Net investment in capital assets	-	16,498	-	16,498
Unrestricted (deficit)	<u>(231,200)</u>	<u>551,316</u>	<u>10,000</u>	<u>330,116</u>
Total net position (deficit)	<u>\$ (231,200)</u>	<u>\$ 567,814</u>	<u>\$ 10,000</u>	<u>\$ 346,614</u>

CITY OF MADRAS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
Year Ended June 30, 2023

	Central Services	Public Works Staff	Information Technology	Totals
Operating revenues				
Licenses, permits and fees	\$ 38,553	\$ 13,407	\$ -	\$ 51,960
Charges for services	1,841,634	2,946,722	196,696	4,985,052
Rents	5	-	-	5
Miscellaneous	15,183	(944)	-	14,239
Total operating revenues	<u>1,895,375</u>	<u>2,959,185</u>	<u>196,696</u>	<u>5,051,256</u>
Operating expenses				
Personnel services	1,151,109	1,547,962	-	2,699,071
Materials and services	378,049	813,433	191,696	1,383,178
Depreciation	-	4,500	-	4,500
Total operating expenses	<u>1,529,158</u>	<u>2,365,895</u>	<u>191,696</u>	<u>4,086,749</u>
Operating income (loss)	<u>366,217</u>	<u>593,290</u>	<u>5,000</u>	<u>964,507</u>
Nonoperating revenues (expenses)				
Capital grants	65,000	-	-	65,000
Interest on investments	4,264	60	-	4,324
Interest expense	(96,050)	-	-	(96,050)
Total nonoperating revenue (expenses)	<u>(26,786)</u>	<u>60</u>	<u>-</u>	<u>(26,726)</u>
Income (loss) before transfers	339,431	593,350	5,000	937,781
Transfers out	<u>(146,676)</u>	<u>(145,642)</u>	<u>-</u>	<u>(292,318)</u>
Change in net position	192,755	447,708	5,000	645,463
Net position (deficit) - beginning	<u>(423,955)</u>	<u>120,106</u>	<u>5,000</u>	<u>(298,849)</u>
Net position (deficit) - ending	<u>\$ (231,200)</u>	<u>\$ 567,814</u>	<u>\$ 10,000</u>	<u>\$ 346,614</u>

CITY OF MADRAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended June 30, 2023

	Central Services	Public Works	Information Technology	Totals
Cash flows from operating activities				
Receipts from customers	\$ 1,920,844	\$ 2,957,119	\$ 196,696	\$ 5,074,659
Payments to suppliers	(323,953)	(809,563)	(206,039)	(1,339,555)
Payments to employees	(1,195,445)	(1,504,251)	-	(2,699,696)
Net cash provided by (used in) operating activities	<u>401,446</u>	<u>643,305</u>	<u>(9,343)</u>	<u>1,035,408</u>
Cash flows from noncapital financing activities				
Transfers out	(26,676)	(37,667)	-	(64,343)
Net cash provided by (used in) noncapital financing activities	<u>(26,676)</u>	<u>(37,667)</u>	<u>-</u>	<u>(64,343)</u>
Cash flows from capital and related financing activities				
Grants	65,000	-	-	65,000
Acquisition of capital assets	-	(81,975)	-	(81,975)
Principal paid on long-term obligations	(120,000)	-	-	(120,000)
Interest paid on long-term obligations	(96,050)	-	-	(96,050)
Net cash provided by (used in) capital and related financing activities	<u>(151,050)</u>	<u>(81,975)</u>	<u>-</u>	<u>(233,025)</u>
Cash flows from investing activities				
Interest on investments	4,264	60	-	4,324
Net increase (decrease) in cash and cash equivalents	227,984	523,723	(9,343)	742,364
Cash and cash equivalents - beginning	312,792	604,597	20,901	938,290
Cash and cash equivalents - ending	<u>\$ 540,776</u>	<u>\$ 1,128,320</u>	<u>\$ 11,558</u>	<u>\$ 1,680,654</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ 366,217	\$ 593,290	\$ 5,000	\$ 964,507
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	-	4,500	-	4,500
(Increase) decrease in assets and deferred outflows of resources				
Receivables, net	47,824	(2,066)	-	45,758
Inventories	-	796	-	796
Prepaid items	(1,130)	-	-	(1,130)
Net other postemployment benefits asset	220	(3,287)	-	(3,067)
Pension related items	179,594	(9,123)	-	170,471
Other postemployment benefit related items	(2,273)	(11,643)	-	(13,916)
Increase (decrease) in liabilities and deferred inflows of resources				
Accounts payable and accrued liabilities	55,226	3,074	(14,343)	43,957
Compensated absences payable	(6,519)	2,354	-	(4,165)
Unearned revenue	(22,355)	-	-	(22,355)
Net pension liability	129,006	106,079	-	235,085
Net other postemployment benefits liability	(10,338)	67,354	-	57,016
Pension related items	(325,230)	(112,986)	-	(438,216)
Other postemployment benefit related items	(8,796)	4,963	-	(3,833)
Net cash provided by (used in) operating activities	<u>\$ 401,446</u>	<u>\$ 643,305</u>	<u>\$ (9,343)</u>	<u>\$ 1,035,408</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS				
Transfers out	\$ (120,000)	\$ (107,975)	\$ -	\$ (227,975)

CITY OF MADRAS
CENTRAL SERVICES - INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Licenses, permits and fees	\$ 38,000	\$ 38,553	\$ 553
Charges for services	2,104,000	1,841,634	(262,366)
Intergovernmental	65,000	65,000	-
Rents	1,205	5	(1,200)
Interest	-	4,264	4,264
Miscellaneous	<u>8,000</u>	<u>15,183</u>	<u>7,183</u>
 Total revenues	 <u>2,216,205</u>	 <u>1,964,639</u>	 <u>(251,566)</u>
Expenditures			
Personnel services	1,243,671	1,222,121	21,550
Materials and services	506,680	378,049	128,631
Debt service	218,000	216,050	1,950
Contingency	<u>80,000</u>	<u>-</u>	<u>80,000</u>
 Total expenditures	 <u>2,048,351</u>	 <u>1,816,220</u>	 <u>232,131</u>
 Net change in fund balance	 167,854	 148,419	 (19,435)
 Fund balance at beginning of year	 <u>282,183</u>	 <u>282,204</u>	 <u>21</u>
 Fund balance at end of year	 <u>\$ 450,037</u>	 430,623	 <u>\$ (19,414)</u>
Reconciliation to generally accepted accounting principles			
Net other postemployment benefit asset		11,483	
Deferred outflows of resources		384,934	
Compensated absences payable		(15,666)	
Net pension liability		(568,505)	
Net other postemployment benefit liability		(245,615)	
Deferred inflows of resources		<u>(228,454)</u>	
 Net deficit - ending		 <u>\$ (231,200)</u>	

CITY OF MADRAS
PUBLIC WORKS STAFF - INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2023

	Budget	Actual	Variance
Revenues			
Licenses, permits and fees	\$ 9,000	\$ 12,207	\$ 3,207
Charges for services	2,831,058	2,946,722	115,664
Interest	150	60	(90)
Miscellaneous	-	(944)	(944)
	<u>2,840,208</u>	<u>2,958,045</u>	<u>117,837</u>
Expenditures			
Personnel services	1,607,665	1,541,918	65,747
Materials and services	947,510	806,433	141,077
Capital outlay	100,000	88,975	11,025
Contingency	50,000	-	50,000
	<u>2,705,175</u>	<u>2,437,326</u>	<u>267,849</u>
Excess (deficiency) of revenues over expenditures	<u>135,033</u>	<u>520,719</u>	<u>385,686</u>
Other financing sources (uses)			
Transfers out	(175,000)	-	175,000
	<u>(175,000)</u>	<u>-</u>	<u>175,000</u>
Net change in fund balance	(39,967)	520,719	560,686
Fund balance at beginning of year	<u>520,922</u>	<u>520,949</u>	<u>27</u>
Fund balance at end of year	<u>\$ 480,955</u>	1,041,668	<u>\$ 560,713</u>
Reconciliation to generally accepted accounting principles			
Net other postemployment benefit asset		9,443	
Capital assets, net		16,498	
Deferred outflows of resources		316,527	
Unavailable revenues		1,200	
Compensated absences payable		(13,866)	
Net pension liability		(413,808)	
Net other postemployment benefit liability		(201,992)	
Deferred inflows of resources		(187,856)	
Net Position - ending		<u>\$ 567,814</u>	

CITY OF MADRAS
INFORMATION TECHNOLOGY - INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Charges for services	\$ 386,189	\$ 196,696	\$ (189,493)
Total revenues	<u>386,189</u>	<u>196,696</u>	<u>(189,493)</u>
Expenditures			
Materials and services	366,189	191,696	174,493
Contingency	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Total expenditures	<u>386,189</u>	<u>191,696</u>	<u>194,493</u>
Net change in fund balance	-	5,000	5,000
Fund balance at beginning of year	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Fund balance at end of year	<u>\$ 5,000</u>	<u>\$ 10,000</u>	<u>\$ 5,000</u>

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OTHER INFORMATION

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**Post Compliance Reporting
Fiscal Year Ending June 30, 2023**

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

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

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

Property Values – City of Madras

Taxable Property Values

The City					
Permanent Levy and Bond Levy					
Fiscal Year	Measure 5 Real Market Value	Total Taxable Assessed Value	Urban Renewal Excess Value	Assessed Value to compute the Taxes	Taxes to Be Received General Fund
2023	1,253,774,519	554,355,356	84,972,031	469,383,325	1,920,422
2022	1,007,446,337	499,000,492	64,968,529	434,031,963	1,779,514
2021	784,072,764	457,381,891	52,530,462	404,851,429	1,663,061
2020	693,109,691	424,053,558	37,140,034	386,913,524	1,595,013
2019	611,741,256	394,775,192	33,020,744	361,754,448	1,492,046
2018	455,110,414	352,041,191	26,675,246	325,365,945	1,342,544
2017	407,686,611	344,015,154	24,278,096	309,737,058	1,279,434
2016	369,700,511	318,255,793	23,978,363	294,277,430	1,214,558
2015	375,072,095	305,835,643	22,317,792	283,517,851	1,177,669
2014	362,214,121	283,117,698	21,112,484	262,005,214	1,150,281

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

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

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

Tax Rate History and Percent Collected
*Tax Collection Record*¹

Fiscal Year	Permanent Tax Rate	Bond Tax Rate	Local Option Rate	Percent collected as of	
				Levy Year ²	6/30/2023 ³
2023	\$4.1262	0.000	0.00	96.1%	97.4%
2022	4.1262	0.000	0.00	96.1	97.1
2021	4.1262	0.000	0.00	96.2	97.1
2020	4.1262	0.000	0.00	94.5	97.1
2019	4.1262	0.000	0.00	95.2	98.0
2018	4.1262	0.000	0.00	95.6	98.0
2017	4.1262	0.000	0.00	95.2	98.0
2016	4.1262	0.000	0.00	97.4	97.4
2015	4.1262	0.000	0.00	96.7	98.3
2014	4.1262	0.2996	0.00	96.4	99.1

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

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

³ The percentage of taxes collected represents taxes collected for that levy year through June 30, 2023.

Source: Jefferson County Department of Assessment and Taxation.

Major Taxpayers – City of Madras
(Fiscal Year 2022-23)

The following table shows the top taxpayers in the City.

Taxpayer	Business/Service	Tax	Assessed Value	Percent of Value
BrightWood Corporation	Manufacturer - wood component	\$ 786,477	\$ 44,160,110	8.0%
Keith Investments, LLC/Manufacturing Co. Inc.	Manufacturer - material handling systems	\$ 283,567	\$ 16,132,860	2.9%
Daimler Trucks North America, LLC	Trucking	\$ 267,295	\$ 13,687,164	2.5%
Love's Travel Stops & Country	Fuel stations - convenience stores	\$ 201,028	\$ 10,097,790	1.8%
Pacificorp (PP&L)	Power utility	\$ 194,476	\$ 11,084,215	2.0%
Keith Investments, LLC/Manufacturing Co. Inc.	Manufacturer - material handling systems	\$ 163,556	\$ 8,984,890	1.6%
Pratum Co-Op	Agriculture Co-Op	\$ 145,275	\$ 7,987,880	1.4%
Safeway Realty, LLC	Grocer real estate	\$ 140,133	\$ 6,984,350	1.3%
Cross Keys, LLC.	Hotels	\$ 107,290	\$ 5,347,450	1.0%
East Cascade Retirement Community, LLC.		\$ 104,348	\$ 5,200,830	0.9%
Subtotal - Ten Largest Taxpayers		\$ 2,393,445	\$ 129,667,539	23.4%
All Other City Taxpayers			\$ 424,687,817	76.6%
Total City			\$ 554,355,356	100.0%

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

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

Source: Jefferson County Department of Assessment and Taxation.

Major Taxpayers – Jefferson County

(Fiscal Year 2022-23)

The following table shows the top taxpayers in the County.

Taxpayer	Business/Service	Tax	Assessed Value	Percent of Value
Portland General Electric	Electric utility	\$ 5,278,559	\$ 370,549,000	15.6%
BrightWood Corporation	Manufacturer - wood component	\$ 943,423	\$ 53,294,100	2.2%
PacifiCorp	Power utility	\$ 889,293	\$ 57,514,842	2.4%
Gas Transmission Northwest, LLC.	Natural gas pipeline transmission	\$ 554,798	\$ 41,042,903	1.7%
Keith Investments, LLC/Manufacturing Co. Inc.	Manufacturer - material handling systems	\$ 513,435	\$ 28,759,940	1.2%
Warm Spring Power Enterprises	Hydroelectric utilities	\$ 398,644	\$ 28,000,000	1.2%
Daimler Trucks North America, LLC	Trucking	\$ 267,295	\$ 13,687,164	0.6%
Oregon Telephone Corporation	Telephone company	\$ 236,006	\$ 16,217,166	0.7%
BNSF Railway Company	Railroad	\$ 232,749	\$ 14,833,212	0.6%
Love's Travel Stops & Country	Fuel stations - convenience stores	\$ 201,028	\$ 10,097,790	0.4%
Subtotal - Ten Largest Taxpayers		\$ 9,515,229	\$ 633,996,117	26.6%
All Other County Taxpayers		\$ 30,286,002	\$ 1,746,126,261	73.4%
Total County		\$ 39,801,231	\$ 2,380,122,378	100.0%

¹ Tax amount is the total tax paid by the taxpayer within the boundaries of the County. This amount is distributed to individual local governments by the County. A breakdown of the amounts paid to each local government is unavailable.

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

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

Source: Jefferson County Department of Assessment and Taxation

Summary of Overlapping Debt

Fiscal Year 2022-23				
Overlapping Issuer Name	Overlapping Real Market Valuation	Percent Overlapping	Overlapping Debt	
			Gross Property Tax-Backed Debt ¹	Net Property Tax-Backed Debt ²
Central Oregon Community College	\$94,858,713,910	1.32%	\$598,307	\$513,464
Jefferson County	5,485,198,395	22.76	2,378,580	2,378,580
Jefferson County RFPD 1 (Madras)	2,525,977,786	49.42	29,650	29,650
Jefferson Co./Madras School District No. 509J	2,839,468,781	43.96	37,371,671	37,371,671
Jefferson ESD	4,467,963,237	27.94	648,169	648,169
Madras Aquatic Center	2,792,330,835	44.70	745,714	745,714
			\$41,772,091	\$41,687,248

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

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

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

Debt Ratios

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

Debt Ratios		
Real Market Value	\$1,248,274,176	
Estimated Population	6,470	
Per Capita Real Market Value	\$192,933	
Debt Information	Gross Property Tax-Backed Debt ^{1, 2}	Net Property Tax-Backed Debt ^{1, 3}
Direct Debt	\$15,960,000	\$15,960,000
Overlapping Direct Debt	41,772,091	41,687,248
Total Direct Debt	<u>\$57,732,091</u>	<u>\$57,647,248</u>
Bonded Debt Ratios ¹		
Direct Debt to Real Market Value	1.28%	1.28%
Total Direct Debt to Real Market Value	4.62%	4.62%
Per Capita Direct Debt	\$2,467	\$2,467
Per Capita Total Direct Debt	\$8,923	\$8,910

¹ Preliminary; subject to change.

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

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

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

Outstanding Long-Term Debt

	Outstanding July 1, 2022	Additions	Reductions	Outstanding June 30, 2023	Balances Due Within One Year
Long-term debt					
Bonded debt					
Series 2015	\$ 536,820	\$ -	\$ 43,050	\$ 493,770	\$ 40,845
Series 2017	2,645,000	-	215,000	2,430,000	220,000
Series 2021A	2,700,000	-	75,000	2,625,000	75,000
Bond premium	513,781	-	26,763	487,018	26,761
Direct borrowings and placements					
Leases	46,003	-	46,003	-	-
Oregon Department of Transportation	<u>848,282</u>	<u>222,156</u>	<u>119,112</u>	<u>951,326</u>	<u>121,791</u>
Total long-term debt obligations	7,289,886	222,156	524,928	6,987,114	484,397
Other long-term obligations					
Compensated absences	57,443	59,949	57,443	59,949	59,949
Net pension liability	2,015,421	432,135	-	2,447,556	-
Other postemployment benefit liability	<u>897,166</u>	<u>-</u>	<u>74,287</u>	<u>822,879</u>	<u>-</u>
Total long-term obligations	<u>\$ 10,259,916</u>	<u>\$ 714,240</u>	<u>\$ 656,658</u>	<u>\$ 10,317,498</u>	<u>\$ 544,346</u>

Source: City of Madras, Financial Report June 30, 2023

City Pension Plan Actuarial Valuations

	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
Allocated Pooled SLGRP T1/T2 UAL	\$ 4,446,562	\$ 4,149,638	\$ 4,678,691	\$ 3,467,454	\$ 4,169,527
Allocated Pre SLGRP pooled liability/surplus	\$ -	\$ -	\$ -	\$ -	\$ -
Transition liability/surplus	\$ (495,559)	\$ (454,881)	\$ (406,702)	\$ (355,711)	\$ (301,303)
Allocated pooled OPSRP UAL	\$ 370,141	\$ 362,504	\$ 471,299	\$ 292,436	\$ 598,477
Side account	\$ -	\$ -	\$ -	\$ 496,062	\$ 487,585
Net unfunded pension actuarial accrued liability	\$ 4,321,144	\$ 4,057,261	\$ 4,743,288	\$ 2,908,112	\$ 3,979,116
Combined valuation payroll	\$ 2,049,915	\$ 2,205,071	\$ 2,302,417	\$ 2,379,868	\$ 2,374,856
Net pension UAL as a % of payroll	211%	184%	206%	122%	168%
Pre-SLFRP pooled rate	0%	0%	0%	0%	0%
Transition rate	-3%	-3%	-3%	-3%	-2%
Side account rate relief	0%	0%	0%	-1.56%	-1.61%
Allocated pooled RHIA UAL	\$ (30,047)	\$ (45,932)	\$ (52,883)	\$ (73,930)	\$ (64,262)
Allocated pooled RHIPA UAL	\$ -	\$ -	\$ -	\$ -	\$ -

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

Possible Contribution Rate Collar

12/31/2022 Valuation:

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

For Comparison, the Pool’s Funded Status as of December 31, 2022, is 71%.

2023-2025 Biennium	2025-2027 Biennium	
	15.46%	<< No higher than this
12.46%	12.46%	<< No lower than this if the December 31, 2023, funded status is 87% or lower.
	9.46%	<<No lower than this if the December 31, 2023, funded status is 90% or higher.

COMPLIANCE SECTION

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

Mayor and Members
of the City Council
City of Madras

We have audited the basic financial statements of the City of Madras (the "City") as of and for the year ended June 30, 2023, and have issued our report thereon dated May 22, 2024. Our audit was conducted 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.

Compliance and Other Matters

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

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

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

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

Compliance and Other Matters (continued)

ORS Chapter 294.358 – resources and requirements preceding years

Amounts reported in the 2023-24 budget for certain funds did not agree to actual fiscal year 2020-21 and 2021-22 audited financial statements as follows:

- First preceding year’s resources do not agree for the Community Cleanup, Wastewater Operations and SDC Wastewater Improvement funds.
- First preceding year’s requirements do not agree for the Community Cleanup, Wastewater Operations, and Debt Service funds
- Second preceding year’s resources do not agree for the Community Cleanup fund

ORS 294.361(2)

Interfund transfers in reported in the 2023-24 budget exceed interfund transfers out by \$98,000.

ORS Chapter 294.438

Amounts reported on the LB-1 for 2021-22 and 2022-23 do not agree with amounts reported in the budget document for 2023-24.

OAR 150-294-0430 – general operating contingencies

The City appropriated contingencies in the following non-operating funds. An operating fund is defined as one which contains estimates for personnel services, materials and services, or capital outlay:

- SDC Street Improvement
- SDC Storm Water Improvement
- SDC Parks Improvement
- SDC Wastewater Improvement

Expenditures in excess of appropriations

Expenditures in excess of appropriations occurred in the following funds:

Parks	Materials and services	\$10,967
MRC Housing Project	Materials and services	7,194

OAR 162-10-0230 Internal Control

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

Mayor and Members of the City Council
City of Madras
Independent Auditor's Report Required by Oregon State Regulations
May 22, 2024

Restriction of Use

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

Singer Lewak LLP

May 22, 2024

By:



Bradley G. Bingenheimer, Partner