

CITY OF PRINEVILLE,
OREGON



ANNUAL COMPREHENSIVE
FINANCIAL REPORT
YEAR ENDED
JUNE 30, 2021



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**City of Prineville, Oregon
Annual Comprehensive Financial Report
Year Ended June 30, 2021**

Prepared by:
City of Prineville Finance Department
Liz Schuette, Finance Director

Available online at
<https://www.cityofprineville.com>



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Introductory Section

Letter of Transmittal
Certificate of Achievement
Elected and Appointed Officials
Organization Chart



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City Manager Steve Forrester

December 27, 2021

To the Honorable Mayor, City Councilors, Finance Committee Members and Citizens of Prineville, Oregon:

We hereby submit the Annual Comprehensive Financial Report (ACFR) of the City of Prineville, Oregon (the “City”) for the fiscal year ended June 30, 2021.

This report presents the financial position of the City as of June 30, 2021 and the results of its operations for the fiscal year then ended. The financial statements and supporting schedules have been prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America and meet the requirements of the standards prescribed by the Oregon Secretary of State Audits Division. We believe the data, as presented, is accurate in all material respects and presented in a manner designed to fairly set forth the financial position and results of operations of the various funds of the City.

The accuracy of the City’s financial statements and the completeness and fairness of their presentation is the responsibility of the City’s management. The City maintains a system of internal accounting controls designed to provide reasonable assurance that assets are safeguarded against loss or unauthorized use, and that financial records can be relied upon to produce financial statements in accordance with GAAP. The concept of reasonable assurance recognizes that the cost of maintaining the system of internal accounting controls should not exceed benefits likely to be derived.

Pauly, Rogers, and Co. P.C., has issued an unmodified or “clean” opinion on the City’s financial statements for the fiscal year ended June 30, 2021. The independent auditor’s opinion is located at page 13 in the “Financial Section” of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management’s Discussion and Analysis (“MD&A”). This letter of transmittal is designed to complement the MD&A, and should be read in conjunction with it. The City’s MD&A is located on page 17, immediately following the independent auditor’s report.

Prineville and Its Services

Prineville is a community where citizens, civic organizations, businesses and city government work together to ensure that the community retains its hometown identity, high quality of life, and its natural beauty. The City incorporated in 1880, and today serves a population of 11,042. It is close to the region's business core and more urban amenities, with Bend approximately thirty miles to the southwest and the regional airport in Redmond approximately twenty miles west. The City provides a small-town atmosphere with its historic county courthouse building, other pioneer-era buildings and residential dwellings, and the contemporary architecture of newer homes. Prineville is the gateway to recreation in the Ochoco National Forest and Prineville Reservoir.



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The City is a full-service municipality that operates under a council/manager form of government. The elected Prineville City Council consists of a mayor and six councilors who act as the board of directors. The Council sets policies for city government, enacts ordinances and hires, and directs and evaluates the city manager. In turn, the city manager is the City's chief executive officer, responsible for overall management and administration.

Municipal services provided by the City include police, emergency dispatch, water and wastewater utilities, street operations, planning, engineering, railroad and freight depot facilities, golf course, and airport management services.

The Crook County Fire & Rescue District provides fire and emergency services to the community, the Crook County Parks and Recreation District provides parks and recreation services, and Crook County provides library services. Prineville is the county seat of Crook County.

Local Economy

The City's economy is linked with that of the entire Central Oregon region. Within the last ten years Facebook and Apple constructed major data centers in Prineville, which help to diversify the economy. Prineville serves as a hub-community for residents of Crook County, with significant commercial and industrial development. The top 10 largest employers in Prineville include Les Schwab Distribution Facility, Crook County School District, Facebook Data Center, Rosendin Electric Inc., Brasada Ranch, Crook County, St. Charles Health Systems Endura Products, Ochoco National Forest, and Bureau of Land Management. Additionally, agriculture plays a significant cultural and economic role in Prineville.

The City has 13 company's taking advantage of tax abatements as of June 30th, 2021, which has affected the local economy in a positive way. These tax abatements offer a long term benefit to the community through capital investments, higher wage jobs, and community investment. Since the program was initiated, there have been 1,069 jobs created, \$6.5 billion in capital investments and any agreement over 3 years must pay employees at least 130 percent (130%) of the county's average wage. As of June 30th, 2021, 8 of the 13 active agreements qualified for the wage requirement.

Long-term Financial Planning

Long-term financial planning is performed on an ongoing basis. The City prepares 5-, 10- and 20- year financial plans for its General Fund, golf course, utilities and railroad, and is preparing various long-term financial analysis of its transportation system to inform decision makers. The financial plans include reserves by fund that fall within the policy guidelines set by the City Council and reviewed by the City's Finance Committee during the budget process. Reserve policy guidelines are measured as a percentage of annual operating expenses or current year revenues, and generally range between 15 percent (15%) and 25 percent (25%) depending on the fund.

Budget planning for the next biennium 2023-2025 will start in the following year. Water rates are anticipated to increase 2 percent (2%) year over year for the foreseeable future and a tiered commodity rate system is being implemented in January 2022 to promote conservation. Sewer rates are anticipated to fall in line with water rates with 2 percent (2%) year over year increases anticipated.

In regards to the City's long-term debt obligations, the City had a total of \$24.1 million in long-term debt



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obligations including \$20.3 million in full faith and credit obligations and a USDA bond for \$3.8 million in federal funds as of June 30, 2021.

City's Credit Ratings

In August of fiscal year 2015, Standard and Poor's rating services affirmed the City's "A+" long-term rating. Their rationale was cited as the City has "strong financial management, very strong budgetary flexibility, very strong liquidity, strong budgetary performance, adequate debt and contingent liabilities, and a strong institutional framework." Our private lender for the FFCO in FY 19 for acquisition of the new public safety building stated in the approval letter, "We are once again impressed with the City's management and high credit quality." The City continues to maintain strong financial management, and has improved in all of the areas stated above in the Standard and Poor's comments for our rating in FY 15.

Major Initiatives

The City continues its incremental strategic planning process for the community and organization. The foundation has been established with the creation of a financial planning and decision making framework for its major operations: water, wastewater, and transportation systems, police and emergency dispatch, railroad and freight facilities, and golf facilities. The Council and management are working toward clearly defined goals and objectives. During the budget review process, goals and objectives are developed and prioritized by the City Council and staff. The process is a continuing cycle of setting goals and objectives, reviewing short- and long-term goals, evaluating results, and reassessing the goals and their priority.

In preparing the budget for biennium 2023, the City Council updated and adopted various goals that were incorporated into budgeted operations. The City Council also established guidelines to achieve goals in the following major areas: urban and growth management, utility infrastructure, finances, downtown enhancement, recreation and culture, and partnerships with other agencies. Additionally, the City's Finance Committee, consisting of Mayor Jason Beebe and Councilors, Gail Merritt and Janet Hutchison, continue their focus on long-range financial stability, sustainability and audit oversight, and improving all finance processes.

Awards

Annual Comprehensive Financial Reporting Award. The City received the *Certificate of Achievement for Excellence in Financial Reporting* (CAEFR) award from the Government Finance Officers Association (GFOA) for its fiscal year 2020 report, making it the fifth time the City has applied and received the award. The CAEFR is a prestigious national award that



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Prineville
Oregon**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Merrill

Executive Director/CEO



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recognizes conformance with the highest standards of preparation of state and local government financial reports. In order to receive this award, government unit must publish an easily readable and efficiently organized ACFR whose contents conform to program standards and satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

Distinguished Budget Presentation Award.

The City submitted for the *Distinguished Budget Presentation Award* for its fiscal year 2021-2023 biennial budget document from the GFOA. If awarded, it would make 16 consecutive City budget documents to receive this award. The award is the highest form of recognition in governmental budgeting. Its attainment represents a significant accomplishment by a governmental entity, its financial staff, and its management. This international award program was first established in 1984 to encourage exemplary budgetary practices and to provide peer recognition for government finance officers who prepare budget documents. Budget proficiency is rated in four major categories: as a policy document, an operations guide, a financial plan, and a communications device.

Acknowledgements

The preparation of this Annual Comprehensive Financial Report was a combined effort of the dedicated finance staff under the direction of Liz Schuette. We wish to express our appreciation to everyone who contributed to the preparation of this report. Lastly, we wish to recognize the Mayor, Councilors, and the Finance Committee for their full support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

Steve Forrester
City Manager

Liz Schuette
Finance Director



Finance Director Liz Schuette and Accounting Manager Lori Hooper

City of Prineville Elected Officials

Mission Statement

Adopted February 9, 2016

The City of Prineville provides quality municipal services and programs which contribute to our reputation as a desirable place to live, work and play.

We strive to improve our quality of life through transparency; open communication; investment in essential infrastructure; public safety; community programs; and business, while staying within the constraints of fiscally responsible government.



Mayor Jason Beebe



Councilor Janet Hutchison



Councilor Patricia Jungmann



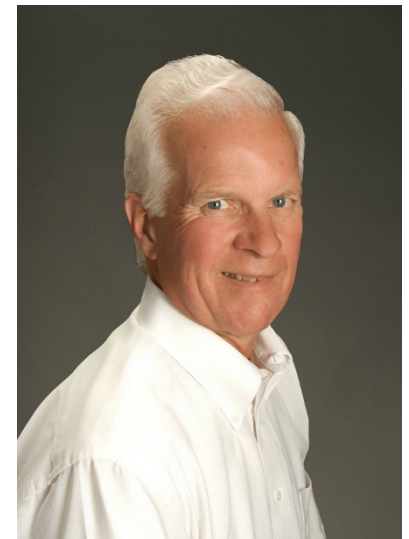
Councilor Raymond Law



Councilor Gail Merritt



Councilor Jeff Papke



Councilor Steve Uffelman

Elected Officials**Term Expires**

Jason Beebe, Mayor	December 31, 2022
Janet Hutchison, Councilor	December 31, 2022
Patricia Jungmann, Councilor	December 31, 2022
Raymond Law, Councilor	December 31, 2024
Gail Merritt, Councilor	December 31, 2024
Jeff Papke, Councilor	December 31, 2022
Steve Uffelman, Councilor	December 31, 2024

Appointed Officials**Position**

Steve Forrester	City Manager
Jered Reid	City Attorney

Management Team**Position**

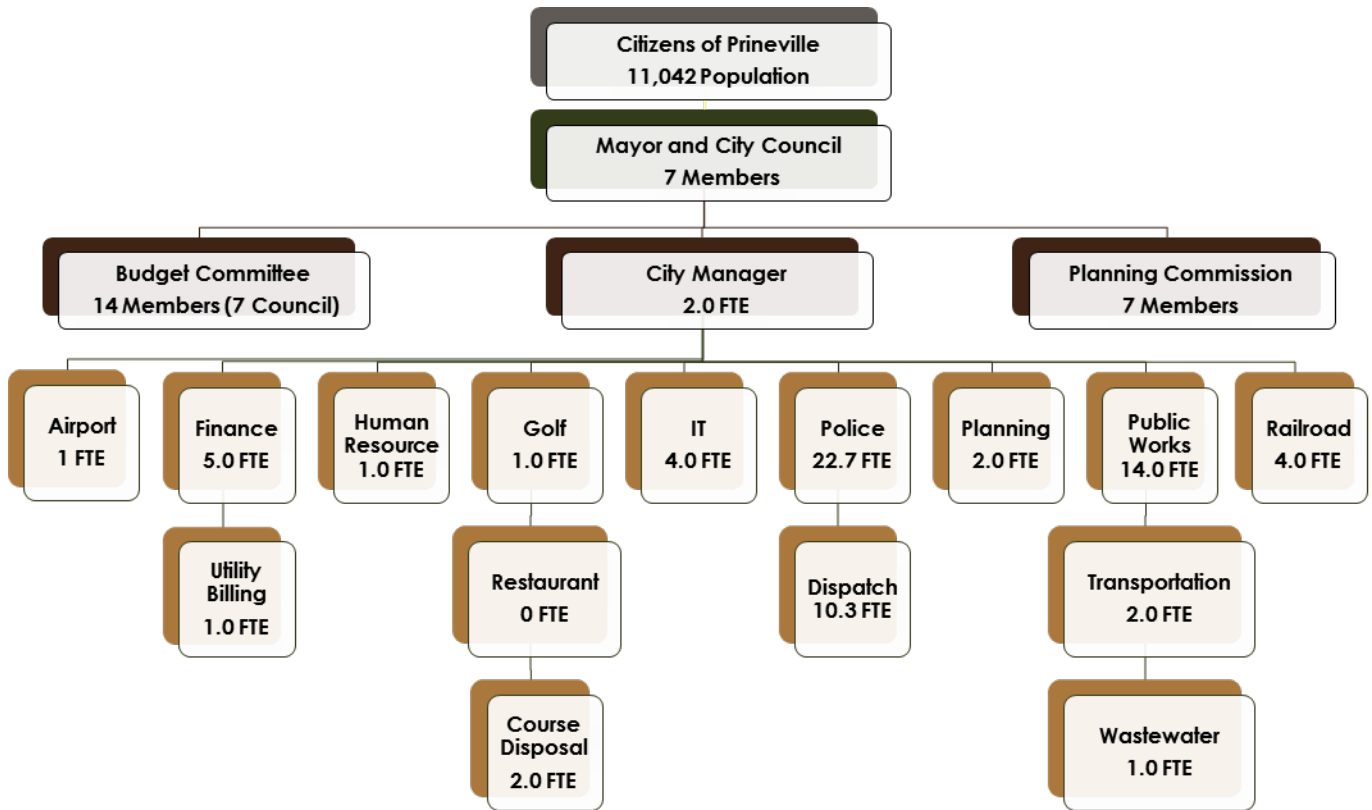
Dale Cummins	Police Chief
Kelly Coffelt	Airport Manager
James Wilson	IT Director
Josh Smith	Planning Director
Eric Klann, P.E.	Public Works Director / City Engineer
Zach Lampert	Head Golf Professional / Facility Manager
Darla Rhoden	Human Resource Director
Liz Schuette	Finance Director
Matt Wiederholt	Railroad and Freight Depot Manager

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City of Prineville, Oregon Organization Chart

Year Ended June 30, 2021





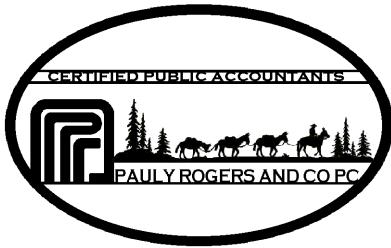
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Financial Section

**Independent Auditors' Report
Management's Discussion and Analysis**



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December 13, 2021

To the Honorable Mayor and Members of the City Council
City of Prineville, Oregon

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Prineville as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Prineville, as of June 30, 2021, and the respective changes



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in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

The budgetary comparison schedules presented as Required Supplementary Information, as listed in the table of contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary and other information, as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

The introductory, statistical, and the compliance sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on them.



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Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 13, 2021, on our consideration of 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.

Kenneth Allen, CPA
Municipal Auditor
PAULY, ROGERS AND CO., P.C.



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City of Prineville, Oregon
Management's Discussion and Analysis

Year Ended June 30, 2021

Management's Discussion and Analysis ("MD&A") is presented to facilitate financial analysis and provide an overview of the financial activities of the City of Prineville (the "City") for the fiscal year ended June 30, 2021. Information in the MD&A is based on currently known facts, decisions and conditions. Please read the MD&A in conjunction with the basic financial statements and the accompanying notes.

Financial Highlights

The City's assets and deferred outflows of resources totaled \$131.8 million at June 30, 2021, consisting of \$111 million in capital assets, \$14.3 million in cash and investments, \$409,000 in restricted cash and investments, \$2.9 million in other assets, and \$3.2 million deferred outflows of resources. Total assets and deferred outflows of resources increased by \$8.9 million from the previous fiscal year.

The City's liabilities and deferred inflows of resources totaled \$36.1 million at June 30, 2021 consisting of \$30 million in long-term liabilities, \$5.7 million in accounts payable and other liabilities, and \$452,000 in deferred inflows related to pensions.

The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$95.7 million at the close of fiscal year 2020-21, an increase of \$5.8 million over the prior year. Unrestricted net position totaled \$6 million with the remainder of the City's net position invested in capital assets totaling \$87.2 million, capital projects \$154,000, streets and highways \$1.2 million, and debt service reserve \$1.1 million.

For governmental activities, the City generated \$1.1 million in charges for services and received \$2.5 million in operating grants and contributions. Direct expenses, including interest on long-term debt for governmental activities were \$12.4 million for the year, resulting in a net direct expense of \$8.8 million. Receipt of \$8.2 million in general revenues and \$3 million in transfers resulted in a change in net position of \$2.4 million.

For business-type activities, the City generated \$10.6 million in charges for services. Capital grants and contributions to fund direct expenses totaled \$2.5 million. Expenses for business-type activities totaled \$6.7 million resulting in a change to net position of \$3.4 million.

Fund balance in the City's governmental funds was 6.5 million at June 30, 2021, an increase of \$741,000 from June 30, 2020.

The City's total long-term debt increased \$1.3 million during the fiscal year ended June 30, 2021. The City entered into a loan agreement with Oregon Infrastructure Finance Authority in order to complete the Aquifer Storage and Recovery project. At June 30, 2021 the City had drawn down \$3 million with \$25,000 remaining to complete the loan agreement. Principal reductions totaled \$1.7 million for previously issued debt.

Debt per capita decreased from \$2,201 to \$2,184 (-1 percent), using the City population of 11,042. The population increased by 687 from 10,355 according to the Portland State University preliminary population report as of on July 1, 2021.

City of Prineville, Oregon
Management's Discussion and Analysis

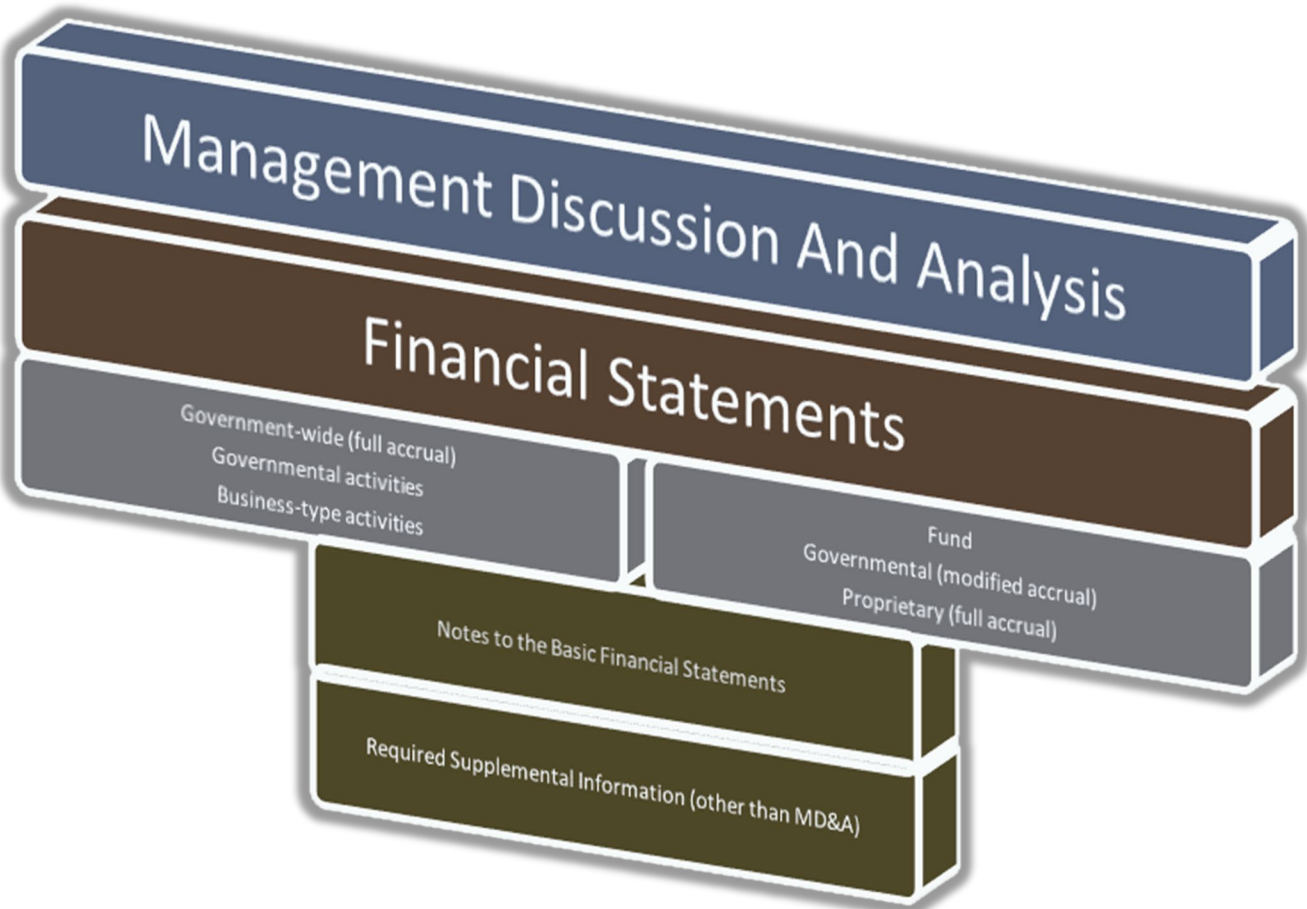
Year Ended June 30, 2021

Overview of the Financial Statements

In addition to this discussion and analysis, the financial section of this annual report contains the *basic financial statements, required supplementary information, and other supplementary information*, including the *combining statements and schedules* of the non-major funds.

The basic financial statements also include *notes* that explain the information in the financial statements and provide additional details. The following chart illustrates how the various sections of this report are arranged to one another.

Required Elements of the Annual Comprehensive Financial Report



Government-wide Financial Statements

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

The *Statement of Net Position* presents information on all City assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time increases or decreases in the net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

City of Prineville, Oregon
Management’s Discussion and Analysis

Year Ended June 30, 2021

The *Statement of Activities* presents information showing how the City’s net position changed during the fiscal year ended June 30, 2021. Changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of the related cash, or other financial assets, flows. Thus, revenues and expenses are reported in this statement for some items – such as property taxes and accrued vacation – that will result in cash flows in future fiscal periods.

Each of these government-wide financial statements, *Statement of Net Position* and *Statement of Activities*, distinguish functions of the City that are supported primarily by taxes and inter-governmental revenues (*government activities*) from other functions that are intended to recover all, or a significant portion of, their cost through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, highways and streets, and interest on long-term debt. The business-type activities include railroad, golf, airport, and public works, including water and wastewater.

The City’s government-wide financial statements begin on page 33 and the government-wide financial policies are included in the notes to financial statements.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Prineville, like other state and local government entities, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Each of the funds of the City is classified in one of three categories: government funds, proprietary funds and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, government fund financial statements focus on *near term inflows and outflows of spendable resources*, as well as on *balances 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.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. Reconciliations from the *Government Funds Balance Sheet to the Government-wide Statement of Net Position* and from the *Government Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-wide Statement of Activities* are included in this report.

The City reported activity in five individual governmental funds and three internal service funds performing governmental activities during the fiscal year ended June 30, 2021. Information is presented separately in the *Governmental Funds Balance Sheet* and in the *Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances* for the general fund and the City’s other major funds (emergency dispatch, transportation, transportation system development charges, and pension obligation debt service). Data from all other governmental funds are combined into a single, aggregated presentation. Individual data for each of these non-major governmental funds, if applicable, is provided in the form of combining statements in the “Other Supplementary Data” section of this report and in the budget to actual comparison schedules.

The City adopts an annual budget for each of its funds. A budget to actual schedule has been provided for each fund to communicate budgetary compliance.

The “Basic Governmental Fund Financial Statements” can be found on pages 33-38 of this report.

City of Prineville, Oregon
Management's Discussion and Analysis

Year Ended June 30, 2021

Proprietary funds. The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its railroad and freight depot, water, wastewater, airport, and golf fund. Internal service funds are used to report the administrative and facility operations of the City where charges for services are primarily recovered from other operations and functions of the City.

Proprietary funds financial statements provide similar, but more detailed, information as the government-wide financial statements. The proprietary fund financial statements provide information separately for the railroad and freight depot, water, wastewater, airport, and golf fund.

The “Basic Proprietary Funds Financial Statements” can be found beginning on page 41.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 45. The combining statements referred to above in connection with non-major governmental funds and business-type funds are presented in the “Additional Supplementary Information” section of this report.

Statement of Net Position

Net position, at a specific point in time, serves as a useful indicator of an entity's financial position. In the case of the City, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$95.7 million at June 30, 2021.

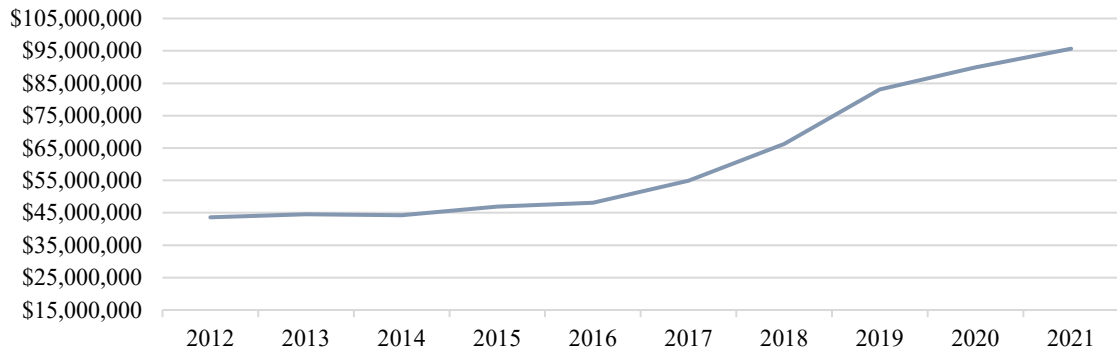
The City's net position is heavily allocated to its investment in capital assets (land, infrastructure, buildings and equipment) less the related outstanding debt issued to acquire those capital assets and accumulated depreciation, \$87.2 million, 91 percent (91.1%) of total position. The City's net investments in capital assets for water and wastewater utilities represent approximately 69 percent (69.3%) of total capital assets.

- The net position of the governmental funds equaled \$23.2 million, an increase of \$2.4 million or 11 percent (11.4%) over the prior year-end net position.
- The net position in the water utility totaled \$31.4 million, an increase of \$3.4 million or approximately 12 percent (12.1%) over the prior year-end net position.
- The net position in the wastewater utility totaled \$30.2 million, a decrease of \$601,000 or roughly 2 percent (2.0%) from the prior year-end net position.
- The net position in the railroad totaled \$7.7 million, a decrease of \$208,000 over prior year, or 3 percent (2.6%) from the prior year-end net position.
- The net position in the Golf Course Fund totaled \$3.1 million, an increase of \$870,000 or roughly 39 percent (39.5%) over the prior year-end net position.

City of Prineville, Oregon
Management's Discussion and Analysis

Year Ended June 30, 2021

Total Net Position



The City's net position includes approximately \$2.5 million (2.6%) that is restricted. This restricted portion is for debt service of \$1.1 million, transportation operations of \$1.2 million, and capital projects of \$154,000. The unrestricted portion of the City's net position is \$6 million and may be used to meet the City's ongoing obligations to citizens and creditors.

Net Position at June 30, 2021 and 2020

	Governmental activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
Current assets	\$ 10,614,597	\$ 12,889,193	\$ 6,570,755	\$ 9,545,502	\$ 17,185,352	\$ 22,434,695
Non-current assets	105,000	105,000	303,758	303,758	408,758	408,758
Capital assets	28,892,995	24,269,428	82,105,688	73,364,856	110,998,683	97,634,284
Total assets	39,612,592	37,263,621	88,980,201	83,214,116	128,592,793	120,477,737
Deferred outflows	3,185,841	2,362,527	-	-	3,185,841	2,362,527
Total assests and deferred outflows	42,798,433	39,626,148	88,980,201	83,214,116	131,778,634	122,840,264
Current liabilities	2,376,643	2,554,239	1,638,972	1,281,331	4,015,615	3,835,570
Long-term debt - net of current portion	16,816,794	15,433,695	14,829,409	12,810,252	31,646,203	28,243,947
Total liabilities	19,193,437	17,987,934	16,468,381	14,091,583	35,661,818	32,079,517
Deferred inflows	452,480	855,105	-	-	452,480	855,105
Total liabilities and deferred inflows	19,645,917	18,843,039	16,468,381	14,091,583	36,114,298	32,934,622
Net investment in capital assets	19,915,918	16,368,057	67,276,279	60,554,604	87,192,197	76,922,661
Restricted	1,345,140	1,578,437	1,168,515	4,144,167	2,513,655	5,722,604
Unrestricted	1,891,458	2,836,615	4,067,026	4,423,762	5,958,484	7,260,377
Total net position	23,152,516	20,783,109	72,511,820	69,122,533	95,664,336	89,905,642
Total net position, liabilities and deferred inflows	\$ 42,798,433	\$ 39,626,148	\$ 88,980,201	\$ 83,214,116	\$131,778,634	\$122,840,264

Overall, the City increased its net position by \$5.8 million during fiscal year 2021 while also continuing to make investments in capital infrastructure, reduce its other outstanding debt obligations, and control operational spending. The \$3.4 million increase in business-type activities is largely due to the Aquifer Storage and Recovery Project and capital investments made in the irrigation system at the golf course.

As of June 30, 2021, the City reports positive balances in all three categories of net position for the government.

City of Prineville, Oregon
Management’s Discussion and Analysis

Year Ended June 30, 2021

Statement of Activities

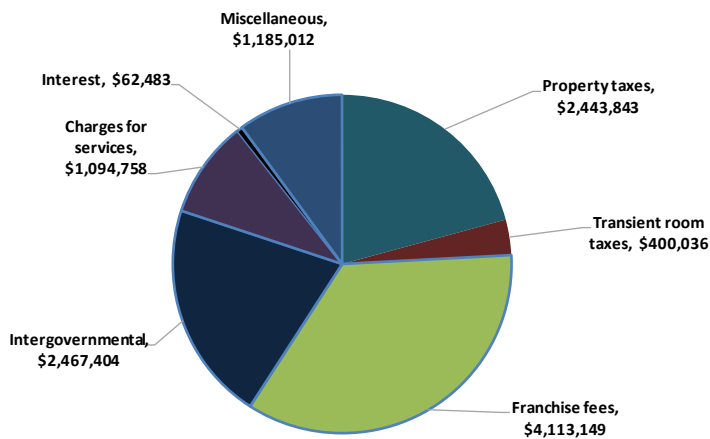
As with the *Statement of Net Position*, the City reports governmental activities on a consolidated basis.

Governmental activities increased Prineville’s net position by \$2.4 million during fiscal year ended June 30, 2021 as compared to an increase of approximately a \$3.8 million in the prior year. Revenue decreased by \$314,000 and expenses, excluding transfers, increased by \$1.2 million. Key elements of these changes as illustrated in the summary of activities table on the next page are primarily the results of a decrease in intergovernmental revenue with the completion of the Elm Street Bridge in FY 20, and an increase of electrical franchise fees from data center activities, property tax, and transient lodging tax revenues.

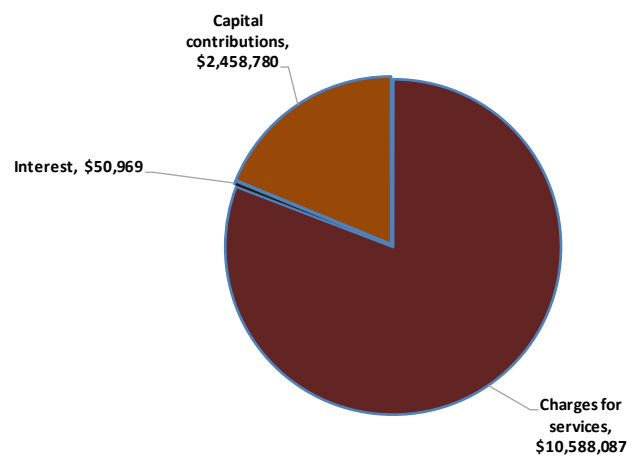
The revenues charted in the pie chart below in the sources for governmental activities include all program and general revenues for governmental activities such as property and transient room taxes, franchise fees, charges for services, intergovernmental revenue, and miscellaneous revenues.

Business-type activities increased the City of Prineville’s net position by \$3.4 million. Water Fund revenues represent approximately 44 percent of total business-type revenue, with 62 percent of its revenue coming from charges for service. Charges for services in the Water Fund totaling \$3.5 million are largely associated with metered water sales. The Wastewater fund revenue represents approximately 34 percent of business activities with \$4 million of the \$4.1 million in charges for services coming from sewer utility charges. Capital contributions totaled approximately \$2.46 million, with \$2.18 million in the water fund and \$281,000 in the wastewater fund for developer installed water and sewer lines. Other business-type activities include the airport, railroad, and golf course. These activities represent approximately 22 percent of revenues during the year, and generally these revenues fall into the charges for service, and intergovernmental revenue areas.

Revenue by Source - Governmental Activities



Revenue by Source - Business-type Activities



City of Prineville, Oregon
Management's Discussion and Analysis

Year Ended June 30, 2021

A summary of the *Statement of Activities* follows:

	Governmental Activities		Business-type Activities		Total		
	2021	2020	2021	2020	2021	2020	Change
Revenue							
Property taxes	\$ 2,443,843	\$ 2,287,509		\$ -	\$ 2,443,843	\$ 2,287,509	\$ 156,334
Transient room taxes	400,036	312,000		-	400,036	312,000	88,036
Franchise fees	4,113,149	3,592,674		-	4,113,149	3,592,674	520,475
Intergovernmental	2,467,404	3,505,211			2,467,404	3,505,211	(1,037,807)
Charges for services	1,094,758	945,852	10,588,087	15,414,721	11,682,845	16,360,573	(4,677,728)
Interest	62,483	177,325	50,969	182,193	113,452	359,518	(246,066)
Capital contributions			2,458,780	251,922	2,458,780	251,922	2,206,858
Miscellaneous	1,185,012	1,260,373	-	(3,234,836)	1,185,012	(1,974,463)	3,159,475
Total revenue	11,766,685	12,080,944	13,097,836	12,614,000	24,864,521	24,694,944	169,577
Expenses							
General government	1,665,835	1,212,158	-	-	\$ 1,665,835	\$ 1,212,158	\$ 453,677
Public safety	9,531,868	9,014,325	-	-	9,531,868	9,014,325	517,543
Streets and highways	951,207	820,924	-	-	951,207	820,924	130,283
Interest	259,869	143,568	-	-	259,869	143,568	116,301
Depreciation	-	-	-	-	-	-	-
Railroad	-	-	1,187,241	959,900	1,187,241	959,900	227,341
Water	-	-	1,530,614	1,263,628	1,530,614	1,263,628	266,986
Wastewater	-	-	2,194,325	2,177,440	2,194,325	2,177,440	16,885
Golf and restaurant	-	-	1,075,416	1,000,895	1,075,416	1,000,895	74,521
Other non-major	-	-	709,452	1,274,742	709,452	1,274,742	(565,290)
	12,408,779	11,190,975	6,697,048	6,676,605	19,105,827	17,867,580	1,238,247
Increase (decrease) in net position before transfers	(642,094)	889,969	6,400,788	5,937,395	5,758,694	6,827,364	(1,068,670)
Transfers in (out)	3,011,501	2,940,002	(3,011,501)	(2,940,002)	-	-	-
Increase (decrease) in net position	2,369,407	3,829,971	3,389,287	2,997,393	5,758,694	6,827,364	(1,068,670)
Net position, July 1, 2020	20,783,109	16,953,138	69,122,533	66,125,140	89,905,642	83,078,278	6,827,364
Net position, June 30, 2021	<u>\$ 23,152,516</u>	<u>\$ 20,783,109</u>	<u>\$ 72,511,820</u>	<u>\$ 69,122,533</u>	<u>\$ 95,664,336</u>	<u>\$ 89,905,642</u>	<u>\$ 5,758,694</u>

Financial Analysis of Prineville's Funds

The City of Prineville uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

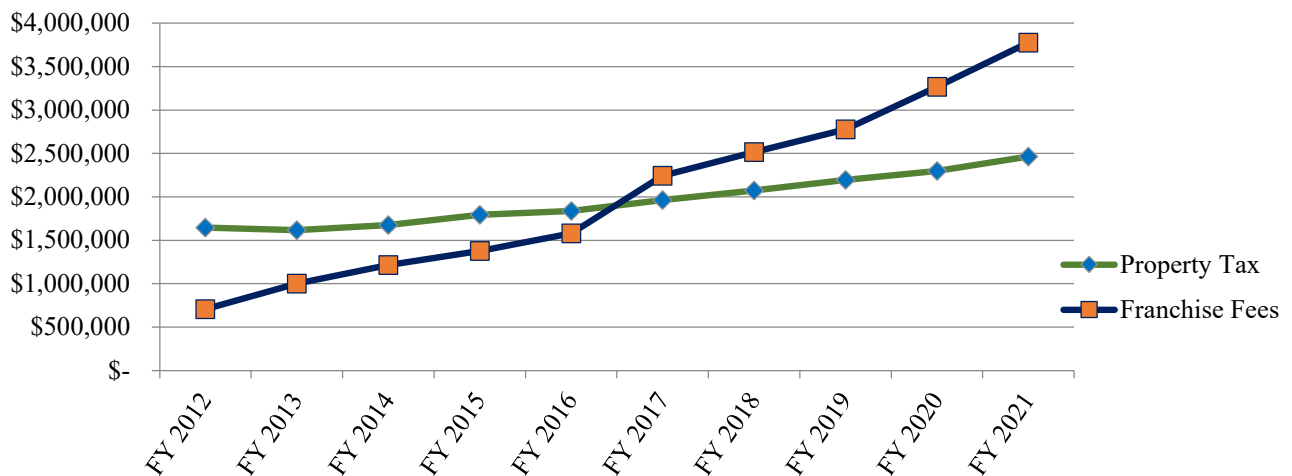
City of Prineville, Oregon
Management’s Discussion and Analysis

Year Ended June 30, 2021

As of June 30, 2021, \$6.5 million is the reported combined ending fund balance for the City of Prineville’s governmental funds, an increase of approximately \$741,000 from June 30, 2020. The increase is primarily the result of increases in property taxes and electrical franchise fees from the data centers in the general fund, additional intergovernmental revenue and savings in personnel in emergency dispatch, gas tax revenues in the transportation fund returning to pre COVID-19 levels with travel restrictions being lifted, and in the POB debt service fund increases can be primarily contributed to a PERS rate credit the City receives and an increase in transfers. Decreases in the transportation SDC funds are largely associated with capital projects. Net increases or decreases in fund balance are as follows:

General Fund/Community Development	\$ 233,912	9%
Emergency Dispatch	\$ 328,787	45%
Transportation Fund	\$ 161,165	87%
Transportation SDC Fund	\$(394,462)	-31%
Pension Debt Service Fund	\$ 411,854	43%

General Fund Budgetary Highlights. The general fund is the chief operating fund of the City. As of June 30, 2021, total fund balance was \$2.8 million, an increase of \$234,000 (9%) from prior year. Within the general fund ending balance, \$2.6 million is considered unassigned. General fund actual current year resources were \$7.7 million for the second half of the 2019-2021 biennium. A supplemental budget was adopted during FY 21 for the general fund, and was largely associated with intergovernmental revenue for the anticipated American Rescue Plan Act stimulus dollars, but those dollars were not received until after fiscal yearend and unanticipated expenditures associated with the grant funded biomass project. Miscellaneous revenues budget to actual positive variance was largely associated with unanticipated Central Oregon Drug Enforcement (CODE) reimbursement funds, district fines, a biomass grant through Energy Trust of Oregon and Shop with a Cop donations. Transient room taxes were at a shortfall of approximately \$48,000 at yearend due to travel restrictions put in place by the State due to COVID-19. These restrictions were uplifted in June of 2021. There were no expense categories that exceeded the biennial budget in the general fund. Police department expenses totaled \$3.5 million with \$3.2 million coming from personnel services. In non-departmental, spending was at \$573,000. Total actual expenditures were \$4.2 million. The general fund ended the second year of the biennium budget with revenues exceeding expenditures by \$3.6 million. Beginning fund balance was \$235,000 more than budgeted largely due to an increase in electrical franchise fees from data center activity. The below shows general fund property tax collection and electrical franchise fee trends from 2012 through 2021.



City of Prineville, Oregon
Management's Discussion and Analysis

Year Ended June 30, 2021

Emergency Dispatch. The dispatch fund balance increased roughly \$329,000 with the department underspending their appropriation level in personnel services. This is largely due to vacant positions that were looking to be filled as of June 30, 2021. A budget adjustment was done in capital outlay for needed tower upgrades and unanticipated expenses associated with ProQA software needed and used to mitigate the spread of COVID-19.

Transportation and Transportation SDC Funds. Fund balance increased \$161,000 in the transportation fund. The fund balance increase is largely attributed to a grant funded capital project of \$44,000 that was reimbursed for work that was completed in the prior fiscal year and Oregon State Gas Taxes coming in closer to pre COVID-19 levels with travel restrictions put in place by the state easing during the fiscal year. In the transportation SDC fund, the fund balance decreased \$394,000 primarily due to capital projects that were completed during the year. These projects include the completion of the roundabout art work, the rails to trails project, the 10th and Main Street design build project, and the Combs Flat extension project. A supplemental budget was done prior to yearend in transfers to allow for the transfer of the five percent SDC administrative fee.

Pension Debt Service Fund. Fund balance increased \$412,000 in the pension debt service fund to \$1.4 million. This was anticipated as reserves are being built up to be used for accrued liabilities associated with payroll and to stabilize PERS rates in the future.

Proprietary funds. The focus of the City's proprietary funds is to provide information on the financial performance, i.e., ability for each fund to recover full costs of the services provided. Such information is useful in assessing Prineville's ability to continue to provide those services on a sustainable basis.

As of June 30, 2021, the City realized an increase in net position of \$3.4 million for the combined performance of all proprietary funds. Operating revenues over operating expenses from combined proprietary funds are \$4.2 million, contributing to an overall increase in net position. The biggest factor to the increase in net position was the impact of capital contributions in the water and wastewater funds.

Railroad and Freight Depot Fund. The railroads net position decreased \$208,000 through the fiscal year. Operational revenues over expenses resulted in a loss of roughly \$124,000 with depreciation contributing to 37 percent (37.1%) of the operational expenses. The railroad ended the year with a net position as of June 30, 2021 of \$7.7 million. Operational revenue is up for the railroad in comparison to the prior year 29 percent (28.9%), with increases in switching, freight, Freight Depot and storage charges. The rail car count is up approximately 28 cars in comparison to the prior year with significant increases in lumber and magnesium chloride cars coming in compared to the prior year. Freight Depot charges for services are up over prior year by roughly 32 percent, largely due to the new lease with Krah USA, LLC. Switching fees are up in line with the increased rail car storage. Every storage car that is handled by the railroad is charged a switch fee to move the car. A supplemental budget was done in materials and services and capital outlay to cover unanticipated locomotive repairs, signal maintenance, contract employees, building maintenance cost and needed track repairs. Overall revenues over expenditures, including transfers out, have increased the fund balance by \$16,000 to \$1.2 million.

Golf and Restaurant Fund. The net position in golf increased \$870,000 largely due to a budgeted transfer of \$870,000 from the wastewater fund for the replacement of the golf courses irrigation system and operational support. The irrigation project started in FY 20 and was completed in the spring of 2021. Golf operational revenues in comparison to the prior year are up 37 percent (36.7%) with operational expenses up 8 percent (7.8%) primarily due to increased activity. Operationally, the golf course finished the year strong with rounds of golf up approximately 6300 rounds over the prior year. FY 21 was a record breaking year for the golf course in both rounds of golf and all major operating revenue categories. Golf is one of the few activities that can be done within the social distancing guidelines put in place by the State due to COVID-19.

City of Prineville, Oregon
Management's Discussion and Analysis

Year Ended June 30, 2021

Airport Fund. The airports net position decreased \$56,000 to \$103,000. The airport is a collaboration effort between the County and the City, with the City managing the operations of the airport. Charges for services are up approximately 40 percent (39.5%) over the prior year, largely due to fuel sales being up roughly 49 percent (49.3%). Fuel prices are up in comparison to the prior year with the airport having several record breaking months due to firefighting operations being set up at the airport and Erickson's Inc. facilitating sky crane training at the airport throughout the year. Operational expenses include \$310,000 in fuel purchases needed to keep up with the increased demand. Fund balance decreased \$56,000 throughout the year, ending at roughly \$60,000 on June 30, 2021. The decrease can be attributed to helibase and United States Forest Service airbase capital projects completed during the fiscal year.

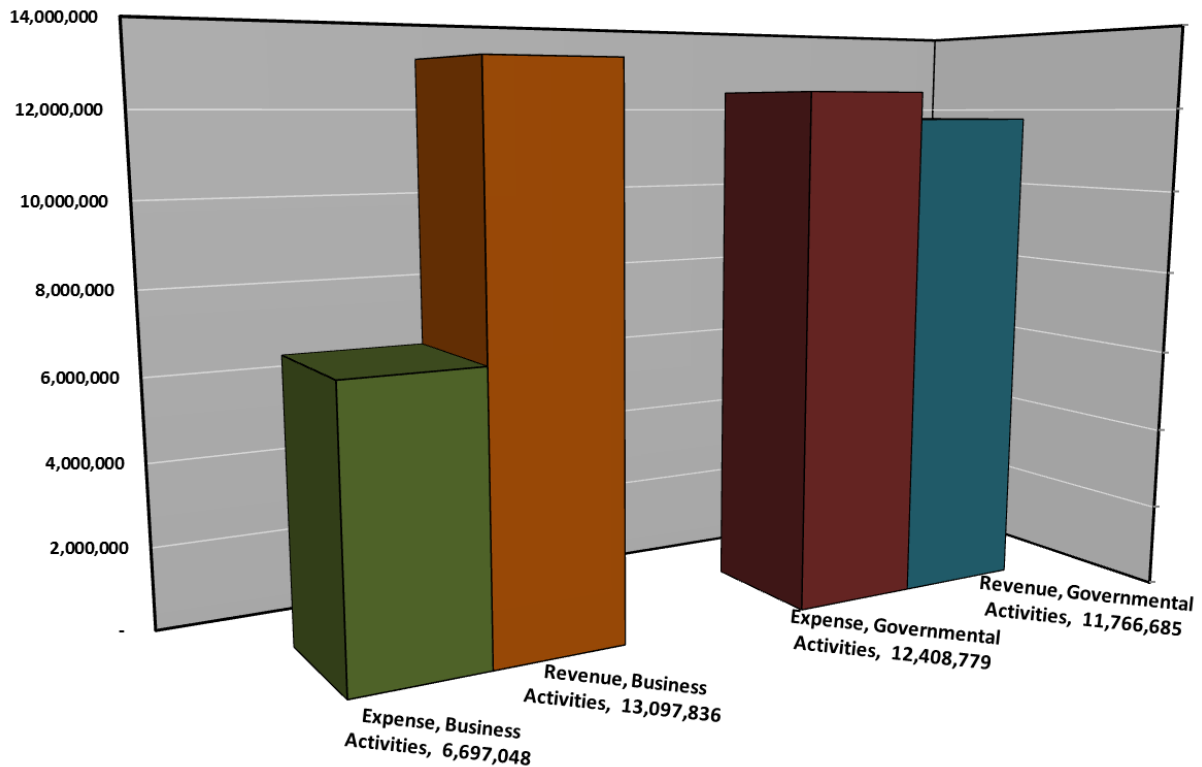
Water Fund. The net position of the water fund increased \$3.4 million through the fiscal year, ending at \$31.4 million on June 30th, 2021. The primary contributing factors were system development charges (SDC) collected from data centers totaling \$1.4 million with total SDC collection coming in at \$1.8 million for the year and \$3 million in debt proceeds being collected as well. These funds are being used to construct an aquifer storage and recovery (ASR) facility that is estimated to be completed before the end of 2021. A supplemental budget was adopted for the water SDC fund to allow for additional costs associated with the ASR project, debt service interest associated with the ASR project and to adjust transfers to capture the 5 percent administrative fee associated with the additional SDC's collected within the year. Metered water sales were up 29 percent (29.2%) in comparison to the prior year largely due to data center construction ramping up at the beginning of the fiscal year, water rates increasing by 5 percent in FY 21 and weather being warmer and drier than average .

Wastewater Fund. In the wastewater fund, net position decreased \$601,000 largely due to transfers to other funds for capital projects. Wastewater transferred \$500,000 to the golf fund for the irrigation project and wastewater SDC transferred \$489,000 to water SDC for the ASR project. The ASR project had a wastewater component to it and a supplemental budget was adopted during the year to allow for the transfer. Charges for services are largely associated with customer utility charges which totaled \$4 million an increase of 13 percent (12.6%) over the prior year due to commodity rate increases, base charges did not increase.

The City continues to actively pursue additional business for the airport, railroad and freight depot operations. It has also adjusted its utility rates incrementally to recover total costs of operations and provide adequate funding for debt service and capital replacement and expansion.

**City of Prineville, Oregon
Management's Discussion and Analysis**

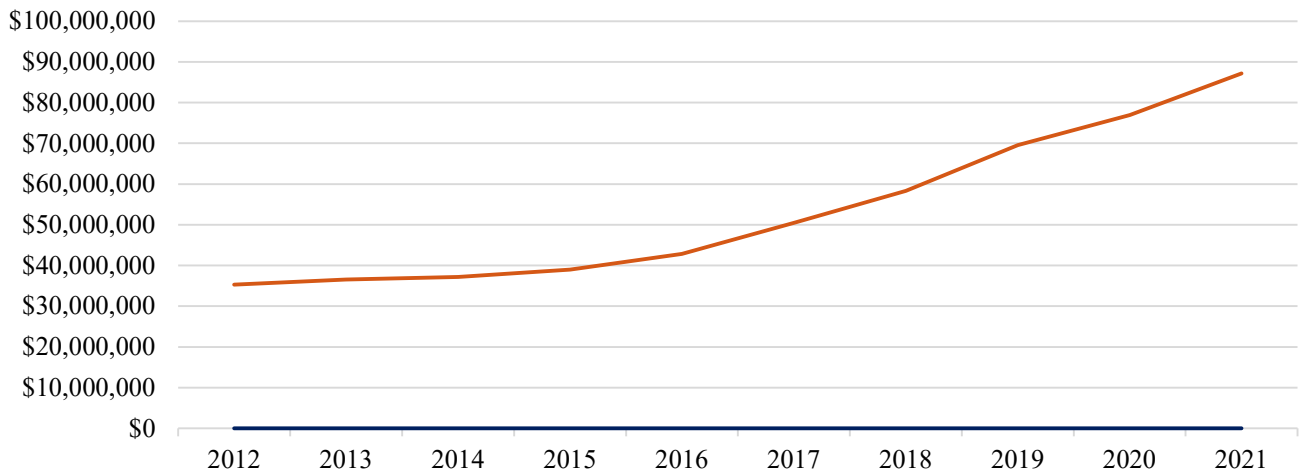
Year Ended June 30, 2021



Capital Asset and Debt Administration

Capital Assets. The City's net investment in capital assets for its governmental and business-type activities as of June 30, 2021 is \$87.2 million. The investment in capital assets includes land, buildings, equipment and infrastructure such as roads, water and wastewater systems. The net increase in net capital assets for the year ended June 30, 2021 was \$10.3 million.

Net Investment in Capital Assets



Additional information on capital assets is included in "Note 4" to the financial statements of this report on pages 60-62.

City of Prineville, Oregon
Management’s Discussion and Analysis

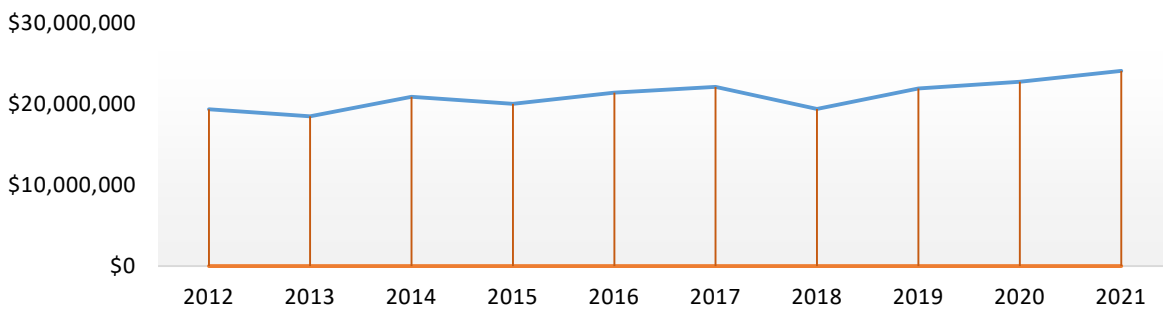
Year Ended June 30, 2021

Long-term debt. As of June 30, 2021, the City’s outstanding bonded debt was \$24.1 million, \$1.3 million more than at June 30, 2020. Of this, \$20.3 million is backed by the full faith and credit of the City, which includes \$4.4 million for obligations repaid with water, wastewater and golf revenues, a \$3 million CWSRL in wastewater, \$1.9 million refinanced note payable for pension obligation repaid from all funds with employees subject to Oregon Public Employees Retirement System (OPERS) retirement payments, \$492,000 debt for the Barnes Butte property acquisition to add additional green space, water rights, and transportation improvements, \$182,000 debt for the acquisition of police vehicles, \$975,000 of refunded federal debt for the city hall building, \$3 million in interim financing through Business Oregon for the Aquifer Storage and Recovery project, an IFA loan for \$676,000 and \$5.7 million for the remodel and adaptation of the new police facility. The City also had \$3.8 million bond outstanding in wastewater with USDA for the wetlands. The City is liable for notes payable with government commitment if other revenues are insufficient to repay the debt. There are no debt requirements, commitments or other limitations required by debt holders that significantly affect the availability of resources for current or future use.

Schedule of Outstanding Long-term Debt
 June 30, 2021 and June 30, 2020

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Full faith and credit obligations		\$ -	\$ 4,364,001	\$ 4,713,000	\$ 4,364,001	\$ 4,713,000
Water, golf and wastewater					-	
Pension note payable	1,947,897	2,166,887		-	1,947,897	2,166,887
Federal debt		-	3,826,844	3,886,136	3,826,844	3,886,136
Oregon IFA / CWSRL		-	3,638,564	4,154,902	3,638,564	4,154,902
Other notes payable	7,333,077	7,810,912	3,000,000	56,214	10,333,077	7,867,126
Totals	\$ 9,280,974	\$ 9,977,799	\$ 14,829,409	\$ 12,810,252	\$ 24,110,383	\$ 22,788,051

Total Outstanding Debt



Additional information on the City’s long-term debt is included in “Note 5” to the financial statements on pages 62-67.

City of Prineville, Oregon
Management's Discussion and Analysis

Year Ended June 30, 2021

Key Economic Factors and Budget Information for the Future

Unemployment and real estate – Oregon's unemployment rate ended FY 21 at 5.5 percent (5.5%) with Crook County ending at 7.1 percent (7.1%) according to the Oregon Employment Department. As of October FY 22, Oregon unemployment has decreased to 4.4 percent (4.4%), with Crook County at 6.3 percent (6.3%), nearing pre-COVID rates of 3.4 percent (3.4%) and 4.4 percent (4.4%) respectively. Unemployment continues to fall, as demand for goods and services out pace supply, creating supply chain problems and higher than normal inflation over the last year that has yet to curb demand. Demand and working remotely has given workers the advantage to move around and demand higher wages and benefits. Time will tell if this is a new normal or a waning trend.

- According to reports from the Central Oregon Association of Realtors, real estate sales volume for Crook County has been fairly consistent and predictable from 2016 through 2019. A significant drop in Q3 of FY 20 was due to the uncertainty regarding the COVID-19 pandemic. Interestingly, the pandemic generated a significant increase in home sales starting in Q4 of FY 20 and continuing through FY21 with a high in Q1 of FY 21. These sales also significantly drove up the median sales price. The median sales price from Q3 of FY 20 to Q4 of FY 21 saw a 50 percent (50%) increase from \$273,000 to \$411,000. From peak sales in Q1 of FY 21 to Q4 of FY 21, there was an increase of only 10 percent (10%) from \$371,000 to \$411,000. This increase is likely due to material costs associated with supply issues due to continued demand. At this time the demand for housing continues to absorb price increases, but is showing signs of leveling out. As supply catches up with demand prices are likely to flatten or decline.

Dwelling approvals for FY 21 decreased slightly from the previous year to ~89 units with 87 single family dwellings and only 1 multifamily that was a conversion of a duplex to a 4-plex. The decrease is attributed to a single project approved in FY 20 for 44 multifamily units. Single family dwelling construction increased slightly from 67 dwellings approved in FY 20. Dwelling approvals for FY 16 – FY 20 were 38, 76, 114, 230 and 111 respectively. So far through October of FY 22 we have seen 31 dwelling approvals, all but 2 units being single family. The expectation is that development will remain relatively the same in FY 22 at around 75-80 single family units with a high potential of some large multifamily developments. With additional data center development, other small manufacturing industries moving into the community and an increase of retirees, the City will continue to feel housing pressure. Several subdivisions have recently platted adding ~60 lots to the City's inventory. Two more subdivisions are in construction phase that could add ~70 more.

- **Apple** – In October 2012, Apple initiated construction of a 338,000 square foot data center. At this time the second building has been completed and the 3rd is under construction.
- **Facebook** – In January 2010, Facebook chose to locate their first company-owned 334,000 square foot data center in Prineville. Since then Facebook has completed 9 data centers buildings totaling approximately 4.5 million square feet and started construction on two more 1 million sq. ft. buildings.

Residential, Commercial and Public development – With the announcement of continued data center development and room for more growth due to available land and infrastructure improvements, residential development has the potential to continue at the same pace as previous years. In the event of a national market downturn, it is possible that Prineville may be somewhat insulated due to the local and regional demand.

Commercial new construction has been minimal. Most development is coming in the form of re-purposing and rehabilitating existing buildings. With many vacant structures such as the bank building, Brothers restaurant and old bowling alley (under contract by the County as the location of their new Justice Center) we are more apt to

City of Prineville, Oregon
Management's Discussion and Analysis

Year Ended June 30, 2021

see re-development of these existing buildings than new construction, with the exception of the Ochoco Lumber mixed use area.

Industrial development increased in Tom McCall Business Park, Baldwin Industrial Park and Murphy Court Industrial Park with 6 active applications with interest projected to continue into FY 22.

The Public sector has been busy with large infrastructure projects and planning such as the City's Aquifer Storage and Recovery system (ASR), new Barnes Butte Recreation area, 10th Street realignment, Peters Road intersection, Combs Flat extension, 3rd St. rebuild, new Justice Center, parks development and museum expansion.

PERS –As of December 31, 2020, the City has a funded ratio of 78 percent and has an unfunded actuarial liability (UAL) of \$5.95 million, which reflects an increase of \$1.25 million from December 31, 2019. Changes in assumptions by Oregon PERS have made an unfavorable impact on the City's PERS liabilities. Assumption changes include a decrease in the assumed rate from 7.2 percent to 6.9 percent, interest crediting was lowered to 6.9 percent, long- term inflation assumption were lowered from 2.5 percent to 2.4 percent and the system payroll growth assumption was lowered from 3.5 percent to 3.4 percent.

Effective July 1, 2021 through June 30, 2023, the City's OPERS contribution rates for OPSRP general service, OPSRP police and fire, and tier I / II are 12.43, 16.79 and 17.46 percent respectively, a decrease of 1.06 percent from the projected rate. Projected rates for the 2023 – 2025 biennium for OPSRP general service, OPSRP police, and fire and tier I / II are 17.41, 22.16 and 23.03 percent respectively. Strong investment performance for the 2021 year could affect these projected rates.

Historically, OPERS contribution rates have fluctuated based upon earnings, the amount of the City's UAL, and the percentage of the UAL to covered payroll. Generally, OPERS rates have decreased as the City approached or exceeded full funding, in 2015 the Moro decision ruled unconstitutional affected the 2016 rate in a negative way increasing the City's UAL, however, the City received a 6 percent rate credit for the side account contribution in 2014 really stabilizing the contribution rate for the City.

To address the UAL on a long-term basis, and provide stability to the City's retirement contributions, the City chose to take advantage of low interest rates (4.94%) and enter into a loan obligation of \$2.95 million to be repaid over 15 years. The loan proceeds were invested with OPERS in a side account, which resulted in reduced OPERS contribution rates beginning in fiscal year 2016. The actuarial report show rates were reduced by -6 percent and a rate credit of 6 percent was received in FY 17. In 2018 the city refunded its pension obligation at a rate lower (3.70%) than the 2014 rate, keeping the same maturity and freeing the city from very constricting covenants. The current outstanding debt totals \$1.9 million as of June 30, 2021. On March 25, 2019, the City made an \$800,000 deposit to a new PERS side account receiving an additional -1.35 percent offset to our rate, additionally we able to receive the 25 percent matching funds from the State of Oregon totaling \$200,000, this additional deposit was factored into the December 31, 2019 valuation and provided an additional rate decrease for the July 1, 2021 rates.

See "Note 7" on pages 68-75 in the financial statements for additional discussion related to OPERS.

Requests for Information

This financial report is designed to provide a general overview to those parties interested in Prineville's finances. Questions concerning the information provided in the report of requests for additional information should be addressed to the City's finance department at 387 NE Third Street, Prineville, Oregon 97754.

Financial Section

Basic Financial Statements

Government-wide Financial Statements

Fund Financial Statements

Governmental Funds



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City of Prineville, Oregon
Statement of Net Position

June 30, 2021

Assets	Governmental Activities	Business-type Activities	Total
Cash and investments	\$ 8,808,987	\$ 5,443,327	\$ 14,252,314
Receivables (net of allowances for uncollectibles)			
Property taxes	95,427	-	95,427
Accounts	682,244	1,436,151	2,118,395
Inventory	29,725	462,528	492,253
Prepaid expenses	226,363	600	226,963
Internal balances	771,851	(771,851)	-
Restricted cash and investments	105,000	303,758	408,758
Capital assets:			
Non-depreciable	3,670,247	18,497,977	22,168,224
Other (net of accumulated depreciation)	25,222,748	63,607,711	88,830,459
<i>Total assets</i>	<u>39,612,592</u>	<u>88,980,201</u>	<u>128,592,793</u>
Deferred outflows of resources			
Pension related deferrals - Net pension liability	2,981,662	-	2,981,662
Pension related deferrals - OPEB Liability GASB 75	204,179	-	204,179
<i>Total deferred outflows of resources</i>	<u>3,185,841</u>	<u>-</u>	<u>3,185,841</u>
Liabilities, deferred inflows and net position			
Liabilities			
Accounts payable	1,419,039	1,176,460	2,595,499
Accrued interest	19,099	82,181	101,280
Deposits payable	-	85,759	85,759
Other liabilities	48,576	55,402	103,978
Accrued compensated absences	889,929	239,170	1,129,099
Non-current liabilities:			
Due within one year:			
Bonds payable	-	60,922	60,922
Notes payable	728,639	891,101	1,619,740
Due in more than one year:			
Proportionate share of net pension liability	7,058,678	-	7,058,678
OPEB Liability GASB 75	477,142	-	477,142
Bonds payable	-	3,765,922	3,765,922
Notes payable	8,552,335	10,111,464	18,663,799
<i>Total liabilities</i>	<u>19,193,437</u>	<u>16,468,381</u>	<u>35,661,818</u>
Deferred inflows			
Pension related deferrals - net pension liability	419,881	-	419,881
Pension related deferrals - OPEB Liability GASB 75	32,599	-	32,599
<i>Total deferred inflows of resources</i>	<u>452,480</u>	<u>-</u>	<u>452,480</u>
Net position			
Net investment in capital assets	19,915,918	67,276,279	87,192,197
Restricted for:			
Streets and highways	1,240,140	-	1,240,140
Debt service	105,000	1,014,800	1,119,800
Capital projects	-	153,715	153,715
Unrestricted	1,891,458	4,067,026	5,958,484
<i>Total net position</i>	<u>\$ 23,152,516</u>	<u>\$ 72,511,820</u>	<u>\$ 95,664,336</u>

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

City of Prineville, Oregon

Statement of Activities

Year Ended June 30, 2021

Function / program	Expenses	Program revenues			Net (expense) revenue and changes in net position		Total
		Fees and charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	Business-type activities	
Governmental activities							
General government	\$ 1,665,835	98,754	\$ 305,120	\$ -	\$ (1,261,961)		\$ (1,261,961)
Public safety	9,531,868	194,223	1,174,982	-	(8,162,663)		(8,162,663)
Highways and streets	951,207	801,781	987,302	-	837,876		837,876
Interest on long-term debt	259,869	-	-	-	(259,869)		(259,869)
Total governmental activities	12,408,779	1,094,758	2,467,404	-	(8,846,617)		(8,846,617)
Business-type activities							
Railroad	1,187,241	1,063,283	-	-	-	\$ (123,958)	(123,958)
Water	1,530,614	3,547,702	-	2,178,012	-	4,195,100	4,195,100
Wastewater	2,194,325	4,126,595	-	280,768	-	2,213,038	2,213,038
Golf and restaurant	1,075,416	1,156,390	-	-	-	80,974	80,974
Airport	709,452	694,117	-	-	-	(15,335)	(15,335)
Total business-type activities	6,697,048	10,588,087	-	2,458,780	-	6,349,819	6,349,819
Total activities	\$ 19,105,827	\$ 11,682,845	\$ 2,467,404	\$ 2,458,780	(8,846,617)	6,349,819	(2,496,798)
General revenues							
Taxes:							
Property taxes, levied for general purposes					2,443,843	-	2,443,843
Transient room taxes					400,036	-	400,036
Franchise fees					4,113,149	-	4,113,149
Earnings on investments					62,483	50,969	113,452
Miscellaneous					1,185,012	-	1,185,012
Total general revenues					8,204,523	50,969	8,255,492
Transfers					3,011,501	(3,011,501)	-
Changes in net position					2,369,407	3,389,287	5,758,694
Net position, July 1, 2020					20,783,109	69,122,533	89,905,642
Net position, June 30, 2021					\$ 23,152,516	\$ 72,511,820	\$ 95,664,336

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

City of Prineville, Oregon

Balance Sheet Governmental Funds June 30, 2021

	General Fund	Emergency Dispatch Fund	Transportation Fund	Transportation SDC Fund	Pension Debt Service Fund	Total Governmental Funds
Assets						
Cash and investments	\$ 2,572,243	\$ 1,141,299	\$ 676,375	\$ 1,246,492	\$ 1,377,472	\$ 7,013,881
Receivables:						
Property taxes	95,427	-	-	-	-	95,427
Accounts	541,170	1,275	135,546	1,797	-	679,788
Prepaid Expenses	76,363	-	-	-	-	76,363
Due from other funds	771,851	-	-	-	-	771,851
Total assets	\$ 4,057,054	\$ 1,142,574	\$ 811,921	\$ 1,248,289	\$ 1,377,472	\$ 8,637,310
Liabilities and fund balances						
Liabilities:						
Accounts payable	\$ 379,391	\$ 82,871	\$ 466,064	\$ 305,430	\$ -	\$ 1,233,756
Other liabilities	-	-	-	48,576	-	48,576
Total liabilities	379,391	82,871	466,064	354,006	-	1,282,332
Deferred inflows of resources						
Unavailable revenue - property taxes	80,406	-	-	-	-	80,406
Unavailable revenue - other	771,851	-	-	-	-	771,851
Total deferred inflows of resources	852,257	-	-	-	-	852,257
Fund balance						
Nonspendable	76,363	-	-	-	-	76,363
Restricted	-	-	345,857	894,283	-	1,240,140
Committed	-	1,059,703	-	-	1,377,472	2,437,175
Assigned to:						
Other purposes	135,505	-	-	-	-	135,505
Unassigned	2,613,538	-	-	-	-	2,613,538
Total fund balances	2,825,406	1,059,703	345,857	894,283	1,377,472	6,502,721
Total liabilities, deferred inflows of resources and fund balances	\$ 4,057,054	\$ 1,142,574	\$ 811,921	\$ 1,248,289	\$ 1,377,472	\$ 8,637,310

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

City of Prineville, Oregon

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

Year Ended June 30, 2021

Amounts reported for governmental activities in the Statement of Net Position are different because:	
Fund balance - total governmental funds	\$ 6,502,721
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in funds.	26,559,445
Unavailable revenues are deferred on the budgetary financial statements, but in the government wide state they are considered revenues.	852,257
The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.	(4,610,359)
The Net Pension Asset (Liability), and deferred inflows and outflows related to the Net Pension Asset is the difference between the total pension liability and assets set aside to pay benefits earned to past and current employees and beneficiaries	(2,670,767)
Long-term liabilities, including bonds payable, capital leases and accrued vacation, are not due and payable in the current period, and therefore, are not reported in the funds.	(3,156,120)
The OPEB GASB 75 Liability, and deferred inflows and outflows related to the OPEB GASB 75 Liability is the difference between the total pension liability and assets set aside to pay benefits earned to past and current employees and beneficiaries	(305,562)
Bond interest is not accrued as a liability in the government funds.	<u>(19,099)</u>
Net position of governmental activities	<u><u>\$ 23,152,516</u></u>

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

City of Prineville, Oregon
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Year Ended June 30, 2021

	General Fund	Emergency Dispatch Fund	Transportation Fund	Transportation SDC Fund	Pension Debt Service Fund	Total Governmental Funds
Revenues						
Taxes	\$ 2,865,315	\$ -	\$ -	\$ -	\$ -	\$ 2,865,315
Intergovernmental	517,654	1,138,373	985,505	1,797	-	2,643,329
Franchise fees	3,775,149	-	338,000	-	-	4,113,149
Licenses and permits	56,574	-	18,380	-	-	74,954
Charges for services	240,828	265	-	-	532,300	773,393
Systems development charges	-	-	-	783,401	-	783,401
Interest	19,156	5,809	2,190	7,893	8,214	43,262
Miscellaneous	349,221	-	52,371	-	70,505	472,097
Total revenues	7,823,897	1,144,447	1,396,446	793,091	611,019	11,768,900
Expenditures						
Current:						
General government	835,351	-	-	-	-	835,351
Public safety	3,521,025	1,258,832	-	-	-	4,779,857
Highways and streets	-	-	458,228	18,765	-	476,993
Capital outlay	-	161,628	809,853	1,130,888	-	2,102,369
Debt service:						
Principal	87,308	-	-	-	218,990	306,298
Interest	7,901	-	-	-	80,175	88,076
Total expenditures	4,451,585	1,420,460	1,268,081	1,149,653	299,165	8,588,944
Excess (deficiency) of						
Revenues over expenditures	3,372,312	(276,013)	128,365	(356,562)	311,854	3,179,956
Other financing sources (uses)						
Transfers in	353,800	794,300	400,000	-	100,000	1,648,100
Transfers out	(3,492,200)	(189,500)	(367,200)	(37,900)	-	(4,086,800)
Total other financing sources (uses)	(3,138,400)	604,800	32,800	(37,900)	100,000	(2,438,700)
Net change in fund balances	233,912	328,787	161,165	(394,462)	411,854	741,256
Fund balance, beginning	2,591,494	730,916	184,692	1,288,745	965,618	5,761,465
Fund balance, ending	\$ 2,825,406	\$ 1,059,703	\$ 345,857	\$ 894,283	\$ 1,377,472	\$ 6,502,721

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

City of Prineville, Oregon

Reconciliation of Statement of Revenue, Expenditures and Changes in Fund Balance to the Statement of Activities
Governmental Funds
Year Ended June 30, 2021

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

Net change in fund balances - total governmental funds	\$	741,256
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Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay was less actual additions and depreciation expense

Capital Outlay	5,274,852	
Depreciation expense	<u>(685,755)</u>	4,589,097

Revenues in the Statement of Activities that do not provide current financial resources and are not reported as revenue in the fund statements:	(23,120)
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Internal service funds are used to account for all costs arising from the operations of the City's central services activities and insurance programs. The primary funding sources are charges to the other funds. This is the net gain of the funds for the year.	(2,689,600)
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Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount by which debt proceeds exceeds principal payments:	338,825
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The Pension Expense and the changes in deferred inflows and outflows related to the Net Pension Asset represents the changes in Net Pension Asset (Liability) from year to year due to changes in total pension liability and the fair value of pension plan net position available to pay pension benefits.	(505,965)
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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.		
Accrued compensated absences	(79,018)	
OPEB Liability GASB 75	<u>(2,068)</u>	<u>(81,086)</u>

Change in net position of governmental activities	\$	<u>2,369,407</u>
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Financial Section

Basic Financial Statements

Fund Financial Statements

Proprietary Funds

Enterprise Funds

Railroad

Water

Wastewater

Golf and Restaurant

Internal Service Funds



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City of Prineville, Oregon
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-type Activities - Enterprise Funds						Governmental Activities Internal Service Funds
	Water	Wastewater	Golf Course	Railroad	Non-Major Fund, Airport	Total	
Assets							
Current assets							
Cash and investments	\$ 1,392,974	\$ 2,344,714	\$ 648,936	\$ 1,048,766	\$ 7,937	\$ 5,443,327	\$ 1,795,106
Accounts receivable, net	656,166	602,332	42,180	123,437	12,036	1,436,151	2,456
Inventory	149,631	79,651	41,393	143,871	47,982	462,528	29,725
Prepaid expenses	-	-	600	-	-	600	150,000
Total current assets	<u>2,198,771</u>	<u>3,026,697</u>	<u>733,109</u>	<u>1,316,074</u>	<u>67,955</u>	<u>7,342,606</u>	<u>1,977,287</u>
Non-current assets							
Restricted cash and investments	-	303,758	-	-	-	303,758	105,000
Capital assets:							
Non-depreciable	17,463,554	888,290	-	146,133	-	18,497,977	-
Capital assets (net of accumulated depreciation)	<u>17,605,921</u>	<u>36,005,156</u>	<u>2,820,757</u>	<u>7,133,452</u>	<u>42,425</u>	<u>63,607,711</u>	<u>2,333,550</u>
Total non-current assets	<u>35,069,475</u>	<u>37,197,204</u>	<u>2,820,757</u>	<u>7,279,585</u>	<u>42,425</u>	<u>82,409,446</u>	<u>2,438,550</u>
Total assets	<u>\$ 37,268,246</u>	<u>\$ 40,223,901</u>	<u>\$ 3,553,866</u>	<u>\$ 8,595,659</u>	<u>\$ 110,380</u>	<u>\$ 89,752,052</u>	<u>\$ 4,415,837</u>
Deferred outflows of resources							
Pension Related Deferrals	-	-	-	-	-	-	1,210,813
Total assets & deferred outflows	<u>\$ 37,268,246</u>	<u>\$ 40,223,901</u>	<u>\$ 3,553,866</u>	<u>\$ 8,595,659</u>	<u>\$ 110,380</u>	<u>\$ 89,752,052</u>	<u>\$ 5,626,650</u>
Liabilities and net position							
Current liabilities:							
Accounts payable	\$ 914,481	\$ 186,670	\$ 7,677	\$ 65,822	\$ 1,810	\$ 1,176,460	\$ 185,283
Due to other funds	-	-	-	-	-	-	-
Accrued interest payable	4,141	77,462	578	-	-	82,181	10,194
Deposits payable	25,704	59,005	-	-	1,050	85,759	-
Other liabilities	-	-	55,402	-	-	55,402	-
Accrued compensated absences	-	-	150,903	83,655	4,612	239,170	345,589
Bonds payable, current portion	-	60,922	-	-	-	60,922	-
Notes payable, current portion	143,062	698,039	50,000	-	-	891,101	368,000
Proportionate share of net pension liability	-	-	-	-	-	-	2,866,435
Total current liabilities	<u>1,087,388</u>	<u>1,082,098</u>	<u>264,560</u>	<u>149,477</u>	<u>7,472</u>	<u>2,590,995</u>	<u>3,775,501</u>
Non-current liabilities							
Due to general fund	-	-	-	771,851	-	771,851	-
Bonds payable, net of current portion	-	3,765,922	-	-	-	3,765,922	-
Notes payable, net of current portion	<u>4,749,054</u>	<u>5,148,410</u>	<u>214,000</u>	<u>-</u>	<u>-</u>	<u>10,111,464</u>	<u>6,291,000</u>
Total non-current liabilities	<u>4,749,054</u>	<u>8,914,332</u>	<u>214,000</u>	<u>771,851</u>	<u>-</u>	<u>14,649,237</u>	<u>6,291,000</u>
Total liabilities	<u>5,836,442</u>	<u>9,996,430</u>	<u>478,560</u>	<u>921,328</u>	<u>7,472</u>	<u>17,240,232</u>	<u>10,066,501</u>
Deferred Inflows of Resources							
Pension Related Deferrals	-	-	-	-	-	-	170,508
Total liabilities & deferred inflows	<u>5,836,442</u>	<u>9,996,430</u>	<u>478,560</u>	<u>921,328</u>	<u>7,472</u>	<u>17,240,232</u>	<u>10,237,009</u>
Net position							
Net Investment in Capital Assets	30,177,359	27,220,153	2,556,757	7,279,585	42,425	67,276,279	2,333,550
Restricted							
Debt service	-	1,014,800	-	-	-	1,014,800	105,000
Capital projects	-	153,715	-	-	-	153,715	-
Unrestricted	<u>1,254,445</u>	<u>1,838,803</u>	<u>518,549</u>	<u>394,746</u>	<u>60,483</u>	<u>4,067,026</u>	<u>(7,048,909)</u>
Total net position	<u>31,431,804</u>	<u>30,227,471</u>	<u>3,075,306</u>	<u>7,674,331</u>	<u>102,908</u>	<u>72,511,820</u>	<u>(4,610,359)</u>
Total liabilities, deferred inflows and net position	<u>\$ 37,268,246</u>	<u>\$ 40,223,901</u>	<u>\$ 3,553,866</u>	<u>\$ 8,595,659</u>	<u>\$ 110,380</u>	<u>\$ 89,752,052</u>	<u>\$ 5,626,650</u>

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

City of Prineville, Oregon
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds						Governmental Activities Internal Service Funds
	Water	Wastewater	Golf Course	Railroad	Non-Major Fund, Airport	Total	
Operating revenues							
Intergovernmental	\$ -	\$ 5,600	\$ -	\$ 20,000	\$ 109,060	\$ 134,660	\$ 1,003,547
Charges for services	3,522,562	3,995,331	1,155,902	978,057	585,057	10,236,909	154,084
Other operating revenues	25,140	125,664	488	65,226	-	216,518	20,101
Total operating revenues	3,547,702	4,126,595	1,156,390	1,063,283	694,117	10,588,087	1,177,732
Operating expenses							
Salaries and wages	-	151,307	548,598	389,641	133,363	1,222,909	3,606,481
Materials and supplies	985,355	822,701	424,947	357,138	576,089	3,166,230	5,388,666
Depreciation	491,607	950,064	93,715	440,462	-	1,975,848	221,989
Total operating expenses	1,476,962	1,924,072	1,067,260	1,187,241	709,452	6,364,987	9,217,136
Operating income (loss)	2,070,740	2,202,523	89,130	(123,958)	(15,335)	4,223,100	(8,039,404)
Non-operating revenues (expenses)							
Interest income	12,108	24,338	7,363	6,978	182	50,969	19,221
Interest expense	(53,652)	(270,253)	(8,156)	-	-	(332,061)	(123,618)
Sale of assets	-	-	-	-	-	-	4,000
Total non-operating revenues (expenses)	(41,544)	(245,915)	(793)	6,978	182	(281,092)	(100,397)
Capital contributions - system development charges	1,835,658	244,768	-	-	-	2,080,426	-
Capital contributions	342,354	36,000	-	-	-	378,354	-
Transfers in	1,147,807	157,580	870,000	-	15,000	2,190,387	5,647,392
Transfers out	(1,970,357)	(2,996,231)	(88,200)	(90,900)	(56,200)	(5,201,888)	(197,191)
Change in net position	3,384,658	(601,275)	870,137	(207,880)	(56,353)	3,389,287	(2,689,600)
Net position, July 1, 2020	28,047,146	30,828,746	2,205,169	7,882,211	159,261	69,122,533	(1,920,759)
Net position, June 30, 2021	\$ 31,431,804	\$ 30,227,471	\$ 3,075,306	\$ 7,674,331	\$ 102,908	\$ 72,511,820	\$ (4,610,359)

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

City of Prineville, Oregon

Statement of Cash Flows

Proprietary Funds

Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds						Governmental Activities
	Water	Wastewater	Golf Course	Railroad	Non-Major Fund, Airport	Total	Internal Service Funds
Cash flow from operating activities							
Cash received for services	\$ 3,939,485	\$ 3,997,735	\$ 1,148,235	\$ 1,031,700	\$ 799,208	\$ 10,916,363	\$ 1,460,848
Cash paid to suppliers for goods and services	(533,271)	(803,419)	(432,115)	(408,809)	(652,777)	(2,830,391)	(6,241,801)
Cash paid to employees for services	-	(175,149)	(540,319)	(361,917)	(133,607)	(1,210,992)	(3,254,230)
Net cash from operating activities	<u>3,406,214</u>	<u>3,019,167</u>	<u>175,801</u>	<u>260,974</u>	<u>12,824</u>	<u>6,874,980</u>	<u>(8,035,183)</u>
Cash flow from non-capital financing activities							
System development charges	1,835,658	244,768	-	-	-	2,080,426	-
Transfers in	1,147,807	157,580	870,000	-	15,000	2,190,387	5,647,392
Transfers out	(1,970,357)	(2,996,231)	(88,200)	(90,900)	(56,200)	(5,201,888)	(197,191)
Interfund loan repayments	-	-	-	-	-	-	-
Net cash from non-capital activities	<u>1,013,108</u>	<u>(2,593,883)</u>	<u>781,800</u>	<u>(90,900)</u>	<u>(41,200)</u>	<u>(931,075)</u>	<u>5,450,201</u>
Cash flow from capital and related financing activities							
Debt proceeds	3,000,000	-	-	-	-	3,000,000	-
Bond/Debt principal paid	(140,293)	(739,336)	(101,213)	-	-	(980,842)	(358,000)
Interest paid	(53,959)	(275,127)	(8,362)	-	-	(337,448)	(122,691)
Acquisition of capital assets	(7,855,298)	(615,219)	(1,651,264)	(216,545)	-	(10,338,326)	(256,458)
Interfund loan repayments	(100,856)	-	-	-	-	(100,856)	-
Sale of assets	-	-	-	-	-	-	4,000
Net cash from capital and related financing activities	<u>(5,150,406)</u>	<u>(1,629,682)</u>	<u>(1,760,839)</u>	<u>(216,545)</u>	<u>-</u>	<u>(8,757,472)</u>	<u>(733,149)</u>
Cash flow from investing activities							
Interest earnings	12,108	24,338	7,363	6,978	182	50,969	19,221
Net cash from investing activities	<u>12,108</u>	<u>24,338</u>	<u>7,363</u>	<u>6,978</u>	<u>182</u>	<u>50,969</u>	<u>19,221</u>
Net change in cash and investments	<u>(718,976)</u>	<u>(1,180,060)</u>	<u>(795,875)</u>	<u>(39,493)</u>	<u>(28,194)</u>	<u>(2,762,598)</u>	<u>(3,298,910)</u>
Cash and investments, July 1, 2020	<u>2,111,950</u>	<u>3,828,532</u>	<u>1,444,811</u>	<u>1,088,259</u>	<u>36,131</u>	<u>8,509,683</u>	<u>5,199,016</u>
Cash and investments, June 30, 2021	<u>\$ 1,392,974</u>	<u>\$ 2,648,472</u>	<u>\$ 648,936</u>	<u>\$ 1,048,766</u>	<u>\$ 7,937</u>	<u>\$ 5,747,085</u>	<u>\$ 1,900,106</u>
Reconciliation of operating income (loss) to net cash from operating activities							
Operating income/(loss)	\$ 2,070,740	\$ 2,202,523	\$ 89,130	\$ (123,958)	\$ (15,335)	\$ 4,223,100	\$ (8,039,404)
Adjustments to reconcile operating income/ (loss) to net cash from operating activities:							
Depreciation	491,607	950,064	93,715	440,462	-	1,975,848	221,989
Change in assets and liabilities:							
Accounts receivable	393,383	(127,080)	(8,155)	(31,583)	105,091	331,656	283,116
Inventory	(6,714)	(49,030)	2,751	47,488	(13,146)	(18,651)	(1,495)
Prepaid expenses	-	-	-	-	-	-	-
Deposits payable	(1,600)	(1,780)	-	-	-	(3,380)	-
Net Pension Asset, Deferred Inflows	-	-	-	-	-	-	(263,963)
Net Pension Asset, Deferred Outflows	-	-	-	-	-	-	609,915
Accounts payable	458,798	68,312	(21,754)	(74,159)	(63,542)	367,655	(851,640)
Other accrued expenses	-	(23,842)	11,835	27,724	(244)	15,473	6,299
Other liabilities	-	-	8,279	(25,000)	-	(16,721)	-
Total adjustments	<u>1,335,474</u>	<u>816,644</u>	<u>86,671</u>	<u>384,932</u>	<u>28,159</u>	<u>2,651,880</u>	<u>4,221</u>
Net cash from operating activities	<u>\$ 3,406,214</u>	<u>\$ 3,019,167</u>	<u>\$ 175,801</u>	<u>\$ 260,974</u>	<u>\$ 12,824</u>	<u>\$ 6,874,980</u>	<u>\$ (8,035,183)</u>
Noncash investing, capital, and financing activities							
Contributions of capital assets	342,354	36,000	-	-	-	378,354	-

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



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Financial Section

Notes to Financial Statements



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City of Prineville, Oregon

Notes to Financial Statements

Year Ended June 30, 2021

1. Summary of Significant Accounting Policies

Reporting Entity

The City of Prineville, Oregon is a municipal corporation, incorporated in 1880. It operates under its own charter with a council/manager form of government. The Prineville City Council, composed of the mayor and six council members, comprises the legislative branch of the government. The City Council appoints a city manager who serves as the administrative head of the entity. As required by GAAP in the United States of America, all significant activities of the City have been included in the basic financial statements. The City qualifies as a primary government since the City has a separately elected governing body, is a legally separate entity, and is fiscally independent. There are various governmental agencies and special service districts, which provide public services within the City's boundaries. The City is not financially accountable for any of these entities; therefore, none of them are considered component units, nor are they included in these financial statements.

Government-wide and Fund Financial Statements

The government-wide financial statements, the *Statement of Net Position* and the *Statement of Activities*, report information on all of the City's activities. For the most part, the effect of interfund activity has been removed from the government-wide statements. An exception to this is services or goods provided by an activity and used by another activity. Governmental activities, which are primarily supported by taxes and intergovernmental revenues, are segregated from business-type activities, which are primarily supported by charges for services and fees.

The *Statement of Activities* demonstrates the degree to which the direct expenses of a given activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific activity. Program revenues include charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided and capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular activity. Indirect expenses are recovered through internal service fund charges. These indirect expenses are allocated based on a full-cost approach, thereby allocating indirect expenses among functions with the objective of allocating all expenses. Taxes and other revenues that are not properly included among program revenues are reported as general revenues.

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

The City reports the following major governmental funds:

General fund – This fund accounts for the activity of the police department and non-departmental activities. Additionally, activity accounted for in a sub-fund for community development is combined with the general fund for financial statement presentation.

Emergency dispatch fund – Accounts for the emergency dispatch services provided to all public safety agencies within Crook County. Resources include a transfer from the Prineville Police Department, 911 telephone taxes administered by Crook County, and the other public safety agencies utilizing the services.

Transportation fund – Accounts for the City's transportation systems, including street, sidewalk and bike paths, operations and maintenance. The primary revenue source is the state gas tax allocated to cities.

City of Prineville, Oregon

Notes to Financial Statements

Year Ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

Transportation SDC fund – Accounts for the receipt and expenditures of system development charges (SDC) that are dedicated for transportation system expansion improvements.

Pension obligation debt service fund – Accounts for the payment of debt issued to fund a pension retirement unfunded actuarial liability, and other governmental accrued liabilities. The primary revenue source is a charge to all City funds that have employees with earnings subject to OPERS retirement contributions.

Major Proprietary funds are:

Railroad fund – Accounts for the operation and maintenance of the City's railroad and freight depot operations. The primary source of revenue is charges for services to utilize the rail system and storage facilities.

Water fund – This fund accounts for the operation and maintenance of water service and distribution facilities. The principal source of revenue is charges for water consumption. Additionally, a water SDC sub-fund, which accounts for the receipt and expenditures of system development charges that are dedicated for water system expansion improvements, is consolidated for reporting purposes.

Wastewater fund – This fund accounts for the operation and maintenance of the wastewater collection and treatment system. The principal source of revenue is charges for service. Additionally, a wastewater SDC sub-fund, which accounts for the receipt and expenditures of system development charges that are dedicated for wastewater system expansion improvements, is consolidated to the wastewater fund for financial reporting purposes.

Golf course fund – Accounts for the operation and maintenance of the golf course, restaurant and wastewater treatment. The principal sources of revenue are green fees, cart rentals, food and beverage sales, and charge to the wastewater fund.

Additionally the City reports the following:

Internal Service Funds

Internal service funds account for services provided for departmental units within the City.

Services provided by the internal service funds include facility maintenance, fleet maintenance, technology and communications, administrative services, and risk management. The cost of the services provided is recovered by charges to the department receiving the service. The reporting for the internal service funds are consolidated in the reporting of the proprietary statements.

Administrative services fund – Accounts for the City Council, city manager's office, finance department and information technology operations. The principal source of revenue is charges to City departments and operations.

Building facilities fund – Accounts for the operations, maintenance, debt service and replacement costs of the city hall building, public works building, police department facilities, barnes butte property, and the senior center project. The principal source of revenue is rent, and grants.

City of Prineville, Oregon

Notes to Financial Statements

Year Ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

The Plaza Maintenance sub-fund is combined with the building facilities for financial statement presentation.

Public works support services fund - Accounts for the public works department staff and vehicle/equipment maintenance operations. The principal source of revenue is charges to City operations utilizing public works staff, such as water, wastewater, and streets.

Non-major Funds

The City also reports the following non-major funds:

Non-major Governmental Funds

Special Revenue Funds

Community development fund – Accounts for the City’s community development and planning activities. The principal sources of revenue are planning fees and charges and transfer from the general fund. This fund is combined with the general fund.

Non-major Proprietary Funds

Airport fund – Accounts for the operation of the Prineville-Crook County Airport. The City operates the County-owned airport as provided in an intergovernmental agreement. Principal sources of revenue include fuel sales, and hangar, building and ground leases.

Internal Service Fund

Plaza maintenance fund - Accounts for the operation of the plaza located between city hall and a county office building. Principal sources of revenue include intergovernmental revenue from Crook County and City payments. This sub-fund is combined with the building facilities fund.

The City’s government-wide and proprietary statements are based on all applicable Governmental Accounting Standards Board (GASB) pronouncements.

Interfund transfers, interfund services provided and used, interfund reimbursements and interfund payables and receivables are all interfund activities. The effect of interfund activities and administrative charges are eliminated from the government-wide financial statements. Interfund services that are provided and used are not eliminated from the government-wide statements since elimination would distort the program revenues and direct costs of the City’s functions.

Amounts reported as program revenues in the government-wide statement of activities include: fees, charges to users for services provided, goods produced or privileges provided; operating grants and contributions; and capital grants and contributions. Taxes, grants and contributions that are not restricted are reported as general revenues. Transient room taxes and franchise fees are based on gross receipts and are reported as general revenues.

City of Prineville, Oregon

Notes to Financial Statements

Year Ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's primary ongoing operations. The primary operating revenues of the water fund, wastewater fund, railroad fund, golf and restaurant fund, and airport fund are charges to customers for sales and services. The primary revenue of the City's internal service funds are charges for services to other City funds, received in the form of transfers.

The water fund and wastewater fund also receive fees, which are intended to recover the cost of providing new customers to the utility systems. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses, and depreciation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded. The government-wide financial statements are presented on a full-accrual basis of accounting with an economic resource measurement focus, as are the proprietary fund financial statements. An economic resource focus concentrates on an entity or fund's net position. All transactions and events that affect the total economic resources (net position) during the period are reported. An economic resources measurements focus is inextricably connected with full accrual accounting. Under the full accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash inflows and outflows.

Governmental fund financial statements are presented on a modified accrual basis of accounting with a current financial resource measurement focus. The measurement focus concentrates on the fund's resources available for spending currently or in the near future. Only transactions and events affecting the fund's current financial resources during the period are reported. Similar to the connection between an economic resource measurement focus and full accrual basis of accounting, a current financial resource measurement focus is inseparable from a modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available). Measurable means the amount of the transaction can be determined and revenues are considered available when they are collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues considered susceptible to accrual are property taxes, state, county and local shared revenues, franchise taxes, intergovernmental revenues, and investment income.

An unearned revenue liability arises on the balance sheets of the governmental funds when potential revenue does not meet both the measurable and available criteria for recognition in the current period. This unavailable revenue consists primarily of uncollected property taxes not deemed available to finance operations of the current period. In the government-wide statement of activities, with a full accrual basis of accounting, revenue must be recognized as soon as it is earned regardless of its availability. Thus, the liability created on the balance sheets of the governmental funds for unavailable revenue, is eliminated. Similar to the way its revenues are recorded, governmental funds only record those expenditures that affect current financial resources. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. In the government-wide financial statements, however, with a full accrual basis of accounting, all expenses affecting the economic resource status of the government are recognized.

City of Prineville, Oregon

Notes to Financial Statements

Year Ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is necessary to explain the adjustments needed to transform the fund based financial statements into the governmental column of the government-wide presentation. This reconciliation is part of the basic financial statements.

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

Use of Estimates

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

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Equity

Assets Liabilities and Net Position

Cash and Investments

State statutes authorize the City to invest in obligations of the U.S. Treasury, certificates of deposit, U.S. government agency securities, instrumentalities of U.S. government-sponsored corporations, commercial paper, bankers' acceptances, repurchase agreements and the State of Oregon Treasurer's Local Government Investment Pool (LGIP). Additionally, Oregon Revised Statutes require that deposits be made with approved depository banks. Local Government Investment Pool balances are backed by the full faith and credit of the State of Oregon.

The City maintains a cash and investment pool for all of the City's funds. Monies within the cash and investment pool are identified by fund and by type. Interest earned on the cash and investment pool is allocated to the individual funds based on the individual fund's average cash balance for the period in which the interest was earned. For the *Statement of Cash Flow* purposes, the City considers "cash" to include the pooled cash and investments. The cash and investment pool possesses the general characteristics of a demand deposit account since the cash and investment pool has sufficient liquidity in that any fund may deposit or withdraw cash at any time without notice or penalty.

Inventory

The City accounts for inventories using the purchases method, the basis used to value inventories is the cost basis, and the method used to apply that basis is first-in first-out at lower of cost or market.

City of Prineville, Oregon

Notes to Financial Statements

Year Ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

Receivables

Real and personal property taxes receivable that are collected within 60 days after year-end are considered measurable and available, and therefore, are recognized as revenue. The remaining balance is recorded as unavailable or unearned revenue because it is not deemed available to finance the operations of the current period. Property taxes are levied and become a lien on the property as of July 1. Taxes are payable in three installments on November 15, February 15 and May 15. Taxes unpaid as of May 16 are considered delinquent. All property taxes are billed and collected by Crook County, Oregon and then turned over to the City.

Grant proceeds are recorded as revenue in the period in which qualified program expenditures are incurred. Franchise fees and transient room taxes are recorded as revenue in the period in which they are earned, provided they are remitted to the City within 60 days after year-end.

All governmental type accounts receivable, property taxes, grants, notes, assessments and other receivables are shown net of an allowance for uncollectible accounts, and as of June 30, 2021, no uncollectible amounts are anticipated or have been recognized by management.

Prepaid Expenses

In both government-wide and fund financial statements, certain payments to vendors reflect costs applicable to future City accounting periods and are recorded as prepaid expenses. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Purchased or constructed capital assets for governmental activities are recorded at estimated historical cost prior to fiscal year 2007 with subsequent additions at cost. Business-type capital assets are recorded at cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at their acquisition value. Infrastructure (bridges, roads, water and sewer improvements, and drainage systems) acquired during the year have been recorded at cost or fair value if contributed by developers. The City defines capital assets as assets with an initial cost of more than \$10,000 and an estimated life of more than one year. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings and structures	25-50
Improvements other than buildings	10-20
Machinery and equipment	5-30
Vehicles	5-10
Infrastructure	30-40

City of Prineville, Oregon

Notes to Financial Statements

Year Ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

Accrued Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave within limits set by collective bargaining agreements, personnel policies and employment agreements. All employees with accrued paid leave are paid the outstanding accrued vacation balance at separation of employment. Employees with sick leave accruals that meet longevity requirements are paid, within limits, for their sick leave accruals. All vacation and sick pay is accrued when incurred in the government-wide and proprietary statements. Compensated absences are paid by the individual funds when they become due. The general fund, emergency dispatch fund, transportation fund and the community development fund are governmental funds that have primarily incurred and paid compensated absences in prior years.

Long-term Debt

In the government-wide financial statements, long-term debt is reported as a liability in the applicable governmental activities, business-type activities, or proprietary fund-type *Statement of Net Position*. Prepaid assets, and deferred amounts on refunding, if significant, are deferred and amortized over the life of the bond using straight-line amortization. Bond premiums and discounts are amortized using the straight-line method. In the fund financial statements, governmental fund-types recognize bond premiums, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the *Statement of Net Position* will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the *Statement of Financial Position* will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

City of Prineville, Oregon

Notes to Financial Statements

Year Ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

Fund Equity

The City implemented GASB Statement No. 54 for the year ended June 30, 2011. GASB Statement No. 54 requires analysis and presentation of fund balance in five categories. The new fund balance categories are:

- *Non-spendable* – Includes items that are not in a spendable form because they are either legally or contractually required to be maintained intact.
- *Restricted* – Includes items that are restricted by external creditors, grantors or contributors, or restricted by legal constitutional provisions.
- *Committed* – Includes items that have committed funding for specific purposes or uses by the governing board.
- *Assigned* – Includes items assigned by specific uses, authorized by the city manager and or finance director.
- *Unassigned* – This is the residual classification used for those balances not assigned to another category in the general fund. Deficit fund balances in other governmental funds are also presented as unassigned.

GASB Statement No. 54 implementation requires the highest legal authority to approve authorized commitments of fund balance and to approve who can authorize making assignments of fund balance. The City Council makes commitments through Resolutions. The city manager is authorized to make assignments of fund balance per City Resolution Number 1247.

GASB Statement No. 54 also requires a spending policy, as it relates to ending fund balance. The spending policy states in what order fund balance categories are spent. The spending policy provides that restricted balances are spent first, followed by committed, then unassigned.

Pension Plan

Substantially all of the City's employees, except for Railroad Fund employees, are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. 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. GASB Statements 68 and 71 have been implemented as of July 1, 2014.

Interfund Transfers

Transfers between funds provide support for various City programs in accordance with budgetary authorizations. They are utilized to cover administrative services, provide for additional funding for reserve purposes, contribute towards the cost of capital projects, and to provide for other operational resources.

Budget

The City adopts a biennial budget in accordance with Oregon Revised Statutes (ORS) 294.305 through 294.565. The adopted budget is on a modified accrual basis for all funds. Minor reclassifications are made between the budgetary and the GAAP statements. The Oregon Constitution and ORS require that the budget must be balanced and that the fiscal year for local governments is from July 1 through June 30.

City of Prineville, Oregon

Notes to Financial Statements

Year Ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

The Prineville Budget Committee, consisting of seven citizen representatives, the six city councilors and mayor, is required by ORS as part of the budget process. Through a process of public hearings and deliberations, the Budget Committee reviews, and then recommends a budget to City Council for approval. The budget sets forth City Council's goals and objectives, and identifies the resources necessary to accomplish the goals and objectives. The City's budget is legally adopted by City Council resolution before July 1.

The City maintains budgetary controls to ensure compliance with legal provisions of the City's annual appropriations resolution adopted by the City Council as part of the budget process. The legal level of budgetary control, by City Council resolution, is by department within the general fund and administrative services internal service fund, by program within the golf and restaurant fund and the public works support services internal service fund and by major function, i.e., personal services, material and services, capital outlay, transfers, debt service and other requirements in the remaining funds. The City cannot legally exceed appropriations at these respective levels. Departments may transfer appropriations within a department. All such transfers are reviewed by finance department staff for appropriateness with approval by the city manager as appropriate.

Appropriations lapse at fiscal year-end; projects not completed in the current fiscal year must be re-appropriated in the next fiscal year as part of the adoption of the annual budget.

City Council may change the budget throughout the fiscal year by transferring appropriations between levels of legal compliance. Unexpected additional resources may be budgeted by adopting supplemental budgets as authorized by ORS. A supplemental budget requires newspaper publications, and City Council approval at a minimum, and may require public comments or hearings over a certain dollar threshold. The City Council also approved one resolution adjusting appropriations during the year.

All expenditures were within authorized appropriations.

Net Position Flow Assumptions

The City may fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which resources are considered to have been applied. It is the City's policy to deplete restricted net position first, then committed, then assigned, and lastly unrestricted.

Fund Balance Flow Assumptions

The City may fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which resources are considered to have been applied. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed. When components of restricted fund balance can be used for the same purpose, committed fund balance is depleted second, followed by assigned fund balance. Unassigned fund balance is applied last.

City of Prineville, Oregon

Notes to Financial Statements

Year Ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

Reserve Policies

The City shall maintain adequate working capital reserves in all funds.

The General Fund shall maintain sufficient working capital to allow the City to adequately fund operations until property taxes are received in November of each year without borrowing, and shall maintain a 10 percent The General Fund shall maintain six (6) months working capital to allow the City to adequately fund operations until property taxes are received in November of each year without borrowing, and shall maintain a goal of twenty (20) percent reserve of its revenue budget. It is the intent of the City to limit the use of the General Fund reserves to non-recurring needs, to ensure the City has the flexibility to respond and mitigate short-term economic downturns, short-term volatility in revenues, and unforeseen emergency situations or circumstances, fund other capital needs or other such non-recurring needs. Additionally the City will maintain a debt service reserve equal to the annual debt service payment for all debt paid by the general fund.

The City's business-like funds, excluding the rail road, shall maintain a minimum working capital balance sufficient for sixty (60) days of operating expenses, together with a five (5) percent of budgeted revenue for an emergency repair reserve. Additionally, the City will seek to stabilize utility rates by setting aside funds (capital projects reserve), as funding is available from existing resources, for scheduled capital maintenance programs to reduce future borrowing. Where resources from rates and other sources are insufficient to fund scheduled capital projects, long-term debt may be utilized. Evaluation of future debt service requirements will be incorporated into the financial analysis noted above, including funding and maintaining debt service reserves equal to the annual debt service payment for all debt within the funds.

The City's Transportation fund shall maintain at a minimum working capital balance sufficient for sixty (60) days of operating expenses, together with an emergency reserve of five percent (5.0%) of current year revenue. Additionally, the City will set aside funds (capital projects reserve), as funding is available from existing resources, for scheduled capital maintenance programs, and one time capital improvements that are identified in the master plan. The City commits to evaluate annually and utilize electrical franchise fees collected to fund additional capital contributions as needed for projects, and to retain and maintain the pavement condition index (PCI) at the level approved by the City Council.

The City's internal service funds shall maintain, at minimum, a working capital balance of fifteen (15) percent of operating expenses and the city will commit funds and maintain a debt service reserve equal to the annual debt service payment for all debt within the funds.

The City's debt service funds shall maintain adequate working capital to pay required debt service without borrowing and fund debt service reserves in an amount equal to the annual debt service payment.

Due to the variability in revenues resulting from business cycles for the City's rail road operation, the City's rail road fund shall maintain one year's operating expense and twenty (20) percent of total budget for capital reserve. The City will strive to maintain combined total reserves of not less than \$1 million with a target of \$2 million, increased annually by the percent change in the CPI.

The City's other operating funds shall maintain a minimum working capital balance sufficient for 45 days of operating expenses, for non-recurring capital projects the City will review annually the five year CIP, estimate the impact to the budgets and target an appropriate reserve amount to fund the projects or maintain a debt service payment should the project be too large to fund with current resources, and the City will commit funds and maintain a debt service reserve equal to the annual debt service payment for all debt within the funds.

City of Prineville, Oregon

Notes to Financial Statements

Year Ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

The policies establish the amounts the City will strive to maintain. They set forth the guidelines for both current activities and long-range planning. The policies are reviewed annually to assure the highest standards of fiscal management. The City may use the unassigned fund balances on a one-time or temporary basis for purposes described above, committed funds may be spent with approval of the city council on a one time basis. The City will develop a plan to restore unassigned and committed reserves to the desired levels.

Fair Value Inputs and Methodologies and Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based up on the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access

Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund's own assumptions used in determining the fair value of investments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

2. Cash and Investments

The City maintains a pooled cash and investment account for all City funds. The types of investments in which the City may invest are restricted by State of Oregon statutes and a council-adopted investment policy. Authorized investments include U.S. Treasury obligations including treasury notes, bond and strips; federal instrumentality securities from specific federal agencies; commercial paper rated at least A-1 or an equivalent rating; corporate bonds rated at least Aa or an equivalent rating; bankers acceptances rated at least Aa or an equivalent rating; the Oregon State Treasurer's LGIP limited by state statute; certificates of deposits; repurchase agreements and obligations of the states of Oregon, California, Idaho and Washington rated AA or better.

City of Prineville, Oregon

Notes to Financial Statements

Year Ended June 30, 2021

2. Cash and Investments (continued)

At June 30, 2021, the City's cash and investments were comprised of the following:

Cash on hand	\$	3,000
Demand checking accounts		1,868,460
Local government investment pool		12,789,612
	\$	<u>14,661,072</u>

	Governmental Activities	Business-type Activities	Total
Cash and investments	\$ 8,808,987	5,443,327	14,252,314
Restricted cash and investments	105,000	303,758	408,758
Total cash and investments	<u>8,913,987</u>	<u>5,747,085</u>	<u>14,661,072</u>

Deposits with Financial Institutions

Deposits with financial institutions are comprised of demand checking accounts. Effective July 1, 2008, the State of Oregon formed the Oregon Public Funds Collateralization Program under ORS 295. The collateralization program creates a state-wide pool of qualified bank depositories for local governments, providing collateralization for bank balances that exceed the limits of Federal Depository Insurance Corporation (FDIC), and eliminating the need for certificates of participation. As of June 30, 2021, the City had a total bank balance of \$2,394,730, of which \$250,000 was covered by FDIC and the NCUA, with the remaining amount collateralized by the Oregon Public Collateralization Program.

Custodial Credit Risk

Custodial credit risk is the risk that deposits with a financial institution may not be returned to the City. The City's policy, in compliance with state statutes, requires that bank deposits be covered by FDIC and deposited in a financial institution that is qualified in the Oregon Public Funds Collateralization Program. Additionally, deposits in the LGIP are administered by the Oregon State Treasury with the advice of other state agencies and is not rated or registered with the U.S. Securities and Exchange Commission.

The LGIP is an open-ended, no-load diversified portfolio offered to any agency, political subdivision, or public corporation of the state that by law is made the custodian of, or has control of any public funds. The LGIP is commingled with the State of Oregon's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short-term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP.

The board established portfolio diversification percentages based on the types and maturities of investments. LGIP must manage and invest its funds as a prudent investor would, exercising reasonable care, skill and caution. Professional standards indicate that the investments in external investment pools are not subject to custodial risk because they are not evidenced by securities that exist in physical or book entry form. Nevertheless, management does not believe that there is any substantial custodial risk related to investments in the LGIP. A copy of the State's Annual Comprehensive Financial Report may be obtained at <http://www.ost.state.or.us/>.

City of Prineville, Oregon

Notes to Financial Statements

Year Ended June 30, 2021

2. Cash and Investments (continued)

Investments

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2021. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it approximates fair value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. As of June 30, 2021, the fair value of the position in the LGIP is 100.4% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized.

Interest Rate Risk

The City's investment policy limits its investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At June 30, 2021, the City did not hold any individual investments. As such, its interest rate risk is limited to adjustments in its money market accounts, including the LGIP.

Credit Risk

As mentioned above, Oregon Revised Statutes limits the investments that the City may have to high quality bonds with limited exposure to credit risk. The City is in compliance with these statutes at June 30, 2021.

3. Receivables

Accounts Receivable

The City maintains security deposits for utility accounts and writes off uncollectible accounts as they occur. Past write-off experience is insignificant to the balance of accounts receivable therefore no allowance for doubtful accounts has been recorded.

As of June 30, 2021, accounts receivable consisted of the following:

Accounts receivable-governmental activities	\$	777,671
Accounts receivable- business type		1,436,151
Total	\$	<u>2,213,822</u>

City of Prineville, Oregon

Notes to Financial Statements

Year Ended June 30, 2021

3. Receivables (continued)

Amounts Due from Other Funds

An amount due to the general fund from the railroad fund in the amount of \$771,851 is recorded. The amount due is the result of transfers from the general fund to the freight depot fund through June 30, 2021 to pay debt service related to industrial park development, with the intent for the transfers to be repaid at a future date. However, repayment terms have not been established pending the railroad demonstrating the ability to generate sufficient positive cash flow to discontinue the transfers and repay the debt on a recurring basis. Accordingly, unearned revenue of \$771,851 has been recorded in the general fund.

4. Capital Assets

Purchased or constructed capital assets acquired prior to June 30, 2007 are recorded at estimated historical cost with subsequent additions at cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at their acquisition value at the time of donation or contribution. Infrastructure (roads, water, wastewater, sidewalks and other similar improvements) acquired during the year are recorded at cost or fair value if contributed by developers. The City defines capital assets as assets with an initial cost of more than \$10,000 and an estimated useful life of more than one year. The cost of normal maintenance and repairs that do not add value of the asset or materially extend the assets' useful lives are not capitalized.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

	Years
Buildings and structures	25-50
Improvements other than buildings	10-20
Machinery and equipment	5-30
Vehicles	5-10
Infrastructure	30-40

Governmental activities: Capital asset activity for governmental activities for the year ended June 30, 2021, was as follows:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Governmental activities:				
Capital assets not being depreciated:				
Land and Easements	\$ 2,389,830	\$ -	\$ -	\$ 2,389,830
Work in progress	3,638,277	1,017,575	(3,375,435)	1,280,417
Total capital assets not being depreciated	6,028,107	1,017,575	(3,375,435)	3,670,247

City of Prineville, Oregon

Notes to Financial Statements

Year Ended June 30, 2021

4. Capital Assets (continued)

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets being depreciated:				
Buildings and improvements	\$ 2,567,053	\$ 6,096,481	\$ -	\$ 8,663,534
Vehicles and equipment	5,849,925	542,570	-	6,392,495
Infrastructure	32,286,011	1,250,120	-	33,536,131
Total capital assets being depreciated	40,702,989	7,889,171	-	48,592,160
Less accumulated depreciation for:				
Buildings and improvements	1,079,920	185,443	-	1,265,363
Vehicles and equipment	4,171,161	265,177	-	4,436,338
Infrastructure	17,210,587	457,124	-	17,667,711
Total accumulated depreciation	22,461,668	907,744	-	23,369,412
Total Capital Assets Net of Depreciation	<u>\$ 24,269,428</u>			<u>\$ 28,892,995</u>

Depreciation expense was charged to the functions of governmental activities as follows:

Public safety	\$ 712,203
Highways and streets	71,073
General government	124,468
Total	<u>\$ 907,744</u>

City of Prineville, Oregon

Notes to Financial Statements

Year Ended June 30, 2021

4. Capital Assets (continued)

Business-type activities: Capital asset activity for business-type activities, by fund, for the year ended June 30, 2021, is as follows:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Business-type activities:				
Capital assets not being depreciated:				
Land and Easements	\$ 1,309,131	\$ -	\$ -	\$ 1,309,131
Work in progress	10,673,015	7,626,944	(1,111,113)	17,188,846
Total capital assets not being depreciated	11,982,146	7,626,944	(1,111,113)	18,497,977
Capital assets being depreciated:				
Buildings and improvements	13,146,628	2,513,860	\$ -	15,660,488
Vehicles and equipment	4,858,230	266,109	-	5,124,339
Infrastructure	71,100,320	1,420,880	-	72,521,200
Total capital assets being depreciated	89,105,178	4,200,849	-	93,306,027
Less accumulated depreciation for:				
Buildings and improvements	5,984,033	834,750		6,818,783
Vehicles and equipment	4,370,892	223,749		4,594,641
Infrastructure	17,367,543	917,349		18,284,892
Total accumulated depreciation	27,722,468	1,975,848	-	29,698,316
Total capital assets net of depreciation	\$ 73,364,856			\$ 82,105,688

5. Debt

In the following schedules, long-term obligations information is presented separately with respect to governmental and business-type activities, including individual fund information for business-type activity. The schedules present current year changes in these obligations and the current portions, amount due within one year, for each issue. For the governmental activities, compensated absences are liquidated by the fund that pays for the employee costs associated with the services received. Compensated absences are due and payable on demand upon an employee's retirement or other separation from employment. There are two known employee retirements or separations as of June 30, 2021. The amount due to these employees including benefits, as of June 30, 2021, is presented as a current liability, with the balance of the compensated obligation shown as a non-current liability.

City of Prineville, Oregon
Notes to Financial Statements

Year Ended June 30, 2021

5. Debt (continued)

	Amount of Original Issue	Interest Rates	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Amount Due Within One Year
Governmental activities:							
Full faith and credit obligations							
Direct borrowings:							
Note payable - Barnes Butte Property 2017	\$ 720,000	3.14%	\$ 524,239	\$ -	\$ 32,527	\$ 491,712	\$ 33,560
Note payable - Pension Obligation - Refi 2017	2,549,000	3.70%	2,166,887	-	218,990	\$ 1,947,897	237,213
Note Payable - Police Vehicles 2018	433,000	2.93%	269,673	-	87,308	\$ 182,365	89,866
Note Payable - Police Building 2020	5,958,000	1.73%	5,958,000	-	274,000	\$ 5,684,000	282,000
USDA 2017 Refunding - City Hall	1,208,000	2.67%	1,059,000	-	84,000	\$ 975,000	86,000
Long-term debt obligations	10,868,000		9,977,799	-	696,825	9,280,974	728,639
Compensated absences	-		804,613	445,852	360,536	889,929	889,929
Total governmental activities	<u>\$ 10,868,000</u>		<u>\$ 10,782,412</u>	<u>\$ 445,852</u>	<u>\$ 1,057,361</u>	<u>\$ 10,170,903</u>	<u>\$ 1,618,568</u>
	Amount of Original Issue	Interest Rates	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Amount Due Within One Year
Business-Type Activities							
Bond:							
USDA 2018 - wastewater	4,000,000	2.75%	3,886,136	-	59,292	3,826,844	60,922
Total bonds:	<u>4,000,000</u>		<u>3,886,136</u>	<u>-</u>	<u>59,292</u>	<u>3,826,844</u>	<u>60,922</u>
Direct borrowings							
State CWSRL - wastewater	8,876,287	2.94%	3,451,426	-	489,318	2,962,108	503,810
FFCO - Series 2017 refunding - water, golf, wastewater	5,315,000	2.67%	4,713,000	-	348,999	4,364,001	360,000
IFA - 2016 wastewater	750,000	1.00%	703,476	-	27,020	676,456	27,291
Note Payable - Golf Carts	176,725	2.74%	56,214	-	56,214	-	-
OBDD - water	3,024,900	1.30%	-	3,000,000	-	3,000,000	-
Total direct borrowings:	<u>15,118,012</u>		<u>8,924,116</u>	<u>-</u>	<u>921,551</u>	<u>11,002,565</u>	<u>891,101</u>
Long-term debt obligations	19,118,012		12,810,252	-	980,843	14,829,409	952,023
Compensated absences	-		223,697	79,670	64,197	239,170	239,170
Total business type activities	<u>\$ 5,315,000</u>		<u>\$ 13,033,949</u>	<u>\$ 79,670</u>	<u>\$ 1,045,040</u>	<u>\$ 15,068,579</u>	<u>\$ 1,191,193</u>

City of Prineville, Oregon

Notes to Financial Statements

Year Ended June 30, 2021

5. Debt (continued)

Governmental Activities

A United States Department of Agriculture (USDA) debt obligation was utilized to finance the construction of city hall in 2006. This debt was refinanced in 2018. The annual debt service requirement is \$112,465, including interest of 2.67 percent annually. The City reserved an amount of \$105,000 for future requirements on this debt. The note contains a provision stating that in the event of default the Lender may exercise any amount available at law or in equity. However, amounts due from the City are not subject to acceleration.

A \$2.55 million note payable entered into in 2018 was utilized to fund the City's actuarial unfunded pension liability. This was a refunding of a 2014 note payable. Annual debt service in fiscal year 2019 was \$275,961 increasing by an average of 3.7 percent annually, consistent with the projected annual increase in payroll obligations. The obligation matures in 10 years, fiscal year 2028, and includes taxable interest of 3.70 percent annually. The note does not have significant default provisions.

A \$433 thousand note payable entered into in 2018 was utilized to purchase police vehicles. The annual debt service requirement is \$95,209, including interest of 2.93% annually. The note contains a provision stating that in the event of default the Lender may exercise any amount available at law or in equity. However, amounts due from the City are not subject to acceleration.

A \$5.96 million note payable entered into in 2020 was utilized to complete the police building project and refinance an existing loan balance of \$3.74 million, which was utilized for the first part of construction of a new police building. The annual debt service requirement varies from \$369,343 to \$558,498, including interest of 1.73% annually. The note contains a provision stating that in the event of default the Lender may increase the interest rate by 3.00% and exercise any amount available at law or in equity. However, amounts due from the City are not subject to acceleration.

The Barnes Butte (Iron Horse) note payable contains a provision stating that in the event of default the Lender may exercise any amount available at law or in equity. However, amounts due from the City are not subject to acceleration. The Street Sweeper note contains a provision that in the event of default the Lender may declare all amounts immediately due or require the City to redeliver all related equipment and any other additional collateral to the Lender.

Future maturities of governmental long term debt at June 30, 2021, are as follows:

Direct Borrowings:

Year	Note Payable Ironhorse		Note Payable Pension Bond	
	Principal	Interest	Principal	Interest
2022	\$ 33,560	\$ 15,047	\$ 237,213	\$ 72,110
2023	34,627	13,981	260,122	63,328
2024	35,727	12,881	277,643	53,699
2025	36,862	11,746	299,825	43,421
2026	38,033	10,574	326,592	32,322
2027-2031	312,903	7,140	546,502	27,402
Total	<u>\$ 491,712</u>	<u>\$ 71,369</u>	<u>\$ 1,947,897</u>	<u>\$ 292,282</u>

City of Prineville, Oregon

Notes to Financial Statements

Year Ended June 30, 2021

5. Debt (continued)

Direct Borrowings:

Year	Police Vehicles		Police Building		FFCO 2017 - City Hall	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 89,866	\$ 5,343	\$ 282,000	\$ 98,333	\$ 86,000	\$ 26,033
2023	92,499	2,710	299,000	93,455	89,000	23,736
2024	-	-	316,000	88,282	91,000	21,360
2025	-	-	333,000	82,815	93,000	18,930
2026	-	-	351,000	77,054	96,000	16,447
2027-2031	-	-	2,054,000	287,422	520,000	42,346
2032-2036	-	-	2,049,000	90,721	-	-
Totals	<u>\$ 182,365</u>	<u>\$ 8,053</u>	<u>\$ 5,684,000</u>	<u>\$ 818,082</u>	<u>\$ 975,000</u>	<u>\$ 148,852</u>

Business-type Activities

In addition to the schedule on the previous page, debt for each of the business-type activities for the year ended June 30, 2021, by the business activity responsible for the repayment of the debt obligation, are presented below. The City issued \$5.315 million in full faith and credit obligations to refinance three outstanding obligations totaling \$7.255 million (\$4.57 million wastewater related, \$2.27 million of water related debt, and \$415 thousand golf related debt). The full faith and credit obligations mature in fiscal year 2031 for water and wastewater, and 2026 for golf, and have effective interest rates of 2.67 percent. Sources of repayment include water utility, wastewater utility, and golf revenues. The obligations do not have significant default provisions.

Wastewater. The wastewater utility has financed the City's sewer treatment plant, golf course treatment facility, and collection system improvements through several debt obligations. These obligations are described as follows:

A previously refunded issue was refunded again in 2018 with proceeds of the full faith and credit obligation noted above. Full faith and credit obligation series 2011 was refunded. A CWSRL obligation requires annual debt service payments of \$587,220, including interest of 3 percent (2.94 percent). The obligation contains a provision stating that in the event of default, Oregon DEQ (lender) may declare the outstanding loan amount plus any accrued interest fees and other amounts immediately due and payable, cease making disbursement of loan proceeds, operate the facility that produces pledged revenues and collect the gross revenues, set and collect utility rates and charges, pay or settle any liens, or direct the State treasurer to withhold any amounts otherwise due to the Borrower from the State of Oregon.

In 2019, the City finalized a finance agreement with USDA. The total amount received was \$4,000,000 at an interest rate of 2.75%. The loan becomes due in 2058 and the annual debt service is \$166,660. The debt service reserve requirement is fully funded in the amount of \$166,660, as well as the short-lived asset replacement reserve account in the amount of \$136,000. The City also drew down on the final \$54,622 of the 2016 IFA loan in 2019 bringing the total loan balance to \$750,000. The annual payment on the loan is \$34,055. The note contains a provision stating that in the event of default, USDA, at its option, may declare all or part of the indebtedness immediately due and payable.

City of Prineville, Oregon

Notes to Financial Statements

Year Ended June 30, 2021

5. Debt (continued)

The summary of wastewater outstanding obligations and their future maturities including principal and interest at June 30, 2021, are as follows:

<u>Wastewater</u>	Balance June 30, 2020	New Issues	Principal Paid	Balance June 30, 2021
Revenue Bond:				
USDA 2018	\$ 3,886,136	\$ -	\$ 59,291	\$ 3,826,845
Direct Borrowings:				
State CWSRL	3,451,426	-	489,318	2,962,108
Full Faith and Credit Obligations Refunding 2017	2,371,591	-	163,707	2,207,884
IFA Loan 2016	703,476	-	27,020	676,456
Total Wastewater	<u>\$ 10,412,629</u>	<u>\$ -</u>	<u>\$ 739,336</u>	<u>\$ 9,673,293</u>

Revenue Bond:

Year	USDA 2018	
	Principal	Interest
2022	\$ 60,922	\$ 105,238
2023	62,597	103,563
2024	64,319	101,841
2025	66,087	100,073
2025	67,905	98,255
2027-31	368,583	462,217
2032-36	422,128	408,672
2037-41	483,452	347,348
2042-46	553,685	277,115
2047-51	634,120	196,680
2052-56	726,241	104,559
2057-61	316,805	13,096
Total	<u>\$ 3,826,844</u>	<u>\$ 2,318,657</u>

Direct Borrowing

Year	State CWSRL		IFA Loan 2016		Full Faith 2017	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 503,810	\$ 83,410	\$ 27,291	\$ 6,765	\$ 166,938	\$ 58,951
2023	518,731	68,489	27,563	6,492	175,554	54,493
2024	534,093	53,127	27,839	6,216	176,631	49,806
2025	549,912	37,308	28,117	5,938	184,170	45,090
2026-2030	855,562	25,277	144,862	25,414	1,208,951	141,984
2031-2035	-	-	152,251	18,024	295,641	7,894
2036-2040	-	-	160,017	10,258	-	-
2041-2045	-	-	108,516	2,263	-	-
Total	<u>\$ 2,962,108</u>	<u>\$ 267,611</u>	<u>\$ 676,456</u>	<u>\$ 81,369</u>	<u>\$ 2,207,884</u>	<u>\$ 358,218</u>

City of Prineville, Oregon

Notes to Financial Statements

Year Ended June 30, 2021

5. Debt (continued)

Water. The City entered into a loan agreement with Oregon Infrastructure Finance Authority of the Business Development Department (OBDD) to fund Aquifer Storage and Recovery. The total amount to be received is \$3,024,900 at an interest rate of 1.30%. At June 30, 2021 the City has drawn down \$3,000,000. No amortization schedule has been set yet and all of the balance is classified as due in more than one year. The OBDD loan contains a provision that all amounts outstanding become immediately due in the event of default.

A summary of outstanding debt payable from water system revenues including future maturities of water-related debt principal and interest, at June 30, 2021, are as follows:

<u>Water</u>	Balance June 30, 2020	New Issues	Principal Paid	Balance June 30, 2021
Full Faith and Credit Obligations 2017	\$ 2,032,408	\$ -	\$ 140,292	\$ 1,892,116

Direct Borrowing:

<u>Year</u>	<u>Full Faith 2017</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 143,062	\$ 50,519
2023	150,446	46,519
2024	151,369	42,683
2025	157,830	38,641
2026	160,138	34,427
2026-2031	1,129,271	111,061
2031-2035	-	-
Total	<u>\$ 1,892,116</u>	<u>\$ 323,850</u>

Golf. As described above, the City refinanced the outstanding note payable in 2017. The term on the new note payable is eight years maturing in 2026 with interest of 2.67 percent. In FY 2016 the Golf Course obtained a 5 year loan for golf carts that bears a 2.74 percent interest rate. The note does not have any significant default provisions. The Golf Course's debt obligations, including future maturities of principal and interest at June 30, 2021, are as follows:

<u>Golf</u>	Balance June 30, 2020	New Issues	Principal Paid	Balance June 30, 2021
Direct Borrowings:				
Full Faith and Credit Obligations Refunding 2017	\$ 309,000	\$ -	\$ 45,000	\$ 264,000
Bank of the Cascades Notes Payable - Carts	56,214	-	56,214	-
Total Wastewater	<u>365,214</u>	<u>-</u>	<u>101,214</u>	<u>264,000</u>

Direct Borrowings:

<u>Year</u>	<u>Full Faith 2017</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 50,000	\$ 9,950
2023	50,000	8,150
2024	55,000	6,150
2025	55,000	4,100
2026	54,000	1,845
Total	<u>\$ 264,000</u>	<u>\$ 30,195</u>

City of Prineville, Oregon

Notes to Financial Statements

Year Ended June 30, 2021

6. Interfund Transfers

Interfund transfers between governmental and business-type activities are reported as net transfers in the *Statement of Activities*. Details of the transfers between governmental and business-type activities are as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 353,800	\$ 3,492,200
Transportation Fund	400,000	367,200
Emergency Dispatch Fund	794,300	189,500
Transportation SDC Fund	-	37,900
Pension Debt Service Fund	100,000	-
Water	1,147,807	1,970,357
Wastewater	157,580	2,996,231
Railroad	-	90,900
Golf	870,000	88,200
Airport Fund	15,000	56,200
Internal Service Funds	5,647,392	197,191
Total	<u>\$ 9,485,879</u>	<u>\$ 9,485,879</u>

Transfers from the general fund to the emergency dispatch fund reflect the City's share of the contracted service, to transportation fund for capital improvements, to the airport fund for the operational funding agreement between the City and Crook County, and to the other governmental funds transfers reflect contributions to fund community development operations and pay for internal services such as administration, finance, information technology, and building facilities. Transfers from other funds to internal service funds reflect the internal cost allocation of internal services such as administration, finance, information technology, facilities, pension liabilities, and public works personnel and support services. The transfer from the wastewater fund to golf and restaurant fund is for payment for treatment services, and the transfers to water and wastewater are transfers from SDC funds for qualified infrastructure improvements paid for by utility funds.

7. Defined Benefit Pension Plan

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Annual Comprehensive Financial Report which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf>

If the link is expired please contact Oregon PERS for this information.

- a. **PERS Pension (Chapter 238)**. The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
 - i. **Pension Benefits**. The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.

City of Prineville, Oregon

Notes to Financial Statements

Year Ended June 30, 2021

7. Defined Benefit Pension Plan (continued)

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. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

- ii. **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 contributions are met:
 - member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
 - iii. **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 PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
 - iv. **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.
- b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
- i. **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:
Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.
General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.
A member of the 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.

City of Prineville, Oregon

Notes to Financial Statements

Year Ended June 30, 2021

7. Defined Benefit Pension Plan (continued)

- ii. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.
- iii. **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member’s salary determined as of the last full month of employment before the disability occurred.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation, which became effective July 1, 2019. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2021 were \$522,707, excluding amounts to fund employer specific liabilities. In addition approximately \$113,627 in employee contributions were paid or picked up by the City in fiscal 2021. At June 30, 2021, the City reported a net pension liability of \$7,058,678 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2018. 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. As of the measurement date of June 30, 2020 and 2021, the City’s proportion was .030 percent and .032 percent, respectively. Pension expense for the year ended June 30, 2021 was \$851,917.

The rates in effect for the year ended June 30, 2020 were:

- (1) Tier 1/Tier 2 – 14.62%
- (2) OPSRP general services – 6.97%
- (3) OPSRP Police and Fire – 11.60%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 310,667	\$ -
Changes in assumptions	378,817	13,273
Net difference between projected and actual earnings on pension plan investments	830,009	-
Net changes in proportionate share	358,794	206,299
Differences between City contributions and proportionate share of contributions	580,668	200,309
Subtotal - Amortized Deferrals (below)	2,458,955	419,881
City contributions subsequent to measuring date	522,707	-
Deferred outflow (inflow) of resources	\$ 2,981,662	\$ 419,881

City of Prineville, Oregon

Notes to Financial Statements

Year Ended June 30, 2021

7. Defined Benefit Pension Plan (continued)

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2022.

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2022	\$ 434,770
2023	621,690
2024	599,848
2025	363,519
2026	19,246
Thereafter	-
Total	<u><u>\$ 2,039,073</u></u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated March 4, 2020. Oregon PERS produces an independently audited ACFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf>

Actuarial Valuations – The employer contribution rates effective July 1, 2019 through June 30, 2021, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

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

City of Prineville, Oregon

Notes to Financial Statements

Year Ended June 30, 2021

7. Defined Benefit Pension Plan (continued)

Actuarial Methods and Assumptions:

Valuation date	December 31, 2018
Experience Study Report	2018, Published July 24, 2019
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Market value of assets
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increase	3.50 percent
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision, blend based on service
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. 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. 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.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts 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 method and assumptions shown are based on the 2018 Experience Study which is reviewed for the four-year period ending December 31, 2018.

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	15.0%	25.0%	20.0%
Public Equity	27.5%	37.5%	32.5%
Real Estate	9.5%	15.5%	12.5%
Private Equity	14.0%	21.0%	17.5%
Alternative Investments	7.5%	17.5%	15.0%
Opportunity Portfolio	0.0%	3.0%	0.0%
Risk Parity	0.0%	2.5%	2.5%
Total			100.0%

(Source: June 30, 2020 PERS ACFR; p. 102)

City of Prineville, Oregon

Notes to Financial Statements

Year Ended June 30, 2021

7. Defined Benefit Pension Plan (continued)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Core Fixed Income	9.60%	4.07%
Short-Term Bonds	9.60%	3.68%
Bank/Leveraged Loans	3.60%	5.19%
High Yield Bonds	1.20%	5.74%
Large/Mid Cap US Equities	16.17%	6.30%
Small Cap US Equities	1.35%	6.68%
Micro Cap US Equities	1.35%	6.79%
Developed Foreign Equities	13.48%	6.91%
Emerging Market Equities	4.24%	7.69%
Non-US Small Cap Equities	1.93%	7.25%
Private Equity	17.50%	8.33%
Real Estate (Property)	10.00%	5.55%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	1.50%	4.06%
Hedge Fund - Event-driven	38.00%	5.59%
Timber	1.13%	5.61%
Farmland	1.13%	6.12%
Infrastructure	2.25%	6.67%
Commodities	1.13%	3.79%
<i>Assumed Inflation - Mean</i>		<i>2.50%</i>

(Source: June 30, 2020 PERS ACFR; p. 74)

Discount Rate – The discount rate used to measure the total pension liability as of the measurement date was 7.20 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

City of Prineville, Oregon

Notes to Financial Statements

Year Ended June 30, 2021

7. Defined Benefit Pension Plan (continued)

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate – The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate.

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of the net pension liability	\$ 10,481,554	\$ 7,058,678	\$ 4,188,438

Changes Subsequent to the Measurement Date

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, Paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer's reporting date that are expected to have a significant effect on the employer's share of the collective Net Pension Liability, along with an estimate of the resulting change, if available.

There are no changes subsequent to the June 30, 2020 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

Deferred Compensation Plan

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the City for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of resignation, death, disability, or retirement; unforeseeable emergency; or by requesting a de minimis distribution from inactive accounts valued less than \$5,000. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is one which is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the City.

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

Employees of the City are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member's IAP account. OPSRP is part of OPERS, and is administered by the OPERS Board.

City of Prineville, Oregon

Notes to Financial Statements

Year Ended June 30, 2021

7. Defined Benefit Pension Plan (continued)

Pension Benefits:

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP 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:

Employees of the City pay six (6) percent of their covered payroll. The City made \$302,130 of contributions to member IAP accounts for the year ended June 30, 2021

Additional disclosures related to Oregon PERS not applicable to specific employers are available online, or by contacting PERS at the following address: PO Box 23700 Tigard, OR 97281-3700.

<http://www.oregon.gov/pers/EMP/Pages/GASB.aspx>

8. Other Information

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. Except for unemployment compensation, the City purchases commercial insurance to minimize its exposure to these risks. There was no change in commercial insurance coverage from fiscal year 2020 to 2021. Workers compensation claims are insured through incurred loss retrospective policies. Settled claims have not exceeded this commercial coverage for any of the past three years. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

Deferred Compensation Plan

The City has a deferred compensation plan created in accordance with the Internal Revenue Code Section 457(g). The plan is administered by independent plan administrators through administrative service agreements. The plan is available to all employees of the City. Employees may defer a portion of their salary until future years. Deferred compensation is not available to employees until termination, retirement, death, or financial hardship. The plan's assets are held in a custodial account for the exclusive benefit of participants and beneficiaries, and are not subject to the claims of the City's creditors, nor can they be used by the City for any purpose other than the payment of benefits to the plan participants. Accordingly, these plan assets and related liability are not recorded in the City's basic financial statements.

City of Prineville, Oregon

Notes to Financial Statements

Year Ended June 30, 2021

9. Fund Balances

Below is a schedule of fund balances as of June 30, 2021, based on GASB Statement No. 54 implementation:

Fund Balances:	General Fund	Emergency Dispatch Fund	Transportation Fund	Transportation SDC Fund	POB Debt Service Fund	Total
<u>Nonspendable:</u>						
Prepaid expenses	\$ 76,363	\$ -	\$ -	\$ -	\$ -	\$ 76,363
<u>Restricted:</u>						
Highways and streets	-	-	345,857	894,283	-	1,240,140
	-	-	345,857	894,283	-	1,240,140
<u>Committed to:</u>						
Public safety	-	1,059,703	-	-	-	1,059,703
Debt service	-	-	-	-	1,377,472	1,377,472
	-	1,059,703	-	-	1,377,472	2,437,175
<u>Assigned to: Other purposes</u>						
	135,505	-	-	-	-	135,505
<u>Unassigned:</u>						
	2,613,538	-	-	-	-	2,613,538
Total	\$ 2,825,406	\$ 1,059,703	\$ 345,857	\$ 894,283	\$ 1,377,472	\$ 6,502,721

10. Property Tax Abatements

As of June 30, 2021, the City provides tax abatements through two programs: Long-Term Rural Enterprise Zone Facilities, ORS 285C.400 and Levy Exemption, ORS 307.519.

The Oregon Long-Term Rural Enterprise Zone Facilities program is a State of Oregon economic development program established, that allows for property tax exemptions for up to fifteen years. In exchange for receiving property tax exemption, participating firms are required to meet the program requirements set by state statute and the local sponsor. This program is only available in counties with chronic low income or chronic unemployment.

The Enterprise Zone program allows industrial firms that will be making a substantial new capital investment a waiver of 100% of the amount of real property taxes attributable to the new investment for up to a 15-year period after completion. Land or existing machinery or equipment is not tax exempt; therefore, there is no loss of current property tax levies to local taxing jurisdiction.

The Levy Exemption ORS 307.519 provides an exemption from taxation for low income housing properties. These properties must either be offered for rent or held for the purpose of developing low income rental housing.

For the fiscal year ended June 30, 2021, the City abated property taxes totaling \$8,265,669 and \$11,551 under the Enterprise Zone and Levy Exemption, respectively.

City of Prineville, Oregon

Notes to Financial Statements

Year Ended June 30, 2021

11. Other Post-Employment Benefits

Post-employment Health Insurance Subsidy

Plan Description

The City administers a single-employer defined benefit healthcare plan that covers both active and retired participants. The plan provides post-retirement healthcare benefits for eligible retirees and their dependents through the City's group health insurance plans. The City's post-retirement plan was established in accordance with Oregon Revised Statutes (ORS) 243.303 which states, in part, that for the purposes of establishing healthcare premiums, the calculated rate must be based on the cost of all plan members, including both active employees and retirees. Because claim costs are generally higher for retiree groups than for active members, the premium amount does not represent the full cost of coverage for retirees. The resulting additional cost, or implicit subsidy, is required to be valued under GASB Statement 75 related to Other Post-Employment Benefits (OPEB). Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations of the OPEB plan reflect a long-term perspective. The valuation date was July 1, 2020 and the measurement date was June 30, 2020.

Funding Policy

The City has not established a trust fund to finance the cost of post-employment health care benefits related to implicit rate subsidies. Premiums are paid by retirees based on the rates established for active employees. Additional costs related to an implicit subsidy are paid by the City on a pay-as-you-go basis. There is no obligation on the part of the City to fund these benefits in advance. The City considered the liability to be solely the responsibility of the City as a whole and it is allocated to the governmental statements.

Actuarial Methods and Assumptions

The City engaged an actuary to perform a valuation as of June 30, 2020 using the Entry Age Normal, level percent of salary Actuarial Cost Method. Mortality rates were based on the RP-2000 healthy white collar male and female mortality tables, set back one year for males. Mortality is projected on a generational basis using Scale BB for males and females. Demographic assumptions regarding retirement, mortality, and turnover are based on Oregon PERS valuation assumptions as of December 31, 2019. Election rate and lapse assumptions are based on experience implied by valuation data for this and other Oregon public employers.

City of Prineville, Oregon

Notes to Financial Statements

Year Ended June 30, 2021

11. Other Post-Employment Benefits (continued)

Health Care Cost Trend Medical and vision:

Year	Pre-65 Trend
2020	3.75%
2021	5.75%
2022	5.25%
2023-2025	5.00%
2026-2040	4.75%
2041-2049	5.00%
2050-2064	4.75%
2065-2067	4.50%
2068-2071	4.25%
2072+	4.00%

Dental: -1.25% for 2020, 4.00% per year thereafter

Health care cost trend affects both the projected health care costs as well as the projected health care premiums.

General Inflation

2.50% per year, used to develop other economic assumptions

Annual Pay Increases

3.50% per year, based on general inflation and the likelihood of raises throughout participants' careers

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.

Disability

Not used

Withdrawal

Based on Oregon PERS assumptions. Annual rates are based on employment classification, gender, and duration from hire date.

Retirement

Based on Oregon PERS assumptions. Annual rates are based on age, employment classification, gender, and duration from hire date.

Changes in the Net OPEB Liability

Total OPEB Liability at June 30, 2020	\$ 299,227
Changes for the year:	
Service cost	20,846
Interest	10,863
Changes in benefit terms	-
Differences between expected and actual experience	168,235
Changes of assumptions or other input	(2,439)
Benefit payments	(19,590)
Balance as of June 30, 2021	\$ 477,142

City of Prineville, Oregon

Notes to Financial Statements

Year Ended June 30, 2021

11. Other Post-Employment Benefits (continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Trend Rates

The following analysis presents the net OPEB liability using a discount rate of 2.21%, as well as what the City's net OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (1.21%) or one percentage point higher (3.21%) than the current rate, a similar sensitivity analysis is presented for the changes in the healthcare trend assumption:

	1% Decrease 1.21%	Current Discount Rate 2.21%	1% Increase 3.21%
Total OPEB Liability	\$ 511,593	\$ 477,142	\$ 445,105

	1% Decrease Healthcare	Current Trend Rate Healthcare	1% Increase Healthcare
Total OPEB Liability	\$ 430,615	\$ 477,142	\$ 532,990

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Benefits

The City reports information on deferred outflows and deferred inflows of resources at year end as well as a schedule of amounts of those deferred outflows of resources and deferred inflows of resources that will be recognized in other post-employment benefit expense for the following five years.

	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference between expected and actual experience	\$ -	\$ 153,806
Changes in assumptions or other input	(32,599)	7,191
Benefit Payments	-	43,182
Deferred outflow (inflow) of resources	\$ (32,599)	\$ 204,179

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

Year ending June 30,	Amount
2022	\$ 13,541
2023	13,541
2024	13,541
2025	13,541
2026	13,541
Thereafter	60,693
Total	\$ 128,398

City of Prineville, Oregon

Notes to Financial Statements

Year Ended June 30, 2021

11. Other Post-Employment Benefits (continued)

RHIA

Plan Description:

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

Funding Policy:

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 dollars shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating cities are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the City currently contributes 0.06% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2021. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The City's contributions to RHIA for the years ended June 30, 2019, 2020 and 2021 were \$20,964, \$2,623, and \$703, respectively, which equaled the required contributions each year.

At June 30, 2021, the City's net OPEB liability/(asset) and deferred inflows and outflows were not considered significant by management and were not accrued on the government wide statements.

12. Contingencies

The COVID-19 outbreak in the United States has caused disruption through mandated and voluntary closure of government and business activities. These developments are expected to impact City revenues. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, the City expects this matter to negatively impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

Financial Section

Required Supplementary Information

Schedule of Contributions and the Proportionate Share of the Net Pension Liability

General Fund

Emergency Dispatch Fund

Transportation Fund



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City of Prineville, Oregon

Schedule of Contributions and the Proportionate Share of Net Pension Liability

Proprietary Funds

Year Ended June 30, 2021

OREGON PERS - GASB 68:

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.03 %	\$ 7,058,678	\$ 5,045,719	139.9 %	75.8 %
2020	0.03 %	\$ 5,156,670	\$ 4,770,384	108.1 %	80.2 %
2019	0.03 %	\$ 4,773,656	\$ 4,416,769	108.1 %	82.1 %
2018	0.03 %	\$ 4,179,097	\$ 4,060,780	102.9 %	83.1 %
2017	0.03 %	\$ 4,368,284	\$ 4,020,150	108.7 %	80.5 %
2016	0.05 %	\$ 2,939,113	\$ 3,748,420	78.4 %	91.9 %
2015	0.05 %	\$ (1,142,184)	\$ 3,895,646	(29.3) %	103.6 %
2014	0.05 %	\$ 2,571,446	\$ 3,404,867	75.5 %	92.0 %

SCHEDULE OF CONTRIBUTIONS

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2021	\$ 522,707	\$ 522,707	\$ -	\$ 5,174,833	10.10 %
2020	\$ 480,766	\$ 480,766	\$ -	\$ 5,045,719	9.53 %
2019	\$ 361,228	\$ 361,228	\$ -	\$ 4,770,384	7.57 %
2018	\$ 334,346	\$ 334,346	\$ -	\$ 4,416,769	7.57 %
2017	\$ 434,885	\$ 434,885	\$ -	\$ 4,060,780	10.71 %
2016	\$ 444,858	\$ 444,858	\$ -	\$ 4,020,150	11.07 %
2015	\$ 317,320	\$ 317,320	\$ -	\$ 3,748,420	8.5 %
2014	\$ 318,177	\$ 318,177	\$ -	\$ 3,895,646	8.5 %

The amounts presented for each fiscal year were actuarial determined at 12/31 and rolled forward to the measurement date.

These schedules are presented to illustrate the requirements to show information for 10 years. Until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

IMPLICIT RATE SUBSIDY - GASB 75:

	2021	2020	2019
Total Other Post Employment Benefits Liability, Beginning	\$ 299,227	\$ 276,551	\$ 285,912
Changes for the year:			
Service Cost	20,846	18,597	25,209
Interest	10,863	11,113	10,775
Differences between expected and actual experience	168,235	-	3,983
Changes in assumptions or other input	(2,439)	9,083	(28,890)
Employer Contributions	-	-	-
Benefit Payments	(19,590)	(16,117)	(20,438)
Net changes for the year	<u>177,915</u>	<u>22,676</u>	<u>(9,361)</u>
Total Other Post Employment Benefits Liability End of Year	\$ 477,142	\$ 299,227	\$ 276,551
Fiduciary Net Position - Beginning	\$ -	\$ -	\$ -
Contributions - Employer	19,590	16,117	20,438
Contributions - Employee	-	-	-
Net Investment Income	-	-	-
Benefit Payments	(19,590)	(16,117)	(20,438)
Administrative Expense	-	-	-
Net changes for the year	<u>-</u>	<u>-</u>	<u>-</u>
Fiduciary Net Position - Ending	\$ -	\$ -	\$ -
Net Liability for Other Post Employment Benefits - End of Year	\$ 477,142	\$ 299,227	\$ 276,551
Fiduciary Net Position as a percentage of the total Single Employer Pension Liability	0%	0%	0%
Covered Payroll	\$ 5,174,833	\$ 5,045,719	\$ 5,158,323
Net Single Employer Pension Plan as a Percentage of Covered Payroll	9%	6%	5%

City of Prineville, Oregon

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

General Fund

Year Ended June 30, 2021

	Original Budget	Final Amended Budget	First Year Actual FY 2019-20	Second Year Actual FY 2020-21	Total Actual for Budget Period	Variance with Final Budget
Revenues						
Property taxes	\$ 4,570,000	\$ 4,570,000	\$ 2,297,494	\$ 2,465,279	\$ 4,762,773	\$ 192,773
Transient room taxes	760,000	760,000	312,000	400,036	712,036	(47,964)
Franchise taxes	6,558,000	6,558,000	3,265,674	3,775,149	7,040,823	482,823
Licenses and permits	17,200	17,200	9,485	4,035	13,520	(3,680)
Intergovernmental	866,000	1,960,000	417,252	503,710	920,962	(1,039,038)
Charges for service	560,000	560,000	57,706	232,488	290,194	(269,806)
Interest	80,000	80,000	42,603	18,158	60,761	(19,239)
Miscellaneous	81,000	81,000	332,188	349,221	681,409	600,409
Total revenues	13,492,200	14,586,200	6,734,402	7,748,076	14,482,478	(103,722)
Expenditures						
Current						
Police	7,108,200	7,108,200 (3)	3,552,882	3,521,025	7,073,907	34,293
Non-departmental	653,500	2,437,600 (3)	368,466	572,512	940,978	1,496,622
Debt service						
Principal	190,700	190,700 (2)	84,822	87,308	172,130	18,570
Interest	-	- (2)	10,387	7,901	18,288	(18,288)
Contingency	2,097,486	1,407,386 (1)	-	-	-	1,407,386
Total expenditures	10,049,886	11,143,886	4,016,557	4,188,746	8,205,303	2,938,583
Excess of revenues over/ (under) expenditures	3,442,314	3,442,314	2,717,845	3,559,330	6,277,175	2,834,861
Other financing sources/(uses)						
Transfers out	(5,360,600)	(5,360,600) (3)	(2,370,400)	(3,370,200)	(5,740,600)	(380,000)
Total other financing sources (uses)	(5,360,600)	(5,360,600)	(2,370,400)	(3,370,200)	(5,740,600)	(380,000)
Net change in fund balance	(1,918,286)	(1,918,286)	347,445	189,130	536,575	2,454,861
Fund balance, beginning	1,918,286	1,918,286	2,153,326	2,500,771	2,153,326	235,040
Fund balance, ending	\$ -	\$ -	2,500,771	2,689,901	2,689,901	\$ 2,689,901
Reconciliation to GAAP fund balance:						
Consolidation of community development fund balance				135,505		
Total fund balance				\$ 2,825,406		

(1) Appropriation Level

(2) Principal and interest are budgeted together as one line item

(3) The Police department budgeted for \$3,803,200 in transfers resulting in a variance in final budget of \$200,000.

The variance in the remaining department budget of \$34,575 bring the total variance to 234,575.

The Non-Departmental department budgeted for \$1,557,400 in transfers resulting in a variance of \$143,700.

The remaining departmental budget variance of \$1,496,622 brings the total variance to \$1,640,322.

City of Prineville, Oregon

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

Transportation Fund

Year Ended June 30, 2021

	Original Budget	Final Amended Budget	First Year Actual FY 2019-20	Second Year Actual FY 2020-21	Total Actual for Budget Period	Variance with Final Budget
Revenues						
Franchise taxes	\$ 665,000	\$ 665,000	\$ 327,000	\$ 338,000	\$ 665,000	\$ -
Licenses and permits	-	-	16,474	18,380	34,854	34,854
Intergovernmental	1,962,700	1,962,700	921,123	985,505	1,906,628	(56,072)
Interest	10,000	10,000	5,235	2,190	7,425	(2,575)
Miscellaneous	28,000	28,000	18,984	52,371	71,355	43,355
Total revenues	2,665,700	2,665,700	1,288,816	1,396,446	2,685,262	19,562
Expenditures						
Current						
Personal services	512,100	512,100 (1)	234,201	241,385	475,586	36,514
Materials and services	501,000	501,000 (1)	205,443	216,843	422,286	78,714
Capital outlay	1,833,400	1,833,400 (1)	985,681	809,853	1,795,534	37,866
Contingency	239,958	239,958 (1)	-	-	-	239,958
Total expenditures	3,086,458	3,086,458	1,425,325	1,268,081	2,693,406	393,052
Excess of revenue over/ (under) expenditures	(420,758)	(420,758)	(136,509)	128,365	(8,144)	412,614
Other financing sources/(uses)						
Transfers in	700,000	700,000	300,000	400,000	700,000	-
Transfers out	(735,300)	(735,300) (1)	(368,100)	(367,200)	(735,300)	-
Total other financing sources (uses)	(35,300)	(35,300)	(68,100)	32,800	(35,300)	-
Net change in fund balance	(456,058)	(456,058)	(204,609)	161,165	(43,444)	412,614
Fund balance, beginning	456,058	456,058	389,301	184,692	389,301	(66,757)
Fund balance, ending	\$ -	\$ -	\$ 184,692	\$ 345,857	\$ 345,857	\$ 345,857

(1) Appropriation Level

City of Prineville, Oregon

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

Emergency Dispatch Fund

Year Ended June 30, 2021

	Original Budget	Final Amended Budget	First Year Actual FY 2019-20	Second Year Actual FY 2020-21	Total Actual for Budget Period	Variance with Final Budget
Revenues						
Intergovernmental	\$ 1,874,200	\$ 1,874,200	\$ 956,834	\$ 1,138,373	\$ 2,095,207	\$ 221,007
Miscellaneous	8,000	8,000	20,431	265	20,696	12,696
Interest	20,000	20,000	10,963	5,809	16,772	(3,228)
Total revenues	1,902,200	1,902,200	988,228	1,144,447	2,132,675	230,475
Expenditures						
Current						
Personal services	2,457,100	2,357,100 (1)	1,028,527	986,201	2,014,728	342,372
Materials and services	553,600	553,600 (1)	246,194	272,631	518,825	34,775
Capital outlay	90,000	190,000 (1)	12,263	161,628	173,891	16,109
Contingency	306,356	306,356 (1)	-	-	-	306,356
Total expenditures	3,407,056	3,407,056	1,286,984	1,420,460	2,707,444	699,612
Excess of revenues over/ (under) expenditures	(1,504,856)	(1,504,856)	(298,756)	(276,013)	(574,769)	930,087
Other financing sources (uses)						
Transfers out	(372,900)	(372,900) (1)	(183,400)	(189,500)	(372,900)	-
Transfers in	1,501,700	1,501,700	707,400	794,300	1,501,700	-
Total other financing sources (uses)	1,128,800	1,128,800	524,000	604,800	1,128,800	-
Net change in fund balance	(376,056)	(376,056)	225,244	328,787	554,031	930,087
Fund balance, beginning	376,056	376,056	505,672	730,916	505,672	129,616
Fund balance, ending	\$ -	\$ -	\$ 730,916	\$ 1,059,703	\$ 1,059,703	\$ 1,059,703

(1) Appropriation Level

Financial Section

Supplementary Information

Governmental Funds

- Community Development Fund
- Transportation SDC Fund
- Local Improvement District Debt Service Fund
- Pension Obligation Debt Service Fund

Proprietary Funds

Enterprise Funds

- Water Fund
- Wastewater Fund
- Railroad Fund
- Airport Fund
- Golf Course Fund
- Freight Depot Fund

Internal Service Funds

- Internal Service Funds
- City Hall Funds
- Public Works Support Services Fund

Other Financial Schedules

- Property Tax Collection
- Future Debt Service Requirements



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City of Prineville, Oregon
 Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Community Development Fund
 Year Ended June 30, 2021

	Original Budget	Final Budget	First Year Actual FY 2019-20	Second Year Actual FY 2020-21	Total Actual for Budget Period	Variance with Final Budget
Revenues						
Licenses and permits	\$ 80,000	\$ 80,000	\$ 32,320	\$ 52,539	\$ 84,859	\$ 4,859
Intergovernmental	10,000	10,000	16,978	13,944	30,922	20,922
Charges for services	171,600	171,600	11,248	8,340	19,588	(152,012)
Interest	8,000	8,000	3,795	998	4,793	(3,207)
Total revenues	269,600	269,600	64,341	75,821	140,162	(129,438)
Expenditures						
Current						
Personal services	479,700	479,700 (1)	229,185	236,939	466,124	13,576
Materials and services	93,500	108,500 (1)	51,518	25,900	77,418	31,082
Contingency	56,358	41,358 (1)	-	-	-	41,358
Total expenditures	629,558	629,558	280,703	262,839	543,542	86,016
Excess of revenues over/ (under) expenditures	(359,958)	(359,958)	(216,362)	(187,018)	(403,380)	(43,422)
Other financing sources (uses)						
Transfers out	(241,000)	(241,000) (1)	(119,000)	(122,000)	(241,000)	-
Transfers in	360,000	360,000	184,880	353,800	538,680	178,680
Total other financing sources (uses)	119,000	119,000	65,880	231,800	297,680	178,680
Net change in fund balance	(240,958)	(240,958)	(150,482)	44,782	(105,700)	135,258
Fund balance, beginning	240,958	240,958	241,205	90,723	241,205	247
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	90,723	135,505	135,505	<u>\$ 135,505</u>
Reconciliation to GAAP fund balance:						
Consolidation of fund balance with general fund			(90,723)	(135,505)	(135,505)	
Total fund balance			<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

City of Prineville, Oregon

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

Transportation SDC Fund

Year Ended June 30, 2021

	Original Budget	Final Amended Budget	First Year Actual FY 2019-20	Second Year Actual FY 2020-21	Total Actual for Budget Period	Variance with Final Budget
Revenues						
Intergovernmental	\$ 1,477,700	\$ 1,500,400	\$ 1,547,600	\$ 1,797	\$ 1,547,600	\$ 47,200
Interest	49,000	49,000	24,536	7,893	24,536	(24,464)
System development charges	774,000	1,677,000	633,346	783,401	633,346	(1,043,654)
Other revenue	30,000	122,667	-	-	-	(122,667)
Total revenues	2,330,700	3,349,067	2,205,482	793,091	2,205,482	(1,143,585)
Expenditures						
Current						
Materials and services	20,000	20,000 (1)	-	18,765	18,765	1,235
Capital outlay	2,596,800	3,700,000 (1)	2,385,692	1,130,888	3,516,580	183,420
Contingency	1,075,186	944,153 (1)	-	-	-	944,153
Total expenditures	3,691,986	4,664,153	2,385,692	1,149,653	3,535,345	1,128,808
Excess of revenues over/ (under) expenditures	(1,361,286)	(1,315,086)	(180,210)	(356,562)	(1,329,863)	(14,777)
Other financing sources (uses)						
Transfers out	(38,800)	(85,000) (1)	(31,798)	(37,900)	(69,698)	15,302
Net change in fund balance	(1,400,086)	(1,400,086)	(212,008)	(394,462)	(1,399,561)	525
Fund balance, beginning	1,400,086	1,400,086	1,500,753	1,288,745	1,500,753	100,667
Fund balance, ending	\$ -	\$ -	\$ 1,288,745	\$ 894,283	\$ 101,192	\$ 101,192

(1) Appropriation Level

City of Prineville, Oregon
 Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Pension Obligation Debt Service Fund
 Year Ended June 30, 2021

	Original and Final Budget	Final Amended Budget	First Year Actual FY 2019-20	Second Year Actual FY 2020-21	Total Actual for Budget Period	Variance with Final Budget
Revenues						
Charges for Services	\$ 997,900	\$ 997,900	\$ 478,578	\$ 532,300	\$ 1,010,878	\$ 12,978
Interest	35,000	35,000	15,826	8,214	24,040	(10,960)
Miscellaneous		-	65,041	70,505	135,546	135,546
Total revenues	1,032,900	1,032,900	559,445	611,019	1,170,464	137,564
Expenditures						
Debt service						
Principal	419,500	419,500 (2)	200,465	218,990	419,455	45
Interest	167,800	167,800 (2)	87,592	80,175	167,767	33
Contingency	955,091	955,091 (1)	-	-	-	955,091
Total expenditures	1,542,391	1,542,391	288,057	299,165	587,222	955,169
Excess of revenues over/ (under) expenditures	(509,491)	(509,491)	271,388	311,854	583,242	1,092,733
Other financing sources/(uses)						
Transfers in	200,000	200,000	100,000	100,000	200,000	-
Total other financing sources (uses)	200,000	200,000	100,000	100,000	200,000	-
Net change in fund balance	(309,491)	(309,491)	371,388	411,854	783,242	1,092,733
Fund balance, beginning	608,691	608,691	594,230	965,618	594,230	(14,461)
Fund balance, ending	\$ 299,200	\$ 299,200	\$ 965,618	\$ 1,377,472	\$ 1,377,472	\$ 1,078,272

(1) Appropriation level for the biennial period beginning July 1, 2019

(2) Principal and interest are budgeted together as one line item

City of Prineville, Oregon
 Combining Schedule of Net Position

Water Fund
 June 30, 2021

	Water Fund	Water SDC Fund	Totals
Assets			
Current assets			
Cash and investments	\$ 361,107	\$ 1,031,867	\$ 1,392,974
Accounts receivable	656,166	-	656,166
Inventory	149,631	-	149,631
Total current assets	<u>1,166,904</u>	<u>1,031,867</u>	<u>2,198,771</u>
Non-current assets			
Capital assets:			
Non-depreciable	17,463,554	-	17,463,554
Other capital assets, Net of accumulated depreciation	17,605,921	-	17,605,921
Net non-current assets	<u>35,069,475</u>	<u>-</u>	<u>35,069,475</u>
Total assets	<u>\$ 36,236,379</u>	<u>\$ 1,031,867</u>	<u>\$ 37,268,246</u>
Liabilities and net position			
Current liabilities			
Accounts payable	\$ 46,267	\$ 868,214	\$ 914,481
Due to other funds	-	-	-
Deposits	25,704	-	25,704
Accrued interest	4,141	-	4,141
Notes payable, current portion	143,062	-	143,062
Total current liabilities	<u>219,174</u>	<u>868,214</u>	<u>1,087,388</u>
Long-term liabilities			
Notes payable, net of current portion	1,749,054	3,000,000	4,749,054
Total long-term liabilities	<u>1,749,054</u>	<u>3,000,000</u>	<u>4,749,054</u>
Total liabilities	<u>1,968,228</u>	<u>3,868,214</u>	<u>5,836,442</u>
Net position			
Net Investment in Capital Assets	33,177,359	-	33,177,359
Unrestricted	1,090,792	(2,836,347)	(1,745,555)
Total net position	<u>34,268,151</u>	<u>(2,836,347)</u>	<u>31,431,804</u>
Total liabilities and net position	<u>\$ 36,236,379</u>	<u>\$ 1,031,867</u>	<u>\$ 37,268,246</u>

City of Prineville, Oregon
Combining Schedule of Revenues, Expenses and Changes in Net Position
Water Fund
Year Ended June 30, 2021

	Water Fund	Water SDC Fund	Totals
Operating revenue			
Charges for services	\$ 3,522,562	\$ -	\$ 3,522,562
Other	18,386	6,754	25,140
Total operating revenue	<u>3,540,948</u>	<u>6,754</u>	<u>3,547,702</u>
Operating expenses			
Materials and services	985,355	-	985,355
Depreciation	491,607	-	491,607
Total operating expenses	<u>1,476,962</u>	<u>-</u>	<u>1,476,962</u>
Operating income (loss)	2,063,986	6,754	2,070,740
Non-operating revenues (expenses)			
Interest income	3,573	8,535	12,108
Interest expense	(53,652)	-	(53,652)
Bond premium amortization	-	-	-
Transfers in	188,807	959,000	1,147,807
Transfers out	(1,691,100)	(279,257)	(1,970,357)
Total non-operating revenues (expenses)	<u>(1,552,372)</u>	<u>688,278</u>	<u>(864,094)</u>
Other non-operating items			
Contributed capital - system development charges	-	1,835,658	1,835,658
Contributed capital	7,969,298	(7,626,944)	342,354
Total non-operating items	<u>7,969,298</u>	<u>(5,791,286)</u>	<u>2,178,012</u>
Change in net position	8,480,912	(5,096,254)	3,384,658
Net position, July 1, 2020	<u>25,787,239</u>	<u>2,259,907</u>	<u>28,047,146</u>
Net position, June 30, 2021	<u>\$ 34,268,151</u>	<u>\$ (2,836,347)</u>	<u>\$ 31,431,804</u>

City of Prineville, Oregon
Combining Schedule of Cash Flows
Water Fund
Year Ended June 30, 2021

	Water Fund	Water SDC Fund	Totals
Cash flows from operating activities			
Cash received from customers	\$ 3,405,295	\$ 534,190	\$ 3,939,485
Cash payments for goods and services	(1,022,006)	488,735	(533,271)
Net cash flows from operating activities	<u>2,383,289</u>	<u>1,022,925</u>	<u>3,406,214</u>
Cash flows from non-capital financing activities			
System development charges	-	1,835,658	1,835,658
Transfers out	(1,691,100)	(279,257)	(1,970,357)
Transfers in	188,807	959,000	1,147,807
Net cash flows from non-capital activities	<u>(1,502,293)</u>	<u>2,515,401</u>	<u>1,013,108</u>
Cash flows from capital financing activities			
Debt proceeds	-	3,000,000	3,000,000
Acquisition of capital assets	(228,354)	(7,626,944)	(7,855,298)
Interfund loan repayments	(100,856)	-	(100,856)
Debt reduction	(140,293)	-	(140,293)
Interest paid on debt	(53,959)	-	(53,959)
Net cash flows from capital financing activities	<u>(523,462)</u>	<u>(4,626,944)</u>	<u>(5,150,406)</u>
Cash flows from investing activities			
Interest earned	3,573	8,535	12,108
Net increase (decrease) in cash	361,107	(1,080,083)	(718,976)
Cash - Beginning	-	2,111,950	2,111,950
Cash - Ending	<u>\$ 361,107</u>	<u>\$ 1,031,867</u>	<u>\$ 1,392,974</u>
Reconciliation of operating income to net cash flows from operations			
Operating income (loss)	\$ 2,063,986	\$ 6,754	\$ 2,070,740
Adjustments to reconcile operating income to net cash flows from operating activities			
Depreciation	491,607	-	491,607
Changes in assets and liabilities			
Increase/(decrease) in accounts payable	(29,937)	488,735	458,798
Increase/(decrease) in deposits	(1,600)	-	(1,600)
Decrease/(increase) in inventory	(6,714)	-	(6,714)
Decrease/(increase) in accounts receivable	(134,053)	527,436	393,383
Total adjustments	<u>319,303</u>	<u>1,016,171</u>	<u>1,335,474</u>
Net cash from operating activities	<u>\$ 2,383,289</u>	<u>\$ 1,022,925</u>	<u>\$ 3,406,214</u>
Noncash investing, capital, and financing activities			
Contributions of capital assets	7,969,298	(7,626,944)	342,354

City of Prineville, Oregon

Schedule of Revenues, Expenditures and Change in Fund Balance – Budget and Actual

Water Fund

Year Ended June 30, 2021

	Original Budget	Final Amended Budget	First Year Actual FY 2019-20	Second Year Actual FY 2020-21	Total Actual for Budget Period	Variance with Final Budget
Revenues						
Intergovernmental	\$ -	\$ -	\$ -	\$ 2,550	\$ -	\$ -
Charges for service	5,785,000	6,050,000	2,735,443	3,522,562	6,258,005	208,005
Interest	40,000	40,000	5,699	3,573	9,272	(30,728)
Other	11,000	13,550	6,721	15,836	22,557	9,007
Total revenues	5,836,000	6,103,550	2,747,863	3,544,521	6,289,834	186,284
Expenditures						
Materials and services	1,473,500	1,775,000 (1)	741,047	985,355	1,726,402	48,598
Capital outlay	1,269,000	1,400,000 (1)	1,099,797	228,048	1,327,845	72,155
Debt service						
Principal	276,900	276,900 (2)	136,602	140,293	276,895	5
Interest	112,300	112,300 (2)	57,614	53,958	111,572	728
Contingency	918,270	388,420 (1)	-	-	-	388,420
Total expenditures	4,049,970	3,952,620	2,035,060	1,407,654	3,442,714	509,906
Excess of revenues over/ (under) expenditures	1,786,030	2,150,930	712,803	2,136,867	2,847,120	696,190
Other financing sources (uses)						
Transfers in	255,000	360,100	170,717	188,807	359,524	(576)
Transfers out	(2,431,700)	(2,901,700) (1)	(1,210,600)	(1,691,100)	(2,901,700)	-
Total other financing sources (uses)	(2,176,700)	(2,541,600)	(1,039,883)	(1,502,293)	(2,542,176)	(576)
Net change in fund balance	(390,670)	(390,670)	(327,080)	634,574	304,944	695,614
Fund balance, beginning	585,270	585,270	783,298	456,218	783,298	198,028
Fund balance, ending	<u>\$ 194,600</u>	<u>\$ 194,600</u>	<u>456,218</u>	<u>1,090,792</u>	<u>1,088,242</u>	<u>\$ 893,642</u>
Reconciliation to net position - GAAP Basis:						
Adjustment for capital assets, net of accumulated depreciation				35,069,475		
Adjustment for note payable - due within one year				(143,062)		
Adjustment for note payable				(1,749,054)		
Net position - GAAP Basis				<u>\$ 34,268,151</u>		

(1) Appropriation level for the biennial period beginning July 1, 2019

(2) Appropriation level is Principal and Interest Combined

City of Prineville, Oregon

Schedule of Revenues, Expenditures and Change in Fund Balance – Budget and Actual

Water SDC Fund

Year Ended June 30, 2021

	Original Budget	Final Amended Budget	First Year Actual FY 2019-20	Second Year Actual FY 2020-21	Total Actual for Budget Period	Variance with Final Budget
Revenues						
Interest	\$ 90,000	\$ 90,000	\$ 20,288	\$ 8,535	\$ 28,823	\$ (61,177)
Miscellaneous	-	-	-	6,754	-	-
System development charges	6,578,000	7,900,000	6,053,842	1,835,658	7,889,500	(10,500)
Total revenues	6,668,000	7,990,000	6,074,130	1,850,947	7,918,323	(71,677)
Expenditures						
Capital outlay	7,933,600	13,800,000 (1)	6,052,626	7,626,944	13,679,570	120,430
Debt service						
Principal	-	40,000 (1)	-	-	-	40,000
Contingency	336,823	1,061,123 (1)	-	-	-	1,061,123
Total expenditures	8,270,423	14,901,123	6,052,626	7,626,944	13,679,570	1,221,553
Excess of revenues over/ (under) expenditures	(1,602,423)	(6,911,123)	21,504	(5,775,997)	(5,761,247)	1,149,876
Other financing sources (uses)						
Debt proceeds	-	3,024,900	-	3,000,000	3,000,000	24,900
Transfers in	-	2,459,800	1,000,000	959,000	1,959,000	(500,800)
Transfers out	(584,000)	(760,000) (1)	(472,394)	(279,257)	(751,651)	8,349
Total other financing sources (uses)	(584,000)	4,724,700	527,606	3,679,743	4,207,349	(467,551)
Net change in fund balance	(2,186,423)	(2,186,423)	549,110	(2,096,254)	(1,553,898)	682,325
Fund balance, beginning	2,186,423	2,186,423	1,710,797	2,259,907	1,710,797	(475,626)
Fund balance, ending	\$ -	\$ -	2,259,907	163,653	156,899	\$ 206,699
Reconciliation to net position - GAAP Basis:						
Adjustment for note payable				(3,000,000)		
Net position - GAAP Basis				\$ (2,836,347)		

(1) Appropriation level for the biennial period beginning July 1, 2019

City of Prineville, Oregon
Combining Schedule of Net Position
Wastewater Fund
June 30, 2021

	Wastewater Fund	Wastewater SDC Fund	Totals
Assets			
Current assets			
Cash and investments	\$ 2,133,873	\$ 210,841	\$ 2,344,714
Accounts receivable	602,332	-	602,332
Inventory	79,651	-	79,651
Total current assets	<u>2,815,856</u>	<u>210,841</u>	<u>3,026,697</u>
Non-current assets			
Restricted cash and investments	303,758	-	303,758
Capital assets:			
Non-depreciable	888,290	-	888,290
Other capital assets, Net of accumulated depreciation	36,005,156	-	36,005,156
Net non-current assets	<u>37,197,204</u>	<u>-</u>	<u>37,197,204</u>
Total assets	<u>\$ 40,013,060</u>	<u>\$ 210,841</u>	<u>\$ 40,223,901</u>
Liabilities and net position			
Current liabilities			
Accounts payable	\$ 129,544	\$ 57,126	\$ 186,670
Accrued interest	77,462	-	77,462
Deposits	59,005	-	59,005
Notes payable, current portion	698,039	-	698,039
Bonds payable, current portion	60,922	-	60,922
Total current liabilities	<u>1,024,972</u>	<u>57,126</u>	<u>1,082,098</u>
Long-term liabilities			
Notes Payable	5,148,410	-	5,148,410
Bonds payable, net of current portion	3,765,922	-	3,765,922
Total long-term liabilities	<u>8,914,332</u>	<u>-</u>	<u>8,914,332</u>
Total liabilities	<u>9,939,304</u>	<u>57,126</u>	<u>9,996,430</u>
Net position			
Net Investment in Capital Assets	27,220,153	-	27,220,153
Restricted for debt service	1,014,800	-	1,014,800
Restricted for capital projects	-	153,715	153,715
Unrestricted	1,838,803	-	1,838,803
Total net position	<u>30,073,756</u>	<u>153,715</u>	<u>30,227,471</u>
Total liabilities and net position	<u>\$ 40,013,060</u>	<u>\$ 210,841</u>	<u>\$ 40,223,901</u>

City of Prineville, Oregon
Combining Schedule of Revenues, Expenses and Changes in Net Position
Wastewater Fund
Year Ended June 30, 2021

	Wastewater Fund	Wastewater SDC Fund	Totals
Operating revenue			
Intergovernmental	\$ 5,600	\$ -	\$ 5,600
Charges for services	3,995,331	-	3,995,331
Other	125,664	-	125,664
Total operating revenue	<u>4,126,595</u>	<u>-</u>	<u>4,126,595</u>
Operating expenses			
Salaries and fringe benefits	151,307	-	151,307
Materials and services	786,061	36,640	822,701
Depreciation	950,064	-	950,064
Total operating expenses	<u>1,887,432</u>	<u>36,640</u>	<u>1,924,072</u>
Operating income (loss)	2,239,163	(36,640)	2,202,523
Non-operating revenues (expenses)			
Interest income	18,683	5,655	24,338
Interest expense	(270,253)	-	(270,253)
Transfers in	157,580	-	157,580
Transfers out	(2,338,000)	(658,231)	(2,996,231)
Total non-operating revenues (expenses)	<u>(2,431,990)</u>	<u>(652,576)</u>	<u>(3,084,566)</u>
Other non-operating items			
Contributed capital - system development charges	-	244,768	244,768
Contributed capital	307,297	(271,297)	36,000
Change in net position	114,470	(715,745)	(601,275)
Net position, July 1, 2020	<u>29,959,286</u>	<u>869,460</u>	<u>30,828,746</u>
Net position, June 30, 2021	<u>\$ 30,073,756</u>	<u>\$ 153,715</u>	<u>\$ 30,227,471</u>

City of Prineville, Oregon
Combining Schedule of Cash Flows
Wastewater Fund
Year Ended June 30, 2021

	Wastewater Fund	Wastewater SDC Fund	Totals
Cash flows from operating activities			
Cash received from customers	\$ 3,997,735	\$ -	\$ 3,997,735
Cash payments for goods and services	(775,571)	(27,848)	(803,419)
Cash payments to employees	(175,149)	-	(175,149)
Net cash flows from operating activities	<u>3,047,015</u>	<u>(27,848)</u>	<u>3,019,167</u>
Cash flows from non-capital financing activities			
System development charges	-	244,768	244,768
Transfers out	(2,338,000)	(658,231)	(2,996,231)
Transfers in	157,580	-	157,580
Net cash flows from non-capital activities	<u>(2,180,420)</u>	<u>(413,463)</u>	<u>(2,593,883)</u>
Cash flows from capital financing activities			
Acquisition of capital assets	(343,922)	(271,297)	(615,219)
Debt reduction	(739,336)	-	(739,336)
Interest paid on debt	(275,127)	-	(275,127)
Net cash flows from capital financing activities	<u>(1,358,385)</u>	<u>(271,297)</u>	<u>(1,629,682)</u>
Cash flows from investing activities			
Interest earned	18,683	5,655	24,338
Net decrease in cash	(473,107)	(706,953)	(1,180,060)
Cash - Beginning	2,910,738	917,794	3,828,532
Cash - Ending	<u>\$ 2,437,631</u>	<u>\$ 210,841</u>	<u>\$ 2,648,472</u>
Reconciliation of operating income to net cash flows from operations			
Operating income	\$ 2,239,163	\$ (36,640)	2,202,523
Adjustments to reconcile operating income to net cash flows from operating activities			
Depreciation	950,064	-	950,064
Changes in assets and liabilities			
Increase/(decrease) in accounts payable	59,520	8,792	68,312
Increase/(decrease) in accrued expenses	(23,842)	-	(23,842)
Increase/(decrease) in deposits	(1,780)	-	(1,780)
Decrease/(increase) in accounts receivable	(127,080)	-	(127,080)
Decrease/(increase) in inventory	(49,030)	-	(49,030)
Total adjustments	<u>807,852</u>	<u>8,792</u>	<u>816,644</u>
Net cash from operating activities	<u>\$ 3,047,015</u>	<u>\$ (27,848)</u>	<u>\$ 3,019,167</u>
Noncash investing, capital, and financing activities			
Contributions of capital assets	307,297	(271,297)	36,000

City of Prineville, Oregon
 Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Wastewater Fund
 Year Ended June 30, 2021

	Original Budget	Final Amended Budget	First Year Actual FY 2019-20	Second Year Actual FY 2020-21	Total Actual for Budget Period	Variance with Final Budget
Revenues						
Charges for service	\$ 7,518,300	\$ 7,518,300	\$ 3,628,250	\$ 3,995,331	\$ 7,623,581	\$ 105,281
Intergovernmental	-	-	-	5,600	5,600	5,600
Interest	96,000	96,000	47,548	18,683	66,231	(29,769)
Other	167,400	167,400	4,780	125,664	130,444	(36,956)
Total revenues	<u>7,781,700</u>	<u>7,781,700</u>	<u>3,680,578</u>	<u>4,145,278</u>	<u>7,825,856</u>	<u>44,156</u>
Expenditures						
Personal services	259,000	291,000 (1)	123,575	151,307	274,882	16,118
Materials and services	1,824,900	1,824,900 (1)	806,753	768,804	1,575,557	249,343
Capital outlay	1,355,000	1,284,000 (1)	141,315	343,922	485,237	798,763
Debt service						
Principal	1,463,300	1,463,300 (2)	719,100	739,336	1,458,436	4,864
Interest	570,800	570,800 (2)	290,572	270,253	560,825	9,975
Other requirements						
Loan fees	37,000	37,000 (2)	19,633	17,257	36,890	110
Contingency	813,316	281,316 (1)	-	-	-	281,316
Total expenditures	<u>6,323,316</u>	<u>5,752,316</u>	<u>2,100,948</u>	<u>2,290,879</u>	<u>4,391,827</u>	<u>1,360,489</u>
Excess of revenues over/ (under) expenditures	1,458,384	2,029,384	1,579,630	1,854,399	3,434,029	1,404,645
Other financing sources (uses)						
Transfers in	98,000	98,000	166,208	157,580	323,788	225,788
Transfers out	(4,273,900)	(4,844,900) (1)	(2,506,900)	(2,338,000)	(4,844,900)	-
Total other financing sources (uses)	<u>(4,175,900)</u>	<u>(4,746,900)</u>	<u>(2,340,692)</u>	<u>(2,180,420)</u>	<u>(4,521,112)</u>	<u>225,788</u>
Net change in fund balance	<u>(2,717,516)</u>	<u>(2,717,516)</u>	<u>(761,062)</u>	<u>(326,021)</u>	<u>(1,087,083)</u>	<u>1,630,433</u>
Fund balance, beginning	3,932,316	3,932,316	3,940,686	3,179,624	3,940,686	8,370
Fund balance, ending	1,214,800	1,214,800	3,179,624	2,853,603	2,853,603	1,638,803
Other requirements						
Restricted for debt service	1,014,800	1,014,800	1,014,800	1,014,800	1,014,800	-
Ending unassigned, unrestricted fund balance	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>2,164,824</u>	<u>1,838,803</u>	<u>1,838,803</u>	<u>\$ 1,638,803</u>
Reconciliation to fund balance - modified accrual budgetary basis						
Adjustment for beginning fund balance				23,842		
Adjustment for current year change in accrued absences				(23,842)		
Fund balance - modified accrual budgetary basis				1,838,803		
Reconciliation to net position - GAAP Basis:						
Adjustment for capital assets, net of accumulated depreciation				36,893,446		
Adjustment for accrued compensated absences payable				-		
Adjustment for note payable and bonds payable - due within one year				(758,961)		
Adjustment for notes and bonds payable				(8,914,332)		
Net position - GAAP Basis				<u>\$ 30,073,756</u>		

(1) Appropriation level for the biennial period beginning July 1, 2019

(2) Appropriation level is Principal and Interest Combined

City of Prineville, Oregon

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

Wastewater SDC Fund

Year Ended June 30, 2021

	Original Budget	Final Amended Budget	First Year Actual FY 2019-20	Second Year Actual FY 2020-21	Total Actual for Budget Period	Variance with Final Budget
Revenues						
Interest	\$ 55,000	\$ 55,000	\$ 64,322	\$ 5,655	\$ 69,977	\$ 14,977
Miscellaneous	-	36,936			-	(36,936)
System development charges	235,400	460,000	189,977	244,768	434,745	(25,255)
Total revenues	290,400	551,936	254,299	250,423	504,722	(47,214)
Expenditures						
Material and services	20,000	58,000 (1)	19,585	36,640	56,225	1,775
Capital outlay	3,039,800	1,620,000 (1)	1,317,749	271,297	1,589,046	30,954
Contingency	157,992	109,928 (1)	-	-	-	109,928
Total expenditures	3,217,792	1,787,928	1,337,334	307,937	1,645,271	142,657
Excess of revenues over/ (under) expenditures	(2,927,392)	(1,235,992)	(1,083,035)	(57,514)	(1,140,549)	95,443
Other financing sources (uses)						
Transfers out	(163,600)	(1,855,000) (1)	(1,175,433)	(658,231)	(1,833,664)	21,336
Total other financing sources (uses)	(163,600)	(1,855,000)	(1,175,433)	(658,231)	(1,833,664)	21,336
Net change in fund balance	(3,090,992)	(3,090,992)	(2,258,468)	(715,745)	(2,974,213)	116,779
Fund balance, beginning	3,090,992	3,090,992	3,127,928	869,460	3,127,928	36,936
Fund balance, ending	\$ -	\$ -	\$ 869,460	\$ 153,715	\$ 153,715	\$ 153,715

(1) Appropriation level for the biennial period beginning July 1, 2019

City of Prineville, Oregon

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

Railroad Fund

Year Ended June 30, 2021

	Original Budget	Final Amended Budget	First Year Actual FY 2019-20	Second Year Actual FY 2020-21	Total Actual for Budget Period	Variance with Final Budget
Revenues						
Intergovernmental	\$ -	\$ 20,000	\$ -	\$ 20,000	\$ -	\$ -
Charges for services	1,505,200	1,735,000	747,047	978,057	1,725,104	9,896
Interest	-	-	18,289	6,978	25,267	(25,267)
Miscellaneous	145,000	215,000	149,817	65,226	215,043	(43)
Total revenues	<u>1,650,200</u>	<u>1,970,000</u>	<u>915,153</u>	<u>1,070,261</u>	<u>1,965,414</u>	<u>(15,414)</u>
Expenditures						
Personal services	747,000	747,000 (1)	324,048	389,641	713,689	33,311
Materials and services	543,300	655,000 (1)	308,504	307,487	615,991	39,009
Capital outlay	134,000	520,000 (1)	198,910	266,196	465,106	54,894
Contingency	1,189,993	1,012,093 (1)	-	-	-	1,012,093
Total expenditures	<u>2,614,293</u>	<u>2,934,093</u>	<u>831,462</u>	<u>963,324</u>	<u>1,794,786</u>	<u>1,970,769</u>
Excess of revenues over/ (under) expenditures	(964,093)	(964,093)	83,691	106,937	190,628	1,071,030
Other financing sources (uses)						
Sale of assets	-	-	30,000	-	30,000	(30,000)
Transfers out	(181,700)	(181,700) (1)	(90,800)	(90,900)	(181,700)	-
Total other financing sources (uses)	<u>(181,700)</u>	<u>(181,700)</u>	<u>(60,800)</u>	<u>(90,900)</u>	<u>(151,700)</u>	<u>(30,000)</u>
Net change in fund balance	<u>(1,145,793)</u>	<u>(1,145,793)</u>	<u>22,891</u>	<u>16,037</u>	<u>38,928</u>	<u>1,161,830</u>
Fund balance, beginning	1,145,793	1,145,793	1,127,669	1,150,560	1,127,669	(18,124)
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,150,560</u>	<u>1,166,597</u>	<u>\$ 1,166,597</u>	<u>\$ 1,143,706</u>
Reconciliation to fund balance - modified accrual budgetary basis						
Adjustment for beginning fund balance				55,931		
Adjustment for current year change in accrued absences				<u>27,724</u>		
Fund balance - modified accrual budgetary basis				1,250,252		
Reconciliation to net position - GAAP Basis:						
Adjustment for capital assets, net of accumulated depreciation				7,279,585		
Adjustment for accrued compensated absences payable				(83,655)		
Adjustment for amount due from general fund				<u>(771,851)</u>		
Net position - GAAP Basis				<u>\$ 7,674,331</u>		

(1) Appropriation level for the biennial period beginning July 1, 2019

City of Prineville, Oregon

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

Airport Fund

Year Ended June 30, 2021

	Original Budget	Final Amended Budget	First Year Actual FY 2019-20	Second Year Actual FY 2020-21	Total Actual for Budget Period	Variance with Final Budget
Revenues						
Intergovernmental	\$ 1,180,000	\$ 1,180,000	\$ 633,583	\$ 109,060	\$ 742,643	\$ (437,357)
Charges for services	1,164,000	1,164,000	419,374	585,057	1,004,431	(159,569)
Interest	-	-	941	182	1,123	1,123
Total revenues	2,344,000	2,344,000	1,053,898	694,299	1,748,197	(595,803)
Expenditures						
Personal services	269,900	269,900 (1)	134,165	133,363	267,528	2,372
Materials and services	1,088,400	1,088,400 (1)	391,058	460,808	851,866	236,534
Debt Service	50,000	50,000 (1)	-	-	-	50,000
Capital outlay	1,000,000	1,000,000 (1)	733,761	115,281	849,042	150,958
Contingency	6,215	6,215 (1)	-	-	-	6,215
Total expenditures	2,414,515	2,414,515	1,258,984	709,452	1,968,436	446,079
Excess of revenues over/ (under) expenditures	(70,515)	(70,515)	(205,086)	(15,153)	(220,239)	(149,724)
Other financing sources (uses)						
Transfers in	180,000	180,000	225,000	15,000	240,000	60,000
Transfers out	(122,700)	(122,700) (1)	(66,500)	(56,200)	(122,700)	-
Total other financing sources (uses)	57,300	57,300	158,500	(41,200)	117,300	60,000
Net change in fund balance	(13,215)	(13,215)	(46,586)	(56,353)	(102,939)	(89,724)
Fund balance, beginning	13,215	13,215	163,422	116,836	163,422	103,621
Fund balance, ending	\$ -	\$ -	\$ 116,836	60,483	\$ 60,483	\$ 60,483
Reconciliation to fund balance - modified accrual budgetary basis						
Adjustment for beginning fund balance				4,856		
Adjustment for current year change in accrued absences				(244)		
Fund balance - modified accrual budgetary basis				65,095		
Reconciliation to net position - GAAP Basis:						
Adjustment for accrued compensated absences				(4,612)		
Adjustment for capital assets, net of accumulated depreciation				42,425		
Net position - GAAP Basis				\$ 102,908		

(1) Appropriation level for the biennial period beginning July 1, 2019

City of Prineville, Oregon

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

Golf Course Fund

Year Ended June 30, 2021

	Original Budget	Final Amended Budget	First Year Actual FY 2019-20	Second Year Actual FY 2020-21	Total Actual for Budget Period	Variance with Final Budget
Revenues						
Charges for service	\$ 1,556,000	\$ 1,656,000	\$ 828,712	\$ 1,155,902	\$ 1,984,614	\$ 328,614
Interest	15,000	15,000	25,106	7,363	32,469	17,469
Miscellaneous	19,000	19,000	17,175	488	17,663	(1,337)
Total revenues	1,590,000	1,690,000	870,993	1,163,753	2,034,746	344,746
Expenditures						
Waste disposal	920,800	940,800 (1)	458,787	453,310	912,097	28,703
Golf course	1,766,300	2,724,900 (1)	512,478	2,145,801	2,658,279	66,621
Restaurant	68,000	68,000 (1)	25,396	25,698	51,094	16,906
Debt service: Principal	172,200	172,200 (2)	70,874	101,213	172,087	113
Debt service: Interest	20,000	20,000 (2)	11,263	8,156	19,419	581
Contingency	394,295	15,695 (1)	-	-	-	15,695
Total expenditures	3,341,595	3,941,595	1,078,798	2,734,178	3,812,976	128,619
Excess of revenues over/ (under) expenditures	(1,751,595)	(2,251,595)	(207,805)	(1,570,425)	(1,778,230)	681,170
Other financing sources (uses)						
Transfers in	1,538,200	2,038,200	1,120,000	870,000	1,990,000	(48,200)
Transfers out	(187,500)	(187,500) (1)	(99,300)	(88,200)	(187,500)	-
Total other financing sources (uses)	1,350,700	1,850,700	1,020,700	781,800	1,802,500	(48,200)
Net change in fund balance	(400,895)	(400,895)	812,895	(788,625)	24,270	425,165
Fund balance, beginning	483,295	483,295	494,280	1,307,175	494,280	10,985
Fund balance, ending	\$ 82,400	\$ 82,400	\$ 1,307,175	518,550	\$ 518,550	\$ 436,150
Reconciliation to fund balance - modified accrual budgetary basis						
Adjustment for beginning fund balance				139,068		
Adjustment for current year change in accrued absences				11,835		
Fund balance - modified accrual budgetary basis				669,453		
Reconciliation to net position - GAAP Basis:						
Adjustment for capital assets, net of accumulated depreciation				2,820,757		
Adjustment for accrued compensated absences payable				(150,903)		
Adjustment for bond payable				-		
Adjustment for note payable				(264,000)		
Net position - GAAP Basis				\$ 3,075,307		

(1) Appropriation level for the biennial period beginning July 1, 2019

(2) Appropriation level is Principal and Interest Combined

City of Prineville, Oregon

Combining Balance Sheet

Internal Service Funds

June 30, 2021

	Governmental Type Activities			
	Internal Services Funds			
	Administrative Services Fund	Building Facilities Funds	Public Works Support Services	Total
Assets				
Current assets				
Cash and investments	\$ 957,573	\$ 283,725	\$ 553,808	\$ 1,795,106
Restricted cash and investments	-	105,000	-	105,000
Accounts receivable	2,456	-	-	2,456
Prepaid Expense	-	150,000	-	150,000
Inventory	-	-	29,725	29,725
Total current assets	<u>960,029</u>	<u>538,725</u>	<u>583,533</u>	<u>2,082,287</u>
Capital Assets (net of accumulated depreciation)	<u>223,889</u>	<u>1,251,094</u>	<u>858,567</u>	<u>2,333,550</u>
Total assets	<u>1,183,918</u>	<u>1,789,819</u>	<u>1,442,100</u>	<u>4,415,837</u>
Deferred outflows of resources				
Pension related deferrals	<u>640,200</u>	<u>-</u>	<u>570,613</u>	<u>1,210,813</u>
Total assets and deferred outflows	<u>1,824,118</u>	<u>1,789,819</u>	<u>2,012,713</u>	<u>5,626,650</u>
Liabilities				
Current liabilities				
Accounts payable	114,290	56,766	14,227	185,283
Accrued interest payable	-	10,194	-	10,194
Accrued compensated absences payable	151,841	-	193,748	345,589
Current portion notes payable	-	368,000	-	368,000
Proportionate share of net pension liability	<u>1,515,586</u>	<u>-</u>	<u>1,350,849</u>	<u>2,866,435</u>
Total current liabilities	<u>1,781,717</u>	<u>434,960</u>	<u>1,558,824</u>	<u>3,775,501</u>
Long-term liabilities				
Notes payable	<u>-</u>	<u>6,291,000</u>	<u>-</u>	<u>6,291,000</u>
Total long-term liabilities	<u>-</u>	<u>6,291,000</u>	<u>-</u>	<u>6,291,000</u>
Total liabilities	<u>1,781,717</u>	<u>6,725,960</u>	<u>1,558,824</u>	<u>10,066,501</u>
Deferred inflows of resources				
Pension related deferrals	<u>90,154</u>	<u>-</u>	<u>80,354</u>	<u>170,508</u>
Net Position				
Net investment in capital assets	223,889	1,251,094	858,567	2,333,550
Restricted - Debt Service	-	105,000	-	105,000
Unrestricted				
Unassigned	<u>(271,642)</u>	<u>(6,292,235)</u>	<u>(485,032)</u>	<u>(7,048,909)</u>
Total net position	<u>(47,753)</u>	<u>(4,936,141)</u>	<u>373,535</u>	<u>(4,610,359)</u>
Total liabilities, deferred inflows and net position	<u>\$ 1,824,118</u>	<u>\$ 1,789,819</u>	<u>\$ 2,012,713</u>	<u>\$ 5,626,650</u>

City of Prineville, Oregon
Combining Schedule of Revenues, Expenses and Changes in Net Position
Internal Service Funds
Year Ended June 30, 2021

	Governmental Type Activities			
	Internal Services Funds			
	Administrative Services Fund	Building Facilities Funds	Public Works Support Services	Totals
Operating revenue				
Intergovernmental	\$ 211,321	\$ 318,623	\$ 473,603	\$ 1,003,547
Charges for services	154,084	-	-	154,084
Other operating revenues	6,147	13,059	895	20,101
Total operating revenue	371,552	331,682	474,498	1,177,732
Operating expenses				
Salaries and fringe benefits	1,796,038	-	1,810,443	3,606,481
Materials and services	1,076,784	4,132,447	179,435	5,388,666
Depreciation	19,972	78,587	123,430	221,989
Total operating expenses	2,892,794	4,211,034	2,113,308	9,217,136
Operating income (loss)	(2,521,242)	(3,879,352)	(1,638,810)	(8,039,404)
Non-operating revenues (expenses)				
Interest income	2,415	15,155	1,651	19,221
Interest expense	-	(123,618)	-	(123,618)
Sale of assets	-	-	4,000	4,000
Transfer to other funds	(138,400)	(5,991)	(52,800)	(197,191)
Transfers from other funds	3,011,101	798,791	1,837,500	5,647,392
Total non-operating revenue (expense)	2,875,116	684,337	1,790,351	5,349,804
Change in net position	353,874	(3,195,015)	151,541	(2,689,600)
Net position, July 1, 2020	(401,627)	(1,741,126)	221,994	(1,920,759)
Net position, June 30, 2021	<u>\$ (47,753)</u>	<u>\$ (4,936,141)</u>	<u>\$ 373,535</u>	<u>\$ (4,610,359)</u>

City of Prineville, Oregon
Combining Schedule of Cash Flows
Internal Service Funds
Year Ended June 30, 2021

	Governmental Type Activities			
	Internal Service Funds			
	Admin Services	Building Facilities Funds	Public Works Services	Totals
Cash flows from operating activities				
Cash received from customers	\$ 408,918	\$ 575,432	\$ 476,498	\$ 1,460,848
Cash payments for goods and services	(1,096,778)	(4,965,333)	(179,690)	(6,241,801)
Cash payments to employees	(1,626,244)	-	(1,627,986)	(3,254,230)
Net cash flows from operating activities	<u>(2,314,104)</u>	<u>(4,389,901)</u>	<u>(1,331,178)</u>	<u>(8,035,183)</u>
Cash flows from non-capital financing activities				
Transfers from other funds	3,011,101	798,791	1,837,500	5,647,392
Transfers to other funds	(138,400)	(5,991)	(52,800)	(197,191)
Net cash flows from non-capital activities	<u>2,872,701</u>	<u>792,800</u>	<u>1,784,700</u>	<u>5,450,201</u>
Cash flows from capital financing activities				
Acquisition of capital assets	(20,490)	-	(235,968)	(256,458)
Debt proceeds	-	-	-	-
Debt reduction	-	(358,000)	-	(358,000)
Interest paid on loans	-	(122,691)	-	(122,691)
Sale of assets	-	-	4,000	4,000
Net cash flows from capital financing activities	<u>(20,490)</u>	<u>(480,691)</u>	<u>(231,968)</u>	<u>(733,149)</u>
Cash flows from investing activities				
Interest earned	2,415	15,155	1,651	19,221
Net increase (decrease) in cash	540,522	(4,062,637)	223,205	(3,298,910)
Cash - Beginning	417,051	4,451,362	330,603	5,199,016
Cash - Ending	<u>\$ 957,573</u>	<u>\$ 388,725</u>	<u>\$ 553,808</u>	<u>\$ 1,900,106</u>
Reconciliation of operating income to net cash flows from operations				
Operating income (loss)	\$ (2,521,242)	\$ (3,879,352)	\$ (1,638,810)	\$ (8,039,404)
Adjustments to reconcile operating income to net cash flows from operating activities				
Depreciation	19,972	78,587	123,430	221,989
Changes in assets and liabilities				
Increase/(decrease) in accounts payable	(19,994)	(832,886)	1,240	(851,640)
Decrease/(increase) in Net Pension Asset, Deferred Outflows	(139,567)	-	(124,396)	(263,963)
Increase/(decrease) in Net Pension Liabilities, Deferred Inflows	322,484	-	287,431	609,915
Decrease/(increase) in accounts receivable	37,366	243,750	2,000	283,116
Decrease/(increase) in prepaid expense	-	-	-	-
Decrease/(increase) in inventory	-	-	(1,495)	(1,495)
Increase (decrease) in accrued expenses	(13,123)	-	19,422	6,299
Net cash flows from operating activities	<u>\$ (2,314,104)</u>	<u>\$ (4,389,901)</u>	<u>\$ (1,331,178)</u>	<u>\$ (8,035,183)</u>

City of Prineville, Oregon

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

Administrative Services Fund

Year Ended June 30, 2021

	Original Budget	Final Amended Budget	First Year Actual FY 2019-20	Second Year Actual FY 2020-21	Total Actual for Budget Period	Variance with Final Budget
Revenues						
Charges for service	\$ 2,975,500	\$ 3,920,600	\$ 356,539	\$ 154,084	\$ 510,623	\$ (3,409,977)
Intergovernmental	-	258,000	46,654	211,321	257,975	(25)
Interest	20,000	20,000	6,159	2,415	8,574	(11,426)
Miscellaneous income	-	-	240,792	6,147	246,939	246,939
Total revenues	2,995,500	4,198,600	650,144	373,967	1,024,111	(3,174,489)
Expenditures						
City Council	92,100	92,100 (1)	43,084	34,787	77,871	14,229
Administration/team services	1,540,400	1,691,900 (1)	835,291	846,174	1,681,465	10,435
Financial services	1,800,900	1,800,900 (1)	838,423	896,356	1,734,779	66,121
Information technology	1,692,100	2,469,100 (1)	1,473,194	933,078	2,406,272	62,828
Contingency	394,714	669,314 (1)	-	-	-	669,314
Total expenditures	5,520,214	6,723,314	3,189,992	2,710,395	5,900,387	822,927
Excess of revenues over/ (under) expenditures	(2,524,714)	(2,524,714)	(2,539,848)	(2,336,428)	(4,876,276)	(2,351,562)
Other financing sources (uses)						
Transfers in	2,344,400	2,344,400	2,550,020	3,011,101	5,561,121	3,216,721
Transfers out	(272,600)	(272,600) (1)	(134,200)	(138,400)	(272,600)	-
Total other financing sources (uses)	2,071,800	2,071,800	2,415,820	2,872,701	5,288,521	3,216,721
Net change in fund balance	(452,914)	(452,914)	(124,028)	536,273	412,245	865,159
Fund balance, beginning	452,914	452,914	281,653	157,625	281,653	(171,261)
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 157,625</u>	<u>\$ 693,898</u>	<u>\$ 693,898</u>	<u>\$ 693,898</u>
Reconciliation to fund balance - modified accrual budgetary basis						
Adjustment for beginning fund balance				164,964		
Adjustment for current year change in accrued absences				<u>(13,123)</u>		
Fund balance - modified accrual budgetary basis				845,739		
Reconciliation to net position - GAAP Basis:						
Adjustment for accrued compensated absences				(151,841)		
Adjustment for proportionate share of net pension asset, deferred outflows				640,200		
Adjustment for proportionate share of net pension liability, deferred inflows				(1,605,740)		
Adjustment for capital assets, net of accumulated depreciation				<u>223,889</u>		
Net position - GAAP Basis				<u>\$ (47,753)</u>		

(1) Appropriation level for the biennial period beginning July 1, 2019

City of Prineville, Oregon

Combining Balance Sheet

Building Facilities Funds

June 30, 2021

	Building Facilities	Plaza Maintenance	Total
Assets			
Current assets			
Cash and investments	\$ 260,386	\$ 23,339	\$ 283,725
Restricted cash and investments	105,000	-	105,000
Accounts Receivable	-	-	-
Prepaid Expense	150,000	-	150,000
Total current assets	<u>515,386</u>	<u>23,339</u>	<u>538,725</u>
Non-current assets			
Capital assets:			
Improvements	2,357,617	-	2,357,617
Accumulated depreciation	<u>(1,106,523)</u>	<u>-</u>	<u>(1,106,523)</u>
Net non-current assets	<u>1,251,094</u>	<u>-</u>	<u>1,251,094</u>
Total assets	<u>\$ 1,766,480</u>	<u>\$ 23,339</u>	<u>\$ 1,789,819</u>
Liabilities			
Current liabilities			
Accounts payable	\$ 56,766		\$ 56,766
Accrued interest payable	10,194	-	10,194
Notes payable, current portion	368,000	-	368,000
Total current liabilities	<u>434,960</u>	<u>-</u>	<u>434,960</u>
Long-term liabilities			
Notes payable, net of current portion	6,291,000	-	6,291,000
Total liabilities	<u>6,725,960</u>	<u>-</u>	<u>6,725,960</u>
Net position			
Net Investment in Capital Assets	1,251,094	-	1,251,094
Restricted for debt service	105,000	-	105,000
Unrestricted			
Unreserved	<u>(6,315,574)</u>	<u>23,339</u>	<u>(6,292,235)</u>
Total net position	<u>(4,959,480)</u>	<u>23,339</u>	<u>(4,936,141)</u>
Total liabilities and net position	<u>\$ 1,766,480</u>	<u>\$ 23,339</u>	<u>\$ 1,789,819</u>

City of Prineville, Oregon
Combining Schedule of Revenues, Expenses and Changes in Net Position
Building Facilities Funds
Year Ended June 30, 2021

	Building Facilities	Plaza Maintenance	Total
Operating revenue			
Intergovernmental	\$ 314,632	\$ 3,991	\$ 318,623
Other	13,059	-	13,059
Total operating revenue	<u>327,691</u>	<u>3,991</u>	<u>331,682</u>
Operating expenses			
Materials and services	4,120,506	11,941	4,132,447
Depreciation	78,587	-	78,587
Total operating expenses	<u>4,199,093</u>	<u>11,941</u>	<u>4,211,034</u>
Operating income (loss)	(3,871,402)	(7,950)	(3,879,352)
Non-operating revenues (expenses)			
Interest income	14,950	205	15,155
Interest expense	(123,618)	-	(123,618)
Transfers from other funds	794,800	3,991	798,791
Transfers to other funds	(3,991)	(2,000)	(5,991)
Total non-operating revenues (expenses)	<u>682,141</u>	<u>2,196</u>	<u>684,337</u>
Change in net position	(3,189,261)	(5,754)	(3,195,015)
Net position, July 1, 2020	<u>(1,770,219)</u>	<u>29,093</u>	<u>(1,741,126)</u>
Net position, June 30, 2021	<u>\$ (4,959,480)</u>	<u>\$ 23,339</u>	<u>\$ (4,936,141)</u>

City of Prineville, Oregon
Combining Schedule of Cash Flows
Building Facilities Funds
Year Ended June 30, 2021

	Building Facilities	Plaza Maintenance	Total
Cash flows from operating activities			
Cash received from customers	\$ 571,441	\$ 3,991	\$ 575,432
Cash payments for goods and services	(4,941,057)	(24,276)	(4,965,333)
Net cash flows from operating activities	(4,369,616)	(20,285)	(4,389,901)
Cash flows from non-capital financing activities			
Transfers from other funds	794,800	3,991	798,791
Transfers to other funds	(3,991)	(2,000)	(5,991)
Net cash flows from non-capital activities	790,809	1,991	792,800
Cash flows from capital financing activities			
Sale of assets	-	-	-
Debt proceeds	-	-	-
Debt reduction	(358,000)	-	(358,000)
Interest paid on loans	(122,691)	-	(122,691)
Net cash flows from capital financing activities	(480,691)	-	(480,691)
Cash flows from investing activities			
Interest earned	14,950	205	15,155
Net decrease in cash	(4,044,548)	(18,089)	(4,062,637)
Cash - Beginning	4,409,934	41,428	4,451,362
Cash - Ending	\$ 365,386	\$ 23,339	\$ 388,725
Reconciliation of operating income to net cash flows from operations			
Operating income/(loss)	\$ (3,871,402)	\$ (7,950)	\$ (3,879,352)
Adjustments to reconcile operating income to net cash flows from operating activities			
Depreciation	78,587	-	78,587
Changes in assets and liabilities			
Increase/(decrease) in accounts payable	(820,551)	(12,335)	(832,886)
Decrease/(increase) in accounts receivable	243,750	-	243,750
(Increase) in prepaid expense	-	-	-
Net cash flows from operating activities	\$ (4,369,616)	\$ (20,285)	\$ (4,389,901)

City of Prineville, Oregon

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

Building Facility Fund

Year Ended June 30, 2021

	Original Budget	Final Amended Budget	First Year Actual FY 2019-20	Second Year Actual FY 2020-21	Total Actual for Budget Period	Variance with Final Budget
Revenues						
Intergovernmental	\$ 1,206,300	\$ 2,283,000	\$ 1,148,056	\$ 314,632	\$ 1,462,688	\$ (820,312)
Interest	70,000	70,000	63,708	14,950	78,658	8,658
Miscellaneous income	10,000	194,000	18,032	13,059	31,091	(162,909)
Total revenues	1,286,300	2,547,000	1,229,796	342,641	1,572,437	(974,563)
Expenditures						
City Hall Facilities	489,800	489,800 (1)	184,256	231,703	415,959	73,841
Police Facilities	3,386,200	9,600,000 (1)	5,520,105	4,004,833	9,524,938	75,062
Public Works Facilities	85,000	85,000 (1)	42,039	29,063	71,102	13,898
Barnes Butte Property	297,000	371,000 (1)	226,288	125,347	351,635	19,365
Senior Center	728,300	1,366,000 (1)	1,154,722	211,178	1,365,900	100
Debt service reserve	237,900	237,900 (1)	-	-	-	237,900
Contingency	122,308	71,308 (1)	-	-	-	71,308
Total expenditures	5,346,508	12,221,008	7,127,410	4,602,124	11,729,534	491,474
Excess of revenues over/ (under) expenditures	(4,060,208)	(9,674,008)	(5,897,614)	(4,259,483)	13,301,971	(483,089)
Other financing sources (uses)						
Sale of Assets	-	-	150,000	-	150,000	150,000
Debt Proceeds	-	5,958,000	5,958,000	-	5,958,000	-
Transfers out	(22,500)	(22,500) (1)	(6,461)	(3,991)	(10,452)	12,048
Transfers in	1,211,300	867,100	595,400	794,800	1,390,200	523,100
Total other financing sources (uses)	1,188,800	6,802,600	6,696,939	790,809	7,337,748	535,148
Net change in fund balance	(2,871,408)	(2,871,408)	799,325	(3,468,674)	20,639,719	52,059
Fund balance, beginning	2,871,408	2,871,408	3,117,775	3,917,100	3,117,775	246,367
Fund balance, ending	\$ -	\$ -	3,917,100	448,426	\$ 23,757,494	\$ 298,426
Reconciliation to net position - GAAP Basis:						
Adjustment for capital assets, net of accumulated depreciation				1,251,094		
Adjustment for note payable - due within one year				(368,000)		
Adjustment for note payable				(6,291,000)		
Net position - GAAP Basis				\$ (4,959,480)		

(1) Appropriation level for the biennial period beginning July 1, 2019

City of Prineville, Oregon

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

Plaza Maintenance Fund

Year Ended June 30, 2021

	Original Budget	Final Amended Budget	First Year Actual FY 2019-20	Second Year Actual FY 2020-21	Total Actual for Budget Period	Variance with Final Budget
Revenues						
Intergovernmental	\$ 22,500	\$ 22,500	\$ 6,461	\$ 3,991	\$ 10,452	\$ (12,048)
Interest	2,000	2,000	1,073	205	1,278	(722)
Total revenues	24,500	24,500	7,534	4,196	11,730	(12,770)
Expenditures						
Materials and services	43,000	43,000 (1)	19,979	11,941	31,920	11,080
Contingency	36,318	36,318 (1)	-	-	-	36,318
Total expenditures	79,318	79,318	19,979	11,941	31,920	(47,398)
Excess of revenues over/ (under) expenditures	(54,818)	(54,818)	(12,445)	(7,745)	(20,190)	34,628
Other financing sources (uses)						
Transfers out	(4,000)	(4,000) (1)	(2,000)	(2,000)	(4,000)	-
Transfers in	22,500	22,500	6,461	3,991	10,452	(12,048)
Total other financing sources (uses)	18,500	18,500	4,461	1,991	6,452	(12,048)
Net change in fund balance	(36,318)	(36,318)	(7,984)	(5,754)	(13,738)	22,580
Fund balance, beginning	36,318	36,318	37,077	29,093	37,077	759
Fund balance, ending	\$ -	\$ -	\$ 29,093	\$ 23,339	\$ 23,339	\$ 23,339
Reconciliation to net position - GAAP Basis:						
No adjustment				-		
Net position - GAAP Basis				\$ 23,339		

(1) Appropriation level for the biennial period beginning July 1, 2019

City of Prineville, Oregon
 Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Public Works Support Services Fund
 Year Ended June 30, 2021

	Original Budget	Final Amended Budget	First Year Actual FY 2019-20	Second Year Actual FY 2020-21	Total Actual for Budget Period	Variance with Final Budget
Revenues						
Interest	\$ 7,000	\$ 7,000	\$ 3,427	\$ 1,651	\$ 5,078	\$ (1,922)
Intergovernmental	236,000	236,000	235,000	473,603	708,603	472,603
Other	36,000	36,000	1,396	895	2,291	(33,709)
Total revenues	279,000	279,000	239,823	476,149	715,972	436,972
Expenditures						
Public works support services	3,421,400	3,421,400 (1)	1,655,709	1,690,025	3,345,734	75,666
Public works fleet and vehicles	636,600	706,600 (1)	306,903	372,786	679,689	26,911
Contingency	290,833	220,833 (1)	-	-	-	220,833
Total expenditures	4,348,833	4,348,833	1,962,612	2,062,811	4,025,423	323,410
Excess of revenues over/ (under) expenditures	(4,069,833)	(4,069,833)	(1,722,789)	(1,586,662)	(3,309,451)	760,382
Other financing sources (uses)						
Sale of assets	-	-	2,000	4,000	6,000	6,000
Transfers out	(105,600)	(105,600) (1)	(52,800)	(52,800)	(105,600)	-
Transfers in	4,000,500	4,000,500	1,764,000	1,837,500	3,601,500	(399,000)
Total other financing sources (uses)	3,894,900	3,894,900	1,713,200	1,788,700	3,501,900	(393,000)
Net change in fund balance	(174,933)	(174,933)	(9,589)	202,038	192,449	367,382
Fund balance, beginning	174,933	174,933	183,109	173,520	183,109	8,176
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>173,520</u>	<u>375,558</u>	<u>549,078</u>	<u>\$ 375,558</u>
Reconciliation to fund balance - modified accrual budgetary basis						
Adjustment for beginning fund balance				174,326		
Adjustment for current year change in accrued absences				19,422		
Fund balance - modified accrual budgetary basis				569,306		
Reconciliation to net position - GAAP Basis:						
Adjustment for accrued compensated absences				(193,748)		
Adjustment for proportionate share of net pension asset, deferred outflows				570,613		
Adjustment for proportionate share of net pension liability, deferred inflows				(1,431,203)		
Adjustment for capital assets, net of accumulated depreciation				858,567		
Net position - GAAP Basis				<u>\$ 373,535</u>		

(1) Appropriation level for the biennial period beginning July 1, 2019

City of Prineville, Oregon
 Schedule of Property Tax Transactions

Year Ended June 30, 2021

Tax Year	Beginning Balance and Current Levy	Adjustments	Interest (Discounts)	Turnovers from County Treasurer	Taxes Receivable June 30, 2021
2020-21	\$ 2,486,305	\$ (6,745)	\$ (56,435)	\$ 2,373,948	\$ 49,177
2019-20	80,747	(398)	1,849	60,344	21,854
2018-19	24,473	(332)	8,682	19,918	12,905
2017-18	15,369	(176)	4,722	16,034	3,881
2016-17	3,403	(598)	3,856	5,779	882
Prior	8,317	(1,193)	195	591	6,728
	<u>\$ 2,618,614</u>	<u>\$ (9,442)</u>	<u>\$ (37,131)</u>	2,476,614	<u>\$ 95,427</u>

Reconciliation to Revenue

Tax accrual

June 30, 2020

(26,356)

June 30, 2021

15,021

\$ 2,465,279



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Statistical Section

Financial Trends

- Net Position by Components – Last 10 Fiscal Years
- Changes in Net Position – Last 10 Fiscal Years
- Fund Balances of Governmental Funds – Last 10 Fiscal Years
- Changes in Fund Balances of Governmental Funds – Last 10 Fiscal Years
- Program Revenues by Function/Program – Last 10 Fiscal Years

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- Governmental Activities Tax Revenue by Source – Last 10 Fiscal Years
- Assessed Value and Actual Value of Taxable Property – Last 10 Fiscal Years
- Property Tax Rates – Direct and Overlapping Governments – Last 10 Fiscal Years
- Principal Property Taxpayers – Current and Nine Years Ago
- Property Tax Levies and Collections – Last 10 Fiscal Years

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- Ratios of Outstanding Debt by Type – Last 10 Fiscal Years
- Ratios of General Bonded Debt Outstanding – Last 10 Fiscal Years
- Direct and Overlapping Debt – As of June 30, 2021
- Legal Debt Margin Information – Last 10 Fiscal Years
- Pledged Revenue Coverage – Last 10 Fiscal Years

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- Demographic and Economic Statistics – Last 10 Fiscal Years
- Principal Employers – Current Year and Nine Years Ago

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- Full-time Equivalent City Government Employees by Function – Last 10 Fiscal Years
- Operating Indicators by Function – Last 10 Fiscal Years
- Capital Asset Statistics by Activity – Last 10 Fiscal Years



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City of Prineville, Oregon

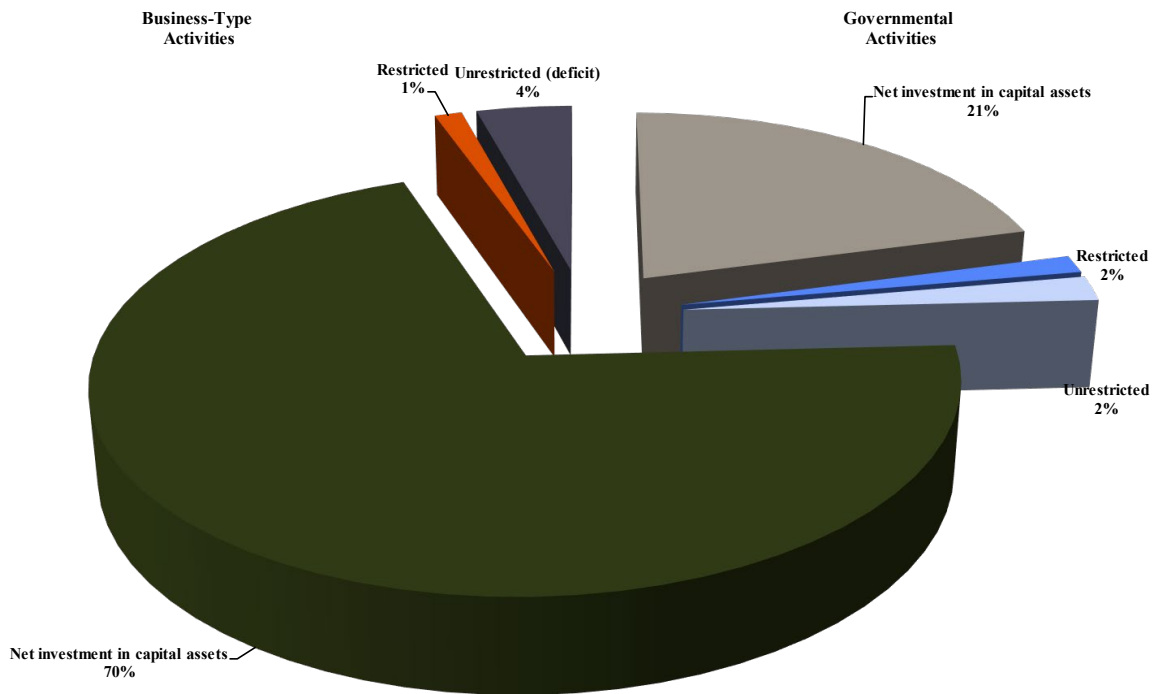
Net Position by Components

For the Last 10 Fiscal Years

	Fiscal year ended									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 10,712,120	\$ 10,486,118	\$ 7,344,752	\$ 9,892,711	\$ 11,345,910	\$ 13,042,818	\$ 14,763,230	\$ 14,105,369	\$ 16,368,057	\$ 19,915,918
Restricted	247,542	455,491	676,131	574,874	868,940	893,567	1,391,944	1,995,054	1,578,437	1,345,140
Unrestricted	3,509,544	3,327,657	2,945,908	2,234,187	(107,036)	(625,384)	(1,147,099)	852,715	2,836,615	1,891,458
Total governmental activities net position	\$ 14,469,206	\$ 14,269,266	\$ 10,966,791	\$ 12,701,772	\$ 12,107,814	\$ 13,311,001	\$ 15,008,075	\$ 16,953,138	\$ 20,783,109	\$ 23,152,516
Business-type activities										
Net investment in capital assets	\$ 24,581,764	\$ 26,084,499	\$ 29,806,882	\$ 30,067,137	\$ 31,448,889	\$ 37,382,458	\$ 43,578,856	\$ 55,548,911	\$ 60,554,604	\$ 67,276,279
Restricted	1,262,067	498,958	493,156	530,699	374,107	351,491	1,955,523	2,180,997	4,144,167	1,168,515
Unrestricted (deficit)	3,303,674	3,717,413	2,988,864	3,599,021	4,218,984	3,856,220	5,733,630	8,395,232	4,423,762	4,067,026
Total business-type activities net position	\$ 29,147,505	\$ 30,300,870	\$ 33,288,902	\$ 34,196,857	\$ 36,041,980	\$ 41,590,169	\$ 51,268,009	\$ 66,125,140	\$ 69,122,533	\$ 72,511,820
Primary government										
Net investment in capital assets	\$ 35,293,884	\$ 36,570,617	\$ 37,151,634	\$ 39,959,848	\$ 42,794,799	\$ 50,425,276	\$ 58,342,086	\$ 69,654,280	\$ 76,922,661	\$ 87,192,197
Restricted	1,509,609	954,449	1,169,287	1,105,573	1,243,047	1,245,058	3,347,467	4,176,051	5,722,604	2,513,655
Unrestricted (deficit)	6,813,218	7,045,070	5,934,772	5,833,208	4,111,948	3,230,836	4,586,531	9,247,947	7,260,377	5,958,484
Total primary government net position	\$ 43,616,711	\$ 44,570,136	\$ 44,255,693	\$ 46,898,629	\$ 48,149,794	\$ 54,901,170	\$ 66,276,084	\$ 83,078,278	\$ 89,905,642	\$ 95,664,336

Source: Annual financial statements of the City of Prineville

Net Position by Components FY 21



City of Prineville, Oregon

Changes in Net Position

For the Last 10 Fiscal Years

	Fiscal year ended									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities										
General government	\$ 2,476,287	\$ 3,095,427	\$ 6,284,109	\$ 416,640	\$ 1,111,185	\$ 2,142,141	\$ 1,000,996	\$ 2,695,309	\$ 1,212,158	\$ 1,665,835
Public safety	2,892,172	3,307,976	3,450,549	2,921,115	7,639,414	6,412,132	7,961,382	8,113,155	9,014,325	9,531,868
Highways and streets	545,421	1,322,898	1,245,218	1,112,590	1,273,699	790,414	732,512	877,535	820,924	951,207
Interest on long-term debt	159,550	143,408	210,106	189,358	132,677	127,172	187,046	209,483	143,568	259,869
Unallocated depreciation	1,192,056	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	\$ 7,265,486	\$ 7,869,709	\$ 11,189,982	\$ 4,639,703	\$ 10,156,975	\$ 9,471,859	\$ 9,881,936	\$ 11,895,482	\$ 11,190,975	\$ 12,408,779
Business-type activities										
Railroad	\$ 841,917	\$ 755,747	\$ 813,586	\$ 797,044	\$ 906,269	\$ 990,133	\$ 1,014,557	\$ 838,289	\$ 959,900	\$ 1,187,241
Water	1,147,332	918,606	937,947	916,365	957,293	1,052,820	1,177,361	1,628,957	1,263,628	1,530,614
Wastewater	1,988,549	1,865,971	1,909,784	1,653,325	1,695,870	1,859,666	2,293,751	2,161,516	2,177,440	2,194,325
Golf and restaurant	1,260,944	1,263,133	1,317,873	1,305,927	1,361,170	1,285,732	1,367,914	1,231,167	1,000,895	1,075,416
Airport	316,056	533,317	711,440	685,166	699,764	716,900	745,602	771,943	1,274,742	709,452
Freight depot	332,607	310,926	194,071	-	-	-	-	-	-	-
Total business-type activities expenses	5,887,405	5,647,700	5,884,701	5,357,827	5,620,366	5,905,251	6,599,185	6,631,872	6,676,605	6,697,048
Total primary government expenses	\$ 13,152,891	\$ 13,517,409	\$ 17,074,683	\$ 9,997,530	\$ 15,777,341	\$ 15,377,110	\$ 16,481,121	\$ 18,527,354	\$ 17,867,580	\$ 19,105,827
Program revenues										
Governmental activities										
Charges for service										
General government	\$ 238,335	\$ 304,693	\$ 413,761	\$ 165,927	\$ 203,993	\$ 224,543	\$ 113,703	\$ 123,930	\$ 53,053	\$ 98,754
Public safety	-	-	-	37,884	33,671	-	-	21,694	242,979	194,223
Highways and streets	84,884	172,494	316,398	353,328	494,830	346,623	536,820	602,966	649,820	801,781
Operating grants and contributions	1,659,849	1,609,122	1,695,455	1,637,916	1,646,108	1,950,468	2,010,594	2,772,407	3,505,211	2,467,404
Capital grants and contributions	252,000	216,224	-	-	-	-	-	-	-	-
Total governmental activities program revenues	\$ 2,235,068	\$ 2,302,533	\$ 2,425,614	\$ 2,195,055	\$ 2,378,602	\$ 2,521,634	\$ 2,661,117	\$ 3,520,997	\$ 4,451,063	\$ 3,562,162
Business-type activities										
Charges for service										
Railroad	\$ 395,050	\$ 445,302	\$ 455,849	\$ 586,937	\$ 943,182	\$ 1,160,350	\$ 799,732	\$ 733,948	\$ 896,864	\$ 1,063,283
Water	1,785,307	2,001,024	2,001,548	2,183,160	2,554,213	2,597,543	6,537,222	8,522,709	8,796,006	3,547,702
Wastewater	3,725,711	3,269,055	3,164,486	3,208,361	3,952,199	5,850,679	9,251,289	11,757,992	3,823,007	4,126,595
Golf and restaurant	982,824	1,018,414	1,059,556	1,132,478	1,143,167	1,092,074	1,123,087	1,038,266	845,887	1,156,390
Airport	-	521,923	645,943	803,978	517,629	1,973,312	815,257	2,177,627	1,052,957	694,117
Freight depot	95,584	138,045	-	-	-	-	-	-	-	-
Other non-major	373,886	-	-	-	-	-	-	-	-	-
Operating grants and contributions	51,243	65,929	-	-	186,718	-	-	-	-	-
Capital grants and contributions	1,500,990	1,207,451	3,434,821	-	355,644	796,804	296,225	81,606	251,922	2,458,780
Total business-type activities program revenues	8,910,595	8,667,143	10,762,203	7,914,914	9,652,752	13,470,762	18,822,812	24,312,148	15,666,643	13,046,867
Total primary government program revenues	\$ 11,145,663	\$ 10,969,676	\$ 13,187,817	\$ 10,109,969	\$ 12,031,354	\$ 15,992,396	\$ 21,483,929	\$ 27,833,145	\$ 20,117,706	\$ 16,609,029
Net (expense) revenue										
Governmental activities	(5,030,418)	(5,567,176)	(8,764,368)	(2,444,648)	(7,778,373)	(6,950,225)	(7,220,819)	(8,374,485)	(6,739,912)	(8,846,617)
Business-type activities	3,023,190	3,019,443	4,877,502	2,557,087	4,032,386	7,565,511	12,223,627	17,680,276	8,990,038	6,349,819
Total primary government expenses	\$ (2,007,228)	\$ (2,547,733)	\$ (3,886,866)	\$ 112,439	\$ (3,745,987)	\$ 615,286	\$ 5,002,808	\$ 9,305,791	\$ 2,250,126	\$ (2,496,798)
General revenues and other changes in net position										
Governmental activities										
Property taxes levied for										
General purposes	1,614,099	1,571,558	1,667,437	1,777,841	1,842,104	1,966,681	2,067,373	2,181,966	2,287,509	2,443,843
Debt service	-	-	-	-	-	-	-	-	-	-
Transient room taxes	179,945	206,988	191,015	253,174	315,677	329,514	339,003	432,343	312,000	400,036
Franchise fees	1,117,583	1,455,369	1,462,295	1,864,413	2,085,847	2,756,972	2,913,102	3,461,496	3,592,674	4,113,149
Earnings on investments	7,223	10,117	13,739	11,268	12,324	25,758	56,637	121,691	177,325	62,483
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Miscellaneous	301,891	220,782	225,107	375,864	811,036	908,805	1,039,410	1,011,071	1,260,373	1,185,012
Total governmental activities	\$ 3,220,741	\$ 3,464,814	\$ 3,559,593	\$ 4,282,560	\$ 5,066,988	\$ 5,987,730	\$ 6,415,525	\$ 7,208,567	\$ 7,629,881	\$ 8,204,523
Business-type activities										
Earnings on investments	8,857	14,144	14,535	13,812	18,290	29,878	104,594	287,836	182,193	50,969
Miscellaneous	72,181	10,248	10,247	487,394	(88,126)	118,482	137,343	-	(3,234,836)	-
Total business-type activities	81,038	24,392	24,782	501,206	(69,836)	148,360	241,937	287,836	(3,052,643)	50,969
Total primary government	\$ 3,301,779	\$ 3,489,206	\$ 3,584,375	\$ 4,783,766	\$ 4,997,152	\$ 6,136,090	\$ 6,657,462	\$ 7,496,403	\$ 4,577,238	\$ 8,255,492
Transfers										
Governmental activities										
Business-type activities	(1,378,440)	(1,902,421)	(1,902,301)	(2,150,338)	(2,117,427)	(2,165,682)	(2,787,724)	(3,110,981)	(2,940,002)	(3,011,501)
Total Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in net position										
Governmental activities	\$ (431,237)	\$ (199,941)	\$ (3,302,474)	\$ 3,988,250	\$ (593,958)	\$ 1,203,187	\$ 1,982,430	\$ 1,945,063	\$ 3,829,971	\$ 2,369,407
Business-type activities	1,725,788	1,141,414	2,999,983	907,955	1,845,123	5,548,189	9,677,840	14,857,131	2,997,393	3,389,287
Total primary government	\$ 1,294,551	\$ 941,473	\$ (302,491)	\$ 4,896,205	\$ 1,251,165	\$ 6,751,376	\$ 11,660,270	\$ 16,802,194	\$ 6,827,364	\$ 5,758,694

Source: Annual financial statements of the City of Prineville

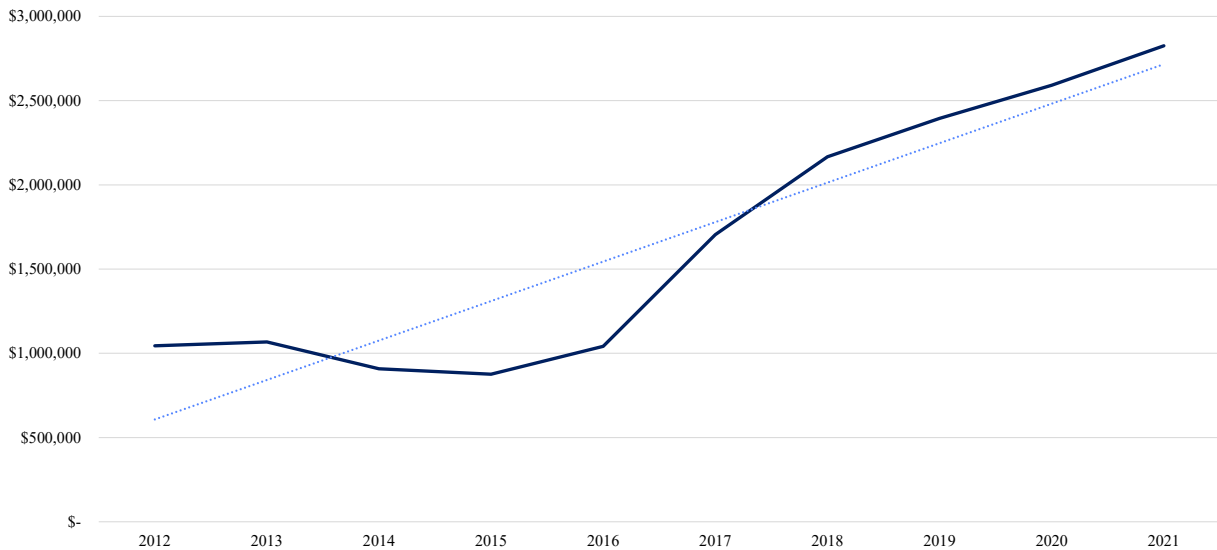
Purpose: Changes in net position is intended to provide the user with summary data to analyze changes in the activities.

City of Prineville, Oregon
Fund Balances of Governmental Funds
Unaudited (Modified Accrual Basis of Accounting)
For the Last 10 Fiscal Years

	Fiscal year ended									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,363
Restricted	105,569	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	94,069	87,672	78,380	78,021	121,280	248,158	241,205	90,723	135,505
Unassigned	938,926	973,273	820,598	797,059	963,851	1,583,740	1,918,886	2,153,326	2,500,771	2,613,538
Total General Fund	\$ 1,044,495	\$ 1,067,342	\$ 908,270	\$ 875,439	\$ 1,041,872	\$ 1,705,020	\$ 2,167,044	\$ 2,394,531	\$ 2,591,494	\$ 2,825,406
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	438,186	571,131	469,874	763,940	788,567	1,286,944	1,890,054	1,473,437	1,240,140
Committed	-	289,086	413,182	480,014	693,551	1,000,747	1,267,547	1,099,902	1,696,534	2,437,175
Assigned	921,736	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 921,736	\$ 727,272	\$ 984,313	\$ 949,888	\$ 1,457,491	\$ 1,789,314	\$ 2,554,491	\$ 2,989,956	\$ 3,169,971	\$ 3,677,315
Total all funds	\$ 1,966,231	\$ 1,794,614	\$ 1,892,583	\$ 1,825,327	\$ 2,499,363	\$ 3,494,334	\$ 4,721,535	\$ 5,384,487	\$ 5,761,465	\$ 6,502,721

Source: Annual financial statements of the City of Prineville

Changes in Fund Balance General Fund



City of Prineville, Oregon
Changes in Fund Balances of Governmental Funds
Unaudited (Modified Accrual Basis of Accounting)
For the Last 10 Fiscal Years

	Fiscal year ended									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenue										
Taxes	\$ 1,827,068	\$ 1,822,448	\$ 1,867,531	\$ 2,046,911	\$ 2,159,083	\$ 2,292,563	\$ 2,410,508	\$ 2,626,451	\$ 2,609,494	\$ 2,865,315
Intergovernmental	1,659,849	1,609,122	1,685,455	1,785,004	1,803,827	2,105,618	2,198,466	2,921,110	3,859,787	2,643,329
Franchise fees	1,117,583	1,455,369	1,703,395	1,864,413	2,085,847	2,756,972	2,913,102	3,461,496	3,592,674	4,113,149
Licenses and permits	36,613	61,201	49,121	59,926	67,301	78,617	67,960	58,875	58,279	74,954
Charges for services	64,333	117,645	173,432	425,954	584,742	715,955	527,149	571,512	567,963	773,393
System development fees	84,884	172,494	75,298	328,922	486,025	334,548	525,075	593,125	633,346	783,401
Interest	5,657	7,494	9,917	11,268	12,324	25,758	56,637	121,691	102,958	43,262
Miscellaneous	275,974	238,424	260,794	205,938	223,159	1,349,845	381,877	387,446	416,213	472,097
Total revenue	\$ 5,071,961	\$ 5,484,197	\$ 5,824,943	\$ 6,728,336	\$ 7,422,308	\$ 9,659,876	\$ 9,080,774	\$ 10,741,706	\$ 11,840,714	\$ 11,768,900
Expenditures										
General government	\$ 297,885	\$ 357,061	\$ 3,335,032	\$ 432,270	\$ 509,906	\$ 1,228,918	\$ 594,601	\$ 1,477,154	\$ 649,169	\$ 835,351
Public safety	2,844,804	2,964,532	3,057,376	3,461,452	3,505,611	3,678,555	4,731,767	4,446,384	4,827,603	4,779,857
Highways and streets	539,650	525,241	369,670	392,512	584,481	453,450	435,361	480,930	439,644	476,993
Capital outlay	571,452	501,797	791,430	967,133	541,551	992,829	838,030	1,648,661	3,383,636	2,102,369
Total general expenditures	4,253,791	4,348,631	7,553,508	5,253,367	5,141,549	6,353,752	6,599,759	8,053,129	9,300,052	8,194,570
Debt service										
Principal	\$ 156,335	\$ 155,660	\$ 174,654	\$ 224,417	\$ 240,906	\$ 1,348,405	\$ 181,736	\$ 260,153	\$ 285,287	\$ 306,298
Interest	94,935	87,485	136,152	223,417	211,988	202,624	246,635	111,017	97,979	88,076
Total debt service expenditures	251,270	243,145	310,806	447,834	452,894	1,551,029	428,371	371,170	383,266	394,374
Total expenditures	\$ 4,505,061	\$ 4,591,776	\$ 7,864,314	\$ 5,701,201	\$ 5,594,443	\$ 7,904,781	\$ 7,028,130	\$ 8,424,299	\$ 9,683,318	\$ 8,588,944
Debt service as a percentage of noncapital expenditures	6.39%	5.94%	4.39%	9.46%	8.96%	24.45%	9.50%	7.34%	8.03%	11.90%
Excess of revenues over (under) expenditures	\$ 566,900	\$ 892,421	\$ (2,039,371)	\$ 1,027,135	\$ 1,827,865	\$ 1,755,095	\$ 2,052,644	\$ 2,317,407	\$ 2,157,396	\$ 3,179,956
Other financing sources (uses)										
Proceeds - issuance of debt	\$ -	\$ -	\$ 3,208,700	\$ -	\$ -	\$ 720,000	\$ 433,000	\$ -	\$ -	\$ -
Refunding bonds issued	-	-	-	-	-	-	2,549,000	-	-	-
Payment on refunding bonds	-	-	-	-	-	-	(2,570,000)	-	-	-
Operating transfer in	269,855	647,587	941,840	671,453	652,670	719,278	1,579,796	1,640,602	1,292,280	1,648,100
Operating transfer out	(1,065,046)	(1,585,725)	(1,912,300)	(1,765,844)	(1,806,499)	(2,199,402)	(2,817,239)	(3,295,057)	(3,072,698)	(4,086,800)
Transfers to record as amount due General Fund	(75,000)	(125,900)	(100,900)	-	-	-	-	-	-	-
Total other financing sources (uses)	(870,191)	(1,064,038)	2,137,340	(1,094,391)	(1,153,829)	(760,124)	(825,443)	(1,654,455)	(1,780,418)	(2,438,700)
Net changes in fund balance	\$ (303,291)	\$ (171,617)	\$ 97,969	\$ (67,256)	\$ 674,036	\$ 994,971	\$ 1,227,201	\$ 662,952	\$ 376,978	\$ 741,256

Source: Annual financial statements of the City of Prineville

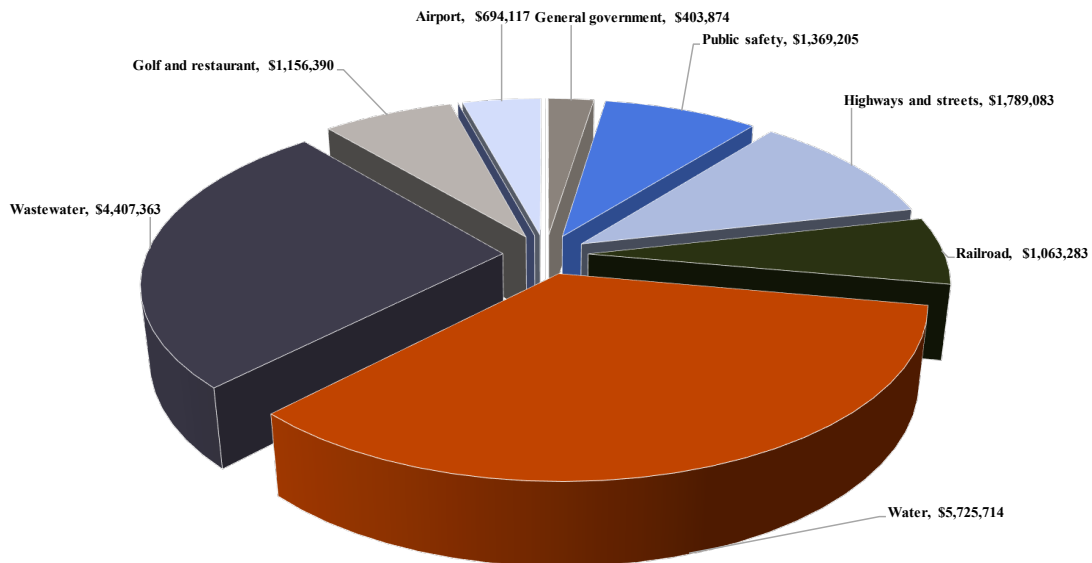
Proceeds from the issuance of debt are as follows: UAL Pension Obligation (OPERS 2014), Barnes Butte property purchase (Iron Horse Note Payable 2017) and Police Cars (Note Payable 2018).

City of Prineville, Oregon
Program Revenue by Function/Program
Unaudited (Modified Accrual Basis of Accounting)
For the Last 10 Fiscal Years

	Fiscal year ended									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
General government	\$ 526,764	\$ 575,793	\$ 693,655	\$ 165,927	\$ 203,993	\$ 224,543	\$ 113,703	\$ 123,930	\$ 73,136	\$ 403,874
Public safety	647,987	645,333	598,721	807,171	811,367	997,562	1,042,513	1,201,413	1,259,384	1,369,205
Highways and streets	1,060,317	1,081,407	1,133,238	1,221,957	1,363,242	1,299,529	1,504,901	2,195,654	3,118,543	1,789,083
Total governmental activities	\$ 2,235,068	\$ 2,302,533	\$ 2,425,614	\$ 2,195,055	\$ 2,378,602	\$ 2,521,634	\$ 2,661,117	\$ 3,520,997	\$ 4,451,063	\$ 3,562,162
Business-type activities										
Railroad	\$ 1,167,515	\$ 1,167,833	\$ 1,073,395	\$ 586,937	\$ 943,182	\$ 1,160,350	\$ 799,732	\$ 733,948	\$ 896,864	\$ 1,063,283
Water	2,128,207	2,254,944	4,438,792	2,183,160	2,781,035	2,976,606	6,689,985	8,591,461	8,900,458	5,725,714
Wastewater	4,111,336	3,500,055	3,164,476	3,208,361	4,081,021	6,268,420	9,394,751	11,770,846	3,970,477	4,407,363
Golf and restaurant	982,824	1,018,414	1,059,556	1,132,478	1,143,167	1,092,074	1,123,087	1,038,266	845,887	1,156,390
Freight depot	95,584	138,045	-	-	-	-	-	-	-	-
Airport	-	587,852	1,025,974	803,978	704,347	1,973,312	815,257	2,177,627	1,052,957	694,117
Other non-major	425,129	-	-	-	-	-	-	-	-	-
Total business-type activities	\$ 8,910,595	\$ 8,667,143	\$ 10,762,193	\$ 7,914,914	\$ 9,652,752	\$ 13,470,762	\$ 18,822,812	\$ 24,312,148	\$ 15,666,643	\$ 13,046,867
Total primary government	\$ 11,145,663	\$ 10,969,676	\$ 13,187,807	\$ 10,109,969	\$ 12,031,354	\$ 15,992,396	\$ 21,483,929	\$ 27,833,145	\$ 20,117,706	\$ 16,609,029

Source: Annual financial statements of the City of Prineville
 FY 09 - The Freight Depot was built, but it became part of the Railroad in 2014.
 FY 07 through FY 12 - Prineville-Crook County Airport was managed and operated by the County.

Program Revenues by Function / Program for FY 21



City of Prineville, Oregon
Governmental Activities Tax Revenue by Source
Unaudited (Modified Accrual Basis of Accounting)
For the Last 10 Fiscal Years

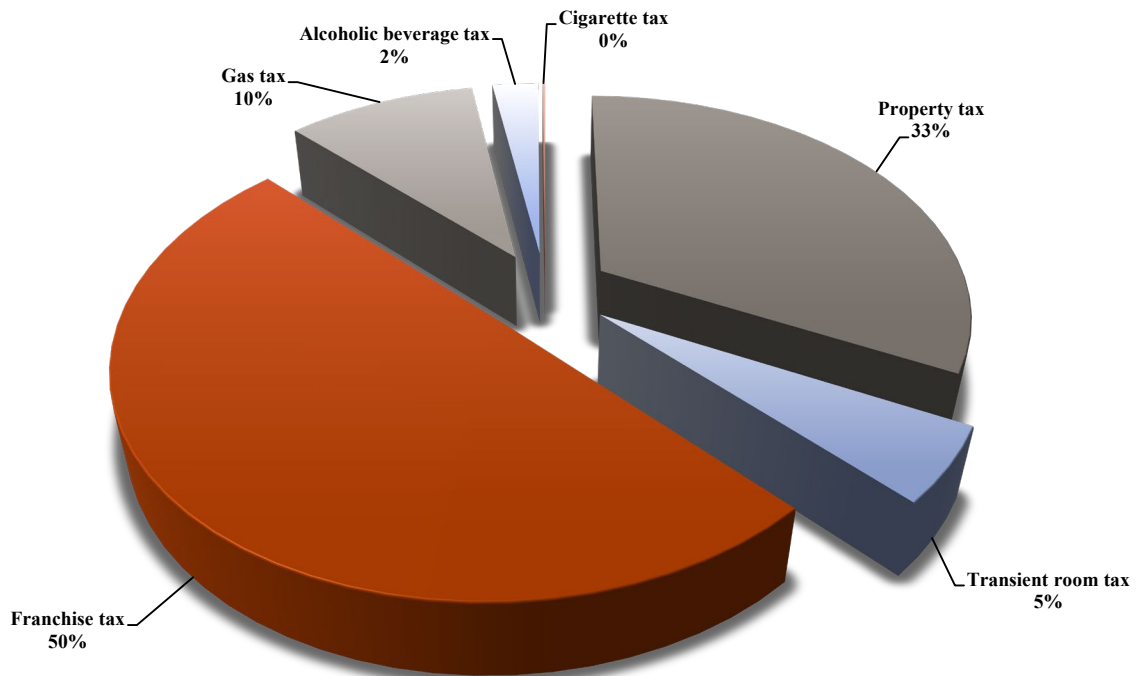
Fiscal year	Property tax	Transient room tax	Franchise tax	Gas tax	Alcoholic beverage tax	Cigarette tax	Total
2012	\$ 1,614,099	\$ 179,945	\$ 1,117,583	\$ 499,368	\$ 118,226	\$ 13,525	\$ 3,542,746
2013	1,615,461	206,988	1,234,268	500,897	123,257	13,146	\$ 3,694,017
2014	1,676,516	191,015	1,703,395	529,069	129,692	12,457	\$ 4,242,144
2015	1,793,737	253,174	1,864,413	539,215	134,370	12,449	\$ 4,597,357
2016	1,843,406	315,677	2,085,847	557,424	135,430	12,430	\$ 4,950,215
2017	1,963,049	329,514	2,479,972	572,260	146,868	12,132	\$ 5,503,796
2018	2,071,555	339,003	2,740,102	624,833	156,046	12,033	\$ 5,943,572
2019	2,194,108	432,343	3,031,496	721,924	165,904	11,432	\$ 6,557,206
2020	2,297,494	312,000	3,265,674	686,113	180,434	10,999	\$ 6,752,713
2021	2,465,279	400,036	3,775,149	758,319	184,786	9,860	\$ 7,593,430

Source: Annual financial statements of the City of Prineville.

Gas, alcohol, and cigarette taxes are not directly assessed by the City of Prineville, but rather by the State of Oregon. A portion is then allocated to the City based upon population.

In FY 12 and 17, the electrical franchise fees generated from the new data centers began making a significant impact.

FY 21 Governmental Activities Tax Revenues by Source



City of Prineville, Oregon
Assessed Value and Actual Value of Taxable Property
Unaudited
For the Last 10 Fiscal Years

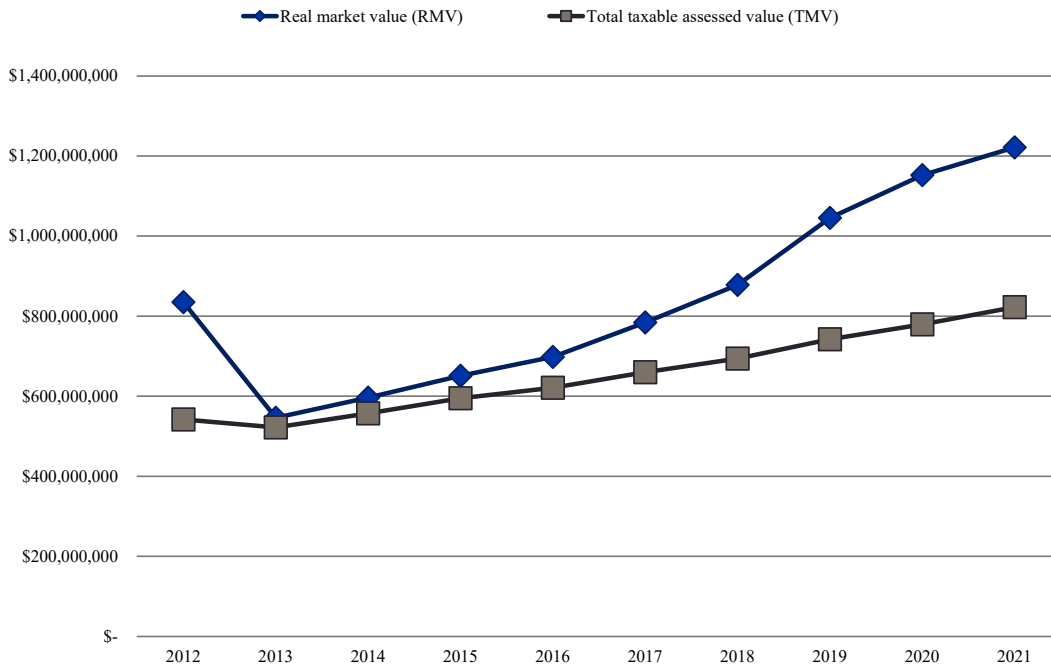
Fiscal year	Real property	Personal property	Manufactured property	Utility property	Total taxable assessed value (TMV)	Total direct tax rate	Real market value (RMV)	Assessed value as a % of real market value (RMV)
2012	\$ -	\$ -	\$ -	\$ -	\$ 541,814,851	3.0225	\$ 835,246,297	64.869%
2013	-	-	-	-	522,014,110	3.0225	546,110,980	95.588%
2014	518,961,634	21,252,864	2,553,230	14,563,600	557,331,328	3.0225	596,659,061	93.409%
2015	552,573,421	21,488,831	2,999,145	17,852,000	594,913,397	3.0225	651,077,035	91.374%
2016	573,856,718	22,761,299	2,983,543	21,811,200	621,412,760	3.0225	698,143,446	89.009%
2017	609,351,601	25,730,561	3,669,789	20,968,800	659,720,751	3.0225	784,464,701	84.098%
2018	641,938,478	25,452,991	4,036,980	22,496,618	693,925,067	3.0225	877,909,589	79.043%
2019	686,225,060	27,945,603	5,116,303	23,106,200	742,393,166	3.0225	1,045,480,783	71.010%
2020	716,274,861	35,215,826	5,151,601	22,691,100	779,333,388	3.0225	1,152,433,106	67.625%
2021	753,435,303	33,579,676	5,601,395	29,856,100	822,472,474	3.0225	1,221,416,506	67.338%

Source: Crook County Assessor. Breakdown in property type from 2006 through 2013 is not available specific to the City.

The cost associated with breaking down the past information is not feasible. The assessor began breaking it down in 2014.

Note: The City's permanent tax rate is \$3.0225 per \$1,000 of assessed value.

The debt service levy is set annually in the amount required to fulfill debt obligations and is the difference between the total direct tax rate and the permanent tax rate. The City did not have an additional tax levy in FY 12 through FY 21.



City of Prineville, Oregon
Property Tax Rates – Direct and Overlapping Governments
Unaudited
For the Last 10 Fiscal Years

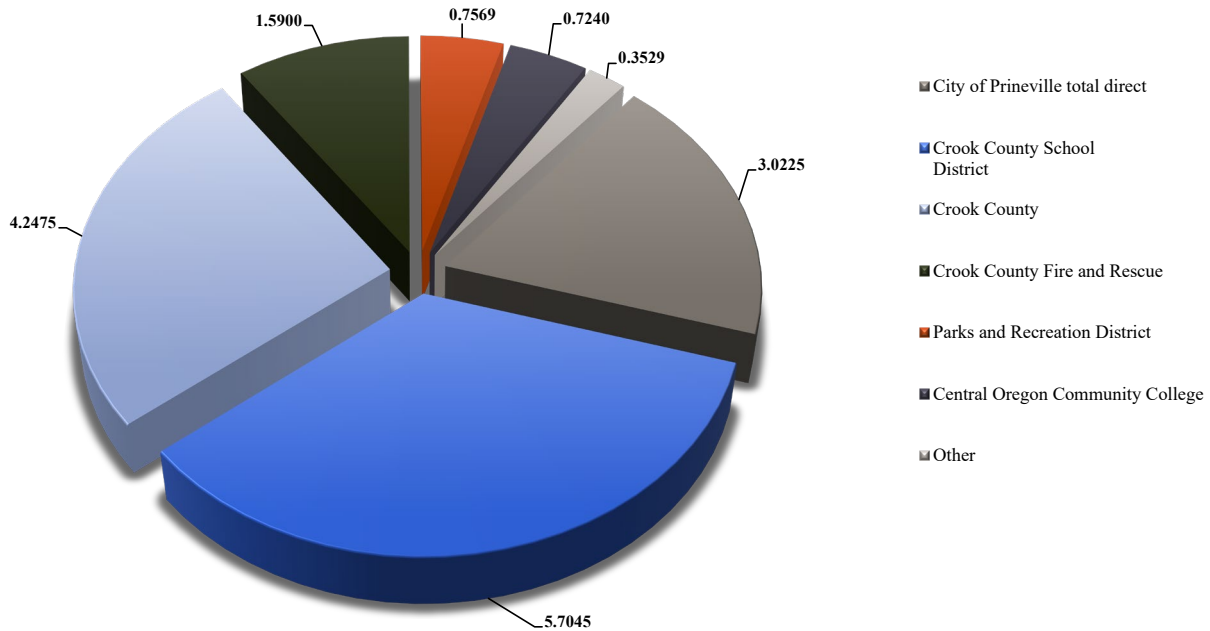
Fiscal year	City direct rates			Overlapping rates (b)						Total direct and overlapping rate
	Permanent tax rate	Bond debt tax rate(a)	City of Prineville total direct	Crook County School District	Crook County	Crook County Fire and Rescue	Parks and Recreation District	Central Oregon Community College	Other	
2012	3.0225	0.0000	3.0225	5.8189	4.0088	1.5900	0.7569	0.7496	0.5879	16.5346
2013	3.0225	0.0000	3.0225	5.7059	4.0701	1.5900	0.7569	0.7539	0.5279	16.4272
2014	3.0225	0.0000	3.0225	5.7099	4.1617	1.5900	0.7569	0.7463	0.5495	16.5368
2015	3.0225	0.0000	3.0225	5.3817	4.5263	1.5900	0.7569	0.7400	0.6226	16.6400
2016	3.0225	0.0000	3.0225	5.5606	4.7052	1.5900	0.7569	0.7376	0.5754	16.9482
2017	3.0225	0.0000	3.0225	5.7504	4.1320	1.5900	0.7569	0.7425	0.3485	16.3428
2018	3.0225	0.0000	3.0225	5.7262	4.3765	1.5900	0.7569	0.7410	0.3769	16.5900
2019	3.0225	0.0000	3.0225	5.6630	4.2692	1.5900	0.7569	0.7318	0.3500	16.3834
2020	3.0225	0.0000	3.0225	5.6293	4.2551	1.5900	0.7569	0.7297	0.3587	16.3422
2021	3.0225	0.0000	3.0225	5.7045	4.2475	1.5900	0.7569	0.7240	0.3529	16.3983

Source: Crook County Assessor's Office

The bonded debt service levy is set annually in the amount required to fulfill debt obligations and is the difference between the total direct tax rate and the permanent rate.

(a) Overlapping rates are those of local and county governments that apply to property owners within the City of Prineville. All of the above overlapping rates apply to the City of Prineville.

Property Tax Percentage Split by Government Type FY 21



City of Prineville, Oregon

Principal Property Taxpayers

Unaudited

Current and Nine Years Ago

Taxpayer	FY 2021			FY 2012		
	Taxable assessed value*	Rank	Percentage of total city taxable assessed value**	Taxable assessed value*	Rank	Percentage of total city taxable assessed value**
Property & Revenue Tax Manager (Pacifcorp)	\$ 70,705,000	1	8.597%	\$ 5,002,000	4	0.923%
LS Propdrop LLC (Les Schwab)	18,670,126	2	2.270%	24,735,043	1	4.565%
Les Schwab Tire Center #11				8,522,257	2	1.573%
Brasada Ranch Development LLC	18,352,960	3	2.231%			
ET 101 LLC (formally Contact Industries)	17,099,993	4	2.079%	6,760,923	3	1.248%
FNF BV Brasada LLC	13,473,654	5	1.638%			
Lumen Technologies (formerly CenturyLink)	12,120,000	6	1.474%	3,815,700	6	0.704%
Apple Inc.	9,495,087	7	1.154%			
Vitesse LLC	7,736,787	8	0.941%			
Les Schwab Warehouse Center Inc	5,866,220	9	0.713%			
O'Ryan Ranches LLC	5,839,879	10	0.710%			
W Scott LLC				4,710,360	5	0.869%
Amity Mtn. Development LLC				3,195,860	7	0.590%
Barney Brian and Laura				2,861,958	8	0.528%
Colony Capital - Healthcare				2,798,460	9	0.516%
LS Inv Prop LLC (Les Schwab)				2,620,213	10	0.484%
Total	<u>\$ 179,359,706</u>		<u>21.807%</u>	<u>\$ 65,022,774</u>		<u>12.000%</u>
City assessed value	<u>\$ 822,472,474</u>			<u>\$ 541,841,851</u>		

Purpose: This schedule provide the user with basic information about the City's most significant revenue payers and the degree of dependence on a small number of payers.

**Taxable assessed values only include property taxes with the City of Prineville city limits and are estimates based on records provided by Crook County and research through the property assessment taxation website at <http://apps.lanecounty.org/PropertyAssessmentTaxationSearch/crook>*

***Percentage of total city taxable assessed value = taxable assessed value / city assessed value*

City of Prineville, Oregon
Property Tax Levies and Collections
Unaudited
For the Last 10 Fiscal Years

Fiscal year	Taxes levied for the fiscal year	Collected within the fiscal year of the levy		Collections in subsequent years	Total collections to date	
		Amount	Percentage of levy (a)		Amount	Percentage of levy (b)
2013	1,577,563	1,476,165	94%	68,448	1,544,613	98%
2014	1,684,361	1,593,602	95%	55,009	1,648,612	98%
2015	1,803,653	1,713,778	95%	67,263	1,781,041	99%
2016	1,880,116	1,783,248	95%	72,168	1,855,416	99%
2017	2,009,479	1,900,706	95%	74,088	1,974,794	98%
2018	2,106,576	2,006,116	95%	70,946	2,077,062	99%
2019	2,234,192	2,131,765	95%	56,709	2,188,474	98%
2020	2,358,978	2,239,654	95%	60,344	2,299,998	97%
2021	2,486,305	2,369,264	95%	-	2,369,264	95%

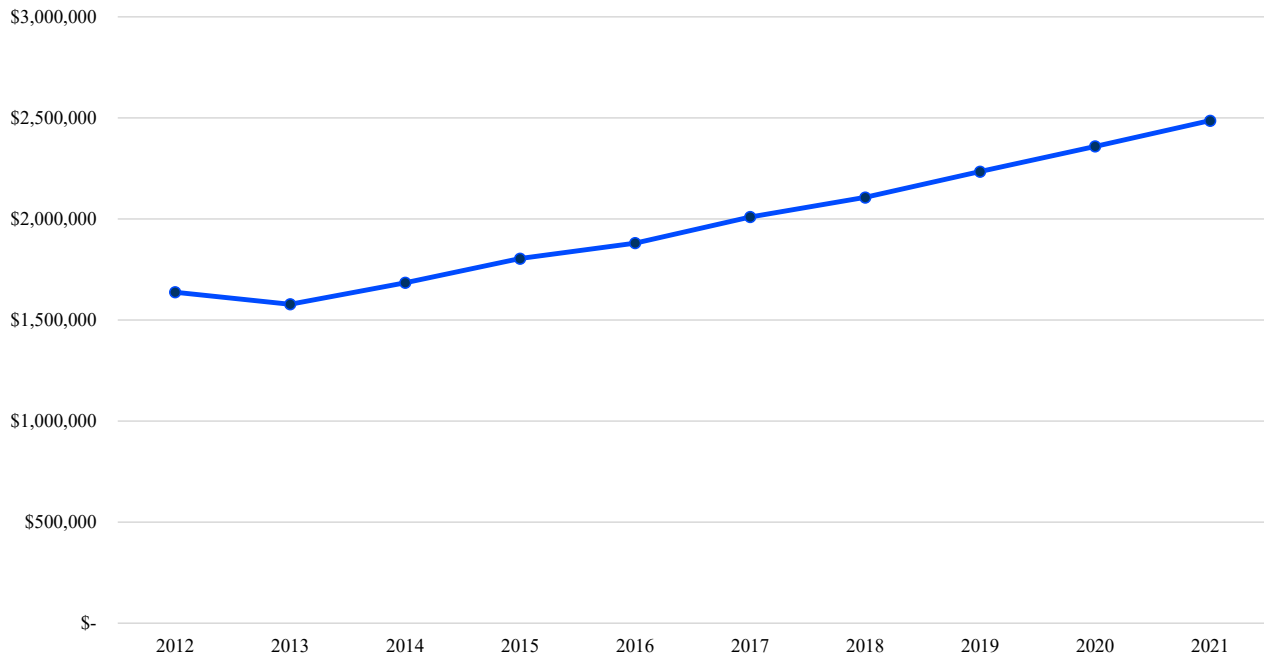
Source: Annual financial statements of the City of Prineville and Crook County Assessor

(a) Property tax levy adjustments include discounts taken plus or minus roll adjustments. Property taxpayers are granted a statutory 3% discount when taxes are paid in full by the November 15th due date.

(b) Calculated as a percentage of the current year tax levy.

Purpose: Property taxes are the City's most significant own source of revenue. This schedule provides the user with basic information concerning property tax levy and collection ratios over time.

Taxes Levied



City of Prineville, Oregon
Ratios of Outstanding Debt by Type
Unaudited
For the Last 10 Fiscal Years

Governmental activities

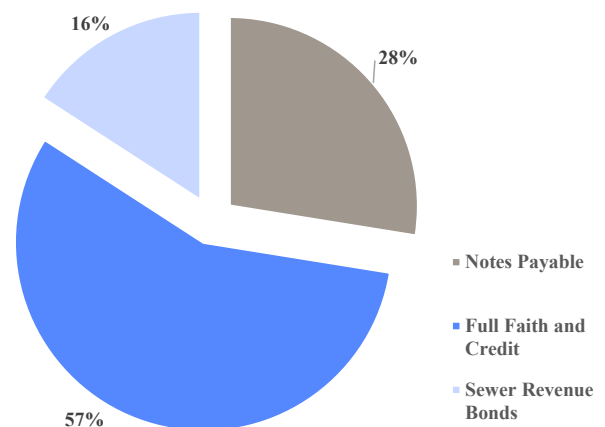
Fiscal year	General obligation bonds	Special assessment bonds	Capital leases	State agencies	Notes payable	Full faith and credit obligations	Total governmental activities
2012	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,119,090	\$ 3,119,090
2013	-	-	-	-	258,700	2,924,780	3,183,480
2014	-	-	-	-	209,007	5,709,527	5,918,534
2015	-	-	-	-	158,311	5,491,382	5,649,693
2016	-	-	-	-	129,824	5,257,078	5,386,902
2017	-	-	-	-	98,555	4,632,720	4,731,275
2018	-	-	-	-	66,508	4,775,466	4,841,974
2019	-	-	-	-	33,663	8,160,953	8,194,616
2020	-	-	-	-	-	9,977,799	9,977,799
2021	-	-	-	-	-	9,280,974	9,280,974

Business-type activities

Fiscal year	Water revenue bonds	Sewer revenue bonds	Full faith and credit obligations	State agencies	Notes payable	Capital leases	Total business-type activities
2012	\$ 545,000	\$ 6,891,860	\$ 8,215,000	\$ -	\$ 605,329	\$ -	\$ 16,257,190
2013	505,000	6,504,435	8,085,000	-	480,220	-	15,574,655
2014	465,000	6,105,534	7,915,000	-	349,860	-	14,835,394
2015	425,000	5,694,820	7,882,841	-	390,869	-	14,393,530
2016	380,000	5,271,942	7,672,589	-	228,406	-	13,552,937
2017	335,000	4,836,541	7,392,342	-	4,827,208	-	17,391,091
2018	-	4,388,244	5,315,000	-	4,857,331	-	14,560,575
2019	-	3,943,840	5,054,000	-	4,738,987	-	13,736,827
2020	-	3,886,136	4,713,000	-	4,211,116	-	12,810,252
2021	-	3,826,844	4,364,001	-	6,638,564	-	14,829,409

Total primary government

Fiscal year	Total primary government	Percentage of income	Per capita
2012	\$ 19,376,280	5.20%	\$ 2,096
2013	18,758,135	5.04%	2,024
2014	20,753,928	5.32%	2,211
2015	20,043,223	4.96%	2,119
2016	18,939,839	4.60%	1,964
2017	22,122,366	7.36%	2,228
2018	19,402,549	6.12%	1,938
2019	21,931,443	6.46%	2,146
2020	22,788,051	6.35%	2,201
2021	24,110,383	6.09%	2,184



Source: Annual financial statements of the City of Prineville

Details regarding the City's outstanding debt can be found in the Management's Discussion and Analysis, the Notes to the Financial Statements, and the Other Financial Schedules sections of the report.

City of Prineville, Oregon
Ratios of General Bonded Debt Outstanding
Unaudited
For the Last 10 Fiscal Years

Fiscal year	General bonded debt outstanding			Amounts restricted for debt service	Net general bonded debt outstanding	Assessed value	Ratio of bonded debt to assessed value	Population	General bonded debt per capita	
	Full faith and credit obligation bonds	General obligations	Limited tax improvement bonds							Total
2012	\$ 11,334,090	\$ -	\$ -	\$ 11,334,090	\$ 105,000	\$ 11,229,090	\$ 541,814,851	2.09%	9,245	\$ 1,225.97
2013	11,009,780	-	-	11,009,780	105,000	10,904,780	522,014,110	2.11%	9,270	1,187.68
2014	13,624,527	-	-	13,624,527	105,000	13,519,527	557,331,328	2.44%	9,385	1,451.73
2015	13,374,223	-	-	13,374,223	105,000	13,269,223	594,913,397	2.25%	9,385	1,425.06
2016	12,929,667	-	-	12,929,667	105,000	12,824,667	621,412,760	2.08%	9,645	1,340.56
2017	12,025,062	-	-	12,025,062	105,000	11,920,062	659,720,751	1.82%	9,928	1,211.23
2018	10,090,466	-	-	10,090,466	105,000	9,985,466	693,925,067	1.45%	10,010	1,008.04
2019	13,214,953	-	-	13,214,953	105,000	13,109,953	742,393,166	1.78%	10,220	1,293.05
2020	14,690,799	-	-	14,690,799	105,000	14,585,799	779,333,388	1.89%	10,335	1,421.46
2021	13,644,975	-	-	13,644,975	105,000	13,539,975	<u>\$ 822,472,474</u>	1.66%	11,042	1,235.73

City of Prineville, Oregon

Direct and Overlapping Debt

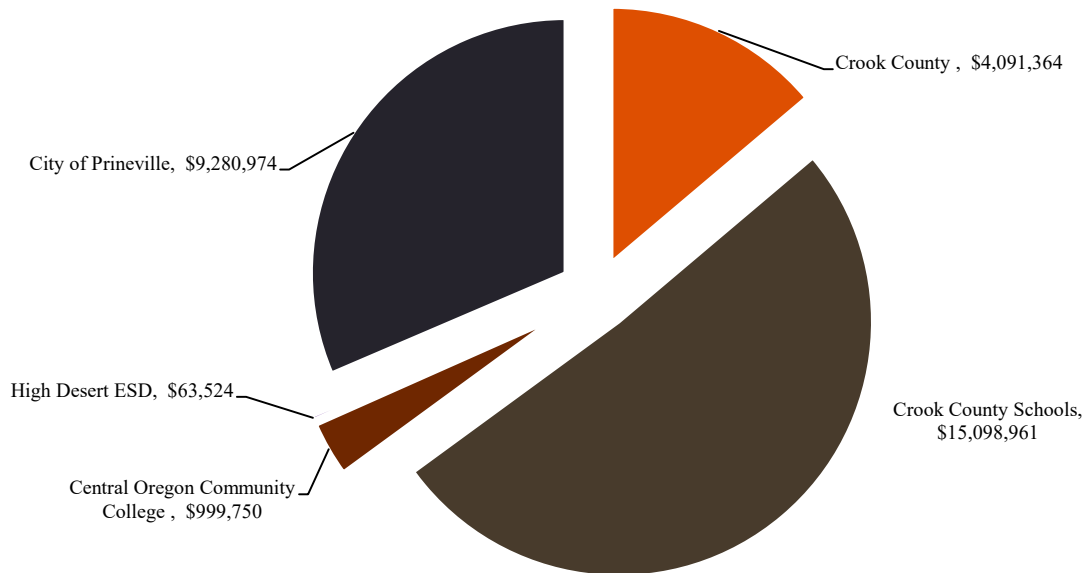
Unaudited

As of June 30, 2021

Governmental unit	Overlapping district real market value	Tax-supported debt outstanding	Estimated percentage applicable	Estimated share of overlapping debt
Debt repaid with property taxes				
Crook County	\$ 3,944,663,261	\$ 13,215,000	30.96%	\$ 4,091,364
Crook County Schools	3,974,878,642	49,134,269	30.73%	15,098,961
Central Oregon Community College	56,815,699,819	46,500,000	2.15%	999,750
High Desert ESD	52,606,846,247	2,738,089	2.32%	63,524
Crook County Fire and Rescue	3,707,153,120	630,000	32.95%	207,585
Subtotal Overlapping Debt	\$ 121,049,241,089	\$ 112,217,358		20,461,184
Direct debt outstanding:				
City of Prineville	1,221,416,506	9,280,974	100.00%	9,280,974
Total direct and overlapping debt				\$ 29,742,158

Source: Oregon State Treasury Overlapping Debt report for the City of Prineville as of June 30, 2021 and annual financial statements from the City of Prineville

Direct and Overlapping Debt Applicable to the City of Prineville



City of Prineville, Oregon
Legal Debt Margin Information
Unaudited
For the Last 10 Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 25,057,389	\$ 16,383,329	\$ 17,899,772	\$ 19,532,311	\$ 20,944,303	\$ 23,533,941	\$ 26,337,288	\$ 31,364,423	\$ 34,572,993	\$ 36,642,495
Total net debt applicable to limit	-	-	2,889,882	2,695,000	3,993,207	3,409,649	4,610,167	4,569,069	22,683,049	6,533,564
Debt margin	\$ 25,057,389	\$ 16,383,329	\$ 15,009,890	\$ 16,837,311	\$ 16,951,096	\$ 20,124,292	\$ 21,727,121	\$ 26,795,354	\$ 11,889,944	\$ 30,108,931
Total net debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	16.1%	13.8%	19.1%	14.5%	17.5%	14.6%	65.6%	17.8%

Legal Debt Margin Calculation for Fiscal Year 2021

Total real market value of real estate within Prineville	\$1,221,416,506
Debt limitation - 3% of total real market value	<u>3.0%</u>
Legal debt limit	<u>\$ 36,642,495</u>
Amount of debt applicable to debt limit	\$ 24,110,383
Less debt excluded from debt limit:	
Full faith and credit obligations	\$ (13,644,975)
Revenue bonds	<u>\$ (3,826,844)</u>
Total general obligation bonded debt	\$ 6,638,564
Less: amount held for repayment of principal	<u>\$ (105,000)</u>
Net amount of debt applicable to debt limit	<u>\$ 6,533,564</u>
Legal debt margin	<u>\$ 30,108,931</u>

- (1) Oregon Revised Statutes (ORS) 287A.050 states: "Unless a lesser limitation upon the issuance of bonds has otherwise been provided by law or charter, no city shall issue or have outstanding at any one time bonds in excess of three percent of real market value of all taxable property within its boundaries, computed in accordance with ORS 308.207, after deducting for outstanding bonds such cash funds and sinking funds as are applicable to the payment of principal thereof."
- (2) Oregon Revised Statutes (ORS) 287A.001(3) states: "Bonds" means (a) a contractual undertaking or instrument of a public body to repay borrowed moneys; (b) does not mean a credit enhancement device.

City of Prineville, Oregon

Pledged Revenue Coverage

Unaudited

For the Last 10 Fiscal Years

Fiscal year ended June 30,	Gross revenues	Less direct operating expenses	Net revenue available for debt service	Debt service requirements			Coverage
				Principal	Interest	Total	
Wastewater							
2012	\$ 3,725,711	\$ 2,111,931	\$ 1,613,780	\$ 407,426	\$ 407,188	\$ 814,614	1.98
2013	3,269,055	2,068,006	1,201,049	407,500	407,200	814,700	1.47
2014	3,164,486	1,518,412	1,646,074	458,900	395,314	854,214	1.93
2015	3,208,361	1,663,175	1,545,186	490,714	385,642	876,356	1.76
2016	3,952,199	1,731,903	2,220,296	507,878	358,767	866,645	2.56
2017	5,850,679	1,938,683	3,911,996	560,401	352,063	912,464	4.29
2018	9,251,289	2,035,973	7,215,316	6,709,395	380,877	7,090,272	1.02
2019	11,757,992	2,327,502	9,430,490	656,516	313,514	970,030	9.72
2020	3,823,007	2,639,268	1,183,739	719,100	290,572	1,009,672	1.17
2021	4,126,595	2,749,272	1,377,323	739,336	270,253	1,009,589	1.36

Source: Annual financial statements of the City of Prineville

Fiscal year ended June 30,	Gross revenues	Direct operating expenses	Net revenue available for debt service	Debt service requirements			Coverage
				Principal	Interest	Total	
Water							
2012	\$ 1,756,619	\$ 1,268,119	\$ 488,500	\$ 35,000	\$ 138,525	\$ 173,525	2.82
2013	1,833,269	1,339,991	493,278	140,000	139,241	279,241	1.77
2014	2,001,548	1,262,506	739,042	140,000	135,541	275,541	2.68
2015	2,183,160	1,423,363	759,797	140,000	135,541	275,541	2.76
2016	2,554,213	1,491,150	1,063,063	150,000	124,243	274,243	3.88
2017	2,597,543	1,645,144	952,399	160,000	118,676	278,676	3.42
2018	6,537,222	1,672,498	4,864,724	500,408	87,862	588,270	8.27
2019	8,522,709	2,367,439	6,155,270	101,990	60,818	162,808	37.81
2020	8,796,006	1,958,414	6,837,592	136,602	57,614	194,215	35.21
2021	3,547,702	2,231,162	1,316,540	140,293	53,958	194,251	6.78

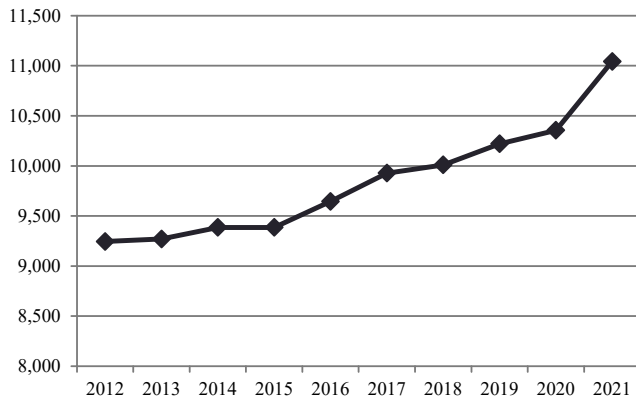
Source: Annual financial statements of the City of Prineville

City of Prineville, Oregon
 Demographic and Economic Statistics
Unaudited
 For the Last 10 Fiscal Years

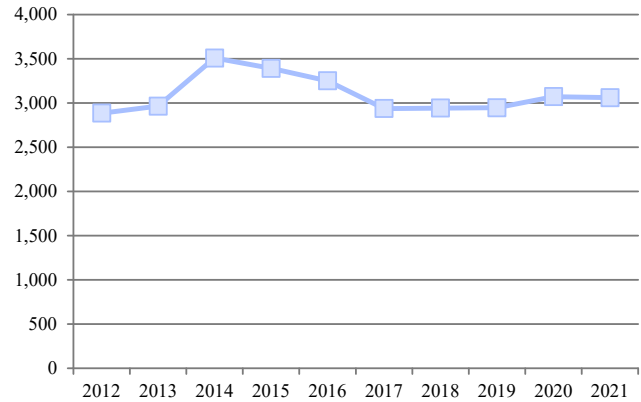
Fiscal year	Population	Total RMV	Median household income	School enrollment	Unemployment rate
2012	9,245	\$ 835,246,297	\$ 30,628	2,885	14.10%
2013	9,270	546,110,980	29,959	2,964	12.60%
2014	9,385	596,659,061	29,249	3,508	8.40%
2015	9,385	651,077,035	30,291	3,391	8.20%
2016	9,645	698,143,446	31,669	3,250	7.10%
2017	9,928	784,464,701	30,291	2,936	5.50%
2018	10,010	877,909,589	31,669	2,942	5.40%
2019	10,220	1,045,480,783	33,195	2,946	4.00%
2020	10,355	1,152,433,106	34,630	3,071	13.30%
2021	11,042	1,221,416,506	35,871	3,060	7.40%

Source: Crook County Assessor, Economic Development of Central Oregon, Portland State University Population Research Center, State of Oregon Department of Education, State of Oregon Employment Department and the United States Census Bureau

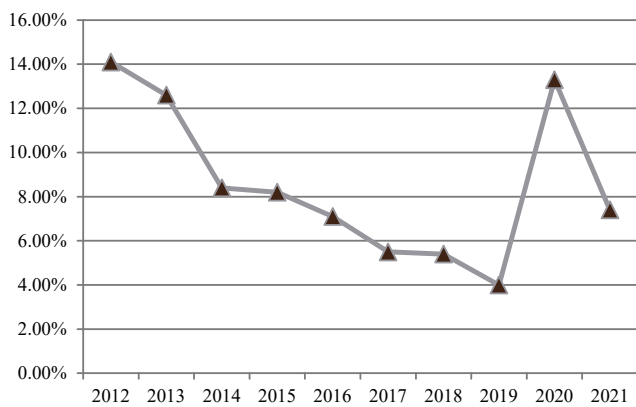
Population Statistics



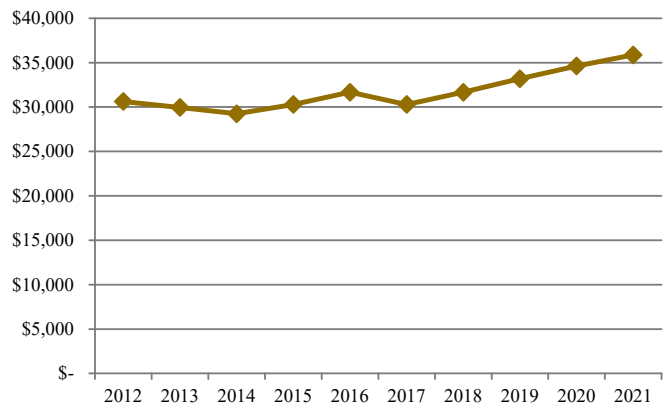
School Enrollment



Unemployment Rate Statistics



Median Household Income



City of Prineville, Oregon

Principal Employers

Unaudited

Current and Nine Years Ago

Employer	2021			2012		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Les Schwab Prineville Operations	436	1	8.99%	494	1	*
Crook County School District	395	2	8.14%	341	2	*
Facebook	350	3	7.22%			
Rosendin Electric Inc.	317	4	6.54%			
Brasada Ranch	250	5	5.15%			
Crook County	223	6	4.60%	140	10	*
St. Charles Health System	223	7	4.60%			
Endura Products (formerly Contact Industries)	200	8	4.12%	200	6	*
Ochoco National Forest	191	9	3.94%	180	7	*
Bureau of Land Management	164	10	3.38%	155	9	*
Central Oregon Trucking				215	3	*
Pioneer Memorial Hospital				201	4	*
Mid Oregon Personnel				200	5	*
Woodgrain Millwork				170	8	*
Total	<u>2,749</u>		<u>56.68%</u>	<u>2,296</u>		<u>*</u>

Source: Economic Development of Central Oregon

**Information not available*

City of Prineville, Oregon
 Full-time Equivalent City Government Employees by Function
Unaudited
 For the Last 10 Fiscal Years

Function / Program	Fiscal year ended									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public safety										
Police	18.41	18.16	18.73	18.73	19.07	19.41	19.41	21.41	21.16	22.70
Dispatch	9.33	9.08	9.08	9.08	10.40	11.06	10.75	10.75	10.84	11.30
Planning	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Public works										
Streets	2.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Water	4.00	-	-	-	-	-	-	-	-	-
Sewer	3.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00
PW administration	5.25	10.25	10.25	10.25	12.00	12.00	12.00	13.00	14.00	14.00
Railroad	3.00	3.00	2.00	3.00	3.00	3.00	4.00	3.00	4.00	4.00
Freight depot	1.00	1.00	1.00	-	-	-	-	-	-	-
Airport	1.00	1.00	1.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00
Golf	6.00	6.00	6.00	7.00	7.00	5.00	5.00	5.00	3.00	3.00
General government										
Administration	11.00	11.00	11.50	11.50	11.50	12.00	12.00	11.00	12.00	13.00
Total FTEs	66.49	65.49	65.56	67.56	69.97	69.47	70.16	70.16	71.00	74.00
City Population	9,245	9,270	9,385	9,385	9,645	9,928	10,010	10,220	10,355	11,042
FTEs per 1,000 of Population	0.0072	0.0071	0.0070	0.0072	0.0073	0.0070	0.0070	0.0069	0.0069	0.0067

Source: City of Prineville's Finance department and EDCO website (<https://edcoinfo.com/communities/prineville/>)

FY 12 - The City took over management of the Prineville / Crook County Airport. Prior to this it did not have staff.

FY 13 - Utility workers non-specific to a certain PW department were moved to PW administration in order to track time more efficiently.

FY 17 - The golf course did an employee restructuring.

City of Prineville, Oregon
Operating Indicators by Function
Unaudited
For the Last 10 Fiscal Years

Function / Program	Fiscal year ended									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
Public safety*										
Seatbelt	50	15	23	11	4	8	11	29	31	30
Speeding	42	40	33	17	26	20	36	13	10	16
Motor vehicle accidents/accidents	207	241	270	203	186	162	126	49	205	248
Community development										
Residential applications	25	34	51	54	76	134	119	129	109	138
Commercial applications	26	40	34	44	27	43	33	33	18	31
SDC fees collected	\$ 614,827	\$ 360,041	\$ 254,850	\$ 592,466	\$ 843,658	\$ 652,333	\$ 8,679,175	\$ 11,439,765	\$ 6,556,939	\$ 2,863,827
Business-type activities:										
Water										
Service connections	3,469	3,470	3,504	3,506	3,556	3,665	3,758	3,806	3,947	4,069
Average monthly consumption (units)	47,860	52,238	51,977	54,211	65,674	58,807	61,044	64,523	63,576	77,760
Water rates	\$ 14.88	\$ 15.77	\$ 16.24	\$ 17.21	\$ 17.73	\$ 18.26	\$ 18.81	\$ 17.87	\$ 18.23	\$ 19.15
Sanitary sewer										
Service connections	3,591	3,592	3,592	3,615	3,653	3,718	3,791	3,863	3,878	4,019
Average daily sewage treatment	961,000	947,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Sewer rates	\$ 48.44	\$ 46.84	\$ 48.25	\$ 49.70	\$ 51.81	\$ 53.73	\$ 55.72	\$ 52.93	\$ 52.93	\$ 52.93
Golf										
Rounds of play	26,433	26,707	27,900	28,044	27,135	23,313	23,564	23,682	25,920	32,253
Pro shop sales	\$ 62,269	\$ 72,650	\$ 85,177	\$ 98,716	\$ 94,638	\$ 90,725	\$ 95,080	\$ 110,868	\$ 112,303	\$ 165,224
Railroad										
Freight revenue	\$ 271,402	\$ 278,673	\$ 212,167	\$ 236,040	\$ 339,255	\$ 336,765	\$ 306,355	\$ 261,990	\$ 262,037	\$ 274,330
Airport**										
Fuel sales	\$ 293,684	\$ 455,949	\$ 566,868	\$ 507,296	\$ 519,490	\$ 427,078	\$ 403,692	\$ 488,283	\$ 313,846	\$ 468,630

Source: City of Prineville Finance Department, City of Prineville Planning Department and City of Prineville Police Department
These are estimated statistics based upon the best historic information available.

*Public Safety records are based on a calendar year. Year-to-date information showing for 2021 as of November 2021.

**The Airport is a joint venture between the City and Crook County. The operating responsibilities were given to the City in September 2011.

City of Prineville, Oregon
Capital Asset Statistics by Activity
Unaudited
For the Last 10 Fiscal Years

Activities	Fiscal year ended									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Station	1	1	1	1	1	1	1	1	1	1
Patrol vehicles	11	12	15	15	15	17	23	20	20	20
Streets										
Street (center lane miles)	55.6	55.6	56.9	56.9	56.9	56.9	57.7	57.7	57.7	57.7
Sidewalks	30.0	30.0	31.5	33.4	35.8	35.8	36.6	36.6	36.6	36.6
Water										
Lineal miles of system	42	43	43	48	48	48	48	48	48	48
Treatment capacity (MGD)	4.5	4.50	4.50	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Sewer										
Lineal miles of system	39	40	44	44	44	44	44	44	48	48
Treatment capacity (MGD)	1.67	1.67	1.67	1.67	1.67	1.67	2.37	2.37	2.37	2.37
Railroad										
Diesel locomotives	3	3	4	4	4	4	4	4	4	4
Steam locomotives**	1	1	1	1	1	1	1	1	1	1
Cars	9	9	9	8	8	8	8	8	8	8
Main track (miles)	18.01	18.01	18.01	18.01	18.01	18.01	18.01	18.01	18.01	18.01
Yard track (miles)	2.46	2.46	2.46	2.46	2.46	2.46	2.46	2.46	2.46	2.46
Industrial track (miles)	2.18	2.45	2.45	2.45	2.45	2.45	2.45	2.45	2.45	2.45
Transload facilities***	1	2	2	2	2	2	2	2	2	2
Public team track (acres)	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45
Airport****										
Runways	2	2	2	2	2	2	2	2	2	2
Terminal	1	1	1	1	1	1	1	1	1	1
Golf										
Club house	1	1	1	1	1	1	1	1	1	1
18 hole course	1	1	1	1	1	1	1	1	1	1

Source: Capital asset information provided by City of Prineville department heads.

**The Mount Emily Shay #1 Steam Powered Locomotive has been operated by the City of Prineville Railway since 1994, but is owned by the Oregon Historical Society.

***The construction of a second transload facility was completed in FY 13 at the Prineville Junction.

****The Prineville / Crook County Airport is a joint venture between the City and the County where the capital assets are owned by the County and the City currently manages the operations. From 1998 to 2011, the Airport was governed by a five member commission created in an agreement between the City and County.

Compliance Section

Independent Auditors' Report Required by State of Oregon Regulations



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City of Prineville, Oregon

Independent Auditors' Report Required by State of Oregon Regulations

Year Ended June 30, 2021



PAULY, ROGERS, AND Co., P.C.
12700 SW 72nd Ave. ♦ Tigard, OR 97223
(503) 620-2632 ♦ (503) 684-7523 FAX
www.paulyrogersandcocpas.com

December 13, 2021

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the City of Prineville as of and for the year ended June 30, 2021, and have issued our report thereon dated December 13, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the City of Prineville' 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 of Prineville was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control

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

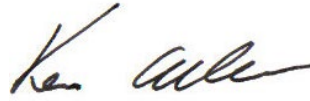
City of Prineville, Oregon

Independent Auditors' Report Required by State of Oregon Regulations

Year Ended June 30, 2021

Independent Auditors' Report Required by Oregon State Regulations

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



Kenneth Allen, CPA

Municipal Auditor

PAULY, ROGERS AND CO., P.C.



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