



# Finance Committee Meeting Packet

May 18, 2023  
1:30 pm - 2:00 pm

Attend In Person at Two Locations:

Cascades West Albany Center, 1400 Queen Avenue SE, Albany, OR 97322

Cascade West Toledo Center, 203 N Main Street, Toledo, OR 97391

Or Attend Virtually:

[Click to Join Teams Meeting](#)

**Next Finance Committee Meeting:**  
**July 20, 2023 at 1:30 pm**

---

*The meeting locations are wheelchair accessible. If you need special assistance, please contact Oregon Cascades West Council of Governments at 541-967-8720 or [adminGA@ocwcog.org](mailto:adminGA@ocwcog.org), forty-eight (48) hours prior to the meeting.*



1400 Queen Ave SE • Suite 201 • Albany, OR 97322  
(541) 967-8720 • FAX (541) 967-6123

---

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS  
FINANCE COMMITTEE AGENDA**

**May 18, 2023  
1:30 – 2:00 pm**

Cascades West Albany Center  
1400 Queen Avenue SE  
Albany, OR 97322  
Cascade West Toledo Center  
203 N Main Street  
Toledo, OR 97391

**[Join Teams Meeting](#)**

***An Executive Session may be called as deemed necessary by the Chair, pursuant to ORS 192.660.***

**NOTE:** Please contact Ashlyn Muzechenko at 541.223.5120 or [amuzchenko@ocwcog.org](mailto:amuzchenko@ocwcog.org) no later than noon on Wednesday, March 15, 2023, to confirm your attendance.

1. **Welcome and Introductions** (*Chair, Commissioner Pat Malone*)  
(1:30 – 1:35 pm)

2. **Public Comment** (*Chair, Commissioner Pat Malone*)  
(1:35 – 1:40 pm)

Floor will be open to the public for comment.

3. **Consent Calendar** (*Chair, Commissioner Pat Malone*)  
(1:40 – 1:45 pm)

Approval of the March 16, 2023, Finance Committee minutes. ([Page 4](#))

**ACTION: Motion to approve Consent Calendar items.**

4. **Financial Reports** (*Finance Director Marit Nelson*)  
(1:45 pm– 1:50 pm)

Finance Director Nelson will review the Financial Reports and respond to questions. ([Page 6](#))

**ACTION: Information only.**

5. **Audit Review** (*Finance Director Marit Nelson*)  
(1:50 – 1:55pm)

Finance Director Nelson will review the audit and respond to questions. ([Page 12](#))

**ACTION: Information only.**

6. **Other Business** (*Chair, Commissioner Pat Malone*)  
(1:55 – 2:00 pm)
  
7. **Adjournment** (*Chair, Commissioner Pat Malone*)  
(2:00 pm)

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS  
FINANCE COMMITTEE MINUTES**

**March 16, 2023**

**Via In Person and Teams Video and Audio Conferencing**

**Attendees:**   **CHAIR:** Commissioner Pat Malone, Benton County, CWACT; Mayor Commissioner Claire Hall, Lincoln County; Mayor Alex Johnson II, Albany; Mayor Dean Sawyer, Newport; Mitzi Naucner, SSAC; and Jesse Oakley, TBAC.

**Absent:**       Jan Molnar-Fitzgerald, DSAC; Lincoln County; Commissioner Sherrie Sprenger, Linn County; and Mayor Chas Jones, Philomath.

**Staff:**       Executive Director Ryan Vogt; Finance Director Marit Nelson; Senior, Disability, and Community Services Program Director Randi Moore; Technology Services Director Jason Sele; Human Resources Manager Ryan Schulze; Communications Officer Meg Walker; and Administrative Assistant Ashlyn Muzechenko

**Public:**       There were no members of the public in attendance.

**1.     Welcome and Introductions**

The Oregon Cascades West Council of Governments' (OCWCOG) Finance Committee meeting was called to order by Chair Commissioner Pat Malone on March 16, 2023, at 1:44 pm via Teams Video and Audio Conferencing, and in-person attendees. New meeting attendees took turns introducing themselves.

**2.     Public Comment**

There were no public comments presented to the Finance Committee.

**3.     Consent Calendar**

Commissioner Claire Hall moved to approve the consent calendar including the Finance Committee's meeting minutes from January 19, 2023. Mayor Alex Johnson II seconded the motion. With no objections, the minutes were voted upon and approved.

**4.     Financial Reports**

Finance Director Marit Nelson shared the financial snapshot with specific line items to the Finance Committee Members.

Finance Director Nelson noted there are a few projections and the outlook for the total revenue, factoring in beginning fund balances, comes out to 97% and we will not be needing to use OCWCOG's contingency funds. Nelson added the overall expenses are projected to be around the 70%-80% range.

Finance Director Nelson shared there is a plan in motion to get a generator and new HVAC systems however the receipt of the HVAC will not come in until October of 2023. Finance Director

Marit Nelson noted there are a few projects coming up rather quickly and staff are currently in the process of deciding to either push funding to the next year, or get the projects done during the current fiscal year. Nelson added most of the projects will be able to get completed by end of fiscal year if the contractors stay on their proposed schedules.

**5. Other Business**

There was no other business presented to the Finance Committee Members.

**6. Adjournment**

Commissioner Pat Malone adjourned the OCWCOG Finance Committee meeting at 1:54pm.

The next regularly scheduled OCWCOG Finance Committee Meeting is May 18, 2023, at 1:30pm.

*Meeting minutes taken by Ashlyn Muzechenko.*



1400 Queen Ave SE • Suite 201 • Albany, OR 97322  
(541) 967-8720 • FAX (541) 967-6123

---

## MEMORANDUM

**DATE:** May 18, 2023  
**TO:** OCWCOG Finance Committee  
**FROM:** Marit Nelson, Finance Director  
**RE:** **OCWCOG Financial Update**

---

Please find our snapshot, and Consolidated Revenue and Expense Statement with FYE projections, based on draft financials for period ending April 30, 2023. The projections factor in all that we know currently and what we believe can be accomplished between now and the end of the fiscal year. Program managers and directors meet regularly with finance to discuss and plan for the future. But as always, these estimates are subject to change as the realities come to fruition.

Those projects which may not be completed before June 30<sup>th</sup> have been accounted for in the proposed budget for FY 2023-24.

Overall accrued income is sound as we begin the final quarter of the fiscal year. Audit entries are finalized and beginning balances have been entered. Revenue trend is currently on target and is projected to land at 92% of budget. This is very similar to where we were last year.

Personnel Expense continues to trend very similar to last year. We continue to adjust as positions are filled or become vacant. Total expenses through February are ~71% of budgeted, which is almost exactly where we were last year. Considering that our personnel budget increased this year by 6.5%, I think we are on a better track with filling positions to service our consumers. Current expenditures coupled with our anticipated expenses for the rest of the fiscal year show us landing at about 85% of budgeted which is slightly higher than last year. There are no red flags at this time.

The Materials and Supplies (minus Capital and Contingency) is 73% of budgeted for the year. We anticipate landing at 88% by the end of June. In Capital Expense, we continue with payments for software implementations in Finance, Human Resources, and Ride Line. The anticipated cost for a building back up generator has been planned for early next fiscal year, most likely installing in the same time frame as the HVAC unit replacements.

Overall, knowing what we have time to complete this fiscal year and plan for next fiscal year, the trends in revenue and expenditures are not causing any red flags.

Please let me know if you have any questions.

	<b>FY 2023 Budget</b>	<b>April 2023</b>	<b>Percentage</b>	<b>FYE Projection</b>
Dues	342,387	332,105	97%	
Contract Revenue	3,906,360	1,285,665	33%	
Grant Revenue	336,494	314,602	94%	
Donations	200,500	117,264	57%	
State Revenue	2,792,567	1,049,424	38%	
Federal Revenue	17,904,799	12,723,117	71%	
Coordinated Care	9,500,000	8,694,092	91%	
<b>Total Income (all line items)</b>	<b>\$ 59,594,832</b>	<b>\$ 48,579,130</b>	<b>82%</b>	<b>92%</b>
<b>Total Payroll Expense</b>	<b>\$ 21,188,032</b>	<b>\$ 15,010,397</b>	<b>71%</b>	<b>85%</b>
Contract Expense	14,378,969	10,684,382	74%	
Indirect Expense	3,097,635	2,581,362	83%	
Maintenance & Repair	191,860	95,210	50%	
Supplies & Postage	134,269	91,276	68%	
Telephone	182,318	113,779	62%	
Travel / Training	312,720	174,675	56%	
<b>Total Expense (all line items)</b>	<b>\$ 54,409,022</b>	<b>\$ 31,549,648</b>	<b>58%</b>	<b>70%</b>

# Consolidate Revenue and Expense Statement

## Finance Committee Financial Report

For Period Ended April 30, 2023

				83.33%	Percent of budget to date	Projected FYE 2023
Acct No	Description	Budget	YTD Bal			
000710	Beg Bal-Restricted for Grants	\$ 15,000	\$ 15,000	100.0%		\$ 15,000
000725	Beg Bal-Restrict for Contracts	\$ 5,498,081	\$ 5,673,890	103.2%		\$ 5,673,890
000740	Beg Bal-Restricted for Other	\$ 3,088,563	\$ 3,621,578	117.3%		\$ 3,621,578
000745	Beg Bal-Restrict Reserve	\$ 5,906,076	\$ 3,662,951	62.0%		\$ 3,662,951
000750	Beg Bal-Unrestricted	\$ 4,617,513	\$ 6,457,377	139.8%		\$ 6,457,377
000801	Dues	\$ 326,083	\$ 316,290	97.0%		\$ 316,290
000813	Special Projects Dues	\$ 16,304	\$ 15,815	97.0%		\$ 15,815
000802	Fees For Service	\$ 131,600	\$ 81,912	62.2%		\$ 98,294
000803	Internal Transfer	\$ 3,102,636	\$ 2,581,364	83.2%		\$ 3,102,636
000804	Miscellaneous Revenue	\$ 25,000	\$ 185,755	743.0%	DHS Funds that need allocation	\$ 26,772
000805	Contract Revenue	\$ 3,906,360	\$ 1,285,665	32.9%		\$ 1,542,798
000806	Grant Revenue	\$ 336,494	\$ 314,602	93.5%		\$ 377,522
000807	Donations	\$ 200,500	\$ 117,264	58.5%		\$ 140,717
000808	Interest Revenue	\$ 455,000	\$ 465,271	102.3%		\$ 558,325
000809	Transfers In	\$ 418,398	\$ 386,096	92.3%		\$ 463,315
000819	Special Event Revenue	\$ 20,000	\$ -	0.0%		\$ -
000820	Program Meals Revenue	\$ 160,000	\$ 179,516	112.2%		\$ 215,419
000823	Program Income	\$ 691,308	\$ 575,033	83.2%		\$ 690,040
000824	Match	\$ 35,600	\$ 66,807	187.7%		\$ 80,168
000826	Borrowers Fees	\$ 7,000	\$ 552	7.9%		\$ 552
000827	Loan Packaging Fees	\$ 7,750	\$ 2,100	27.1%		\$ 2,400
000828	Service Fees	\$ 6,200	\$ 4,751	76.6%		\$ 4,751
000829	Program Administration	\$ 120,000	\$ 84,158	70.1%		\$ 100,990
000840	Veterans	\$ 114,000	\$ 85,622	75.1%		\$ 102,746
000841	Oregon Project Independence	\$ 1,045,000	\$ 475,568	45.5%		\$ 570,682
000842	OEDD/OECD	\$ 120,000	\$ -	0.0%		\$ 60,000
000843	ODOT	\$ 1,465,567	\$ 447,545	30.5%		\$ 537,053
000844	Dept. of Land Conservation Dev	\$ 48,000	\$ 40,689	84.8%		\$ 48,827
000846	Coordinated Care	\$ 9,500,000	\$ 8,694,092	91.5%		\$ 10,432,910
000848	CCO Metrics Income	\$ 305,000	\$ -	0.0%	Year-End reconciliation	\$ 305,000
000860	Economic Development Admin	\$ 75,000	\$ 56,250	75.0%		\$ 67,500
000862	Older Americans Act	\$ 1,223,000	\$ 1,161,982	95.0%		\$ 1,394,378
000863	Title XIX	\$ 15,751,799	\$ 10,744,641	68.2%		\$ 13,057,014
000864	Federal Senior Meals	\$ 650,000	\$ 639,511	98.4%		\$ 767,413
000865	USDA	\$ 95,000	\$ 67,959	71.5%		\$ 81,551



000867	Federal Match	\$	101,000	\$	66,391	65.7%		\$	79,669
000869	Siletz Revenue	\$	10,000	\$	5,133	51.3%		\$	6,160
	<b>REVENUE</b>		<b>\$ 59,594,832</b>		<b>\$ 48,579,130</b>	81.5%	On target!		<b>\$ 54,678,505</b>
000410	Leave Benefits	\$	738,009	\$	501,278	67.9%		\$	601,533
000420	Fringe Benefits	\$	1,075,279	\$	779,265	72.5%		\$	935,118
000421	Insurance Benefits	\$	3,724,429	\$	2,586,607	69.4%		\$	3,103,929
000425	PERS Benefits	\$	3,224,583	\$	2,313,688	71.8%		\$	2,776,426
000430	PERS Reserve	\$	242,484	\$	81,182	33.5%		\$	97,418
0001ED	Executive Director	\$	163,922	\$	139,820	85.3%		\$	167,784
0004PD	Program Director	\$	481,510	\$	314,015	65.2%		\$	376,817
0010PM	Program Manager	\$	286,002	\$	153,344	53.6%		\$	184,013
0013PS	Program Supervisor	\$	918,136	\$	652,949	71.1%		\$	783,539
0015QA	QA & Improvement Manager	\$	51,656	\$	-	0.0%	Open Recruitment	\$	-
0016LO	Loan Officer	\$	71,368	\$	-	0.0%	Vacant Position	\$	-
0019PM	Personnel Manager	\$	115,985	\$	95,708	82.5%		\$	114,849
0022SA	Senior Accountant	\$	40,000	\$	25,855	64.6%		\$	31,026
0046CM	Case Manager	\$	2,971,415	\$	2,100,679	70.7%		\$	2,520,815
0053CC	Contracts Coordinator	\$	122,728	\$	73,669	60.0%		\$	88,403
0055CS	Clerical Supervisor	\$	269,074	\$	227,376	84.5%		\$	272,851
0058AP	Assistant Planner	\$	114,927	\$	77,608	67.5%		\$	93,130
005PIO	Public Information Officer	\$	72,747	\$	62,752	86.3%		\$	75,303
0060AS	Accounting Specialist	\$	47,466	\$	38,115	80.3%		\$	45,738
0064ES	Eligibility Specialist	\$	1,437,349	\$	993,654	69.1%		\$	1,192,385
0064MM	Money Management Coord	\$	46,914	\$	37,520	80.0%		\$	45,024
0067EA	Executive Assistant	\$	55,370	\$	43,766	79.0%		\$	52,519
0070AC	Accounting Clerk II	\$	38,000	\$	29,359	77.3%		\$	35,231
0076AA	Administrative Assistant	\$	478,431	\$	426,446	89.1%		\$	511,736
0076BO	Business Officer	\$	68,968	\$	55,579	80.6%		\$	66,695
0085CS	Clerical Specialist	\$	410,426	\$	266,228	64.9%		\$	319,473
0085SS	Software Support Specialist	\$	-	\$	29,094	0.0%		\$	34,913
0085WS	Workstation Support Specialist	\$	86,364	\$	10,097	11.7%		\$	12,117
013TSM	Transportation Manager	\$	87,237	\$	55,154	63.2%		\$	66,185
025NSS	Network Support Specialist	\$	204,327	\$	129,436	63.3%		\$	155,323
031CDP	CED Planner	\$	294,291	\$	198,270	67.4%		\$	237,924
034APS	Adult Protective Services Spec	\$	877,727	\$	635,467	72.4%		\$	762,560
037DTC	Diversion & Transition Coord	\$	275,149	\$	224,516	81.6%		\$	269,419
037LCM	Lead Case Manager	\$	214,084	\$	123,826	57.8%		\$	148,591
045ISS	Information Support Specialist	\$	66,371	\$	42,109	63.4%		\$	50,530
052ALO	Assistant Loan Officer	\$	56,895	\$	45,364	79.7%		\$	54,437

055VSO	Veterans Service Officer	\$	24,295	\$	24,295	100.0%	\$	29,154
060FMC	Facility Maint. Coordinator	\$	65,930	\$	45,190	68.5%	\$	54,227
061LES	Lead Eligibility Specialist	\$	62,165	\$	50,972	82.0%	\$	61,166
064ADR	ADRC Specialist	\$	180,261	\$	169,725	94.2%	\$	203,670
064ALW	Asst. AFH Licensing Worker	\$	125,240	\$	100,987	80.6%	\$	121,184
067CEA	Confidential Executive Assist	\$	73,025	\$	46,836	64.1%	\$	56,203
073MRW	Medical Resource Worker	\$	152,061	\$	36,368	23.9%	\$	43,641
075LTB	Lead Trans Brokerage Spec.	\$	-	\$	42,252	0.0%	\$	50,702
075TBS	Transportation Brokerage Spec.	\$	342,564	\$	310,837	90.7%	\$	373,005
076CSA	Case Aide	\$	211,618	\$	152,062	71.9%	\$	182,475
076IHA	In Home Assistant	\$	185,100	\$	192,920	104.2%	\$	231,504
082SMC	Senior Meals Coordinator	\$	44,520	\$	63,330	142.3%	\$	75,996
090RSM	Relief Site Manager	\$	39,940	\$	27,239	68.2%	\$	32,687
88MSM3	Meal Site Manager	\$	251,690	\$	177,587	70.6%	\$	213,104

<b>PERSONNEL</b>	<b>\$ 21,188,032</b>	<b>\$ 15,010,397</b>	70.8%	Trending under budget current and FYE projections	<b>\$ 18,012,476</b>
------------------	----------------------	----------------------	-------	--	----------------------

000504	Advertising	\$	37,595	\$	28,610	76.1%	\$	34,332
000506	Auto Expense	\$	17,000	\$	1,422	8.4%	\$	1,706
000510	Bank Charges	\$	13,900	\$	8,895	64.0%	\$	10,674
000513	Board/Comm/Meeting Expense	\$	37,250	\$	23,339	62.7%	\$	28,007
000516	Computer Maintenance	\$	348,400	\$	143,124	41.1%	\$	171,749
000521	Contract Administration	\$	1,500	\$	2,586	172.4%	\$	3,103
000522	Contract Expense	\$	14,378,969	\$	10,684,382	74.3%	\$	12,821,258
000523	CEP Contract	\$	600,000	\$	337,667	56.3%	\$	405,200
000525	Copying	\$	44,465	\$	37,639	84.6%	\$	45,167
000531	Dues and Memberships	\$	78,440	\$	61,051	77.8%	\$	73,261
000532	Equipment Expense	\$	1,000	\$	-	0.0%	\$	-
000533	Finance Indirect	\$	874,506	\$	728,754	83.3%	\$	874,505
000534	Indirect Expense	\$	1,247,625	\$	1,039,688	83.3%	\$	1,247,626
000535	Furniture & Fixtures	\$	119,800	\$	15,022	12.5%	\$	18,026
000537	Insurance	\$	82,604	\$	75,771	91.7%	\$	90,925
000540	Interest Expense	\$	20,000	\$	17,137	85.7%	\$	20,564
000542	Legal Services	\$	105,000	\$	1,540	1.5%	\$	1,848
000543	Licenses and Fees	\$	304,383	\$	217,119	71.3%	\$	260,543
000546	Loan Fees	\$	15,000	\$	667	4.4%	\$	800
000549	Maintenance and Repair	\$	94,000	\$	32,678	34.8%	\$	39,214
000550	Marketing Expense	\$	3,500	\$	-	0.0%	\$	-
000551	Other Operating	\$	-	\$	401	0.0%	\$	481
000553	Loan Admin Exp	\$	150,000	\$	76,642	51.1%	\$	91,970

000555	Postage	\$	56,511	\$	35,499	62.8%		\$	42,599
000558	Printing	\$	19,250	\$	11,964	62.2%		\$	14,357
000561	Rent	\$	681,669	\$	595,930	87.4%		\$	715,116
000564	Resource Reserve	\$	60,000	\$	22,237	37.1%		\$	26,685
000567	Supplies	\$	77,758	\$	55,777	71.7%		\$	66,932
000568	Stipend	\$	139,008	\$	55,341	39.8%		\$	66,409
000570	Technology Indirect	\$	975,504	\$	812,992	83.3%		\$	975,590
000573	Telephone	\$	182,318	\$	113,779	62.4%	Transferred phones to Teams	\$	136,535
000575	Special Event Expense	\$	20,000	\$	-	0.0%		\$	-
000576	Training	\$	128,400	\$	66,524	51.8%		\$	79,829
000577	Volunteer Recognition	\$	23,970	\$	25,530	106.5%		\$	30,636
000578	Volunteer Travel/Mileage	\$	53,000	\$	37,136	70.1%		\$	44,563
000579	Travel	\$	131,320	\$	108,151	82.4%		\$	129,781
000582	Utilities	\$	67,677	\$	48,316	71.4%		\$	57,979
000584	Janitorial	\$	97,860	\$	62,532	63.9%		\$	75,038

	<b>MATERIALS AND SUPPLIES</b>	<b>\$</b>	<b>21,289,182</b>	<b>\$</b>	<b>15,585,842</b>	73.2%	Trending under budget current and FYE projections	<b>\$</b>	<b>18,703,011</b>
--	-------------------------------	-----------	-------------------	-----------	-------------------	-------	--	-----------	-------------------

000580	Transfers Out	\$	423,398	\$	382,000	90.2%		\$	314,398
000583	Operating Contingency	\$	10,491,290	\$	-	0.0%		\$	-

	<b>TRANSFERS AND CONTINGENCY</b>	<b>\$</b>	<b>10,914,688</b>	<b>\$</b>	<b>382,000</b>	3.5%		<b>\$</b>	<b>314,398</b>
--	----------------------------------	-----------	-------------------	-----------	----------------	------	--	-----------	----------------

000595	Capital Purchase	\$	951,120	\$	561,996	59.1%		\$	820,000
000596	Leasehold Improvement	\$	66,000	\$	9,413	14.3%		\$	25,000
	<b>CAPITAL OUTLAY</b>	<b>\$</b>	<b>1,017,120</b>	<b>\$</b>	<b>571,409</b>	56.2%		<b>\$</b>	<b>845,000</b>

	<b>EXPENSE</b>	<b>\$</b>	<b>54,409,022</b>	<b>\$</b>	<b>31,549,648</b>	58.0%	Trending under budget current and FYE projections	<b>\$</b>	<b>37,874,885</b>	70%
								<b>\$</b>	<b>3,830,201</b>	



1400 Queen Ave SE • Suite 201 • Albany, OR 97322  
(541) 967-8720 • FAX (541) 967-6123

---

## MEMORANDUM

**DATE:** May 18, 2023  
**TO:** OCWCOG Finance Committee  
**FROM:** Marit Nelson, Finance Director  
**RE:** **FYE 2022 Audit**

---

Please find enclosed with the packet the fiscal year end audit for 2022. The highlights from the document include:

- Grove, Mueller and Swank are the independent auditors engaged by OCWCOG in 2020-21 for three years. This is the second audit they have completed for us.
- In their opinion, the OCWCOG financial statement for the period ending June 30, 2022, is presented fairly, and they achieved reasonable assurance that the statements are free from material misstatement.
- The auditors requested information in the form of surveys to Board members, Leadership, and staff as well as pulled random information in the form of I-9's, Personnel Action Forms, accounts payable checks, deposit slips, bank statements, and journal entries to verify transactions and test internal controls.
- OCWCOG implemented the Board's reserve policy in FY 2022 creating a new fund and transferring funds for Building Fund Reserves, Program Reserves, Capital Project Reserves, and Financial Software Reserves.
- OCWCOG's debt on the Albany building was paid in full during FY 2022. No new debt was issued.
- Schedule of Federal Awards (SEFA) testing was completed and filed with the Federal Audit Clearinghouse to maintain our compliance with Federal laws for reporting and applying for additional federal funds.
- There were no audit findings, and only minor adjustments were recommended by the auditing staff.

Overall, I am pleased with the process and the work done with Grove, Mueller and Swank. We will enter our third audit period with them this year and look forward to continuing our relationship.

Please let me know if there are any questions.

***OREGON CASCADES WEST  
COUNCIL OF GOVERNMENTS  
ANNUAL FINANCIAL REPORT  
Year Ended June 30, 2022***

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**  
**BOARD OF DIRECTORS**  
**JUNE 30, 2022**

---

***Benton County***

Pat Malone, County Commissioner

Alan Rowe, City Council, Adair Village  
Biff Traber, Mayor, Corvallis

Chas Jones, Mayor, Philomath

***Lincoln County***

Claire Hall, County Commissioner

Rod Cross, Mayor, Toledo  
Joyce King, City Council, Depoe Bay  
Dean Sawyer, Mayor, Newport  
Riley Hoagland, City Council, Lincoln City

Gil Sylvia, Commissioner, Port of Newport  
Greg Holland, Mayor, Waldport  
Robert Kentta, Treasurer, Confederated Tribes of  
Siletz  
Leslie Vaaler, Mayor, Yachats

***Linn County***

Sherrie Sprenger, County Commissioner

Mike Caughey, City Council, Harrisburg  
Alex Johnson II, Mayor, Albany  
Jim Lepin, Mayor, Millersburg  
Wayne Rieskamp, City Council, Lebanon  
Don Ware, Mayor, Brownsville

Jerry Gillson, City Council, Halsey  
Carol Korn, City Council, Tangent  
Debbie Nuber, City Council, Scio  
Angelita Sanchez, City Council, Sweet Home

The above individuals may be contacted at the address below.

***Executive Committee***

Claire Hall, Chair  
Jim Lepin, Vice Chair  
Pat Malone, Treasurer  
Alan Rowe  
Dean Sawyer  
Sherrie Sprenger

***Executive Director***

Ryan Vogt

***Registered Office***

1400 Queen Avenue SE  
Albany, Oregon 97322

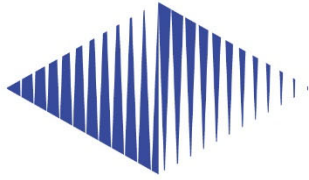
# **OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**

## **TABLE OF CONTENTS**

**JUNE 30, 2022**

---

	<b><u>Page</u></b>
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-9
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	10
Statement of Activities	11-12
Fund Financial Statements	
Balance Sheet - Governmental Funds	13
Reconciliation to the Statement of Net Assets	14
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Statement of Fund Net Position - Proprietary Funds	17
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	18
Statement of Cash Flows - Proprietary Funds	19-20
Notes to Basic Financial Statements	21-48
Required Supplementary Information	
Net Pension Liability Schedules - PERS	49
Other Post-Employment Benefits Schedules - RHIA	50
Other Post-Employment Benefits Schedules – Implicit Rate Subsidy	51
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
General Fund	52
Community Development Fund	53
Senior and Disability Services Fund	54
Other Supplementary Information	
Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	
Loan Fund	55
Internal Service Fund	56
<b>OTHER FINANCIAL SCHEDULES</b>	
Schedule of Net Position – Loan Fund	57
Schedule of Revenues, Expenses, and Changes in Net Position – RDF 1-3 and RDF 4 Loan Funds	58
<b>COMPLIANCE SECTION</b>	
Independent Auditor's Report Required by State of Oregon Regulations	59-60
Schedule of Expenditures of Federal Awards	61-62
Notes to Schedule of Expenditures of Federal Awards	63-64
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	65-66
Independent Auditor's Report on Compliance for Each Major and on Internal Control Over Compliance Required by the <i>Uniform Guidance</i>	67-69
Schedule of Findings and Questioned Costs	70
Schedule of Prior Findings and Questioned Costs	71



# GROVE, MUELLER & SWANK, P.C.

Certified Public Accountants and Consultants

475 Cottage Street NE, Suite 200, Salem, OR 97301  
(503) 581-7788 • FAX (503) 581-0152 • [www.gms.cpa](http://www.gms.cpa)

## ***INDEPENDENT AUDITOR'S REPORT***

Board of Directors  
Oregon Cascades West Council of Governments  
Albany, Oregon

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Oregon Cascades West Council of Governments (the Council) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Oregon Cascades West Council of Governments as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Emphasis of Matter***

As discussed in the notes to the financial statements, the Council has implemented Governmental Accounting Standards Board (GASB) Statement No. 87 *Leases*, in the current period, which resulted in changes to the presentation of lease related activity. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

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

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 Council's ability to continue as a going concern for one year after the date that the financial statements are issued.



### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council'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 Council'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 (MD&A) and required supplementary information, 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 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 (except as mentioned in the following paragraph) because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The other supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is also not a required part of the basic financial statements.

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

### **Reports on Other Legal and Regulatory Requirements**

#### ***Other Reporting Required by Government Auditing Standards***


In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2023 on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.

#### ***Other Reporting Required by Oregon Minimum Standards***

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated March 31, 2023, on our consideration of the Council'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.

*GROVE, MUELLER & SWANK, P.C.*  
*CERTIFIED PUBLIC ACCOUNTANTS*

By:   
Ryan T. Pasquarella, A Shareholder  
March 31, 2023

# OREGON CASCADES WEST COUNCIL OF GOVERNMENTS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis presents the highlights of financial activities and financial position for the Oregon Cascades West Council of Governments (Council). The analysis focuses on the financial activities of the Council for the fiscal year ended June 30, 2022. It should be read in conjunction with the Council's financial statements, which follow this section.

### Financial Highlights

- At June 30, 2022, total assets and deferred outflows of the Council exceeded total liabilities and deferred inflows by \$13,531,816 (net position).
- The Council's net position increased by \$4,945,755 during the fiscal year.
- The Council had program revenues of \$37,233,615 and program expenses of \$32,384,408 for the year ended June 30, 2022.

### Overview of the Financial Statements

The following discussion and analysis is intended to serve as an introduction to the Oregon Cascades West Council of Government's basic financial statements and required supplementary information. The Council's basic financial statements are comprised of three components:

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

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

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

The Statement of Activities presents information showing how the Council's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash inflows or outflows in a future fiscal period.

The government-wide financial statements report the functions of the Council that are principally supported by intergovernmental revenues. The Council's functions are determined by the Council's member governments and may change from time to time.

Government-wide financial statements can be found on pages 10-12 of this report.

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

*Governmental funds* - Governmental funds are used to account for activities where the emphasis is placed on available financial resources, rather than upon net income determination. Therefore, unlike the government-wide financial statements, governmental fund financial statements focus on the acquisition and use of current spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Council's near-term requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Council maintains three individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Community Development, and Senior and Disability Services Funds, all of which are considered to be major governmental funds.

The Council adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided for each fund individually to demonstrate compliance with their respective budgets.

The governmental fund financial statements can be found on pages 13-16 in the basic financial statements.

*Proprietary funds* - Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Council maintains two proprietary funds: an enterprise fund and an internal service fund.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Council uses its enterprise fund to account for its loan programs.

Internal service funds serve as an accounting device used to accumulate and allocate costs internally among the Council's various functions. The Council uses its internal service fund to account for real property, vehicles, and management information systems. Because these services predominantly benefit governmental functions rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

The proprietary fund financial statements provide separate information for the Loan and Internal Service Funds, both of which are considered to be major proprietary funds.

The proprietary fund financial statements can be found on pages 17-20 in the basic financial statements.

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

*Other Information* - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which includes budgetary comparison information. This required supplementary information can be found on pages 49-54 of this report.

Individual fund schedules can be found immediately following the required supplementary information on pages 55 through 56 of this report.

## Government-Wide Financial Analysis

**Table 1**  
**Statements of Net Position**  
**June 30,**

	<i>Governmental</i>		<i>Business-type</i>		<i>Total</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
Current assets	\$ 20,271,389	\$ 15,845,935	\$ 3,761,244	\$ 3,737,493	\$ 24,032,633	\$ 19,583,428
Noncurrent assets	104,699	89,876	1,404,693	1,447,963	1,509,392	1,537,839
Net capital assets	1,928,212	1,858,210	-	-	1,928,212	1,858,210
<i>Total Assets</i>	22,304,300	17,794,021	5,165,937	5,185,456	27,470,237	22,979,477
Deferred outflows	7,138,995	5,884,435	-	-	7,138,995	5,884,435
Current liabilities	939,634	1,126,287	653,490	800,192	1,593,124	1,926,479
Noncurrent liabilities	10,483,704	16,871,297	855,720	1,060,212	11,339,424	17,931,509
<i>Total Liabilities</i>	11,423,338	17,997,584	1,509,210	1,860,404	12,932,548	19,857,988
Deferred inflows	8,144,868	1,007,434	-	-	8,144,868	1,007,434
Net position:						
Net investment in capital assets	1,928,212	1,814,872	-	-	1,928,212	1,814,872
Restricted	12,565,305	10,999,398	-	-	12,565,305	10,999,398
Unrestricted	(4,618,428)	(8,140,832)	3,656,727	3,325,052	(961,701)	(4,815,780)
<i>Total Net Position</i>	\$ 9,875,089	\$ 4,673,438	\$ 3,656,727	\$ 3,325,052	\$ 13,531,816	\$ 7,998,490

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Council, assets and deferred outflows exceeded liabilities and deferred inflows by \$13,531,816 at the close of the fiscal year.

A portion of the Council's net position reflects its investment in capital assets (e.g. land, buildings, and equipment) less any related debt used to acquire those assets that is still outstanding. The Council uses these capital assets to provide services to customers; consequently, these assets are not available for future spending.

Although the Council's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Council's net position totaling \$12,565,305 as of June 30, 2022, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the government's ongoing obligations.

The condensed statement of activities information shown below explains changes in net position

**Table 2**  
**Statements of Net Position**  
**Years Ended June 30,**

	<i>Governmental</i>		<i>Business-type</i>		<i>Total</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
<b>Program Revenues</b>						
Programs	\$ 36,558,940	\$ 32,116,747	\$ 674,675	\$ 503,206	\$ 37,233,615	\$ 32,619,953
<b>General revenues</b>						
Investment earnings	91,145	150,686	-	-	91,145	150,686
Miscellaneous	5,228	60,907	175	500	5,403	61,407
<i>Total revenues</i>	<u>36,655,313</u>	<u>32,328,340</u>	<u>674,850</u>	<u>503,706</u>	<u>37,330,163</u>	<u>32,832,046</u>
<b>Program expenses</b>						
Programs	31,928,231	32,247,818	333,622	309,420	32,261,853	32,557,238
Interest	2,574	5,157	-	-	2,574	5,157
Depreciation	119,981	162,608	-	-	119,981	162,608
<i>Total expenses</i>	<u>32,050,786</u>	<u>32,415,583</u>	<u>333,622</u>	<u>309,420</u>	<u>32,384,408</u>	<u>32,725,003</u>
<b>Changes in net position</b>	4,604,527	(87,243)	341,228	194,286	4,945,755	107,043
<b>Net position - beginning</b>	<u>5,270,562</u>	<u>4,760,681</u>	<u>3,315,499</u>	<u>3,130,766</u>	<u>8,586,061</u>	<u>7,891,447</u>
<b>Net position - ending</b>	<u>\$ 9,875,089</u>	<u>\$ 4,673,438</u>	<u>\$ 3,656,727</u>	<u>\$ 3,325,052</u>	<u>\$ 13,531,816</u>	<u>\$ 7,998,490</u>

### Financial Analysis of the Council's Funds

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

#### *Governmental Funds.*

The focus of the Council's governmental funds is to provide information on relatively short-term cash flow and funding for future basic services on a fund basis. Such information is useful in assessing the Council's financing requirements. In particular, *fund balance* may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

*General Fund.* The General Fund is the primary operating fund of the Council. Grant revenue and administrative service performed for other funds are the primary sources of revenue. The fund balance increased by \$3,647,794 during the fiscal year with an ending fund balance at June 30, 2022 of \$5,612,236.

*Community Development Fund.* The Community Development Fund accounts for contracts with local, state, and federal government agencies that assist member cities and counties with special economic and community development and transportation programs. The fund balance increased by \$2,007,292 during the fiscal year with an ending fund balance at June 30, 2022 of \$5,059,013.

*Senior and Disability Fund.* The Senior and Disability and Community Services Fund accounts for revenue and expenditures related to the oversight of state and federal disability service programs, as well as expenditures to provide assistance to seniors. The fund balance decreased by \$1,099,771 during the fiscal year with an ending fund balance at June 30, 2022 of \$7,599,705.

*Business-type activities –*

*Loan Fund.* The Loan Fund accounts for loan administration and revolving loan servicing to local businesses. The fund balance increased by \$341,228 during the fiscal year with an ending fund balance at June 30, 2022 of \$3,656,727

**General Fund Budgetary Highlights**

The Council's actual expenditures for the fund were \$2,441,028, while the budgeted expenditures were \$2,980,754, leaving a budget surplus of \$539,726. There were no budget modifications during the current fiscal year.

**Capital Assets and Debt Administration**

*Capital Assets*

At June 30, 2022, the Council's investment in capital assets was \$1,928,212 (net of accumulated depreciation). This investment in capital assets includes land, machinery and equipment, and buildings and improvements.

Additional information on the Council's capital assets can be found on page 30 of this report.

*Long-Term Debt*

At the end of the current fiscal year, the Council had total debt outstanding of \$1,121,143. The total amount is comprised of debt related to the revolving loan program. Building note payable relating to building purchases was paid in full during FY 2022.

	Current Portion	Long-Term Portion	Total Due
Revolving loan program	\$ 265,423	\$ 855,720	\$ 1,121,143
Building note payable	-	-	-
	<u>\$ 265,423</u>	<u>\$ 855,720</u>	<u>\$ 1,121,143</u>

The Council's outstanding debt decreased by \$141,818 during the current fiscal year due to regularly scheduled payments. No new debt was issued during the current fiscal year.

Additional information on the Council's long-term debt can be found on pages 31-32 of this report.

*Economic Factors and Next Year's Budgets and Rates*

The following factors were considered in preparing the Council's budget for the 2022-2023 fiscal year:

- The 2022-2023 budget was built and adopted by the Full Board with the goal of maintaining staffing levels to allow all programs within the Council to provide responsive and supportive services to member jurisdictions, community partners and consumers in Linn Benton and Lincoln County.

## **Requests for Information**

This financial report is designed to provide a general overview of Oregon Cascades West Council of Governments' finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Marit Nelson, Finance Director, Oregon Cascades West Council of Governments, 1400 Queen Avenue SE, Suite 201, Albany, Oregon 97322.



## ***BASIC FINANCIAL STATEMENTS***

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

	<b><i>Governmental Activities</i></b>	<b><i>Business-type Activities</i></b>	<b><i>Totals</i></b>
<b>ASSETS</b>			
<b><i>Current</i></b>			
Cash and investments	\$ 17,116,623	\$ 3,445,952	\$ 20,562,575
Accounts receivable	2,957,761	13,203	2,970,964
Loans receivable, current portion, net	-	302,089	302,089
Prepaid items	197,005	-	197,005
<i>Total current assets</i>	<i>20,271,389</i>	<i>3,761,244</i>	<i>24,032,633</i>
<b><i>Noncurrent</i></b>			
OPEB asset	104,699	-	104,699
Capital assets, not being depreciated	253,140	-	253,140
Capital assets, net of accumulated depreciation	1,675,072	-	1,675,072
Loans receivable, less current portion, net	-	1,404,693	1,404,693
<i>Total noncurrent assets</i>	<i>2,032,911</i>	<i>1,404,693</i>	<i>3,437,604</i>
<i>Total Assets</i>	<i>22,304,300</i>	<i>5,165,937</i>	<i>27,470,237</i>
<b><i>Deferred outflows of resources</i></b>	<i>7,138,995</i>	<i>-</i>	<i>7,138,995</i>
<b>LIABILITIES</b>			
<b><i>Current</i></b>			
Accounts payable	394,104	26	394,130
Accrued liabilities	23,432	-	23,432
Other liabilities	5,425	388,041	393,466
Compensated absences	516,673	-	516,673
Long-term liabilities, current portion	-	265,423	265,423
<i>Total current liabilities</i>	<i>939,634</i>	<i>653,490</i>	<i>1,593,124</i>
<b><i>Noncurrent</i></b>			
Long-term liabilities, less current portion	-	855,720	855,720
OPEB liability	386,652	-	386,652
Net pension liability - PERS	10,097,052	-	10,097,052
<i>Total noncurrent liabilities</i>	<i>10,483,704</i>	<i>855,720</i>	<i>11,339,424</i>
<i>Total Liabilities</i>	<i>11,423,338</i>	<i>1,509,210</i>	<i>12,932,548</i>
<b><i>Deferred inflows of resources</i></b>	<i>8,144,868</i>	<i>-</i>	<i>8,144,868</i>
<b>NET POSITION</b>			
Net investment in capital assets	1,928,212	-	1,928,212
Restricted	12,565,305	-	12,565,305
Unrestricted	(4,618,428)	3,656,727	(961,701)
<i>Total Net Position</i>	<i>\$ 9,875,089</i>	<i>\$ 3,656,727</i>	<i>\$ 13,531,816</i>

*The accompanying notes are an integral part of the financial statements.*

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2022**

---

		<b>Program Revenues</b>	
		<b>Fees, Fines, and Charges for Services</b>	<b>Operating Grants and Contributions</b>
	<b>Expenses</b>		
<b>FUNCTIONS/PROGRAMS</b>			
<b>Governmental activities:</b>			
Administration	\$ 2,803,113	\$ 3,366,038	\$ -
Community development	11,123,343	11,870,287	1,786,357
Senior and disability services	18,001,775	1,422,119	18,114,139
Interest on long-term debt	2,574	-	-
Unallocated depreciation expense	119,981	-	-
<i>Total governmental activities</i>	32,050,786	16,658,444	19,900,496
<b>Business-type activities:</b>			
Lending programs	333,622	288,613	386,062
<i>Total primary government</i>	<u>\$ 32,384,408</u>	<u>\$ 16,947,057</u>	<u>\$ 20,286,558</u>
<b>General Revenues:</b>			
Investment earnings			
Miscellaneous			
<i>Total general revenues</i>			
<b>TRANSFERS</b>			
<b>CHANGE IN NET POSITION</b>			
<b>NET POSITION, Beginning of year</b>			
<b>NET POSITION, End of year</b>			

*The accompanying notes are an integral part of the financial statements.*

---

***Net (Expenses) Revenues and  
Changes in Net Position***

---

<b><i>Governmental Activities</i></b>	<b><i>Business-type Activities</i></b>	<b><i>Totals</i></b>
\$ 562,925	\$ -	\$ 562,925
2,533,301	-	2,533,301
1,534,483	-	1,534,483
(2,574)	-	(2,574)
(119,981)	-	(119,981)
<hr/> 4,508,154	<hr/> -	<hr/> 4,508,154
 -	 341,053	 341,053
<hr/> 4,508,154	<hr/> 341,053	<hr/> 4,849,207
 91,145	 -	 91,145
5,228	175	5,403
<hr/> 96,373	<hr/> 175	<hr/> 96,548
 -	 -	 -
<hr/> 4,604,527	<hr/> 341,228	<hr/> 4,945,755
 5,270,562	 3,315,499	 8,586,061
<hr/> \$ 9,875,089	<hr/> \$ 3,656,727	<hr/> \$ 13,531,816

*The accompanying notes are an integral part of the financial statements.*

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS****BALANCE SHEET - GOVERNMENTAL FUNDS****JUNE 30, 2022**

	<u>General</u>	<u>Community Development Fund</u>	<u>Senior and Disability Services Fund</u>	<u>Totals Governmental Funds</u>
<b>ASSETS</b>				
Cash and investments	\$ 5,578,678	\$ 4,486,042	\$ 5,467,620	\$ 15,532,340
Accounts receivable	13,093	787,118	2,189,238	2,989,449
Prepaid items	52,070	-	93,413	145,483
<i>Total Assets</i>	<u>\$ 5,643,841</u>	<u>\$ 5,273,160</u>	<u>\$ 7,750,271</u>	<u>\$ 18,667,272</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 23,465	\$ 214,147	\$ 148,066	\$ 385,678
Accrued liabilities	8,140	-	-	8,140
<i>Total Liabilities</i>	31,605	214,147	148,066	393,818
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - grants	-	-	2,500	2,500
<b>Fund Balances</b>				
Nonspendable	52,070	-	93,413	145,483
Restricted for:				
Community development	-	5,059,013	-	5,059,013
Senior and disability services	-	-	7,506,292	7,506,292
Assigned for:				
PERS reserve	1,638,164	-	-	1,638,164
Unassigned	3,922,002	-	-	3,922,002
<i>Total Fund Balances</i>	<u>5,612,236</u>	<u>5,059,013</u>	<u>7,599,705</u>	<u>18,270,954</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 5,643,841</u>	<u>\$ 5,273,160</u>	<u>\$ 7,750,271</u>	<u>\$ 18,667,272</u>

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

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**  
**RECONCILIATION TO THE STATEMENT OF NET ASSETS**  
**JUNE 30, 2022**

---

**RECONCILIATION TO THE STATEMENT OF NET ASSETS**

*Total fund balances* \$ 18,270,954

Capital assets are not financial resources and are therefore not reported in the governmental funds:

Cost	1,506,073	
Accumulated depreciation	(1,172,006)	
	<hr/>	334,067

Internal service funds are used by management to charge non-departmental costs to individual funds. The assets and liabilities, excluding capital assets, of the internal service funds are included in governmental activities in the statement of net assets.

3,168,713

Amounts relating to the council's proportionate share of net pension liability or asset for the Oregon Public Retirement System (PERS) are not reported in governmental fund statements. In the governmental fund statements, pension expense is recognized when due. The amounts consist of:

Deferred outflows of resources	7,138,995	
Deferred inflows of resources	(8,144,868)	
Net OPEB asset	104,699	
Net OPEB liability	(386,652)	
Net pension liability - PERS	(10,097,052)	
	<hr/>	(11,384,878)

Long-term liabilities are not due and payable in the current period and are therefore not reported in the governmental funds. Interest on long-term debt is not accrued in the governmental funds, but rather, is recognized as an expenditure when due. These liabilities consist of:

Compensated absence payable		(513,767)
-----------------------------	--	-----------

<i>Net Assets of Governmental Activities</i>	\$	<u><u>9,875,089</u></u>
--	----	-------------------------

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS****STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -****GOVERNMENTAL FUNDS****YEAR ENDED JUNE 30, 2022**

	<b><i>General</i></b>	<b><i>Community Development Fund</i></b>	<b><i>Senior and Disability Services Fund</i></b>	<b><i>Totals Governmental Funds</i></b>
<b>REVENUES</b>				
Contract revenues	\$ -	\$ 2,300,717	\$ 1,198,560	\$ 3,499,277
Dues revenue	15,418	112,785	202,001	330,204
Fees revenue	2,601,301	10,375	238,589	2,850,265
Investment earnings	91,129	17,204	16	108,349
Events, sponsorships, donations	-	11,215,562	173,754	11,389,316
Grants	-	-	17,723,354	17,723,354
Miscellaneous revenue	4,732	262	10	5,004
<i>Total Revenues</i>	2,712,580	13,656,905	19,536,284	35,905,769
<b>EXPENDITURES</b>				
Current				
Administration	2,441,028	-	-	2,441,028
Community development	-	11,232,533	-	11,232,533
Senior and disability services	-	-	18,431,893	18,431,893
<i>Total Expenditures</i>	2,441,028	11,232,533	18,431,893	32,105,454
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	271,552	2,424,372	1,104,391	3,800,315
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,396,242	-	30,000	3,426,242
Transfers out	(20,000)	(417,080)	(2,234,162)	(2,671,242)
<i>Total Other Financing Sources (Uses)</i>	3,376,242	(417,080)	(2,204,162)	755,000
<b>NET CHANGE IN FUND BALANCES</b>	3,647,794	2,007,292	(1,099,771)	4,555,315
<b>FUND BALANCES, Beginning of year</b>	1,964,442	3,051,721	8,699,476	13,715,639
<b>FUND BALANCES, End of year</b>	\$ 5,612,236	\$ 5,059,013	\$ 7,599,705	\$ 18,270,954

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

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022**

---

*Net change in fund balances* \$ 4,555,315

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 costs of these assets are allocated over their  
estimated useful lives and are reported as depreciation expenses.

Capital asset additions	160,416	
Depreciation expense recorded in the current year	<u>(51,915)</u>	108,501

Governmental funds report pension and OPEB contributions as expenditures.  
However, in the statement of activities, the cost of pension and OPEB  
benefits earned net of employee contributions is reported as an expense.

PERS net pension liability and related deferrals	536,592	
Total OPEB liability and related deferrals	<u>(17,050)</u>	519,542

Compensated absences are reported in the statement of activities but do not  
require the use of current financial resources and are therefore not reported  
as expenditures in the government fund financial statements.

33,559

The net revenues of certain activities of the Internal Service Fund are not  
included in the governmental funds, but are reported in the statement of activities

(612,390)

*Change in net assets of governmental activities.*

\$ 4,604,527



**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**  
**STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS**  
**JUNE 30, 2022**

	<b><i>Loan Fund</i></b>	<b><i>Internal Service Fund</i></b>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 3,445,952	\$ 1,584,283
Accounts receivable	13,203	1,440
Prepaid items	-	3,104
Loans receivable, current portion, net	302,089	-
<i>Total current assets</i>	<u>3,761,244</u>	<u>1,588,827</u>
Noncurrent assets		
Capital assets not being depreciated	-	253,140
Capital assets, net of accumulated depreciation	-	1,341,003
Loans receivable, less current portion, net	1,404,693	-
<i>Total noncurrent assets</i>	<u>1,404,693</u>	<u>1,594,143</u>
<i>Total assets</i>	<u>5,165,937</u>	<u>3,182,970</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	26	8,427
Other liabilities	388,041	2,925
Compensated absences	-	2,905
Notes payable, current portion	265,423	-
<i>Total current liabilities</i>	<u>653,490</u>	<u>14,257</u>
<b>Noncurrent liabilities</b>		
Note payable, less current portion	855,720	-
<i>Total noncurrent liabilities</i>	<u>855,720</u>	<u>-</u>
<b>NET POSITION</b>		
Net investment in capital assets	-	1,594,143
Unrestricted	3,656,727	1,574,570
<i>Total net position</i>	<u>\$ 3,656,727</u>	<u>\$ 3,168,713</u>

*The accompanying notes are an integral part of the financial statements.*

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS****STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -****PROPRIETARY FUNDS****YEAR ENDED JUNE 30, 2022**

	<b><i>Business-Type Activities</i></b>	<b><i>Governmental Activities</i></b>
	<b><i>Loan Fund</i></b>	<b><i>Internal Service Fund</i></b>
<b>OPERATING REVENUES</b>		
Interest received on loans	\$ 129,188	\$ -
Rent revenue	-	711,966
Contract revenue	143,679	-
Grant revenue	386,062	-
Fee revenue	15,746	36,978
<i>Total operating revenues</i>	<u>674,675</u>	<u>748,944</u>
<b>OPERATING EXPENSES</b>		
Personnel services	182,885	139,636
Materials and services	139,990	344,743
Depreciation	-	119,981
<i>Total operating expenses</i>	<u>322,875</u>	<u>604,360</u>
<i>Operating income (loss)</i>	<u>351,800</u>	<u>144,584</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Miscellaneous income	175	600
Interest expense	(10,747)	(2,574)
Transfers out	-	(755,000)
<i>Total nonoperating revenues (expenses)</i>	<u>(10,572)</u>	<u>(756,974)</u>
<b>NET CHANGE IN FUND NET POSITION</b>	341,228	(612,390)
<b>FUND NET POSITION - beginning of year</b>	<u>3,315,499</u>	<u>3,781,103</u>
<b>FUND NET POSITION - end of year</b>	<u>\$ 3,656,727</u>	<u>\$ 3,168,713</u>

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

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2022**

	<i><b>Business-Type Activities Enterprise Fund</b></i>	<i><b>Governmental Activities Internal Service Fund</b></i>
<b><i>Cash flows from operating activities</i></b>		
Receipts from customers and users	\$ 713,687	\$ 711,726
Receipts from interfund services provided	-	36,978
Payments to suppliers	(140,549)	(346,100)
Payments to employees	(404,420)	(139,710)
	<u>168,718</u>	<u>262,894</u>
<b><i>Cash flows from noncapital financing activities</i></b>		
Miscellaneous income	175	600
Principal payments on long-term debt	(200,645)	-
Interest payments on long-term debt	(10,747)	-
	<u>(211,217)</u>	<u>600</u>
<b><i>Cash flows from capital financing activities</i></b>		
Purchase of capital assets	-	(81,482)
Transfers to other funds	-	(755,000)
Principal payments on long-term debt	-	(43,338)
Interest payments on long-term debt	-	(2,574)
	<u>-</u>	<u>(882,394)</u>
<b><i>Cash flows from investing activities</i></b>		
Principal disbursed/collected on long-term notes receivable	109,762	-
	<u>67,263</u>	<u>(618,900)</u>
<b><i>Net increase (decrease) in cash and cash equivalents</i></b>		
	<u>3,378,689</u>	<u>2,203,183</u>
Cash and cash equivalents - beginning	\$ 3,445,952	\$ 1,584,283
Cash and cash equivalents - ending	<u><u>\$ 3,445,952</u></u>	<u><u>\$ 1,584,283</u></u>

*The accompanying notes are an integral part of the financial statements.*

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS (Continued)**  
**YEAR ENDED JUNE 30, 2022**

	<i><b>Business-Type Activities Enterprise Fund</b></i>	<i><b>Governmental Activities Internal Service Fund</b></i>
<i><b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b></i>		
Operating income (loss)	\$ 351,800	\$ 144,584
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	-	119,981
Allowance for uncollectible receivables	(4,500)	-
(Increase) decrease in:		
Accounts and other receivables	43,512	(240)
Prepaid items	-	17,250
Increase (decrease) in:		
Accounts payable	(559)	(18,607)
Compensated absences	(12,720)	(74)
Other liabilities	(208,815)	-
	<u>\$ 168,718</u>	<u>\$ 262,894</u>
<i>Net cash provided by (used for) operating activities</i>		

*The accompanying notes are an integral part of the financial statements.*

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

---

***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

The financial statements of the Oregon Cascades West Council of Governments new, Oregon (Council) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting entity for establishing governmental accounting and financial reporting standards.

*Reporting Entity*

Oregon Cascades West Council of Governments is organized under Oregon Revised Statutes Chapter 190 as a voluntarily created intergovernmental council formed by 27 governmental entities located in whole or part within Benton, Lincoln, and Linn Counties. The Council was chartered as a Type B Area Agency on Aging in 1982. The purpose of the Council is to be aware of and facilitate communications relating to the region's physical and social condition, provide staff for planning and operations of programs deemed to be of regional benefit, and to offer staff resources to local governments to assist in programs or activities that are locally beneficial. Operations include a wide variety of human services, economic and community development, and transportation programs. Funding for programs and administration is received from a wide variety of federal, state, and local governmental contracts and fundraising, including community groups and individual donations.

Control of the Council is vested in its board of directors, which is comprised of one representative from the governing board of each member unit. Administrative functions are delegated to the Council's executive director, who reports to and is responsible to the board.

*Basic Financial Statements*

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

*Government-wide financial statements:* While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities incorporate data from governmental funds, while the business-type activities incorporate data from enterprise funds. Separate financial statements are provided for all governmental and proprietary funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

*Fund financial statements* display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental, proprietary, or fiduciary. Currently, the Council has governmental (general, special revenue, capital projects and debt service funds) and proprietary (enterprise) type funds.

The Council reports the following major governmental funds:

*General* – The General Fund is the Council's primary operating fund. It accounts for all financial resources of the Council except those required to be accounted for in another fund.

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**  
*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)*  
*YEAR ENDED JUNE 30, 2022*

---

***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***

Special Revenue Funds

*Community Development Fund* – This fund is used to account for the construction or replacement of existing facilities and equipment.

*Senior and Disability and Community Services Fund* - The Senior and Disability and Community Services Fund accounts for revenue and expenditures related to the oversight of state and federal disability service programs, as well as expenditures to provide assistance to seniors for: obtaining in-home care, respite care, and legal advice; assessments, planning, and monitoring of care for eligible seniors; and the oversight of nutrition programs for seniors. Revenue is primarily from federal and state contracts.

The Council reports the following major proprietary funds:

*Enterprise Fund*

*Loan Fund* – The Loan Fund accounts for loan administration and revolving loan servicing to local businesses.

*Internal Service Fund* – The Internal Service Fund accounts for services to the other funds of the Council.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in the fund financial statements, certain eliminations are made in preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activity column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

*Measurement Focus and Basis of Accounting*

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis 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 related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**  
*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)*  
*YEAR ENDED JUNE 30, 2022*

---

***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***

*Measurement Focus and Basis of Accounting (Continued)*

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 both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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 governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and 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.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

*Budgetary Information*

The Council budgets all funds in accordance with the requirements of state law. Annual appropriated budgets are adopted for the general, special revenue, enterprise, and internal service funds. The general, special revenue and internal service funds are budgeted on the modified accrual basis of accounting. The enterprise fund is budgeted on the accrual basis of accounting.

The Council begins its budgeting process by appointing budget committee members. The budget officer prepares a budget, which is reviewed by the budget committee. The budget is then published in proposed form and is presented at public hearings to obtain public comments and approval from the budget committee. The budget is legally adopted by the board of directors by resolution prior to the beginning of the Council's fiscal year. The board resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total personal services, materials and services, debt service, and capital outlay for each fund are the levels of control established by the resolution. The detailed budget document, however, is required to contain more specific detailed information for the aforementioned expenditure categories and management may revise the detailed line-item budgets within appropriation categories.

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution. Supplemental budgets may be adopted by the board of directors at a regular board meeting and must be published. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by the board of directors. During the year, there were no supplemental budgets. The Council does not use encumbrances and appropriations lapse at year-end. Budgetary comparison schedules for each fund are presented for additional analysis only, not to demonstrate compliance with Oregon Budget Law as it relates to Chapter 190 organizations.

Budget amounts shown in the financial statements reflect the original budget amounts.

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2022**

---

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Cash and Cash Equivalents*

The Council's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of one year or less from the date of acquisition.

*Investments*

State statutes authorize the Council to invest in legally issued general obligations of the United States, the agencies and instrumentalities of the United States and the states of Oregon, Washington, Idaho, or California, certain interest bearing bonds, time deposit open accounts, certificates of deposit, and savings accounts in banks, mutual saving banks, and savings and loan associations that maintain a head office or a branch in this state in the capacity of a bank, mutual savings bank, or savings and loan association, and share accounts and savings accounts in credit unions in the name of, or for the benefit of, a member of the credit union pursuant to a plan of deferred compensation.

*Loans Receivable*

Loans receivable consist of amounts outstanding under the Council's revolving loan program. The loan principal and interest collected are reserved for future loans and the payment of administrative expenses related to the program. The Council uses the specific identification method when accounting for bad debts, as management has determined that this approximates accounting principles generally accepted in the United States of America. The Council determines past due status based on how recent payments have been received.

*Capital Assets*

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the Council as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost where no historical records exist. Donated capital assets are recorded at their estimated fair market value at the date of donation.

The costs of normal maintenance or repairs that do not add to the value of an asset or materially extend its life are charged to expenditures as incurred and are not capitalized. Major capital outlays for capital assets and improvements are capitalized as projects are constructed.

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

Assets	Years
Equipment	3-25
Buildings	10-50
Amortizable bond issuance costs	20

*Prepaid Expenses*

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



**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2022**

---

***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***

*Accrued Compensated Absences*

Liabilities for accumulated or vested vacation leave and compensation time benefits are recorded in the government-wide and proprietary fund financial statements. The governmental fund financial statements do not report liabilities for compensated absences unless they are due for payment. Sick leave does not vest and is recorded in all funds as taken.

*Deferred Outflows/Inflows of Resources (Non-Pension Related)*

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

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

The Council has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

*Net Position Flow Assumption*

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

*Fund Balance Flow Assumption*

Sometimes the government 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.

It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of 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.

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2022**

---

***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***

*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 government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Nonspendable fund balance are amounts that are in nonspendable form (such as inventory) or are required to be maintained intact.

Restricted fund balance are amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

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

Amounts in the assigned fund balance classification are intended to be used by the government for the specific purposes but do not meet the criteria to be classified as committed. The Board of Directors has by resolution authorized the Finance 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.

*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 and 2) grants and contributions (including special assessments) 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 as program revenues.

*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 (PERS) and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*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 certain reported amounts and disclosures. Accordingly, actual results may vary from those estimates.

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2022**

---

**CASH AND INVESTMENTS**

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

	<i><b>Carrying Value</b></i>	<i><b>Fair Value</b></i>
<i><b>Cash</b></i>		
Deposits with financial institutions	\$ 2,751,592	\$ 2,751,592
<i><b>Investments</b></i>		
Local Government Investment Pool	17,810,983	17,810,983
	<u>\$ 20,562,575</u>	<u>\$ 20,562,575</u>

Cash and investments by fund:

Governmental activities	
General Fund	\$ 5,578,678
Community Development Fund	4,486,042
Senior and Disability Services Fund	5,467,620
Internal Service Fund	1,584,283
	<u>17,116,623</u>
Business-type activities	
Loan Fund	3,445,952
	<u>3,445,952</u>
Total cash and unrestricted investments	<u>\$ 20,562,575</u>

*Deposits and Investments*

Oregon Cascades West Council of Governments maintains a cash and cash equivalents pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the fund financial statements as cash and cash equivalents. Additionally, several funds held separate cash accounts. Interest earned on pooled cash and investments is allocated to participating funds based upon their combined cash and investment balances. The Council participates in an external investment pool (State of Oregon Local Government Investment Pool). The Pool is not registered with the U.S. Securities and Exchange Commission as an investment company.

At year end, the book balance of the Council's bank deposits (checking accounts) was \$1,798,173 and the bank balance was \$2,120,602. The difference is due to transactions in process. Bank deposits are secured to legal limits by federal deposit insurance. The remaining amount is secured in accordance with ORS 295 under a collateral program administered by the Oregon State Treasurer.

## **OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**

### **NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2022**

---

#### ***CASH AND INVESTMENTS (Continued)***

The State's investment policies are governed by the Oregon Revised Statutes (ORS) and the Oregon Investment Council (OIC). The State Treasurer is the investment officer for the OIC and is responsible for all funds in the State Treasury. These funds are invested exercising reasonable care, skill, and caution. Investments in the Pool are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board, which established diversification percentages and specifies the types and maturities of investments. The portion of the external investment pool which belongs to local government investment participants is reported in an Investment Trust Fund in the State's Comprehensive Annual Financial Report (CAFR). A copy of the State's CAFR may be obtained at the Oregon State Treasury, 350 Winter St. N.E., Salem, Oregon 97310-0840.

#### ***Fair Value Measurement***

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

- Level 1 – Unadjusted quoted prices for identical investments in active markets.
- Level 2 – Observable inputs other than quoted market prices; and,
- Level 3 – Unobservable inputs.

There were no transfers of assets or liabilities among the three levels of the fair value hierarchy for the year ended June 30, 2022.

#### ***Interest Rate Risk***

In accordance with its investment policy, the Council manages its exposure to declines in fair value of its investments by limiting its investments to the LGIP.

#### ***Custodial Credit Risk - Deposits***

This is the risk that in the event of a bank failure, the Council's deposits may not be returned. The Federal Depositary Insurance Corporation (FDIC) provides insurance for the Council's deposits up to \$250,000 each for the aggregate of all demand deposits and the aggregate of all-time deposit and savings accounts at each financial institution.

Deposits in excess of FDIC coverage are with institutions covered by the Public Funds Collateralization program (PFCP). The PFCP is a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public funds if they are adequately capitalized or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all Oregon public funds bank depositories is available to repay deposits of public funds of governmental entities. As of June 30, 2021, \$1,618,569 of the Council's bank balances were collateralized under the Public Funds Collateralization Program.

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2022**

---

**CASH AND INVESTMENTS (Continued)**

*Custodial Risk - Investments*

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

*Custodial Risk – Investments (Continued)*

The LGIP is administered by the Oregon State Treasury with the advice of other state agencies and is not registered with the U.S. Securities and Exchange Council. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision, or public corporation of the state that by law is made a custodian of or has control of any fund. The LGIP is comingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short Term Fund Board, which has established diversification percentages and specifies the types and maturities of the investments. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP. These investments within the LGIP must be invested and managed as a prudent investor would, exercising reasonable care, skill, and caution. Professional standards indicate that the investments in external investment pools are not subject to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form. Nevertheless, management does not believe there are any substantial custodial risks related to investment in the LGIP. The LGIP is not rated for credit quality.

**LOANS RECEIVABLE**

Loans receivable consist of amounts outstanding under the Council's revolving loan programs. The loan principal and interest collected are reserved for future loans and the payment of administrative expenses related to the programs. At June 30, 2022, an allowance for doubtful accounts was deemed necessary in the amount of \$292,200. The outstanding loans are collateralized by tangible assets and are payable in monthly or quarterly installments, including interest at 6% to 9.5% per annum.

Loans receivable at June 30, 2022 consisted of:

Loan Type	
Economic Development Agency Revolving Loan Fund	\$ 484,704
Rural Micro Assistance Program	29,097
Rural Development Fund Rounds 1-3	561,560
Rural Development Fund Round 4	1,625
Lincoln County Revolving Loan Fund	27,978
Business Investment Fund	273,787
Economic Development Agency - CARES	464,019
Sub-total	1,842,770
Less allowance for doubtful accounts	(292,200)
Total	1,550,570
Loans in liquidation status	156,212
Total	<u>\$ 1,706,782</u>

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2022**

---

**LOANS RECEIVABLE (Continued)**

At June 30, 2022, the Council had a total recorded investment in loans classified as “in liquidation” of \$156,212. This balance consists of one Intermediary Relending Program loans to one borrower. The loans are secured by real property. The Council has no commitments to loan additional funds to the borrower.

**CAPITAL ASSETS**

The changes in the capital assets for governmental activities for the year ended June 30, 2022 are as follows:

	<i><b>Balances July 1, 2021</b></i>	<i><b>Additions</b></i>	<i><b>Retirements</b></i>	<i><b>Balances June 30, 2022</b></i>
Nondepreciable				
Land	\$ 253,140	\$ -	\$ -	\$ 253,140
Depreciable				
Machinery and equipment	2,208,071	160,416	-	2,368,487
Buildings and improvements	3,547,232	81,482	-	3,628,714
<i>Total Depreciable</i>	5,755,303	241,898	-	5,997,201
Accumulated Depreciation				
Machinery and equipment	(2,199,605)	(51,915)	-	(2,251,520)
Buildings and improvements	(1,950,628)	(119,981)	-	(2,070,609)
<i>Total Accumulated Depreciation</i>	(4,150,233)	(171,896)	-	(4,322,129)
Depreciable capital assets, net	1,605,070	-	-	1,675,072
Total capital assets, net	\$ 1,858,210	\$ -	\$ -	\$ 1,928,212

Depreciation expense for the year was allocated as follows:

General government	\$ 32,979
Unallocated depreciation expense	138,917
	<u>\$ 171,896</u>

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2022**

**DEFERRED INFLOWS/OUTFLOWS OF RESOURCES**

Deferred inflows and outflows of resources summarized on the statement of net position are comprised of the following:

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Net Pension Liability - PERS	\$ 7,070,960	\$ 8,051,884
OPEB asset - RHIA	29,476	29,433
OPEB liability - Medical benefit	38,559	63,551
Total	\$ 7,138,995	\$ 8,144,868

**COMPENSATED ABSENCES**

The following is a summary of compensated absences transactions for the year:

	<i>Balances July 1, 2021</i>	<i>Current Year Change</i>	<i>Balances June 30, 2022</i>
Government activities			
Net compensated absences	\$ 569,350	\$ (52,677)	\$ 516,673
Business-type activities			
Net compensated absences	\$ 8,874	\$ (8,874)	\$ -

**LONG-TERM DEBT**

Long-term debt transactions for the year were as follows:

	<i>Interest Rate</i>	<i>Original Amount</i>	<i>Outstanding July 1, 2021</i>	<i>Issued</i>	<i>Matured/ Redeemed During Year</i>	<i>Outstanding June 30, 2022</i>	<i>Due within One year</i>
Governmental activities							
Building note payable	5.95%	\$ 650,000	\$ 43,338	\$ -	\$ (43,338)	\$ -	\$ -
Business-type activities							
Loans payable							
Revolving Fund #1	1%	\$ 1,500,000	\$ 246,700	\$ -	\$ (61,199)	\$ 185,501	\$ 61,811
Revolving Fund #2	1%	1,500,000	308,133	-	-	308,133	121,788
Revolving Fund #3	1%	1,000,000	284,971	-	(39,599)	245,372	39,995
Revolving Fund #4	1%	950,000	337,291	-	(36,589)	300,702	37,329
RMAP Fund	2%	95,653	85,866	-	(4,431)	81,435	4,500
Total business-type activities		\$ 5,045,653	\$ 1,262,961	\$ -	\$ (141,818)	\$ 1,121,143	\$ 265,423

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2022**

---

**LONG-TERM DEBT (Continued)**

*Governmental Activities Note Payable*

The building note payable was signed on May 21, 2001. Proceeds from the note were used to purchase land and buildings. Payments are due monthly in the amount of \$6,100 through June 1, 2011, and \$6,450 thereafter. The Internal Service Fund has traditionally been used to liquidate long-term debt related to the note.

*Business-Type Activities Note Payable*

The Revolving Loan Funds #1-4, and RMAP Funds were issued for use in relending programs. Interest is due annually. The Loan Fund has traditionally been used to liquidate the obligations. The loans contain events of default; if the Council is unable to make payments, the lenders may declare the entire principal balance and any unpaid accrued interest due immediately.

Future debt service requirements for business-type activities are as follows:

<b><i>Fiscal Year Ending June 30,</i></b>	<b><i>Principal</i></b>	<b><i>Interest</i></b>	<b><i>Total</i></b>
2023	\$ 265,423	\$ 11,494	\$ 276,917
2024	206,936	9,390	216,326
2025	207,268	8,216	215,484
2026	146,576	5,414	151,990
2027	85,364	3,612	88,976
2028-2032	177,642	6,939	184,581
2033-2037	28,500	2,490	30,990
2038-2039	3,434	2,764	6,198
	<u>\$ 1,121,143</u>	<u>\$ 50,319</u>	<u>\$ 1,171,462</u>



***PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)***

*Plan Description*

Employees of the Council 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 Annual Comprehensive Financial Report and Actuarial Valuation that can be obtained at <http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

***Benefits Provided***

*Tier One/Tier Two Retirement Benefit*

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

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for fire members). General service employees may retire after reaching age 55. Fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 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:

*Tier One/Tier Two Retirement Benefit (Continued)*

- 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.

*Disability Benefits.* A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for fire members) when determining the monthly benefit.

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2022**

---

***PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS) (Continued)***

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

***OPSRP Pension Program***

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

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

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

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

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

***OPSRP Individual Account Program (OPSRP IAP)***

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

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

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2022**

---

***PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS) (Continued)***

*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.

***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 based on a percentage of payroll, first became effective July 1, 2019. The Council's contribution rates for the period were 24.87% for Tier One/Tier Two members and 20.74% for OPSRP General Service members. The Council's total contributions were \$2,029,276. Covered employees are required to contribute 6% of their salary to the Plan.

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

At June 30, 2022, the Council reported a liability of \$10,097,052 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 Council's proportion of the net pension liability was based on a projection of the Council'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 Council's proportion was 0.00738%, which increased 0.00872% from its proportion measured as of June 30, 2020.

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2022**

---

**PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS) (Continued)**

For the year ended June 30, 2022, the Council's recognized pension expense (income) of (\$536,592). At June 30, 2022, the Council reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<i><b>Deferred Outflows of Resources</b></i>	<i><b>Deferred Inflows of Resources</b></i>
Differences between expected and actual experience	\$ 945,150	\$ -
Changes of assumptions	2,527,596	26,573
Net difference between projected and actual earnings on investments	-	7,474,770
Changes in proportionate share	1,564,084	321,774
Differences between employer contributions and proportionate share of contributions	4,854	228,767
Contributions subsequent to measurement date	2,029,276	-
	<hr/>	<hr/>
Total	\$ 7,070,960	\$ 8,051,884
	<hr/>	<hr/>

Deferred outflows of resources related to pensions of \$2,029,276 resulting from the Council's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or an increase in the net pension asset in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as an addition to (reduction from) as follows:

<i><b>Fiscal Year Ending June 30,</b></i>	
2023	\$ (573,766)
2024	(523,189)
2025	(741,191)
2026	(1,511,037)
2027	338,983
	<hr/>
Total	\$ (3,010,200)
	<hr/>

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2022**

---

**PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS) (Continued)**

**Actuarial Methods and Assumptions**

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

<b>Valuation Date</b>	December 31, 2019
<b>Measurement date</b>	June 30, 2021
<b>Experience Study</b>	2018, published July 24, 2019
<b>Actuarial assumptions:</b>	
Actuarial cost method	Entry Age Normal
Inflation rate	2.50 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
<b>Mortality</b>	<i>Healthy retirees and beneficiaries:</i> 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. <i>Active members:</i> Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. <i>Disabled retirees:</i> 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.

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.

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2022**

---

**PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS) (Continued)**

**Long-term Expected Rate of Return**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 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.

<u>Asset Class</u>	<u>Target</u>	<u>Compound 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
Assumed Inflation - Mean		2.40

**Discount Rate**

The discount rate used to measure the total pension liability was 7.20 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from 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.

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**  
*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)*  
*YEAR ENDED JUNE 30, 2022*

---

**PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS) (Continued)**

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

The following presents the Council's proportionate share of the net pension liability calculated using the discount rate of 6.90 down from 7.20 percent in the prior year, as well as what the Council'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%) or 1-percentage-point higher (7.90%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Proportionate share of the net pension liability	\$ 19,828,196	\$ 10,097,052	\$ 1,955,618

***Pension Plan Fiduciary Net Position***

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

***Retirement Health Insurance Account***

***Plan Description***

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

***Funding Policy***

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

## **OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**

### **NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2022**

---

#### ***PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS) (Continued)***

Participating entities are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the Council currently contributes 0.05% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2022. The OPERS Board of Trustees sets the employer contribution rates based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 75. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The Council's contributions to RHIA for the year ended June 30, 2022 were \$485, respectively, which equaled the required contributions each year.

At June 30, 2022, the Council's net OPEB liability/(asset) and deferred inflows and outflows were not considered significant by management and were not accrued on the government wide statements.

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

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

#### ***POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - OPEB***

##### **Oregon Public Employees Retirement System (PERS) Retirement Health Insurance Account (RHIA)**

###### ***Plan Description***

The Oregon PERS RHIA consists of a single cost-sharing multiple-employer defined benefit OPEB plan. Plan benefits of the System are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A, and the Internal Revenue Code Section 401(a).

###### ***OPEB Membership***

RHIA was established by ORS 238.420 and authorizes a payment of up to \$60 from RHIA toward the monthly costs of health insurance. The Plan is closed to new members hired 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 (C) enroll in a PERS-sponsored health plan.

###### ***Basis of Accounting***

Contributions for employers are recognized on the accrual basis of accounting. Employer contributions to PERS are calculated based on creditable compensation for active members reported by employers. Employer contributions are accrued when due pursuant to legal requirements. These are amounts normally included in the employer statements cut off as of the fifth of the following month. The schedules of OPEB amounts by Employer does not reflect deferred outflows of resources related to contributions made by employers after the measurement date.



**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2022**

---

**POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

Consistent with GASB Statement No. 75, paragraph 59(a), employer proportions are determined as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined.

*Contributions*

Employer contributions for the year ended June 30, 2022 were \$485.

*OPEB RHIA Plan Annual Comprehensive Financial Report (ACFR)*

All assumptions, methods, and plan provisions used in these calculations are described in the Oregon PERS RHIA Cost-Sharing Multiple-Employer OPEB Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the year ended June 30, 2021. That independently audited report and can be found at: <https://www.oregon.gov/pers/Documents/Financials/CAFR/2021-ACFR.pdf>

*Proportionate Share Allocation Methodology*

The basis for the employer's proportion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. If the employer did not make contributions during the fiscal year, their proportionate share will be set to zero and the employer will be allocated no proportionate share of the OPEB amounts.

*Actuarial Methods and Assumptions*

<b>Valuation Date</b>	December 31, 2019
<b>Measurement date</b>	June 30, 2021
<b>Experience Study</b>	2018, published July 24, 2019
<b>Actuarial assumptions:</b>	
Actuarial cost method	Entry Age Normal
Inflation rate	2.50 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
<b>Mortality</b>	<i>Healthy retirees and beneficiaries:</i> 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. <i>Active members:</i> Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. <i>Disabled retirees:</i> 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.

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**  
*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)*  
*YEAR ENDED JUNE 30, 2022*

---

***POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (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 on the 2016 Experience Study, which reviewed experience for the four-year period ended December 31, 2016.

*Discount Rate*

The discount rate used to measure the total OPEB liability at June 30, 2019 was 7.20. 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 RHIA 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 OPEB plan investments for the RHIA was applied to all periods of projected benefit payments to determine the total OPEB liability.

*Long-Term Expected Rate of Return*

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS' audited financial statements at: <https://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf>

*Depletion Date Projection*

GASB 75 generally requires that a blended discount rate be used to measure the Total OPEB Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses.

*OPEB Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*

At June 30, 2022, the Council reported an asset of \$104,699 for its proportionate share of the OPEB asset. The OPEB asset was measured at June 30, 2021, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of that date.

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS****NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2022****POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

The Council's proportion of the net OPEB asset was based on a projection of the Council's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2019, the Council's proportion was 0.03048874%. For the year ended June 30, 2022, the Council recognized OPEB expense of \$2,725. At June 30, 2022, the Council reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<i><b>Deferred Outflows of Resources</b></i>	<i><b>Deferred Inflows of Resources</b></i>
Differences between expected and actual experience	\$ -	\$ 2,913
Changes of assumptions	2,060	1,558
Net difference between projected and actual earnings on investments	-	24,882
Changes in proportionate share	26,931	80
Contributions subsequent to the MD	485	-
	<hr/>	<hr/>
Net deferred outflow/(inflow) of resources	<u>\$ 29,476</u>	<u>\$ 29,433</u>

Differences between expected and actual experience, changes in assumptions, and changes in employer proportion are amortized over the average remaining service lives of all plan participants, including retirees, determined as of the beginning of the respective measurement period. Employers are required to recognize OPEB expense based on the balance of the closed period "layers" attributable to each measurement period. The average remaining service life determined as of the beginning of the June 30, 2021 measurement period is 3.1 years.

Amounts reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB asset in the subsequent year. Other amounts reported by the Council as deferred outflows or inflows of resources related to OPEB will be recognized in OPEB expense in subsequent years as follows:

<i><b>Year ended June 30,</b></i>	
2023	\$ 11,240
2024	1,859
2025	(5,681)
2026	(7,860)
	<hr/>
Total	<u>\$ (442)</u>

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2022**

---

**POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

*Sensitivity of the Council's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate*

The following presents the Council's proportionate share of the net OPEB asset calculated using the discount rate of 6.90 percent down from 7.20 percent in the prior year, as well as what the Council's proportionate share of the net OPEB asset would be if it were calculated using a higher discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate.

Council's proportionate share of the net OPEB (asset) liability:

	<i>1% Decrease (5.90%)</i>	<i>Current Discount Rate (6.90%)</i>	<i>1% Increase (7.90%)</i>
Net OPEB liability (asset)	\$ (92,590)	\$ (104,699)	\$ (115,042)

**Other Post-Employment Benefit (GASB 75) - Council Medical Benefit Plan**

*General Information about the OPEB Plan*

The Council Medical Benefit Plan consists of a single-employer retiree benefit plan that provides post-employment health, dental, vision, and life insurance benefits to eligible employees and their dependents.

*Plan Benefits – Implicit Medical Benefit*

Plan benefits are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapter 243. ORS stipulated that for the purpose of establishing health care premiums, the rate must be based on all plan members, including both active employees and retirees. The difference between retiree claims costs, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree healthcare premiums represents the Council's implicit employer contributions.

The calculated OPEB liability is derived using the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members at that point.

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations of the OEB plan reflect a long-term perspective.

## **OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**

### **NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2022**

---

#### **POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

##### *Medical Benefit Membership and Eligibility*

Benefits and eligibility for members are established through the collective bargaining agreements. All classes of employee are eligible to continue coverage upon retirement. Qualified spouses, domestic partners, and children may qualify for coverage.

##### *Medical Benefit Duration and Amount*

Coverage for retirees and eligible dependents continues until Medicare eligibility for each individual (or until dependent children become ineligible).

##### *Participant Statistics*

As of June 30, 2022, there were 151 active members and 4 retired participants in the Medical Benefit plan. The average age of participants is 44.3 and 63.0, respectively. The Council did not establish an irrevocable trust (or equivalent arrangement) to account for this plan.

##### *Funding Policy*

The benefits from this program are paid by the Council on a self-pay basis and the required contribution is based on projected pay-as-you-go financing requirements. There is no obligation on the part of the Council to fund these benefits in advance.

##### *Actuarial Methods and Assumptions*

The Council engaged an actuary to perform an evaluation as of July 1, 2020 using age entry normal, level percent of salary Actuarial Cost Method. The Single Employer Pension Plan liability was determined using the following actuarial assumptions, applied to all periods including the measurement:

<b>Valuation Date</b>	July 1, 2020
<b>Measurement date</b>	June 30, 2021
<b>Actuarial assumptions:</b>	
Actuarial cost method	Entry Age Normal
Interest discount	2.16 percent discount rate assumption
General inflation	2.50 percent per year
Salary scale	3.50 percent per year

Election and lapse rates: 55% of eligible employees – 60% of male members and 35% of female members will elect spouse coverage; 5% annual lapse rate.

Expected healthcare costs were developed using a composite of the premiums due for retirees members electing coverage as of July 1, 2020.

Milliman's Health Cost Guidelines were used to allocate costs by age and gender. Retirees' costs include a load for expected health status of retirees relative to active employees and spouses.

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS****NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2022****POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

For the period July 1, 2020 through June 30, 2021, current medical premiums due for retirees and their spouses were modeled using an average monthly premium of \$633 per retiree per month, and \$760 per spouse per month. Dental and vision premiums were modeled using average monthly premiums of \$57 per retiree and \$56 per spouse.

Mortality rates were based on the Pub-2010 General and Safety Employee and Healthy Retiree tables, sex distinct for members and dependents, with a one-year setback for male general service employees and female safety employees.

Turnover rates were based on percentages developed for the valuation of benefits under Oregon PERS and vary by years of service. Disability rates were based on percentages developed for the valuation of benefits under Oregon PERS and vary by employee age.

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

	<b><i>Total OPEB Liability</i></b>
Total OPEB Liability at June 30, 2021	\$ 359,934
Changes for the year:	
Service cost	48,391
Interest on total OPEB liability	8,672
Effect on economic/demographic gains or losses	-
Effect of assumptions changes or inputs	1,720
Benefit payments	(32,065)
	<hr/>
Balance as of June 30, 2022	<u><u>\$ 386,652</u></u>

At June 30, 2022, the Council reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b><i>Deferred Outflows of Resources</i></b>	<b><i>Deferred Inflows of Resources</i></b>
Differences between expected and actual experience	\$ 10,532	\$ 46,925
Changes of assumptions	7,807	16,626
Benefit payments	20,220	-
	<hr/>	<hr/>
Net deferred outflow/(inflow) of resources	<u><u>\$ 38,559</u></u>	<u><u>\$ 63,551</u></u>

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2022**

---

**POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

Amounts reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2022.

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

<i><b>Year ended June 30,</b></i>	
2023	\$ (22,518)
2024	(19,056)
2025	(7,523)
2026	2,714
2027	1,041
Thereafter	130
Total	<u><u>\$ (45,212)</u></u>

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

The following presents the net OPEB liability, calculated using the discount rate of 3.87%, as well as what the liability would be if it was calculated using a discount rate 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<i><b>1% Decrease (2.50%)</b></i>	<i><b>Current Discount Rate (3.50%)</b></i>	<i><b>1% Increase (4.50%)</b></i>
Total OPEB liability	\$ 419,920	\$ 386,652	\$ 355,547

The following presents the net OPEB liability, calculated using the trend rate, as well as what the liability would be if it was calculated using a discount rate 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<i><b>1% Decrease</b></i>	<i><b>Current Trend Rate</b></i>	<i><b>1% Increase</b></i>
Total OPEB liability	\$ 336,180	\$ 386,652	\$ 448,475

*Concentrations*

The Council has labor subject to collective bargaining agreements, approximately 85% of the Council's labor are covered by the current collective bargaining agreement. The current agreement was signed on November 1, 2021 and is effective until September 30, 2023.

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**

*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)*

*YEAR ENDED JUNE 30, 2022*

---

**CONTINGENCIES**

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. In 1981, the League of Oregon Cities joined together with the Association of Oregon Cities to form City County Insurance Services (CCIS), a public entity risk pool currently operating as a common risk management and insurance program for approximately 265 municipal corporations and associated entities in the State of Oregon. CCIS is self-sustaining through member premiums and reinsures through commercial companies for claims in excess of \$2 million for each insured event.

The Council continues to carry commercial insurance for other risks of loss, including employee health and accident insurance. There were no insurance settlements exceeding insurance coverage in any of the past three fiscal years.



***REQUIRED SUPPLEMENTARY INFORMATION***

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**  
**PERS SCHEDULES**  
**YEAR ENDED JUNE 30, 2022**

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Year Ended June 30,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	0.0843778%	\$ 10,097,052	\$ 9,267,835	109%	88%
2021	0.0756589%	16,511,363	8,222,050	201%	76%
2020	0.0718397%	12,426,539	6,471,936	192%	80%
2019	0.0746271%	11,305,026	6,937,766	163%	82%
2018	0.0821614%	11,075,384	7,228,670	153%	83%
2017	0.0831984%	12,490,006	6,744,528	185%	81%
2016	0.0844982%	4,851,432	6,041,438	80%	92%
2015	0.0754529%	(1,710,301)	5,360,714	-32%	104%

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

These schedules are presented to illustrate the requirements to show information for 10 years. 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

**SCHEDULE OF CONTRIBUTIONS**

	Contractually required contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2022	\$ 2,029,276	\$ 2,029,276	\$ -	\$ 9,858,193	21%
2021	1,792,021	1,792,021	-	9,267,835	19%
2020	1,550,260	1,550,260	-	8,222,050	19%
2019	1,532,604	1,532,604	-	8,514,467	18%
2018	1,385,369	1,385,369	-	7,669,931	18%
2017	1,247,348	1,247,348	-	6,912,484	18%
2016	854,162	854,162	-	6,041,438	14%
2015	746,570	746,570	-	5,360,714	14%

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

These schedules are presented to illustrate the requirements to show information for 10 years. 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

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**  
**OTHER POST-EMPLOYMENT BENEFITS SCHEDULES - RHIA**  
**YEAR ENDED JUNE 30, 2022**

---

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**

Year Ended June 30,	Proportion of the net OPEB liability (asset)	Proportionate share of the net OPEB liability (asset)	Covered payroll	Proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2022	0.0304887%	\$ (104,699)	\$ 9,858,193	-1%	184%
2021	0.0441085%	(89,876)	9,267,835	-1%	150%
2020	0.0652855%	(126,155)	6,471,936	-2%	144%
2019	0.0652855%	(69,391)	6,937,766	-1%	124%
2018	0.0644874%	(26,913)	7,228,670	0%	109%

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

These schedules are presented to illustrate the requirements to show information for 10 years. 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

**SCHEDULE OF CONTRIBUTIONS**

Year Ended June 30,	Contractually required contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2022	\$ 485	\$ 485	\$ -	\$ 9,858,193	0.00%
2021	816	816	-	9,267,835	0.01%
2020	3,150	3,150	-	8,222,050	0.04%
2019	32,357	32,357	-	8,514,467	0.38%
2018	30,100	30,100	-	7,669,931	0.39%

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

These schedules are presented to illustrate the requirements to show information for 10 years. 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

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**  
**OTHER POST-EMPLOYMENT BENEFITS SCHEDULES – IMPLICIT RATE SUBSIDY**  
**YEAR ENDED JUNE 30, 2022**

---

***Changes in Total OPEB Liability and Related Ratios***

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Service cost	\$ 39,659	\$ 37,783	\$ 31,991	\$ 35,703	\$ 48,391
Interest on total OPEB liability	11,670	14,392	11,006	11,900	8,672
Effect of economic/demographic gains or (losses)	-	(122,005)	-	15,212	-
Effect of assumption change or inputs	(23,474)	(22,892)	11,797	(5,184)	1,720
Benefit payments	(30,845)	(36,097)	(1,829)	(3,972)	(32,065)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Net change in total OPEB liability	(2,990)	(128,819)	52,965	53,659	26,718
Net OPEB liability, beginning	385,119	382,129	253,310	306,275	359,934
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Net OPEB liability, ending	\$ 382,129	\$ 253,310	\$ 306,275	\$ 359,934	\$ 386,652
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Covered payroll	\$ 7,228,670	\$ 8,514,467	\$ 8,222,050	\$ 9,237,835	\$ 9,858,193
Total OPEB liability as a % of covered payroll	5.29%	2.98%	3.73%	3.9%	3.9%

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

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - GENERAL FUND  
YEAR ENDED JUNE 30, 2022**

	<b>Budgeted Amounts</b>			<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Favorable (Unfavorable)</b>
<b>REVENUES</b>				
Contract revenue	\$ 65,000	\$ 40,000	\$ -	\$ (40,000)
Dues revenue	15,738	15,738	15,418	(320)
Fees revenue	2,607,114	2,607,114	2,601,301	(5,813)
Investment earnings	101,756	91,756	91,129	(627)
Events, sponsorships, donations	20,000	20,000	-	(20,000)
Miscellaneous	-	-	4,732	4,732
<i>Total Revenues</i>	2,809,608	2,774,608	2,712,580	(62,028)
<b>EXPENDITURES</b>				
Personnel services	1,981,059	1,879,795	1,734,634	145,161
Materials and services	835,024	1,032,494	706,394	326,100
Contingency	68,465	68,465	-	68,465
<i>Total Expenditures</i>	2,884,548	2,980,754	2,441,028	539,726
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(74,940)	(206,146)	271,552	477,698
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	3,396,242	3,396,242	-
Transfers out	-	(20,000)	(20,000)	-
<b>NET CHANGE IN FUND BALANCE</b>	(74,940)	3,170,096	3,647,794	477,698
<b>FUND BALANCE, Beginning of year</b>	74,940	452,710	1,964,442	1,511,732
<b>FUND BALANCE, End of year</b>	\$ -	\$ 3,622,806	\$ 5,612,236	\$ 1,989,430

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -****BUDGET AND ACTUAL – COMMUNITY DEVELOPMENT FUND****YEAR ENDED JUNE 30, 2022**

	<b>Budgeted Amounts</b>			<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Favorable (Unfavorable)</b>
<b>REVENUES</b>				
Contract revenue	\$ 2,285,681	\$ 2,202,181	\$ 2,300,717	\$ 98,536
Dues revenue	112,741	112,741	112,785	44
Fees revenue	-	-	10,375	10,375
Investment earnings	5,000	8,500	17,204	8,704
Events, sponsorships, donations	10,774,535	11,455,301	11,215,562	(239,739)
Miscellaneous	-	-	262	262
<i>Total Revenues</i>	13,177,957	13,778,723	13,656,905	(121,818)
<b>EXPENDITURES</b>				
Personnel services	2,434,038	2,322,993	1,976,119	346,874
Materials and services	10,854,838	11,092,402	9,256,414	1,835,988
Contingency	3,029,517	2,939,297	-	2,939,297
<i>Total Expenditures</i>	16,318,393	16,354,692	11,232,533	5,122,159
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(3,140,436)	(2,575,969)	2,424,372	5,000,341
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	(417,080)	(417,080)	-
<b>NET CHANGE IN FUND BALANCE</b>	(3,140,436)	(2,993,049)	2,007,292	5,000,341
<b>FUND BALANCE, Beginning of year</b>	3,140,436	2,993,049	3,051,721	58,672
<b>FUND BALANCE, End of year</b>	\$ -	\$ -	\$ 5,059,013	\$ 5,059,013

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – SENIOR AND DISABILITY SERVICES FUND**  
**YEAR ENDED JUNE 30, 2022**

	<i>Budgeted Amounts</i>			<i>Variance Favorable (Unfavorable)</i>
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	
<b>REVENUES</b>				
Contract revenue	\$ 1,295,063	\$ 1,362,883	\$ 1,198,560	\$ (164,323)
Dues revenue	202,027	202,027	202,001	(26)
Fees revenue	192,000	192,000	238,589	46,589
Investment earnings	-	-	16	16
Events, sponsorships, donations	250,500	250,500	173,754	(76,746)
Grants	16,369,984	17,764,095	17,723,354	(40,741)
Miscellaneous	-	-	10	10
<i>Total Revenues</i>	18,309,574	19,771,505	19,536,284	(235,221)
<b>EXPENDITURES</b>				
Personnel services	15,005,715	15,205,878	12,677,836	2,528,042
Materials and services	5,796,904	6,045,857	5,754,057	291,800
Contingency	2,730,479	4,402,118	-	4,402,118
<i>Total Expenditures</i>	23,533,098	25,653,853	18,431,893	7,221,960
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(5,223,524)	(5,882,348)	1,104,391	6,986,739
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	10,000	10,000	30,000	20,000
Transfers out	(35,000)	(1,880,541)	(2,234,162)	(353,621)
<i>Total Other Financing Sources (Uses)</i>	(25,000)	(1,870,541)	(2,204,162)	(333,621)
<b>NET CHANGE IN FUND BALANCE</b>	(5,248,524)	(7,752,889)	(1,099,771)	6,653,118
<b>FUND BALANCE, Beginning of year</b>	8,853,858	8,392,497	8,699,476	306,979
<b>FUND BALANCE, End of year</b>	\$ 3,605,334	\$ 639,608	\$ 7,599,705	\$ 6,960,097

***OTHER SUPPLEMENTARY INFORMATION***



**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -****BUDGET AND ACTUAL – LOAN FUND****YEAR ENDED JUNE 30, 2022**

	<b><i>Original and Final Budget</i></b>	<b><i>Variance Favorable (Unfavorable)</i></b>	<b><i>Actual</i></b>		
			<b><i>Budget Basis</i></b>	<b><i>Adjustments</i></b>	<b><i>GAAP Basis</i></b>
<b>REVENUES</b>					
Contract revenue	\$ 201,872	\$ (58,193)	\$ 143,679	\$ -	\$ 143,679
Fees revenue	12,000	3,746	15,746	-	15,746
Earnings on loan repayments	175,000	(45,812)	129,188	-	129,188
Grant revenue	41,500	344,562	386,062	-	386,062
Miscellaneous	-	175	175	-	175
<i>Total Revenues</i>	430,372	244,478	674,850	-	674,850
<b>EXPENDITURES</b>					
Current					
Personnel services	239,550	43,945	195,605	(12,720)	182,885
Materials and services	202,604	62,614	139,990	-	139,990
Debt service	16,000	(136,566)	152,566	(141,819)	10,747
Contingency	2,241	2,241	-	-	-
<i>Total Expenditures</i>	460,395	(27,766)	488,161	(154,539)	333,622
<b>NET CHANGE IN FUND BALANCE</b>	(30,023)	216,712	186,689	154,539	341,228
<b>FUND BALANCE, Beginning of year</b>	600,079	2,728,139	3,328,218	(12,719)	3,315,499
<b>FUND BALANCE, End of year</b>	\$ 570,056	\$ 2,944,851	\$ 3,514,907	\$ 141,820	\$ 3,656,727

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -****BUDGET AND ACTUAL – INTERNAL SERVICE FUND****YEAR ENDED JUNE 30, 2022**

	<i>Original and Final Budget</i>	<i>Variance Favorable (Unfavorable)</i>	<i>Budget Basis</i>	<i>Actual Adjustments</i>	<i>GAAP Basis</i>
<b>REVENUES</b>					
Fee revenue	\$ 65,000	\$ (28,022)	\$ 36,978	\$ -	\$ 36,978
Rent revenue	711,153	813	711,966	-	711,966
Grants	10,000	(10,000)	-	-	-
Miscellaneous revenue	-	600	600	-	600
<i>Total Revenues</i>	786,153	(36,609)	749,544	-	749,544
<b>EXPENDITURES</b>					
Current					
Personnel services	193,776	54,065	139,711	(75)	139,636
Materials and services	512,078	158,117	353,961	(9,218)	344,743
Capital outlay	57,393	(14,871)	72,264	(72,264)	-
Debt service	48,490	2,578	45,912	(43,338)	2,574
Depreciation	-	-	-	119,981	119,981
Contingency	1,856,270	1,856,270	-	-	-
<i>Total Expenditures</i>	2,668,007	2,056,159	611,848	(4,914)	606,934
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(1,881,854)	2,019,550	137,696	4,914	142,610
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	(755,000)	-	(755,000)	-	(755,000)
<b>NET CHANGE IN FUND BALANCE</b>	(2,636,854)	2,019,550	(617,304)	4,914	(612,390)
<b>FUND BALANCE, Beginning of year</b>	2,777,031	(582,254)	2,194,777	1,586,326	3,781,103
<b>FUND BALANCE, End of year</b>	\$ 140,177	\$ 1,437,296	\$ 1,577,473	\$ 1,591,240	\$ 3,168,713

***OTHER FINANCIAL SCHEDULES***

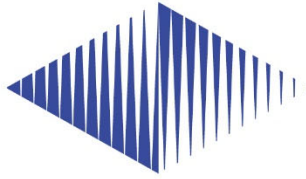
**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**  
**SCHEDULE OF NET POSITION**  
**JUNE 30, 2022**

	<i><b>Lending Operations</b></i>	<i><b>Linn Benton RLF</b></i>	<i><b>Business Investment</b></i>	<i><b>Rural Development 1-3</b></i>	<i><b>Rural Development 4</b></i>	<i><b>Revolving Loan</b></i>	<i><b>RMAP Loan</b></i>	<i><b>Lincoln County Revolving Loan</b></i>	<i><b>Totals</b></i>
<b>ASSETS</b>									
Current assets									
Cash and cash equivalents	\$ 753,812	\$ 88,040	\$ 331,245	\$ 1,041,933	\$ 214,257	\$ 514,528	\$ 75,020	\$ 425,928	\$ 3,444,763
Accounts receivable	13,203	-	-	-	-	-	-	-	13,203
Loans receivable, net	-	(3)	229,787	461,560	107,837	872,525	29,097	5,978	1,706,781
<i>Total assets</i>	<u>767,015</u>	<u>88,037</u>	<u>561,032</u>	<u>1,503,493</u>	<u>322,094</u>	<u>1,387,053</u>	<u>104,117</u>	<u>431,906</u>	<u>5,164,747</u>
<b>LIABILITIES</b>									
Current liabilities									
Accounts payable	28	-	-	-	-	-	-	-	28
Other liabilities	389,938	-	-	-	-	-	-	-	389,938
Compensated absences	348	-	-	-	-	-	-	-	348
Loans payable	-	-	-	739,007	300,701	-	81,435	-	1,121,143
<i>Total liabilities</i>	<u>390,314</u>	<u>-</u>	<u>-</u>	<u>739,007</u>	<u>300,701</u>	<u>-</u>	<u>81,435</u>	<u>-</u>	<u>1,511,457</u>
<b>NET POSITION</b>									
Unrestricted	<u>\$ 376,701</u>	<u>\$ 88,037</u>	<u>\$ 561,032</u>	<u>\$ 764,486</u>	<u>\$ 21,393</u>	<u>\$ 1,387,053</u>	<u>\$ 22,682</u>	<u>\$ 431,906</u>	<u>\$ 3,653,290</u>

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**  
**SCHEDULE OF REVNUES, EXPENSES AND CHANGES IN NET POSITION**  
**RDF 1-3 AND RDF 4 LOANS**  
**YEAR ENDED JUNE 30, 2022**

	<i><b>Rural Development 1-3</b></i>	<i><b>Rural Development 4</b></i>	<i><b>Totals</b></i>
<b>REVENUES</b>			
Loan interest	\$ 57,215	\$ 17,640	\$ 74,855
Bank interest	1,047	308	1,355
Loan packaging fees	1,164	364	1,528
<i>Total revenue</i>	<u>59,426</u>	<u>18,312</u>	<u>77,738</u>
<b>EXPENDITURES</b>			
Interest payment	10,011	3,734	13,745
Adminstration expense	37,200	11,846	49,046
<i>Total expenses</i>	<u>47,211</u>	<u>15,580</u>	<u>62,791</u>
<b>Change in Net Position</b>	12,215	2,732	14,947
<b>Total net postion - beginning</b>	<u>750,784</u>	<u>13,255</u>	<u>764,039</u>
<b>Total net postion - ending</b>	<u><u>\$ 762,999</u></u>	<u><u>\$ 15,987</u></u>	<u><u>\$ 778,986</u></u>

***COMPLIANCE SECTION***



# GROVE, MUELLER & SWANK, P.C.

Certified Public Accountants and Consultants

475 Cottage Street NE, Suite 200, Salem, OR 97301  
(503) 581-7788 • FAX (503) 581-0152 • [www.gms.cpa](http://www.gms.cpa)

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

Board of Directors  
Oregon Cascades West Council of Governments  
Albany, Oregon 97322

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Oregon Cascades West Council of Governments (the Council) as of and for the year ended June 30, 2022 and have issued our report thereon dated March 31, 2023.

### ***Compliance and Other Matters***

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

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

- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Highway revenues used for public highways, roads, and streets.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **Accountability for collecting or receiving money by elected officials – no money was collected or received by elected officials.**

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


### ***Internal Control Over Financial Reporting***

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

### ***Restriction on Use***

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

*GROVE, MUELLER & SWANK, P.C.*  
*CERTIFIED PUBLIC ACCOUNTANTS*

By:   
\_\_\_\_\_  
Ryan T. Pasquarella, A Shareholder  
March 31, 2023



**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS****SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS****YEAR ENDED JUNE 30, 2022**

<b><i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i></b>	<b><i>Assistance Listing Number</i></b>	<b><i>Pass-Through Entity Identifying Number</i></b>	<b><i>Expenditures</i></b>
<b>U. S. Department of Agriculture</b>			
Direct Programs:			
Rural Economic Community Development Administration			
Intermediary Relending Program (Loans 1-3) Note Bal.	10.767	N/A	\$ 1,945,955
Intermediary Relending Program 4 (see notes to SEFA)	10.767	N/A	576,968
RMP Grant - Microloan Revolving Loan	10.767	N/A	196,742
<i>Total Economic Development Cluster</i>			2,719,665
<i>Total U.S. Department of Agriculture</i>			2,719,665
<b>U. S. Department of Commerce, Economic Development Administration</b>			
Direct Programs:			
Economic Development Administration (CWEDD)	11.302	N/A	112,500
<i>Economic Development Cluster</i>			
Economic Development Administration - CARES	11.307	N/A	190,871
Economic Development Administration - RLF	11.307	N/A	714,410
<i>Total U.S. Department of Commerce</i>			1,017,781
<b>U. S. Department of Transportation, Federal Highway Administration</b>			
Passed through State of Oregon			
<i>Highway Planning and Construction Cluster</i>			
Drive Less Connect/TDM Rideshare #32497	20.205	32904	94,998
CWACT/ODOT #33886	20.205	32904	64,597
CAMPO-ODOT #34912 UPWP	20.205	32904	194,663
AAMPO-ODOT #34911 UPWP	20.205	32904	241,687
Bikeshare System Planning #34893	20.205	32904	22,668
Coordinated Public Transit LBL Counties #35134	20.515	32904	19,321
<i>Total Highway Planning and Construction Cluster</i>			637,934
<i>Total U.S. Department of Transportation</i>			637,934
<b>U. S. Environmental Protection Agency</b>			
Direct Funding			
EPA/Brownsfields	66.818	N/A	167,207
<i>Total U.S. Environmental Protection Agency</i>			167,207
<b>Oregon Department of Consumer and Business Services (OHIM)</b>			
SHIBA/SHIP Award (RSVP)	93.324	N/A	18,000
SHIBA/MIPPA	93.071	N/A	7,725
SMP (RSVP)	93.048	N/A	10,000
<i>Total Oregon Department of Consumer and Business Services</i>			35,725

See notes to schedule of expenditures of federal awards.

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS****SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)****YEAR ENDED JUNE 30, 2022**

<b><i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i></b>	<b><i>Assistance Listing Number</i></b>	<b><i>Pass-Through Entity Identifying Number</i></b>	<b><i>Expenditures</i></b>
<b>Corporation for National and Community Service (CNCS)</b>			
RSVP / CNCS	94.002	N/A	\$ 151,428
CNCS/Foster Grandparent Program	94.011	N/A	147,586
CNCS/Senior Companion Program	94.016	N/A	102,982
<i>Total Corporation for National and Community Service</i>			401,996
<b>Oregon Department of Human Services (DHS)</b>			
Options Counseling/No Wrong Door	93.778	N/A	51,019
Change Leader - Implementation of Oregon ONE system	93.778	N/A	138,485
STEPS/ERC	93.778	N/A	106,328
<i>Total Oregon Department of Human Services</i>			295,832
<b>U. S. Department of Health and Human Services</b>			
Passed through Oregon Department of Human Resource, Senior, and Disability Services Division Special Programs for Aging			
<i>Aging Cluster</i>			
Title III-B, Grants for Supportive Services and Senior Centers	93.044	85090	304,462
Title III-C-1. Nutrition Services, Congregate Meals	93.045	85090	396,219
Title III-C-2, Nutrition Services, Home Meals	93.045	85090	137,279
Title III-D, Preventative Health Services	93.043	85090	14,940
Title III-E, National Family Caregiver Support Program	93.052	85090	144,102
Title VII-B, Elder Abuse Prevention	93.041	85090	350
USDA - NSIP	93.053	85090	102,955
COVID-19 FFCRA III-C-1 & C-2	93.045	85090	169,401
COVID-19 CARES Title III	93.045	85090	51,345
<i>Total Aging Cluster</i>			1,321,053
<i>Total U. S. Department of Health and Human Services</i>			1,321,053
<b>Emergency Food and Shelter Program (EFSP)</b>			
EFSP CARES, FEMA	97.024	Unknown	6,550
EFSP Phase 37, FEMA	97.024	Unknown	3,500
EFSP Phase 38 - FEMA	97.024	Unknown	6,000
<i>Total Emergency Food and Shelter Program</i>			16,050
<b>Total Federal Expenditures</b>			<b>\$ 6,613,243</b>

See notes to schedule of expenditures of federal awards.

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2022**

---

**PURPOSE OF THE SCHEDULE**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Oregon Cascades West Council of Governments (the Council) under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and Circular A-87 when applicable. Because the Schedule presents only a selected portion of the operations of the Council it is not intended to and does not present the net position, changes in net position, and cash flows of the Council.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Basis of Presentation*

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**INDIRECT COST RATE**

The Council has not elected to use the 10 percent de minimus indirect cost rate as allowed under Uniform Guidance.

**LOAN PROGRAMS**

**IRP 1-3**

Value of new federal loans received during the fiscal year	\$	-
Balance of loans from prior years for which the Federal Government imposes continuing compliance requirements - July 1, 2021 balances		839,805
+ Interest earned during the year		34,986
+ Cash balance in IRP at 06/30/2022		1,041,933
+ Administrative expenses of IRP		29,232
Total federal awards expended - Intermediary Relending Program 1-3	\$	1,945,956

**IRP 4**

Value of new federal loans received during the fiscal year	\$	-
Balance of loans from prior years for which the Federal Government imposes continuing compliance requirements - July 1, 2021 balances		337,290
+ Interest earned during the year		16,974
+ Cash balance in IRP at 06/30/2022		214,257
+ Administrative expenses of IRP		8,447
Total federal awards expended - Intermediary Relending Program 4	\$	576,968

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**  
**YEAR ENDED JUNE 30, 2022**

---

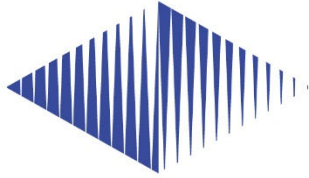
**LOAN PROGRAMS (Continued)**

**RMAP (Rural Microloan Revolving Fund)**

Value of new federal loans received during the fiscal year	\$	34,000
Balance of loans from prior years for which the Federal Government imposes continuing compliance requirements - July 1, 2021 balances		85,866
+ Interest earned during the year		1,857
+ Cash balance in RMAP at 06/30/2022		75,020
+ Administrative expenses of RMAP		-
		<hr/>
Total federal awards expended - RMAP	\$	196,743
		<hr/>

**Economic Adjustment Assistance**

RLF loan outstanding at 7/1/2021	\$	591,618
+ Cash balance in RLF at 06/30/2022		489,252
+ Administrative expenses paid from RLF income during 06/30/22		27,258
+ Unpaid principal of all loans written off during current year		-
		<hr/>
Total		1,108,128
x Federal share of the RLF		0.6447
		<hr/>
Total Federal Awards Expenses	\$	714,410
		<hr/>



# GROVE, MUELLER & SWANK, P.C.

Certified Public Accountants and Consultants

475 Cottage Street NE, Suite 200, Salem, OR 97301  
(503) 581-7788 • FAX (503) 581-0152 • [www.gms.cpa](http://www.gms.cpa)

## ***INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS***

Board of Directors  
Oregon Cascades West Council of Governments  
Albany, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Oregon Cascades West Council of Governments (the Council) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated March 31, 2023.

### ***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Council'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 Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

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 Council'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.

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

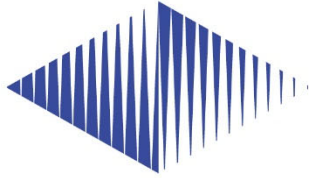
### ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Grove, Mueller & Swank, P.C.*  
CERTIFIED PUBLIC ACCOUNTANTS  
March 31, 2023



# GROVE, MUELLER & SWANK, P.C.

Certified Public Accountants and Consultants

475 Cottage Street NE, Suite 200, Salem, OR 97301  
(503) 581-7788 • FAX (503) 581-0152 • [www.gms.cpa](http://www.gms.cpa)

## ***INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE***

Board of Directors  
Oregon Cascades West Council of Governments  
Albany, Oregon

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited the Oregon Cascades West Council of Governments (the Council)'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Council's major federal programs for the year ended June 30, 2022. The Council's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Oregon Cascades West Council of Governments complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Council and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Council's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Council's federal programs.

## ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Council's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Council's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Council's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Council's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## ***Report on Internal Control over Compliance***

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.



### ***Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Council, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements. We issued our report thereon dated March 31, 2023, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Grove, Mueller & Swank, P.C.*  
CERTIFIED PUBLIC ACCOUNTANTS  
March 31, 2023

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2022**

---

**SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issues:	Unmodified
Internal control reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
• Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	No

Identification of major program:

**Assistance Listing Numbers**

**Name of Federal Program or Cluster**

10.767

Intermediary Relending Program/RMAP

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

**FINANCIAL STATEMENT FINDINGS**

None

**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**  
**SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2022**

---

**FINANCIAL STATEMENT FINDINGS**

**2020-001 – Prepaid balance was overstated in financials prepared by client.**

**Condition:** Year end balances for prepaid expenses were misstated due to lack of reconciliation and review of subsequent transactions when the financial close was performed.

**Effect:** Expenses were understated by \$59,407 in balances presented for audit by client.

**Status:** No such misstatement was identified in the current year.

**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None