



128 S Main St.  
PO Box 445  
Condon, OR 97823  
P: 541-384-2711  
F: 541-384-2700

**AGENDA  
CITY OF CONDON  
REGULAR MEETING  
128 SOUTH MAIN STREET, CITY HALL, CONDON, OREGON  
Wednesday, February 5, 2020, 7:00 PM**

- 1. CALL REGULAR MEETING TO ORDER**
- 2. ROLL CALL**
- 3. PROCLAMATION - FEBRUARY NOBEL LAUREATE MONTH**
  - 3.1. Proclamation Nobel Laureate Month - Linus Pauling & William Parry Murphy**
- 4. PUBLIC COMMENT**
  - 4.1. The Council may hear discussion of unannounced items from the floor and the comments on the agenda items. Comments are limited to five (5) minutes.**
- 5. ADDITIONS TO AGENDA**
- 6. CONSENT AGENDA**
  - 6.1. Review & Approve the January 8, 2020 Regular City Council Minutes**
  - 6.2. Review Accounts Payable - January 10, 2020**
  - 6.3. Review VISA Statements**
- 7. OLD BUSINESS**
  - 7.1. 2018-19 Audit Presentation Kori Sarrett, Accurity CPAs**
  - 7.2. Fiber Council Update**
- 8. NEW BUSINESS**
  - 8.1. Review and Approve 2020 City of Condon Goals & Priorities**
  - 8.2. Condon Chamber of Commerce Request 2020-21**
- 9. STAFF REPORTS**
  - 9.1. Public Works - Public Works Superintendent Gibb Wilkins**
  - 9.2. Administration - City Administrator Kathryn Greiner**
  - 9.3. Police - Gilliam County Sheriff Gary Bettencourt**
- 10. COUNCIL INFORMATION**
- 11. NEXT REGULAR MEETING DATE**
  - 11.1. Next Regular Condon City Council meeting is Wednesday, March 4, 2020, 7 p.m. at Condon City Hall.**
- 12. ADJOURN REGULAR MEETING**



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If necessary, Executive Session may be held in accordance with ORS 192.660(2)(). As this is a regular meeting of the Condon City Council, other matters may be addressed as deemed appropriate by the Council. Assisted listening device is available for persons with impaired hearing and should be scheduled for council meetings three working days prior to the Council meeting. The City of Condon is an Equal Opportunity Provider and Employer. Complaints of discrimination should be sent to City of Condon Administrator, PO Box 445, Condon, OR 97823

***Agenda prepared and distributed January 30, 2020***



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## **City of Condon Regular Council Meeting Minutes Wednesday, January 8, 2020 7:00 PM**

### **1. CALL REGULAR MEETING TO ORDER**

Mayor Jim Hassing called the meeting to order at 7 p.m.

### **2. ROLL CALL**

Present: Mayor Jim Hassing; Councilors Brian Barnett, Donald Jamieson, Jan Stinchfield & Tom Fatland (by Skype); Public Works Superintendent Gibb Wilkins, City Administrator Kathryn Greiner; Gilliam County Sheriff Gary Bettencourt

Absent: Councilors Michale Cronk and Dawn Parm

### **3. ADDITIONS TO AGENDA**

Mayor Hassing did not have any additions but did move the audit presentation to 7:30 p.m.

### **4. PUBLIC COMMENT**

- 4.1. The Council may hear discussion of unannounced items from the floor and the comments on the agenda items. Comments are limited to five (5) minutes.**

None

### **5. CONSENT AGENDA**

#### **5.1. Approve December 4, 2019 Regular Council Meeting Minutes**

A motion was made by to Councilor Jamieson to approve the Condon December 4, 2019 regular council meeting minutes with corrections and typo. The motion was seconded by Councilor Stinchfield and approved unanimously.

#### **5.2. Review Accounts Payable - December 10, 2019**

Councilor Barnett asked what the check for Grover Beach Homes was for with CA Greiner stating that it was a refund of a utility deposit.

#### **5.3. Review VISA Statements**

Councilor Jamieson asked about the purchase of a solar panel for \$700 and PW Wilkins said there were two of them.

#### **5.4. Review Financial Statements for Period Ending December 31, 2019**

CA Greiner said that the financial statements show that the city is within budget appropriations, but the council may see where some line items are over budget due to the PERS payment in December.

#### **5.5. Review USDA Loan Payments and PERS Distribution**

CA Greiner noted that these were electronic payments that either were approved or less than the threshold amount that needed council approval.



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## **6. OLD BUSINESS**

### **6.1. Fiber Council Update**

CA Greiner noted that a draft dark fiber lease agreement has been returned from Gilliam County and she is going to schedule a Fiber Council meeting to review and approve. Once that is done, they will be ready to lease the dark fiber lines.

## **7. NEW BUSINESS**

### **7.1. 2018-19 Audit Presentation - Kori Sarrett, CPA Accuity CPAs**

This was moved to 7:30 p.m. but the auditor was not available so this was tabled until the February meeting.

### **7.2. Resolution 2020-03 - Resolution Declaring 2000 Chevrolet Pickup as Surplus**

**A motion was made by to Councilor Fatland to approve Resolution 2020-04 - A Resolution of the City of Condon Declaring Certain Fixed Assets As Surplus Property. The motion was seconded by Councilor Jamieson and approved unanimously. This was for the 2000 Chevrolet Pickup.**

### **7.3. Appoint Council Committees**

Mayor Hassing left the committee assignments the same as the previous year. Public Safety - Hassing, Barnett and Fatland; Housing - Hassing, Cronk & Barnett; Park & Recreation - Hassing, Parm and Fatland; Public Works - Hassing, Cronk & Jamieson; Finance - Hassing, Stinchfield and Parm; Fiber - Hassing Stinchfield, Jamieson.

### **7.4. Appoint Budget Officer - Kathryn Greiner**

Mayor Hassing appointed CA Greiner as budget officer.

### **7.5. Appoint Budget Committee Members - Dennis Bruneau, Jay LaRue, John Barnett**

Mayor Hassing appointed Dennis Bruneau, Jay LaRue and John Barnett to the City of Condon Budget committee.

### **7.6. Designate Newspaper of Record - The Times-Journal**

Mayor Hassing Designated The Times-Journal as the newspaper of record.

### **7.7. Designate City of Condon Depositories - Bank of Eastern Oregon & Oregon State Local Government Investment Fund**

Mayor Hassing designated the Bank of Eastern Oregon and the Oregon State Local Government Investment Fund as the City of Condon's depositories.

### **7.8. Designate Consulting Engineer of Record - David Wildman, PE of Anderson, Perry & Associates**

Mayor Hassing designated David Wildman, PE of Anderson, Perry & Associates as the City of Condon's Engineer of Record.

### **7.9. Review & Approve City and Budget Calendar for 2020**

**A motion was made by Councilor Jamieson to approve the 2020 City Calendar and the 2020-21 City of Condon Budget Calendar. The motion was seconded by Councilor Stinchfield and approved unanimously.**

### **7.10. Mayor Jim Hassing Annual Report**

Mayor Hassing submitted his annual report.

## **8. STAFF REPORTS**





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#### **8.1. Public Works - Public Works Superintendent Gibb Wilkins**

PW Wilkins stated that 2.2 million gallons of water were pumped in December which is average for this time of year. The crew pulled booster pump number 1 for its annual five year maintenance and will run on one pump for approximately one month. He has ordered street signs for the historic district and the golf equipment is going in for yearly maintenance this week. PW Wilkins said that he has approached several farmers to get the cost of tilling the pivot to plant seed and that the estimated cost of the seed is \$3,000. The seed can be broadcasted and orchard grass will be planted in the pivot and a dryland grass for the 10 acres outside of the pivot water path. Once it is established he will find a customer harvester and sell the hay, then the next year the city will put out for a customer harvester. He also reported that there was an active sewer backup case that was being reviewed by CIS for a possible insurance claim and that included in the packet was the response from OSHA regarding the complaint they received. Councilor Fatland asked if PW Wilkins about the pool surface and he has not had time to look into at this time.

#### **8.2. Police - Gilliam County Sheriff Gary Bettencourt**

Sheriff Bettencourt stated that in December 2019 his office had 29 criminal cases and for 2019 the total was 291 compared to 255 in 2018. He gave the council a breakdown of criminal cases, citations and "contacts" for 2019. Two of his new deputies are currently at the academy for certification and overtime was down from previous month. Councilor Barnett stated that the recent police pursuit up Main Street was handled appropriately by the police. Sheriff Bettencourt stated that their policy is not to pursue going through the city.

#### **8.3. Administration - City Administrator Kathryn Greiner**

CA Greiner stated that she had received a Condon Chamber of Commerce request for funding that came in late for this meeting and asked the council to review and act on it at the February meeting. She will have an update of the transient tax funds at that time to know what will be available for distribution of projects. She stated that she was scheduled to meet with the school and county to discuss the pool and that the message she got from the council at the last meeting was to offer the administration but not financial support. CA Greiner noted that the year end payroll tasks have been completed and the Gilliam County final special project grant report for the portable stage was completed and submitted. She said that the retreat tasks are being created and will pass out a list for the councilors to add.

### **9. COUNCIL INFORMATION**

#### **9.1. Council Retreat & Goal Session - Friday, January 31, 2019**

#### **9.2. Housing Meeting with PCDC January 16, 2020, 5:30 p.m.**

### **10. NEXT REGULAR MEETING DATE**

#### **10.1. Next Regular Condon City Council, Wednesday, February 5, 2019, 7 p.m. at Condon City Hall.**

### **11. ADJOURN REGULAR MEETING**

Mayor Hassing adjourned the meeting at 7:40 p.m.

\_\_\_\_\_  
Jim Hassing, Mayor

Date \_\_\_\_\_



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ATTEST: \_\_\_\_\_ Date \_\_\_\_\_  
Kathryn Greiner City Administrator

## Report Criteria:

Detail report.  
Invoices with totals above \$0.00 included.  
Paid and unpaid invoices included.

| Vendor                                   | Vendor Name                 | Invoice Number | Description                   | Invoice Date | Net Invoice Amount | Amount Paid | Date Paid |
|------------------------------------------|-----------------------------|----------------|-------------------------------|--------------|--------------------|-------------|-----------|
| <b>ACCUITY, LLC</b>                      |                             |                |                               |              |                    |             |           |
| 759                                      | ACCUITY, LLC                | 6257           | Audit                         | 12/07/2019   | 2,500.00           | .00         |           |
| 759                                      | ACCUITY, LLC                | 6257           | Audit                         | 12/07/2019   | 2,500.00           | .00         |           |
| 759                                      | ACCUITY, LLC                | 6257           | Audit                         | 12/07/2019   | 2,500.00           | .00         |           |
| Total ACCUITY, LLC:                      |                             |                |                               |              | 7,500.00           | .00         |           |
| <b>ARAMARK UNIFORM SERVICES</b>          |                             |                |                               |              |                    |             |           |
| 115                                      | ARAMARK UNIFORM SERVICES    | DEC 2019       | Janitorial                    | 12/31/2019   | 299.62             | .00         |           |
| Total ARAMARK UNIFORM SERVICES:          |                             |                |                               |              | 299.62             | .00         |           |
| <b>AT&amp;T MOBILITY</b>                 |                             |                |                               |              |                    |             |           |
| 599                                      | AT&T MOBILITY               | DEC 2019       | PW Cell Phone                 | 12/06/2019   | 6.42               | .00         |           |
| 599                                      | AT&T MOBILITY               | DEC 2019       | PW Cell Phone                 | 12/06/2019   | 6.42               | .00         |           |
| Total AT&T MOBILITY:                     |                             |                |                               |              | 12.84              | .00         |           |
| <b>BAUM SMITH LLC</b>                    |                             |                |                               |              |                    |             |           |
| 831                                      | BAUM SMITH LLC              | 24836          | Franchise Agreements and Farm | 12/18/2019   | 300.00             | .00         |           |
| Total BAUM SMITH LLC:                    |                             |                |                               |              | 300.00             | .00         |           |
| <b>BENNETT'S POINT S TIRE &amp; AUTO</b> |                             |                |                               |              |                    |             |           |
| 859                                      | BENNETT'S POINT S TIRE & AU | 1039358        | Repair 1995 Chev 2500         | 12/13/2019   | 114.54             | .00         |           |
| 859                                      | BENNETT'S POINT S TIRE & AU | 1039358        | Repair 1995 Chev              | 12/13/2019   | 114.55             | .00         |           |
| Total BENNETT'S POINT S TIRE & AUTO:     |                             |                |                               |              | 229.09             | .00         |           |
| <b>BISHOP SANITATION</b>                 |                             |                |                               |              |                    |             |           |
| 876                                      | BISHOP SANITATION           | A-84689        | Park Restroom                 | 12/26/2019   | 150.00             | .00         |           |
| Total BISHOP SANITATION:                 |                             |                |                               |              | 150.00             | .00         |           |
| <b>BOHN'S PRINTING</b>                   |                             |                |                               |              |                    |             |           |
| 148                                      | BOHN'S PRINTING             | 57087          | Copier Charge                 | 12/31/2019   | 6.92               | .00         |           |
| Total BOHN'S PRINTING:                   |                             |                |                               |              | 6.92               | .00         |           |
| <b>BOX R WATER ANALYSIS LAB</b>          |                             |                |                               |              |                    |             |           |
| 151                                      | BOX R WATER ANALYSIS LAB    | 39587          | Biochemical Oxygen            | 12/13/2019   | 90.50              | .00         |           |
| 151                                      | BOX R WATER ANALYSIS LAB    | 39591          | E coli Coliform Testing       | 12/14/2019   | 61.00              | .00         |           |
| Total BOX R WATER ANALYSIS LAB:          |                             |                |                               |              | 151.50             | .00         |           |
| <b>COLUMBIA BASIN ELECTRIC</b>           |                             |                |                               |              |                    |             |           |
| 169                                      | COLUMBIA BASIN ELECTRIC     | DEC 2019       | City Hall                     | 12/23/2019   | 116.54             | .00         |           |
| 169                                      | COLUMBIA BASIN ELECTRIC     | DEC 2019       | Park                          | 12/23/2019   | 69.93              | .00         |           |
| 169                                      | COLUMBIA BASIN ELECTRIC     | DEC 2019       | Memorial Hall                 | 12/23/2019   | 118.39             | .00         |           |
| 169                                      | COLUMBIA BASIN ELECTRIC     | DEC 2019       | Ward Street Shop              | 12/23/2019   | 39.69              | .00         |           |
| 169                                      | COLUMBIA BASIN ELECTRIC     | DEC 2019       | GC Clubhous                   | 12/23/2019   | 32.84              | .00         |           |
| 169                                      | COLUMBIA BASIN ELECTRIC     | DEC 2019       | Sewer Plant w pivot           | 12/23/2019   | 380.29             | .00         |           |
| 169                                      | COLUMBIA BASIN ELECTRIC     | DEC 2019       | Disposal Plant                | 12/23/2019   | 541.50             | .00         |           |

| Vendor                                | Vendor Name              | Invoice Number | Description                | Invoice Date | Net Invoice Amount | Amount Paid | Date Paid |
|---------------------------------------|--------------------------|----------------|----------------------------|--------------|--------------------|-------------|-----------|
| 169                                   | COLUMBIA BASIN ELECTRIC  | DEC 2019       | City Farm                  | 12/23/2019   | 1,090.87           | .00         |           |
| 169                                   | COLUMBIA BASIN ELECTRIC  | DEC 2019       | Street Lights              | 12/23/2019   | 1,444.25           | .00         |           |
| 169                                   | COLUMBIA BASIN ELECTRIC  | DEC 2019       | Reservoir Control          | 12/23/2019   | 40.47              | .00         |           |
| 169                                   | COLUMBIA BASIN ELECTRIC  | DEC 2019       | Swimming Pool              | 12/23/2019   | 53.07              | .00         |           |
| 169                                   | COLUMBIA BASIN ELECTRIC  | DEC 2019       | Library                    | 12/23/2019   | 273.12             | .00         |           |
| Total COLUMBIA BASIN ELECTRIC:        |                          |                |                            |              | 4,200.96           | .00         |           |
| <b>CONDON CHAMBER OF COMMERCE</b>     |                          |                |                            |              |                    |             |           |
| 196                                   | CONDON CHAMBER OF COMM   | 436            | Membership                 | 12/19/2019   | 100.00             | .00         |           |
| Total CONDON CHAMBER OF COMMERCE:     |                          |                |                            |              | 100.00             | .00         |           |
| <b>Condon School District</b>         |                          |                |                            |              |                    |             |           |
| 197                                   | Condon School District   | JAN 2020       | Music Program Contribution | 01/08/2020   | 4,500.00           | .00         |           |
| Total Condon School District:         |                          |                |                            |              | 4,500.00           | .00         |           |
| <b>COUNTRY FLOWERS</b>                |                          |                |                            |              |                    |             |           |
| 204                                   | COUNTRY FLOWERS          | DECEMBER 2     | wreath                     | 12/31/2019   | 30.00              | .00         |           |
| Total COUNTRY FLOWERS:                |                          |                |                            |              | 30.00              | .00         |           |
| <b>DEVIN OIL COMPANY</b>              |                          |                |                            |              |                    |             |           |
| 224                                   | DEVIN OIL COMPANY        | DEC 2019       | Water                      | 12/31/2019   | 351.53             | .00         |           |
| 224                                   | DEVIN OIL COMPANY        | DEC 2019       | Sewer Fuel                 | 12/31/2019   | 351.54             | .00         |           |
| 224                                   | DEVIN OIL COMPANY        | DEC 2019       | Water bulk                 | 12/31/2019   | 1,013.43           | .00         |           |
| 224                                   | DEVIN OIL COMPANY        | DEC 2019       | Sewer Bulk                 | 12/31/2019   | 1,013.42           | .00         |           |
| Total DEVIN OIL COMPANY:              |                          |                |                            |              | 2,729.92           | .00         |           |
| <b>FIVE STAR PRINT &amp; PROMO</b>    |                          |                |                            |              |                    |             |           |
| 902                                   | FIVE STAR PRINT & PROMO  | 5863           | Tax Forms                  | 12/19/2019   | 100.31             | .00         |           |
| Total FIVE STAR PRINT & PROMO:        |                          |                |                            |              | 100.31             | .00         |           |
| <b>HOME TELEPHONE COMPANY</b>         |                          |                |                            |              |                    |             |           |
| 766                                   | HOME TELEPHONE COMPANY   | DEC 2019       | Administration             | 01/01/2020   | 197.43             | .00         |           |
| 766                                   | HOME TELEPHONE COMPANY   | DEC 2019       | Water                      | 01/01/2020   | 146.37             | .00         |           |
| 766                                   | HOME TELEPHONE COMPANY   | DEC 2019       | Sewer                      | 01/01/2020   | 96.66              | .00         |           |
| Total HOME TELEPHONE COMPANY:         |                          |                |                            |              | 440.46             | .00         |           |
| <b>INLAND DEVELOPMENT CORPORATION</b> |                          |                |                            |              |                    |             |           |
| 897                                   | INLAND DEVELOPMENT CORP  | JAN 2020       | MRC Fiber Project          | 01/01/2020   | 2,000.00           | .00         |           |
| Total INLAND DEVELOPMENT CORPORATION: |                          |                |                            |              | 2,000.00           | .00         |           |
| <b>JIM &amp; SLIM'S TOOL SUPPLY</b>   |                          |                |                            |              |                    |             |           |
| 930                                   | JIM & SLIM'S TOOL SUPPLY | 5771892        | Walk behind saw            | 01/09/2020   | 3,947.12           | .00         |           |
| 930                                   | JIM & SLIM'S TOOL SUPPLY | 5771892        | Walk Behind Saw            | 01/09/2020   | 3,947.13           | .00         |           |
| Total JIM & SLIM'S TOOL SUPPLY:       |                          |                |                            |              | 7,894.25           | .00         |           |
| <b>LRS ARCHITECTS</b>                 |                          |                |                            |              |                    |             |           |
| 862                                   | LRS ARCHITECTS           | 16106          | City Hall Remodel          | 11/30/2019   | 1,063.13           | .00         |           |
| 862                                   | LRS ARCHITECTS           | 16341          | City Hall Remodel          | 12/31/2019   | 1,512.56           | .00         |           |

| Vendor                                | Vendor Name              | Invoice Number | Description                    | Invoice Date | Net Invoice Amount | Amount Paid | Date Paid |
|---------------------------------------|--------------------------|----------------|--------------------------------|--------------|--------------------|-------------|-----------|
| Total LRS ARCHITECTS:                 |                          |                |                                |              | 2,575.69           | .00         |           |
| <b>M &amp; A AUTO PARTS</b>           |                          |                |                                |              |                    |             |           |
| 371                                   | M & A AUTO PARTS         | DEC 2019       | Janitorial                     | 12/31/2019   | 405.32             | .00         |           |
| 371                                   | M & A AUTO PARTS         | DEC 2019       | Water                          | 12/31/2019   | 12.76              | .00         |           |
| 371                                   | M & A AUTO PARTS         | DEC 2019       | Sewer                          | 12/31/2019   | 30.00              | .00         |           |
| 371                                   | M & A AUTO PARTS         | DEC 2019       | Sewer                          | 12/31/2019   | 73.93              | .00         |           |
| 371                                   | M & A AUTO PARTS         | DEC 2019       | Water                          | 12/31/2019   | 79.61              | .00         |           |
| 371                                   | M & A AUTO PARTS         | DEC 2019       | Water                          | 12/31/2019   | 32.96              | .00         |           |
| 371                                   | M & A AUTO PARTS         | DEC 2019       | Sewer                          | 12/31/2019   | 32.95              | .00         |           |
| Total M & A AUTO PARTS:               |                          |                |                                |              | 667.53             | .00         |           |
| <b>MORROW COUNTY GRAIN GROW.</b>      |                          |                |                                |              |                    |             |           |
| 377                                   | MORROW COUNTY GRAIN GRO  | DEC 2019       | Memorial Hall Propane          | 12/31/2019   | 652.89             | .00         |           |
| 377                                   | MORROW COUNTY GRAIN GRO  | DEC 2019       | City Hall Propane              | 12/31/2019   | 486.52             | .00         |           |
| 377                                   | MORROW COUNTY GRAIN GRO  | DEC 2019       | Sewer Plant                    | 12/31/2019   | 171.66             | .00         |           |
| Total MORROW COUNTY GRAIN GROW.:      |                          |                |                                |              | 1,311.07           | .00         |           |
| <b>MURRAY'S CONDON PHARMACY</b>       |                          |                |                                |              |                    |             |           |
| 394                                   | MURRAY'S CONDON PHARMAC  | DEC 2019       | Office supplies                | 12/25/2019   | 15.88              | .00         |           |
| Total MURRAY'S CONDON PHARMACY:       |                          |                |                                |              | 15.88              | .00         |           |
| <b>OPEN COUNTRY FARM</b>              |                          |                |                                |              |                    |             |           |
| 433                                   | OPEN COUNTRY FARM        | DEC 2019       | Ice Melt                       | 12/25/2019   | 47.94              | .00         |           |
| 433                                   | OPEN COUNTRY FARM        | DEC 2019       | Ice Melt                       | 12/25/2019   | 10.99              | .00         |           |
| Total OPEN COUNTRY FARM:              |                          |                |                                |              | 58.93              | .00         |           |
| <b>OREGON ASSOC. OF WATER UTILITY</b> |                          |                |                                |              |                    |             |           |
| 413                                   | OREGON ASSOC. OF WATER U | 27921          | 2020 Membership Dues           | 01/01/2020   | 126.10             | .00         |           |
| 413                                   | OREGON ASSOC. OF WATER U | 27921          | 2020 Membership Dues           | 01/01/2020   | 126.10             | .00         |           |
| Total OREGON ASSOC. OF WATER UTILITY: |                          |                |                                |              | 252.20             | .00         |           |
| <b>OREGON CITY/COUNTY MANAGEMENT</b>  |                          |                |                                |              |                    |             |           |
| 415                                   | OREGON CITY/COUNTY MANA  | 2020           | 2020 Dues                      | 01/01/2020   | 151.86             | .00         |           |
| Total OREGON CITY/COUNTY MANAGEMENT:  |                          |                |                                |              | 151.86             | .00         |           |
| <b>OREGON MAYOR'S ASSOC.</b>          |                          |                |                                |              |                    |             |           |
| 431                                   | OREGON MAYOR'S ASSOC.    | JAN 2020       | 2019 Dues                      | 01/01/2020   | 71.00              | .00         |           |
| Total OREGON MAYOR'S ASSOC.:          |                          |                |                                |              | 71.00              | .00         |           |
| <b>OWENS, CALVIN</b>                  |                          |                |                                |              |                    |             |           |
| 1078                                  | OWENS, CALVIN            | JAN 2020       | Dep refund 3382.01 621 S. Main | 01/10/2020   | 75.77              | .00         |           |
| Total OWENS, CALVIN:                  |                          |                |                                |              | 75.77              | .00         |           |
| <b>THE TIMES-JOURNAL</b>              |                          |                |                                |              |                    |             |           |
| 540                                   | THE TIMES-JOURNAL        | DEC 2019       | Holiday advertising            | 12/27/2019   | 102.00             | .00         |           |
| 540                                   | THE TIMES-JOURNAL        | JAN 2020       | 2020 Subscription              | 12/23/2019   | 37.50              | .00         |           |

| Vendor                             | Vendor Name             | Invoice Number | Description                        | Invoice Date | Net Invoice Amount | Amount Paid | Date Paid |
|------------------------------------|-------------------------|----------------|------------------------------------|--------------|--------------------|-------------|-----------|
| Total THE TIMES-JOURNAL:           |                         |                |                                    |              | 139.50             | .00         |           |
| <b>TWO BOYS MEAT &amp; GROCERY</b> |                         |                |                                    |              |                    |             |           |
| 548                                | TWO BOYS MEAT & GROCERY | DEC 2019       | Janitorial                         | 12/25/2019   | 2.99               | .00         |           |
| 548                                | TWO BOYS MEAT & GROCERY | DEC 2019       | Holiday Dinner                     | 12/25/2019   | 128.12             | .00         |           |
| Total TWO BOYS MEAT & GROCERY:     |                         |                |                                    |              | 131.11             | .00         |           |
| <b>VISA</b>                        |                         |                |                                    |              |                    |             |           |
| 559                                | VISA                    | DEC 2019 691   | Janitorial                         | 12/22/2019   | 168.82             | .00         |           |
| 559                                | VISA                    | DEC 2019 691   | Water Equipment Supplies           | 12/22/2019   | 416.50             | .00         |           |
| 559                                | VISA                    | DEC 2019 691   | Sewer Equipment Supplies           | 12/22/2019   | 416.50             | .00         |           |
| 559                                | VISA                    | DEC 2019 691   | Water Vehicle                      | 12/22/2019   | 111.65             | .00         |           |
| 559                                | VISA                    | DEC 2019 691   | Sewer Vehicle                      | 12/22/2019   | 111.64             | .00         |           |
| 559                                | VISA                    | DEC 2019 691   | Amazon Prime Membership            | 12/22/2019   | 12.99              | .00         |           |
| 559                                | VISA                    | DEC 2019 857   | Memorial Hall Tables               | 12/22/2019   | 1,999.99           | .00         |           |
| 559                                | VISA                    | DEC 2019 857   | Adminstration Supplies             | 12/22/2019   | 167.00             | .00         |           |
| 559                                | VISA                    | DEC 2019 857   | Admin Travel CIS Conference        | 12/22/2019   | 175.00             | .00         |           |
| 559                                | VISA                    | DEC 2019 857   | Sewer Postage                      | 12/22/2019   | 11.60              | .00         |           |
| 559                                | VISA                    | DEC 2019 857   | Tire Chains Snow                   | 12/22/2019   | 1,139.60           | .00         |           |
| 559                                | VISA                    | DEC 2019 857   | Dodge DMV Registration             | 12/22/2019   | 61.25              | .00         |           |
| 559                                | VISA                    | DEC 2019 857   | Dodge DMV Registration             | 12/22/2019   | 61.25              | .00         |           |
| 559                                | VISA                    | DEC 2019 857   | IT Solutions Email Reconfigeratio  | 12/22/2019   | 360.00             | .00         |           |
| 559                                | VISA                    | DEC 2019 857   | IT Solutions Email reconfiguration | 12/22/2019   | 360.00             | .00         |           |
| 559                                | VISA                    | DEC 2019 857   | IT Solutions Email reconfiguration | 12/22/2019   | 360.00             | .00         |           |
| 559                                | VISA                    | DEC 2019 857   | Sewer Lagoon signs                 | 12/22/2019   | 228.50             | .00         |           |
| Total VISA:                        |                         |                |                                    |              | 6,162.29           | .00         |           |
| <b>YOAKUM, GRANT</b>               |                         |                |                                    |              |                    |             |           |
| 1079                               | YOAKUM, GRANT           | JAN 2020       | Dep Refund 4661.02 513 W. Waln     | 01/01/2010   | 73.01              | .00         |           |
| Total YOAKUM, GRANT:               |                         |                |                                    |              | 73.01              | .00         |           |
| Grand Totals:                      |                         |                |                                    |              | 42,331.71          | .00         |           |

Dated: \_\_\_\_\_

Mayor: \_\_\_\_\_

City Administrator: \_\_\_\_\_

## Report Criteria:

Detail report.

Invoices with totals above \$0.00 included.

Paid and unpaid invoices included.

DEC 31 2019

### Account Summary

|                       |   |          |
|-----------------------|---|----------|
| Billing Cycle         |   | 12/22/19 |
| Days In Billing Cycle |   | 31       |
| Previous Balance      |   | \$553.08 |
| Purchases             | + | 4,924.19 |
| Cash                  | + | 0.00     |
| Special               | + | \$0.00   |
| Balance Transfers     | + | \$0.00   |
| Credits               | - | \$0.00   |
| Payments              | - | \$553.08 |
| Other Charges         | + | \$0.00   |
| Finance Charges       | + | 0.00     |

**NEW BALANCE \$4,924.19**

### Credit Summary

|                         |             |
|-------------------------|-------------|
| Total Credit Line       | \$10,000.00 |
| Available Credit Line   | \$5,073.00  |
| Available Cash          | \$0.00      |
| Amount Over Credit Line | \$0.00      |
| Amount Past Due         | \$0.00      |
| Disputed Amount         | \$0.00      |

### Important Information About Your Account

MANAGE YOUR CARD ACCOUNT ONLINE. IT'S FREE! IT'S EASY! SIMPLY GO TO [WWW.MYCARDSTATEMENT.COM](http://WWW.MYCARDSTATEMENT.COM) AND ENROLL IN OUR ONLINE SERVICE. YOU CAN REVIEW ACCOUNT INFORMATION, TRACK SPENDING, SET ALERT SERVICE. NOTIFICATIONS, DOWNLOAD FILES, AND MUCH MORE. MANAGING YOUR ACCOUNT IS FAST, SECURE AND EASY WITH [MYCARDSTATEMENT.COM](http://MYCARDSTATEMENT.COM). ENROLL TODAY!

### Account Inquiries



Customer Service: (800) 423-7503  
Report Lost or Stolen Card: (727) 570-4881



Visit us on the web at:  
[www.MyCardStatement.com](http://www.MyCardStatement.com)



Please send Billing Inquiries and Correspondence to:  
PO BOX 30495 TAMPA, FL 33630-3495

### Payment Summary

|                         |                   |
|-------------------------|-------------------|
| <b>NEW BALANCE</b>      | <b>\$4,924.19</b> |
| <b>MINIMUM PAYMENT</b>  | <b>\$4924.19</b>  |
| <b>PAYMENT DUE DATE</b> | <b>01/16/2020</b> |

**NOTE:** Grace period to avoid a finance charge on purchases, pay entire new balance by payment due date. Finance charge accrues on cash advances until paid and will be billed on your next statement.

### Cardholder Account Summary

| Trans Date | Post Date | MCC Code | Reference Number        | Description                               | Amount           |
|------------|-----------|----------|-------------------------|-------------------------------------------|------------------|
| 11/21/19   | 11/22/19  | 5399     | 24692169325100619383922 | WWW COSTCO COM mt. Tables                 | \$1,999.99 T140  |
|            |           |          |                         | 800-955-2292 WA                           |                  |
| 12/02/19   | 12/03/19  | 9402     | 24137469337001285526849 | USPS PO 4017920823 stamps/postage         | \$167.00 A10     |
|            |           |          |                         | CONDON OR                                 |                  |
| 12/04/19   | 12/05/19  | 5013     | 24842189338027018120971 | QUALITY CHAIN HILLSBORO Truck tire chains | \$1,139.60 S+231 |
|            |           |          |                         | 503-614-9664 OR                           |                  |
| 12/05/19   | 12/06/19  | 5099     | 24755429339643395174300 | COMPLIANCESIGNS.COM sewer lagoon signs    | \$228.50 S270    |
|            |           |          |                         | 800-5781245 IL                            |                  |

PLEASE DETACH COUPON AND RETURN PAYMENT USING THE ENCLOSED ENVELOPE - ALLOW UP TO 7 DAYS FOR RECEIPT



Account Number: ##### 8577  
Closing Date: 12/22/19  
Credit Limit: \$10,000.00 Available Credit: \$5,073.00

Page 3 of 4

| Cardholder Account Summary Continued |           |          |                         |                                                         |            |       |
|--------------------------------------|-----------|----------|-------------------------|---------------------------------------------------------|------------|-------|
| Trans Date                           | Post Date | MCC Code | Reference Number        | Description                                             | Amount     |       |
| 12/05/19                             | 12/06/19  | 9399     | 24717059340123400771183 | ODOT DMV 503 945 5000 Dodge license                     | \$122.50   | W 260 |
| 12/09/19                             | 12/10/19  | 9402     | 24137469344001369684929 | CONDON OR USPS PO 4017920823 Postage                    | \$1.30     | S 10  |
| 12/16/19                             | 12/17/19  | 9402     | 24137469351001526607839 | CONDON OR USPS PO 4017920823 Postage                    | \$7.85     | S 10  |
| 12/17/19                             | 12/18/19  | 9399     | 24493989351207018600092 | CITY COUNTY INSURANCE SE 503-763-3825 OR CIS Conference | \$175.00   | A 140 |
| 12/16/19                             | 12/18/19  | 0000     | 74344229352001201302491 | PAYMENT - THANK YOU                                     | \$553.08   | A 150 |
| 12/17/19                             | 12/19/19  | 5999     | 24498139352030044353130 | SOLUTIONS IT email recoding.                            | \$1,080.00 | S 90  |
| 12/20/19                             | 12/22/19  | 9402     | 24137469355001725723649 | 541-296-2753 OR USPS PO 4017920823 postage              | \$2.45     | S 10  |
|                                      |           |          |                         | CONDON OR                                               |            |       |

**Additional Information About Your Account**

| Interest Charge Calculation/Plan Level Information |                  |                                  |               |                                           |                 |                |
|----------------------------------------------------|------------------|----------------------------------|---------------|-------------------------------------------|-----------------|----------------|
| Plan Description                                   | ICM <sup>1</sup> | Balance Subject to Interest Rate | Periodic Rate | Annual Percentage Rate (APR) <sup>2</sup> | Interest Charge | Ending Balance |
| <b>CURRENT</b>                                     |                  |                                  |               |                                           |                 |                |
| PURCHASES                                          | G                | \$ 0.00                          | 1.3200%       | 15.84%                                    | \$ 0.00         |                |
| CASH                                               | F                | \$ 0.00                          | 1.3200%       | 15.84%                                    | \$ 0.00         |                |
| <b>FEES/INTEREST CHARGE</b>                        |                  |                                  |               |                                           | \$ 0.00         |                |
| <b>TOTAL</b>                                       |                  |                                  |               | 0.00%                                     | \$ 0.00         | \$ 4,924.19    |

<sup>1</sup> ICM Interest Charge Method: See reverse side of Page 1 for explanation.  
<sup>2</sup> Your Annual Percentage Rate (APR) is the annual interest rate on your account.  
(V) = Variable Rate. If you have a variable rate account the periodic rate and Annual Percentage Rate (APR) may vary.

MH A140 1999.99 A  
A 10 147.00  
A 140 175.00  
W 10  
S 10 11.60  
ST 231 1139.60  
W 260 61.25  
S 20310 61.25  
A 150 360.00  
W 90 360.00  
S 90 360.00  
S 270 228.50





DEC 31 2019

### Account Summary

|                       |              |
|-----------------------|--------------|
| Billing Cycle         | 12/22/19     |
| Days In Billing Cycle | 31           |
| Previous Balance      | \$1,021.17   |
| Purchases             | + 1,238.10   |
| Cash                  | + 0.00       |
| Special               | + \$0.00     |
| Balance Transfers     | + \$0.00     |
| Credits               | - \$0.00     |
| Payments              | - \$1,021.17 |
| Other Charges         | + \$0.00     |
| Finance Charges       | + 0.00       |

**NEW BALANCE \$1,238.10**

### Credit Summary

|                         |             |
|-------------------------|-------------|
| Total Credit Line       | \$10,000.00 |
| Available Credit Line   | \$8,740.00  |
| Available Cash          | \$0.00      |
| Amount Over Credit Line | \$0.00      |
| Amount Past Due         | \$0.00      |
| Disputed Amount         | \$0.00      |

### Important Information About Your Account

MANAGE YOUR CARD ACCOUNT ONLINE. IT'S FREE! IT'S EASY! SIMPLY GO TO [WWW.MYCARDSTATEMENT.COM](http://WWW.MYCARDSTATEMENT.COM) AND ENROLL IN OUR ONLINE SERVICE. YOU CAN REVIEW ACCOUNT INFORMATION, TRACK SPENDING, SET ALERT SERVICE, NOTIFICATIONS, DOWNLOAD FILES, AND MUCH MORE. MANAGING YOUR ACCOUNT IS FAST, SECURE AND EASY WITH MYCARDSTATEMENT.COM. ENROLL TODAY!

### Account Inquiries



Customer Service: (800) 423-7503  
Report Lost or Stolen Card: (727) 570-4881



Visit us on the web at:  
[www.MyCardStatement.com](http://www.MyCardStatement.com)



Please send Billing Inquiries and Correspondence to:  
PO BOX 30495 TAMPA, FL 33630-3495

### Payment Summary

|                  |            |
|------------------|------------|
| NEW BALANCE      | \$1,238.10 |
| MINIMUM PAYMENT  | \$1238.10  |
| PAYMENT DUE DATE | 01/16/2020 |

**NOTE:** Grace period to avoid a finance charge on purchases, pay entire new balance by payment due date. Finance charge accrues on cash advances until paid and will be billed on your next statement.

### Cardholder Account Summary

| Trans Date | Post Date | MCC Code | Reference Number        | Description                                           | Amount       |
|------------|-----------|----------|-------------------------|-------------------------------------------------------|--------------|
| 11/29/19   | 12/01/19  | 5968     | 24692169333100439178734 | Amazon Prime Prime Membership                         | \$12.99 A10  |
| 12/11/19   | 12/12/19  | 5065     | 24492159345637915459368 | Amzn.com/bill WA Equip light bulbs                    | \$81.89 W265 |
| 12/11/19   | 12/12/19  | 5251     | 24431069346200000097041 | WWW.SUPERBRIGHTLEDS.CO HTTPWWW.SUPE MO                | \$34.61 W265 |
| 12/11/19   | 12/12/19  | 5200     | 24435659345083807594484 | HEADWINDS INC Dump truck flasher modmer A10           | \$129.16 A40 |
|            |           |          |                         | 626-359-8044 CA BUILD.COM 800-375-3403 CA Door handle |              |

PLEASE DETACH COUPON AND RETURN PAYMENT USING THE ENCLOSED ENVELOPE - ALLOW UP TO 7 DAYS FOR RECEIPT



Account Number: ##### 6910  
Closing Date: 12/22/19  
Credit Limit: \$10,000.00 Available Credit: \$8,740.00

Page 3 of 4

**Cardholder Account Summary Continued**

| Trans Date | Post Date | MCC Code | Reference Number        | Description                                  | Amount               |
|------------|-----------|----------|-------------------------|----------------------------------------------|----------------------|
| 12/12/19   | 12/13/19  | 5942     | 24692169346100302014870 | Amazon.com*NR4PJ7GB3 <i>Sanitorial</i>       | \$8.61 <i>A40</i>    |
| 12/12/19   | 12/13/19  | 5942     | 24692169346100653492600 | Amzn.com/bill WA                             |                      |
| 12/12/19   | 12/13/19  | 5942     | 24431069347083323791097 | Amazon.com*MX8CA1XX1 <i>Sanitorial</i>       | \$31.05 <i>A40</i>   |
| 12/12/19   | 12/13/19  | 5942     | 24431069347083323791097 | Amzn.com/bill WA                             |                      |
| 12/14/19   | 12/15/19  | 5942     | 24431069348083355219107 | AMZN MKTP US*983NV9VF3 AM <i>MH</i>          | \$107.90 <i>A300</i> |
| 12/14/19   | 12/15/19  | 5942     | 24431069348083355219107 | AMZN.COM/BILL WA <i>table cloths</i>         |                      |
| 12/17/19   | 12/18/19  | 7699     | 24377359352000000409275 | AMAZON.COM*DV9HZ5473 AMZN <i>pick-up</i>     | \$80.78 <i>W260</i>  |
| 12/17/19   | 12/18/19  | 7699     | 24377359352000000409275 | AMZN.COM/BILL WA <i>hitch</i>                |                      |
| 12/16/19   | 12/18/19  | 0000     | 74344229352001201302483 | D AND S HYDRAULICS INC <i>Hydraulic pump</i> | \$751.11 <i>W265</i> |
| 12/16/19   | 12/18/19  | 0000     | 74344229352001201302483 | BEND OR <i>on Orange truck</i>               |                      |
|            |           |          |                         | PAYMENT - THANK YOU                          | \$1,021.17 -         |

**Additional Information About Your Account**

**Interest Charge Calculation/Plan Level Information**

| Plan Description            | ICM <sup>1</sup> | Balance Subject to Interest Rate | Periodic Rate | Annual Percentage Rate (APR) <sup>2</sup> | Interest Charge | Ending Balance |
|-----------------------------|------------------|----------------------------------|---------------|-------------------------------------------|-----------------|----------------|
| <b>CURRENT</b>              |                  |                                  |               |                                           |                 |                |
| PURCHASES                   | G                | \$ 0.00                          | 1.3200%       | 15.84%                                    | \$ 0.00         |                |
| CASH                        | F                | \$ 0.00                          | 1.3200%       | 15.84%                                    | \$ 0.00         |                |
| <b>FEES/INTEREST CHARGE</b> |                  |                                  |               |                                           | \$ 0.00         |                |
| <b>TOTAL</b>                |                  |                                  |               | 0.00%                                     | \$ 0.00         | \$ 1,238.10    |

<sup>1</sup> ICM Interest Charge Method: See reverse side of Page 1 for explanation.  
<sup>2</sup> Your Annual Percentage Rate (APR) is the annual interest rate on your account.  
(V) = Variable Rate. If you have a variable rate account the periodic rate and Annual Percentage Rate (APR) may vary.

*A40* 168.82  
*W265* 416.50  
*S265* 416.50  
*W260* 111.65  
*S310* 111.64  
*A10* 12.99  


---

1238.10



**CITY OF CONDON**  
**Gilliam County, Oregon**

**ANNUAL FINANCIAL REPORT**

June 30, 2019



**Accuity, LLC**  
CERTIFIED PUBLIC ACCOUNTANTS  
436 1<sup>st</sup> Avenue W | PO Box 1072  
Albany, Oregon 97321 | (541) 223-5555

**CITY OF CONDON**  
**Gilliam County, Oregon**

**CITY OFFICIALS**

June 30, 2019

**MAYOR**

Jim Hassing  
PO Box 462  
Condon, Oregon 97823

**CITY COUNCIL**

|                                   |                                      |
|-----------------------------------|--------------------------------------|
| Brian Barnett                     | Carol Harrison (term ended 12/31/18) |
| Mike Cronk                        | Donald Jamieson                      |
| Tom Fatland                       | Dawn Parm                            |
| Boyd Harris (term ended 12/31/18) | Jan Stinchfield                      |

All councilors receive mail at the City's address

**CITY ADMINISTRATOR**

Kathryn Greiner  
128 S. Main Street  
Condon, Oregon 97823

**CITY OF CONDON**  
**Gilliam County, Oregon**

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June 30, 2019

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**FINANCIAL SECTION**



# Accuity, LLC

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

The Honorable Jim Hassing, Mayor  
and Members of the City Council  
City of Condon  
Condon, Oregon 97823

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Condon, Gilliam County, Oregon, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

## Opinions

In our opinion, the financial statements referred to above 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 City of Condon, Gilliam County, Oregon as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## Emphasis of Matter – Change in Accounting Principle

As described in the notes to the financial statements, in the year ended June 30, 2019, the City adopted new accounting guidance: GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Borrowing and Direct Placements*. Our opinions are not modified with respect to this matter.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of the City's proportionate share of the net pension liability and City contributions, and the budgetary comparison information on pages 4 through 10 and 51 through 54, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis and the schedules of the City's proportionate share of the net pension liability and City contributions 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 aforementioned information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison 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 financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Condon's basic financial statements as a whole.

The combining and individual fund statements and schedules, schedule of future requirements for retirement of long-term debt, and the Sewer Fund's schedule of revenues, expenses, and changes in net position are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The aforementioned information is the responsibility of management, and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with 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 taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2019 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Condon's internal control over financial reporting and compliance.

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

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated November 15, 2019 on our tests of the City's compliance with certain provisions of laws and regulations 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.

Accuity, LLC

By:   
Glen O. Kearns, CPA

Albany, Oregon  
November 15, 2019



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**CITY OF CONDON**  
**Gilliam County, Oregon**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**INTRODUCTION**

As management of the City of Condon, Gilliam County, Oregon, we offer readers this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2019. It should be read in conjunction with the City's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

- At June 30, 2019, total net position of the City of Condon amounted to \$9,731,063. Of this amount, \$5,245,215 was invested in capital assets, net of related debt. The remaining balance included \$366,447 restricted for various purposes, and \$4,119,401 of unrestricted net position.
- The City's total net position increased by \$371,600 during the current fiscal year.
- At June 30, 2019, the City's governmental funds reported combined fund balances of \$4,314,625.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**Government-Wide Financial Statements**

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

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

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

**CITY OF CONDON**  
**Gilliam County, Oregon**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and streets, and culture and recreation. The business-type activities of the City include water and sewer services.

The government-wide financial statements can be found on pages 11 and 12 of this report.

**Fund Financial Statements**

The fund financial statements are designed to demonstrate compliance with finance-related legal requirements overseeing the use of fund accounting. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. All of the funds of the City of Condon can be divided into two categories: governmental funds and proprietary funds.

□ **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of available resources, as well as on the balances of available resources at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing 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 City maintains 12 individual governmental funds. Information is presented separately in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, State Street, State Revenue Sharing, Equipment Reserve, and Water Improvement Funds, all of which are considered to be major governmental funds. Data from the nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

**CITY OF CONDON**  
**Gilliam County, Oregon**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

The City of Condon 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 basic governmental fund financial statements can be found on pages 13 through 16 of this report.

□ **Proprietary Funds**

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City maintains two enterprise funds.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses the enterprise funds to account for its water and sewer utility operations.

The basic proprietary fund financial statements can be found on pages 17 through 19 of this report.

**Notes to the Basic Financial Statements**

The notes to the basic financial statements provide additional information that is essential to a full understanding of the financial data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 20 through 50 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which includes the schedules of the City's proportionate share of the net pension liability and City contributions, and the budgetary comparison information for the General, State Street, and State Revenue Sharing Funds. This required supplementary information can be found on pages 51 through 54 of this report.

The combining statements referred to earlier, in connection with nonmajor governmental and proprietary funds, are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 55 through 68 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. At June 30, 2019, the City's assets exceeded liabilities by \$9,731,063.

**CITY OF CONDON**  
**Gilliam County, Oregon**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

A large portion of the City'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. Although the City's investment in 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.

**City's Net Position**

The City's net position increased by \$371,600 during the current fiscal year. This increase is primarily due to an increase in charges for services. Condensed statement of net position information is shown below.

**Condensed Statement of Net Position**

|                                       | <b>Governmental Activities</b> |                     | <b>Business-Type Activities</b> |                     | <b>Totals</b>       |                     |
|---------------------------------------|--------------------------------|---------------------|---------------------------------|---------------------|---------------------|---------------------|
|                                       | <u>2019</u>                    | <u>2018</u>         | <u>2019</u>                     | <u>2018</u>         | <u>2019</u>         | <u>2018</u>         |
| <b>Assets</b>                         |                                |                     |                                 |                     |                     |                     |
| Current assets                        | \$ 4,226,113                   | \$ 4,636,556        | \$ 401,515                      | \$ 315,236          | \$ 4,627,628        | \$ 4,951,792        |
| Restricted assets                     | 286,936                        | 326,983             | 76,149                          | 74,463              | 363,085             | 401,446             |
| Net capital assets                    | <u>1,867,047</u>               | <u>1,047,366</u>    | <u>4,205,316</u>                | <u>4,451,286</u>    | <u>6,072,363</u>    | <u>5,498,652</u>    |
| Total assets                          | <u>6,380,096</u>               | <u>6,010,905</u>    | <u>4,682,980</u>                | <u>4,840,985</u>    | <u>11,063,076</u>   | <u>10,851,890</u>   |
| <b>Deferred outflows of resources</b> | <u>100,040</u>                 | <u>91,563</u>       | <u>100,040</u>                  | <u>91,564</u>       | <u>200,080</u>      | <u>183,127</u>      |
| <b>Liabilities</b>                    |                                |                     |                                 |                     |                     |                     |
| Current liabilities                   | 221,751                        | 418,213             | 70,508                          | 57,242              | 292,259             | 475,455             |
| Noncurrent liabilities                | <u>651,051</u>                 | <u>637,324</u>      | <u>546,941</u>                  | <u>526,040</u>      | <u>1,197,992</u>    | <u>1,163,364</u>    |
| Total liabilities                     | <u>872,802</u>                 | <u>1,055,537</u>    | <u>617,449</u>                  | <u>583,282</u>      | <u>1,490,251</u>    | <u>1,638,819</u>    |
| <b>Deferred inflows of resources</b>  | <u>20,920</u>                  | <u>18,367</u>       | <u>20,922</u>                   | <u>18,368</u>       | <u>41,842</u>       | <u>36,735</u>       |
| <b>Net position</b>                   |                                |                     |                                 |                     |                     |                     |
| Net investment in capital assets      | 1,397,831                      | 563,821             | 3,847,384                       | 4,085,873           | 5,245,215           | 4,649,694           |
| Restricted                            | 290,298                        | 327,705             | 76,149                          | 74,463              | 366,447             | 402,168             |
| Unrestricted                          | <u>3,898,285</u>               | <u>4,137,038</u>    | <u>221,116</u>                  | <u>170,563</u>      | <u>4,119,401</u>    | <u>4,307,601</u>    |
| Total net position                    | <u>\$ 5,586,414</u>            | <u>\$ 5,028,564</u> | <u>\$ 4,144,649</u>             | <u>\$ 4,330,899</u> | <u>\$ 9,731,063</u> | <u>\$ 9,359,463</u> |



**CITY OF CONDON**  
**Gilliam County, Oregon**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**City's Changes in Net Position**

The condensed statement of activities information shown on the following page explains changes in net position.

**Changes in Net Position**

|                                    | <b>Governmental Activities</b> |                     | <b>Business-Type Activities</b> |                     | <b>Totals</b>       |                     |
|------------------------------------|--------------------------------|---------------------|---------------------------------|---------------------|---------------------|---------------------|
|                                    | <u>2019</u>                    | <u>2018</u>         | <u>2019</u>                     | <u>2018</u>         | <u>2019</u>         | <u>2018</u>         |
| <b>Program revenues</b>            |                                |                     |                                 |                     |                     |                     |
| Charges for services               | \$ 60,466                      | \$ 48,318           | \$ 452,564                      | \$ 458,472          | \$ 513,030          | \$ 506,790          |
| Operating grants and contributions | 96,289                         | 432,366             | -                               | -                   | 96,289              | 432,366             |
| Capital grants and contributions   | 354,279                        | 351,482             | -                               | -                   | 354,279             | 351,482             |
| Total program revenues             | <u>511,034</u>                 | <u>832,166</u>      | <u>452,564</u>                  | <u>458,472</u>      | <u>963,598</u>      | <u>1,290,638</u>    |
| <b>General revenues</b>            |                                |                     |                                 |                     |                     |                     |
| Taxes                              | 339,818                        | 327,182             | -                               | -                   | 339,818             | 327,182             |
| Investment earnings                | 99,309                         | 62,104              | 8,766                           | 5,586               | 108,075             | 67,690              |
| Other                              | 363,331                        | 337,336             | -                               | -                   | 363,331             | 337,336             |
| Total general revenues             | <u>802,458</u>                 | <u>726,622</u>      | <u>8,766</u>                    | <u>5,586</u>        | <u>811,224</u>      | <u>732,208</u>      |
| Total revenues                     | <u>1,313,492</u>               | <u>1,558,788</u>    | <u>461,330</u>                  | <u>464,058</u>      | <u>1,774,822</u>    | <u>2,022,846</u>    |
| <b>Program expenses</b>            |                                |                     |                                 |                     |                     |                     |
| General government                 | 295,691                        | 385,924             | -                               | -                   | 295,691             | 385,924             |
| Public safety                      | 47,050                         | 101,597             | -                               | -                   | 47,050              | 101,597             |
| Highways and streets               | 60,191                         | 20,609              | -                               | -                   | 60,191              | 20,609              |
| Culture and recreation             | 153,705                        | 134,337             | -                               | -                   | 153,705             | 134,337             |
| Unallocated depreciation           | 91,193                         | 95,008              | -                               | -                   | 91,193              | 95,008              |
| Water                              | -                              | -                   | 294,151                         | 309,887             | 294,151             | 309,887             |
| Sewer                              | -                              | -                   | 461,241                         | 468,449             | 461,241             | 468,449             |
| Total program expenses             | <u>647,830</u>                 | <u>737,475</u>      | <u>755,392</u>                  | <u>778,336</u>      | <u>1,403,222</u>    | <u>1,515,811</u>    |
| Transfers                          | <u>(107,812)</u>               | <u>(103,500)</u>    | <u>107,812</u>                  | <u>103,500</u>      | <u>-</u>            | <u>-</u>            |
| <b>Change in net position</b>      | 557,850                        | 717,813             | (186,250)                       | (210,778)           | 371,600             | 507,035             |
| <b>Net position - beginning</b>    | <u>5,028,564</u>               | <u>4,310,751</u>    | <u>4,330,899</u>                | <u>4,541,677</u>    | <u>9,359,463</u>    | <u>8,852,428</u>    |
| <b>Net position - ending</b>       | <u>\$ 5,586,414</u>            | <u>\$ 5,028,564</u> | <u>\$ 4,144,649</u>             | <u>\$ 4,330,899</u> | <u>\$ 9,731,063</u> | <u>\$ 9,359,463</u> |

**CITY OF CONDON**  
**Gilliam County, Oregon**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

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

**Governmental Funds**

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

At the end of the current fiscal year, the City's governmental funds reported combined fund balances of \$4,314,625. Of this amount, \$1,149,245 constitutes unassigned fund balance, which is available for spending at the City's discretion.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, total fund balance of the General Fund was \$1,178,430. Of this amount, \$1,149,245 constitutes unassigned fund balance.

**Proprietary Funds**

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Total net position of the proprietary funds amounted to \$4,144,649 at year-end. Of this amount, \$3,847,384 was invested in capital assets, net of related debt. The remaining balance included \$76,149 restricted for various purposes and \$221,116 of unrestricted net position.

**BUDGETARY HIGHLIGHTS**

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

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The City's investment in capital assets for its governmental activities and business-type activities as of June 30, 2019 amounted to \$1,867,047 and \$4,205,316, net of accumulated depreciation, respectively. This investment in capital assets includes land, buildings and structures, equipment and vehicles, land improvements, and infrastructure. The total depreciation expense related to the City's investment in capital assets for its governmental activities and business-type activities during the current fiscal year was \$91,193 and \$380,232, respectively.

**CITY OF CONDON**  
**Gilliam County, Oregon**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Additional information on the City's capital assets can be found in Note II-B on pages 35 through 37 of this report.

**Long-Term Liabilities**

At the end of the current fiscal year, the City had total debt outstanding in the governmental and business-type activities of \$469,216 and \$357,932, respectively. This amount is comprised of general obligation bonds and revenue bonds. The City's total debt decreased in the governmental and business-type activities by \$14,329 and \$7,481, respectively, during the current fiscal year. Additional information on the City's long-term liabilities can be found in Note II-D on pages 38 through 40 of this report.

**KEY ECONOMIC FACTORS AND BUDGET INFORMATION FOR THE FUTURE**

At the time these financial statements were prepared and audited, the City was aware of the following circumstances that could affect its future financial health:

- The City's public works department continues to work on the City's water system and have completed an updated master plan for both systems. Work continues on projects included in the master plan.
- The City's PERS employer contribution rates for the fiscal years 2017-2019 increased by approximately 4% from current rates.
- Health insurance benefits are continuing to increase but increases are less than 5%. The City qualifies as a small employer, and thus will not have to meet all of the requirements of the Affordable Care Act.
- Interest rates on investments have increased slightly, affecting the City's income from investments.

All of these factors were considered in preparing the City's budget for fiscal year 2019-2020.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City's finances for all those with an interest. Questions concerning any of the information provided in the report or requests for additional information should be addressed to the City Administrator at the following address: P.O. Box 129, Condon, Oregon 97823.

## **BASIC FINANCIAL STATEMENTS**

**CITY OF CONDON**  
**Gilliam County, Oregon**

STATEMENT OF NET POSITION

June 30, 2019

|                                       | Governmental<br>Activities | Business-Type<br>Activities | Total               |
|---------------------------------------|----------------------------|-----------------------------|---------------------|
| <b>ASSETS</b>                         |                            |                             |                     |
| Current assets                        |                            |                             |                     |
| Cash and cash equivalents             | \$ 3,889,418               | \$ 359,105                  | \$ 4,248,523        |
| Accounts receivable                   | 325,954                    | 39,704                      | 365,658             |
| Property taxes receivable             | 8,946                      | -                           | 8,946               |
| Prepaid expenses                      | 1,795                      | 2,706                       | 4,501               |
| Total current assets                  | <u>4,226,113</u>           | <u>401,515</u>              | <u>4,627,628</u>    |
| Restricted assets                     |                            |                             |                     |
| Cash and cash equivalents             | 285,896                    | 76,149                      | 362,045             |
| Property taxes receivable             | 1,040                      | -                           | 1,040               |
| Capital assets not being depreciated  | 68,665                     | 236,676                     | 305,341             |
| Capital assets being depreciated, net | <u>1,798,382</u>           | <u>3,968,640</u>            | <u>5,767,022</u>    |
| Total assets                          | <u>6,380,096</u>           | <u>4,682,980</u>            | <u>11,063,076</u>   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b> | <u>100,040</u>             | <u>100,040</u>              | <u>200,080</u>      |
| <b>LIABILITIES</b>                    |                            |                             |                     |
| Current liabilities                   |                            |                             |                     |
| Accounts payable                      | 10,252                     | 4,225                       | 14,477              |
| Accrued interest                      | 11,107                     | 7,586                       | 18,693              |
| Compensated absences                  | 7,232                      | 18,248                      | 25,480              |
| Customer deposits                     | -                          | 32,650                      | 32,650              |
| Unearned revenues                     | 178,186                    | -                           | 178,186             |
| Long-term debt, current portion       | <u>14,974</u>              | <u>7,799</u>                | <u>22,773</u>       |
| Total current liabilities             | <u>221,751</u>             | <u>70,508</u>               | <u>292,259</u>      |
| Noncurrent liabilities                |                            |                             |                     |
| Net pension liability                 | 196,809                    | 196,808                     | 393,617             |
| Long-term debt, less current portion  | <u>454,242</u>             | <u>350,133</u>              | <u>804,375</u>      |
| Total liabilities                     | <u>872,802</u>             | <u>617,449</u>              | <u>1,490,251</u>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  | <u>20,920</u>              | <u>20,922</u>               | <u>41,842</u>       |
| <b>NET POSITION</b>                   |                            |                             |                     |
| Net investment in capital assets      | 1,397,831                  | 3,847,384                   | 5,245,215           |
| Restricted                            | 290,298                    | 76,149                      | 366,447             |
| Unrestricted                          | <u>3,898,285</u>           | <u>221,116</u>              | <u>4,119,401</u>    |
| Total net position                    | <u>\$ 5,586,414</u>        | <u>\$ 4,144,649</u>         | <u>\$ 9,731,063</u> |

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

**CITY OF CONDON**  
**Gilliam County, Oregon**

**STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2019

| <b>Functions/Programs</b>      | <b>Expenses</b>   | <b>Program Revenues</b>         |                                                   |                                                 | <b>Net (Expense) Revenue and<br/>Changes in Net Position</b> |                                     | <b>Totals</b>       |
|--------------------------------|-------------------|---------------------------------|---------------------------------------------------|-------------------------------------------------|--------------------------------------------------------------|-------------------------------------|---------------------|
|                                |                   | <b>Charges for<br/>Services</b> | <b>Operating<br/>Grants and<br/>Contributions</b> | <b>Capital<br/>Grants and<br/>Contributions</b> | <b>Governmental<br/>Activities</b>                           | <b>Business-Type<br/>Activities</b> |                     |
| Governmental activities        |                   |                                 |                                                   |                                                 |                                                              |                                     |                     |
| General government             | \$ 295,691        | \$ 7,209                        | \$ -                                              | \$ 166,129                                      | \$ (122,353)                                                 | \$ -                                | \$ (122,353)        |
| Public safety                  | 47,050            | -                               | -                                                 | -                                               | (47,050)                                                     | -                                   | (47,050)            |
| Highways and streets           | 60,191            | -                               | 50,000                                            | -                                               | (10,191)                                                     | -                                   | (10,191)            |
| Culture and recreation         | 153,705           | 53,257                          | 46,289                                            | 188,150                                         | 133,991                                                      | -                                   | 133,991             |
|                                | <u>91,193</u>     | <u>-</u>                        | <u>-</u>                                          | <u>-</u>                                        | <u>(91,193)</u>                                              | <u>-</u>                            | <u>(91,193)</u>     |
| Total governmental activities  | <u>\$ 647,830</u> | <u>\$ 60,466</u>                | <u>\$ 96,289</u>                                  | <u>\$ 354,279</u>                               | <u>(136,796)</u>                                             | <u>-</u>                            | <u>(136,796)</u>    |
| Business-type activities       |                   |                                 |                                                   |                                                 |                                                              |                                     |                     |
| Water                          | \$ 294,151        | \$ 200,771                      | \$ -                                              | \$ -                                            | -                                                            | (93,380)                            | (93,380)            |
| Sewer                          | <u>461,241</u>    | <u>251,793</u>                  | <u>-</u>                                          | <u>-</u>                                        | <u>-</u>                                                     | <u>(209,448)</u>                    | <u>(209,448)</u>    |
| Total business-type activities | <u>\$ 755,392</u> | <u>\$ 452,564</u>               | <u>\$ -</u>                                       | <u>\$ -</u>                                     | <u>-</u>                                                     | <u>(302,828)</u>                    | <u>(302,828)</u>    |
| General revenues               |                   |                                 |                                                   |                                                 |                                                              |                                     |                     |
| Property taxes                 |                   |                                 |                                                   |                                                 | 253,658                                                      | -                                   | 253,658             |
| Transient lodging tax          |                   |                                 |                                                   |                                                 | 21,237                                                       | -                                   | 21,237              |
| State highway tax              |                   |                                 |                                                   |                                                 | 50,063                                                       | -                                   | 50,063              |
| Liquor and cigarette taxes     |                   |                                 |                                                   |                                                 | 14,860                                                       | -                                   | 14,860              |
| Franchise fees                 |                   |                                 |                                                   |                                                 | 312,447                                                      | -                                   | 312,447             |
| Intergovernmental              |                   |                                 |                                                   |                                                 | 16,682                                                       | -                                   | 16,682              |
| Investment earnings            |                   |                                 |                                                   |                                                 | 99,309                                                       | 8,766                               | 108,075             |
| Miscellaneous                  |                   |                                 |                                                   |                                                 | <u>34,202</u>                                                | <u>-</u>                            | <u>34,202</u>       |
| Total general revenues         |                   |                                 |                                                   |                                                 | <u>802,458</u>                                               | <u>8,766</u>                        | <u>811,224</u>      |
| Transfers                      |                   |                                 |                                                   |                                                 | <u>(107,812)</u>                                             | <u>107,812</u>                      | <u>-</u>            |
| Change in net position         |                   |                                 |                                                   |                                                 | 557,850                                                      | (186,250)                           | 371,600             |
| Net position - beginning       |                   |                                 |                                                   |                                                 | <u>5,028,564</u>                                             | <u>4,330,899</u>                    | <u>9,359,463</u>    |
| Net position - ending          |                   |                                 |                                                   |                                                 | <u>\$ 5,586,414</u>                                          | <u>\$ 4,144,649</u>                 | <u>\$ 9,731,063</u> |

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



**CITY OF CONDON**  
**Gilliam County, Oregon**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**

June 30, 2019

|                                                                        | General<br>Fund     | State<br>Street<br>Fund | State<br>Revenue<br>Sharing<br>Fund | Equipment<br>Reserve<br>Fund | Water<br>Improvement<br>Fund | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|------------------------------------------------------------------------|---------------------|-------------------------|-------------------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| <b>ASSETS</b>                                                          |                     |                         |                                     |                              |                              |                                |                                |
| Cash and cash equivalents                                              | \$ 867,279          | \$ 146,791              | \$ 465,431                          | \$ 485,315                   | \$ 1,135,654                 | \$ 1,074,844                   | \$ 4,175,314                   |
| Accounts receivable                                                    | 317,544             | -                       | 1,124                               | -                            | -                            | 7,286                          | 325,954                        |
| Property taxes receivable                                              | 8,946               | -                       | -                                   | -                            | -                            | 1,040                          | 9,986                          |
| Prepaid expenses                                                       | 1,381               | -                       | -                                   | -                            | 414                          | -                              | 1,795                          |
| Total assets                                                           | <u>\$ 1,195,150</u> | <u>\$ 146,791</u>       | <u>\$ 466,555</u>                   | <u>\$ 485,315</u>            | <u>\$ 1,136,068</u>          | <u>\$ 1,083,170</u>            | <u>\$ 4,513,049</u>            |
| <b>LIABILITIES</b>                                                     |                     |                         |                                     |                              |                              |                                |                                |
| Accounts payable                                                       | \$ 7,774            | \$ 2,428                | \$ 50                               | \$ -                         | \$ -                         | \$ -                           | \$ 10,252                      |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                   |                     |                         |                                     |                              |                              |                                |                                |
| Unavailable revenue -                                                  |                     |                         |                                     |                              |                              |                                |                                |
| Property taxes                                                         | 8,946               | -                       | -                                   | -                            | -                            | 1,040                          | 9,986                          |
| Grants                                                                 | -                   | -                       | -                                   | -                            | 178,186                      | -                              | 178,186                        |
| Total deferred inflows of resources                                    | <u>8,946</u>        | <u>-</u>                | <u>-</u>                            | <u>-</u>                     | <u>178,186</u>               | <u>1,040</u>                   | <u>188,172</u>                 |
| <b>FUND BALANCES</b>                                                   |                     |                         |                                     |                              |                              |                                |                                |
| Nonspendable                                                           | 1,381               | -                       | -                                   | -                            | 414                          | -                              | 1,795                          |
| Restricted                                                             | -                   | -                       | -                                   | -                            | -                            | 145,935                        | 145,935                        |
| Committed                                                              | -                   | 144,363                 | 466,505                             | 485,315                      | 957,468                      | 936,195                        | 2,989,846                      |
| Assigned                                                               | 27,804              | -                       | -                                   | -                            | -                            | -                              | 27,804                         |
| Unassigned                                                             | <u>1,149,245</u>    | <u>-</u>                | <u>-</u>                            | <u>-</u>                     | <u>-</u>                     | <u>-</u>                       | <u>1,149,245</u>               |
| Total fund balances                                                    | <u>1,178,430</u>    | <u>144,363</u>          | <u>466,505</u>                      | <u>485,315</u>               | <u>957,882</u>               | <u>1,082,130</u>               | <u>4,314,625</u>               |
| Total liabilities, deferred inflows of<br>resources, and fund balances | <u>\$ 1,195,150</u> | <u>\$ 146,791</u>       | <u>\$ 466,555</u>                   | <u>\$ 485,315</u>            | <u>\$ 1,136,068</u>          | <u>\$ 1,083,170</u>            | <u>\$ 4,513,049</u>            |

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

**CITY OF CONDON**  
**Gilliam County, Oregon**

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET POSITION OF GOVERNMENTAL ACTIVITIES**

June 30, 2019

|                            |              |
|----------------------------|--------------|
| <b>Total fund balances</b> | \$ 4,314,625 |
|----------------------------|--------------|

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

|                          |                    |           |
|--------------------------|--------------------|-----------|
| Cost                     | 3,449,399          |           |
| Accumulated depreciation | <u>(1,582,352)</u> | 1,867,047 |

Property tax revenue is recognized in the net position of governmental activities when the taxes are levied; however, in the governmental fund statements, it is recognized when available to be used for current year operations. Taxes not collected within 60 days of the end of the year are not considered available to pay for current year operations and are therefore not reported as revenue in the governmental funds.

9,986

Accounts relating to the City's proportionate share of net pension liability or assets for the Oregon Public Employees 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 relating to pension expense         | 100,040          |           |
| Deferred inflows of resources relating to return on pension assets | (20,920)         |           |
| Net pension asset (liability)                                      | <u>(196,809)</u> | (117,689) |

Long-term liabilities are not due or 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:

|                      |                  |                  |
|----------------------|------------------|------------------|
| Accrued interest     | (11,107)         |                  |
| Compensated absences | (7,232)          |                  |
| Loans payable        | <u>(469,216)</u> | <u>(487,555)</u> |

|                                                |                            |
|------------------------------------------------|----------------------------|
| <b>Net position of governmental activities</b> | <b>\$ <u>5,586,414</u></b> |
|------------------------------------------------|----------------------------|

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

**CITY OF CONDON**  
**Gilliam County, Oregon**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2019

|                                                              | General<br>Fund | State<br>Street<br>Fund | State<br>Revenue<br>Sharing<br>Fund | Equipment<br>Reserve<br>Fund | Water<br>Improvement<br>Fund | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--------------------------------------------------------------|-----------------|-------------------------|-------------------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| <b>REVENUES</b>                                              |                 |                         |                                     |                              |                              |                                |                                |
| Property taxes                                               | \$ 239,565      | \$ -                    | \$ -                                | \$ -                         | \$ -                         | \$ 25,886                      | \$ 265,451                     |
| State liquor/cigarette taxes                                 | 14,860          | -                       | -                                   | -                            | -                            | -                              | 14,860                         |
| Transient lodging taxes                                      | -               | -                       | -                                   | -                            | -                            | 21,237                         | 21,237                         |
| Franchise fees                                               | 62,634          | -                       | -                                   | -                            | -                            | -                              | 62,634                         |
| Charges for services                                         | -               | -                       | -                                   | -                            | -                            | 5,064                          | 5,064                          |
| Licenses, fees, and permits                                  | 303,070         | -                       | -                                   | -                            | -                            | 440                            | 303,510                        |
| Intergovernmental                                            | 245,315         | 50,063                  | 5,806                               | -                            | 166,129                      | -                              | 467,313                        |
| Grants and contributions                                     | -               | 50,000                  | -                                   | -                            | -                            | -                              | 50,000                         |
| Fines and forfeitures                                        | 1,205           | -                       | -                                   | -                            | -                            | -                              | 1,205                          |
| Rents and leases                                             | 500             | -                       | -                                   | -                            | -                            | -                              | 500                            |
| Investment earnings                                          | 24,115          | 6,079                   | 20,839                              | 11,070                       | 34,279                       | 25,743                         | 122,125                        |
| Miscellaneous                                                | 11,386          | -                       | -                                   | -                            | -                            | -                              | 11,386                         |
| Total revenues                                               | <u>902,650</u>  | <u>106,142</u>          | <u>26,645</u>                       | <u>11,070</u>                | <u>200,408</u>               | <u>78,370</u>                  | <u>1,325,285</u>               |
| <b>EXPENDITURES</b>                                          |                 |                         |                                     |                              |                              |                                |                                |
| Current                                                      |                 |                         |                                     |                              |                              |                                |                                |
| General government                                           | 233,520         | -                       | 41,804                              | -                            | 33,403                       | 1,586                          | 310,313                        |
| Public safety                                                | 94,087          | -                       | -                                   | -                            | -                            | -                              | 94,087                         |
| Highways and streets                                         | -               | 213,876                 | -                                   | -                            | -                            | -                              | 213,876                        |
| Culture and recreation                                       | 89,697          | -                       | -                                   | -                            | -                            | 16,971                         | 106,668                        |
| Debt service                                                 | -               | -                       | -                                   | -                            | -                            | 59,100                         | 59,100                         |
| Capital outlay                                               | -               | -                       | 618,840                             | -                            | 157,524                      | 41,682                         | 818,046                        |
| Total expenditures                                           | <u>417,304</u>  | <u>213,876</u>          | <u>660,644</u>                      | <u>-</u>                     | <u>190,927</u>               | <u>119,339</u>                 | <u>1,602,090</u>               |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>485,346</u>  | <u>(107,734)</u>        | <u>(633,999)</u>                    | <u>11,070</u>                | <u>9,481</u>                 | <u>(40,969)</u>                | <u>(276,805)</u>               |

(continued)

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

**CITY OF CONDON**  
**Gilliam County, Oregon**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2019

| (continued)                               | General<br>Fund            | State<br>Street<br>Fund  | State<br>Revenue<br>Sharing<br>Fund | Equipment<br>Reserve<br>Fund | Water<br>Improvement<br>Fund | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|-------------------------------------------|----------------------------|--------------------------|-------------------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| <b>OTHER FINANCING<br/>SOURCES (USES)</b> |                            |                          |                                     |                              |                              |                                |                                |
| Transfers in                              | 50,000                     | -                        | 150,000                             | 40,000                       | 21,000                       | 131,000                        | 392,000                        |
| Transfers out                             | <u>(357,000)</u>           | <u>-</u>                 | <u>-</u>                            | <u>-</u>                     | <u>-</u>                     | <u>-</u>                       | <u>(357,000)</u>               |
| Total other financing<br>sources (uses)   | <u>(307,000)</u>           | <u>-</u>                 | <u>150,000</u>                      | <u>40,000</u>                | <u>21,000</u>                | <u>131,000</u>                 | <u>35,000</u>                  |
| Net change in fund balances               | 178,346                    | (107,734)                | (483,999)                           | 51,070                       | 30,481                       | 90,031                         | (241,805)                      |
| Fund balances - beginning                 | <u>1,000,084</u>           | <u>252,097</u>           | <u>950,504</u>                      | <u>434,245</u>               | <u>927,401</u>               | <u>992,099</u>                 | <u>4,556,430</u>               |
| Fund balances - ending                    | <u><u>\$ 1,178,430</u></u> | <u><u>\$ 144,363</u></u> | <u><u>\$ 466,505</u></u>            | <u><u>\$ 485,315</u></u>     | <u><u>\$ 957,882</u></u>     | <u><u>\$ 1,082,130</u></u>     | <u><u>\$ 4,314,625</u></u>     |

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

**CITY OF CONDON**  
**Gilliam County, Oregon**

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

For the Year Ended June 30, 2019

|                                    |    |           |
|------------------------------------|----|-----------|
| <b>Net change in fund balances</b> | \$ | (241,805) |
|------------------------------------|----|-----------|

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 expense.

|                                   |                 |         |
|-----------------------------------|-----------------|---------|
| Expenditures for capital assets   | 910,874         |         |
| Current year depreciation expense | <u>(91,193)</u> | 819,681 |

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

|                      |              |     |
|----------------------|--------------|-----|
| Compensated absences | (7,232)      |     |
| Accrued interest     | <u>7,447</u> | 215 |

Long-term debt proceeds are reported as other financing sources in the governmental funds. In the statement of net position, however, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the statement of net position.

|                     |  |        |
|---------------------|--|--------|
| Debt principal paid |  | 14,329 |
|---------------------|--|--------|

Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in governmental funds. In the statement of activities, property taxes are recognized when levied.

|  |  |          |
|--|--|----------|
|  |  | (11,793) |
|--|--|----------|

Pension expense or credits that do not meet the measurable and available criteria are not recognized as revenue or expense in the current year in the governmental funds. In the statement of activities, pension expense or credit is recognized when determined to have been accrued.

|                 |  |                 |
|-----------------|--|-----------------|
| Pension expense |  | <u>(22,777)</u> |
|-----------------|--|-----------------|

|                               |    |                       |
|-------------------------------|----|-----------------------|
| <b>Change in net position</b> | \$ | <u><u>557,850</u></u> |
|-------------------------------|----|-----------------------|

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

**CITY OF CONDON**  
**Gilliam County, Oregon**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**

June 30, 2019

|                                       | Business-Type Activities - Enterprise Funds |               |              |
|---------------------------------------|---------------------------------------------|---------------|--------------|
|                                       | Water<br>Fund                               | Sewer<br>Fund | Totals       |
| <b>ASSETS</b>                         |                                             |               |              |
| Current assets                        |                                             |               |              |
| Cash and cash equivalents             | \$ 198,527                                  | \$ 160,578    | \$ 359,105   |
| Accounts receivable                   | 19,489                                      | 20,215        | 39,704       |
| Prepaid expenses                      | 1,353                                       | 1,353         | 2,706        |
| Total current assets                  | 219,369                                     | 182,146       | 401,515      |
| Restricted assets                     |                                             |               |              |
| Cash and cash equivalents             | 31,334                                      | 44,815        | 76,149       |
| Capital assets not being depreciated  | 55,616                                      | 55,617        | 111,233      |
| Capital assets being depreciated, net | 1,464,569                                   | 2,629,514     | 4,094,083    |
| Total assets                          | 1,770,888                                   | 2,912,092     | 4,682,980    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b> | 50,020                                      | 50,020        | 100,040      |
| <b>LIABILITIES</b>                    |                                             |               |              |
| Current liabilities                   |                                             |               |              |
| Accounts payable                      | 2,841                                       | 1,384         | 4,225        |
| Accrued interest                      | -                                           | 7,586         | 7,586        |
| Compensated absences                  | 9,124                                       | 9,124         | 18,248       |
| Customer deposits                     | 32,650                                      | -             | 32,650       |
| Long-term debt, current portion       | -                                           | 7,799         | 7,799        |
| Total current liabilities             | 44,615                                      | 25,893        | 70,508       |
| Noncurrent liabilities                |                                             |               |              |
| Net pension liability                 | 98,404                                      | 98,404        | 196,808      |
| Long-term debt, less current portion  | -                                           | 350,133       | 350,133      |
| Total noncurrent liabilities          | 98,404                                      | 448,537       | 546,941      |
| Total liabilities                     | 143,019                                     | 474,430       | 617,449      |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  | 10,461                                      | 10,461        | 20,922       |
| <b>NET POSITION</b>                   |                                             |               |              |
| Net investment in capital assets      | 1,520,185                                   | 2,327,199     | 3,847,384    |
| Restricted for various purposes       | 31,334                                      | 44,815        | 76,149       |
| Unrestricted                          | 115,909                                     | 105,207       | 221,116      |
| Total net position                    | \$ 1,667,428                                | \$ 2,477,221  | \$ 4,144,649 |

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

**CITY OF CONDON**  
**Gilliam County, Oregon**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

PROPRIETARY FUNDS

For the Year Ended June 30, 2019

|                                                  | Business-Type Activities - Enterprise Funds |              |              |
|--------------------------------------------------|---------------------------------------------|--------------|--------------|
|                                                  | Water                                       | Sewer        |              |
|                                                  | Fund                                        | Fund         | Totals       |
| Operating revenues                               |                                             |              |              |
| Charges for services                             | \$ 200,771                                  | \$ 251,793   | \$ 452,564   |
| Operating expenses                               |                                             |              |              |
| Personnel services                               | 124,336                                     | 122,930      | 247,266      |
| Materials and services                           | 71,465                                      | 56,429       | 127,894      |
| Depreciation                                     | 98,350                                      | 281,882      | 380,232      |
| Total operating expenses                         | 294,151                                     | 461,241      | 755,392      |
| Operating income (loss)                          | (93,380)                                    | (209,448)    | (302,828)    |
| Nonoperating revenues (expenses)                 |                                             |              |              |
| Investment earnings                              | 5,016                                       | 3,750        | 8,766        |
| Income (loss) before contributions and transfers | (88,364)                                    | (205,698)    | (294,062)    |
| Transfers in                                     | 144,262                                     | 8,550        | 152,812      |
| Transfers out                                    | (20,000)                                    | (25,000)     | (45,000)     |
| Change in net position                           | 35,898                                      | (222,148)    | (186,250)    |
| Total net position - beginning                   | 1,631,530                                   | 2,699,369    | 4,330,899    |
| Total net position - ending                      | \$ 1,667,428                                | \$ 2,477,221 | \$ 4,144,649 |

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



**CITY OF CONDON**  
**Gilliam County, Oregon**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended June 30, 2019

|                                                                                                                                                           | Business-Type Activities - Enterprise Funds |                   |                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|-------------------|-------------------|
|                                                                                                                                                           | Water Fund                                  | Sewer Fund        | Totals            |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                                                                               |                                             |                   |                   |
| Cash received from customers                                                                                                                              | \$ 205,699                                  | \$ 251,254        | \$ 456,953        |
| Cash payments for payroll and related costs                                                                                                               | (104,166)                                   | (102,787)         | (206,953)         |
| Cash payments for operating expenses                                                                                                                      | <u>(73,078)</u>                             | <u>(57,971)</u>   | <u>(131,049)</u>  |
| Net cash provided (used) by operating activities                                                                                                          | <u>28,455</u>                               | <u>90,496</u>     | <u>118,951</u>    |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>                                                                                                    |                                             |                   |                   |
| Transfers from other funds                                                                                                                                | <u>10,000</u>                               | <u>-</u>          | <u>10,000</u>     |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                                                                                           |                                             |                   |                   |
| Transfers to other funds for capital acquisitions                                                                                                         | (20,000)                                    | (25,000)          | (45,000)          |
| Transfers from other funds                                                                                                                                | <u>-</u>                                    | <u>-</u>          | <u>-</u>          |
| Net cash provided (used) by capital and related financing activities                                                                                      | <u>(20,000)</u>                             | <u>(25,000)</u>   | <u>(45,000)</u>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                                                                                               |                                             |                   |                   |
| Investment earnings                                                                                                                                       | <u>2,822</u>                                | <u>2,488</u>      | <u>5,310</u>      |
| Net increase (decrease) in cash and cash equivalents                                                                                                      | 21,277                                      | 67,984            | 89,261            |
| Cash and cash equivalents - beginning<br>(including \$29,648 and \$44,815 in the Water and Sewer Funds,<br>respectively, reported in restricted accounts) | <u>208,584</u>                              | <u>137,409</u>    | <u>345,993</u>    |
| Cash and cash equivalents - ending<br>(including \$31,334 and \$44,815 in the Water and Sewer Funds,<br>respectively, reported in restricted accounts)    | <u>\$ 229,861</u>                           | <u>\$ 205,393</u> | <u>\$ 435,254</u> |
| <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>                                                     |                                             |                   |                   |
| Operating income (loss)                                                                                                                                   | \$ (93,380)                                 | \$ (209,448)      | \$ (302,828)      |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities:                                                            |                                             |                   |                   |
| Depreciation                                                                                                                                              | 98,350                                      | 281,882           | 380,232           |
| (Increase) decrease in accounts receivable                                                                                                                | (1,468)                                     | (539)             | (2,007)           |
| (Increase) decrease in deferred outflows of resources                                                                                                     | (30,799)                                    | (30,799)          | (61,598)          |
| Increase (decrease) in accounts payable                                                                                                                   | (1,613)                                     | (473)             | (2,086)           |
| Increase (decrease) in accrued interest                                                                                                                   | -                                           | (1,069)           | (1,069)           |
| Increase (decrease) in compensated absences                                                                                                               | (1,351)                                     | (1,378)           | (2,729)           |
| Increase (decrease) in customer deposits                                                                                                                  | 6,396                                       | -                 | 6,396             |
| Increase (decrease) in net pension liability                                                                                                              | 55,796                                      | 55,796            | 111,592           |
| Increase (decrease) in deferred inflows of resources                                                                                                      | <u>(3,476)</u>                              | <u>(3,476)</u>    | <u>(6,952)</u>    |
| Net cash provided (used) by operating activities                                                                                                          | <u>\$ 28,455</u>                            | <u>\$ 90,496</u>  | <u>\$ 118,951</u> |

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

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**CITY OF CONDON**  
**Gilliam County, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2019

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of Government-Wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statements of activities) report information on all of the activities of the City. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support.

**B. Reporting Entity**

The City of Condon, Oregon was incorporated in 1893. The government of the City consists of an elected mayor and six council members. The mayor serves a two-year term and the council members serve four-year terms. Administrative functions of the City are delegated to individuals who report and are responsible to the Mayor and City Council. The City Administrator is the chief financial officer of the City.

**C. Basis of Presentation - 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.

**D. Basis of Presentation - Fund Financial Statements**

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

The City reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the City. It accounts for all financial resources of the City except those required to be accounted for in another fund.

**CITY OF CONDON**  
**Gilliam County, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2019

Special Revenue Funds

*State Street Fund* – The Housing Rehabilitation Revolving Loan Fund accounts for the repayment of no-interest loans for housing rehabilitation funded by a federal community development block grant. The money may only be used for new no-interest loans to qualified homeowners. The City has a contract with Community Action Team, Inc. (CAT) to identify qualified homeowners for possible loans.

*State Revenue Sharing Fund* – The State Revenue Sharing Fund accounts for funds received from the State of Oregon. Expenditures are generally for capital outlay items, administration services and the City's Main Street Project.

Capital Projects Fund

*Equipment Reserve Fund* – The Equipment Reserve Fund accounts for revenues transferred from the General Fund, sale of surplus property, investment earnings, and carryover. The fund is maintained to address the city hall office space needs when appropriate.

*Water Improvement Fund* – The Water System Improvement Fund accounts for the receipt and expenditure of financial resources that are generally restricted for use on the City's water system. The City reports the following major proprietary funds:

Enterprise Funds

*Water Fund* – The Water Fund accounts for the operation and maintenance of the City's water system.

*Sewer Fund* – The Water Fund accounts for the operation and maintenance of the City's sewer system.

Additionally, the City reports the following nonmajor governmental funds:

Special Revenue Funds

*Development Grant Fund* – The Trust Fund was established in 1997 to account for revenues and expenditures by volunteer groups working under the City's umbrella, and who have not achieved separate tax-exempt status. The fund is also intended to account for donations for specific projects and to provide a clear accounting for individuals who may be hesitant to donate for fear that their donation might be mixed in with the City's other general revenues and be overlooked.

*Transient Tax Fund* – The Trust Fund was established in 1997 to account for revenues and expenditures by volunteer groups working under the City's umbrella, and who have not achieved separate tax-exempt status. The fund is also intended to account for donations for specific projects and to provide a clear accounting for individuals who may be hesitant to donate for fear that their donation might be mixed in with the City's other general revenues and be overlooked.

**CITY OF CONDON**  
**Gilliam County, Oregon**

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Debt Service Fund

*Debt Service Fund* – The Debt Service Fund accounts for the repayment of the City’s governmental long-term debt. The primary source of revenue is property taxes. The primary use of the revenue is the repayment of principal and interest on long-term debt.

Capital Projects Funds

*Sewer Reserve Fund* – The Sewer Reserve Fund accounts for the revenue from the City’s timber resources. Proceeds from timber sales benefit the City’s general governmental activities.

*Water Equipment Fund* – The Water Equipment Reserve Fund accounts for revenues related to system development charges from new residences, private donations, and investment earnings. Expenditures are proposed when a new project is identified.

*Sewer Equipment Fund* – The Sewer Equipment Reserve Fund, authorized by ORS 294.525, was established by Ordinance 98-06. This fund accounts for revenues transferred from the General Fund for the purchase of vehicles, vehicle equipment, police and emergency medical equipment, and training facilities. Transfers from the General Fund are proposed and based on an updated analysis, determining the amount to be set aside each year for the replacement of all police equipment over time.

*Wastewater Improvement Fund* – The Wastewater System Improvement Fund accounts for the receipt and expenditure of financial resources that are generally restricted for use on the City’s sewer system.

Additionally, the City reports the Memorial Hall Fund, as described below, which is presented in the General Fund for financial statement presentation purposes in accordance with GASB Statement No. 54. A budget and actual statement is presented for this fund in accordance with Oregon Budget Law.

*Memorial Hall Fund* – The Memorial Hall Fund accounts for resources to be used for maintenance and operations of Memorial Hall. The primary source of revenue is transfers from the General Fund.

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.

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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. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

**E. 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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are 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 City 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. Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

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Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount received during the period or within the availability period for this revenues source (within 60 days of year-end). 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.

**F. Budgetary Basis of Accounting**

Annual budgets are adopted on the cash basis of accounting for revenues and the modified accrual basis for expenses. The City budgets all funds in accordance with the requirements of state law. Annual appropriated budgets are adopted for the general, special revenue, capital projects, debt service and enterprise funds.

The City 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 taxpayer comments and approval from the budget committee. The budget is legally adopted by the City Council by resolution prior to the beginning of the City's fiscal year. The council resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total personnel services, materials and services, debt service, capital outlay, interfund transfers, and operating contingencies 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 of less than 10% of a fund's original budget requires hearings before the public, publication in newspapers, and approval by the City Council. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by the City Council. During the year there no supplemental budgets. The City does not use encumbrances, and appropriations lapse at year-end.

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

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**G. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance**

**1. Cash and Cash Equivalents**

The City's cash and cash equivalents are cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**2. Investments**

State statutes authorize the City 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 savings 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.

**3. Accounts Receivable**

Receivables are recorded as revenue when earned. No allowance for uncollectible accounts has been established, as management deems all receivables collectible.

**4. Capital assets**

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City 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 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.

Property, plant, and equipment of the City are depreciated using the straight-line method over the following estimated useful lives:

| <u>Assets</u>              | <u>Years</u> |
|----------------------------|--------------|
| Equipment and vehicles     | 5 - 40       |
| Buildings and improvements | 10 - 40      |
| Infrastructure             | 10 - 40      |



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**5. 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 so will 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 elements, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting, which 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 property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**6. 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 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.

**7. 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.

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**8. 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).

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 city council 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 specific purposes but do not meet the criteria to be classified as committed. The city council (council) has by resolution authorized the City Administrator to assign fund balance. The council 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.

The City reports fund equity in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance – amounts that are in nonspendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (i.e. city council). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest level action to remove or change the constraint.

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- Assigned fund balance – amounts that City intends to use for a specific purpose. Intent can be expressed by the board of directors or by an official or body to which the city council delegates authority.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

The City has not formally adopted a minimum fund balance policy.

**H. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

**I. Revenues and Expenditures/Expenses**

**1. 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 intentionally dedicated resources are reported as general revenues rather than as program revenues.

**2. Property Taxes**

Property taxes attach as an enforceable lien on real property and are levied as of July 1<sup>st</sup>. The tax levy is divided into two billings: the first billing (mailed on July 1) is an estimate of the current year's levy based on prior year's taxes; the second billing (mailed on January 1) reflects adjustments to the current year's actual levy. The billings are considered past due 15 days after the respective billing date, at which time the applicable property is subject to lien, and penalties and interest are assessed.

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic remittances of collection to entities levying taxes. Property taxes are levied and become a lien as of July 1 on property values assessed as of June 30. Property taxes are payable in three installments, which are due on November 15, February 15, and May 15.

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Uncollected property taxes are shown as assets in the governmental funds. Property taxes collected within approximately 60 days of fiscal year-end are recognized as revenue, while the remaining are recorded as deferred inflows of resources because they are not deemed available to finance operations of the current period.

**3. Compensated Absences**

Vacation

The City's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Sick leave

Accumulated sick leave lapses when employees leave the employ of the City and, upon separation from service, no monetary obligation exists.

**4. 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.

**5. Proprietary Funds Operating and Nonoperating Revenues and Expenses**

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

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**II. STEWARDWHIP, COMPLIANCE, AND ACCOUNTABILITY**

During the year ended June 30, 2019, the City was not in compliance with Oregon Revised Statutes related to public contracts and purchasing (ORS 279).

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

**A. Cash Deposits with Financial Institutions**

The City 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.

Investments, including amounts held in pooled cash and investments, are stated at fair value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value.

The City 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.

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.

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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, 2019.

Fair values of assets measured on a recurring basis at June 30, 2019 are as follows:

| Investments                             | <u>Level 2</u>      |
|-----------------------------------------|---------------------|
| Oregon Local Government Investment Pool | <u>\$ 4,351,010</u> |

Credit Risk

Oregon statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the Local Government Investment Pool. The City has not adopted a formal policy regarding credit risk; however, investments comply with state statutes.

Investments

As of June 30, 2019, the City had the following investments:

|                                         | <u>Quality<br/>Rating</u> | <u>Maturities</u> | <u>Fair Value</u>   |
|-----------------------------------------|---------------------------|-------------------|---------------------|
| Oregon Local Government Investment Pool | Unrated                   | -                 | <u>\$ 4,351,010</u> |

Interest Rate Risk

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

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Concentration of Credit Risk

The City does not have a formal policy that places a limit on the amount that may be invested in any one insurer. 100 percent of the City's investments are in the Oregon Local Government Investment Pool.

Custodial Credit Risk – Investments

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

Custodial Credit Risk – Deposits

This is the risk that, in the event of a bank failure, the City's deposits may not be returned.

All City deposits not covered by Federal Depository Insurance Corporation (FDIC) insurance are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon, organized in accordance with ORS 295. The PFCP is a shared liability structure for participating bank depositories. Barring any exceptions, a bank depository is required to pledge collateral valued at a minimum of 10% of their quarter-end public fund deposits if they are considered well capitalized, 25% of their quarter-end public fund deposits if they are considered adequately capitalized, or 110% of their quarter-end public fund deposits if they are considered 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 qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities.

The City holds accounts at Bank of Eastern Oregon, for which deposits are insured by the FDIC up to \$250,000. At June 30, 2019, the City's had deposits of \$250,000 insured by the FDIC and \$522,815 collateralized by the PFCP.

Deposits

The City's deposits and investments at June 30, 2019 are as follows:

|                                    |                                |
|------------------------------------|--------------------------------|
| Cash on hand                       | \$ 165                         |
| Checking accounts                  | 259,393                        |
| Total investments                  | <u>4,351,010</u>               |
| <br>Total deposits and investments | <br><u><u>\$ 4,610,568</u></u> |

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Cash and investments by fund:

|                                               |                            |
|-----------------------------------------------|----------------------------|
| Governmental activities - unrestricted        |                            |
| General Fund                                  | \$ 867,279                 |
| State Revenue Sharing Fund                    | 465,431                    |
| Equipment Reserve Fund                        | 485,315                    |
| Water Improvement Fund                        | 1,135,654                  |
| Nonmajor governmental funds                   | <u>935,739</u>             |
| Total governmental activities - unrestricted  | 3,889,418                  |
| Business-type activities - unrestricted       |                            |
| Water Fund                                    | 198,527                    |
| Sewer Fund                                    | <u>160,578</u>             |
| Total business-type activities - unrestricted | 359,105                    |
| Subtotal unrestricted cash and investments    | <u>4,248,523</u>           |
| Governmental activities - restricted          |                            |
| State Street Fund                             | 146,791                    |
| Nonmajor governmental funds                   | <u>139,105</u>             |
| Total governmental activities - restricted    | <u>285,896</u>             |
| Business-type activities - restricted         |                            |
| Water Fund                                    | 31,334                     |
| Sewer Fund                                    | <u>44,815</u>              |
| Total business-type activities - restricted   | <u>76,149</u>              |
| Subtotal restricted cash and investments      | <u>362,045</u>             |
| Total cash and investments                    | <u><u>\$ 4,610,568</u></u> |

Restricted cash is for tourism promotion, street maintenance and development, land conservation, debt service, and utility customer deposits.



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**B. Capital Assets**

Capital asset activity for the year ended June 30, 2019 was as follows:

|                                             | Beginning<br>Balance | Increases  | Decreases | Ending<br>Balance |
|---------------------------------------------|----------------------|------------|-----------|-------------------|
| Governmental activities                     |                      |            |           |                   |
| Capital assets not being depreciated        |                      |            |           |                   |
| Land and improvements                       | \$ 22,500            | \$ -       | \$ -      | \$ 22,500         |
| Construction in progress                    | 11,420               | 34,745     | -         | 46,165            |
| Total capital assets not being depreciated  | 33,920               | 34,745     | -         | 68,665            |
| Capital assets being depreciated            |                      |            |           |                   |
| Buildings                                   | 855,246              | 97,853     | -         | 953,099           |
| Vehicles and equipment                      | 674,290              | 5,751      | (53,103)  | 626,938           |
| Infrastructure                              | 1,028,172            | 772,525    | -         | 1,800,697         |
| Total capital assets being depreciated      | 2,557,708            | 876,129    | (53,103)  | 3,380,734         |
| Less accumulated depreciation for:          |                      |            |           |                   |
| Buildings                                   | (598,594)            | (25,816)   | -         | (624,410)         |
| Vehicles and equipment                      | (578,617)            | (19,751)   | 53,103    | (545,265)         |
| Infrastructure                              | (367,051)            | (45,626)   | -         | (412,677)         |
| Total accumulated depreciation              | (1,544,262)          | (91,193)   | 53,103    | (1,582,352)       |
| Total capital assets being depreciated, net | 1,013,446            | 784,936    | -         | 1,798,382         |
| Governmental activities capital assets, net | \$ 1,047,366         | \$ 819,681 | \$ -      | \$ 1,867,047      |

(Continued)

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| (Continued)                                  | Beginning<br>Balance | Increases    | Decreases | Ending<br>Balance |
|----------------------------------------------|----------------------|--------------|-----------|-------------------|
| Business-type activities                     |                      |              |           |                   |
| Capital assets not being depreciated         |                      |              |           |                   |
| Land and improvements                        | \$ 111,233           | \$ -         | \$ -      | \$ 111,233        |
| Construction in progress                     | 125,443              | -            | -         | 125,443           |
| Total capital assets not being depreciated   | 236,676              | -            | -         | 236,676           |
| Capital assets being depreciated             |                      |              |           |                   |
| Buildings                                    | 100,269              | -            | -         | 100,269           |
| Vehicles and equipment                       | 337,668              | -            | -         | 337,668           |
| Infrastructure                               | 9,106,985            | 134,262      | -         | 9,241,247         |
| Total capital assets being depreciated       | 9,544,922            | 134,262      | -         | 9,679,184         |
| Less accumulated depreciation for            |                      |              |           |                   |
| Buildings                                    | (67,550)             | (2,082)      | -         | (69,632)          |
| Vehicles and equipment                       | (251,725)            | (17,319)     | -         | (269,044)         |
| Infrastructure                               | (5,011,037)          | (360,831)    | -         | (5,371,868)       |
| Total accumulated depreciation               | (5,330,312)          | (380,232)    | -         | (5,710,544)       |
| Total capital assets being depreciated, net  | 4,214,610            | (245,970)    | -         | 3,968,640         |
| Business-type activities capital assets, net | \$ 4,451,286         | \$ (245,970) | \$ -      | \$ 4,205,316      |

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Capital assets are reported on the statement of net position as follows:

|                                               | Capital<br>Assets    | Accumulated<br>Depreciation | Net Capital<br>Assets |
|-----------------------------------------------|----------------------|-----------------------------|-----------------------|
| Governmental activities                       |                      |                             |                       |
| Land and improvements                         | \$ 22,500            | \$ -                        | \$ 22,500             |
| Construction in progress                      | 46,165               | -                           | 46,165                |
| Buildings                                     | 953,099              | (624,410)                   | 328,689               |
| Vehicles and equipment                        | 626,938              | (545,265)                   | 81,673                |
| Infrastructure                                | <u>1,800,697</u>     | <u>(412,677)</u>            | <u>1,388,020</u>      |
| Total governmental activities capital assets  | <u>3,449,399</u>     | <u>(1,582,352)</u>          | <u>1,867,047</u>      |
| Business-type activities                      |                      |                             |                       |
| Land and improvements                         | 111,233              | -                           | 111,233               |
| Construction in progress                      | 125,443              | -                           | 125,443               |
| Buildings                                     | 100,269              | (69,632)                    | 30,637                |
| Vehicles and equipment                        | 337,668              | (269,044)                   | 68,624                |
| Water system                                  | <u>9,241,247</u>     | <u>(5,371,868)</u>          | <u>3,869,379</u>      |
| Total business-type activities capital assets | <u>9,915,860</u>     | <u>(5,710,544)</u>          | <u>4,205,316</u>      |
| Total capital assets                          | <u>\$ 13,365,259</u> | <u>\$ (7,292,896)</u>       | <u>\$ 6,072,363</u>   |

For the governmental activities, depreciation was not charged to specific functions or programs of the City. Capital assets of the City's governmental activities are for the use of the entire City and are therefore unallocated. Depreciation expense was charged to functions/programs of the City as follows:

|                                  |                   |
|----------------------------------|-------------------|
| Governmental activities          |                   |
| Unallocated depreciation expense | <u>\$ 91,193</u>  |
| Business-type activities         |                   |
| Water                            | 98,350            |
| Sewer                            | <u>281,882</u>    |
| Total business-type activities   | <u>\$ 380,232</u> |

**CITY OF CONDON**  
**Gilliam County, Oregon**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

**C. Interfund Transfers**

Interfund transfers during the year consisted of:

|                          | Transfers in:                       |                              |                              |                                   |                  | Total             |
|--------------------------|-------------------------------------|------------------------------|------------------------------|-----------------------------------|------------------|-------------------|
|                          | State<br>Revenue<br>Sharing<br>Fund | Water<br>Improvement<br>Fund | Equipment<br>Reserve<br>Fund | Nonmajor<br>Governmental<br>Funds | Water<br>Fund    |                   |
| Transfers out:           |                                     |                              |                              |                                   |                  |                   |
| Governmental activities  |                                     |                              |                              |                                   |                  |                   |
| General Fund             | \$ 150,000                          | \$ 21,000                    | \$ 20,000                    | \$ 106,000                        | \$ 10,000        | \$ 307,000        |
| Business-type activities |                                     |                              |                              |                                   |                  |                   |
| Water Fund               | -                                   | -                            | 10,000                       | 10,000                            | -                | 20,000            |
| Sewer Fund               | -                                   | -                            | 10,000                       | 15,000                            | -                | 25,000            |
| Total                    | <u>\$ 150,000</u>                   | <u>\$ 21,000</u>             | <u>\$ 40,000</u>             | <u>\$ 131,000</u>                 | <u>\$ 10,000</u> | <u>\$ 352,000</u> |

The principal purposes of the interfund transfers in were to transfer resources into reserve funds for future expenses.

**D. Long-Term Liabilities**

**1. Changes in Long-Term Liabilities**

The following is a summary of long-term liabilities transactions for the year:

|                          | Interest<br>Rate | Original<br>Amount  | Beginning<br>Balance | Additions   | Reductions       | Ending<br>Balance | Due<br>Within<br>One Year |
|--------------------------|------------------|---------------------|----------------------|-------------|------------------|-------------------|---------------------------|
| Governmental Activities  |                  |                     |                      |             |                  |                   |                           |
| General Obligation       |                  |                     |                      |             |                  |                   |                           |
| Installment Sewer Bond   | 3.35%            | \$ 664,000          | \$ 483,545           | \$ -        | \$ 14,329        | \$ 469,216        | \$ 14,974                 |
| Business-type activities |                  |                     |                      |             |                  |                   |                           |
| Sewer Revenue Bond       | 4.25%            | <u>438,970</u>      | <u>365,413</u>       | <u>-</u>    | <u>7,481</u>     | <u>357,932</u>    | <u>7,799</u>              |
| Total                    |                  | <u>\$ 1,102,970</u> | <u>\$ 848,958</u>    | <u>\$ -</u> | <u>\$ 21,810</u> | <u>\$ 827,148</u> | <u>\$ 22,773</u>          |

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June 30, 2019

**2. Governmental Activity Future Maturities of Long-Term Liabilities**

| Year Ending<br>June 30 | General Obligation Bond |                   |                   |
|------------------------|-------------------------|-------------------|-------------------|
|                        | Principal               | Interest          | Total             |
| 2020                   | \$ 14,974               | \$ 21,115         | \$ 36,089         |
| 2021                   | 15,648                  | 20,441            | 36,089            |
| 2022                   | 16,352                  | 19,737            | 36,089            |
| 2023                   | 17,088                  | 19,001            | 36,089            |
| 2024                   | 17,857                  | 18,232            | 36,089            |
| 2025-2029              | 102,086                 | 78,358            | 180,444           |
| 2030-2034              | 127,217                 | 53,228            | 180,445           |
| 2035-2039              | 157,994                 | 21,914            | 179,908           |
|                        | <u>\$ 469,216</u>       | <u>\$ 252,026</u> | <u>\$ 721,242</u> |

**3. Governmental Activity General Obligation Bonds**

General obligation bonds are direct obligations that pledge the full faith and credit of the City and are payable from ad valorem debt service levy proceeds. The City's outstanding general obligation bonds represent funding primarily for building improvement projects. Interest is fixed at 3.35%.

Principal and interest are due annually on December 18. The Debt Service Fund has traditionally been used to liquidate long-term debt related to the general obligation bonds. The general obligation bond requires a loan reserve of \$21,052 which is maintained in the Debt Service Fund.

**4. Business-Type Activity Revenue Bonds**

Revenue bonds are direct obligations that pledge the full faith and credit of the City and are payable from sewer utility revenue proceeds. The City's outstanding revenue bonds represent funding primarily for system improvement projects.

Principal and interest are due annually on December 28. The Wastewater Improvement Fund has traditionally been used to liquidate long-term debt related to the revenue bonds. The revenue bond requires a loan reserve of \$23,011 which is maintained in the Sewer Fund.

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June 30, 2019

**5. Legal Debt Limit**

The City's legal annual debt service limit (as defined by Oregon Revised Statutes 478.410) as of June 30, 2019 was approximately \$1,044,775. The City's legal debt service limit is 3.00% of the real market value of property within the City.

**6. Business-Type Activity Future Maturities of Long-Term Liabilities**

| Year Ending<br>June 30 | Sewer Revenue Bond |                   |                   |
|------------------------|--------------------|-------------------|-------------------|
|                        | Principal          | Interest          | Total             |
| 2020                   | \$ 7,799           | \$ 15,212         | \$ 23,011         |
| 2021                   | 8,131              | 14,880            | 23,011            |
| 2022                   | 8,476              | 14,535            | 23,011            |
| 2023                   | 8,837              | 14,175            | 23,012            |
| 2024                   | 9,212              | 13,799            | 23,011            |
| 2025-2029              | 52,277             | 62,779            | 115,056           |
| 2030-2034              | 64,372             | 50,685            | 115,057           |
| 2035-2039              | 79,263             | 35,792            | 115,055           |
| 2040-2044              | 97,601             | 17,455            | 115,056           |
| 2045                   | 21,964             | 933               | 22,897            |
|                        | <u>\$ 357,932</u>  | <u>\$ 240,245</u> | <u>\$ 598,177</u> |

**7. Governmental and Business-type Activities - Interest Expense**

Interest expense is reported on the statement of activities as follows:

|                         |                  |
|-------------------------|------------------|
| Governmental activities |                  |
| General government      | <u>\$ 28,129</u> |

**8. Governmental and Business-type Activities - Interest Expense**

Interest expense is reported on the statement of activities as follows:

|                          |                  |
|--------------------------|------------------|
| Business-type activities |                  |
| Sewer                    | <u>\$ 15,530</u> |

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June 30, 2019

**E. Constraints on Fund Balances**

Constraints on fund balances reported on the balance sheet are as follows:

|                                       | General<br>Fund     | State<br>Street<br>Fund | State<br>Revenue<br>Sharing | Equipment<br>Reserve<br>Fund | Water<br>Improvement<br>Fund | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---------------------------------------|---------------------|-------------------------|-----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| Fund balances:                        |                     |                         |                             |                              |                              |                                |                                |
| Nonspendable:                         |                     |                         |                             |                              |                              |                                |                                |
| Prepaid balances                      | \$ 1,381            | \$ -                    | \$ -                        | \$ -                         | \$ 414                       | \$ -                           | \$ 1,795                       |
| Restricted:                           |                     |                         |                             |                              |                              |                                |                                |
| Street maintenance<br>and improvement | -                   | 144,363                 | -                           | -                            | -                            | -                              | 144,363                        |
| Land conservation<br>and development  | -                   | -                       | -                           | -                            | -                            | 71,255                         | 71,255                         |
| Tourism                               | -                   | -                       | -                           | -                            | -                            | 29,306                         | 29,306                         |
| Debt Service                          | -                   | -                       | -                           | -                            | -                            | 45,374                         | 45,374                         |
| Committed:                            |                     |                         |                             |                              |                              |                                |                                |
| Main street projects                  | -                   | -                       | 466,505                     | -                            | -                            | -                              | 466,505                        |
| Equipment purchases                   | -                   | -                       | -                           | 485,315                      | -                            | 223,325                        | 708,640                        |
| Water system upgrade<br>and repair    | -                   | -                       | -                           | -                            | 957,468                      | -                              | 957,468                        |
| Sewer replacement                     | -                   | -                       | -                           | -                            | -                            | 344,384                        | 344,384                        |
| Sewer system upgrade<br>and repair    | -                   | -                       | -                           | -                            | -                            | 368,486                        | 368,486                        |
| Assigned:                             |                     |                         |                             |                              |                              |                                |                                |
| Memorial Hall                         | 27,804              | -                       | -                           | -                            | -                            | -                              | 27,804                         |
| Unassigned                            | 1,149,245           | -                       | -                           | -                            | -                            | -                              | 1,149,245                      |
| Total fund balances                   | <u>\$ 1,178,430</u> | <u>\$ 144,363</u>       | <u>\$ 466,505</u>           | <u>\$ 485,315</u>            | <u>\$ 957,882</u>            | <u>\$ 1,082,130</u>            | <u>\$ 4,314,625</u>            |

**CITY OF CONDON**  
**Gilliam County, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2019

**IV. OTHER INFORMATION**

**A. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. There was no significant reduction in insurance coverage from the previous year. There were no insurance settlements exceeding insurance coverage in any of the past three years.

**B. Retirement Plans**

**1. Oregon Public Employees Retirement System**

*General Information about the Pension Plan*

Name of Pension Plan

The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan.

Description of Benefit Terms

*Plan Benefits – PERS Pension (Chapter 238)*

Plan benefits of the System are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A

*PERS Pension*

The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

*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.

*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).



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**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2019

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:

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

*Disability Benefits*

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

*Benefit Changes after Retirement*

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA in fiscal year 2015 and beyond will vary based on the amount of the annual benefit, in accordance with *Moro* decision.

OPSRP Pension Program (OPSRP DB)

*Pension Benefits*

The ORS Chapter 238A Defined Benefit Pension Program 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: police and fire - 1.8 percent is multiplied by the number of years of service and the final average salary.

Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

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

A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which the 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. The cap on the COLA in fiscal year 2015 and beyond will vary based on the amount of the annual benefit, in accordance with *Moro* decision.

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, 2015 actuarial valuation, which became effective July 1, 2017. The State of Oregon and certain schools, community colleges, and political subdivisions have made unfunded actuarial liability payments, and their rates have been reduced.

Employer contributions for the year ended June 30, 2019 were \$62,913.

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**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2019

Pension Plan Comprehensive Annual Financial Report (CAFR)

Oregon PERS produces an independently audited CAFR which can be found at: <https://www.oregon.gov/pers/Documents/Financials/CAFR/2017-CAFR.pdf>. For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Oregon PERS and additions to/deductions from Oregon PERS' fiduciary net position have been determined on the same basis as they are reported by Oregon 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.

Actuarial Valuations

The employer contribution rates effective July 1, 2017, through June 30, 2019, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years.

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

Actuarial Methods and Assumptions:

|                               |                               |
|-------------------------------|-------------------------------|
| Valuation Date                | December 31, 2016             |
| Measurement Date              | June 30, 2018                 |
| Experience Study              | 2016, published July 26, 2017 |
| <i>Actuarial Assumptions:</i> |                               |
| Actuarial Cost Method         | Entry age normal              |
| Inflation Rate                | 2.50 percent                  |
| Long-term Expected Rate of    | 7.20 percent                  |

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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

|                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Return                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Discount Rate                    | 7.20 percent                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Projected Salary Increases       | 3.50 percent                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Cost of living adjustment (COLA) | Blend of 2.00% COLA and graded COLA (1.25%/.15%) in accordance with <i>Moro</i> decision; blend based on service.                                                                                                                                                                                                                                                                                                                                                                                     |
| Mortality                        | <p><b>Health retirees and beneficiaries:</b> RP-2000 sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation.</p> <p><b>Active members:</b> Mortality rates are a percentage of health retiree rates that vary by group, as described in the valuation.</p> <p><b>Disabled retirees:</b> Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 sex distinct, generational per scale BB, disabled mortality table.</p> |

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future.

Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The 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 pension liability was 7.20 percent. 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 Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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**NOTES TO BASIC FINANCIAL STATEMENTS**

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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. 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/2018-CAFR.pdf>

Assumed Asset Allocation

| <u>Asset Class</u>    | <u>Low Range</u> | <u>High Range</u> | <u>OIC Target</u> |
|-----------------------|------------------|-------------------|-------------------|
| Cash                  | 0.0%             | 3.0%              | 0.0%              |
| Debt Securities       | 15.0%            | 25.0%             | 20.0%             |
| Public Equity         | 32.5%            | 42.5%             | 37.5%             |
| Private Equity        | 13.5%            | 21.5%             | 17.5%             |
| Real Estate           | 9.5%             | 15.5%             | 12.5%             |
| Alternative Equity    | 0.0%             | 12.5%             | 12.5%             |
| Opportunity Portfolio | 0.0%             | 3.0%              | 0.0%              |
| Total                 |                  |                   | 100.0%            |

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

At June 30, 2019, the District reported a liability of \$393,617 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2018 the District's proportion was 0.00259836%.

For the year ended June 30, 2019, the District recognized pension expense of \$83,409. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                                                                       | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|-------------------------------------------------------------------------------------------------------|-----------------------------------|----------------------------------|
| Differences between expected and actual experience                                                    | \$ 13,390                         | \$ -                             |
| Changes of assumptions                                                                                | 91,515                            | -                                |
| Net difference between projected and actual earnings on investments                                   | -                                 | (17,479)                         |
| Changes in proportionate share                                                                        | 16,434                            | (24,363)                         |
| Differences between employer contributions and employer's proportionate share of system contributions | 31,719                            | -                                |
| Total (prior to post-MD contributions)                                                                | 153,058                           | (41,842)                         |
| Contributions subsequent to the MD                                                                    | 47,022                            | -                                |
| Total (subsequent to post-MD contributions)                                                           | <u>\$ 200,080</u>                 | <u>\$ (41,842)</u>               |

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in subsequent years as follows:

| Year ended June 30: | Deferred<br>Outflow/(Inflow) of<br>Resources (prior to post-<br>measurement date<br>contributions) |
|---------------------|----------------------------------------------------------------------------------------------------|
| 2020                | \$ 54,577                                                                                          |
| 2021                | \$ 39,094                                                                                          |
| 2022                | \$ 4,077                                                                                           |
| 2023                | \$ 10,360                                                                                          |
| 2024                | \$ 3,108                                                                                           |

**CITY OF CONDON**  
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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

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

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

District's proportionate share of the net pension liability (asset):

| 1% Decrease<br>(6.20%) | Discount Rate<br>(7.20%) | 1% Increase<br>(8.20%) |
|------------------------|--------------------------|------------------------|
| \$ 657,809             | \$ 393,617               | \$ 175,549             |

*Changes Subsequent to the Measurement Date*

We are not aware of any changes subsequent to the June 30, 2018 measurement date that meet this requirement and thus would require a brief description under GASB standard.

**C. Related Party Transactions**

The City regularly enters into transactions with businesses owned or managed by three city councilors for routine goods and services. Expenses paid by the City to these related entities amounted to \$23,466 for the year ended June 30, 2019.

**D. New Pronouncements**

For the fiscal year ended June 30, 2019, the City implemented the following new accounting standards:

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Borrowing and Direct Placements* - This statement addresses the information that is disclosed in the notes to government financial statements related to debt, including borrowing and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

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**NOTES TO BASIC FINANCIAL STATEMENTS**

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The City will implement applicable new GASB pronouncements no later than the required fiscal year. Management has not determined the effect on the financial statements for implementing any of the following pronouncements:

GASB Statement No. 84, *Fiduciary Activities* – This statement established criteria and guidance for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes, as well as the reporting requirements for these fiduciary funds. The statement is effective for fiscal years beginning after December 15, 2018.

GASB Statement No. 87, *Leases* – This statement addresses the accounting and financial reporting for leases by governments, requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases. The statement is effective for fiscal years beginning after December 15, 2019.

**E. Subsequent Events**

Management has evaluated subsequent events through November 15, 2019, which was the date that the financial statements were available to be issued.



## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF CONDON**  
**Gilliam County, Oregon**

SCHEDULES OF THE CITY'S PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY (ASSET) AND CITY CONTRIBUTIONS

**OREGON PERS SYSTEM**

**Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)**

|                                                                                                                 | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|-----------------------------------------------------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|
| City's proportion of the net pension liability (asset)                                                          | 0.00259836% | 0.00249418% | 0.00234365% | 0.00296844% | 0.00413454% |
| City's proportionate share of the net pension liability (asset)                                                 | \$ 393,617  | \$ 336,216  | \$ 351,836  | \$ 170,432  | \$ (93,727) |
| City's covered-employee payroll                                                                                 | \$ 232,737  | \$ 207,251  | \$ 177,621  | \$ 194,581  | \$ 261,558  |
| City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 169%        | 162%        | 198%        | 88%         | -36%        |
| Plan fiduciary net position as a percentage of the total pension liability (asset)                              | 82.07%      | 83.12%      | 80.53%      | 91.88%      | 103.59%     |

**Schedule of City Contributions**

|                                                                      | <u>2019</u>     | <u>2018</u>     | <u>2017</u>     | <u>2016</u>     | <u>2015</u>     |
|----------------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Contractually required contribution                                  | \$ 62,913       | \$ 65,080       | \$ 84,328       | \$ 79,303       | \$ 63,792       |
| Contributions in relation to the contractually required contribution | <u>(62,913)</u> | <u>(65,080)</u> | <u>(84,328)</u> | <u>(79,303)</u> | <u>(63,792)</u> |
| Contribution deficiency (excess)                                     | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     |
| City's covered-employee payroll                                      | \$ 250,041      | \$ 184,444      | \$ 265,969      | \$ 276,463      | \$ 194,581      |
| Contributions as a percentage of covered-employee payroll            | 25%             | 35%             | 32%             | 29%             | 33%             |

**CITY OF CONDON**  
**Gilliam County, Oregon**

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

GENERAL FUND

For the Year Ended June 30, 2019

|                                                              | Original and<br>Final<br>Budget | Variance with<br>Final Budget<br>Over (Under) | Actual          |             |               |
|--------------------------------------------------------------|---------------------------------|-----------------------------------------------|-----------------|-------------|---------------|
|                                                              |                                 |                                               | Budget<br>Basis | Adjustments | GAAP<br>Basis |
| <b>REVENUES</b>                                              |                                 |                                               |                 |             |               |
| Property taxes                                               | \$ 221,600                      | \$ 17,965                                     | \$ 239,565      | \$ -        | \$ 239,565    |
| State liquor taxes                                           | 10,000                          | 4,071                                         | 14,071          | -           | 14,071        |
| State cigarette taxes                                        | 1,000                           | (211)                                         | 789             | -           | 789           |
| Franchise fees                                               | 56,500                          | 6,134                                         | 62,634          | -           | 62,634        |
| Licenses, fees, and permits                                  | 256,100                         | 46,970                                        | 303,070         | -           | 303,070       |
| Intergovernmental                                            | 257,000                         | (11,685)                                      | 245,315         | -           | 245,315       |
| Grants and contributions                                     | 10,000                          | (10,000)                                      | -               | -           | -             |
| Fines and forfeitures                                        | 1,000                           | 205                                           | 1,205           | -           | 1,205         |
| Rents and leases                                             | 1,000                           | (600)                                         | 400             | 100         | 500           |
| Investment earnings                                          | 10,000                          | 12,815                                        | 22,815          | 1,300       | 24,115        |
| Miscellaneous                                                | 7,750                           | 3,636                                         | 11,386          | -           | 11,386        |
| Total revenues                                               | 831,950                         | 69,300                                        | 901,250         | 1,400       | 902,650       |
| <b>EXPENDITURES</b>                                          |                                 |                                               |                 |             |               |
| Administration                                               | 462,495                         | (303,777)                                     | 158,718         | 74,802      | 233,520       |
| Police                                                       | 115,450                         | (86,400)                                      | 29,050          | -           | 29,050        |
| Fire                                                         | 30,500                          | (12,500)                                      | 18,000          | -           | 18,000        |
| Golf                                                         | 78,550                          | (16,305)                                      | 62,245          | -           | 62,245        |
| Parks                                                        | 31,100                          | (10,652)                                      | 20,448          | -           | 20,448        |
| Swimming pool                                                | 62,300                          | (8,259)                                       | 54,041          | -           | 54,041        |
| Contingency                                                  | 194,555                         | (194,555)                                     | -               | -           | -             |
| Total expenditures                                           | 974,950                         | (632,448)                                     | 342,502         | 74,802      | 417,304       |
| Excess (deficiency) of revenues<br>over (under) expenditures | (143,000)                       | 701,748                                       | 558,748         | (73,402)    | 485,346       |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                                 |                                               |                 |             |               |
| Transfers in                                                 | -                               | -                                             | -               | 50,000      | 50,000        |
| Transfers out                                                | (357,000)                       | -                                             | (357,000)       | -           | (357,000)     |
| Total other financing sources (uses)                         | (357,000)                       | -                                             | (357,000)       | 50,000      | (307,000)     |
| Net change in fund balance                                   | (500,000)                       | 701,748                                       | 201,748         | (23,402)    | 178,346       |
| Fund balance - beginning                                     | 500,000                         | 448,878                                       | 948,878         | 51,206      | 1,000,084     |
| Fund balance - ending                                        | \$ -                            | \$ 1,150,626                                  | \$ 1,150,626    | \$ 27,804   | \$ 1,178,430  |

**CITY OF CONDON**  
**Gilliam County, Oregon**

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

STATE STREETS FUND

For the Year Ended June 30, 2019

|                                                              | Original and<br>Final<br>Budget | Variance with<br>Final Budget<br>Over (Under) | Actual<br>Budget<br>Basis |
|--------------------------------------------------------------|---------------------------------|-----------------------------------------------|---------------------------|
| <b>REVENUES</b>                                              |                                 |                                               |                           |
| Intergovernmental                                            | \$ 45,000                       | 5,063                                         | \$ 50,063                 |
| Grants and contributions                                     | 495,000                         | (445,000)                                     | 50,000                    |
| Investment earnings                                          | <u>3,000</u>                    | <u>3,079</u>                                  | <u>6,079</u>              |
| Total revenues                                               | <u>543,000</u>                  | <u>(436,858)</u>                              | <u>106,142</u>            |
| <b>EXPENDITURES</b>                                          |                                 |                                               |                           |
| Highways and streets                                         | <u>773,000</u>                  | <u>(559,124)</u>                              | <u>213,876</u>            |
| Excess (deficiency) of revenues<br>over (under) expenditures | (230,000)                       | 122,266                                       | (107,734)                 |
| Fund balance - beginning                                     | <u>230,000</u>                  | <u>22,097</u>                                 | <u>252,097</u>            |
| Fund balance - ending                                        | <u>\$ -</u>                     | <u>\$ 144,363</u>                             | <u>\$ 144,363</u>         |

**CITY OF CONDON**  
**Gilliam County, Oregon**

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

STATE REVENUE SHARING FUND

For the Year Ended June 30, 2019

|                                                              | Original and<br>Final<br>Budget | Variance with<br>Final Budget<br>Over (Under) | Actual<br>Budget<br>Basis |
|--------------------------------------------------------------|---------------------------------|-----------------------------------------------|---------------------------|
| <b>REVENUES</b>                                              |                                 |                                               |                           |
| Fees and charges                                             | \$ 500                          | \$ (500)                                      | \$ -                      |
| Intergovernmental                                            | 5,000                           | 806                                           | 5,806                     |
| Grants and contributions                                     | 1,300,000                       | (1,300,000)                                   | -                         |
| Investment earnings                                          | <u>5,000</u>                    | <u>15,839</u>                                 | <u>20,839</u>             |
| Total revenues                                               | <u>1,310,500</u>                | <u>(1,283,855)</u>                            | <u>26,645</u>             |
| <b>EXPENDITURES</b>                                          |                                 |                                               |                           |
| General government                                           | <u>2,360,500</u>                | <u>(1,699,856)</u>                            | <u>660,644</u>            |
| Excess (deficiency) of revenues<br>over (under) expenditures | (1,050,000)                     | 416,001                                       | (633,999)                 |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                                 |                                               |                           |
| Transfers in                                                 | <u>150,000</u>                  | <u>-</u>                                      | <u>150,000</u>            |
| Net change in fund balance                                   | (900,000)                       | 416,001                                       | (483,999)                 |
| Fund balance - beginning                                     | <u>900,000</u>                  | <u>50,504</u>                                 | <u>950,504</u>            |
| Fund balance - ending                                        | <u>\$ -</u>                     | <u>\$ 466,505</u>                             | <u>\$ 466,505</u>         |

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

**CITY OF CONDON**  
**Gilliam County, Oregon**

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

June 30, 2019

|                                                                       | Special Revenue Funds        |                          |                         | Capital Projects Funds   |                                   |                            |                            | Total                             |
|-----------------------------------------------------------------------|------------------------------|--------------------------|-------------------------|--------------------------|-----------------------------------|----------------------------|----------------------------|-----------------------------------|
|                                                                       | Development<br>Grant<br>Fund | Transient<br>Tax<br>Fund | Debt<br>Service<br>Fund | Sewer<br>Reserve<br>Fund | Wastewater<br>Improvement<br>Fund | Water<br>Equipment<br>Fund | Sewer<br>Equipment<br>Fund | Nonmajor<br>Governmental<br>Funds |
| <b>ASSETS</b>                                                         |                              |                          |                         |                          |                                   |                            |                            |                                   |
| Cash and cash equivalents                                             | \$ 71,255                    | \$ 22,476                | \$ 45,374               | \$ 343,928               | \$ 368,486                        | \$ 94,573                  | \$ 128,752                 | \$ 1,074,844                      |
| Accounts receivable                                                   | -                            | 6,830                    | -                       | 456                      | -                                 | -                          | -                          | 7,286                             |
| Property taxes receivable                                             | -                            | -                        | 1,040                   | -                        | -                                 | -                          | -                          | 1,040                             |
| Total assets                                                          | <u>\$ 71,255</u>             | <u>\$ 29,306</u>         | <u>\$ 46,414</u>        | <u>\$ 344,384</u>        | <u>\$ 368,486</u>                 | <u>\$ 94,573</u>           | <u>\$ 128,752</u>          | <u>\$ 1,083,170</u>               |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                  |                              |                          |                         |                          |                                   |                            |                            |                                   |
| Unavailable revenue - property taxes                                  | \$ -                         | \$ -                     | \$ 1,040                | \$ -                     | \$ -                              | \$ -                       | \$ -                       | \$ 1,040                          |
| <b>FUND BALANCES</b>                                                  |                              |                          |                         |                          |                                   |                            |                            |                                   |
| Restricted:                                                           |                              |                          |                         |                          |                                   |                            |                            |                                   |
| Land conservation and development                                     | 71,255                       | -                        | -                       | -                        | -                                 | -                          | -                          | 71,255                            |
| Debt service                                                          | -                            | -                        | 45,374                  | -                        | -                                 | -                          | -                          | 45,374                            |
| Tourism                                                               | -                            | 29,306                   | -                       | -                        | -                                 | -                          | -                          | 29,306                            |
| Committed:                                                            |                              |                          |                         |                          |                                   |                            |                            |                                   |
| Equipment purchases                                                   | -                            | -                        | -                       | -                        | 368,486                           | 94,573                     | 128,752                    | 591,811                           |
| Sewer plant replacement                                               | -                            | -                        | -                       | 344,384                  | -                                 | -                          | -                          | 344,384                           |
| Total fund balances                                                   | <u>71,255</u>                | <u>29,306</u>            | <u>45,374</u>           | <u>344,384</u>           | <u>368,486</u>                    | <u>94,573</u>              | <u>128,752</u>             | <u>1,082,130</u>                  |
| Total liabilities, deferred inflows<br>of resources and fund balances | <u>\$ 71,255</u>             | <u>\$ 29,306</u>         | <u>\$ 46,414</u>        | <u>\$ 344,384</u>        | <u>\$ 368,486</u>                 | <u>\$ 94,573</u>           | <u>\$ 128,752</u>          | <u>\$ 1,083,170</u>               |

**CITY OF CONDON**  
**Gilliam County, Oregon**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended June 30, 2019

|                                       | Special Revenue Funds |                  |                  | Capital Projects Funds |                   |                  |                   | Total               |
|---------------------------------------|-----------------------|------------------|------------------|------------------------|-------------------|------------------|-------------------|---------------------|
|                                       | Development           | Transient        | Debt             | Sewer                  | Wastewater        | Water            | Sewer             | Nonmajor            |
|                                       | Grant                 | Tax              | Service          | Reserve                | Improvement       | Equipment        | Equipment         | Governmental        |
|                                       | Fund                  | Fund             | Fund             | Fund                   | Fund              | Fund             | Fund              | Funds               |
| <b>REVENUES</b>                       |                       |                  |                  |                        |                   |                  |                   |                     |
| Property taxes                        | \$ -                  | \$ -             | \$ 25,886        | \$ -                   | \$ -              | \$ -             | \$ -              | \$ 25,886           |
| Transient lodging taxes               | -                     | 21,237           | -                | -                      | -                 | -                | -                 | 21,237              |
| Charges for services                  | 440                   | -                | -                | 5,064                  | -                 | -                | -                 | 5,504               |
| Investment earnings                   | 108                   | 527              | 1,334            | 8,562                  | 9,976             | 2,163            | 3,073             | 25,743              |
|                                       | <u>548</u>            | <u>21,764</u>    | <u>27,220</u>    | <u>13,626</u>          | <u>9,976</u>      | <u>2,163</u>     | <u>3,073</u>      | <u>78,370</u>       |
| Total revenues                        |                       |                  |                  |                        |                   |                  |                   |                     |
| <b>EXPENDITURES</b>                   |                       |                  |                  |                        |                   |                  |                   |                     |
| Current                               |                       |                  |                  |                        |                   |                  |                   |                     |
| General government                    | 1,400                 | -                | -                | -                      | 186               | -                | -                 | 1,586               |
| Culture and recreation                | -                     | 16,971           | -                | -                      | -                 | -                | -                 | 16,971              |
| Debt services                         | -                     | -                | 36,089           | -                      | 23,011            | -                | -                 | 59,100              |
| Capital outlay                        | 34,745                | -                | -                | -                      | 1,186             | 5,751            | -                 | 41,682              |
| Total expenditures                    | <u>36,145</u>         | <u>16,971</u>    | <u>36,089</u>    | <u>-</u>               | <u>24,383</u>     | <u>5,751</u>     | <u>-</u>          | <u>119,339</u>      |
| Excess (deficiency) of revenues       |                       |                  |                  |                        |                   |                  |                   |                     |
| over (under) expenditures             | (35,597)              | 4,793            | (8,869)          | 13,626                 | (14,407)          | (3,588)          | 3,073             | (40,969)            |
| <b>OTHER FINANCING SOURCES (USES)</b> |                       |                  |                  |                        |                   |                  |                   |                     |
| Transfers in                          | <u>105,000</u>        | <u>-</u>         | <u>5,000</u>     | <u>-</u>               | <u>6,000</u>      | <u>10,000</u>    | <u>5,000</u>      | <u>131,000</u>      |
| Net change in fund balances           | 69,403                | 4,793            | (3,869)          | 13,626                 | (8,407)           | 6,412            | 8,073             | 90,031              |
| Fund balances - beginning             | <u>1,852</u>          | <u>24,513</u>    | <u>49,243</u>    | <u>330,758</u>         | <u>376,893</u>    | <u>88,161</u>    | <u>120,679</u>    | <u>992,099</u>      |
| Fund balances - ending                | <u>\$ 71,255</u>      | <u>\$ 29,306</u> | <u>\$ 45,374</u> | <u>\$ 344,384</u>      | <u>\$ 368,486</u> | <u>\$ 94,573</u> | <u>\$ 128,752</u> | <u>\$ 1,082,130</u> |



**CITY OF CONDON**  
**Gilliam County, Oregon**

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

DEVELOPMENT GRANT FUND

For the Year Ended June 30, 2019

|                                                           | Original and<br>Final<br>Budget | Variance with<br>Final Budget<br>Over (Under) | Actual<br>Budget<br>Basis |
|-----------------------------------------------------------|---------------------------------|-----------------------------------------------|---------------------------|
| <b>REVENUES</b>                                           |                                 |                                               |                           |
| Charges for services                                      | \$ 1,000                        | (560)                                         | \$ 440                    |
| Grants and contributions                                  | 1,000                           | (1,000)                                       | -                         |
| Investment earnings                                       | <u>250</u>                      | <u>(142)</u>                                  | <u>108</u>                |
| Total revenues                                            | <u>2,250</u>                    | <u>(1,702)</u>                                | <u>548</u>                |
| <b>EXPENDITURES</b>                                       |                                 |                                               |                           |
| Culture and recreation                                    | 10,000                          | (8,600)                                       | 1,400                     |
| Capital outlay                                            | <u>102,250</u>                  | <u>(67,505)</u>                               | <u>34,745</u>             |
| Total expenditures                                        | <u>112,250</u>                  | <u>(76,105)</u>                               | <u>36,145</u>             |
| Excess (deficiency) of revenues over (under) expenditures | (110,000)                       | 74,403                                        | (35,597)                  |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                                 |                                               |                           |
| Transfers in                                              | <u>105,000</u>                  | <u>-</u>                                      | <u>105,000</u>            |
| Net change in fund balance                                | (5,000)                         | 74,403                                        | 69,403                    |
| Fund balance - beginning                                  | <u>5,000</u>                    | <u>(3,148)</u>                                | <u>1,852</u>              |
| Fund balance - ending                                     | <u>\$ -</u>                     | <u>\$ 71,255</u>                              | <u>\$ 71,255</u>          |

**CITY OF CONDON**  
**Gilliam County, Oregon**

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

TRANSIENT TAX FUND

For the Year Ended June 30, 2019

|                                                           | Original and<br>Final<br>Budget | Variance with<br>Final Budget<br>Over (Under) | Actual<br>Budget<br>Basis |
|-----------------------------------------------------------|---------------------------------|-----------------------------------------------|---------------------------|
| <b>REVENUES</b>                                           |                                 |                                               |                           |
| Transient room taxes                                      | \$ 17,500                       | \$ 3,737                                      | \$ 21,237                 |
| Investment earnings                                       | <u>250</u>                      | <u>277</u>                                    | <u>527</u>                |
| Total revenues                                            | <u>17,750</u>                   | <u>4,014</u>                                  | <u>21,764</u>             |
| <b>EXPENDITURES</b>                                       |                                 |                                               |                           |
| Culture and recreation                                    | <u>42,750</u>                   | <u>(25,779)</u>                               | <u>16,971</u>             |
| Excess (deficiency) of revenues over (under) expenditures | (25,000)                        | 29,793                                        | 4,793                     |
| Fund balance - beginning                                  | <u>25,000</u>                   | <u>(487)</u>                                  | <u>24,513</u>             |
| Fund balance - ending                                     | <u>\$ -</u>                     | <u>\$ 29,306</u>                              | <u>\$ 29,306</u>          |

**CITY OF CONDON**  
**Gilliam County, Oregon**

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

DEBT SERVICE FUND

For the Year Ended June 30, 2019

|                                                           | Original and<br>Final<br>Budget | Variance with<br>Final Budget<br>Over (Under) | Actual<br>Budget<br>Basis |
|-----------------------------------------------------------|---------------------------------|-----------------------------------------------|---------------------------|
| <b>REVENUES</b>                                           |                                 |                                               |                           |
| Property taxes                                            | \$ 26,500                       | \$ (614)                                      | \$ 25,886                 |
| Investment earnings                                       | <u>500</u>                      | <u>834</u>                                    | <u>1,334</u>              |
| Total revenues                                            | <u>27,000</u>                   | <u>220</u>                                    | <u>27,220</u>             |
| <b>EXPENDITURES</b>                                       |                                 |                                               |                           |
| Debt service                                              | <u>77,000</u>                   | <u>(40,911)</u>                               | <u>36,089</u>             |
| Excess (deficiency) of revenues over (under) expenditures | (50,000)                        | 41,131                                        | (8,869)                   |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                                 |                                               |                           |
| Transfers in                                              | <u>5,000</u>                    | <u>-</u>                                      | <u>5,000</u>              |
| Net change in fund balance                                | (45,000)                        | 41,131                                        | (3,869)                   |
| Fund balance - beginning                                  | <u>45,000</u>                   | <u>4,243</u>                                  | <u>49,243</u>             |
| Fund balance - ending                                     | <u>\$ -</u>                     | <u>\$ 45,374</u>                              | <u>\$ 45,374</u>          |

**CITY OF CONDON**  
**Gilliam County, Oregon**

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

WATER IMPROVEMENT FUND

For the Year Ended June 30, 2019

|                                                              | Original and<br>Final<br>Budget | Variance with<br>Final Budget<br>Over (Under) | Actual<br>Budget<br>Basis |
|--------------------------------------------------------------|---------------------------------|-----------------------------------------------|---------------------------|
| <b>REVENUES</b>                                              |                                 |                                               |                           |
| Intergovernmental                                            | \$ 15,000                       | \$ 151,129                                    | \$ 166,129                |
| Investment earnings                                          | <u>20,000</u>                   | <u>14,279</u>                                 | <u>34,279</u>             |
| Total revenues                                               | <u>35,000</u>                   | <u>165,408</u>                                | <u>200,408</u>            |
| <b>EXPENDITURES</b>                                          |                                 |                                               |                           |
| Water system improvements                                    | <u>1,256,000</u>                | <u>(1,065,073)</u>                            | <u>190,927</u>            |
| Excess (deficiency) of revenues<br>over (under) expenditures | (1,221,000)                     | 1,230,481                                     | 9,481                     |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                                 |                                               |                           |
| Transfers in                                                 | <u>21,000</u>                   | <u>-</u>                                      | <u>21,000</u>             |
| Net change in fund balance                                   | (1,200,000)                     | 1,230,481                                     | 30,481                    |
| Fund balance - beginning                                     | <u>1,200,000</u>                | <u>(272,599)</u>                              | <u>927,401</u>            |
| Fund balance - ending                                        | <u>\$ -</u>                     | <u>\$ 957,882</u>                             | <u>\$ 957,882</u>         |

**CITY OF CONDON**  
**Gilliam County, Oregon**

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

WASTEWATER IMPROVEMENT FUND

For the Year Ended June 30, 2019

|                                                              | Original and<br>Final<br>Budget | Variance with<br>Final Budget<br>Over (Under) | Actual<br>Budget<br>Basis |
|--------------------------------------------------------------|---------------------------------|-----------------------------------------------|---------------------------|
| <b>REVENUES</b>                                              |                                 |                                               |                           |
| Grants and contributions                                     | \$ 10,000                       | \$ (10,000)                                   | \$ -                      |
| Investment earnings                                          | <u>7,500</u>                    | <u>2,476</u>                                  | <u>9,976</u>              |
| Total revenues                                               | <u>17,500</u>                   | <u>(7,524)</u>                                | <u>9,976</u>              |
| <b>EXPENDITURES</b>                                          |                                 |                                               |                           |
| Wastewater system improvements                               | <u>398,500</u>                  | <u>(374,117)</u>                              | <u>24,383</u>             |
| Excess (deficiency) of revenues<br>over (under) expenditures | (381,000)                       | 366,593                                       | (14,407)                  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                                 |                                               |                           |
| Transfers in                                                 | <u>6,000</u>                    | <u>-</u>                                      | <u>6,000</u>              |
| Net change in fund balance                                   | (375,000)                       | 366,593                                       | (8,407)                   |
| Fund balance - beginning                                     | <u>375,000</u>                  | <u>1,893</u>                                  | <u>376,893</u>            |
| Fund balance - ending                                        | <u><u>\$ -</u></u>              | <u><u>\$ 368,486</u></u>                      | <u><u>\$ 368,486</u></u>  |

**CITY OF CONDON**  
**Gilliam County, Oregon**

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

EQUIPMENT RESERVE FUND

For the Year Ended June 30, 2019

|                                                           | Original and<br>Final<br>Budget | Variance with<br>Final Budget<br>Over (Under) | Actual<br>Budget<br>Basis |
|-----------------------------------------------------------|---------------------------------|-----------------------------------------------|---------------------------|
| <b>REVENUES</b>                                           |                                 |                                               |                           |
| Investment earnings                                       | \$ 4,000                        | \$ 7,070                                      | \$ 11,070                 |
| <b>EXPENDITURES</b>                                       |                                 |                                               |                           |
| Culture and recreation                                    | 454,000                         | (454,000)                                     | -                         |
| Excess (deficiency) of revenues over (under) expenditures | (450,000)                       | 461,070                                       | 11,070                    |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                                 |                                               |                           |
| Transfers in                                              | 40,000                          | -                                             | 40,000                    |
| Net change in fund balance                                | (410,000)                       | 461,070                                       | 51,070                    |
| Fund balance - beginning                                  | 410,000                         | 24,245                                        | 434,245                   |
| Fund balance - ending                                     | \$ -                            | \$ 485,315                                    | \$ 485,315                |

**CITY OF CONDON**  
**Gilliam County, Oregon**

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

SEWER RESERVE FUND

For the Year Ended June 30, 2019

|                                                              | Original and<br>Final<br>Budget | Variance with<br>Final Budget<br>Over (Under) | Actual<br>Budget<br>Basis |
|--------------------------------------------------------------|---------------------------------|-----------------------------------------------|---------------------------|
| <b>REVENUES</b>                                              |                                 |                                               |                           |
| Charges for services                                         | \$ 5,000                        | \$ 64                                         | \$ 5,064                  |
| Investment earnings                                          | <u>5,000</u>                    | <u>3,562</u>                                  | <u>8,562</u>              |
| Total revenues                                               | <u>10,000</u>                   | <u>3,626</u>                                  | <u>13,626</u>             |
| <b>EXPENDITURES</b>                                          |                                 |                                               |                           |
| Sewer improvements                                           | <u>335,000</u>                  | <u>(335,000)</u>                              | <u>-</u>                  |
| Excess (deficiency) of revenues<br>over (under) expenditures | (325,000)                       | 338,626                                       | 13,626                    |
| Fund balance - beginning                                     | <u>325,000</u>                  | <u>5,758</u>                                  | <u>330,758</u>            |
| Fund balance - ending                                        | <u><u>\$ -</u></u>              | <u><u>\$ 344,384</u></u>                      | <u><u>\$ 344,384</u></u>  |

**CITY OF CONDON**  
**Gilliam County, Oregon**

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

WATER EQUIPMENT FUND

For the Year Ended June 30, 2019

|                                                           | Original and<br>Final<br>Budget | Variance with<br>Final Budget<br>Over (Under) | Actual<br>Budget<br>Basis |
|-----------------------------------------------------------|---------------------------------|-----------------------------------------------|---------------------------|
| <b>REVENUES</b>                                           |                                 |                                               |                           |
| Investment earnings                                       | \$ 1,500                        | \$ 663                                        | \$ 2,163                  |
| <b>EXPENDITURES</b>                                       |                                 |                                               |                           |
| Water equipment                                           | <u>101,500</u>                  | <u>(95,749)</u>                               | <u>5,751</u>              |
| Excess (deficiency) of revenues over (under) expenditures | (100,000)                       | 96,412                                        | (3,588)                   |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                                 |                                               |                           |
| Transfers in                                              | <u>10,000</u>                   | <u>-</u>                                      | <u>10,000</u>             |
| Net change in fund balance                                | (90,000)                        | 96,412                                        | 6,412                     |
| Fund balance - beginning                                  | <u>90,000</u>                   | <u>(1,839)</u>                                | <u>88,161</u>             |
| Fund balance - ending                                     | <u><u>\$ -</u></u>              | <u><u>\$ 94,573</u></u>                       | <u><u>\$ 94,573</u></u>   |



**CITY OF CONDON**  
**Gilliam County, Oregon**

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

SEWER EQUIPMENT FUND

For the Year Ended June 30, 2019

|                                                           | Original and<br>Final<br>Budget | Variance with<br>Final Budget<br>Over (Under) | Actual<br>Budget<br>Basis |
|-----------------------------------------------------------|---------------------------------|-----------------------------------------------|---------------------------|
| <b>REVENUES</b>                                           |                                 |                                               |                           |
| Investment earnings                                       | \$ 1,500                        | \$ 1,573                                      | \$ 3,073                  |
| <b>EXPENDITURES</b>                                       |                                 |                                               |                           |
| Sewer equipment                                           | <u>126,500</u>                  | <u>(126,500)</u>                              | <u>-</u>                  |
| Excess (deficiency) of revenues over (under) expenditures | (125,000)                       | 128,073                                       | 3,073                     |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                                 |                                               |                           |
| Transfers in                                              | <u>5,000</u>                    | <u>-</u>                                      | <u>5,000</u>              |
| Net change in fund balance                                | (120,000)                       | 128,073                                       | 8,073                     |
| Fund balance - beginning                                  | <u>120,000</u>                  | <u>679</u>                                    | <u>120,679</u>            |
| Fund balance - ending                                     | <u><u>\$ -</u></u>              | <u><u>\$ 128,752</u></u>                      | <u><u>\$ 128,752</u></u>  |

**CITY OF CONDON**  
**Gilliam County, Oregon**

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

MEMORIAL HALL FUND

For the Year Ended June 30, 2019

|                                                              | Original and<br>Final<br>Budget | Variance with<br>Final Budget<br>Over (Under) | Actual           |                    |               |
|--------------------------------------------------------------|---------------------------------|-----------------------------------------------|------------------|--------------------|---------------|
|                                                              |                                 |                                               | Budget<br>Basis  | Adjustments        | GAAP<br>Basis |
| <b>REVENUES</b>                                              |                                 |                                               |                  |                    |               |
| Rents and leases                                             | \$ 500                          | \$ (400)                                      | \$ 100           | \$ (100)           | \$ -          |
| Investment earnings                                          | <u>500</u>                      | <u>800</u>                                    | <u>1,300</u>     | <u>(1,300)</u>     | <u>-</u>      |
| Total revenues                                               | <u>1,000</u>                    | <u>400</u>                                    | <u>1,400</u>     | <u>(1,400)</u>     | <u>-</u>      |
| <b>EXPENDITURES</b>                                          |                                 |                                               |                  |                    |               |
| General government                                           | <u>91,000</u>                   | <u>(16,198)</u>                               | <u>74,802</u>    | <u>(74,802)</u>    | <u>-</u>      |
| Excess (deficiency) of revenues<br>over (under) expenditures | (90,000)                        | 16,598                                        | (73,402)         | 73,402             | -             |
| <b>OTHER FINANCING<br/>SOURCES (USES)</b>                    |                                 |                                               |                  |                    |               |
| Transfers in                                                 | <u>50,000</u>                   | <u>-</u>                                      | <u>50,000</u>    | <u>(50,000)</u>    | <u>-</u>      |
| Net change in fund balance                                   | (40,000)                        | 16,598                                        | (23,402)         | 23,402             | -             |
| Fund balance - beginning                                     | <u>40,000</u>                   | <u>11,206</u>                                 | <u>51,206</u>    | <u>(51,206)</u>    | <u>-</u>      |
| Fund balance - ending                                        | <u>\$ -</u>                     | <u>\$ 27,804</u>                              | <u>\$ 27,804</u> | <u>\$ (27,804)</u> | <u>\$ -</u>   |

**CITY OF CONDON**  
**Gilliam County, Oregon**

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -  
BUDGET AND ACTUAL

WATER FUND

For the Year Ended June 30, 2019

|                                                          | Original and<br>Final<br>Budget | Variance with<br>Final Budget<br>Over (Under) | Budget<br>Basis   | Actual<br>Adjustments | GAAP<br>Basis       |
|----------------------------------------------------------|---------------------------------|-----------------------------------------------|-------------------|-----------------------|---------------------|
| <b>REVENUES</b>                                          |                                 |                                               |                   |                       |                     |
| Water charges                                            | \$ 218,500                      | \$ (14,148)                                   | \$ 204,352        | \$ (3,581)            | \$ 200,771          |
| Investment earnings                                      | <u>2,500</u>                    | <u>2,516</u>                                  | <u>5,016</u>      | <u>-</u>              | <u>5,016</u>        |
| Total revenues                                           | <u>221,000</u>                  | <u>(11,632)</u>                               | <u>209,368</u>    | <u>(3,581)</u>        | <u>205,787</u>      |
| <b>EXPENSES</b>                                          |                                 |                                               |                   |                       |                     |
| Water operations                                         | 268,350                         | (85,537)                                      | 182,813           | 111,338               | 294,151             |
| Contingency                                              | <u>122,650</u>                  | <u>(122,650)</u>                              | <u>-</u>          | <u>-</u>              | <u>-</u>            |
| Total expenses                                           | <u>391,000</u>                  | <u>(208,187)</u>                              | <u>182,813</u>    | <u>111,338</u>        | <u>294,151</u>      |
| Excess (deficiency) of revenues<br>over (under) expenses | (170,000)                       | 196,555                                       | 26,555            | (114,919)             | (88,364)            |
| <b>OTHER FINANCING SOURCES (USES)</b>                    |                                 |                                               |                   |                       |                     |
| Transfers in                                             | 10,000                          | -                                             | 10,000            | 134,262               | 144,262             |
| Transfers out                                            | <u>(20,000)</u>                 | <u>-</u>                                      | <u>(20,000)</u>   | <u>-</u>              | <u>(20,000)</u>     |
| Total other financing sources (uses)                     | <u>(10,000)</u>                 | <u>-</u>                                      | <u>(10,000)</u>   | <u>134,262</u>        | <u>124,262</u>      |
| Net change in fund net position                          | (180,000)                       | 196,555                                       | 16,555            | 19,343                | 35,898              |
| Net position - beginning                                 | <u>180,000</u>                  | <u>21,660</u>                                 | <u>201,660</u>    | <u>1,429,870</u>      | <u>1,631,530</u>    |
| Net position - ending                                    | <u>\$ -</u>                     | <u>\$ 218,215</u>                             | <u>\$ 218,215</u> | <u>\$ 1,449,213</u>   | <u>\$ 1,667,428</u> |

**CITY OF CONDON**  
**Gilliam County, Oregon**

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -  
BUDGET AND ACTUAL

SEWER FUND

For the Year Ended June 30, 2019

|                                                          | Original and<br>Final<br>Budget | Variance with<br>Final Budget<br>Over (Under) | Budget<br>Basis   | Actual<br>Adjustments | GAAP<br>Basis       |
|----------------------------------------------------------|---------------------------------|-----------------------------------------------|-------------------|-----------------------|---------------------|
| <b>REVENUES</b>                                          |                                 |                                               |                   |                       |                     |
| Sewer charges                                            | \$ 250,000                      | \$ 1,793                                      | \$ 251,793        | \$ -                  | \$ 251,793          |
| Investment earnings                                      | <u>2,500</u>                    | <u>1,250</u>                                  | <u>3,750</u>      | <u>-</u>              | <u>3,750</u>        |
| Total revenues                                           | <u>252,500</u>                  | <u>3,043</u>                                  | <u>255,543</u>    | <u>-</u>              | <u>255,543</u>      |
| <b>EXPENSES</b>                                          |                                 |                                               |                   |                       |                     |
| Sewer operations                                         | 254,900                         | (89,109)                                      | 165,791           | 295,450               | 461,241             |
| Contingency                                              | <u>92,600</u>                   | <u>(92,600)</u>                               | <u>-</u>          | <u>-</u>              | <u>-</u>            |
| Total expenses                                           | <u>347,500</u>                  | <u>(181,709)</u>                              | <u>165,791</u>    | <u>295,450</u>        | <u>461,241</u>      |
| Excess (deficiency) of revenues<br>over (under) expenses | (95,000)                        | 184,752                                       | 89,752            | (295,450)             | (205,698)           |
| <b>OTHER FINANCING SOURCES (USES)</b>                    |                                 |                                               |                   |                       |                     |
| Transfers in                                             | -                               | -                                             | -                 | 8,550                 | 8,550               |
| Transfers out                                            | <u>(25,000)</u>                 | <u>-</u>                                      | <u>(25,000)</u>   | <u>-</u>              | <u>(25,000)</u>     |
| Total other financing sources (uses)                     | <u>(25,000)</u>                 | <u>-</u>                                      | <u>(25,000)</u>   | <u>8,550</u>          | <u>(16,450)</u>     |
| Net change in fund net position                          | (120,000)                       | 184,752                                       | 64,752            | (286,900)             | (222,148)           |
| Net position - beginning                                 | <u>120,000</u>                  | <u>40,826</u>                                 | <u>160,826</u>    | <u>2,538,543</u>      | <u>2,699,369</u>    |
| Net position - ending                                    | <u>\$ -</u>                     | <u>\$ 225,578</u>                             | <u>\$ 225,578</u> | <u>\$ 2,251,643</u>   | <u>\$ 2,477,221</u> |

## **OTHER FINANCIAL SCHEDULES**

**CITY OF CONDON**  
**Gilliam County, Oregon**

SCHEDULE OF FUTURE REQUIREMENTS FOR RETIREMENT OF LONG-TERM DEBT

June 30, 2019

|           | Governmental Activities   |                   |                   | Business-Type Activities |                   |                   |
|-----------|---------------------------|-------------------|-------------------|--------------------------|-------------------|-------------------|
|           | GO Installment Sewer Bond |                   |                   | Sewer Revenue Bond       |                   |                   |
|           | Principal                 | Interest          | Total             | Principal                | Interest          | Total             |
| 2019-2020 | \$ 14,974                 | \$ 21,115         | \$ 36,089         | \$ 7,799                 | \$ 15,212         | \$ 23,011         |
| 2020-2021 | 15,648                    | 20,441            | 36,089            | 8,131                    | 14,880            | 23,011            |
| 2021-2022 | 16,352                    | 19,737            | 36,089            | 8,476                    | 14,535            | 23,011            |
| 2022-2023 | 17,088                    | 19,001            | 36,089            | 8,837                    | 14,175            | 23,012            |
| 2023-2024 | 17,857                    | 18,232            | 36,089            | 9,212                    | 13,799            | 23,011            |
| 2024-2025 | 18,660                    | 17,428            | 36,088            | 9,604                    | 13,408            | 23,012            |
| 2025-2026 | 19,500                    | 16,589            | 36,089            | 10,012                   | 12,999            | 23,011            |
| 2026-2027 | 20,378                    | 15,711            | 36,089            | 10,437                   | 12,574            | 23,011            |
| 2027-2028 | 21,295                    | 14,794            | 36,089            | 10,881                   | 12,130            | 23,011            |
| 2028-2029 | 22,253                    | 13,836            | 36,089            | 11,343                   | 11,668            | 23,011            |
| 2029-2030 | 23,254                    | 12,835            | 36,089            | 11,826                   | 11,186            | 23,012            |
| 2030-2031 | 24,301                    | 11,788            | 36,089            | 12,328                   | 10,683            | 23,011            |
| 2031-2032 | 25,394                    | 10,695            | 36,089            | 12,852                   | 10,159            | 23,011            |
| 2032-2033 | 26,537                    | 9,552             | 36,089            | 13,398                   | 9,613             | 23,011            |
| 2033-2034 | 27,731                    | 8,358             | 36,089            | 13,968                   | 9,044             | 23,012            |
| 2034-2035 | 28,979                    | 7,110             | 36,089            | 14,561                   | 8,450             | 23,011            |
| 2035-2036 | 30,283                    | 5,808             | 36,091            | 15,180                   | 7,831             | 23,011            |
| 2036-2037 | 31,646                    | 4,443             | 36,089            | 15,825                   | 7,186             | 23,011            |
| 2037-2038 | 33,070                    | 3,019             | 36,089            | 16,498                   | 6,513             | 23,011            |
| 2038-2039 | 34,016                    | 1,534             | 35,550            | 17,199                   | 5,812             | 23,011            |
| 2039-2040 | -                         | -                 | -                 | 17,930                   | 5,081             | 23,011            |
| 2040-2041 | -                         | -                 | -                 | 18,692                   | 4,319             | 23,011            |
| 2041-2042 | -                         | -                 | -                 | 19,486                   | 3,525             | 23,011            |
| 2042-2043 | -                         | -                 | -                 | 20,315                   | 2,697             | 23,012            |
| 2043-2044 | -                         | -                 | -                 | 21,178                   | 1,833             | 23,011            |
| 2044-2045 | -                         | -                 | -                 | 21,964                   | 933               | 22,897            |
|           | <u>\$ 469,216</u>         | <u>\$ 252,026</u> | <u>\$ 721,242</u> | <u>\$ 357,932</u>        | <u>\$ 240,245</u> | <u>\$ 598,177</u> |

**CITY OF CONDON**  
**Gilliam County, Oregon**

COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

SEWER FUND

For the Year Ended June 30, 2019

|                                                  | <u>2019</u>         | <u>2018</u>         |
|--------------------------------------------------|---------------------|---------------------|
| Operating revenues                               |                     |                     |
| Charges for services                             | \$ 251,793          | \$ 250,332          |
| Operating expenses                               |                     |                     |
| Personnel services                               | 122,930             | 133,784             |
| Materials and services                           | 56,429              | 52,782              |
| Depreciation                                     | <u>281,882</u>      | <u>281,883</u>      |
| Total operating expenses                         | <u>461,241</u>      | <u>468,449</u>      |
| Operating income (loss)                          | <u>(209,448)</u>    | <u>(218,117)</u>    |
| Nonoperating revenues (expenses)                 |                     |                     |
| Investment earnings                              | 3,750               | 1,954               |
| Income (loss) before contributions and transfers | (205,698)           | (216,163)           |
| Capital contributions                            | -                   | -                   |
| Transfers in                                     | 8,550               | 8,257               |
| Transfers out                                    | <u>(25,000)</u>     | <u>(30,000)</u>     |
| Change in net position                           | (222,148)           | (237,906)           |
| Total net position - beginning                   | <u>2,699,369</u>    | <u>2,937,275</u>    |
| Total net position - ending                      | <u>\$ 2,477,221</u> | <u>\$ 2,699,369</u> |

**AUDIT COMMENTS AND DISCLOSURES REQUIRED BY  
FEDERAL AND STATE REGULATIONS**





# Accuity, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

The Honorable Jim Hassing, Mayor  
and Members of the City Council  
City of Condon  
Condon, Oregon 97823

We have audited the basic financial statements of the City of Condon as of and for the year ended June 30, 2019, and have issued our report thereon dated November 15, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

### Compliance

As part of obtaining reasonable assurance about whether the City of Condon'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 162-010-0000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

**Deposit of public funds with financial institutions (ORS Chapter 295)**

**Indebtedness limitations, restrictions, and repayment**

**Budgets legally required (ORS Chapter 294)**

**Programs funded from outside sources**

**Insurance and fidelity bonds in force or required by law**

**Highway revenues used for public highways, roads, and streets**

**Authorized investment of surplus funds (ORS Chapter 294)**

**Public contracts and purchasing (ORS Chapters 279A, 279B, 279C)**

In connection with our testing, nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, contracts, and grants, including the provisions of Oregon Revised Statutes, as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except as follows:

1. During the year ended June 30, 2019, the City was not in compliance with Oregon Revised Statutes related to public contracts and purchasing (ORS 279).

### **OAR 162-010-0230 Internal Control**

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, as described below, that we consider to be significant deficiencies in internal control over financial reporting. A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance

We consider the deficiencies described below to be significant deficiencies in internal control over financial reporting:

1. A lack of segregation of duties exists due to the limited number of staff. Presently, a single staff member prepares checks, reconciles bank statements, performs payroll duties, and maintains utility billing accounts.

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



Accuity, LLC

Albany, Oregon  
November 15, 2019



# Accuity, LLC

CERTIFIED PUBLIC ACCOUNTANTS

## 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

The Honorable Jim Hassing, Mayor  
and Members of the City Council  
City of Condon  
Condon, Oregon 97823

We have audited, in accordance with the 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 City of Condon, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 15, 2019.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Condon, Oregon's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Condon, Oregon's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Condon, Oregon'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 entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

We did identify certain deficiencies in internal control over financial reporting, as described in the accompanying schedule of findings and responses that we consider to be significant deficiencies in internal control over financial reporting.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Condon's financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which are described in the notes to the financial statements.

### **City of Condon, Oregon's Response to Findings**

The City of Condon, Oregon's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The City of Condon, Oregon's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

### **Purpose of this Report**

This report is intended 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Accuity, LLC

Albany, Oregon  
November 15, 2019

**CITY OF CONDON**  
**Gilliam County, Oregon**

SCHEDULE OF FINDINGS AND RESPONSES

June 30, 2019

| <b>Finding Number</b> | <b>Findings</b>                                                                                                                                                                                             |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 19-01                 | Adequate segregation of duties in most areas was impractical due to the limited number of employees. The City has, however, developed alternative procedures, which mitigate this condition to some extent. |
|                       | <b>Response</b>                                                                                                                                                                                             |
| 19-01                 | Management continually evaluates the monitoring and controls established to ensure risks are mitigated.                                                                                                     |



# Accuity, LLC

CERTIFIED PUBLIC ACCOUNTANTS

November 15, 2019

The Honorable Jim Hassing, Mayor  
and Members of the City Council  
City of Condon  
Condon, Oregon 97823

In planning and performing our audit of the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Condon as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the City of Condon's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Condon's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Condon's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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

### *Segregation of Duties*

Due to the limited number of staff, many critical accounting duties have been combined. Presently, a single individual prepares checks, reconciles bank accounts, performs all payroll duties, and maintains the general ledger. To the extent possible, duties should be segregated and the council should strive to maintain a high level of monitoring in order to ensure appropriate checks and balances are in place to mitigate assumed risks.

### *Journal Entry Review and Approval*

During our audit, we noted that the journal entries recorded by office staff are not being appropriately reviewed and approved on a routine basis, which could lead to material misstatement of the financial statements due to fraud or error. We recommend that the City implement and adhere to a routine review and approval of all non-standard journal entries in order to mitigate future reoccurrences.

During our audit, we became aware of the following deficiencies in internal control, other than significant deficiencies or material weaknesses, that are an opportunity to strengthen internal controls and operating efficiencies.

### *Utility Billing Adjustments Review and Approval*

During our audit, we noted that the utility billing adjustments recorded by office staff are not being appropriately reviewed and approved on a routine basis, which could lead to material misstatement of the financial statements due to fraud or error. We recommend that the City implement and adhere to a routine review and approval of all utility billing adjustments in order to mitigate future reoccurrences.

### *Compliments*

We would like to take the time to compliment the City Administrator, Kathryn Greiner on her preparedness, cooperation, and assistance during the audit process. Accounting records are of high quality and her knowledge and experience allow for an efficient and organized audit to be performed.

This communication is intended solely for the information and use of management, the city council, and others within the City, and is not intended to be, and should not be used by anyone other than these specified parties.

Very truly yours,



Accuity, LLC



# Accuity, LLC

CERTIFIED PUBLIC ACCOUNTANTS

City Council  
City of Condon  
Condon, Oregon 97823

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Condon for the year ended June 30, 2019 and issued our report thereon dated November 15, 2019. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated May 1, 2019. Professional standards also require that we communicate to you the following information related to our audit.

## Significant Audit Findings

### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Condon are described in the financial statements. One new accounting pronouncement was adopted during the year ended June 30, 2019 – GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Borrowing and Direct Placements*. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

- Management's estimate of depreciable lives and salvage values of capital assets, which are based on expected useful lives of the assets and current market conditions and management's estimate of the net realizable value of the property held for sale. We evaluated the key factors and assumptions used to develop the depreciable lives and salvage values and fair value of the property held for sale and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.
- Defined benefit pension plan actuarial assumptions.
- Valuation of accrued compensation.



Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the City of Condon's financial statements relate to long-term debt obligations and post-employment benefits.

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

### ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached schedule summarizes material misstatements detected as a result of audit procedures and corrected by management.

### ***Disagreements with Management***

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### ***Management Representations***

We have requested certain written representations from management, which are included in the attached letter November 15, 2019.

### ***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### ***Other Audit Findings or Issues***

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

### ***Other Matters***

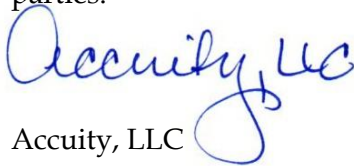
We applied certain limited procedures to management's discussion and analysis, the schedule of the City's proportionate share of the net pension liability, and the schedule of City contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the General and State Revenue Sharing Funds' budgetary comparison information, which is RSI. We were also engaged to report on combining and individual fund statements and supporting schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the schedule of future requirements for retirement of long-term debt, or the Water Fund comparative schedule of revenues, expenses, and changes in net position, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

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

This report is intended solely for the use of the city council and management of the City of Condon, and is not intended to be, and should not be used by anyone other than these specified parties.



Accuity, LLC

November 15, 2019

**City of Condon**

**Summary of Material Misstatements Corrected by Management**

**June 30, 2019**

| <b>Description</b> | <b>Assets</b> | <b>Liabilities</b> | <b>Revenues</b> | <b>Expenses</b> | <b>Equity</b> |
|--------------------|---------------|--------------------|-----------------|-----------------|---------------|
| Attach AJE report  |               |                    |                 |                 |               |



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**CITY OF CONDON  
WORK SESSION AGENDA  
FIBER COUNCIL  
Tuesday, January 21, 2020, 12:00 PM  
CONDON CITY HALL**

**1. Call the Meeting to Order**

Chair Rita Rattray called the meeting to order at 12:03 p.m.

Present: Fiber Council Members Councilor Jan Stinchfield; Gilliam County Judge Elizabeth Farrar, Rita Rattray; Staff - Condon City Administrator Kathryn Greiner;

Absent: Fiber County Members Councilor Donald Jamieson and Joshua Hendricks

**2. Review and Approve Dark Fiber Lease**

Judge Farrar stated that Gilliam County fiber attorney Christy Monson reviewed the agreement and noted concerns or questions on the side. Monson took the agreement drafted by the City's telecom attorney and wrote it as a municipal agreement. One of the main concerns was that some of the items in the agreement are not addressed in the IRU with Inland Development and would not be enforceable. Another item was if the Fiber Council was given authority to conduct business, for which most members thought it was addressed in the Intergovernmental Agreement between the City and the County.

Other items discussed were the billing cycle of 60 days, termination of six months to one year, if there should be an upfront Non Recurring Cost (NRC). CA Greiner asked about the portion of the agreement that had what the fiber was going to be used for and in what areas, if the agreement was specific enough that the lessees of the fiber could not lease it to someone else as dark fiber, and the item of the Fiber Council doing inspections.

Consensus of the Fiber Council that the billing period of 60 days was adequate and will have the city and county work to see who can do the billing monthly; that the inspection clause was adequate and appears to give the Council the right to hire an inspector if there are issues; and that six months was adequate for termination of the customer by convenience.

Greiner stated that she will put her additional comments and questions on the document and Judge Farrar will send it back to Monson for review. Rattray asked if the Council would then like to meet to make a motion to approve the agreement. Greiner asked if the agreement comes back from Monsen and is reviewed by the city's attorney Wyatt Baum, if the agreement can be sent out in draft form to the three customers that have expressed interest. It was the consensus of the council to send out the draft agreement after legal review, then meet next month to approve the agreement.

**3. Update of Potential Customers - Farrar & Greiner**

Greiner stated that her and Judge Farrar had visited with representatives of LSN, Home Telephone and Link Oregon with them awaiting the draft agreement. She hopes that the draft agreement could also go to Columbia Basin Electric Cooperative and possibly other potential customers. Farrar brought up that a rep from LSN talked about pricing issues that the Council may need to review for connections and other charges that her and Greiner will talk to Blake Lawrence at Inland Development to get some answers or recommendations. Home Telephone asked about the vaults on the fiber line and who would have access to these vaults.

The Council asked Greiner to again reach out to the other entities in the area for potential dark fiber leases.

**4. Other**

**5. Adjourn**

Chair Rattray adjourned the meeting at 12:40 p.m.



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**CITY OF CONDON  
WORK SESSION AGENDA  
COUNCIL RETREAT  
Friday, January 31, 2020, 12:00 PM  
CONDON CITY HALL**

**1. Call the Meeting to Order**

Mayor Jim Hassing called the work session to order at 12:05 p.m.

Present: Mayor Jim Hassing; Councilors - Donald Jamieson, Jan Stinchfield, Michael Cronk, Brian Barnett; staff - City Administrator Kathryn Greiner, Public Works Superintendent Gibb Wilkins

Guests: Gilliam County Judge Elizabeth Farrar, Gilliam County Chief of Staff Lisa Adkins, Pioneer Community Development Corporation (PCDC) Executive Director Rob Turrie, PCDC board member Mac Stinchfield; and State of Oregon Regional Strategies Nate Stice.

Absent: Councilors - Tom Fatland & Dawn Parm

**2. Housing**

**2.1. "Home Town" Housing Video - Lori Anderson**

**2.2. Fairway Housing & Pioneer CDC Update**

Councilor Cronk updated the group on the recent meeting that as a member of the Housing Committee attended with PCDC and Judge Farrar. He noted that they had a good conversation and have a starting point to further discussion of housing needs in Condon.

CA Greiner stated that after the meeting, it was apparent that instead of consolidating resources and projects, that Condon Grade School facilities was a project that was being discussed between school and Judge Farrar, which was diverging the projects once again. She suggested that the Council consider offering to take the school property - the baseball field and the block with the grade school building to do a smaller, less expensive project than the Fairway Housing. Water and sewer lines are close to the baseball field property, paved streets on three sides and required will be a new street on the East side of the field and a water line to loop the system near that block. It would be a good indication if successful if more housing will be needed. She suggested that if the building is deeded to the City in the near future, the development can be started on the baseball field block in 2020, then when the school moves to their consolidated campus in 2022, the facilities will be evaluated to see if it can be re-purposed or demolished. An estimate of \$500,000 for infrastructure at the baseball field may yield 12 - 5,000 square foot lots. The playground portion of the main building lot may also be developed into housing lots. CA Greiner also noted that a developer from The Dalles recently stopped in and his "wants" for building in Condon were construction financing and available lots.

Stice explained that there is a pilot grant from the State of Oregon for housing that ties in housing grant to employer participation. The funds are being made available through the Oregon Housing Community Services (OHCS) and they have been appropriated \$5 million for the next round of grants. The rules are not completed at this time, but Stice suggested that they may be done early summer and they will be looking for projects that are "shovel ready." The three points of the grant are employer, community and private developer engagement.

Judge Farrar said that she has had discussion with Condon School superintendent Michelle Geer, who is receptive to the city developing the property. The school district would be an employer for the grant program and their contribution would be the property. She said that the county could also be a participating employer, but she is going to have a discussion with Waste Management to see if they would like to participate. The more employers we can secure rents would be better toward



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apply for the grant.

Questions about who would own the houses/rentals, who would build and the other issues of the project are still being discussed. Councilor Stinchfield asked if the school is interested and Judge Farrar said that preliminary discussions sound positive. Stice stated that usually with these grants that a housing needs analysis needs to be completed. A short discussion of what this entailed and who would be able to do this analysis. It was suggested that the city's planner Dan Meader may be able to do it at a reasonable cost. CA Greiner noted that in the housing development fund there are funds for technical issues.

Councilor Cronk expressed concerns of taking on the Grade School building as he has heard that it has issues. It was discussed of having a group go through it to get a design to see if it could be converted into a multi-use facility that would include community space and condos or if the structure needed to be torn down. Stice mentioned that a Master Lease could be formed that would obligate employers for future rents on houses or multi-unity facilities that the contractor/builder could use for financing. He added that if the project gained traction that they may look to the Ford Family for a grant or the Metro affordable housing bond as alternative funding sources.

The recommendation was to add the school property/project to the city's "goals and priorities" and make a decision at the council meeting next week. The Fairway Housing project was recommended to be put on hold at this time.

### **2.3. Other Housing Ideas/Projects**

Discussed other housing projects that included Fifth and Sixth streets on the south side of the golf course, and property owned by the Potter family in the southwest portion of Condon. CA Greiner received a call from Gordon Smith who lives on Fifth Street and was told that he purchased the vacant lots in that area and was opposed to any future development. CA Greiner said that with Smith buying up those lots, it was not a large enough area to expand at this time. The Potter property was partitioned in the 1990s and that family signed a deferred development agreement that deeded streets in that area to the city, plus any development would trigger putting in paved streets, mainline for water and sewer, and sidewalks. The family is meeting with city and city planner in February to see if there can be a way to partially develop the property as they are issued building permits.

## **3. Fiber Project**

### **3.1. Inland Development Update - Franchise and IRU**

Update that Judge Farrar and CA Greiner had a phone conversation with Blake Lawrence of Inland Development and discussed the connection of potential customers, plus the vaults that were put in on the project but paid for by Columbia Basin Electric Cooperative (CBEC). City is trying to schedule a meeting with the new CBEC CEO and will have a discussion about leasing the dark fiber and the vaults.

### **3.2. Fiber Council Update - Agreements & Other**

Judge Farrar stated that the agreement to lease the dark fiber should be completed in the next two weeks then the draft will be sent to the potential customers for review. At that time the discussion will be how to connect the companies into the line in Arlington and Condon.

## **4. Capital Projects**

### **4.1. Golf Course, Park & Pool**

Golf Course - previous discussion was to build a new clubhouse, but at this time there is no group that is willing to assist with it so it was recommended to leave on the Goals & Priorities but wait until some of the other projects get wrapped up.

### **4.2. Machinery & Vehicles**



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Another Public Works Pickup will be purchased in the 2020-21 fiscal year to replace one of the older service vehicles. Other items added to the list is a snowplow for the 5-yard dump truck and a trailer for the tables, chairs and portable stage to be stored and transported. CA Greiner indicated that she will apply for the Gilliam County Special Projects grant for the trailer.

#### **4.3. Building & Remodel of Facilities**

The bids for the City Hall remodel project have been put out to bid and are due February 20. CA Greiner anticipates that this project will run through the end of this fiscal year and into the next, but hopes to have it completed no later than December 31, 2020.

The Memorial Hall will complete the track lighting, with Councilor Jamieson recommending that the tracks be installed and the lights only put up when needed. Other suggested items for the Memorial Hall are refinishing the floor and installing drop down screens to be used for meetings.

No new items for the transfer station or recycle depot.

### **5. Goals & Priorities**

#### **5.1. 2019 Goals & Priorities**

Councilors received a draft of the 2020 Goals and Priorities and CA Greiner will make the changes as noted in this meeting and submit for the council to review and approve at next week's council meeting.

### **6. Other**

#### **6.1. Public Art - Heritage Grant**

Discussed investigating public art on downtown or in the park and suggested investigating grants and other funding for bronze statues or other art depicting Condon's heritage. CA Greiner suggested a committee that would include the Gilliam County Historical Society or other interested groups. Councilor Barnett suggested tying the theme into the fairgrounds metal art on the side of the grandstands.

#### **6.2. Other Topics or Additions**

None.

### **7. Adjourn**

Mayor Hassing adjourned the work session at 2:55 p.m.

**Goals & Priorities**  
**Council Retreat – January 31, 2020**  
**Approved by City Council February 5, 2020**

**WATER**

**Current Projects – Ongoing- up to two years**

- PW crew will work on projects within the city’s Master Plan:
  - Spring Street – Main to Ward Streets. Materials have already been purchased.
  - Finish Court Street with installation of services & tie in Washington and Court Streets
- Radio water meters to replace current meters that can be read with a “wand.” PW will investigate cost of radio meters that could be read at City Hall to only do an upgrade one time.
- Cell tower revenue will continue to be placed in Water Improvement Fund (020).
- Monitor transmission line potential problem areas that were noted in the line’s evaluation two years ago.

**Two-Ten Year Projects**

- Refurbish wet well at City Farm with either a liner or epoxy material.
- Water conservation education to residents and businesses.
- Upgrade telemetry from City Farm to City Shop when fiber is available.

**SEWER**

**Ongoing – Two Years**

- Contract with local farmer to farm and plant grass seed at pivot. Seed has been purchased. Monitor new crop and what is available to harvest in first year. Fall of 2020
- Public Works crew is evaluating and assessing the trouble spots in the system and work on projects in the Public Works Master Plan as needed.
- Develop “sludge plan” for lagoons with Anderson, Perry & Associates
- Develop a plan for manhole replace or installation and place the goal of one manhole per fiscal year.
- Plan and develop machinery storage building at city shop.

**Ten + Year Project**

- Sewer expansion to city limits depending on funding.

**STREETS/SIDEWALKS**

**Current – Two year**



- Complete ODOT Special City Allotment grant to pave Court/Washington/East Streets and parking lanes of North Main Street.
- Complete the last year of the ODOT STIP sidewalk project on North Main Street.
- Spring Street between Jefferson and Bryan to put down a base and rebuild.
- Map paving priorities for 10 years by working with Public Works Committee
- Investigate cost-share program for sidewalk replacement or installation for residents that coincide with the city's sidewalk standards.
- Review the city's sidewalk ordinance with planning commission, attorney and city planner. This will include trees on city rights-of-way and investigate companies that may be available.
- Mapping and prioritizing streets in need of repair and chip sealing and budget accordingly by transferring some more money into the Street Fund (003) to accomplish the projects.
- Continue to apply for sidewalks grants as applicable

#### **Two-Ten Year Projects**

- Streets – Complete repairs and replacement as water and wastewater project are completed
- Continue sidewalk replacement/repair project with council prioritizing projects

### **TRANSFER STATION/RECYCLE DEPOT**

#### **Current Projects - Ongoing**

- Continue to investigate the resolution of recycling issues of the mixed recycling.

### **GOLF**

#### **One-Two Year Projects**

- Get a design plan for the golf course clubhouse and outside area before demolition of current clubhouse.
- Investigate and/or design frisbee golf course at golf course
- Repair fencing along the perimeter and check into seeing if the OYCC group can do this task. Fencing was put at a low priority.

### **PARK**

#### **Current Project - Ongoing**

- Add public art and work to remove ODOT signs on the point.

### **POOL**

#### **Current Project – Ongoing**

- Working with the school to apply for capital grants to resurface the pool, new fence, equipment fixes or replacement

## **FACILITIES**

### **One-Two Year Projects**

- **Memorial Hall**
  - Finish the lighting by adding the track lighting.
  - Research refinishing the floor and drop-down screens for meetings.
  - Start the process of getting duct work done and investigate air conditioning solutions
- **City Hall**
  - Complete City Hall remodel project. Bids were advertised January 2020 and gave to December 31, 2020 to complete the project. This is for inside and outside work
  - Research new flooring, insulation and other maintenance issues in the Main part of City Hall.
- **Ward Street Shop**
  - Nothing while leased to Gilliam County.

## **VEHICLES**

### **Current – Ongoing**

- Replace 2005 Chevrolet pickup in 2020-21.
- Snow plow blade for 5-yard dump truck.
- Trailer to store and move the tables, chairs and portable stage.

## **PUBLIC SAFETY**

### **Current Project - Ongoing**

- No issues or projects noted

## **ECONOMIC DEVELOPMENT**

### **Current Project – Ongoing**

- Update the broadband strategic plan with gathering community partners from education, health services, emergency services, businesses and other interested parties.
- Housing project – Continue to work on the Fairway Housing project. Complete the engineering of the water and sewer to the site and determine cost estimates. Continue to look for funding from local, state and federal sources.
- Housing – Investigate a housing project with Condon School District, Pioneer CDC, Gilliam County and State of Oregon
- Do a housing analysis study for housing grant purposes.

- Public Art – Bronze statues of Nobel Prize Winners from Condon; art work on the point at the park (fly fisherman, farmer); other areas of Main Street. Investigate grants for public art at local, state and federal level.

## **“WISH LIST”**

### **Projects**

- Energy efficient streetlights or “night sky initiative”
- Water Conservation incentives – cost share on low flow toilets, showerheads, etc.
- Solar panel field at the site of the pivot



Dear Condon City Council,

Thank you for your support this past year as it has been appreciated by many. As we begin to plan for 2020, we would again like to ask you for your continued commitment in helping us with two significant highlights that positively affect the livability of our beautiful city:

1. hosting the Summer Concerts and Artisans Markets
2. improving our holiday light decorations

We plan on hosting four concerts and markets this year. Three of these will take place in the park and one during the Gilliam County Fair. As done in the past, we will reach out to our Chamber businesses for their contribution to the Summer Concerts and would like to ask you to please consider sponsoring \$2,500 towards the Summer Concerts and Artisans Markets in the Park. You will be given a yard sign with the city's logo displayed and your logo will be included on all marketing and advertising pieces related to the summer events. In addition, we will announce title sponsors during concert intermissions.

Another project for which we would like your support is updating the Historic Main Street light pole holiday decorations. They are becoming worn and don't create impressions that our Main Street deserves. This next year we would also like to decorate the light posts in front of the South Gilliam County Fire District Building. If we act now, we can take advantage of some holiday sales and get the garland at a significant discount.

- For 30-9-foot lighted garland pieces and the batteries, the cost will be approximately \$1464
- 30-Red Bows are \$230

We would appreciate greatly if you would consider contributing \$1700 towards holiday décor. The garland must be replaced within 5-6 years and batteries are a yearly purchase.

With your continued support we can further the effectiveness of the Chamber's leadership benefiting the community and Gilliam County as a whole. Chamber membership provides business professionals and community members the opportunity to become part of an organization dedicated to strengthening economic growth and improving the business climate. The Chamber of Commerce helps sponsor and coordinate several community events each year. These events celebrate our heritage and make our community a welcoming place to visit and call home.

We appreciate your consideration and support!

Sincerely,

K'Lynn Lane

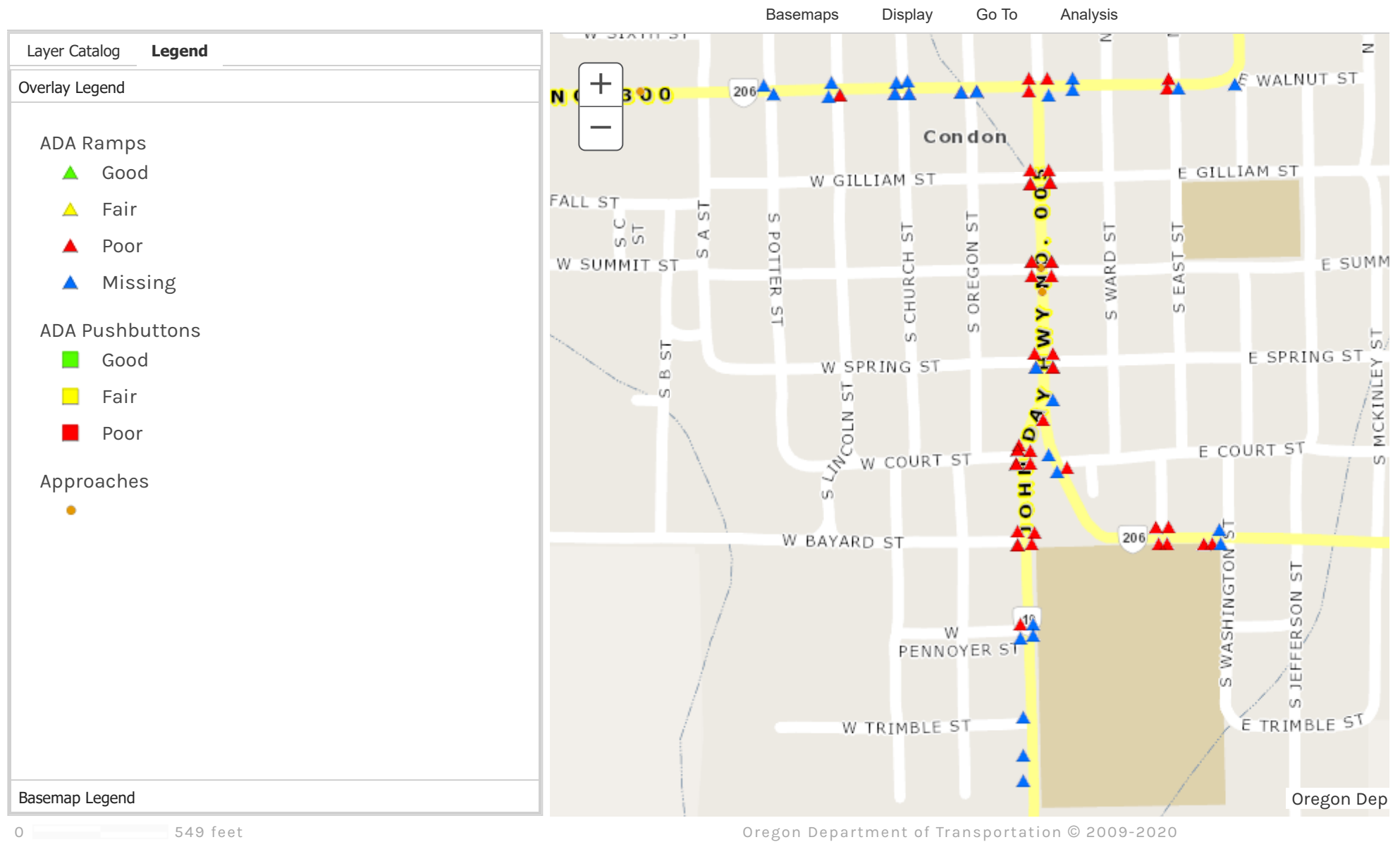
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[www.condonchamber.org](http://www.condonchamber.org)

## ODOT TransGIS



# 2020 MSRS

January

|                                | County     | Arlington | Condon |
|--------------------------------|------------|-----------|--------|
| Alarm                          | 0          | 0         | 0      |
| Medical                        | 1          | 1         | 0      |
| Assist Fire Dept.              | 1          | 0         | 1      |
| Animal Problem                 | 10         | 7         | 2      |
| Assist Person                  | 31         | 2         | 2      |
| Assist Officer                 | 8          | 3         | 0      |
| Assist Outside Agency          | 14         | 3         | 0      |
| Civil Matter                   | 3          | 2         | 1      |
| Disturbance                    | 6          | 4         | 2      |
| Juvenile                       | 1          | 1         | 0      |
| Suspicious Circumstances       | 9          | 7         | 0      |
| Traffic Problem                | 19         | 1         | 1      |
| Lost or Found Property         | 2          | 2         | 0      |
| Traffic Stop (No Citation)     | 101        | 8         | 2      |
| Civil Service                  | 12         | 6         | 5      |
| K9 Deployment                  | 0          | 0         | 0      |
| Security Check                 | 12         | 1         | 3      |
| Fingerprints                   | 0          | 0         | 0      |
| Impound Release                | 0          | 0         | 0      |
| Training                       | 8          | 3         | 0      |
| Court/Court Security/Transport | 2          | 0         | 0      |
| All Other                      | 22         | 5         | 4      |
| <b>TOTAL</b>                   | <b>262</b> |           |        |
| Arlington City Limits          | 56         |           |        |
| Condon City Limits             | 23         |           |        |

## TRAFFIC CITATIONS

|                    |            |
|--------------------|------------|
| I-84               | 110        |
| Hwy. 19            | 7          |
| Condon             | 0          |
| Arlington          | 2          |
| Hwy. 206           | 0          |
| Hwy. 74            | 0          |
| Cedar Springs Road | 1          |
| Blalock Road       | 0          |
| Lonerock Road      | 0          |
| <b>TOTAL</b>       | <b>120</b> |

## INCIDENT REPORTS

|                   |    |
|-------------------|----|
| County Total      | 20 |
| City of Arlington | 9  |
| City of Condon    | 5  |

## Other Citations

|                                   |   |
|-----------------------------------|---|
| Possession of Less Than One Ounce | 0 |
| Minor in Possession of Alcohol    | 0 |