

Lane County, Oregon

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

FOR THE YEAR ENDED JUNE 30, 2022

**SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon**

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

FOR THE YEAR ENDED JUNE 30, 2022

**BOARD OF DIRECTORS
ELECTED OFFICIALS**

		Term Expires <u>June 30,</u>
Susy Lacer PO Box 2642 Florence, Oregon 97439	President	2025
Sandra Kuhlman 8878 Shoreline Loop Florence, Oregon 97439	Vice-President	2025
Colin Morgan PO Box 2514 Florence, Oregon 97439	Director	2025
Jane Yecny 06088 Mercer Lake Rd Florence, Oregon 97439	Director	2023
Renée LaCosse 9247 Highway 126 Mapleton, Oregon 97453	Director	2023

Library Director

Megan Spencer
1460 9th Street

Florence, Oregon 97439

The District has not designated a registered agent.

SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

FOR THE YEAR ENDED JUNE 30, 2022

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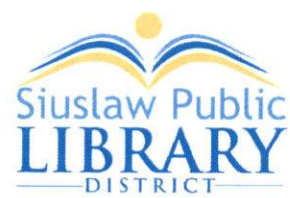
**SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon**

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

FOR THE YEAR ENDED JUNE 30, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Siuslaw Public Library District
Florence, Oregon

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining information of the Siuslaw Public Library District, Lane County, Oregon (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining information of the Siuslaw Public Library District, Lane County, Oregon (the District) as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITOR'S REPORT – continued

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

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

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

Required Supplementary Information

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

We have applied certain limited procedures to the required supplementary information (RSI) included as management's discussion and analysis, and the pension schedules presented as RSI on pages 46-47, 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 schedule on page 45 presented as Required Supplementary Information, has been subjected to the audit 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, and in our opinion is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Management has omitted Postemployment Benefits Other Than Pensions GASBS No. 75 that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

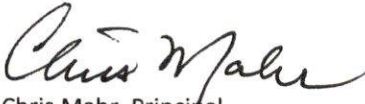
INDEPENDENT AUDITOR'S REPORT – continued

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary 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. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated January 3, 2023 on our consideration of the District's compliance with certain provisions of laws and regulations including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



Chris Mahr, Principal
Chris Mahr + Associates | CPAs

Bend, Oregon
January 3, 2023

**SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon**

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2022

This discussion and analysis is intended to provide an overview of the Siuslaw Public Library District's financial activities based on currently known facts, decisions or conditions. This analysis focuses on current year activities and should be read in conjunction with the financial statements that follow.

I. FINANCIAL HIGHLIGHTS

At the close of the 2021-22 fiscal year:

- Assets exceeded liabilities by \$2,024,836. Of this amount, \$216,291 is unrestricted.
- The District is debt free and has not had any long-term debt since fiscal year 2015-16.
- Net position decreased by \$113,245 during the fiscal year.

II. OVERVIEW OF THE FINANCIAL STATEMENTS

The following discussion and analysis is intended to serve as an introduction to the District's basic financial statements and other required supplementary information. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the financial statements themselves.

A. Reporting the District as a Whole

- The Statement of Net Position – page 12
- The Statement of Activities – page 13

The Statement of Net Position and the Statement of Activities report information that can be used to help answer the question "Is the District as a whole better off or worse as a result of the year's activities?" These statements include all assets and liabilities using the accrual basis of accounting, which is similar to accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

**SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon**

MANAGEMENT'S DISCUSSION AND ANALYSIS-continued

FOR THE YEAR ENDED JUNE 30, 2022

The District's net position represents the difference between assets, what the District owns, and liabilities, what the District owes. The Statement of Activities tracks the changes in the net position of the District. The increase/decrease in net position from year to year is one measure of the overall financial position of the District.

B. District Governmental Funds

- Governmental Funds Balance Sheet – page 14
- Statement of Revenues, Expenditures and Changes in Fund Balance – page 16

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 District has two governmental funds: the general fund and the grant fund. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Fund accounting tracks the revenues and expenditures separately in each fund. The year-end balance of each fund reflects the amount of funds available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

The governmental fund statements provide a detailed short-term view of the District's operations and the services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

C. Reconciling Fund Financial Statements to Government-Wide Financial Statements

- The Reconciliation of the Governmental Funds Balance Sheet to Statement of Net Position – page 15
- The Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities – page 17

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 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.

**SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon**

MANAGEMENT'S DISCUSSION AND ANALYSIS-continued

FOR THE YEAR ENDED JUNE 30, 2022

The Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position and the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities link the information presented regarding District governmental funds to the government-wide financial statements.

D. Comparison to Budget

The District's annual budget includes a budget for each of the funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with this budget.

- General Fund Schedule of Actual and Budgeted Transactions (with Budget to GAAP Differences) – page 45
- Library Building & Equipment Reserve Fund Schedule of Actual and Budgeted Transactions – page 51
- Grant Fund Schedule of Actual and Budgeted Transactions – page 52
- Pension Expense Reserve Fund Schedule of Actual and Budgeted Transactions – page 53

E. Additional Information

- Notes to the financial statements are provided on pages 18 through 44

The notes included in the report provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes summarize accounting policies, provide detail on capital asset activity for the year, provide additional detail on the long-term debt of the District, provide additional information on the pension plan and provide an overview of the fund structure of the District. The notes are an integral part of the financial statements and should be read in conjunction with them.

III. ANALYSIS

A. The District as a Whole

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$2,024,836 on June 30, 2022.

SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS-continued

FOR THE YEAR ENDED JUNE 30, 2022

The portion of the District's assets (64.5 percent) reflects its investment in capital assets (e.g. land, buildings, and equipment). The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The remaining assets consist mainly of cash and cash equivalents, grant receivables and property taxes receivable, which are used to meet the District's ongoing obligations to its citizens.

Siuslaw Public Library District Summary of Net Position

The District's largest liability consists of the net pension liability, which is considered long-term. Current liabilities of the District consist largely of accounts payable, accrued payroll liabilities and compensated absences.

	2022	2021
Current & other assets	\$ 954,046	\$ 1,015,409
Capital assets	1,736,407	1,805,822
Total assets	<u>2,690,453</u>	<u>2,821,231</u>
 Total deferred outflows of resources	 <u>302,409</u>	 <u>271,798</u>
 Current liabilities	 92,844	 88,228
Long-term liabilities	456,244	757,762
Total liabilities	<u>549,088</u>	<u>845,990</u>
 Total deferred inflows of resources	 <u>418,938</u>	 <u>108,958</u>
 Net position:		
Net Investment in capital assets	1,736,407	1,805,822
Restricted	72,138	77,188
Unrestricted	216,291	255,071
Total net position	<u>\$ 2,024,836</u>	<u>\$ 2,138,081</u>

Governmental Activities. Governmental activities decreased the District's net position in the current year by \$113,245. Depreciation expense in the amount of \$69,415 along with budgeted special payments to others in excess of current year donations represent the largest portions of the decrease in net position.

SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS-continued

FOR THE YEAR ENDED JUNE 30, 2022

	<u>2022</u>	<u>2021</u>
Revenues		
Program revenues		
Fines & fees	\$ 12,827	\$ 9,750
Operating grants & contributions	525,069	78,199
	<u>541,146</u>	<u>87,949</u>
General revenues		
Property taxes	1,100,785	1,055,675
Earnings (loss) on investments	(3,651)	1,375
General contributions non-program specific amounts	10,788	84,813
Miscellaneous	1,034	409
	<u>1,108,956</u>	<u>1,142,272</u>
Total revenues	<u>1,650,102</u>	<u>1,230,221</u>
Expenses		
Library services	1,763,347	1,175,875
Total expenses	<u>1,763,347</u>	<u>1,175,875</u>
Change in net position	<u>(113,245)</u>	<u>54,346</u>
Net position - beginning	<u>2,138,081</u>	<u>2,083,735</u>
Net position - ending	<u>\$ 2,024,836</u>	<u>\$ 2,138,081</u>

B. Financial Analysis of Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS-continued

FOR THE YEAR ENDED JUNE 30, 2022

At June 30, 2022 the District's governmental funds reported ending fund balances as follows:

Fund	Ending Balance 6/30/2022	Ending Balance 6/30/2021	Change
General Fund, Unassigned	\$ 646,391	\$ 707,850	\$ (61,459)
General Fund, Assigned			
Building & Equipment Reserve Fund	101,105	101,004	101
General Fund, Restricted Donations	72,138	77,188	(5,050)
General Fund, Non-spendable	25,122	22,110	3,012
Other Non-major funds			
Pension Expense Reserve, Committed	29,383	29,354	29
Total governmental fund balances	<u>\$ 874,139</u>	<u>\$ 937,506</u>	<u>\$ (63,367)</u>

Ending Fund Balance Notes:

The ending balance of the General Fund is maintained for two reasons: 1) to provide stability in library operations by providing a buffer in the event of temporary fluctuations in the projected tax revenue of the District; and 2) to reduce the need for short-term borrowing to finance library operations until tax revenue is received in November. An ending fund balance in the general fund of \$844,756 is sufficient to support library operations through the month of November.

Budgetary Highlights. Current tax revenue for the current fiscal year was greater than budget projections by \$35,630 (3.4%).

SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS-continued

FOR THE YEAR ENDED JUNE 30, 2022

C. Capital Asset, Debt Administration and Retirement Program

Capital Assets. The District's investment in capital assets includes land, buildings and improvements, furniture, fixtures and equipment. As of June 30, 2022, the District had \$1,736,407 of capital assets net of depreciation as detailed below:

Capital Assets (net of depreciation) - June 30, 2022

Land	\$ 206,836
Buildings and improvements	3,347,104
Equipment	<u>1,912,712</u>
Total capital assets	5,466,652
Accumulated depreciation	<u>(3,730,245)</u>
Total capital assets, net of depreciation	<u><u>\$ 1,736,407</u></u>

During the year, the book value of the District's capital assets decreased by \$69,415 as a result of current year depreciation in excess of current year asset additions.

Additional information on the District's capital assets can be found in Note 5 in the Notes to the Financial Statements.

Line of Credit. At the end of the current fiscal year, there was no outstanding balance on the District's line of credit obligation.

Long-term debt. The District had no long-term debt at the end of the current fiscal year.

The State of Oregon mandates a general obligation debt limit of 1.25 percent of real market value of assessed property. Thus, the District's legal debt margin of \$47,369,539 exceeds the current outstanding debt, which is zero.

PERS Pension Plan. The District participates in the State of Oregon's pension system for its public employees, PERS. It is not possible to project future PERS costs at this time, though it is more likely that the District's assigned rate will increase rather than decrease. The rate through the end of June 30, 2022 was 21.83% and is set through the end of June 2023 compared to the rate for the previous year of 21.44% of payroll for Tier 1/Tier 2 General Service Employees. Employees hired since August 2003, which now comprise the majority of the District's employees are benefited at a rate of 18.59% of payroll through the same period under the OPSRP plan compared to 16.35% for the year ended June 30, 2021. See Note 6 for further discussion of the District's pension plan.

**SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon**

MANAGEMENT'S DISCUSSION AND ANALYSIS-continued

FOR THE YEAR ENDED JUNE 30, 2022

D. Economic Factors and Next Year's Budget

The State of Oregon's "*Oregon Economic and Revenue Forecast*" published in February 2022 paints a dramatically different picture than those of 2020 and 2021, when words like "recession" were frequently invoked. This year, the Forecast outlines a boom in production coupled with high inflation.

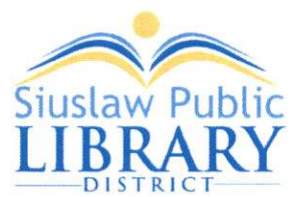
Like other Oregon employers, the Siuslaw Public Library District is not yet back to a pre-pandemic workforce. While that needs to change, it also means that the district has underspent projected budgets for several years in a row. That means a very strong carryover into the next budget year to help keep pace with strong inflation. The Siuslaw Public Library General Fund will begin the new fiscal year with, conservatively, \$575,000 in the bank to fund operations, with an approximate added \$130,000 in reserve funds

The housing market in Lane County paints an even rosier picture for the library district's annual property tax revenue. This year's March 2022 edition of the real estate trend publication "Market Action" for Lane County records a 24.7% increase from 2021 in the sales price of Siuslaw homes. Lane County's "2021-2022 Tax Time FAQs" publication further emphasizes the rise in market values across the county with the statement, "On average, residential properties are paying tax on an assessed value that is 59.6% of its market value." Last year, the same publication outlined that residents are paying tax on an assessed value of closer to 65% of real market value. With that large gap between assessed and market value, only a massive and prolonged downturn in the housing market would impact the amount realized in property taxes each year.

However, while the current library revenue projections, carryover, and reserves are all strong, there is a more long-term concern facing the library. The 3% collar on property tax year-over-year does limit the district's ability to keep up with a period of long-term inflation. Without an influx of new construction or donations, the district simply cannot keep up with rising prices and a tightening labor market over a prolonged period. If there are no signs of slowing inflation in the next 18 months, budgeting strategies will need to adjust.

IV. REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview of the Siuslaw Public Library's finances for those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Library Director at Siuslaw Public Library District, 1460 9th Street, Florence, OR 97439.



SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon

STATEMENT OF NET POSITION

JUNE 30, 2022

		Governmental Activities Total
		<u>Total</u>
ASSETS		
Pooled Cash and investments		\$ 809,714
Restricted Cash and investments		72,138
Receivables		47,072
Prepaid expenses		25,122
Capital assets		
Land	206,836	
Buildings and improvements	3,347,104	
Equipment and furniture	1,912,712	
Less accumulated depreciation	<u>(3,730,245)</u>	<u>1,736,407</u>
TOTAL ASSETS		<u>2,690,453</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension contributions after measurement date		<u>302,409</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES		<u>302,409</u>
LIABILITIES		
Accounts payable		20,570
Payroll liabilities		25,452
Accrued compensated absences payable		46,822
Net pension liability		<u>456,244</u>
TOTAL LIABILITIES		<u>549,088</u>
DEFERRED INFLOWS OF RESOURCES		
Pension investment and proportion/contribution differences		<u>418,938</u>
TOTAL DEFERRED INFLOWS OF RESOURCES		<u>418,938</u>
NET POSITION		
Net investment in capital assets		1,736,407
Restricted		72,138
Unrestricted		<u>216,291</u>
TOTAL NET POSITION		<u>\$ 2,024,836</u>

The accompanying notes are an integral part of these financial statements

SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2022

FUNCTIONS/PROGRAMS	Direct Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Culture and recreation	\$ 1,763,347	\$ 12,827	\$ 525,069	\$ 3,250	\$ (1,222,201)
Total governmental activities	<u>\$ 1,763,347</u>	<u>\$ 12,827</u>	<u>\$ 525,069</u>	<u>\$ 3,250</u>	(1,222,201)
General revenues:					
Property taxes levied for general purposes					1,100,785
Earnings (loss) on investments					(3,651)
General contributions non-program specific					10,788
Miscellaneous					<u>1,034</u>
Total general revenues					<u>1,108,956</u>
CHANGE IN NET POSITION					(113,245)
Net position - beginning					<u>2,138,081</u>
Net position - ending					<u>\$ 2,024,836</u>

The accompanying notes are an integral part of these financial statements

SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon

BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2022

	General	Non-major Fund	Total Governmental Funds
ASSETS			
Cash and investments	\$ 780,331	\$ 29,383	\$ 809,714
Restricted cash and investments	72,138		72,138
Accounts receivable	4,832		4,832
Property taxes receivable	42,240		42,240
Prepaid expenses	25,122		25,122
Total assets	<u>\$ 924,663</u>	<u>\$ 29,383</u>	<u>\$ 954,046</u>
LIABILITIES			
Accounts payable	\$ 20,570	\$	\$ 20,570
Payroll liabilities	25,452		25,452
Total liabilities	<u>46,022</u>		<u>46,022</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	33,885		33,885
Total deferred inflows of resources	<u>33,885</u>		<u>33,885</u>
FUND BALANCES			
Non-spendable	25,122		25,122
Restricted	72,138		72,138
Committed		29,383	29,383
Assigned	101,105		101,105
Unassigned	646,391		646,391
Total fund balance	<u>844,756</u>	<u>29,383</u>	<u>874,139</u>
	<u>\$ 924,663</u>	<u>\$ 29,383</u>	<u>\$ 954,046</u>

The accompanying notes are an integral part of these financial statements

SIUSLAW PUBLIC LIBRARY DISTRICT

Lane County, Oregon

RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION

JUNE 30, 2022

TOTAL FUND BALANCES		\$	874,139
Capital assets are not financial resources and therefore are not reported in the governmental funds:			
Costs	\$	5,466,652	
Accumulated depreciation		<u>(3,730,245)</u>	1,736,407
A portion of the District's property taxes are collected after year-end, but are not available soon enough to pay for the current year's operations, and therefore are not reported as revenue in the governmental funds.			33,885
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. This would include expenditures in future years related to the payment of the District's obligations for compensated absences and unfunded actuarial pension liability			
At June 30, 2021, these liabilities consist of:			
Compensated absences payable		(46,822)	
Pension liability		<u>(572,773)</u>	<u>(619,595)</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES			<u>\$ 2,024,836</u>

The accompanying notes are an integral part of these financial statements

**SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS**

YEAR ENDED JUNE 30, 2022

	General	Non-Major Fund	Total Governmental Funds
Revenues			
Property taxes	\$ 1,100,520	\$	\$ 1,100,520
Intergovernmental	3,250		3,250
Fines, licenses and fees	3,890		3,890
Investment earnings (loss)	(3,680)	29	(3,651)
Donations	513,788		513,788
Endowed funds	22,069		22,069
Miscellaneous	9,971		9,971
Totals revenues	<u>1,649,808</u>	<u>29</u>	<u>1,649,837</u>
Expenditures			
Personnel services	685,970		685,970
Materials and services	362,250		362,250
Capital outlay	31,984		31,984
Special Payments-Grants to others	633,000		633,000
Total expenditures	<u>1,713,204</u>		<u>1,713,204</u>
Revenues over (under) expenditures	(63,396)	29	(63,367)
Fund balance - beginning	<u>908,152</u>	<u>29,354</u>	<u>937,506</u>
Fund balance - ending	<u>\$ 844,756</u>	<u>\$ 29,383</u>	<u>\$ 874,139</u>

The accompanying notes are an integral part of these financial statements

SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2022

NET CHANGE IN FUND BALANCES	\$ (63,367)
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Amounts reported for governmental activities in the *Statement of Activities*
are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current year.

Expenditures for capital assets that meet capitalization policy	\$	
Less current year depreciation		
	<u>(69,415)</u>	(69,415)

Compensated absences are recognized as an expenditure in the governmental funds when they are paid. In the Statement of Activities they are recognized as an expenditure when incurred.	(2,876)
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Governmental funds report expenditures for funding employee pensions as expenditures are paid. In the Statement of Activities they are recognized as an expenditure when incurred.	22,149
--	--------

Property taxes that do not provide current financial resources are not reported as revenue in the governmental funds as they do not meet the available criteria. In the Statement of Activities property taxes are recognized as revenue when levied or earned	<u>264</u>
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CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES	<u>\$ (113,245)</u>
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The accompanying notes are an integral part of these financial statements

NOTES TO FINANCIAL STATEMENTS

SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Siuslaw Public Library District (the "District") is an Oregon municipal corporation governed by a five-member governing Board (Board), who are elected to office at large by voters within the District zone. Administrative functions are delegated to individuals who report and are responsible to the Board. The chief financial officer is the Library Director. In the tradition of the human ideal of freedom of thought and speech, the Siuslaw Public Library District strives to be a warm and inviting place of lifelong learning and human improvement, accessible to people of all ages, economic levels, and cultural backgrounds.

Accounting principles generally accepted in the United States of America require that the reporting entity include primary government, all organizations for which the primary government is financially accountable and other organizations, that by the nature and significance of their relationship with the primary government, would cause the financial statements to be incomplete or misleading if excluded. Based on these criteria, the District is considered a primary government and does not have any component unit relationships. Conversely, the District is not considered a component unit of any primary government.

Basis of accounting and presentation

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's significant accounting policies are described below.

Description of government-wide financial statements

The government-wide financial statements (the statement of net position and the statement of activities) report about the District. These statements include the governmental financial activities of the overall District. Governmental activities are financed primarily through property taxes, donations, and private grants. The District has neither business-type activities nor fiduciary-type activities. Government-wide financial statements incorporate data from the governmental funds, but eliminations have been made to minimize the double counting of internal activities.

While separate government-wide and fund financial statements are presented, they are interrelated. In the *Statement of Activities*, direct expenses are reported to reflect the cost of the District providing services reduced by the direct program revenue, which include charges for services and program specific grants. Taxes, interest and contributions that are not program specific are reported as general revenues.

SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Basis of presentation – fund financial statements

The fund financial statements provide information about the District's funds. Separate statements for each fund category are presented. The emphasis on fund financial statements is on major governmental funds, each displayed in a separate column. All remaining funds are aggregated and reported as non-major funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District has determined that the General Fund is the District's only major fund.

General Fund – The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund. Principal revenue sources include property taxes, grants and payments from intergovernmental arrangements, unrestricted donations, fines and fees, interest and other miscellaneous charges for services. Expenditures are for the general operation of the District and include, but are not limited to library staffing, media and materials purchases, certain administrative functions and debt service. General Sub-Fund account groupings are used to separate accounting for management purposes.

General Operations Fund accounts for general operating revenues, expenditures and transfers of the District. Principal revenue sources include property taxes, grants and payments from intergovernmental arrangements and unrestricted donations. Expenditures include personal services, materials and services and certain administrative functions necessary to carry out library and media services.

Library Building and Equipment Reserve Fund was created by the Board of Directors for emergency repairs to the library buildings and equipment.

In addition to the General Fund, the District reports the Grant Fund and the Pension Expense Reserve Fund as non-major funds.

The Grant Fund is considered a Special Revenue Fund. Special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trust, or major capital projects) that are legally restricted to expenditures for specified purposes. The District did not receive any grants that met the criteria to be recorded as special revenue.

During fiscal year 2019-20, the District established the Pension Expense Reserve Fund to account for the District's unfunded obligation to the Public Employee Retirement System (PERS). Resources consist of transfers from the General Fund and interest with future expenditures consisting of payments towards the PERS liability.

SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds. Proceeds from issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes associated with the current fiscal period are all susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred, all other eligibility requirements have been met and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Assets, liabilities, deferred outflows/inflows of resources and net position/fund balance

Cash and cash equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Short-term investments are stated at cost which approximates fair value. See Note 3 for detailed discussion of cash and cash equivalents.

Investments

All investments are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end. State statutes authorize the District to invest in certain types of investments. See Note 3 for detailed discussion of the District's investments.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

Capital Assets

Capital assets are recorded at original or estimated original cost. Donated capital assets are recorded at their estimated fair market value on the date donated. The District defines capital assets as assets with an initial cost of more than \$5,000 and an estimated life in excess of one year. Maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Capital assets are reported in the governmental activities column in the government-wide Statement of Net Position. Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	15 to 40 years
Equipment	5 to 10 years

Deferred outflows /inflows of resources

In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the District reports deferred outflows of resources in the Statement of Financial Position in a separate section following Assets. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports deferred outflows from pensions as deferred outflows on the statement of financial position. Deferred outflows represent plan contributions made subsequent to the measurement date of the pension liability.

SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Similarly, the Statement of Financial Position reports deferred inflows of resources in a separate section following Liabilities. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred inflows from pensions, as deferred inflows on the statement of financial position. The deferred inflows from pension are for investment differences between the liability and assets. The District also presents unavailable revenue as a deferred inflow of resources on the governmental funds balance sheet. The District reports one item: unavailable revenue from property taxes, which are deferred and recognized as an inflow of resources in the period the amount becomes available.

Net position flow assumption

Sometimes the District will 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 financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund balance flow assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). 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 the resources are considered to be applied. The District's policy is to consider restricted fund balance to have been depleted before using any components of the unrestricted fund balance. Further, when the components of the unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). The other three categories of fund balances are non-spendable, restricted and unrestricted.

SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action by the District Board. The District Board is the highest level of decision-making authority for the District that can, by adoption of an ordinance or resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance or resolution remains in place until a similar action is taken (the adoption of ordinance or resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The District Board has by resolution authorized the District's Library Director to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Non-spendable fund balance represents resources which cannot be spent due to form (such as prepaid expenses) or must be maintained intact. Restricted fund balance represents resources whose use is constrained for a specific purpose by externally imposed restrictions from grantors, creditors or those restrictions imposed by law. Unrestricted fund balances have no external, internal or resource restrictions.

Revenues and expenditures/expenses

Program revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment of the District and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than program revenues.

Property taxes

Property taxes are assessed on July 1st of the fiscal year, which begins July 1 and ends June 30. The taxes are levied and become an enforceable lien on real property on July 1. Collection dates are November 15, February 15 and May 15 following the lien date. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent, at which time subject to interest.

SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Compensated Absences

Liabilities for unused vacation and sick pay are recorded in the Statement of Net Position when vested or earned by employees. Vacation and sick pay are expenditures in the governmental fund financial statements when the amounts are liquidated with expendable available resources. Sick pay accrues up to a maximum of 960 hours. Sick leave does not vest. Vacation pay vests up to a maximum of 336 hours based on years of continuous service and position.

Pensions

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

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 and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

NOTE 2 - BUDGET COMPLIANCE

Budget basis of accounting

Annual budgets, as required by state statutes, are adopted on the modified cash basis of accounting for all governmental funds. The budget is prepared by fund, function and activity. The budget document includes actual information on the past two years, current year budget information, as well as requested appropriation and estimated revenues for the ensuing fiscal year.

The proposed budget is presented by the budget officer to the budget committee. Public meetings are held by the budget committee. The budget committee may make changes to the original document. The budget committee approves the budget document to be submitted to the governing body for the District.

Once the budget document is received by the governing body, a public hearing is held on a date as published. After the public hearing, the governing body will give consideration to matters discussed and makes amendments to the budget documents prior to adoption.

However, state statutes do not allow the governing body to increase estimated expenditures for each fund by more than ten percent. The amount of the total ad valorem taxes to be certified by the county for levy for all funds shall not exceed the amount presented by the budget committee unless the budget document is republished and another public hearing is held. The governing body is then required by state statutes to adopt the budget, make appropriations, and certify the levy of ad valorem taxes for each fund. The level of control for appropriations is exercised at the level of major expenditure category in each fund. Personal services, materials and services, capital outlay, debt service and other expenditures are the levels of control established by board resolution.

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriations ordinance. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by the governing body. All appropriations lapse at the end of the fiscal year. The District approved one resolution during the fiscal year ended June 30, 2022 to increase appropriations in the Special Payments to Others in the amount of \$503,000 as a result of a substantial bequest from an estate of a local resident of the City of Florence, Oregon.

SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

NOTE 3 - DEPOSITS AND INVESTMENTS

At June 30, 2022, cash and investments consisted of the following:

Cash on hand	\$ 65
Demand deposits with financial institutions	807,483
Cash with fiscal agent	2,166
Total cash and cash equivalents	<u>809,714</u>
Investments:	
Cash in market rate accounts	31,733
US Agency obligations	2,109
Mutual funds	38,296
	<u>72,138</u>
Total pooled cash and investments	<u>\$ 881,852</u>

Cash and investments at June 30, 2022 are reflected on the basic financial statements follows:

Pooled cash and investments	\$ 809,714
Restricted cash and investments	72,138
	<u>\$ 881,852</u>

Deposits

Custodial credit risk-deposits. In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned. The District does not have a policy for custodial credit risk for deposits. At June 30, 2022 the District held cash of \$807,483 with a bank balance of \$809,636. The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. FDIC insurance of \$250,000 applies to the deposits in each depository. Where balances continually exceed \$250,000, ORS 295 governs the collateralization of Oregon public funds and provides the statutory requirements for the Public Funds Collateralization Program. Bank depositories are required to pledge collateral against any public funds deposits in excess of deposit insurance amounts. This provides additional protection for public funds in the event of a bank loss. ORS Chapter 295 sets the specific value of the collateral, as well as the types of collateral that are acceptable.

SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

NOTE 3 - DEPOSITS AND INVESTMENTS – continued

Investments

Interest rate risk. Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the Oregon Short-term Bond Fund. The District does not have a formal adopted investment policy. As of June 30, 2021, the District's investments were held by a third party from a contribution received near year-end. Such investments will be managed in accordance with Oregon revised statutes. The following summarizes investment maturities for investments held at June 30, 2022:

<u>Maturity</u>	Fair Value at June 30, 2022	% of Carrying Amount
Less than 30 days	\$ 31,733	43.99%
Less than 1 year	115	0.16%
Less than 5 years	-	0.00%
More than 5 years	1,994	2.76%
Undeterminable *	38,296	53.09%
	<u>\$ 72,138</u>	<u>100.00%</u>

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. Oregon Revised Statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. Government Agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard and Poor's or P-1 by Moody's Commercial Paper Record, and the Local Government Investment Pool. Although the District has not adopted a formal policy regarding credit risk. The District's investment in the investments held substantially meet with the guidelines of state statutes.

The money market accounts and mutual funds held by the District are unrated. Investments held with US Agencies in the amount of \$2,109 are considered Prime (AAA, Aaa) rated.

Concentrations of Credit risk. The District maintains \$751,889 of its cash in a money market account with Oregon Pacific bank, which represents 92% of its cash and investment balance.

Fair Value Measurement

GASB Statement No. 72, Fair Value Measurement and Application, specifies a hierarchy of valuation classifications based on whether the inputs to the valuation techniques used in each valuation classification are observable or unobservable. These classifications are summarized in the three broad levels listed below:

SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

NOTE 3 - DEPOSITS AND INVESTMENTS – continued

Fair Value Measurement – continued

- Level 1 – Unadjusted quoted prices for identical instruments in active markets.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly, including 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 exchange rates, financing terms, interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risk and default rates).
- Level 3 – Valuations derived from valuation techniques in which significant inputs or significant valuation drivers are unobservable.

All of the District's investments in the amount of \$72,138 are considered Level 1 investments.

NOTE 4 - PROPERTY TAXES

The tax levy is certified by the District Board to the Lane County Assessor. The tax rate is calculated by the county assessor for each taxing district based upon the July 1 assessed valuation. The levy becomes a lien on July 1 of each year. Unpaid taxes become subject to foreclosure four years after they become a lien on the property. Collections and foreclosures are the responsibility of the county tax collector/treasurer. Uncollected property taxes are recorded on the statement of net position. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established. All property tax receivables are due from property owners within the District. Because property is subject to foreclosure for unpaid property taxes, it is the District's position that no allowance for uncollectible taxes is considered necessary.

The levy for general operations is based on a permanent rate of \$.5163 per thousand dollars of assessed valuation.

The levies, as extended on the tax rolls, are summarized as follows:

	Fund
Certification to Assessor	\$ 1,128,228
Farmland adjustments and tax roll corrections	<u>1,418</u>
Levy as extended on tax rolls	<u><u>\$ 1,129,646</u></u>

SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the District for the year ended June 30, 2022, was as follows:

	July 1, 2020	Increase	Decrease	June 30, 2021
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 206,836	\$	\$	\$ 206,836
Total capital assets not being depreciated	206,836			206,836
Capital assets being depreciated				
Buildings and improvements	3,347,104			3,347,104
Equipment	1,912,712			1,912,712
Total capital assets being depreciated	5,259,816			5,259,816
Less accumulated depreciation for:				
Buildings and improvements	(1,760,099)	(64,807)		(1,824,906)
Equipment	(1,900,731)	(4,608)		(1,905,339)
Total accumulated depreciation	(3,660,830)	(69,415)		(3,730,245)
Total capital assets being depreciated, net	1,544,294	(69,415)		1,529,571
Total capital assets, net	\$ 1,751,130	\$ (69,415)	\$	\$ 1,736,407

Depreciation expense in the amount of \$69,415 has been included as part of the District's cultural and recreational activities.

NOTE 6 - PENSION PLAN

General Information about the Pension Plan

Plan Description

Employees of the District are provided with pensions through the Oregon Public Employees Retirement System (OPERS) a cost-sharing multiple-employer defined benefit pension plan, the Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A. Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The Pension Program, established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. OPERS issues a publicly available Comprehensive Annual Financial Report and Actuarial Valuation that can be obtained at:

<http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>.

SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

NOTE 6 - PENSION PLAN – continued

Benefits Provided

1. Tier One/Tier Two Retirement Benefit (ORS Chapter 238)

Pension Benefits

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results. Monthly payments must be a minimum of \$200 per month or the member will receive a lump-sum payment of the actuarial equivalent of benefits to which he or she is entitled.

Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of Final Average Salary will be limited for all members beginning in 2021. The limit will be equal to \$197,730 in 2021 and will be indexed with inflation in later years.

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

Death Benefits

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

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

SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

NOTE 6 - PENSION PLAN – continued

Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (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 when determining the monthly benefit.

Benefit Changes After Retirement

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

2. OPSRP Defined Benefit Pension Program (OPSRP DB)

Pension Benefits

The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

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

Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2021. The limit will be equal to \$197,730 in 2021 and will be indexed with inflation in later years.

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

Death Benefits

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

SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

NOTE 6 - PENSION PLAN – continued

Disability Benefits

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

Benefit Changes After Retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and \$750 plus 0.15 percent on annual benefits above \$60,000.

3. OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits

The IAP is an individual account-based program under the PERS tax-qualified governmental plan as defined under ORS 238A.400. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

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

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.

Recordkeeping

OPERS contracts with VOYA Financial to maintain IAP participant records.

SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

NOTE 6 - PENSION PLAN – continued

Contributions

1. Employer Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2018 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2019. Effective January 1, 2020, Senate Bill 1049 required employers to pay contributions on re-employed PERS retirees' salary as if they were an active member, excluding IAP (6%) contributions. Employer contributions for the year ended June 30, 2022 were \$74,860 excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2022 were 21.83% for Tier One/Tier Two General Service Member and 18.59% for OPSRP Pension Program General Service Members.

2. Employee Contributions

Beginning January 1, 2004, all employee contributions were placed in the OPSRP Individual Account Program (IAP), a defined contribution pension plan established by the Oregon Legislature. Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set by statute at 6.0 or 7.0 percent of salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members' behalf. The IAP member accounts represent member contributions made on or after January 1, 2004, plus earnings allocations less disbursements for refunds, death benefits, and retirements.

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

SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

NOTE 6 - PENSION PLAN – continued

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

At June 30, 2022, the District reported a liability of \$456,244 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019 rolled forward to June 30, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2021, the District's proportion was .00381268 percent, which increased from its proportion of 0.00347224 measured as of June 30, 2020.

For the year ended June 30, 2022, the District's recognized pension expense of \$52,711. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 42,707	\$ -
Changes of assumptions	114,212	1,201
Net difference between projected and actual earnings on investments	-	337,754
Changes in proportion	68,859	63,588
Differences between employer contributions and proportionate share of contributions	1,156	16,395
Total (prior to post-MD contributions)	226,934	418,938
Contributions subsequent to the MD	75,475	-
Total	<u>\$ 302,409</u>	<u>\$ 418,938</u>

The District's contributions subsequent to the measurement date of \$75,475 are reported as deferred outflows of resources related to pensions will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

NOTE 6 - PENSION PLAN – continued

Year ended June 30,	
2023	\$ 37,823
2024	(35,465)
2025	(55,181)
2026	(77,734)
2027	14,028
Total	<u>\$ (116,529)</u>

Actuarial Assumptions

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

Valuation Date	December 31, 2019
Measurement Date	June 30, 2021
Experience Study Report	2018, published July 24, 2019
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.40 percent
Long-Term Expected Rate of Return	6.90 percent
Discount Rate	6.90 percent
Projected Salary Increases	3.40 percent overall payroll growth
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and grade COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision, blend based on service.
Mortality	<p>Health retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active Members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

NOTE 6 - PENSION PLAN – continued

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

Long-term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. 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/Strategy	Assumed Asset Allocation		
	Low Range	High Range	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 Portfolio	7.5%	17.5%	15.0%
Opportunity Portfolio	0.0%	5.0%	0.0%
Risk Parity	0.0%	2.5%	2.5%
Total			100.0%

SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

NOTE 6 - PENSION PLAN – continued

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Compounded Annual Return (Geometric)</u>
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds - Multistrategy	1.25%	5.11%
Hedge Fund Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	-2.50%	1.76%
Total	<u>100.00%</u>	
Assumed Inflation - Mean		2.40%

Depletion Date Projection

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

SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

NOTE 6 - PENSION PLAN – continued

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

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

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

Discount Rate

The discount rate used to measure the total pension liability was 6.9 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

SIUSLAW PUBLIC LIBRARY DISTRICT

Lane County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

NOTE 6 - PENSION PLAN – continued

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

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

	<u>1% Decrease (5.90%)</u>	<u>Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
District's proportionate share of the net pension liability (asset)	\$ 895,953	\$ 456,244	\$ 88,366

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan

As of June 30, 2022, the District had an amount payable to the pension plan of \$9,167.

Changes in Plan Provisions During the Measurement Period

A legislative change that occurred after the December 31, 2019 actuarial valuation date affected the plan provisions reflected for June 2021 financial reporting liability calculations. Senate Bill 111, enacted in June 2021, provides an increased pre-retirement death benefit for members who die on or after their early retirement age.

For GASB 67 and GASB 68, the benefits valued in the Total Pension Liability are required to be in accordance with the benefit terms legally in effect as of the relevant fiscal year-end for the plan. As a result, Senate Bill 111 was reflected in the June 30, 2021 Total Pension Liability. The increase in the Total Pension Liability resulting from Senate Bill 111, measured as of June 30, 2021, is shown in Exhibit A as the "Effect of plan changes" during the measurement period. While Senate Bill 111 also made changes to certain aspects of the System's funding and administration, the change in the death benefit provision is the only change that affects the measured Total Pension Liability. As a result, the death benefit provision is the only difference between June 30, 2020 and June 30, 2021 in the plan provisions basis used to determine the Total Pension Liability as of those two respective Measurement Dates.

SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

NOTE 6 - PENSION PLAN – continued

Changes in Plan Provisions Subsequent to Measurement Date

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

NOTE 7 - OTHER POST-EMPLOYMENT BENEFIT PLANS

There are two categories of Other Post-Employment Benefits (OPEB) valued under GASB 75: explicit employer benefits and implicit employer subsidies. Explicit employer benefits are paid from the employer to the retiree or from the employer to a benefits provider on behalf of the retiree. Implicit employer subsidies arise from offering benefits to retirees. The sum of the liability from the explicit employer benefits and implicit employer subsidies equals the total OPEB liability under GASB 75.

The District, through Oregon PERS Health Insurance Program (PHIP), offers optional medical, dental and long-term care insurance plans to eligible Tier One/Tier Two PERS and OPSRP retirees, their spouses, and dependents. Upon retirement, these insurance options become a choice available to all PERS retirees. While primarily serving the Medicare-eligible (age 65 and over) population, the PERS Health Insurance Program also offers insurance coverage options for those not yet Medicare eligible. PHIP benefits result in both explicit and implicit OPEBs.

At June 30, 2021, the District's combined explicit and implicit net OPEB liability (asset), deferred inflows and deferred outflows were not considered significant by management and were not accrued in the basic financial statements. Descriptions of the other post-employment benefits follow.

SIUSLAW PUBLIC LIBRARY DISTRICT

Lane County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

NOTE 7 - OTHER POST-EMPLOYMENT BENEFIT PLANS – continued

Explicit OPEB

The explicit other post-employment benefits result from a statutory trust fund, administered by PERS as part of the Health Insurance Program, that provides premium subsidies for eligible Tier One and Tier Two PERS retirees or surviving spouses. This trust fund is known as Retirement Health Insurance Account (RHIA) serving all qualifying PERS Medicare-eligible retirees. As a member of Oregon Public Employees Retirement System (OPERS), the District contributes to RHIA for each of its eligible employees based on a rate assessed each year by OPERS. RHIA is a cost-sharing, multiple-employer defined benefit OPEB plan. RHIA was established by ORS 238.420 and authority to establish and amend the benefit provision of RHIA reside with the Oregon Legislature. OPERS issues a publicly available financial report that includes financial statement and required supplementary information. That report may be obtained by writing Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700, or by calling (888) 320-7377, or it can be found at the following link:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2021-ACFR.pdf>

The plan pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the RHIA established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retire member in the manner provided in ORS 238.410.

The plan was closed to new entrants hire on or after August 29, 2003. 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 PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan.

Implicit OPEB

The District, through PHIP, offers an implicit employer subsidy in the form of pre-Medicare health care insurance coverage to retirees based on the gross premium rates charged to active employees. Health care premiums, priced only for retirees who on average incur higher health care claims costs than younger active employees, would be more expensive than health care premiums that are priced to cover the average costs of both actives and retirees combined.

SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

NOTE 8 - DEFERRED COMPENSATION PLAN

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code §457. The plan, available to all employees of the District, permits them to defer a portion of their salary until future years on a pre-tax basis. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or an unforeseeable emergency. The assets of the plan are held in Trust with the employer serving as trustee for the exclusive benefit of the plan participants and their beneficiaries, and the assets shall not be diverted to any other purpose. The trustee's beneficial ownership of plan assets held in trust shall be held for the further exclusive benefit of the plan participants and their beneficiaries. The District delegates the administrative and investment responsibilities to a Third-Party Administrator(s), and therefore, in accordance with GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code §457 Deferred Compensation Plans*, does not report the plan assets on the statement of net position.

NOTE 9 - LINE OF CREDIT

The District has a line of credit with Oregon Pacific Bank in the amount of \$125,000. On August 22, 2021, the revolving line of credit loan was renewed with a variable rate of 1% over the Wall Street Journal Prime Rate. The interest rate at June 30, 2022 was 5.75%. The District did not borrow on the note during the current fiscal year and there is no balance owing as of June 30, 2022.

NOTE 10 - LEASE AGREEMENTS

The District has an operating lease with Mapleton Lions Club for the Mapleton library branch facilities. Per that agreement, rent is increased or decreased annually by a percentage equal to the increase or decrease in the U.S. City Average Consumer Price Index for all items for all urban consumers. In practice, however, rent has not increased or decreased for the past five years. The maximum rent increase in a given year is 6%. For the fiscal year ending June 30, 2022, rents were paid in the amount of \$5,082.

SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

NOTE 11 - FUND BALANCES

As mentioned in Note 1, the District classifies its fund balances for major governmental funds based on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in each fund can be spent. The five classifications of fund balances are nonspendable, restricted, committed, assigned or unassigned. The District's order of spending regarding restricted and unrestricted fund balances, when both are available for expenditure is to spend the restricted fund balances first. The District's order of spending when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classification could be used is as follows: to first spend those funds in the committed fund balances, then the assigned fund balances and finally the unassigned fund balances.

Details of fund balance classifications are as follows:

	<u>General</u>	<u>PERS Reserve Fund</u>	<u>Total Governmental Funds</u>
Fund balances			
Nonspendable:			
Prepaid items	\$ 25,122	\$	\$ 25,122
Restricted:			
Donations for Children Reading	72,138		72,138
Committed:			
PERS Liabilities		29,383	29,383
Assigned:			
Building & Equipment Reserve Fund	101,105		101,105
Unassigned:			
General operations	646,391		646,391
Total fund balance	<u>\$ 844,756</u>	<u>\$ 29,383</u>	<u>\$ 874,139</u>

SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

NOTE 12 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District carries commercial insurance for risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. Insurance coverage has not changed significantly from the prior year.

NOTE 13 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 3, 2023, which is the date the financial statements were available to be issued. Management is not aware of any subsequent events that require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Variance with Final Budget Over/(Under)	Actuals		
	Original	Final		Budget Basis	Adjustments	GAAP Basis
Revenues						
Property taxes - current	\$ 1,043,897	\$ 1,043,897	\$ 35,630	\$ 1,079,527	\$ 2,203	\$ 1,081,730
Property taxes - prior	12,000	12,000	5,119	17,119	1,671	18,790
Intergovernmental			3,250	3,250		3,250
Licenses and fees	3,000	3,000	890	3,890		3,890
Donations	515,000	515,000	(1,212)	513,788		513,788
Endowed funds	17,500	17,500	4,569	22,069		22,069
Interest	3,500	3,500	(7,180)	(3,680)		(3,680)
Miscellaneous	9,600	9,600	371	9,971		9,971
Total revenues	1,604,497	1,604,497	41,437	1,645,934	3,874	1,649,808
Expenditures						
Personal services	849,770	849,770	(163,800)	685,970		685,970
Materials and services	450,977	450,977	(88,727)	362,250		362,250
Capital outlay	206,750	206,750	(174,766)	31,984		31,984
Special Payments-Grants to others	130,000	633,000		633,000		633,000
Contingency	20,000	20,000	(20,000)			
Total expenditures	1,657,497	2,160,497	(447,293)	1,713,204		1,713,204
Revenues over (under) expenditures	(53,000)	(556,000)	488,730	(67,270)	3,874	(63,396)
Fund balance - beginning	601,000	601,000	302,670	903,670	4,482	908,152
Fund balance - ending	\$ 548,000	\$ 45,000	\$ 791,400	\$ 836,400	\$ 8,356	\$ 844,756

SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY**

**State of Oregon Public Employees Retirement System (PERS)
Last 9 Fiscal Years***

Year Ending June 30,	District's proportion of the net pension liability (asset)	District's proportionate share of the net pension liability (asset)	District's covered- employee payroll	District's proportionate share of net pension liability (asset) as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.00381268%	\$ 456,244	\$ 423,066	107.84%	87.60%
2020	0.00347224%	\$ 757,762	\$ 444,507	170.47%	75.80%
2019	0.00407899%	\$ 705,568	\$ 444,463	158.75%	80.20%
2018	0.00365295%	\$ 553,374	\$ 416,253	132.94%	82.10%
2017	0.00392305%	\$ 528,829	\$ 412,438	128.22%	83.10%
2016	0.00448010%	\$ 667,750	\$ 409,451	163.08%	80.53%
2015	0.00381818%	\$ 219,219	\$ 395,986	55.36%	91.90%
2014	0.00474941%	\$ (107,656)	\$ 392,408	-27.43%	103.60%
2013	0.00474941%	\$ 242,369	\$ 385,622	62.85%	91.97%

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

* This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

Changes in Benefit Terms

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

Senate Bill 1049, signed into law in June 2019, introduced a limit on the amount of annual salary included for the calculation of benefits. Beginning in 2021, annual salary in excess of \$197,730 (as indexed in future years) will be excluded when determining member benefits. As a result, future Tier 1/Tier 2 and OPSRP benefits for certain active members are now projected to be lower than prior to the legislation. Senate Bill 1049 was reflected in the June 30, 2019 Total Pension Liability as a reduction in liability.

Senate Bill 111, enacted in June 2021, provides an increased pre-retirement death benefit for members who die on or after their early retirement age. For GASB 67 and GASB 68, the benefits valued in the Total Pension Liability are required to be in accordance with the benefit terms legally in effect as of the relevant fiscal year-end for the plan. As a result, Senate Bill 111 was reflected in the June 30, 2021 Total Pension Liability.

Changes of Assumptions

The PERS Board adopted assumption changes that were used to measure the June 30, 2016 total pension liability. The changes include the lowering of the long-term expected rate of return to 7.50 percent and lowering of the assumed inflation to 2.50 percent. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay were updated. For June 30, 2018, the long-term expected rate of return was lowered to 7.20 percent. For June 30, 2021, the long-term expected rate of return was lowered to 6.90 percent, and the inflation rate was lowered from 2.5 to 2.4 percent. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay were updated.

SIUSLAW PUBLIC LIBRARY DISTRICT

Lane County, Oregon

SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS

State of Oregon Public Employees Retirement System (PERS)

Last 9 Fiscal Years*

Year Ending June 30,	Contractually required contribution expense/(credit)	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered- employee payroll	Contributions as a percentage of its covered- employee payroll
2022	\$ 75,475	\$ 75,475	\$	\$ 460,922	16.37%
2021	\$ 81,361	\$ 81,361	\$	\$ 423,066	19.23%
2020	\$ 74,056	\$ 74,056	\$	\$ 444,507	16.66%
2019	\$ 57,360	\$ 57,360	\$	\$ 444,463	12.91%
2018	\$ 55,456	\$ 55,456	\$	\$ 416,253	13.32%
2017	\$ 41,686	\$ 41,686	\$	\$ 412,338	10.11%
2016	\$ 42,227	\$ 42,227	\$	\$ 409,451	10.31%
2015	\$ 40,535	\$ 40,535	\$	\$ 395,986	10.24%
2014	\$ 35,491	\$ 35,491	\$	\$ 392,408	9.04%

Specific notes to the schedule:

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

- * This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

General notes to the schedule:

Actuarial Assumptions and Methods Used to Set the Actuarially Determined Contributions

	December 31, 2019	December 31, 2017	December 31, 2015	December 31, 2013	December 31, 2011
Actuarial valuation	July 2021 - June 2023	July 2019 - June 2021	July 2017 - June 2019	July 2015 - June 2017	July 2013 - June 2015
Effective	Entry Age Normal				Projected Unit Credit
Actuarial cost method	Level percentage of payroll				
Amortization method	Market Value				
Asset valuation method	20 years				
Remaining amortization periods					N/A
Actuarial assumptions:					
Inflation rate	2.40 percent	2.50 percent		2.75 percent	
Projected salary increases	3.40 percent	3.50 percent			
Investment rate of return	6.90 percent	7.20 percent	7.50 percent	7.75 percent	8.00 percent

SUPPLEMENTARY INFORMATION

**COMBINING SCHEDULES OF GENERAL
FUND SUB-FUNDS**

SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon

COMBINING SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCE
GENERAL FUND SUB-FUND ACCOUNT GROUPINGS

YEAR ENDED JUNE 30, 2022

	General Operations	Building & Equipment Reserve	Total
ASSETS			
Cash and investments	\$ 679,226	\$ 101,105	\$ 780,331
Restricted cash and investments	72,138		72,138
Accounts receivable	4,832		4,832
Property taxes receivable	42,240		42,240
Prepaid expenses	25,122		25,122
Total assets	<u>\$ 823,558</u>	<u>\$ 101,105</u>	<u>\$ 924,663</u>
LIABILITIES AND FUND BALANCE			
Accounts payable	\$ 20,570	\$	\$ 20,570
Payroll liabilities	25,452		25,452
Total liabilities	<u>46,022</u>		<u>46,022</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	33,885		33,885
Total deferred inflows of resources	<u>33,885</u>		<u>33,885</u>
FUND BALANCES			
Restricted	72,138		72,138
Non-spendable	25,122		25,122
Assigned		101,105	101,105
Unassigned	646,391		646,391
Total fund balance	<u>743,651</u>	<u>101,105</u>	<u>844,756</u>
	<u>\$ 823,558</u>	<u>\$ 101,105</u>	<u>\$ 924,663</u>

SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GAAP BASIS
GENERAL FUND SUB-FUND ACCOUNT GROUPINGS**

YEAR ENDED JUNE 30, 2022

	General Operations	Building & Equipment Reserve	Total
Revenues			
Property taxes	\$ 1,100,520	\$	\$ 1,100,520
Intergovernmental	3,250		3,250
Licenses and fees	3,890		3,890
Interest	(3,781)	101	(3,680)
Donations	513,788		513,788
Endowed funds	22,069		22,069
Miscellaneous	9,971		9,971
Total revenues	<u>1,649,707</u>	<u>101</u>	<u>1,649,808</u>
Expenditures			
Current			
Personal services	685,970		685,970
Materials and services	362,250		362,250
Capital outlay	31,984		31,984
Special Payments-Grants to Others	633,000		633,000
Total expenditures	<u>1,713,204</u>		<u>1,713,204</u>
Revenues over (under) expenditures	(63,497)	101	(63,396)
Fund balance - beginning	<u>807,148</u>	<u>101,004</u>	<u>908,152</u>
Fund balance - ending	<u>\$ 743,651</u>	<u>\$ 101,105</u>	<u>\$ 844,756</u>

BUDGETARY COMPARISONS

GOVERNMENTAL FUNDS

SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon

GENERAL FUND

GENERAL OPERATIONS SUB-FUND ACCOUNT GROUP
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (with Budget to GAAP Differences)

YEAR ENDED JUNE 30, 2022

	Budget Original	Final Budget	Variance with Final Budget Over/(Under)	Actual Amounts		
				Budget Basis	Adjustments	GAAP Basis
Revenues						
Current year property taxes	\$ 1,043,897	\$ 1,043,897	\$ 35,630	\$ 1,079,527	2,203	\$ 1,081,730
Prior years' property taxes	12,000	12,000	5,119	17,119	1,671	18,790
Intergovernmental			3,250	3,250		3,250
Fines and fees	3,000	3,000	890	3,890		3,890
Interest	3,000	3,000	(6,781)	(3,781)		(3,781)
Donations	12,000	515,000	(1,212)	513,788		513,788
Endowed funds	17,500	17,500	4,569	22,069		22,069
Miscellaneous	9,600	9,600	371	9,971		9,971
Total revenues	1,100,997	1,603,997	41,836	1,645,833	3,874	1,649,707
Expenditures						
Personnel services	849,770	849,770	(163,800)	685,970		685,970
Materials and services	450,977	450,977	(88,727)	362,250		362,250
Capital outlay	105,250	105,250	(73,266)	31,984		31,984
Special Payments-Grants to Others	130,000	633,000		633,000		633,000
Contingency	20,000	20,000	(20,000)			
Total expenditures	1,555,997	2,058,997	(345,793)	1,713,204		1,713,204
Revenues over (under) expenditures	(455,000)	(455,000)	387,629	(67,371)	3,874	(63,497)
Fund balance - beginning	500,000	500,000	302,666	802,666	4,482	807,148
Fund balance - ending	\$ 45,000	\$ 45,000	\$ 690,295	\$ 735,295	\$ 8,356	\$ 743,651

**SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon**

GENERAL FUND

**BUILDING & EQUIPMENT RESERVE FUND SUB-FUND ACCOUNT GROUP
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

YEAR ENDED JUNE 30, 2022

	Original and Final Budget	Actual, Budget Basis	Variance with Final Budget Over/(Under)
Revenues			
Interest	\$ 500	\$ 101	\$ (399)
Expenditures			
Capital outlay	101,500		(101,500)
Revenues over (under) expenditures	(101,000)	101	101,101
Fund balance - beginning	101,000	101,004	4
Fund balance - ending	\$	\$ 101,105	\$ 101,105

**SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon**

GRANT FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual, Budget Basis	Variance with Final Budget Over/(Under)
Revenues				
Grant funds	\$ 15,000	\$ 15,000	\$ -	\$ (15,000)
Total revenues	15,000	15,000		(15,000)
Expenditures				
Personnel Services - Contract services	5,000	5,000		(5,000)
Materials and services	5,000	5,000		(5,000)
Capital outlay	5,000	5,000		(5,000)
Total expenditures	15,000	15,000		(15,000)
Revenues over (under) expenditures				
Fund balance - beginning				
Fund balance - ending	\$	\$	\$	\$

**SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon**

PERS EXPENSE RESERVE FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

YEAR ENDED JUNE 30, 2022

	Original and Final Budget	Actual, Budget Basis	Variance with Final Budget Over/(Under)
Revenues			
Interest	\$ 50	\$ 29	\$ (21)
Expenditures			
Personal services	29,351		(29,351)
Revenues over (under) expenditures	(29,301)	29	29,330
Fund balance - beginning	29,301	29,354	53
Fund balance - ending	<u>\$</u>	<u>\$ 29,383</u>	<u>\$ 29,383</u>

OTHER FINANCIAL INFORMATION

SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon

GENERAL OPERATIONS FUND - MANAGEMENT DETAIL
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2022

	Budget Original	Final Budget	Actual, Budget Basis	Variance with Final Budget Over/(Under)
Revenues				
Current year property taxes	\$ 1,043,897	\$ 1,043,897	\$ 1,079,527	\$ 35,630
Prior years' property taxes	12,000	12,000	17,119	5,119
Intergovernmental			3,250	3,250
Fines and fees	3,000	3,000	3,890	890
Donations	12,000	515,000	513,788	(1,212)
Endowed funds				
Endowed funds	8,000	8,000	7,816	(184)
Book endowment fund	9,500	9,500	13,077	3,577
L. Chernoff, M. Beechler, Cheronos/Keener funds			1,176	1,176
Investment earnings (loss)	3,000	3,000	(3,781)	(6,781)
Miscellaneous				
State per capita	2,600	2,600	2,718	118
Copier	2,000	2,000	1,324	(676)
E-rate	4,000	4,000	4,895	895
Other miscellaneous receipts	1,000	1,000	1,034	34
Total revenues	1,100,997	1,603,997	1,645,833	41,836
Expenditures				
Personnel services				
Library director	93,000	93,000	92,640	(360)
Assistant director	71,500	71,500	70,128	(1,372)
Librarian II	165,000	165,000	163,980	(1,020)
Librarian I	76,770	76,770	63,727	(13,043)
Library assistant	67,000	67,000	56,925	(10,075)
Substitutes	35,000	35,000	562	(34,438)
Library clerk	30,000	30,000	2,284	(27,716)
Library Aide	14,500	14,500	14,518	18
Fringe - Insurance	135,000	135,000	109,435	(25,565)
Fringe - PERS	110,000	110,000	74,860	(35,140)
Fringe - FICA	45,000	45,000	35,278	(9,722)
Worker's compensation	5,000	5,000	1,485	(3,515)
Miscellaneous	2,000	2,000	148	(1,852)
Total Personal services	849,770	849,770	685,970	(163,800)

SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon

GENERAL OPERATIONS FUND - MANAGEMENT DETAIL - continued
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2022

	<u>Budget Original</u>	<u>Final Budget</u>	<u>Actual, Budget Basis</u>	<u>Variance with Final Budget Over/(Under)</u>
Materials and services				
Library materials				
Adult books	33,500	33,500	35,800	2,300
Book Endowment Fund	12,000	12,000	18,407	6,407
Materials and shipping	300	300	168	(132)
Children's materials - ready read	3,500	3,500		(3,500)
Children's materials-print	11,500	11,500	11,721	221
Reference books	3,800	3,800	3,417	(383)
Audio-Visual materials			750	750
Periodicals	18,000	18,000	15,331	(2,669)
Electronic data base	35,000	35,000	20,728	(14,272)
Large print books	8,000	8,000	9,985	1,985
Lost/paid/ILL materials	700	700	145	(555)
Spanish language materials	500	500		(500)
Recorded books	12,000	12,000	9,147	(2,853)
Videos, DVDs and music CDs	6,877	6,877	6,866	(11)
Chernoff/Beechler/Cherones Funds	8,000	8,000		(8,000)
Music CD	500	500		(500)
Children's AV	6,000	6,000	1,264	(4,736)
Total library materials	<u>160,177</u>	<u>160,177</u>	<u>133,729</u>	<u>(26,448)</u>
Postage	6,000	6,000	4,812	(1,188)
Travel and training	8,000	8,000	8,769	769
Board expenses	1,500	1,500	171	(1,329)
Volunteer recognition	1,500	1,500	763	(737)
Staff recognition	1,200	1,200	1,880	680
Memberships and dues	6,500	6,500	4,451	(2,049)
Telecommunication services	17,500	17,500	18,459	959
Sirsi maintenance	28,500	28,500	29,048	548
OCLC fees	6,000	6,000	4,885	(1,115)
Fire suppression maintenance	2,500	2,500	1,659	(841)
Equipment lease/maintenance	2,000	2,000	849	(1,151)
Landscape maintenance	8,000	8,000	6,178	(1,822)
Building maintenance	25,000	25,000	22,618	(2,382)
Computer supplies	6,500	6,500	5,059	(1,441)
Food supplies	200	200		(200)
Office supplies	3,000	3,000	1,204	(1,796)
Printing	1,000	1,000	116	(884)
Materials processing and supplies	6,000	6,000	6,550	550
Photocopier supplies	1,500	1,500		(1,500)
Legal notices and publications	1,500	1,500	701	(799)
Utilities	33,000	33,000	25,208	(7,792)
Insurance	20,000	20,000	16,956	(3,044)
Interest on short-term borrowings	200	200		(200)
Mapleton rent	8,000	8,000	5,082	(2,918)

SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon

GENERAL OPERATIONS FUND - MANAGEMENT DETAIL - continued
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2022

	Budget Original	Final Budget	Actual, Budget Basis	Variance with Final Budget Over/(Under)
Materials and services - continued				
Mapleton utilities	500	500	99	(401)
Mapleton operations	3,000	3,000	2,383	(617)
Legal services	2,000	2,000	647	(1,353)
Election Services				
Bookkeeping	13,500	13,500	10,705	(2,795)
Audit	13,000	13,000	11,080	(1,920)
Janitorial supplies	8,000	8,000	2,039	(5,961)
Janitorial services	20,000	20,000	7,983	(12,017)
Programs, adult	4,500	4,500	2,539	(1,961)
Programs, children	6,500	6,500	4,424	(2,076)
Community relations	2,500	2,500	779	(1,721)
Covid-19 Materials and services			513	513
Other	500	500	424	(76)
Network maintenance and support	7,000	7,000	4,570	(2,430)
System development fees	3,700	3,700		(3,700)
Marketing	9,000	9,000	6,884	(2,116)
Materials & services designated by donor	1,000	1,000	7,625	6,625
Book Shelf Signage	500	500		(500)
Strategic planning			93	93
Art Display	500	500	316	(184)
Total materials and services	450,977	450,977	362,250	(88,727)
Capital Outlay				
Equipment	16,000	16,000	1,069	(14,931)
Capital outlay - other	10,000	10,000	107	(9,893)
HVAC Project	8,000	8,000		(8,000)
Parking lot	12,250	12,250	15,804	3,554
Mapleton capital	4,000	4,000		(4,000)
Computer PC-LAN	20,000	20,000	926	(19,074)
Furniture	35,000	35,000	14,078	(20,922)
Total Capital outlay	105,250	105,250	31,984	(73,266)
Special Payments				
Library Foundation Grants	130,000	633,000	633,000	
Total special payments	130,000	633,000	633,000	
Contingency	20,000	20,000		(20,000)
Total expenditures	1,555,997	2,058,997	1,713,204	(345,793)
Revenues over (under) expenditures	(455,000)	(455,000)	(67,371)	387,629
Fund balance - beginning	500,000	500,000	802,666	302,666
Fund balance - ending	\$ 45,000	\$ 45,000	\$ 735,295	\$ 690,295

SIUSLAW PUBLIC LIBRARY DISTRICT
Lane County, Oregon

SCHEDULE OF PROPERTY TAX TRANSACTIONS
GENERAL FUND

YEAR ENDED JUNE 30, 2022

<u>Tax Year</u>	<u>Beginning Balance and 2021-22 Levy</u>	<u>Adjustments</u>	<u>Net Interest (Discount)</u>	<u>Collections</u>	<u>Ending Balance</u>
2021-22	\$ 1,129,646	\$ (793)	\$ (29,841)	\$ 1,079,527	\$ 19,485
2020-21	18,179	(1,297)	478	7,204	10,156
2019-20	9,904	(385)	528	3,527	6,520
2018-19	3,908	(332)	522	2,441	1,657
2017-18	1,686	(51)	337	1,291	681
2016-17	690	(40)	106	318	438
2015-16	492	(75)	78	207	288
Prior	3,244	(7)	324	546	3,015
TOTAL	\$ 1,167,749	\$ (2,980)	\$ (27,468)	1,095,061	\$ 42,240

Miscellaneous adjustments, in-lieu payments	1,584
Adjustments for accruals	
June 30, 2022 accrual	(4,480)
June 30, 2022 accrual	
Current	2,203
Prior	6,152
	<u>\$ 1,100,520</u>
Current year's levy	\$ 1,081,730
Prior years' levies	18,790
	<u>\$ 1,100,520</u>

AUDITOR COMMENTS REQUIRED BY STATE REGULATIONS

INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATION

Board of Directors
Siuslaw Public Library District
Florence, Oregon

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Siuslaw Public Library District, Lane County, Oregon (the District), as of and for the year ended June 30, 2022, which collectively comprise District's basic financial statements and have issued our report thereon January 3, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-000 through 162-010-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

- Deposit of public funds with financial institutions (ORS Chapter 295).**
- Indebtedness limitations, restrictions and repayment.**
- Budgets legally required (ORS Chapter 294).**
- Insurance and fidelity bonds in force or required by law.**
- Programs funded from outside sources.**
- 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 District 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 162-010-000 through 162-010-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

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

OAR 162-010-0230 Internal Control

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Siuslaw Public Library District (the District) as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in internal control to be a significant deficiency:

The District has limited segregation of duties due to its small size. This is an inherent limitation that is typical for entities similar in size to Siuslaw Public Library District. A good system of internal control contemplates an adequate segregation of duties such that no one individual controls a transaction from inception to completion.

Compensating controls do exist, including two directors' signatures on all checks, monthly review of the check register, bank reconciliations and of the monthly financial statements by the Board of Directors.

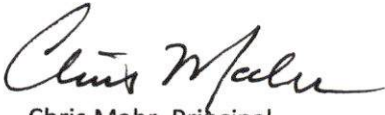
These are important controls, which help mitigate risks to the District. We recommend the District continue to maintain these compensating controls.

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

Action Plan of Management: It is management's belief that the cost of correcting this significant deficiency would exceed the benefits derived from doing so. The District will continue to use the existing mitigating controls as noted above.

The District's written response to the significant deficiency identified in our audit has not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Directors of the District, others within Siuslaw Public Library District, and the Oregon Secretary of State and is not intended to be, and should not be, used by anyone other than these specified parties.



Chris Mahr, Principal
Chris Mahr + Associates | CPAs

Bend, Oregon

January 3, 2023