



CITY COUNCIL Agenda

520 E. Cascade Avenue - PO Box 39 - Sisters, Or 97759 | ph.: (541) 549-6022 | www.ci.sisters.or.us

Wednesday, February 28, 2024

This City Council meeting is accessible to the public in person in the Council Chambers at 520 E. Cascade Avenue, Sisters, OR 97759

This meeting is open to the public and can be accessed and attended in person or remotely. Members of the public may view the meeting via Zoom at the link below:

<https://us02web.zoom.us/j/89615196538>

Visitor Communication: To offer written comments, send an email to recorder@ci.sisters.or.us no later than 3:00 p.m. on the day of the meeting. If attending the meeting via Zoom and wish to speak, submit your name, address, phone number, and the topic you intend to address to recorder@ci.sisters.or.us by 3:00 p.m. on the meeting day. For those attending the meeting in person, you may complete a request to speak form on-site.

5:30 PM WORKSHOP

1. Deschutes County Sheriff Office Annual Review
2. Park System Development Charge Update
3. Other Business

6:30 PM CITY COUNCIL REGULAR MEETING

1. **CALL TO ORDER/PLEDGE OF ALLEGIANCE**
2. **ROLL CALL**
3. **APPROVAL OF AGENDA**
4. **VISITOR COMMUNICATION**
5. **CONSENT AGENDA**
 - A. Minutes
 1. February 06, 2024 – Goal Setting
 2. February 14, 2024 – Regular Meeting
 3. February 14, 2024 – Workshop
6. **COUNCIL BUSINESS**
 - A. **Discussion and Consideration of Resolution 2024-04: A RESOLUTION OF CITY OF SISTERS TO ADOPT FY 2024/25 COUNCIL GOALS.**

This agenda is also available via the Internet at www.ci.sisters.or.us

- B. **Discussion and Consideration of a Motion** to Award a Public Improvement Contract to K N L Industries, Inc. in an amount not to exceed \$268,560.00 for the 2024 Pavement Maintenance Project and authorize the City Manager to execute the contract and any necessary contract change orders and/or amendments within a contract contingency amount of 10% of the contract amount.
7. **OTHER BUSINESS**
- A. Fiscal Year 2023-24 Audit Report
 - B. Staff Comments
8. **MAYOR/COUNCILOR BUSINESS**
9. **ADJOURN**

Pursuant to ORS 192.640, this agenda includes a list of the principal subjects anticipated to be considered at the above-referenced meeting; however, the agenda does not limit the ability of the Council to consider or discuss additional subjects. This meeting is subject to cancellation without notice.

This meeting is open to the public, and interested citizens are invited to attend. This is an open meeting under Oregon Revised Statutes, not a community forum; audience participation is at the discretion of the Council. The meeting may be recorded. The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made to the City Recorder at least forty-eighty (48) hours in advance of the meeting.

Executive Sessions are not open to the public; however, members of the press are invited to attend.

The City of Sisters is an Equal Opportunity Provider



2023 City Council Annual Report



We have done a comparison of statistics from 2022 and 2023 using our reporting to the FBI on Part I and Part II crimes and for self-initiated activity





2022 CASE REPORTS WITHIN CITY - GRAND TOTAL: 139

Month	Theft	Burglary	Restraining Order	Sex Crimes	Vandalism
January	4	0	0	1	1
February	5	1	0	0	1
March	10	0	0	1	1
April	1	0	1	1	4
May	2	1	0	1	3
June	3	0	0	0	5
July	4	1	0	0	2
August	2	0	0	1	2
September	4	0	0	1	0
October	4	0	0	1	0
November	4	0	0	0	2
December	1	0	3	1	1
Total	44	3	4	8	22
Month	DUII	Hit and Run	Mental Health Calls	Assaults	Vehicle Crimes
January	0	2	1	1	0
February	2	0	0	0	1
March	1	2	0	0	0
April	0	0	1	0	0
May	0	0	1	0	0
June	1	2	0	1	2
July	2	1	3	1	2
August	1	0	1	2	1
September	1	1	1	0	1
October	1	3	3	0	2
November	2	1	3	1	1
December	0	1	2	2	0
Total	11	13	16	8	10



2022 SELF INITIATED ACTIVITY - GRAND TOTAL: 4,098

Month	Traffic Stops	Written Warnings	Criminal Citations	Traffic Citations	Violation Citations
January	162	34	4	34	3
February	143	56	10	37	1
March	102	49	4	22	0
April	103	23	11	38	2
May	114	27	4	33	2
June	131	22	2	36	2
July	86	18	3	17	1
August	73	20	2	17	1
September	113	44	3	22	1
October	101	21	4	28	0
November	121	26	1	25	1
December	102	26	4	17	0
Total	1351	376	52	326	52
Month	Arrests	Security Check	Community Policing	Lobby Contact	Warrant Arrests
January	9	84	73	17	4
February	12	54	88	10	3
March	11	54	38	22	2
April	14	23	56	20	4
May	4	47	87	8	2
June	7	27	90	21	4
July	12	26	52	11	3
August	12	35	59	24	3
September	10	82	118	7	3
October	12	75	136	15	7
November	13	54	57	17	5
December	8	113	64	13	0
Total	124	674	918	185	40



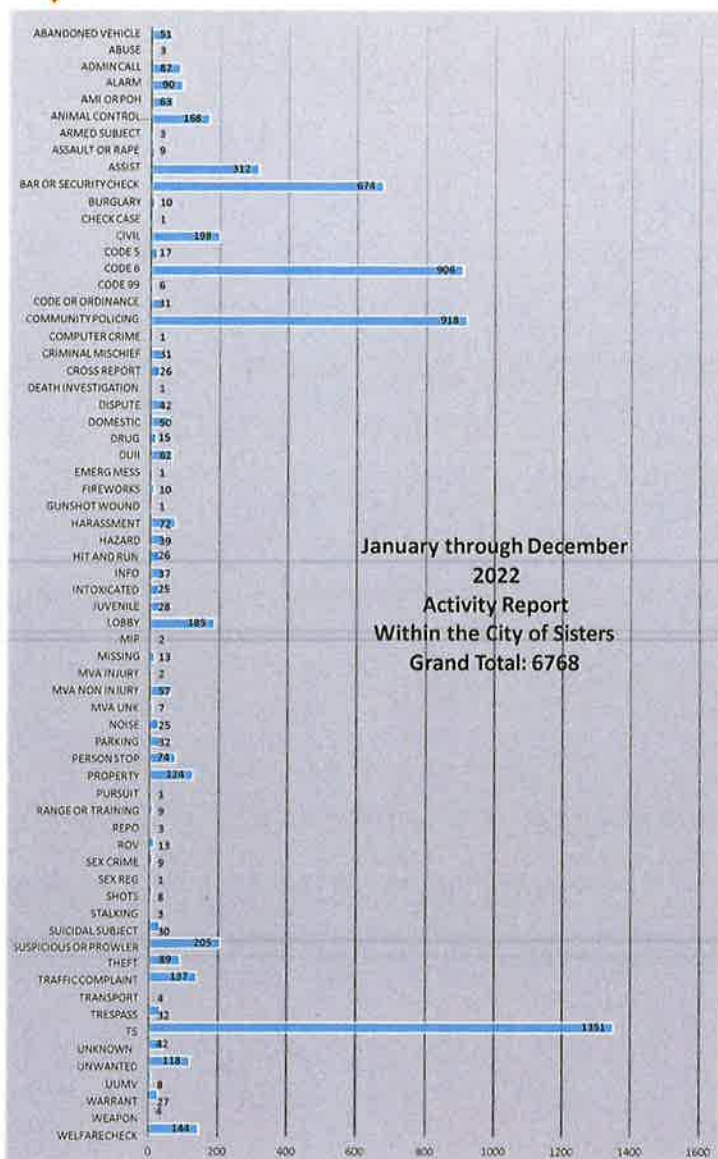
2023 CASE REPORTS - GRAND TOTAL: 170

Month	Theft	Burglary	Restraining Order	Sex Crimes	Vandalism
January	2	1	0	0	2
February	1	0	1	0	3
March	3	1	0	0	3
April	2	1	2	0	2
May	10	0	1	2	6
June	9	0	0	1	2
July	3	0	0	0	3
August	8	0	3	0	0
September	8	0	3	0	2
October	6	0	3	2	4
November	2	0	1	2	0
December	5	1	1	1	0
Total	59	4	15	8	27
Month	DUII	Hit and Run	Mental Health Calls	Assaults	Vehicle Crimes
January	1	2	0	2	1
February	1	1	1	1	1
March	1	3	0	0	0
April	1	0	2	1	1
May	1	0	2	0	3
June	4	1	0	0	2
July	1	0	1	1	0
August	2	2	2	0	1
September	2	1	0	1	1
October	4	1	0	1	0
November	0	1	1	1	0
December	0	0	0	0	0
Total	18	12	9	8	10



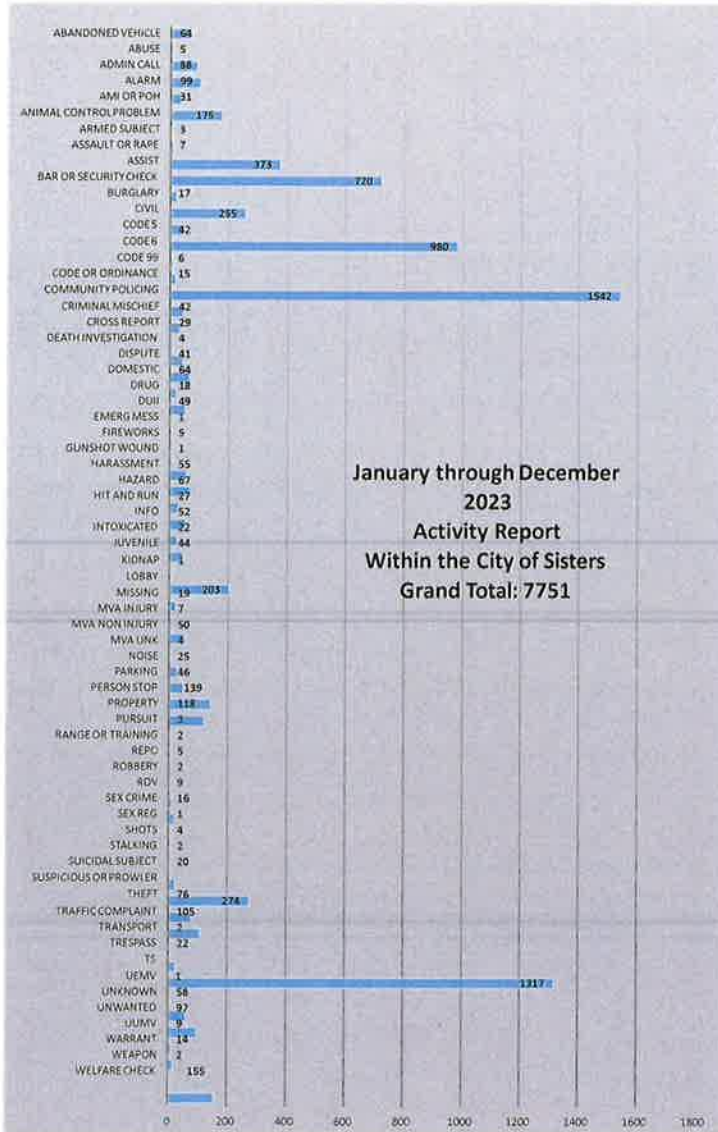
2023 SELF INITIATED ACTIVITY - GRAND TOTAL: 4,505

Month	Traffic Stops	Written Warnings	Criminal Citations	Traffic Citations	Violation Citations
January	149	34	5	22	0
February	122	30	2	24	0
March	170	39	4	34	3
April	147	39	1	38	2
May	67	11	2	15	2
June	146	20	4	22	6
July	94	6	4	22	0
August	40	2	3	12	0
September	135	27	7	20	2
October	96	18	6	21	0
November	67	14	0	11	0
December	84	20	3	23	0
Total	1317	260	41	264	15
Month	Arrests	Security Check	Community Policing	Lobby Contact	Warrant Arrests
January	11	50	109	18	4
February	7	61	119	15	1
March	7	58	197	23	0
April	9	90	166	14	1
May	8	60	134	20	4
June	14	52	137	14	4
July	9	43	70	9	5
August	13	62	75	15	5
September	11	46	184	15	0
October	12	42	159	27	2
November	6	51	96	11	0
December	7	105	96	22	3
Total	114	720	1542	203	29

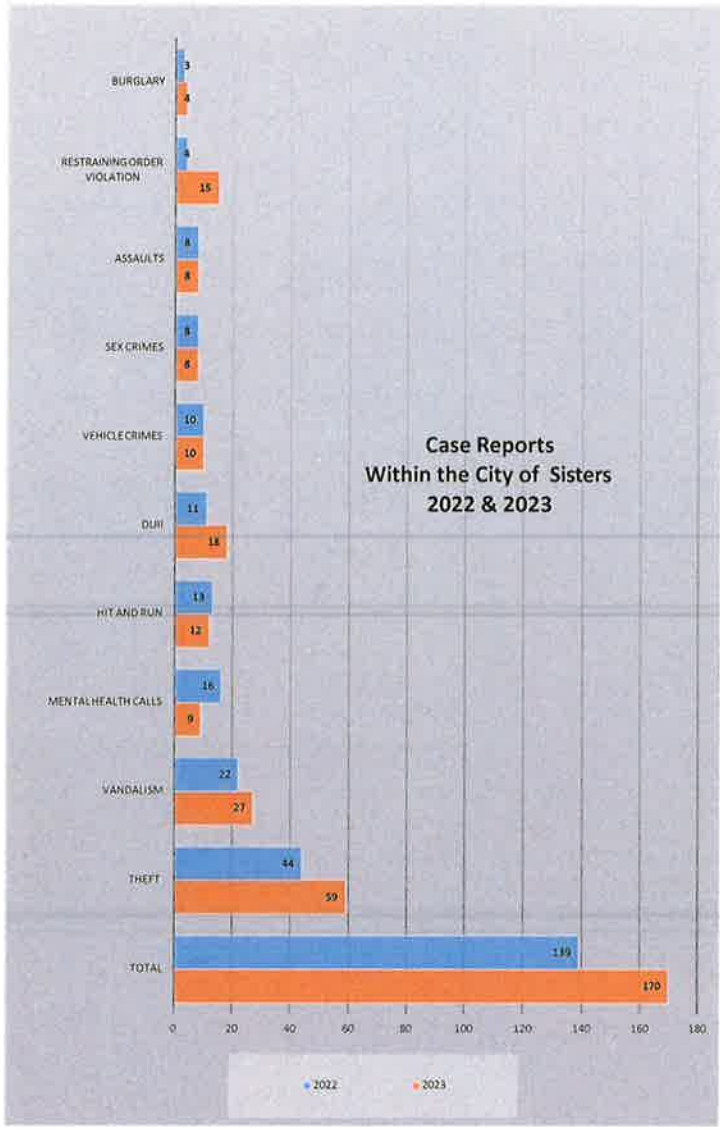


January through December
2022
Activity Report
Within the City of Sisters
Grand Total: 6768

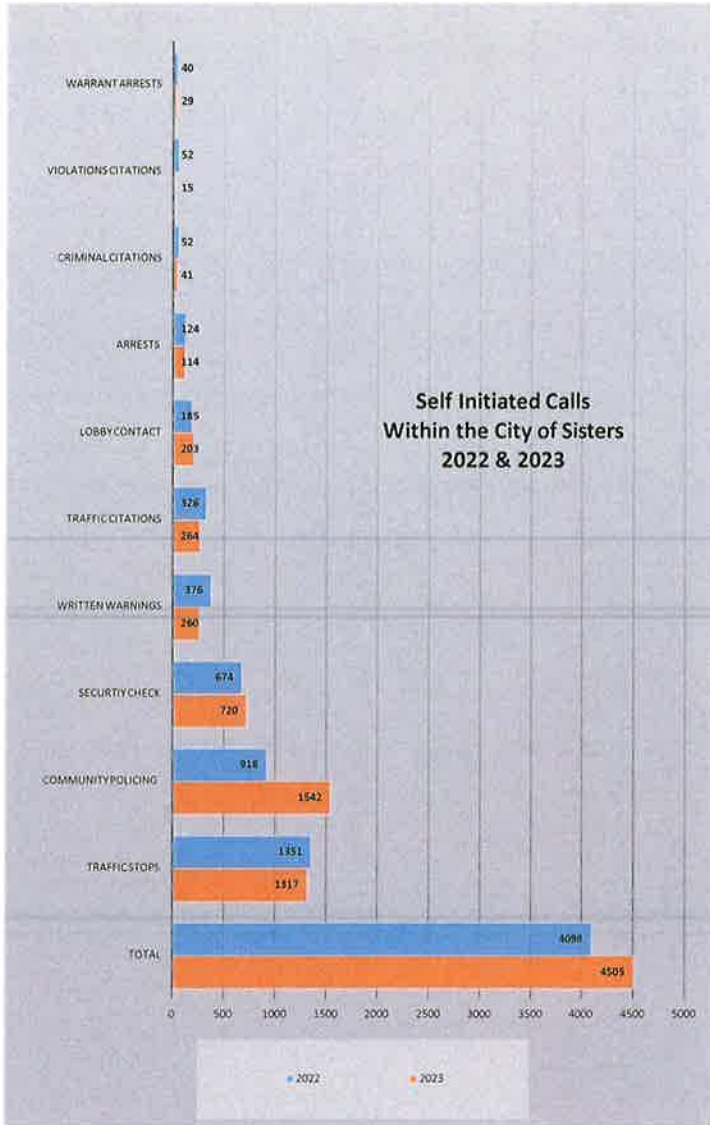
1/10/2023



1/23/2024



2/14/2024



2/14/2024



In summary, we handled 31 more cases/ investigations in 2023 vs 2022.

We had over 400 more self initiated incidents in 2023 than in 2022.

Thefts and Vandalism (Property crimes are the most common)

Person crimes (Assaults and sex crimes) are the least common.

Overall, Sisters is a safe community, however we experience the same types of crimes as other communities, just in less frequency.

- Any questions??



2022 ACTIVITY WITHIN THE CITY

Row Labels	Count of Case Number
Animal at Large	1
Animal at Large (Sisters Ord)	4
Animal Neglect II	1
Animal Nuisance (Sisters Ord)	5
Assault IV - Felony (Wit/child or Pregnant Victim)	1
Assault IV - Simple Misdemeanor	7
Burglary I - Residence	1
Burglary II - Business	3
Careless Driving-Causes Accident	1
Coercion	2
Computer Crime (Felony)	2
Criminal Mischief I - (+\$1,000)	5
Criminal Mischief II - (+\$500 or intentional)	7
Criminal Mischief III - (\$0-\$499) (Damaged occurred while committing another crime	3
Criminal Mischief III - (-\$500)	10
Criminal Trespass - Possess Firearm	1
Criminal Trespass I	2
Criminal Trespass II	8
Dangerous Animals - Warning (Sisters Ord)	1
Dangerous Animals (Sisters Ord)	1
Dangerous Left Turn (FTY Oncoming)	1
Disorderly Conduct II	4
Drive Uninsured	4
Driving Under the Influence of Intoxicants (DUII)	11
Drugs - Cause Person to Ingest a C.S.	1
Drugs - DCS Marijuana to <21, except if person <24 to 16 or older no consideration	1
Drugs - Marijuana - MIP <21 (purchase, acquire, accept or consume)	1
Drugs - MCS/DCS Schedule II Substance	1
Drugs - PCS Sched II Substance -Felony	1
DWS - Violation	3
DWS / Revoked - Felony	4
DWS /Revoked - Misdemeanor	12
Fail to Drive within Lane	1
Fail To Mark End Load W/Light/Flag - Warning	1
Fail to Obey Traffic Control Device - Warning	1
Fail To Register Vehicle	3
Fail to Register Vehicle-Warning	1
Fail To Renew Veh Registration	1
Felon in Possession of Firearm (Ex Con)	1
Fleeing or Attempt to Elude Police Officer - Felony	1
Follow Too Closely	1
Fraud Use of Credit Card (-\$1,000) Misdemeanor	1
Fraud Use of Credit Card (+\$1,000) Felony	1
FTY - to Emergency Vehicle	1

Harassment	21
Hit And Run Accident - Property Damage	13
Identity Theft	3
Informational Report	10
Interfere W/Police Officer	1
Lost Property	4
Menacing	4
Mental Hold by Peace Officer (POH) (AMI) (Directors Hold)	16
Noise Violation (Sisters Ord)	1
Offensive Littering	2
Open Container	1
Probation/Parole Violation - Felony	1
Probation/Parole Violation - Misdemeanor	2
Rape I - Forcible Any Age	2
Reckless Burning	1
Reckless Driving	11
Reckless Endangering	7
Resisting Arrest	1
Sex Abuse I - Under 14	3
Sex Abuse III - Under 18	3
Sodomy I - Forcible	1
Strangulation - Victim under 10 years of age	2
Theft I - All Other Larceny	5
Theft I - from Building	1
Theft I - from Motor Vehicle	2
Theft I - Lost or Mislaid Property	1
Theft I - Shoplifting	1
Theft II - All Other Larceny	9
Theft II - from Building	2
Theft II - from Motor Vehicle	3
Theft II - of Bicycle	1
Theft II - Shoplifting	4
Theft III - All Other Larceny	3
Theft III - From Motor Vehicle	4
Theft III - of Motor Vehicle Parts/Accessories	1
Theft III - Shoplifting	5
Theft of Services - (\$100-\$1,000)	2
Theft of Services - (Under \$100)	1
Unlawful Entry Vehicle - All Other (UEMV)	10
Unlawful use of a global positioning system device - (Misdemeanor)	1
Unlawful Use/Carry Weapon	1
UUMV - Motor Vehicle	3
Violation of Release Agreement (VRA) (Contempt)	2
Violation of Restraining Order (VRO) (Contempt)	2
Warrant Arrest - In State	37
Warrant Arrest - Out of State	4
Grand Total	399

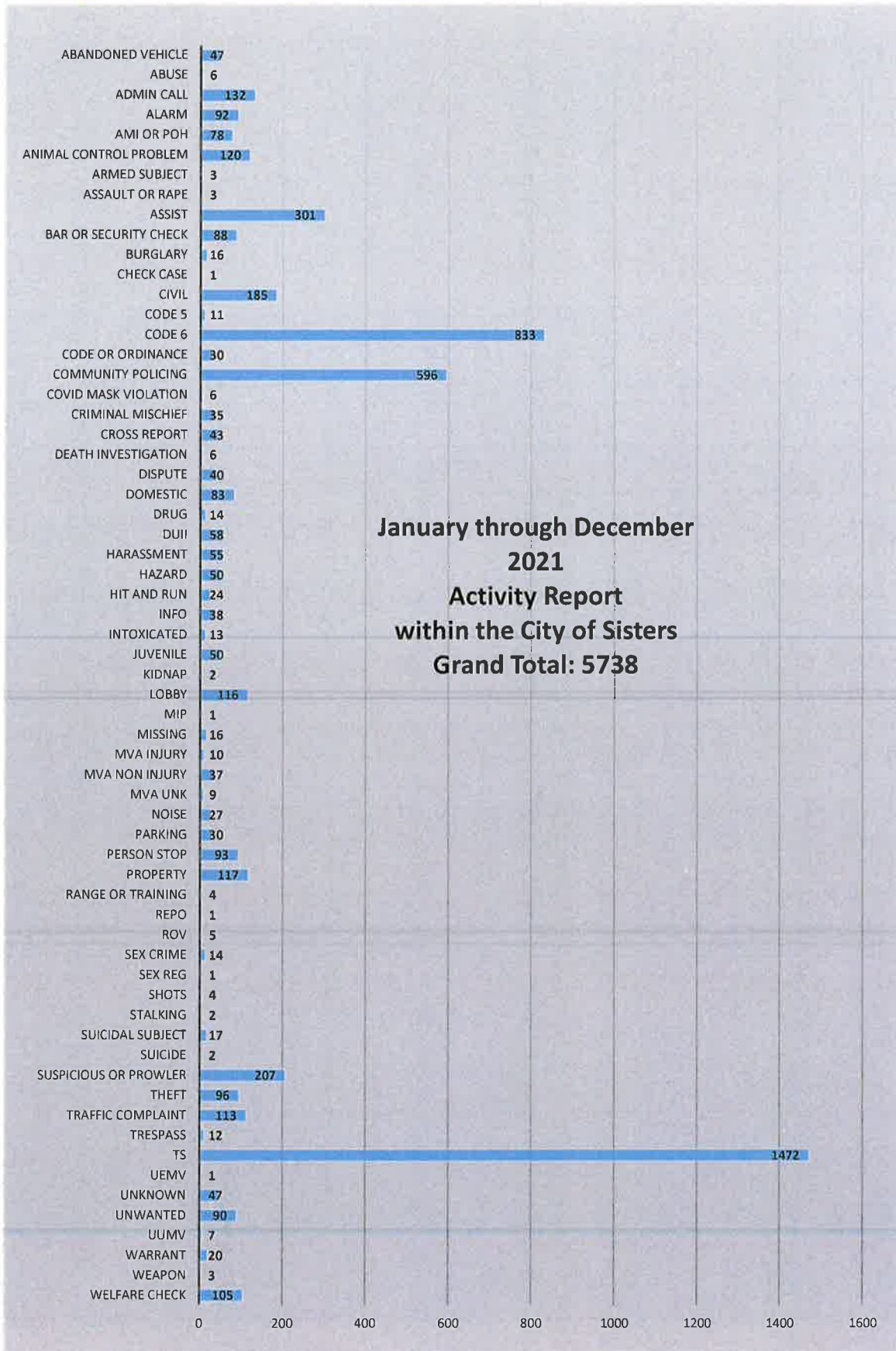
2023 ACTIVITY WITHIN THE CITY

Aggravated Identity Theft	1
Animal Nuisance (Sisters Ord)	1
Arson I	1
Assault IV - Simple Misdemeanor	7
Bias Crime II - Offensive Physical Contact	1
Burglary I - Residence	1
Burglary II - Business	3
Coercion	3
Computer Crime (Felony)	4
Criminal Conspiracy - Class A Felony	1
Criminal Mischief I - (\$1000+) (Damaged occurred while committing another crime)	2
Criminal Mischief I - (+\$1,000)	6
Criminal Mischief II - (\$500-\$999) (Damaged occurred while committing another crime)	4
Criminal Mischief II - (+\$500 or intentional)	6
Criminal Mischief III - (\$0-\$499) (Damaged occurred while committing another crime)	4
Criminal Mischief III - (-\$500)	5
Criminal Trespass I	3
Criminal Trespass II	3
Disorderly Conduct I - Felony	1
Disorderly Conduct II	5
Drive Uninsured	2
Driving Under the Influence of Intoxicants (DUI)	19
Drugs - Controlled Substance Records and Fraud	4
Drugs - PCS - Methamphetamine -Misd	2
DWS - Violation	1
DWS / Revoked - Felony	2
DWS /Revoked - Misdemeanor	19
Encourage Child Sex Abuse I	2
Fail to Obey Traffic Control Device	1
Fail To Register Vehicle	1
Fail To Register Vehicle - Fix It Ticket	1
Fail to Register Vehicle-Warning	1
Fail To Renew Veh Registration	2
Fail To Renew Veh Registration - Fix It Ticket	1
False Info RE: Liability Insurance	1
False Info to Police - Criminal	1
Fleeing or Attempt to Elude Police Officer - Felony	3
Fleeing or Attempt to Elude Police Officer - Misdemeanor	2
Forgery I - (+\$1,000)	1
Forgery II	5
Fraud Use of Credit Card (-\$1,000) Misdemeanor	2
Furnishing Liquor to Minor or Intoxicated Person	1
Harassment	9
Hit And Run Accident - Injury	2

Hit And Run Accident - Property Damage	10
Identity Theft	5
Informational Report	5
Invasion of Personal Privacy 1st Deg	1
Invasion of Personal Privacy 2nd Deg	1
Menacing	1
Mental Hold by Peace Officer (POH) (AMI) (Directors Hold)	10
Misrepresent Age by a Minor - Fraud	1
No ODL, Violation of License Restrictions	1
Noise Violation (Sisters Ord)	1
Operation of Unsafe Vehicle	1
Poss of Burglary Tools	1
Possess Personal ID Device - Credit Card	1
Probation/Parole Violation - Felony	4
Probation/Parole Violation - Misdemeanor	2
Racketeering	1
Rape II - under 14	1
Rape III - Under 16	1
Reckless Driving	12
Reckless Endangering	4
Resisting Arrest	1
Robbery I - Car Jacking	1
Robbery II - Other Robbery	1
Runaway Juvenile	1
Sex Abuse I - Under 14	1
Sex Abuse III - No Consent	1
Sex Abuse III - Under 18	1
Sex Offender - Felony - Fail to Register	1
Sex Offender - Misd - Fail to Register	1
Sodomy I - Forcible	2
Stalking - (Misdemeanor)	1
Strangulation - Assault Witnessed by Child	1
Supply Contraband - Drugs	1
Tamper with Witness	1
Theft by Extortion	1
Theft I - All Other Larceny	5
Theft I - By Deception/False Pretenses	2
Theft I - from Building	1
Theft I - from Motor Vehicle	2
Theft I - of Bicycle	2
Theft I Aggr - by Deception	1
Theft I- Aggravated - All Other Larceny	1
Theft II - All Other Larceny	7
Theft II - from Building	3
Theft II - from Coin Operated Machine	1
Theft II - from Motor Vehicle	2
Theft II - of Bicycle	4
Theft II - Shoplifting	10

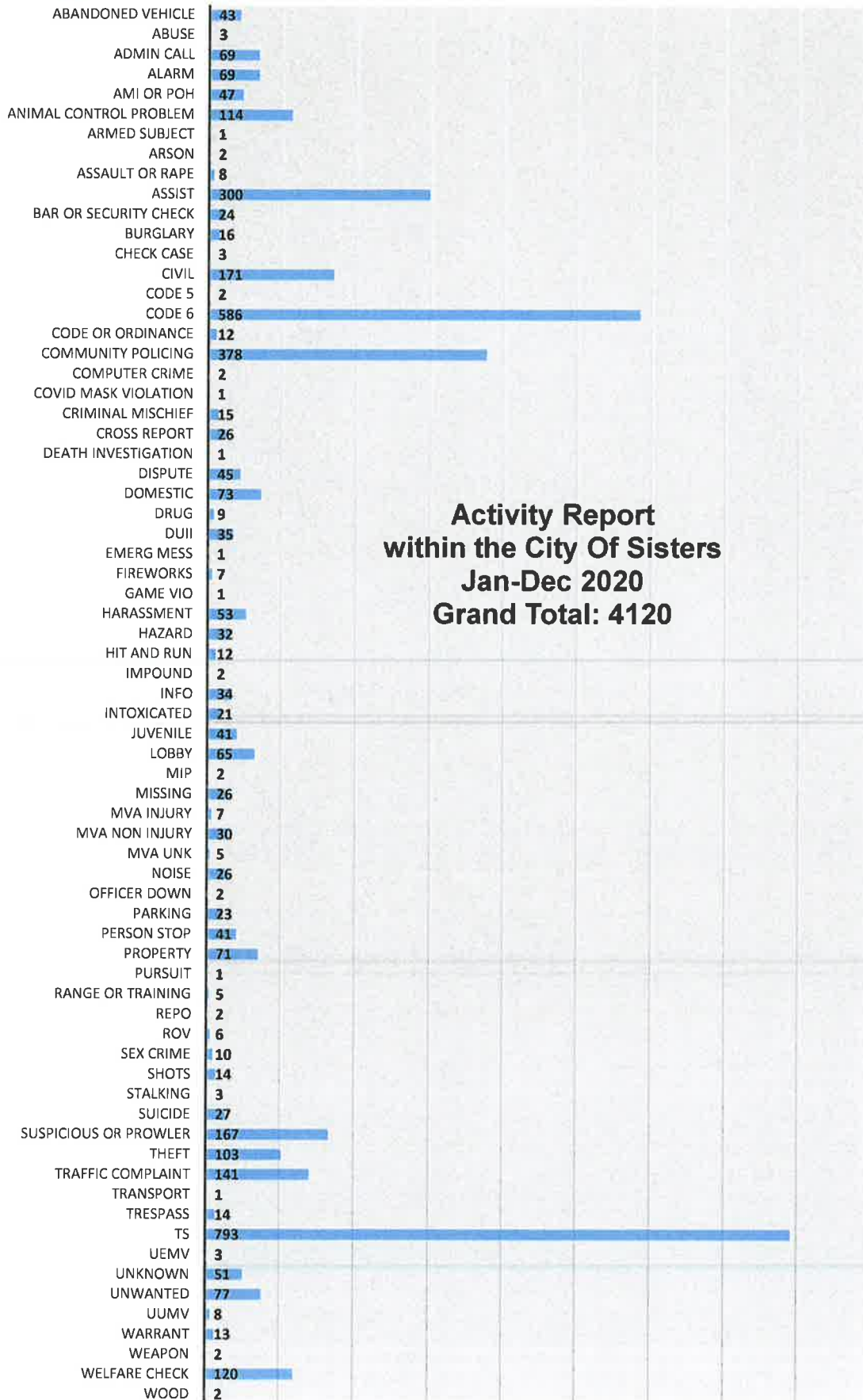


DESCHUTES COUNTY SHERIFFS OFFICE OREGON





DESCHUTES COUNTY SHERIFFS OFFICE OREGON



**Activity Report
within the City Of Sisters
Jan-Dec 2020
Grand Total: 4120**

KEY FOR ACTIVITY

Call Type	Description
Abandoned Vehicle	Complaint of an abandoned vehicle
Abuse	Child/Elderly abuse
Admin Call	A meeting or other administrative tasks/duties
Alarm	Alarm activated at a business or home
AMI or POH	Allegedly mentally ill subject or Peace officer hold
Animal Control Problem	Animal related issue (e.g., dog at large/barking/bite, livestock)
Armed Subject	Person allegedly armed with a weapon
Arson	A fire/arsion investigation
Assault or Rape	A call regarding physical or sexual assault
Assist	Assist to a citizen or another public agency
Bar or Security Check	Deputy checks on a business - usually to ensure the business is secure/locked
Burglary	A break-in at a residential or commercial building
Check Case	Call regarding a check fraud
Civil	Civil problem or serving of civil documents
Code 5	Surveillance
Code 6	Follow-up on a previous call or report. Deputy may initiate or involved person may initiate
Code or Ordinance	Local code or ordinance violation
Community Policing	Deputy self-initiates making a community contact with a citizen or business
Computer Crime	A report of a crime involving a computer or the Internet
COVID Mask Violation	A call regarding a person or business violating COVID mask regulations
Criminal Mischief	Vandalism
Dispute	A call regarding verbal or physical argument or disturbance between persons
Domestic	A call regarding verbal or physical dispute between household members
Drug	A call regarding drugs or medication disposal
DUII	Driving under the influence of intoxicants
Emerg Mess	Delivery of an emergency message to a citizen (e.g, death notification)
Fireworks	Fireworks complaint
Game Vio	A call regarding violation of wildlife laws
Harassment	Verbal harassment or offensive physical contact between persons
Hazard	A traffic or physical hazard, usually in a roadway or public place
Hit and Run	Property damage or physical injury to a person by a vehicle that has fled the area
Impound	A vehicle is impounded either for a traffic violation(s) or as evidence
Info	A call reporting information only, no reported crime
Intoxicated	A call about an intoxicated subject
Juvenile	A call involving juveniles, usually minor criminal activity
Kidnap	A report of a person taken against their will or child taken without authorization
Lobby	In-person service at the Sisters substation
MIP	Minor in possession of alcohol or controlled substance
Missing	A report of a missing person
MVA Injury	Motor vehicle accident, with apparent injury
MVA Non Injury	Motor vehicle accident, non-injury
MVA UNK	A call reporting a motor vehicle accident, unknown if there is an injury
Noise	Noise complaint
Officer Down	Officer down/needs assistance
Parking	Parking complaint
Person Stop	Deputy stops a person on foot for an interview or a mere contact of a person on foot
Property	Found or lost property
Pursuit	Subject fleeing law enforcement by vehicle or on foot
Range or Training	Deputy goes to the shooting range and/or has training
REPO	Repossessed vehicle
ROV	A call reporting a restraining order violation

Sex Crime	A call reporting sexual abuse or assault to a minor or an adult
Shots	A call regarding gunshots being heard or seen
Stalking	A call regarding a person stalking another person
Suicide/Suicidal Subject	A call reporting a suicidal subject
Suspicious or Prowler	Suspicious circumstances or a reported prowler
Theft	A call reporting the theft of property
Traffic Complaint	A complaint about illegal or hazardous driving
Transport	Deputy transports a subject
Trespass	A call regarding a person who is not authorized to be on a business/residential property
TS	Traffic stop, deputy self-initiates
UEMV	Unauthorized entry of motor vehicle
Unknown	A call regarding an unknown problem, which could be a 911 hang up call
Unwanted	Unwanted subject
UUMV	Unauthorized use of motor vehicle
Warrant	Deputy makes an arrest on a subject with a court issued warrant
Weapon	A complaint about the unlawful use of a weapon
Welfare Check	Deputy checks the welfare of a citizen, usually at a residence.
Wood	Complaint of possible wood cutting violation



Offense Definitions

The Uniform Crime Reporting (UCR) Program divides offenses into two groups, Part I and Part II crimes, in its Summary Reporting System. Each month, participating law enforcement agencies submit information on the number of Part I offenses that become known to them; those offenses cleared by arrest or exceptional means; and the age, sex, and race of persons arrested for each of the offenses. Contributors provide only arrest data for Part II offenses.

The UCR Program collects data about **Part I** offenses in order to measure the level and scope of crime occurring throughout the nation. The program's founders chose these offenses because they are serious crimes, they occur with regularity in all areas of the country, and they are likely to be reported to the police. The **Part I** offenses are:

Criminal homicide—a.) Murder and nonnegligent manslaughter: the willful (nonnegligent) killing of one human being by another. Deaths caused by negligence, attempts to kill, assaults to kill, suicides, and accidental deaths are excluded. The program classifies justifiable homicides separately and limits the definition to: (1) the killing of a felon by a law enforcement officer in the line of duty; or (2) the killing of a felon, during the commission of a felony, by a private citizen. b.) Manslaughter by negligence: the killing of another person through gross negligence. Deaths of persons due to their own negligence, accidental deaths not resulting from gross negligence, and traffic fatalities are not included in the category manslaughter by negligence.

Rape—The penetration, no matter how slight, of the vagina or anus with any body part or object, or oral penetration by a sex organ of another person, without the consent of the victim.

Robbery—The taking or attempting to take anything of value from the care, custody, or control of a person or persons by force or threat of force or violence and/or by putting the victim in fear.

Aggravated assault—An unlawful attack by one person upon another for the purpose of inflicting severe or aggravated bodily injury. This type of assault usually is

accompanied by the use of a weapon or by means likely to produce death or great bodily harm. Simple assaults are excluded.

Burglary (breaking or entering)—The unlawful entry of a structure to commit a felony or a theft. Attempted forcible entry is included.

Larceny-theft (except motor vehicle theft)—The unlawful taking, carrying, leading, or riding away of property from the possession or constructive possession of another. Examples are thefts of bicycles, motor vehicle parts and accessories, shoplifting, pocket-picking, or the stealing of any property or article that is not taken by force and violence or by fraud. Attempted larcenies are included. Embezzlement, confidence games, forgery, check fraud, etc., are excluded.

Motor vehicle theft—The theft or attempted theft of a motor vehicle. A motor vehicle is self-propelled and runs on land surface and not on rails. Motorboats, construction equipment, airplanes, and farming equipment are specifically excluded from this category.

Arson—Any willful or malicious burning or attempt to burn, with or without intent to defraud, a dwelling house, public building, motor vehicle or aircraft, personal property of another, etc.

Human trafficking, commercial sex acts—Inducing a person by force, fraud, or coercion to participate in commercial sex acts, or in which the person induced to perform such act(s) has not attained 18 years of age.

Human trafficking, involuntary servitude—The obtaining of a person(s) through recruitment, harboring, transportation, or provision, and subjecting such persons by force, fraud, or coercion into involuntary servitude, peonage, debt bondage, or slavery (not to include commercial sex acts).

The **Part II** offenses, for which only arrest data are collected, are:

Other assaults (simple)—Assaults and attempted assaults where no weapon was used or no serious or aggravated injury resulted to the victim. Stalking, intimidation, coercion, and hazing are included.

Forgery and counterfeiting—The altering, copying, or imitating of something, without authority or right, with the intent to deceive or defraud by passing the copy or thing altered or imitated as that which is original or genuine; or the selling, buying, or possession of an altered, copied, or imitated thing with the intent to deceive or defraud. Attempts are included.

Fraud—The intentional perversion of the truth for the purpose of inducing another person or other entity in reliance upon it to part with something of value or to surrender a legal right. Fraudulent conversion, obtaining of money or property by false pretenses, confidence games, and bad checks, except forgeries and counterfeiting, are included.

Embezzlement—The unlawful misappropriation or misapplication by an offender to his/her own use or purpose of money, property, or some other thing of value entrusted to his/her care, custody, or control.

Stolen property: buying, receiving, possessing—Buying, receiving, possessing, selling, concealing, or transporting any property with the knowledge that it has been unlawfully taken, as by burglary, embezzlement, fraud, larceny, robbery, etc. Attempts are included.

Vandalism—To willfully or maliciously destroy, injure, disfigure, or deface any public or private property, real or personal, without the consent of the owner or person having custody or control by cutting, tearing, breaking, marking, painting, drawing, covering with filth, or any other such means as may be specified by local law. Attempts are included.

Weapons: carrying, possessing, etc.—The violation of laws or ordinances prohibiting the manufacture, sale, purchase, transportation, possession, concealment, or use of firearms, cutting instruments, explosives, incendiary devices, or other deadly weapons. Attempts are included.

Prostitution and commercialized vice—The unlawful promotion of or participation in sexual activities for profit.

Sex offenses (except rape, prostitution, and commercialized vice)—Offenses against chastity, common decency, morals, and the like.

Drug abuse violations—The violation of laws prohibiting the production, distribution, and/or use of certain controlled substances. The unlawful cultivation, manufacture, distribution, sale, purchase, use, possession, transportation, or importation of any controlled drug or narcotic substance. Arrests for violations of state and local laws, specifically those relating to the unlawful possession, sale, use, growing, manufacturing, and making of narcotic drugs. The following drug categories are specified: opium or cocaine and their derivatives (morphine, heroin, codeine); marijuana; synthetic narcotics—manufactured narcotics that can cause true addiction (Demerol, methadone); and dangerous nonnarcotic drugs (barbiturates, Benzedrine).

Gambling—To unlawfully bet or wager money or something else of value; assist, promote, or operate a game of chance for money or some other stake; possess or transmit wagering information; manufacture, sell, purchase, possess, or transport gambling equipment, devices, or goods; or tamper with the outcome of a sporting event or contest to gain a gambling advantage.

Offenses against the family and children—Unlawful nonviolent acts by a family member (or legal guardian) that threaten the physical, mental, or economic well-being or morals of another family member and that are not classifiable as other offenses, such as assault or sex offenses. Attempts are included.

Driving under the influence—Driving or operating a motor vehicle or common carrier while mentally or physically impaired as the result of consuming an alcoholic beverage or using a drug or narcotic.

Liquor laws—The violation of state or local laws or ordinances prohibiting the manufacture, sale, purchase, transportation, possession, or use of alcoholic beverages, not including driving under the influence and drunkenness. Federal violations are excluded.

Drunkenness—To drink alcoholic beverages to the extent that one's mental faculties and physical coordination are substantially impaired. Driving under the influence is excluded.

Disorderly conduct—Any behavior that tends to disturb the public peace or decorum, scandalize the community, or shock the public sense of morality.

Vagrancy—The violation of a court order, regulation, ordinance, or law requiring the withdrawal of persons from the streets or other specified areas; prohibiting persons from remaining in an area or place in an idle or aimless manner; or prohibiting persons from going from place to place without visible means of support.

All other offenses—All violations of state or local laws not specifically identified as Part I or Part II offenses, except traffic violations.

Suspicion—Arrested for no specific offense and released without formal charges being placed.

Curfew and loitering laws (persons under age 18)—Violations by juveniles of local curfew or loitering ordinances.



2023 City Council Annual Report



We have done a comparison of statistics from 2022 and 2023 using our reporting to the FBI on Part I and Part II crimes and for self-initiated activity





2022 CASE REPORTS WITHIN CITY - GRAND TOTAL: 139

Month	Theft	Burglary	Restraining Order	Sex Crimes	Vandalism
January	4	0	0	1	1
February	5	1	0	0	1
March	10	0	0	1	1
April	1	0	1	1	4
May	2	1	0	1	3
June	3	0	0	0	5
July	4	1	0	0	2
August	2	0	0	1	2
September	4	0	0	1	0
October	4	0	0	1	0
November	4	0	0	0	2
December	1	0	3	1	1
Total	44	3	4	8	22
Month	DUII	Hit and Run	Mental Health Calls	Assaults	Vehicle Crimes
January	0	2	1	1	0
February	2	0	0	0	1
March	1	2	0	0	0
April	0	0	1	0	0
May	0	0	1	0	0
June	1	2	0	1	2
July	2	1	3	1	2
August	1	0	1	2	1
September	1	1	1	0	1
October	1	3	3	0	2
November	2	1	3	1	1
December	0	1	2	2	0
Total	11	13	16	8	10



2022 SELF INITIATED ACTIVITY - GRAND TOTAL: 4,098

Month	Traffic Stops	Written Warnings	Criminal Citations	Traffic Citations	Violation Citations
January	162	34	4	34	3
February	143	56	10	37	1
March	102	49	4	22	0
April	103	23	11	38	2
May	114	27	4	33	2
June	131	22	2	36	2
July	86	18	3	17	1
August	73	20	2	17	1
September	113	44	3	22	1
October	101	21	4	28	0
November	121	26	1	25	1
December	102	26	4	17	0
Total	1351	376	52	326	52
Month	Arrests	Security Check	Community Policing	Lobby Contact	Warrant Arrests
January	9	84	73	17	4
February	12	54	88	10	3
March	11	54	38	22	2
April	14	23	56	20	4
May	4	47	87	8	2
June	7	27	90	21	4
July	12	26	52	11	3
August	12	35	59	24	3
September	10	82	118	7	3
October	12	75	136	15	7
November	13	54	57	17	5
December	8	113	64	13	0
Total	124	674	918	185	40



2023 CASE REPORTS - GRAND TOTAL: 170

Month	Theft	Burglary	Restraining Order	Sex Crimes	Vandalism
January	2	1	0	0	2
February	1	0	1	0	3
March	3	1	0	0	3
April	2	1	2	0	2
May	10	0	1	2	6
June	9	0	0	1	2
July	3	0	0	0	3
August	8	0	3	0	0
September	8	0	3	0	2
October	6	0	3	2	4
November	2	0	1	2	0
December	5	1	1	1	0
Total	59	4	15	8	27
Month	DUII	Hit and Run	Mental Health Calls	Assaults	Vehicle Crimes
January	1	2	0	2	1
February	1	1	1	1	1
March	1	3	0	0	0
April	1	0	2	1	1
May	1	0	2	0	3
June	4	1	0	0	2
July	1	0	1	1	0
August	2	2	2	0	1
September	2	1	0	1	1
October	4	1	0	1	0
November	0	1	1	1	0
December	0	0	0	0	0
Total	18	12	9	8	10

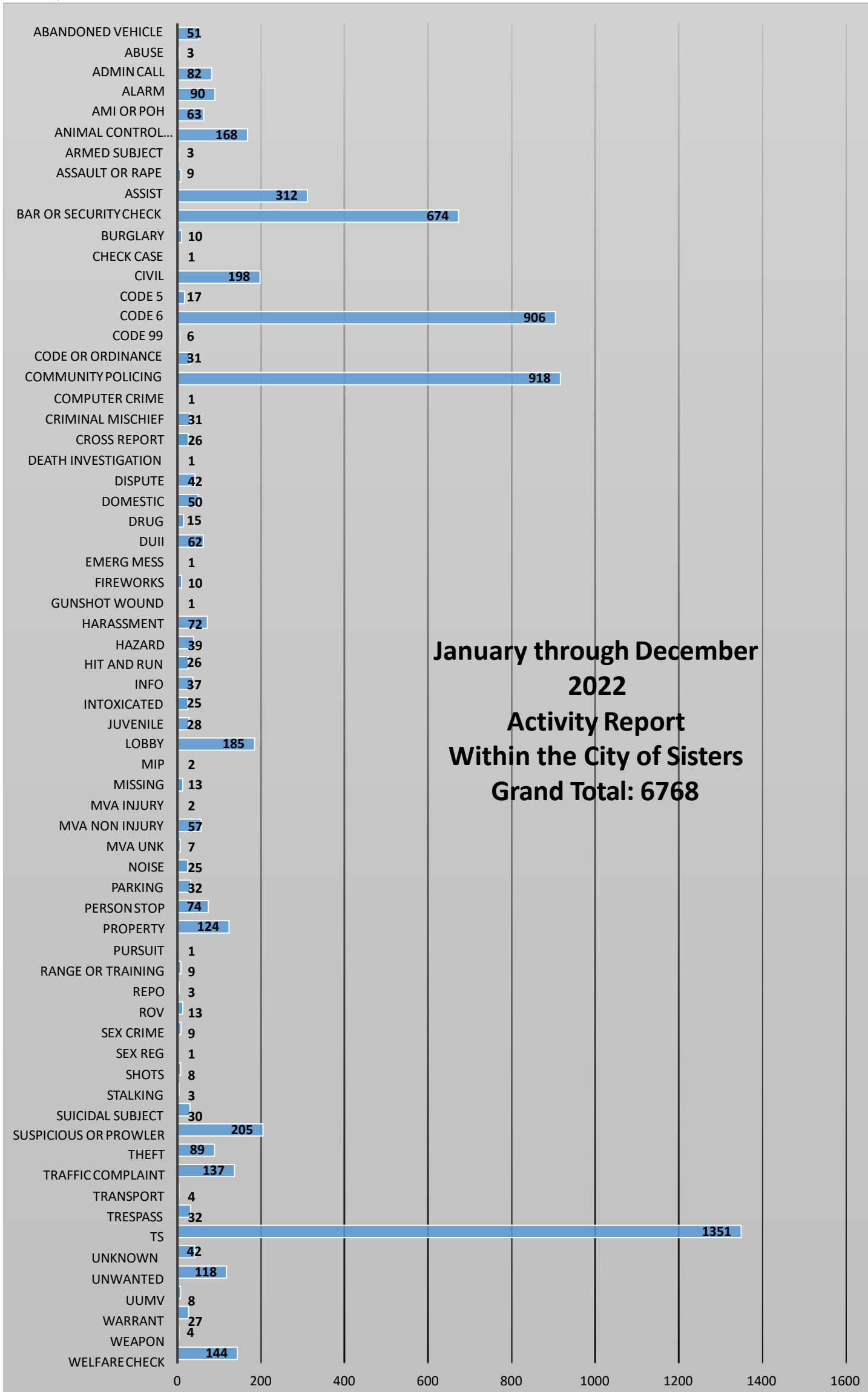


2023 SELF INITIATED ACTIVITY - GRAND TOTAL: 4,505

Month	Traffic Stops	Written Warnings	Criminal Citations	Traffic Citations	Violation Citations
January	149	34	5	22	0
February	122	30	2	24	0
March	170	39	4	34	3
April	147	39	1	38	2
May	67	11	2	15	2
June	146	20	4	22	6
July	94	6	4	22	0
August	40	2	3	12	0
September	135	27	7	20	2
October	96	18	6	21	0
November	67	14	0	11	0
December	84	20	3	23	0
Total	1317	260	41	264	15
Month	Arrests	Security Check	Community Policing	Lobby Contact	Warrant Arrests
January	11	50	109	18	4
February	7	61	119	15	1
March	7	58	197	23	0
April	9	90	166	14	1
May	8	60	134	20	4
June	14	52	137	14	4
July	9	43	70	9	5
August	13	62	75	15	5
September	11	46	184	15	0
October	12	42	159	27	2
November	6	51	96	11	0
December	7	105	96	22	3
Total	114	720	1542	203	29

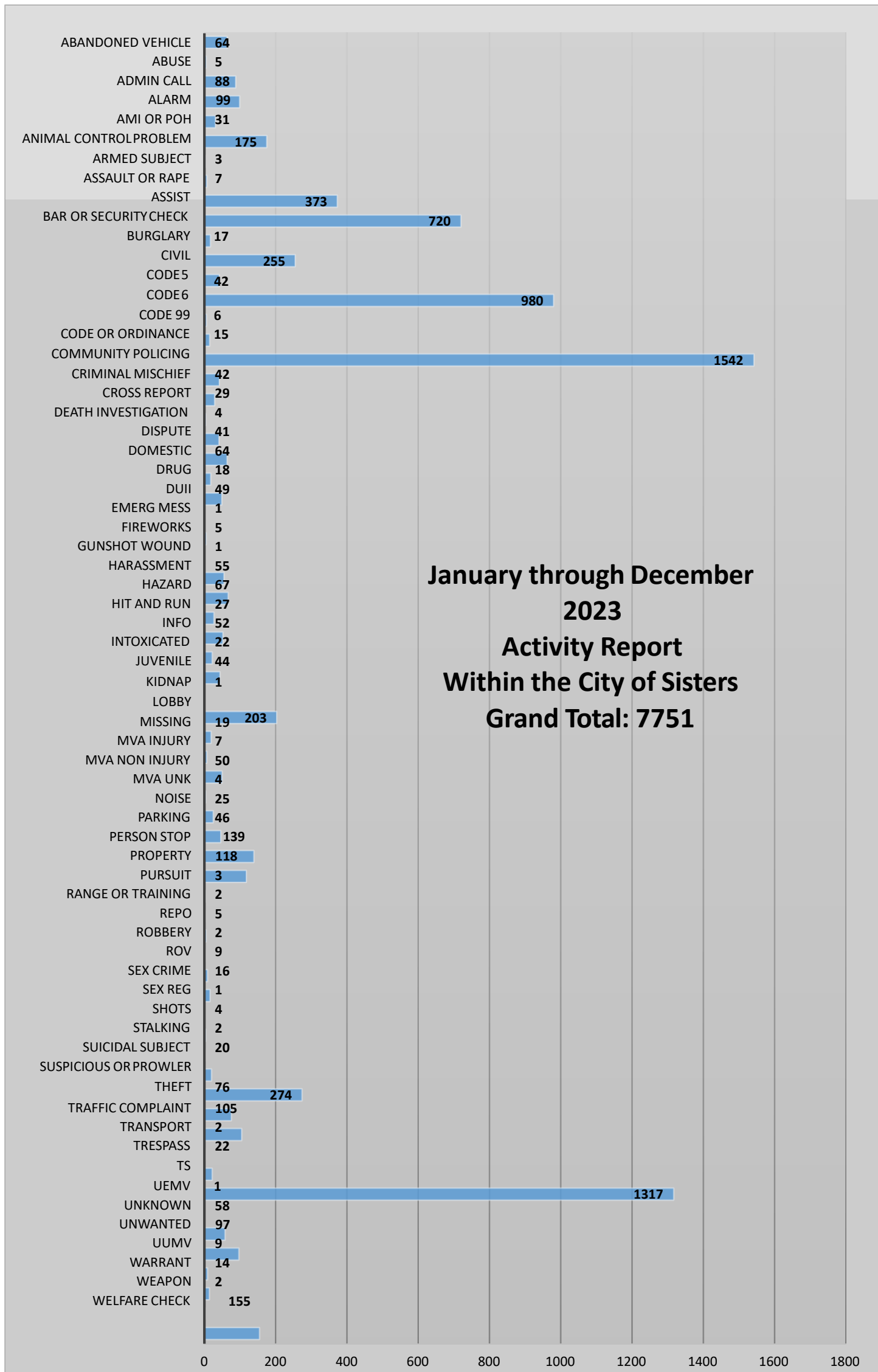


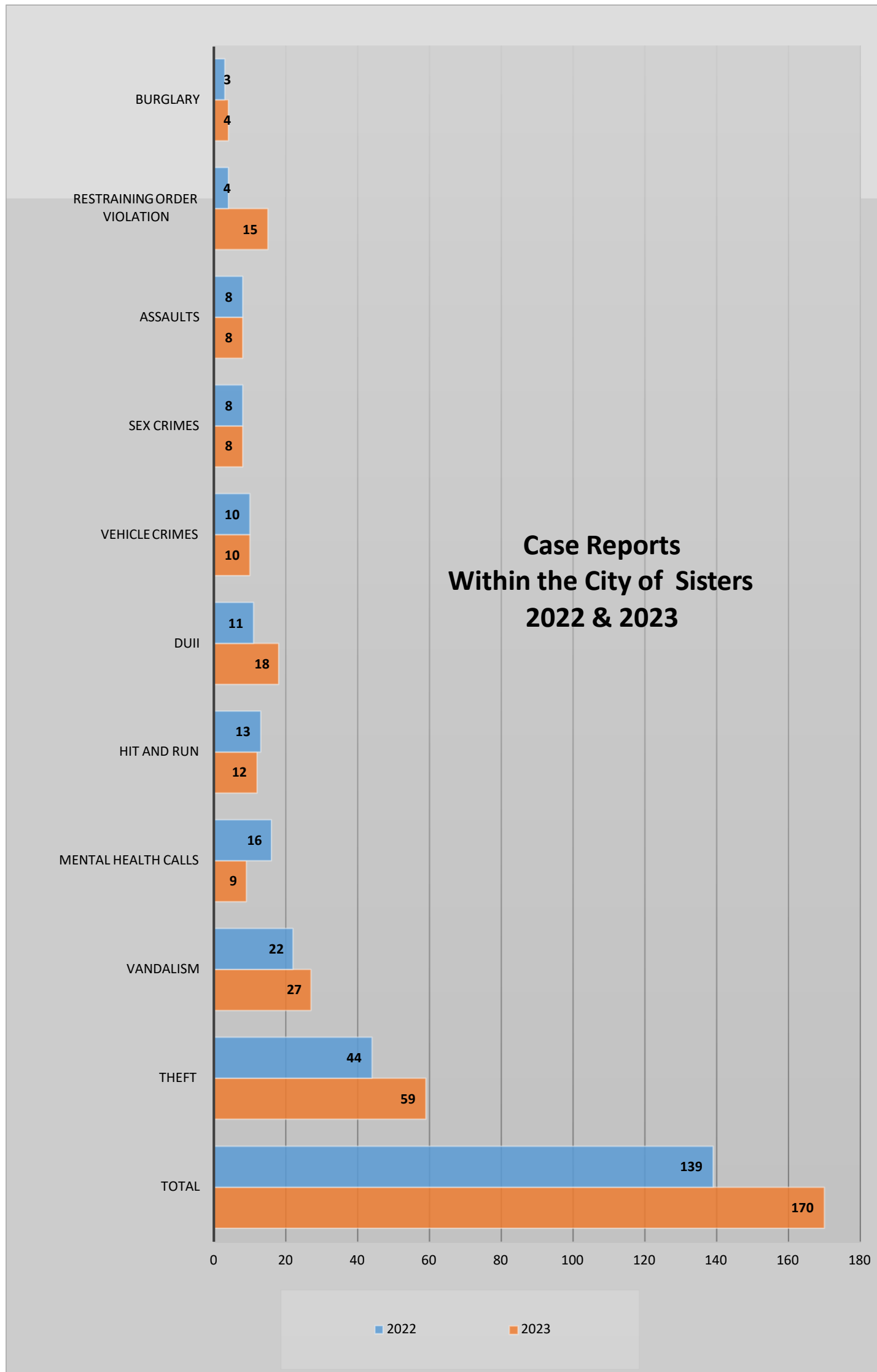
DESCHUTES COUNTY SHERIFFS OFFICE OREGON





DESCHUTES COUNTY SHERIFFS OFFICE OREGON

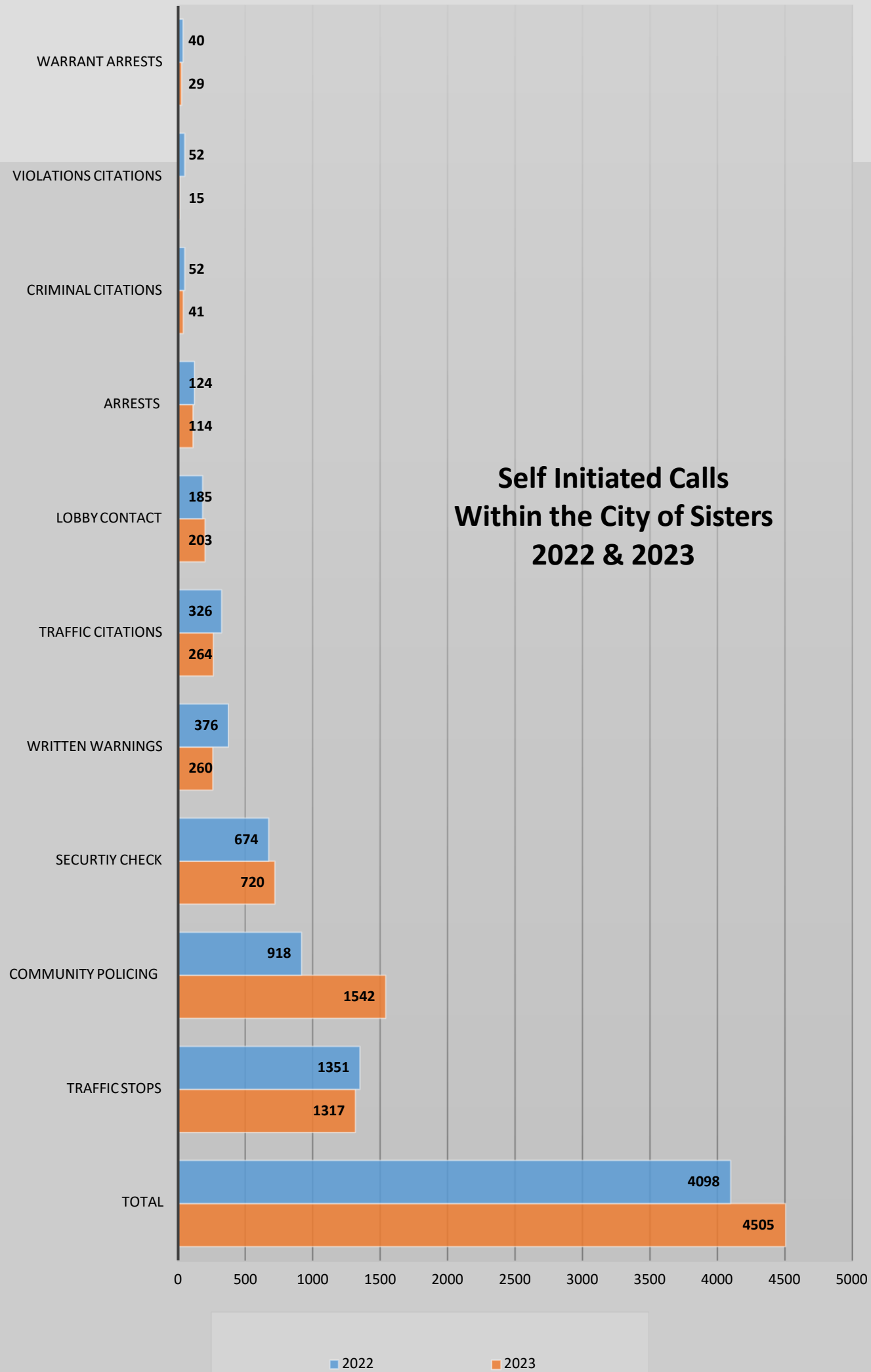






DESCHUTES COUNTY SHERIFFS OFFICE OREGON

Self Initiated Calls Within the City of Sisters 2022 & 2023





In summary, we handled 31 more cases/ investigations in 2023 vs 2022.

We had over 400 more self initiated incidents in 2023 than in 2022.

Thefts and Vandalism (Property crimes are the most common)

Person crimes (Assaults and sex crimes) are the least common.

Overall, Sisters is a safe community, however we experience the same types of crimes as other communities, just in less frequency.

- Any questions??





Meeting Date: February 28, 2024

Staff: Woodford, Bertagna

Type: City Council Workshop

Depts: CDD, PW

Subject: Parks System Development Charges (SDC's) and Level of Service (LOS)

Action Requested: Feedback from the City Council on the proposal to update the methodology for Parks SDC's and consideration of an increase in the LOS parks standard in Sisters.

Background:

- The Parks Master Plan (PMP) for Sisters was updated last year and is a 20-year plan to ensure that parks facilities are constructed commensurate with community desires and population growth projections.
- The PMP includes a Capital Improvement Plan with a list of improvements and costs that are needed so that parks and open space facilities in Sisters keep pace with growth. Park improvements are typically funded through SDC's, which are fees charged to new development to ensure growth pays for its impacts. Grants, bonds, and partnerships are also ways to pay for parks.
- By law, SDC's can only pay for improvements that create future capacity and cannot be used to fix existing deficiencies.
- Typically, SDC rates are examined upon updates of an PMP update to ensure that the rates are appropriate to provide adequate funding for the park improvements contemplated in the PMP.
- The City has retained Donovan Enterprises LLC to help conduct that process, which will culminate with City Council review and consideration of approval of SDC rate changes. At the work session, the consultant will provide a presentation (attached in Exhibit A) and answer questions.

Summary Points:

- It is expected that current SDC rates would generate only \$2.7 million over 20 years – not enough to pay for the CIP projects in the PMP (approximately \$14.3 million).
- Another factor to consider is the City's Level of Service (LOS) goals for park land. LOS is an industry standard benchmark for how well a community is providing park space for its citizens. The updated PMP noted that our current LOS is on the low side (2.04 acres/1,000 people currently) compared to other similarly sized towns and, perhaps, not in keeping with community desires. Consequently, the PMP recommends increasing the LOS to 5 acres/1,000 residents.
- According to the National Recreation and Parks Association website, "the typical park and recreation agency offers one park for every 2,287 residents served or 10.8 acres of parkland per 1,000 residents." It does note, though, that park and recreation agencies are as diverse as the communities they serve, and what works well for one



agency may not be best for another agency. “Therefore, you need benchmark data to identify the best practices to serve your community optimally.”

- If we increase the LOS target to 5 acres per 1,000 residents, the city will need to develop about 26 acres of additional park land over the next 20 years. Raising the LOS would make Sisters immediately “parks deficient”. In other words, we wouldn’t have enough park land to meet the needs of our current population.
- Because Sisters would be deficient and SDC’s can only pay for future capacity and not for existing deficiencies, 55% of the parks needed by 2042 will not be able to be funded with SDC’s and will therefore have to be funded with other sources. That leaves 45% of the 20-year CIP that will be SDC-eligible. If we do raise the LOS, we will need to determine how we will fund the 55% of parks that are not SDC-eligible.
- If the City were to raise the Parks SDC rates to fund the 55% of SDC eligible parks, the rate would increase from the current rate of \$1,193 to \$3,676 for a single-family home (less than what Prineville, Redmond, and Bend charge).

CPAB Feedback:

- At its February 6, 2024, meeting, staff presented this proposal to the City Parks Advisory Board, as it is their role to advise City Council on parks matters.
- CPAB feedback:
 - Support for the increase in the LOS to 5 acres/1,000 residents because of the strong desire for quality parks and the need to catch up from having many years of a lower LOS.
 - Felt the City should be able to make up the parkland deficiency through use of its existing lands (e.g. Lazy Z, Creekside Park, recreation space at the old elementary school, and with future UGB expansions).
 - Asked if we could phase the rate increase in? Yes, Council could decide that, but the longer we wait to phase it in, the less SDC revenue would be collected.
 - No strong concerns were raised about the amount of SDC increase.

Fiscal Impact:

- The fiscal impact is both to builders and future homeowners in terms of increased SDC fees that will need to be paid at time of building permit and to the City in terms of how much revenue will be collected to ensure that the parks facilities the community has requested in the PMP can be adequately funded.

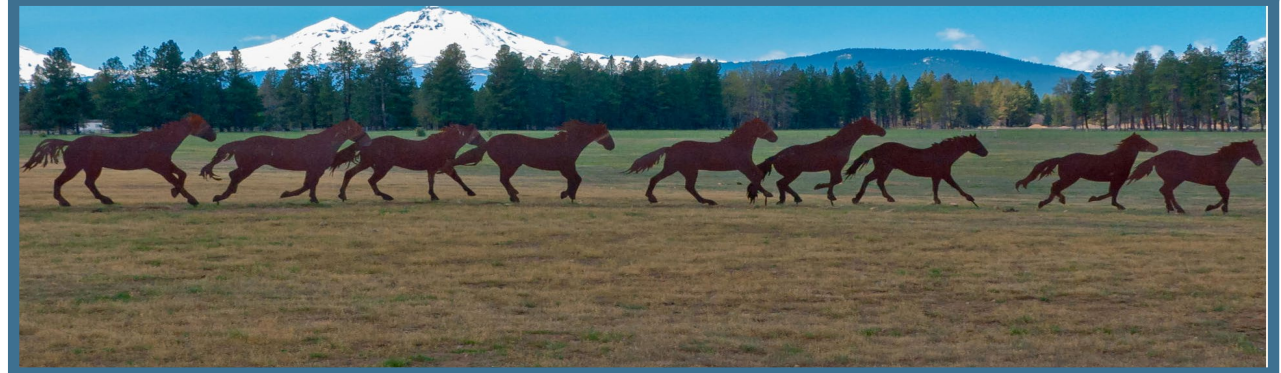
Attachments:

Exhibit A – Parks SDC Power Point Presentation



City Parks Advisory Board
Parks SDC Methodology Update
Presentation

February 7, 2024





Agenda ...

- History and background of parks SDCs
- Policy issues concerning SDCs
- 2023 Parks Master Plan Capital Improvement Plan
- Specific details of the analysis
- Forecast of single-family Parks SDC
- Parks SDCs in neighboring communities
- Next Steps



History

- Current parks SDC methodology adopted in 2011 and updated in 2016 via Parks Master Plan Update
- Estimated population in 2016 ~2,315
- Total 2016 Parks 20-year Master Plan CIP \$2,004,634



2024

- New Parks Master Plan adopted by the City Council on April 12, 2023 (Ordinance 527)
- Estimated population in 2023 ~3,778
- Total 2023 Parks 20-year Master Plan CIP \$14,362,156
- Recommended level of service 5 acres of parkland per 1k of population



SDC methodology

- Level of Service (LOS) is the guiding force in the calculation of the parks SDCs
- By current LOS standards, Sisters is "park deficient"; no capacity in the existing system to serve growth
- SDC will be based on planned future project costs



Who Pays SDCs

- New Development
- Charged at time of permit issuance
- Consists of three components:
 - Reimbursement fee
 - Improvement fee
 - Compliance fee

Use of SDCs

- SDCs are “restricted revenues” under Oregon budget law
- Cannot be spent on operations or maintenance
- Must be spent on capacity expanding capital expenditures
- Annual reporting required on receipts, expenditures, and cash balances

Policy Issues Concerning SDCs

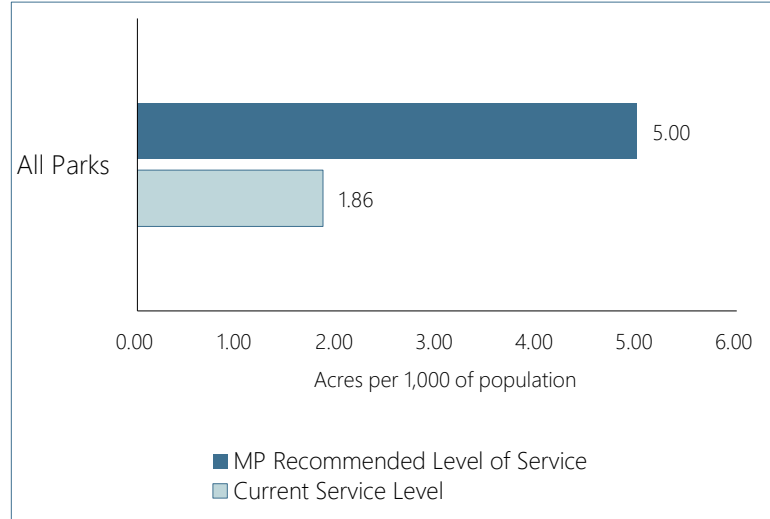
- SDCs have an impact on how and when development occurs
- The City Council must strike a balance
 - Growth pays for growth
 - Attract smart growth and living wage jobs

Project ID	Project Title	Description	Size (Acres)	Cost
E1	Harold & Dorothy Barclay Park	Generally improve circulation, paving, and access. Replace drive lane and parking south of restrooms with decorative paving. Improve site furnishings and power access.	0.44	\$ 664,000
E2	Fir Street Park	None recommended at this time	0.31	-
E3	Cliff Clemens Park	Install tree planting for shade, bike furnishings, picnic shelter, children's splash pad, and improve parking lot/parking diet.	2.28	432,400
E4	Creekside Park	Upgrade power service and path lighting, improve parking and lighting at Jefferson Street, improve entry planting, add creek interpretive signage, and install bike furnishings.	2.65	269,800
E5	Village Green	Install an accessible path to provide wheelchair access to the gazebo.	1.32	2,600
E6	Creekside Campground	Install additional ADA campsites, Standard RV campsites, power access, a picnic shelter, cooking grill and bike furnishings.	8.05	378,100
E7	Wild Stallion Park	Install bike furnishing. Construct an additional concrete art pedestal/footing and art sculpture.	0.02	11,107
E8	Creekside Park Eastward Expansion	Install RV sewer waste station and swings at the playground.	4.05	141,300
E9	Future Northwest Park	Conduct a feasibility study, design, and construct an open-air pavilion with an enclosed support building, parking lot to serve park development requirements, site circulation paths and lighting, plazas, and general landscape improvements.	2.82	10,375,778
E10	Sun Ranch Park	Design and install a children's playground, paved walking path loop, path lighting, tree and shrub planting, and irrigation.	0.50	92,100
E11	East Portal	Construct a network of accessible asphalt trails.	2.50	25,700
E12	Lazy Z Ranch Open Space	Install soft surface trails, trailhead kiosk, bench furnishings, asphalt frontage road, parking lot, and stormwater swale.	16.50	375,300
N1	Unsite: Pickleball Court Complex	Conduct a feasibility study for pickleball courts including recommended quantity of courts. Install Courts, fencing, plaza and circulation pavements and restroom building, and soft surface trail loop path.	-	1,072,383
N2	Unsite: Pickleball Court (2 courts only)	A 2 court pickleball court, placed on existing park land.	-	110,900
N3	Unsite: Dog Park	Install picnic structure, fence in dog park area with signage and furnishings.	-	205,888
N6	Wildlife Observation Areas	Install decorative paving and bench with interpretive signage. 4 locations.	-	107,400
S2.9	Whychus Creek Access	Install similar water access steps at Creekside Park for accessing the creek.	-	97,400
			41.44	\$ 14,362,156



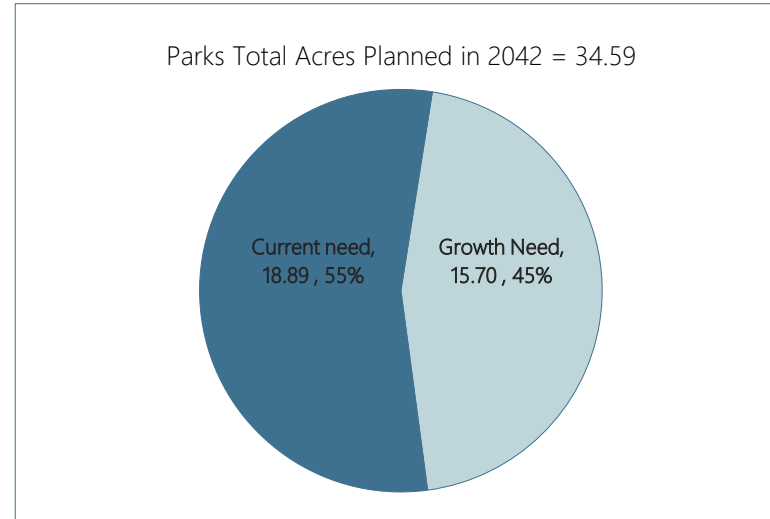
Reimbursement Fee

- No capacity in the current park system
- LOS analysis:
 - 1.86 acres/ 1,000 now
 - 5.00 acres/ 1,000 required



Improvement Fee

- 45.38% of 2023 20-year CIP is SDC-eligible based on LOS analysis
- 54.62% of 2023 20-year CIP must be funded from other sources



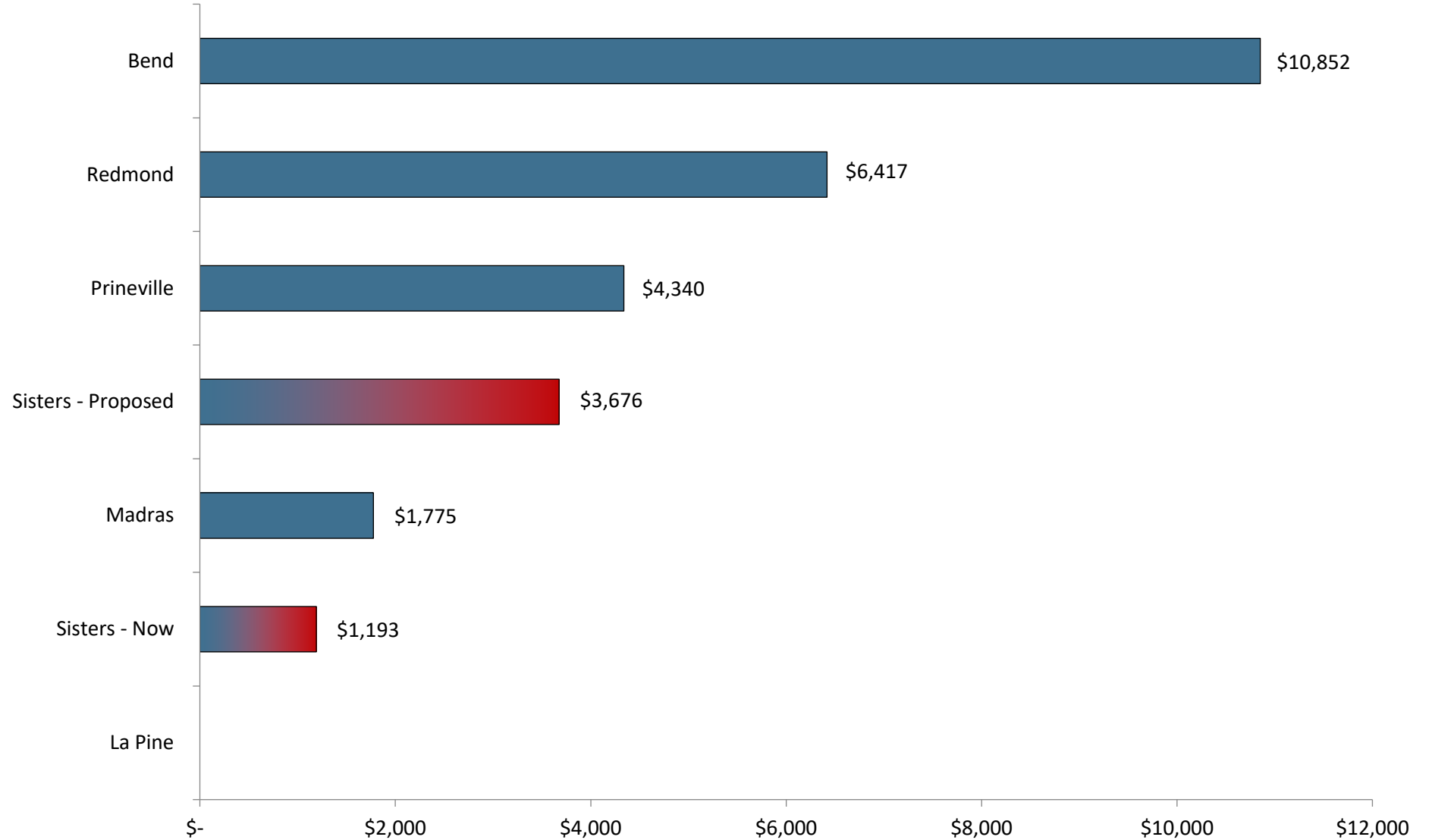


Parks SDC Components - Single-Family	Proposed		Current		Difference
Reimbursement fee	\$	-	\$	-	\$ -
Improvement fee		3,501		1,193	2,308
Compliance fee		175		-	175
Total parks SDC	\$	3,676	\$	1,193	\$ 2,483

Customer Classification	Number of Dwelling Units	Proposed Schedule of Parks SDCs				Total
		Reimbursement	Improvement	Compliance		
Detached single family	1	\$ -	\$ 3,501	\$ 175		\$ 3,676
Mobil/manufactured home	1	-	3,501	175		3,676
Multifamily - \$/dwelling unit		-	1,819	91		1,910
Duplex	2	-	3,638	182		3,820
Tri-plex	3	-	5,458	273		5,730
Four-plex	4	-	7,277	364		7,641
Apartment complex	*	*	*			*
Condominium complex	*	*	*			*
Retirement/Assisted Living complex	*	*	*			*
Business - \$/FTE Employee		\$ -	\$ -	\$ -	\$ -	\$ -

* - multiply the number of dwelling units by the corresponding detached multi-family per dwelling unit fee component

Neighboring Communities' System Development Charges - Parks SFR December, 2023



DISCUSSION





CITY COUNCIL Staff Report

Meeting Date: February 28, 2024
Type: City Council Meeting
Subject: City Council Meeting Minutes

Staff: Rebecca Green
Dept: Administration

Consent Agenda: Approve the minutes from the February 6, 2024 Goal Setting meeting; the February 14, 2024 City Council Workshop and the February 14, 2024 City Council meeting.

Summary Points:

- Approve the minutes from the February 6, 2024 Goal Setting meeting; the February 14, 2024 City Council Workshop and the February 14, 2024 City Council meeting.

Financial Impact: None.

Attachments:

- 1- February 6, 2024, Goal Setting meeting
- 2- February 14, 2024, City Council Workshop
- 3- February 14, 2024, City Council meeting

MEMBERS PRESENT

Michael Preedin Mayor
Andrea Blum Council President
Jennifer Letz Councilor
Susan Cobb Councilor
Gary Ross Councilor

STAFF PRESENT:

Jordan Wheeler City Manager
Kerry Prosser Assistant City Mgr.
Joe O'Neill Finance Director
Paul Bertagna PW Director
Scott Woodford CDD Director
Rebecca Green Deputy Recorder

The meeting recording is available here:

<https://www.ci.sisters.or.us/bc-citycouncil/page/city-council-workshop-goal-setting-0>

1. A roll call was taken, and a quorum was established.

2. Overview of the Agenda

City Manager Wheeler provided an overview of the Goal Setting Workshop agenda.

3. Review Goal Setting Process

City Manager Wheeler explained that the goals set at this meeting were goals to be worked on for the 2024/2025 fiscal year starting in July, but that many goals are continuing efforts. These goals help set direction for staff for the coming year. Some goals discussed will be captured as future goals for the next 3-5 years.

4. Review Public Input from Open House & Online Survey

City Manager Wheeler opened the discussion on the feedback received from the public. Council President Blum brought up the idea of deepening partnerships with Sister Parks and Recreation District (SPRD), and the school district to coordinate the current and potential future park amenities. Council discussed with whom and what upcoming community projects there might be opportunity for information sharing and collaboration.

Mayor Preedin pointed out a persistent theme from the survey was the small town feel of the community and how that should be maintained by the city.

Council discussed other aspects of the survey including bike and pedestrian issues, public art, and the overlap and distinctions between what the city does versus other organizations.

5. Project Updates and Goal Input from Department Directors / City Councilor Goals Ideas and Discussion

Council reviewed the overarching goals in each of the five categories as outlined:

HOUSING, LIVABILITY, AND GROWTH

Council updated and clarified with more detail each of the items listed, including:

- Continue to process an Urban Growth Boundary (UGB) Amendment with a priority of community outreach. Added update the city's annexation criteria in advance of any expansion of the City's UGB.

Combined two goals, to read:

- Continue to pursue resources and partnerships for the development of affordable and workforce housing and investigate the feasibility of additional permanent funding sources for leveraging affordable and workforce housing projects such as a construction excise tax and non-primary residence home fees.

WILDFIRE MITIGATION AND COMMUNITY RESILIENCY

Council updated and clarified with more detail the items listed, including:

- Continue partnership with Sisters-Camp Sherman Fire District and other agency partners to improve public awareness and distribute information about wildfire preparedness, including emergency evacuation, and mitigation. Added emergency evacuation to the goal.

Added the following item:

- Facilitate and encourage the undergrounding of electric and telecom utilities as a long-term goal.

A recess was taken at 10:30 am. The meeting reconvened at 10:37 am.

ECONOMIC DEVELOPMENT

Council updated and clarified with more detail the items listed, including:

- Explore establishing a public arts program. Changed to art(s) to encompass all types including music.

Moved the following item to ESSENTIAL INFRASTRUCTURE:

- Continue implementation of the 2023 Parks Master Plan's priority projects including but not limited to working with community partners on recreational amenities for all ages and interests.

ESSENTIAL INFRASTRUCTURE

Council updated and clarified with more detail the items listed, including:

- Pursue grants and funding opportunities for high priority pedestrian and bicycle infrastructure projects. Added design and construct the Elm Street and Camp Polk Rd multiuse pathway projects.

Added the following item:

- Continue implementation of the 2023 Parks Master Plan's priority projects including but not limited to working with community partners on recreational amenities for all ages and interests.

A lunch break was taken at 12:04 pm. The meeting reconvened at 12:10 pm.

GOOD GOVERNANCE

Council updated and clarified with more detail the items listed, including:

- Create and implement a communications plan which includes expanded opportunities for community engagement and involvement. Added convene at least three town hall meetings per year.

Added the following items:

- Adopt a naming policy for city parks and facilities.
- Build and expand partnerships with local agencies and districts to foster collaboration for long-term priorities for the community.
- Continue municipal code and development code updates and housekeeping amendments to be consistent with Council policies.

ENVIRONMENTAL SUSTAINABILITY

Council added the following items:

- Develop a plan for the future of the Recycle Center taking into account the Recycling Modernization Act and curbside services.
- Update the City's tree inventory and study options for preserving more significant trees and encouraging the planting of fire-resistant trees on public and private property.

URBAN RENEWAL AGENCY GOALS

Council did not make any updates to this goal.

Council discussed the City's role in volunteerism in Sisters. It was acknowledged that local community groups are working on community outreach related to volunteer opportunities.

Mayor Preedin requested to add an item to future goals related to alleyways in town, with the possibility of developing more robust code for how they look and are used.

GOAL SETTING WORKSHOP MEETING MINUTES
SISTERS CITY COUNCIL
291 E. MAIN AVENUE
FEBRUARY 7, 2024

Council discussed the question of Council Compensation, the feasibility for adding a fourth Deputy Patrol person, and the practicality of having a municipal pool in Sisters.

Councilor Cobb left the meeting at 1:26 pm.
The meeting adjourned at 1:31 am.

Rebecca Green, Deputy Recorder

Michael Preedin, Mayor

MEMBERS PRESENT:

Michael Preedin Mayor
Andrea Blum Council President
Jennifer Letz Councilor
Susan Cobb Councilor

ABSENT:

Gary Ross Councilor

STAFF PRESENT:

Jordan Wheeler City Manager
Kerry Prosser Assistant City Manager
Joe O’Neill Finance Director
Scott Woodford CDD Director
Matthew Martin Principal Planner
Garett Chrostek City Attorney

The meeting recording is available here:

<https://www.ci.sisters.or.us/bc-citycouncil/page/city-council-workshop-meeting-1>

Mayor Preedin called the workshop to order at 5:30 p.m.

1. Short-term Rental Code Amendments

Mayor Preedin recused himself as he owns a short-term rental. He passed the gavel to Council President Blum.

Principal Planner Martin made a presentation providing background, analysis, and consideration for next steps for Council in considering amendments to the Short-Term Rental Code.

City Attorney Chrostek spoke to potential legal issues with some of the considerations.

Council discussed the possibility of establishing a moratorium on permits while the code is being updated.

Council discussed each of the considerations, prioritizing items 1-4 (1- Expand concentration limit from 250 feet to 500 feet; 2-Apply concentration limit to condominiums; 3-Do not apply concentration limit to Commercial Zone Districts; and 4-Prohibit STRs in Urban Growth Boundary expansion/annexation areas) in the discussion. Council provided directions to staff to draft code amendment language related to items 1-3, stating that drafting the language does not prohibit further discussion and updates to it.

Council suggested that Item 4 be considered along with the UGB expansion process to have a better idea of what will be needed in those areas.

Councilor Letz requested research be made into quantifying the value of an occupied residence.

2. Other Business – None.

WORKSHOP MEETING MINUTES
SISTERS CITY COUNCIL
520 E. CASCADE AVENUE
FEBRUARY 14, 2024

The meeting was adjourned at 6:35 p.m.

Rebecca Green, Deputy Recorder

Michael Preedin, Mayor

MEMBERS PRESENT

Michael Preedin Mayor
Andrea Blum Council President
Jennifer Letz Councilor
Susan Cobb Councilor

STAFF PRESENT:

Jordan Wheeler City Manager
Joe O'Neill Finance Director
Kerry Prosser Assistant City Mgr.
Scott Woodford CDD Director
Jeremy Green City Attorney

ABSENT:

Gary Ross Councilor

The meeting recording is available here:

<https://www.ci.sisters.or.us/bc-citycouncil/page/city-council-workshop-meeting-1>

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE

The meeting was called to order by Mayor Preedin at 6:45 pm.

2. ROLL CALL

A roll call was taken, and a quorum was established.

3. APPROVAL OF AGENDA

Council President Blum made a motion to approve the agenda. Councilor Letz seconded the motion. Preedin, Blum, Letz, and Cobb voted aye; the motion carried 4-0.

4. VISITOR COMMUNICATION - None

5. CONSENT AGENDA

A. Minutes

1. January 24, 2024 - Regular Meeting
2. January 24, 2024 – Workshop

B. Accept Sunset Meadows Public Improvements Phase I & II

Councilor Cobb made a motion to approve the Consent Agenda. Councilor Letz seconded the motion. Preedin, Blum, Letz, and Cobb voted aye; the motion carried 4-0.

6. COUNCIL BUSINESS

- A. Public Hearing and Consideration of Ordinance 537: AN ORDINANCE GRANTING TDS BROADBAND SERVICE LLC, A WISCONSIN LIMITED LIABILITY COMPANY, THE RIGHT AND PRIVILEGE TO PROVIDE AND OPERATE A CABLE SYSTEM WITHIN CITY OF SISTERS, AND TO PLACE, ERECT, LAY, MAINTAIN, AND OPERATE IN, UPON, OVER, AND UNDER THE PUBLIC STREETS, ALLEYS, AVENUES, THOROUGHFARES, HIGHWAYS,**

PLACES, AND GROUNDS WITHIN CITY OF SISTERS, POLES, WIRES, AND
OTHER APPLIANCES AND CONDUCTORS FOR ALL CABLE SYSTEM
PURPOSES.

Mayor Preedin opened the public hearing.

City Manager Wheeler and Attorney Green reviewed Ordinance 537, the TDS franchise agreement.

Mayor Preedin asked for public comment, there was none, he closed the public hearing.

Council President Blum made a motion to read Ordinance 537 by title only. Councilor Cobb seconded the motion. Preedin, Blum, Letz, and Cobb voted aye; the motion carried 4-0.

City Manager Wheeler read Ordinance 537 by title.

Councilor Cobb made a motion to adopt Ordinance 537. Councilor Letz seconded the motion. A roll call vote was taken. Preedin, Blum, Letz, and Cobb voted aye; the motion carried 4-0.

7. OTHER BUSINESS

A. Quarterly Financial Review

Director O'Neill reviewed the second quarter revenues and expenditures.

B. Staff Comments

City Manager Wheeler

- Wheeler noted that five bids for the Hwy20/Locust Street roundabout were received by the Oregon Department of Transportation (ODOT) and the awarded bid came in under the engineering estimate. There will be a meeting at the elementary school on March 4th to update the community on the roundabout.

Assistant City Manager Kerry Prosser:

- Prosser stated seven proposals were received for the Main Avenue building and Sisters Makers was awarded the lease.
- Applications will be taken for the Civic Leadership Academy until March 8th.
- Staff met with Deschutes County Emergency Management, Sisters Cold Weather Shelter, and Deschutes County Health Department for an after-action meeting about the emergency shelter.

Finance – Director O'Neill:

- Staff has been working on the audit report and it was sent to the Secretary of State today. The audit presentation is scheduled for the February 28th meeting.

Community Development Department – Director Woodford:

- The Request for Proposals (RFP) for Urban Growth Boundary (UGB) amendment consultant closed on February 12th and we received one proposal from APG/MIG. Staff plan to conduct an interview to ensure project understanding and qualifications, but no evaluation committee is needed due to the single proposal.
- Urban Renewal Agency Workforce Housing Grant Fund has received several inquiries.
- An application was received for a new mixed-use downtown building for a three-story structure with six residential units above the commercial. This is currently under a Type 2 review.
- An application was received for text amendments to the tourist commercial zone by owners of the Conklin House property. This application will be reviewed by Planning Commission, then Council.
- At the Parks Board meeting, the proposal for a parks System Development Charge (SDC) rate increase was presented. Additionally, the concept of "level of service" ratio in parks was deliberated, with the goal to raise it to the recommended five acres per thousand, as per the Parks Master Plan. The Parks Board expressed support for this adjustment.
- The Sisters Community Garden is seeking a new site; staff had been considering the Sun Ranch Park parcel, but concerns emerged regarding setbacks due to the existing well site, which may limit its suitability. Alternative locations, such as Cliff Clemens Park, were suggested. Collaboration with the Parks Board will continue to identify an appropriate site.

8. MAYOR/COUNCILOR BUSINESS

Councilor Cobb discussed the LOC (League of Oregon Cities) lobby toolkit, which is on the LOC website. Cobb announced that she was given a medal by Habitat for Humanity for donating quilts over the past 5-6 years for each house that becomes occupied.

Councilor Letz stated she recently attended several EDCO (Economic Development for Central Oregon) meetings. She stated the Vision Implementation Team is looking at goal setting for the next year with a focus on specific prioritized issues. Letz said that the VIT membership board will be considering the makeup of the Board.

Council President Blum attended the Public Works Advisory Committee and noted that the Barclay Avenue Improvements project will be done in phases, with the first phase being improvements to the intersection of Barclay and Camp Polk, making it easier for trucks to use the alternate route, while improving safety for other vehicles and pedestrians. Blum also attended the Coordinated Houselessness Response Office (CHRO) meeting and the Central Oregon Area Commission on Transportation (COACT) meeting.

REGULAR MEETING MINUTES
SISTERS CITY COUNCIL
520 E. CASCADE AVENUE
FEBRUARY 14, 2024

Mayor Preedin facilitated a councilor appointment for reviewing applications for the Civic Leadership Academy to take place for 1-2 hours sometime between March 11-13; Cobb will serve, with Letz and Preedin as backups. Preedin attended the COCO (Central Oregon Cities Organization) meeting in which they voted to increase this year's budget by \$30,000 at a cost of \$900 to the City of Sisters. New rules at the state level has meant COCO's water sub-consultant has spent through the annual budget amount of \$40,000. Preedin discussed ODOT funding issues.

9. ADJOURN: 7:48 p.m.

Rebecca Green, Deputy Recorder

Michael Preedin, Mayor



Meeting Date: February 28, 2024
Type: City Council Regular Meeting
Subject: FY 24-25 City Council Goals

Staff: J. Wheeler
Dept: Administration

Action Requested: Review draft City Council Goals, make changes, and adopt goals for the 2024-25 fiscal year.

Summary Points:

- On February 6 the City Council met at the City's Main Street Building to review public input, receive project updates, and discuss goals for the 2024-25 fiscal year.
- As part of the goal setting process, the City Council held an Open House on January 22 to hear from the public on their priorities for the Council. Additionally, an online survey gathered public input during the month of January.
- As with past practice, the Council maintained the overarching goal categories: Housing, Livability, and Growth; Wildfire Mitigation and Community Resiliency; Economic Development; Essential Infrastructure; Good Governance; Environmental Sustainability; and Urban Renewal Agency Goals.
- Recognizing the long term and continuing projects and initiatives, several goals are proposed to be carried forward with updates and modifications to reflect the progress or next steps to accomplish the objective. For example, a proposed goal is now to continue to process a UGB expansion amendment with priority of community outreach as the next step in that multi-year effort. Another example is that a proposed goal is to construct the first phase of the East Portal Mobility Hub (and adopt a naming policy for that facility and other parks), given that the design will be completed.
- Based on public input, Councilor priorities, and staff input, the Council discussed several new goals for the next fiscal year:
 - Explore establishing a public arts program. (Economic Development)
 - Design and construct the Elm Street and Camp Polk Rd multiuse pathway projects. (Essential Infrastructure)
 - Construct McKinney Butte safety improvements. (Essential Infrastructure)
 - Create and implement a communications plan which includes expanded opportunities for community engagement and involvement. Convene at least 3 town halls per year. (Good Governance)
 - Adopt a naming policy for city parks and facilities. (Good Governance)
 - Build and expand partnerships with local agencies and districts to foster collaboration for long-term priorities for the community. (Good Governance)
 - Continue municipal code and development code updates and housekeeping amendments to be consistent with Council policies. (Good Governance)



- Develop a plan for the future of the Recycling Center, taking into account the Recycling Modernization Act and curbside services. (Environmental Sustainability)
- Study options for preserving more significant trees and encouraging the planting of fire-resistant trees on public and private property. (Environmental Sustainability)
- Study and consider a URA plan amendment to fully use the maximum indebtedness of the URA. (Urban Renewal)
- Facilitate and support the undergrounding of electric and telecom utilities as a long-term goal. (Wildfire Mitigation and Community Resiliency)

Financial Impact:

- Following the adoption of the City Council goals, staff will develop a workplan and incorporate the goals in the FY24-25 Proposed Budget. Goals with significant financial impacts to the budget will be highlighted.

Attachments:

- Resolution 2024-04
- Attachment A: Draft FY 24-25 City Council Goals
- [Link to Goal Setting Workshop Packet](#)

RESOLUTION 2024-04

A RESOLUTION OF CITY OF SISTERS TO ADOPT FY 2024/25 COUNCIL GOALS

WHEREAS, the City of Sisters held a Community Open House on January 22, 2024, to receive public feedback on City Council Goals; and

WHEREAS, the City Council held a Goal Setting Workshop on February 6, 2024, to discuss Goals for Fiscal Year 2024/25: and

WHEREAS, the Sisters City Council would like to establish Goals for the Fiscal Year 2024/25; and

WHEREAS, the prior City Council body established Goals for the City of Sisters in Fiscal Year 2023/24.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council adopts the Fiscal Year 2024/25 Council Goals for the City of Sisters, as noted in Attachment A of this Resolution, and hereby will be acknowledged as the FY 2024/25 City Council Goals going forward.

APPROVED, ADOPTED, AND MADE EFFECTIVE by the Sisters City Council this 28th day of February 2024.

Michael Preedin, Mayor

ATTEST:

Rebecca Green, Deputy Recorder



FY 2024/25 CITY COUNCIL GOALS

HOUSING, LIVABILITY, AND GROWTH

- Leverage local and regional resources and partnerships to help the Sisters houseless community. Engage with COIC to facilitate community conversations and provide technical assistance for developing a community supported plan.
- Continue to pursue resources and partnerships for the development of affordable and workforce housing and investigate the feasibility of additional permanent funding sources for leveraging affordable and workforce housing projects such as construction excise tax and non-primary residence home fees.
- Monitor, reevaluate, and consider implementation of additional strategies of the Housing Plan and Efficiency Measures Report.
- Continue to process an Urban Growth Boundary (UGB) Amendment with a priority of community outreach. Update the city's annexation criteria in advance of any expansion of the City's UGB.
- Continue to update the Sisters Development Code to bring it into conformance with the Sisters Comprehensive Plan, respond to changes in State Law, and remove barriers to housing. Develop a process to monitor the effectiveness of Code Amendments.
- Prioritize Dark Sky Code implementation, specifically community education and International Dark Skies Association certification.

WILDFIRE MITIGATION AND COMMUNITY RESILIENCY

- Support local, County, State, and Federal government efforts regarding wildfire mitigation and natural disaster preparedness.
- Continue partnership with Sisters-Camp Sherman Fire District and other agency partners to improve public awareness and distribute information about wildfire preparedness, including emergency evacuation, and mitigation.
- Update defensible space and structural hardening requirements through the Development Code.
- Continue implementing the Wildfire Resiliency Plan for the City's critical infrastructure and property.
- Facilitate and support the undergrounding of electric and telecom utilities as a long-term goal.

ECONOMIC DEVELOPMENT

- Finalize project concepts and conduct public outreach for a multi-purpose recreational facility that supports residents and visitors at the future northwest park adjacent to the Sisters' Woodlands Development.



FY 2024/25 CITY COUNCIL GOALS

- Partner with Economic Development for Central Oregon to support traded-sector economic development, including assisting with support on workforce housing and childcare.
- Explore establishing a public arts program.

ESSENTIAL INFRASTRUCTURE

- Develop a funding strategy and initiate the design and construction of high-priority projects from the Water and Wastewater Capital Improvement Plans.
- Construct phase 1 of the Barclay Drive alternate route improvements.
- Pursue grants and funding opportunities for high priority pedestrian and bicycle infrastructure projects. Design and construct the Elm Street and Camp Polk Rd multiuse pathway projects.
- Continue implementation of the 2023 Parks Master Plan's priority projects including but not limited to working with community partners on recreational amenities for all ages and interests.
- Construct McKinney Butte safety improvements.

GOOD GOVERNANCE

- Collaborate with community organizations to advance key Sisters Country Vision strategies.
- Create and implement a communications plan which includes expanded opportunities for community engagement and involvement. Convene at least 3 town halls per year.
- Adopt a naming policy for city parks and facilities.
- Build and expand partnerships with local agencies and districts to foster collaboration for long-term priorities for the community.
- Continue municipal code and development code updates and housekeeping amendments to be consistent with Council policies.

ENVIRONMENTAL SUSTAINABILITY

- Continue implementation of the City's Environmental Sustainability Plan and Water Conservation Plan, including electric vehicle charging infrastructure at city parks and facilities.
- Construct the first phase of the East Portal Mobility Hub.
- Install the EV charging stations at the East Portal Mobility Hub.
- Develop a plan for the future of the Recycling Center taking into account the Recycling Modernization Act and curbside services.



FY 2024/25 CITY COUNCIL GOALS

- Study options for preserving more significant trees and encouraging the planting of fire-resistant trees on public and private property.

URBAN RENEWAL AGENCY GOALS

- Secure financing to fund the priority projects outlined in the URA Project List.
- Finalize the funding strategy and construction timing for the Adams Avenue Streetscape Project.
- Complete design and initiate the construction of the Westside Pump Station.
- Allocate remaining US20 @ Locust Roundabout funding for the roundabout construction and initiate the public art procurement and installation process.
- Study and consider a URA plan amendment to fully use the maximum indebtedness of the URA.



Meeting Date: February 28, 2024
Type: Regular Meeting
Subject: 2024 Pavement Maintenance Project

Staff: Paul Bertagna
Dept: Public Works

Action Requested: By motion, award a public improvement contract to K N L Industries Inc. in an amount not to exceed \$268,560.00 for the 2024 Pavement Maintenance Project and authorize the City Manager to execute the contract on behalf of the City and further authorize the City Manager to execute any necessary contract change orders and/or amendments within a contract contingency amount of 10% of the contract amount.

Summary Points:

- This maintenance project scope includes a 1.5" overlay on Arrowleaf Trail, S. Redwood St., S. Cottonwood St., S. Sparkling Water Ct., 400 lineal feet of E. Coyote Springs Rd., S. Buckaroo Trail.
- These streets were selected to be overlaid due to their level of pavement degradation, pavement age and the number of sealcoats/chipseals that have been applied since the streets were constructed or last overlaid. All of these streets are scheduled for overlays in our Pavement Maintenance Plan that was recently updated in Fall 2023.
- Staff issued the public bid in February of 2024 and received five bids from Oregon paving contractors. K N L Industries Inc. of Canby Oregon provided the low bid of \$268,560.00
- The engineer's most recent construction estimate was \$306,000 which was down from the budget estimate of \$360,000 due to decrease in the prices of oil, materials and trucking prices.
- The contract will require that the work be done by June 30th 2024 with the Arrowleaf Trail portion of the project occurring at night due to traffic and safety concerns. Due to the lower than anticipated project cost, staff is recommending a 10% contract contingency amount to overlay the Arrowleaf/McKinney Butte intersection that has experienced significant degradation this winter. The approximate amount of the additional overlay is \$10,500.00 which would bring the total project cost to approximately \$280,000.
- Staff will provide sufficient notice to the affected business and homeowners well in advance of the project.

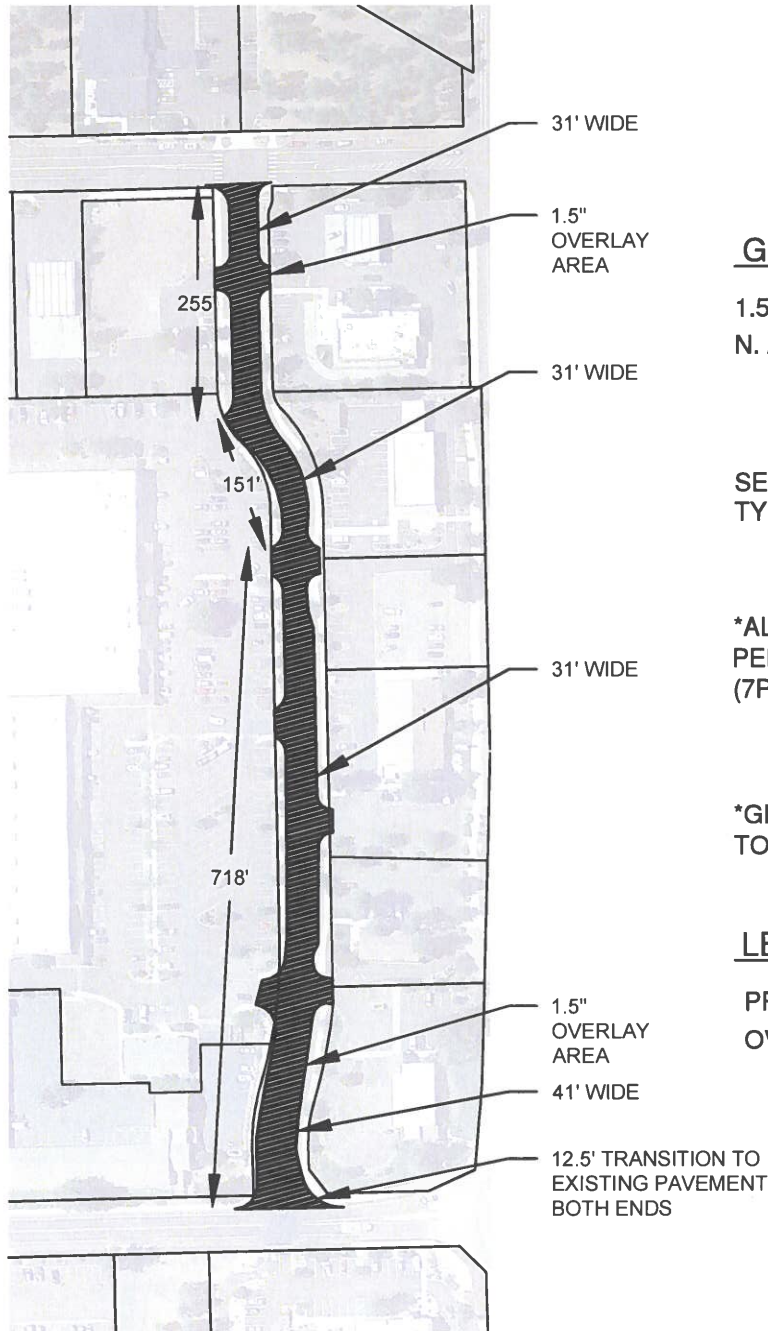
Financial Impact: \$360,000 was budgeted in the FY 23/24 Street Fund Overlay line.

Attachments:

- Bid Results
- Project Maps

**2024 Pavement Maintenance Project
 Bid Tabulation
 Bids opened February 22, 2024**

Item No.	Quantity	Unit	KNL Industries Inc		Tri County Paving LLC		7 Peaks Paving LLC		High Desert Aggregate		Knife River		
			Unit \$	Total	Unit \$	Total	Unit \$	Total	Unit \$	Total	Unit \$	Total	
1	N. Arrowleaf Tr. Overlay	4,770	SY	\$15.50	\$73,935.00	\$17.20	\$82,044.00	\$14.75	\$70,357.50	\$18.60	\$88,722.00	\$23.00	\$109,710.00
2	S. Redwood Overlay	3,525	SY	\$14.00	\$49,350.00	\$17.20	\$60,630.00	\$15.50	\$54,637.50	\$20.10	\$70,852.50	\$22.50	\$79,312.50
3	S. Cottonwood Overlay	5,713	SY	\$14.00	\$79,982.00	\$17.20	\$98,263.60	\$15.50	\$88,551.50	\$20.10	\$114,831.30	\$21.00	\$119,973.00
4	S. Sparkling Water Ct. Overlay	1,082	SY	\$14.00	\$15,148.00	\$17.20	\$18,610.40	\$27.00	\$29,214.00	\$20.10	\$21,748.20	\$21.00	\$22,722.00
5	Coyote Springs Overlay	1,192	SY	\$15.00	\$17,880.00	\$17.20	\$20,502.40	\$23.00	\$27,416.00	\$21.55	\$25,687.60	\$24.00	\$28,608.00
6	S. Buckaroo Trail Overlay	2,151	SY	\$15.00	\$32,265.00	\$17.20	\$36,997.20	\$23.00	\$49,473.00	\$26.50	\$57,001.50	\$32.00	\$68,832.00
Total Bid Cost:					\$268,560.00		\$317,047.60		\$319,649.50		\$378,843.10		\$429,157.50



NORTH

GENERAL NOTES:

1.5" OVERLAY
 N. ARROWLEAF AREA = 4,770 SY

SEE EXHIBIT SHEET 7 FOR
 TYPICAL DETAILS

*ALL WORK TO BE
 PERFORMED AT NIGHT
 (7PM -7AM)

*GRIND ALL DRIVEWAYS
 TO MATCH OVERLAY

LEGEND:

- PROPERTY LINE -----
- OVERLAY AREA

N. ARROWLEAF TRAIL 1
1
 SCALE: 1"= 200'



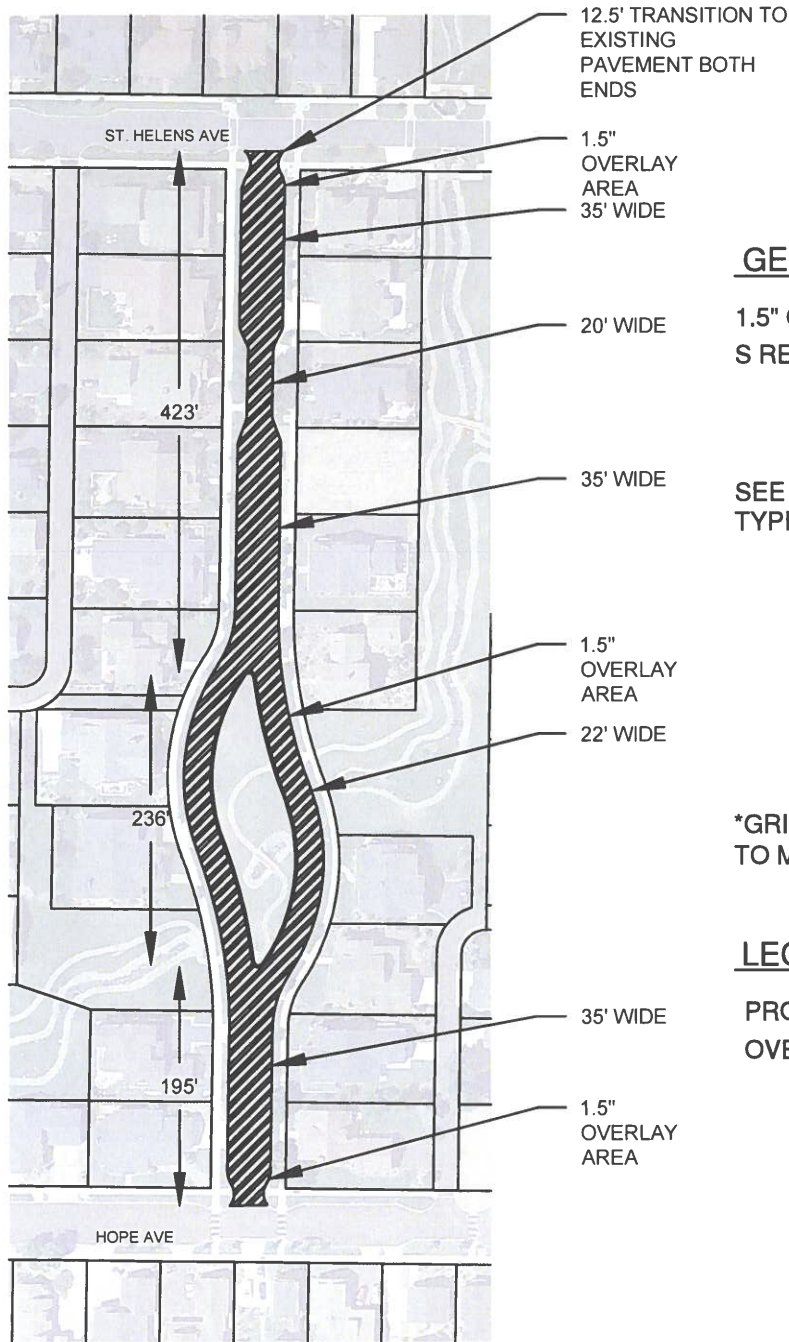
City of Sisters • Exhibit Drawing

2024 Pavement Maintenance
 Arrowleaf Trail Overlay

SCALE:	1"=200'
DRAWN BY:	KKS
APPROVED BY:	EJH
REVISION DATE:	1/24/2024

DRAWING
 NO.
1 of 7

* ADDENDUM #1



GENERAL NOTES:

1.5" OVERLAY
S REDWOOD AREA = 3,525 SY

SEE EXHIBIT SHEET 7 FOR
TYPICAL DETAILS

*GRIND ALL DRIVEWAYS
TO MATCH OVERLAY

LEGEND:

- PROPERTY LINE - - - - -
- OVERLAY AREA

S. REDWOOD ST 1
2
SCALE: 1"= 150'



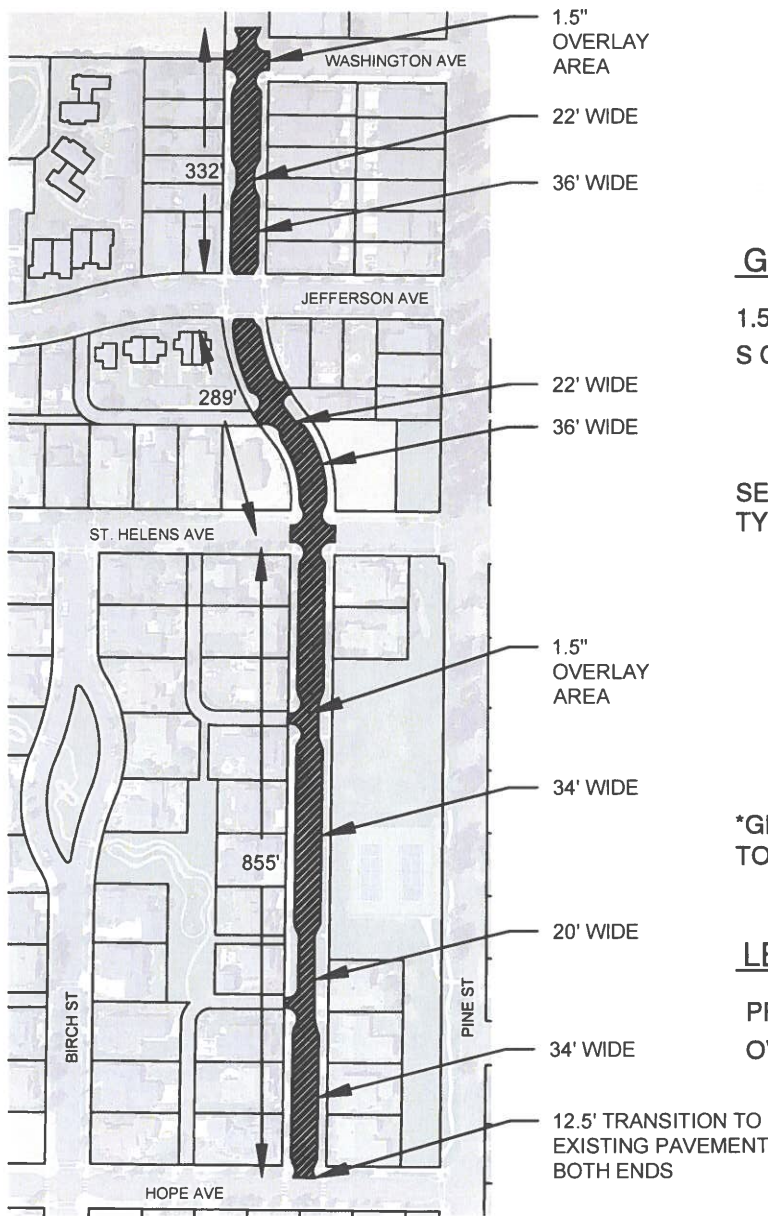
City of Sisters • Exhibit Drawing

2024 Pavement Maintenance
Redwood St Overlay

SCALE:	1"=200'
DRAWN BY:	KKS
APPROVED BY:	EJH
REVISION DATE:	1/24/2024

DRAWING NO.
2 of 7

ADDENDUM #1



NORTH

GENERAL NOTES:

1.5" OVERLAY
S COTTONWOOD AREA = 5,713 SY

SEE EXHIBIT SHEET 7 FOR TYPICAL DETAILS

*GRIND ALL DRIVEWAYS TO MATCH OVERLAY

LEGEND:

- PROPERTY LINE -----
- OVERLAY AREA

S. COTTONWOOD ST
SCALE: 1"=250'

1
3

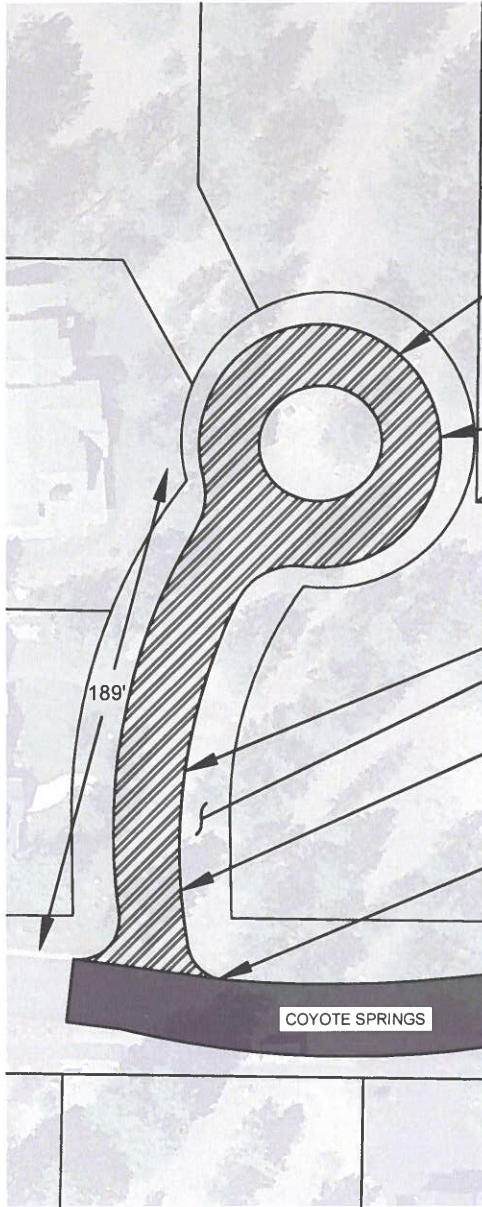


City of Sisters • Exhibit Drawing

2024 Pavement Maintenance
Cottonwood St Overlay

SCALE:	1"=250'
DRAWN BY:	KKS
APPROVED BY:	EJH
REVISION DATE:	1/24/2024

DRAWING NO.
3 of 7



NORTH

GENERAL NOTES:

1.5" OVERLAY
 S. SPARKLING WATER AREA = 1,082 SY

SEE EXHIBIT SHEET 7 FOR
 TYPICAL DETAILS

*GRIND ALL DRIVEWAYS
 TO MATCH OVERLAY

LEGEND:

PROPERTY LINE -----

OVERLAY AREA 

S. SPARKLING WATERS CT 1
4
 SCALE: 1"=70'



City of Sisters • Exhibit Drawing

2024 Pavement Maintenance
 Sparkling Waters Ct Overlay

SCALE: 1"=250'

DRAWN BY: KKS

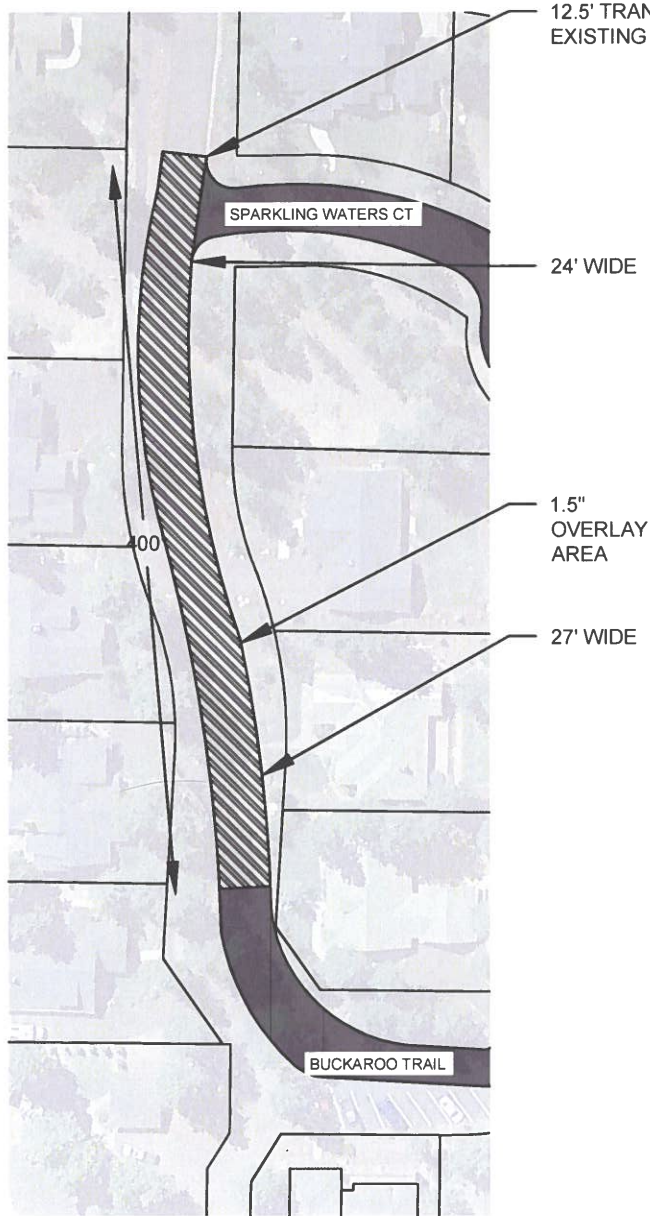
APPROVED BY: EJH

REVISION DATE: 1/24/2024

DRAWING
 NO.

4 of 7

* ADDENDUM #1



NORTH

GENERAL NOTES:

1.5" OVERLAY
E COYOTE SPRINGS AREA = 1,192 SY

SEE EXHIBIT SHEET 7 FOR
TYPICAL DETAILS

*GRIND ALL DRIVEWAYS
TO MATCH OVERLAY

LEGEND:

- PROPERTY LINE -----
- OVERLAY AREA

E COYOTE SPRINGS RD 1
5
SCALE: 1"=100'

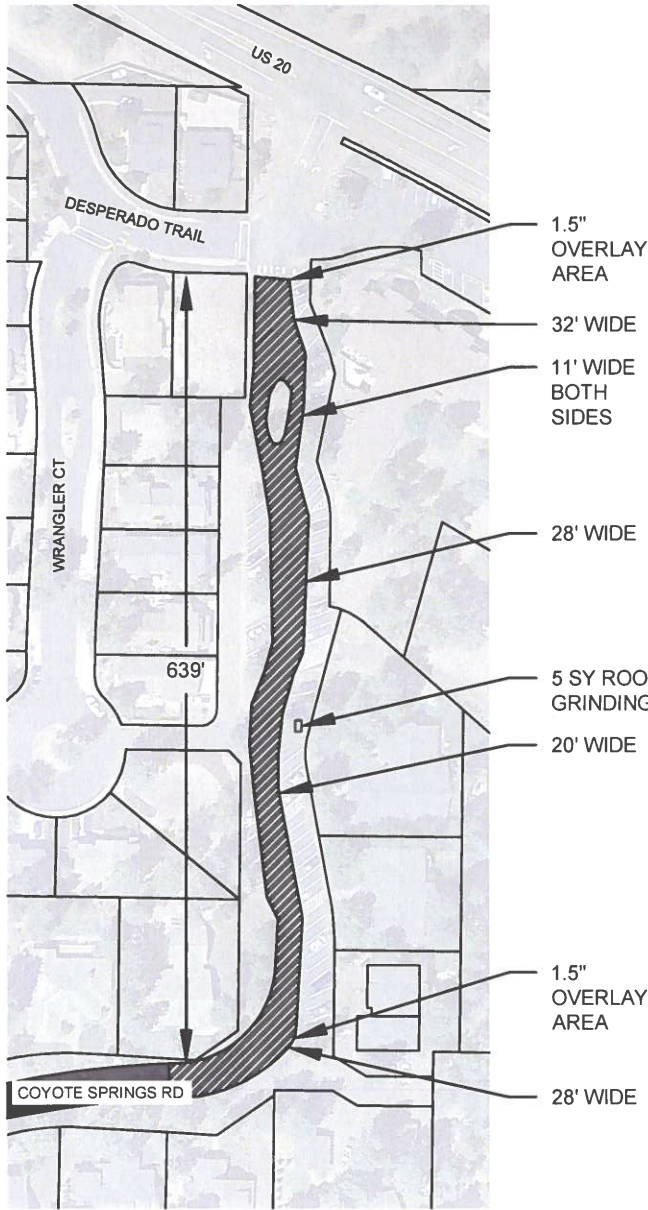


City of Sisters • Exhibit Drawing

2024 Pavement Maintenance
Coyote Springs Rd Overlay

SCALE:	1"=100'
DRAWN BY:	KKS
APPROVED BY:	EJH
REVISION DATE:	1/24/2024

DRAWING
NO.
5 of 7



NORTH

GENERAL NOTES:

1.5" OVERLAY
S BUCKAROO AREA = 2,151 SY

SEE EXHIBIT SHEET 7 FOR
 TYPICAL DETAILS

*GRIND ALL DRIVEWAYS
 TO MATCH OVERLAY

LEGEND:

PROPERTY LINE 
 OVERLAY AREA 

S BUCKAROO TRAIL

SCALE: 1"=150'



City of Sisters • Exhibit Drawing

**2024 Pavement Maintenance
 Buckaroo Trail Overlay**

SCALE: 1"=150'

DRAWN BY: KKS

APPROVED BY: EJJ

REVISION DATE: 1/24/2024

DRAWING NO.

6 of 7

CITY OF SISTERS, OREGON

Annual Comprehensive Financial Report

**For the Fiscal Year Ended
June 30, 2023**



Prepared by:
The City of Sisters
Finance Department
Joseph O'Neill
Finance Officer

CITY OF SISTERS
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023

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INTRODUCTORY SECTION



City of Sisters

520 E Cascade Avenue, Sisters, Oregon 97759



February 8, 2024

Honorable Mayor Michael Preedin,
Members of the Council,
and Citizens of the City of Sisters:

The Annual Comprehensive Financial Report (CAFR) of the City of Sisters, Oregon (the City) for the fiscal year ended June 30, 2023 is hereby submitted.

This report presents the financial position of the City as of June 30, 2023 and the results of its operations and cash flows for its proprietary fund types for the year then ended. The financial statements and supporting schedules have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and meet the requirements of the standards as prescribed by the Secretary of State. We believe the data, as presented, are accurate in all material respects and presented in a manner designed to fairly set forth the financial position and results of operations of the various funds of the City.

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

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

City Profile

The City of Sisters, incorporated in 1946, is located at the foot of the eastern slope of the Cascades in Central Oregon, 136 miles southeast of Portland and 20 miles west of Bend and Redmond. It currently occupies 1.87 square miles and serves a population of 3,286. Rural subdivisions and outlying ranches contribute to a population of “Sisters Country” in the range of 11,000 to 13,000 people.

The City of Sisters operates under the council-manager form of government. Policy-making and legislative authority are vested in a governing council (City Council) consisting of the mayor and four other members, all elected on a non-partisan basis to terms of two to four years. The City Council appoints a city manager, who in turn appoints the heads of the various departments. The City Manager implements policy set by the City Council and oversees city operations. The City provides municipal services including water and sewer utilities, planning and community development, construction and maintenance of streets and sidewalks, parks and other public facilities.

The City Council is required to adopt an annual budget before July 1 of each year. The budget serves as the foundation for the City’s financial planning and control. The City also manages the Sisters Urban Renewal District which is overseen by the City Council acting as the governing body for the Urban Renewal Agency.

Local Economy and Outlook

The popularity of Central Oregon has continued to bode well for Sisters, we saw slight increases in the population, number of new business licenses issued, and transient room tax revenue.

Long-term Financial Planning

Effective financial management means the City focuses on financial sustainability and maintaining high service levels. Continuing a process of conservative strategic spending, the City is in a good position financially for the next fiscal year.

The City’s on-going financial planning includes annual goals, a five-year financial forecast and a five and ten-year capital improvement plan based on various strategic plans and reports including a transportation system plan, water and sewer master plans, water rights master plan, water conservation and management plan, and system development charge updates. Developing and utilizing these plans, enhances the City’s ability to address future needs in a proactive and measured approach.

Financial Information

Management of the City is responsible for establishing and maintaining internal controls designed to ensure that the assets of the City are protected from loss, theft, misuse and to ensure that adequate accounting data are compiled to allow for the preparation of the financial statements in conformity with generally accepted accounting principles.

Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Other Information

Independent Audit – The State of Oregon requires an annual audit of the books of accounts, financial records and transactions of all administrative departments of the City by independent certified public accountants selected by the City Council. The firm, Umpqua Valley Financial was selected. The auditor’s report on the financial statements and required supplementary information is included in the Financial Section of this report.

Acknowledgements

The preparation of the annual Financial Report was a combined effort of dedicated City staff. We wish to thank everyone who made a contribution to this report for their support and expertise.

We would also like to express our appreciation to the Sisters City Council for their continued support and leadership in managing the financial affairs of the City in a responsible and progressive manner.

Respectfully submitted,

Joseph O’Neill

Joseph O’Neill
Finance Director

Officials of the City
CITY OF SISTERS

P.O. Box 39
Sisters, OR 97759
(541)323-5222

Fiscal Year 2022-23

MAYOR & CITY COUNCIL

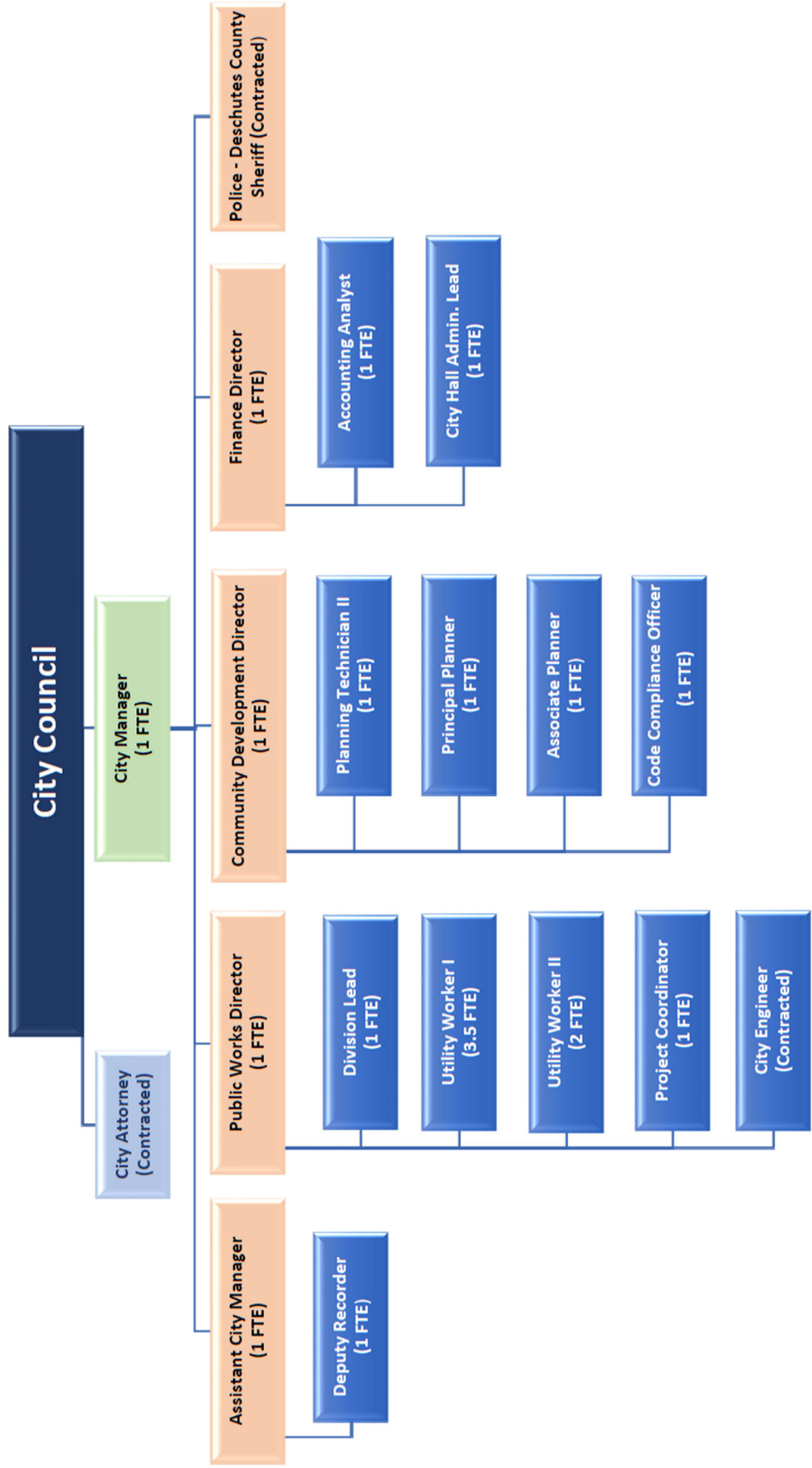
MICHAEL PREEDIN PO BOX 39, SISTERS, OR 97759	Mayor
ANDREA BLUM PO BOX 39, SISTERS, OR 97759	Council President
GARY ROSS PO BOX 39, SISTERS, OR 97759	Councilor
JENNIFER LETZ PO BOX 39, SISTERS, OR 97759	Councilor
SUSAN COBB PO BOX 39, SISTERS, OR 97759	Councilor

ADMINISTRATION

JORDAN WHEELER PO BOX 39, SISTERS, OR 97759	City Manager
KERRY PROSSER PO BOX 39, SISTERS, OR 97759	Assistant City Manager
JOSEPH O'NEILL PO BOX 39, SISTERS, OR 97759	Finance Director
PAUL BERTAGNA PO BOX 39, SISTERS, OR 97759	Public Works Director
SCOTT WOODFORD PO BOX 39, SISTERS, OR 97759	Community Development Director
REBECCA GREEN PO BOX 39, SISTERS, OR 97759	City Recorder
JEREMY GREEN PO BOX 39, SISTERS, OR 97759	City Attorney



Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Sisters
Oregon**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION





Independent Auditors' Report

To the Honorable Mayor and City Council
City of Sisters, Oregon

Report on the Audit of the Financial Statements

Opinions

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 Sisters as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Sisters' basic financial statements, as listed in the table of contents.

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

Basis of Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages a-k, schedules of revenues, expenditures and changes in fund balances – budget and actuals on pages 49-50, and the pension and OPEB schedules on pages 51-55 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the management's discussion and analysis and the pension and OPEB schedules in accordance with the auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The schedules of revenues, expenditures and changes in fund balances – budget and actuals described on pages 49-50 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The schedules of revenues, expenditures and changes in fund balances – budget and actuals have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of revenues, expenditures and changes in fund balances – budget and actuals are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Sisters' basic financial statements. The supplementary information on pages 69-94 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City of Sisters.

The supplementary information on pages 57-83 is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements taken as a whole.

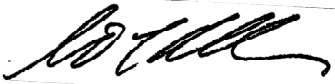
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections and additional schedules listed in the Other Information section of the Table of Contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion of any form of assurance thereon.

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

Reports on Other Legal and Regulatory Requirements

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have issued our report dated February 11, 2024, on our consideration of the City of Sisters' compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on the City's compliance.



Steve Tuchscherer, CPA
Umpqua Valley Financial, LLC
Roseburg, Oregon
February 11, 2024

MANAGEMENT'S
DISCUSSION
AND ANALYSIS



CITY OF SISTERS
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2023
Unaudited

The management discussion and analysis of the City of Sisters, Oregon (the City) financial performance provides an overview of the City's financial activities for the fiscal year that ended June 30, 2023. This discussion and analysis intend to look at the City's financial performance. Readers should also review the basic financial statements and notes to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended June 30, 2023, are as follows:

- The City's net position increased by \$4,431,020, which represents an 8.81% increase from the previous year.
- Total revenue for the City was \$10,956,961. Which represents a 1.08% increase from the previous year. General revenues accounted for \$5,224,737 of revenue or 50.21% of all revenues. The program-specific revenues in the form of charges for services accounted for \$1,739,946 or 46.14% of total revenues. Capital grants and contributions received a total of \$327,619 or 2.99% of total revenues.
- The City had \$6,525,938 in program expenses. Of the program expenses, \$986,867 was for providing water service and \$1,233,533 was for providing sewer service.
- The City's long-term liabilities decreased by \$37,013, a 0.61% decrease from the previous year primarily due to a \$297,528 decrease in the Bonds Payable net of Premium, and an increase of \$243,105 in Net Pension Liability.
- In terms of governmental funds, the General Fund received a total of \$4,589,397 in revenue. This was primarily from property taxes, Intergovernmental funds, licenses and permits, and other sources of revenue. The Street Fund, on the other hand, had \$1,335,198 in revenues, which came mainly from franchise taxes, taxes and assessments, and grants. Lastly, the Sisters' other non-major governmental funds received \$1,102,900 in revenues, mostly from taxes, charges for services, and investment revenue.
- Both the Water and Sewer Utilities had operating revenues from charges and fees. Water had \$1,409,200, while Sewer had \$1,909,471.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis introduces the City's basic financial statements. The basic financial statements include: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also includes additional supplementary information to supplement the basic financial statements.

Government-wide Financial Statements

The first of the government-wide statements is the *Statement of Net Position*. This is the City-wide statement of position presenting information that includes all of the City's assets and liabilities. 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. Evaluation of the overall economic health of the City would extend to other non-financial factors such as the condition of buildings, and water and sewer systems facilities.

CITY OF SISTERS
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2023
Unaudited

The second government-wide statement is the *Statement of Activities* which reports how the City's net position changed during the current fiscal year. All current-year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the *Statement of Activities* is to show the financial reliance of the City's distinct activities or functions of the City that are principally supported by user fee revenues, intergovernmental revenues from grants, and property tax revenues. The governmental activities of the City include general government activities, street construction and maintenance, police services, and providing resources for libraries, culture, and recreation. The proprietary activities of the City include water and sewer utilities.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, Fund Financial Statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining individual fund statements in a later section of this report. The City reports two types of funds:

Governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. Unlike government-wide financial statements, these statements report short-term fiscal accountability focusing on the use of spendable resources during the year and balances of spendable resources available at the end of the fiscal year.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to government-wide statements to assist in understanding the differences between these two perspectives.

Budgetary comparison schedules are included in the basic financial statements for the General Fund, the Community and Economic Development Fund, the System Development Reserve Fund, and the Sisters Redevelopment Agency Fund. Budgetary comparison schedules for the other governmental funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the City's adopted and final revised budget.

Proprietary funds are used to report the functions presented as business-type activities in the government-wide financial statements, only in more detail. The City maintains one type of proprietary fund - enterprise funds. The City uses enterprise funds to account for water and sewer operations. The proprietary fund financial statements provide separate information for the Water Fund and Sewer Fund. Included in the Water Fund for the Proprietary Statements on pages 20-22 is the Water System Reserve Fund. Included in the Sewer Fund is the Sewer System Reserve Fund. These statements and schedules demonstrate compliance with the City's adopted and final revised budget.

Notes to the Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin immediately following the basic financial statements.

CITY OF SISTERS
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2023
Unaudited

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents as required supplementary information budgetary comparison statements for the major and non-major funds. The required supplementary information immediately follows the notes to the financial statements.

Other supplementary data includes combining statements, individual fund statements and schedules, and other schedules. These statements and schedules immediately follow the required supplementary information in this report.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the City as a whole. Net position may serve over time as a useful indicator of a government's financial position.

The City's net position at fiscal year-end is \$54,729,745. This is an increase of \$4,431,020 or 8.81%.

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

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

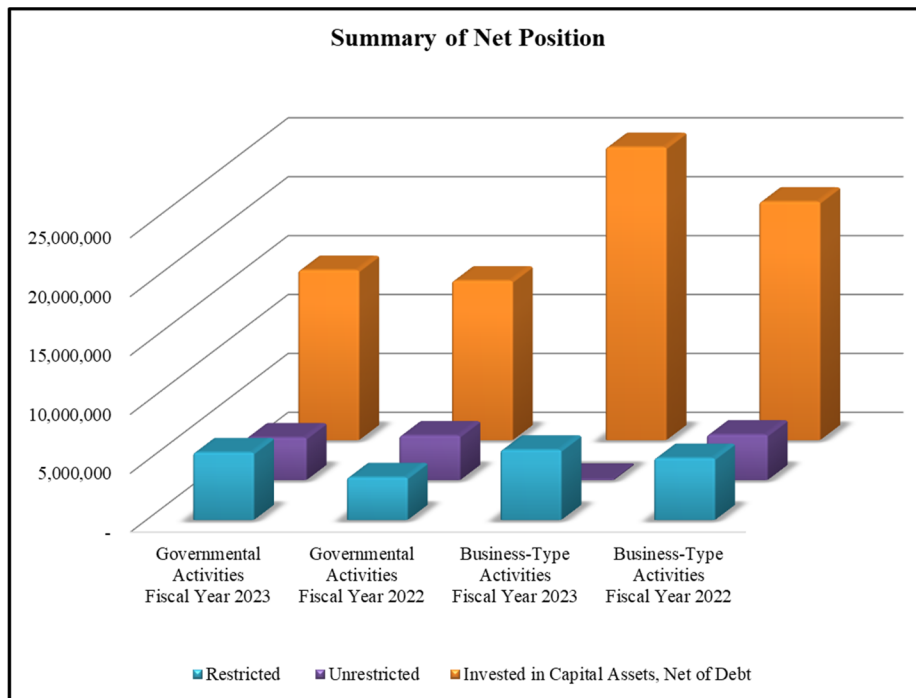
The City's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

CITY OF SISTERS
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2023
Unaudited

The following table provides a summary of the City's net position for the current and the prior year.

	Summary of Net Position					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current and Other Assets	\$ 11,313,234	\$ 9,105,632	\$ 11,393,387	\$ 9,930,695	\$ 22,706,621	\$ 19,036,327
Capital Assets	14,432,500	13,883,811	24,870,022	25,085,499	39,302,522	38,969,310
Total Assets	<u>25,745,734</u>	<u>22,989,443</u>	<u>36,263,409</u>	<u>35,016,194</u>	<u>62,009,143</u>	<u>58,005,637</u>
Deferred Outflow of Resources	<u>475,651</u>	<u>558,934</u>	<u>233,549</u>	<u>309,541</u>	<u>709,200</u>	<u>868,475</u>
Liabilities						
Current Liabilities	574,471	550,751	561,813	560,720	1,136,284	1,111,471
Noncurrent Liabilities	1,262,349	1,070,713	4,808,667	5,037,316	6,071,016	6,108,029
Total Liabilities	<u>1,836,820</u>	<u>1,621,464</u>	<u>5,370,480</u>	<u>5,598,036</u>	<u>7,207,300</u>	<u>7,219,500</u>
Deferred Inflow of Resources	<u>602,488</u>	<u>984,000</u>	<u>178,810</u>	<u>371,887</u>	<u>781,298</u>	<u>1,355,887</u>
Net Position						
Net Investment in Capital Assets	14,432,500	13,535,077	24,870,022	20,242,491	39,302,522	33,777,568
Restricted	5,737,297	3,625,383	5,958,174	5,258,002	11,695,471	8,883,385
Unrestricted	3,612,280	3,782,453	119,472	3,855,319	3,731,752	7,637,772
Total Net Position	<u>\$ 23,782,077</u>	<u>\$ 20,942,913</u>	<u>\$ 30,947,668</u>	<u>\$ 29,355,812</u>	<u>\$ 54,729,745</u>	<u>\$ 50,298,725</u>

See the chart below to gain an understanding of the City's actual financial position and how each component relates to the activities performed.



CITY OF SISTERS
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2023
Unaudited

Changes in Net Position - The City's total revenues for the fiscal year ended June 30, 2023, were \$10,956,961. The total cost of all programs and services was \$6,525,938. The following table shows a comparative analysis of government-wide revenues, expenses, and changes in net position.

Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Revenues						
Program Revenues:						
Charges for Services	\$ 1,736,946	\$ 800,628	\$ 3,318,671	\$ 2,531,159	\$ 5,055,617	\$ 3,331,787
Operating Grants and Contributions	-	530,045	72,000	-	72,000	530,045
Capital Grants and Contributions	162,119	1,161,992	165,500	2,137,446	327,619	3,299,438
Total Program Revenues	1,899,065	2,492,665	3,556,171	4,668,605	5,455,236	7,161,270
General Revenues:						
Taxes	4,937,136	3,614,358	-	-	4,937,136	3,614,358
Other	287,601	43,467	276,988	20,465	564,589	63,932
Total General Revenues	5,224,737	3,657,825	276,988	20,465	5,501,725	3,678,290
Total Revenues	7,123,802	6,150,490	3,833,159	4,689,070	10,956,961	10,839,560
Program Expenses						
General Government	539,745	1,425,149	-	-	539,745	1,425,149
Public Safety	778,036	714,408	-	-	778,036	714,408
Public Works	147,863	-	-	-	147,863	-
Highway and Streets	1,000,604	1,077,368	-	-	1,000,604	1,077,368
Culture and Recreation	1,107,116	392,762	-	-	1,107,116	392,762
Community Development	728,520	11,481	-	-	728,520	11,481
Interest on Long-Term Debt	3,654	13,754	-	-	3,654	13,754
Utility Services						
Water Utilities	-	-	986,867	1,030,437	986,867	1,030,437
Sewer Utilities	-	-	1,233,533	1,186,324	1,233,533	1,186,324
Total Program Expenses	4,305,538	3,634,922	2,220,400	2,216,761	6,525,938	5,851,683
Transfers	20,900	-	(20,900)	-	-	-
Change in Net Position	2,839,164	2,515,568	1,591,859	2,472,309	4,431,023	4,987,877
Net Position, July 1	20,942,913	18,427,345	29,355,809	26,883,503	50,298,722	45,310,848
Net Position, June 30	<u>\$23,782,077</u>	<u>\$20,942,913</u>	<u>\$30,947,668</u>	<u>\$29,355,812</u>	<u>\$54,729,745</u>	<u>\$50,298,725</u>

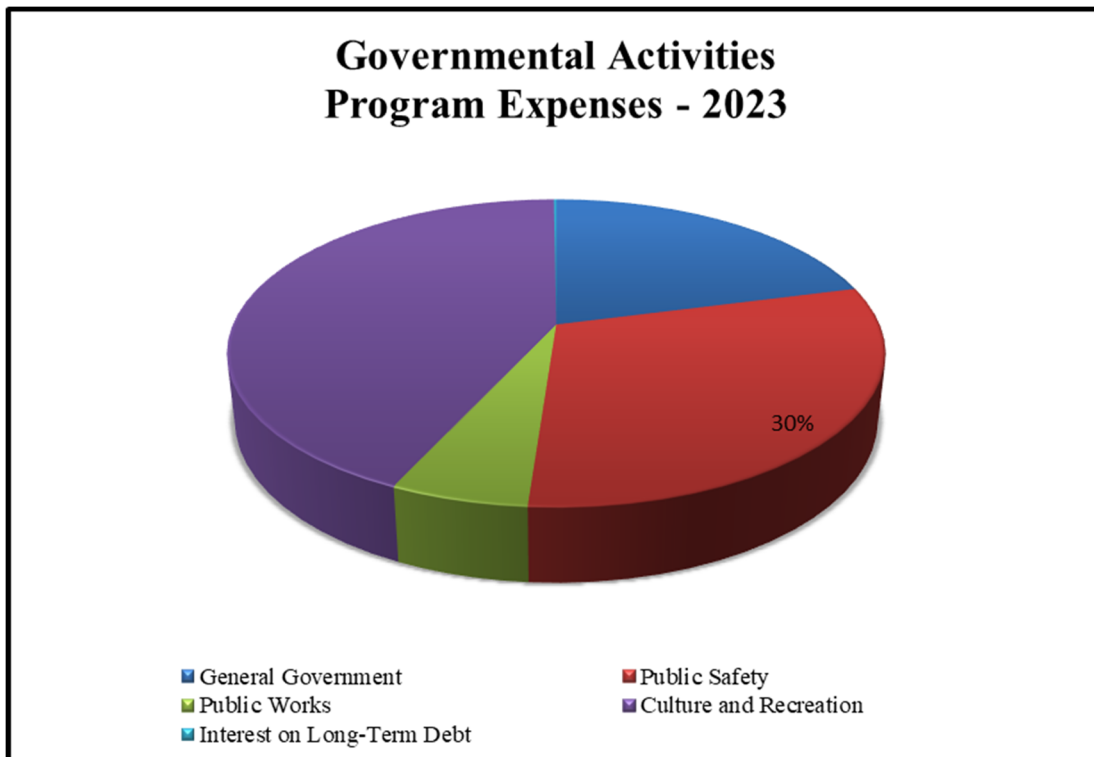
CITY OF SISTERS
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2023
Unaudited

The Statement of Activities shows the cost of program services and the charges for services, grants, and contributions offsetting those services. The following table shows, for governmental activity, the total cost of the seven major functional activities of the City. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

Governmental Activities

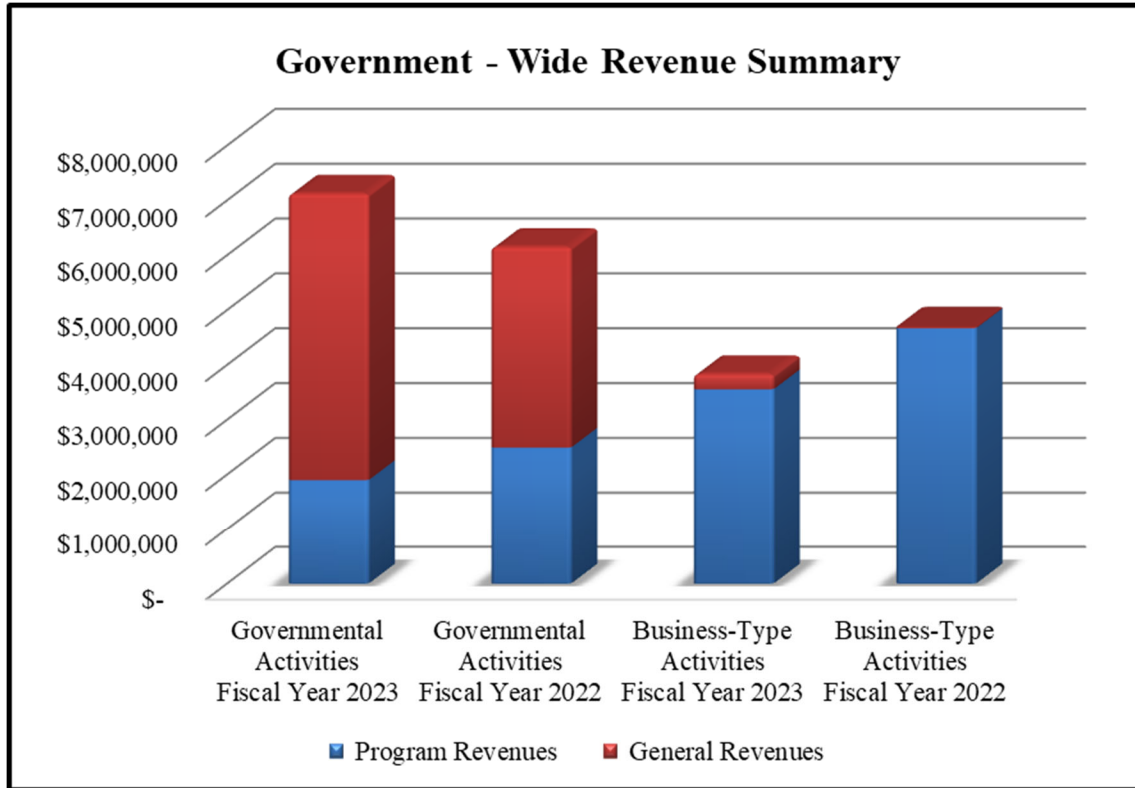
	<u>Total Cost of Services</u>		<u>Net (Cost) Profit of Services</u>	
	<u>2022-23</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2021-22</u>
General Government	\$ 539,745	\$ 1,425,149	\$ (111,804)	\$ (1,069,394)
Public Safety	778,036	714,408	(770,727)	(714,408)
Public Works	147,863	-	1,098,717	-
Highway and Streets	1,000,604	1,077,368	(838,485)	370,745
Culture and Recreation	1,107,116	392,762	(1,066,717)	296,035
Community Development	728,520	11,481	(713,803)	(11,481)
Interest Expense	3,654	13,754	(3,654)	(13,754)
Total Program Expenses	<u>\$ 4,305,538</u>	<u>\$ 3,634,922</u>	<u>\$ (2,406,473)</u>	<u>\$ (1,142,257)</u>

This graph represents the cost of the City's Program expenses by governmental activities.



CITY OF SISTERS
Management’s Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2023
Unaudited

The following chart analyzes the revenue between governmental activities and business-type activities from the prior year to the current year.



This graph represents the cost of the City’s Program expenses by business-type activities.

Business-Type Activities

	Total Cost of Services		Net (Cost) Profit of Services	
	2022-23	2021-22	2022-23	2021-22
Water Utilities	\$ 986,867	\$ 1,030,437	\$ 587,833	\$ 923,122
Sewer Utilities	\$ 1,233,533	\$ 1,186,324	\$ 747,938	\$ 1,528,722
Total Program Expenses	\$ 2,220,400	\$ 2,216,761	\$ 1,335,771	\$ 2,451,844

CITY OF SISTERS
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2023
Unaudited

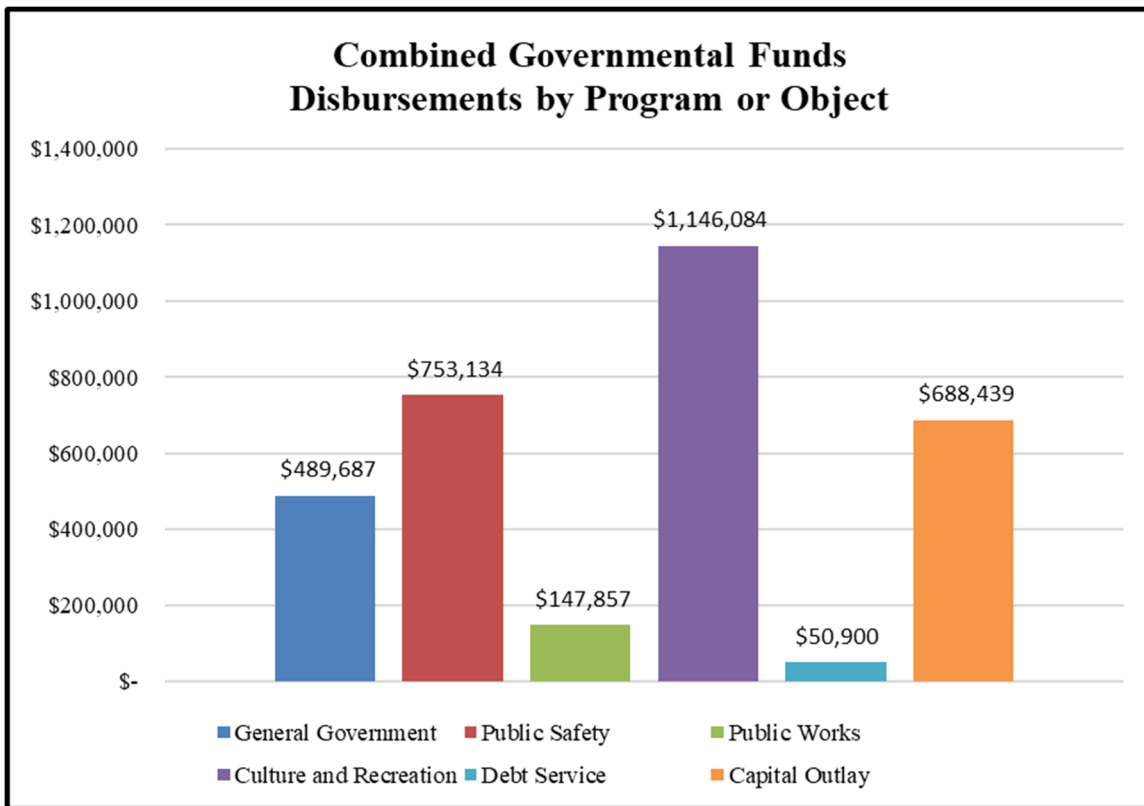
FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

Governmental Funds

As the City completed the year, its governmental funds reported a combined fund balance of \$10,444,377, an increase of \$2,170,916. The fund balance constitutes restricted, committed, assigned, and unassigned amounts. Of the current fund balances, \$5,270,823 is restricted, \$455,690 is committed for various programs, and \$4,717,864 is unassigned and available for spending at the City's discretion.

The following is a comparison of current expenditures by the programs of the governmental funds.

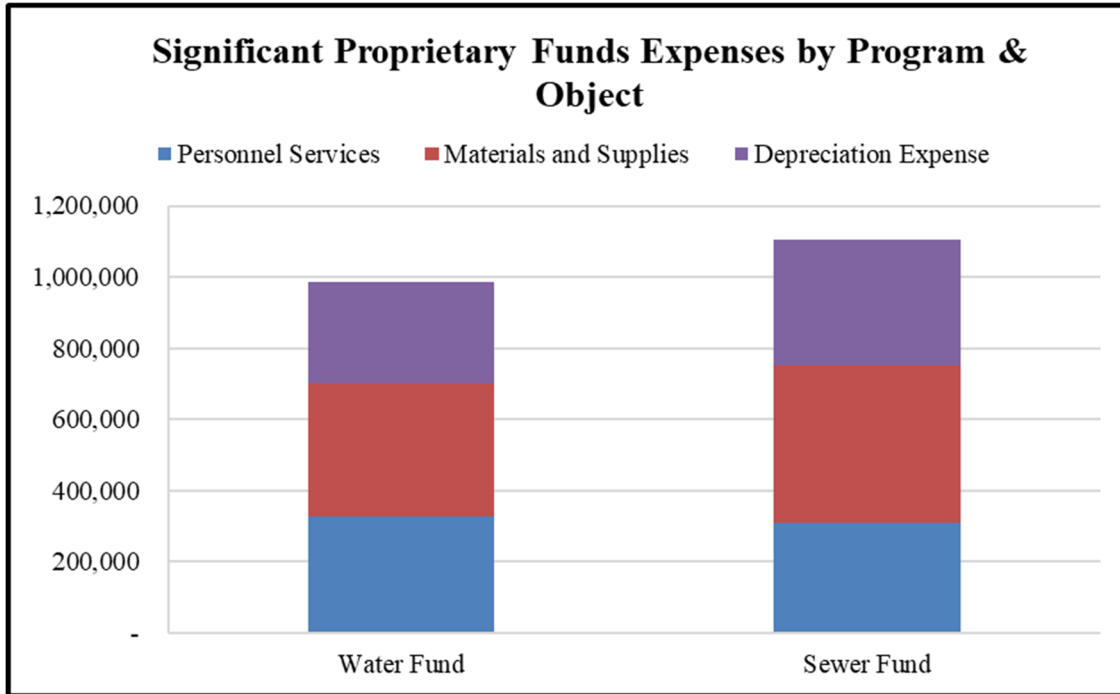


CITY OF SISTERS
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2023
Unaudited

Proprietary Funds

The City's enterprise funds reported an unrestricted net position of \$4,683,789, an increase of \$828,470. The enterprise funds also report \$5,952,879 in restricted net position for systems development, \$5,295 in restricted net position for net OPEB asset, and \$20,305,705 in net position invested in capital assets, net of related debt.

The following is a comparison of current expenses by program of proprietary funds.



Budgetary Highlights

During the fiscal year, the General Fund resources were budgeted at \$3,642,343. However, actual resources of \$4,589,397 were available, which is \$947,054 more than was budgeted. The General Fund expenditures budget was under-spent by \$1,392,255. As a result, the ending fund balance was greater than what was budgeted by \$2,466,499 and also more than the prior year by \$1,536,708.

The Water Fund balance increased by \$411,485 during the fiscal year, and the Sewer Fund balance increased by \$98,095. Both funds stayed within their budgeted appropriations. The Water Fund's actual resources were more than budgeted by \$138,794, whereas the Sewer Fund's actual resources exceeded the budget by \$252,552.

CITY OF SISTERS
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2023
Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2023, the City had invested, before net reduction for accumulated depreciation, \$56,003,122 in capital assets, including buildings, land, vehicles, water and sewer utility systems, construction in progress, and other equipment. In the governmental activities, there were \$1,682,028 of additions and \$552,391 of deletions in the current year and in the enterprise funds, there were \$488,466 of additions and \$72,375 of deletions.

Total depreciation expense for the year was \$1,228,893; of which \$590,947 is associated with general government activities, \$284,349 from water utilities, and \$353,597 from sewer utilities. Additional information on the City's capital assets can be found in the Capital Asset Note of the Notes to the Basic Financial Statements section of this report.

Long-Term Debt

As of June 30, 2023, the City had a total long-term debt of \$4,865,979 that's outstanding. During the fiscal year, the total amount paid towards the existing debt was \$510,265, out of which \$325,765 was paid towards the principal and \$184,500 was paid towards the interest. For more details on the City's long-term debt, please refer to the Long-Term Debt Note in the Notes to the Basic Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The budget for the fiscal year 2023-2024 has been designed to prioritize multiple key areas that are critical for the city's well-being and health. These areas include managing growth, preserving our livability, enhancing sustainability, and promoting community involvement.

The City Council established a set of goals organized into six categories focused on improving Sisters.

- Housing, livability, and Growth
- Wildfire Mitigation and Community Resiliency
- Economic Development
- Essential Infrastructure

The approved budget for the fiscal year 2023-2024 has been determined to be \$30,716,478, signifying an increase of \$5,157,003 from the previous year. The majority of the appropriations have been allocated to the major funds, such as \$5,314,142 for the General Fund, \$1,322,757 for the Water Fund, \$1,590,126 for the Street Fund, and \$1,563,613 for the Sewer Fund. The total unappropriated reserve amounts to \$20,394,460.

Permanent Levy – Property Tax Rate: \$2.6417 per \$1000 of assessed value for permanent rate tax.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the resources it receives. If you have any questions about this report or need additional information, contact the City of Sisters City Hall at 520 E. Cascade Ave., Sisters, Oregon.

BASIC FINANCIAL
STATEMENTS

Government-Wide
Financial Statements



CITY OF SISTERS
STATEMENT OF NET POSITION
For the Fiscal Year Ended June 30, 2023

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 6,850,128	\$ 5,158,311	\$ 12,008,439
Receivables:			
Accounts, net	8,621	216,840	225,461
Property Tax	31,865	-	31,865
Franchise Taxes	53,063	-	53,063
Assessments	63,759	-	63,759
Intergovernmental	65,187	-	65,187
Leases	238,322	-	238,322
Other	129,970	-	129,970
Inventory	-	56,269	56,269
Restricted Assets:			
Temporarily Restricted:			
Cash and Cash Equivalents	3,861,535	5,953,589	9,815,124
Deposits	-	3,083	3,083
Net OPEB Asset - RHIA	10,784	5,295	16,079
Capital Assets, Non-Depreciable	2,303,962	5,305,389	7,609,351
Capital Assets, Depreciable, Net	12,128,538	19,564,633	31,693,171
Total Assets	25,745,734	36,263,409	62,009,143
<u>DEFERRED OUTFLOW OF RESOURCES:</u>			
Pension Related Deferrals	472,033	231,773	703,806
OPEB Related Deferrals - RHIA and CIS	3,618	1,776	5,394
Total Deferred Outflows of Resources	475,651	233,549	709,200
<u>LIABILITIES:</u>			
Current Liabilities:			
Accounts Payable	171,612	115,021	286,633
Unearned Revenue			-
Payable from restricted Cash			-
Accrued Compensated Absences	43,179	23,485	66,664
Interest Payable	884	13,338	14,222
Unearned Revenue	79,714	2,994	82,708
Deposits	239,082	159,975	399,057
Current Portion of Long-Term Liabilities:			
Bonds Payable	40,000	247,000	287,000
Total Current Liabilities	574,471	561,813	1,136,284
Long-Term Liabilities:			
Noncurrent Portion of Long-Term Liabilities:			
Bonds Payable, Net of Premium	261,662	4,317,317	4,578,979
Net Pension Liability	968,465	475,528	1,443,993
Net OPEB Liability - CIS	32,222	15,822	48,044
Total Long-Term Liabilities	1,262,349	4,808,667	6,071,016
Total Liabilities	1,836,820	5,370,480	7,207,300
<u>DEFERRED INFLOW OF RESOURCES:</u>			
Pension Related Deferrals	351,015	172,352	523,367
OPEB Related Deferrals - RHIA and CIS	13,151	6,458	19,609
Lease Receivables Related Deferrals	238,322	-	238,322
Total Deferred Inflow of Resources	602,488	178,810	781,298
<u>NET POSITION:</u>			
Net Investment in Capital Assets	14,432,500	24,870,022	39,302,522
Restricted for:			
Debt Service	170,598	-	170,598
Public Works	1,579,886	-	1,579,886
Systems Development	3,690,937	5,952,879	9,643,816
Net OPEB Asset	10,784	5,295	16,079
Urban Renewal Projects	285,092	-	285,092
Unrestricted	3,612,280	119,472	3,731,752
Total Net Position	\$ 23,782,077	\$ 30,947,668	\$ 54,729,745

The accompanying notes to the basic financial statements are an integral part of this statement.

CITY OF SISTERS

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2023

	<u>(Expenses)</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Change in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
<u>GOVERNMENTAL ACTIVITIES:</u>					
General Government	\$ 539,745	\$ 427,941	\$ -	\$ -	\$ (111,804)
Public Safety	778,036	7,309	-	-	(770,727)
Public Works	147,863	1,246,580	-	-	1,098,717
Highway and Streets	1,000,604	-	-	162,119	(838,485)
Culture and Recreation	1,107,116	40,399	-	-	(1,066,717)
Community Development	728,520	14,717	-	-	(713,803)
Interest on Long-Term Debt	3,654	-	-	-	(3,654)
Total Governmental Activities	4,305,538	1,736,946	-	162,119	(2,406,473)
<u>BUSINESS-TYPE ACTIVITIES:</u>					
Water Utilities	986,867	1,409,200	-	165,500	587,833
Sewer Utilities	1,233,533	1,909,471	72,000	-	747,938
Total Business-type Activities	2,220,400	3,318,671	72,000	165,500	1,335,771
Total Primary Government	\$6,525,938	\$5,055,617	\$ 72,000	\$ 327,619	\$ (1,070,702)
			Governmental Activities	Business-type Activities	Total
<u>CHANGES IN NET POSITION:</u>					
Net (expense) revenue			\$ (2,406,473)	\$ 1,335,771	\$ (1,070,702)
General Revenues:					
Property Taxes, levied for general purposes			1,432,161	-	1,432,161
Property Taxes, levied for debt service			439,065	-	439,065
Intergovernmental Tax Turnovers			634,074	-	634,074
Franchise Taxes			887,367	-	887,367
Other Taxes and Assessments			1,544,469	-	1,544,469
Interest and Investment Earnings			286,169	274,398	560,567
Other Revenue			1,432	2,590	4,022
Subtotal - General Revenues			5,224,737	276,988	5,501,725
Interfund Transfers			20,900	(20,900)	-
Total general revenues, special items, and transfers			5,245,637	256,088	5,501,725
Change in Net Position			2,839,164	1,591,859	4,431,023
Net Position, July 1, 2022			20,942,913	29,355,809	50,298,722
Net Position, June 30, 2023			\$ 23,782,077	\$ 30,947,668	\$54,729,745

The accompanying notes to the basic financial statements are an integral part of this statement.

BASIC FINANCIAL
STATEMENTS

Governmental Fund
Financial Statements



CITY OF SISTERS
BALANCE SHEET
GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2023

	General Fund	Street Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:				
Cash and Cash Equivalents	\$ 4,950,072	\$ 1,600,420	\$ 4,161,171	\$ 10,711,663
Receivables:				
Accounts, net	8,621	-	-	8,621
Assessments	-	-	63,759	63,759
Property Tax	23,503	-	8,362	31,865
Franchise Taxes	-	53,063	-	53,063
Intergovernmental	32,232	32,955	-	65,187
Other	129,970	-	-	129,970
Total Assets	<u>\$ 5,144,398</u>	<u>\$ 1,686,438</u>	<u>\$ 4,233,292</u>	<u>\$ 11,064,128</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:				
LIABILITIES:				
Accounts Payable and Other Accrued Liabilities	\$ 149,829	\$ 21,783	\$ -	\$ 171,612
Deposits	165,413	73,669	-	239,082
Unearned Revenue	-	-	79,714	79,714
Total Liabilities	<u>315,242</u>	<u>95,452</u>	<u>79,714</u>	<u>490,408</u>
DEFERRED INFLOWS OF RESOURCES:				
Delinquent Property Tax Revenue Not Available	21,661	-	6,951	28,612
Other Deferred Inflows	89,631	11,100	-	100,731
Total Deferred Inflows of Resources	<u>111,292</u>	<u>11,100</u>	<u>6,951</u>	<u>129,343</u>
FUND BALANCES:				
Restricted for:				
Public Works	-	1,579,886	-	1,579,886
Capital Projects	-	-	3,690,937	3,690,937
Committed for:				
Debt Service	-	-	170,598	170,598
Urban Renewal Projects	-	-	285,092	285,092
Unassigned	4,717,864	-	-	4,717,864
Total Fund Balances	<u>4,717,864</u>	<u>1,579,886</u>	<u>4,146,627</u>	<u>10,444,377</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 5,144,398</u>	<u>\$ 1,686,438</u>	<u>\$ 4,233,292</u>	<u>\$ 11,064,128</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

CITY OF SISTERS

RECONCILIATION OF THE BALANCE SHEET -- GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION For the Fiscal Year Ended June 30, 2023

Total Fund Balances - Governmental Funds \$ 10,444,377

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

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

The cost of the assets	\$20,996,853	
The accumulated depreciation	<u>(6,564,353)</u>	
Net Value of Capital Assets		14,432,500

Net pension/OPEB assets reported in governmental activities are not financial resources and therefore are not reported in the governmental funds. 10,784

Certain receivables that will not be available to pay for current-period expenditures are deferred in the governmental funds:

Property Taxes	28,612
Assessments	100,731

Interest Payable is not recorded in the governmental funds. (884)

Accrued Compensated Absences are not recorded in the governmental funds. (43,179)

Pension and OPEB related deferred inflows and outflows of resources are not reported in the governmental funds:

Pension and OPEB Related Deferred Outflows	475,651
Pension and OPEB Related Deferred Inflows	(364,166)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:

Pension related liabilities	(968,465)
OPEB related liabilities	(32,222)
Bonds Payable	<u>(301,662)</u>

Net Position of Governmental Activities \$23,782,077

The accompanying notes to the basic financial statements are an integral part of this statement.

CITY OF SISTERS

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

For the Fiscal Year Ended June 30, 2023

	General Fund	Street Fund	Other Governmental Funds	Total Governmental Funds
<u>REVENUES:</u>				
Taxes and Assessments	\$2,633,934	\$ 266,389	\$ 439,065	\$ 3,339,388
Intergovernmental	634,074	-	-	634,074
Franchise Taxes	-	887,367	-	887,367
Licenses & Permits	706,471	-	-	706,471
Charges for Service	40,399	-	540,109	580,508
Fines and Forfeitures	7,309	-	-	7,309
Investment Revenue	128,230	39,323	107,577	275,130
Grants	-	162,119	-	162,119
Other Revenue	438,980	-	16,149	455,129
Total Revenues	4,589,397	1,355,198	1,102,900	7,047,495
<u>EXPENDITURES:</u>				
Current:				
General Government	489,142	-	545	489,687
Public Safety	753,134	-	-	753,134
Public Works	147,857	-	-	147,857
Highway and Streets	-	892,858	-	892,858
Culture and Recreation	893,726	-	252,358	1,146,084
Community Development	728,520	-	-	728,520
Debt Service:				
Principal	-	-	39,000	39,000
Interest	-	-	11,900	11,900
Capital Outlay	17,410	357,145	313,884	688,439
Total Expenditures	3,029,789	1,250,003	617,687	4,897,479
Excess (Deficiency) of Revenues Over Expenditures	1,559,608	105,195	485,213	2,150,016
<u>OTHER FINANCING SOURCES (USES):</u>				
Interfund Transfers In	600,000	-	650,900	1,250,900
Interfund Transfers (Out)	(622,900)	(7,100)	(600,000)	(1,230,000)
Total Other Financing Sources (Uses)	(22,900)	(7,100)	50,900	20,900
Net Change in Fund Balances	1,536,708	98,095	536,113	2,170,916
Fund Balances - July 1, 2022	3,181,156	1,481,791	3,610,514	8,273,461
Fund Balances - June 30, 2023	\$4,717,864	\$1,579,886	\$ 4,146,627	\$ 10,444,377

The accompanying notes to the basic financial statements are an integral part of this statement.

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

Net Changes in Fund Balances - Total Governmental Funds \$ 2,170,916

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

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense.

Expenditures for capitalized assets	\$1,139,637	
Less current year depreciation	<u>(590,947)</u>	
		548,690

Some revenues will not be collected for several months after the City's fiscal year end and are therefore not considered "available" revenues in the governmental funds, instead these funds are shown as deferred revenue.

However, these funds are recorded as revenue in the Statement of Activities.

The changes in amounts deferred are as follows:

Property Taxes	(24,430)	
Other	<u>100,731</u>	
		76,301

Expense accruals in the governmental funds do not include interest payable.

The change in interest payable from prior year to current year is 173

Changes to certain payroll liabilities are reported as an expense in the Statement of Activities.

Compensated Absences Payable		9,515
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Repayment of long-term debt principal amounts are expenditures in the governmental funds, but the repayment reduces long-term debt liabilities in the Statement of Net Position. 39,000

Adjustment for pension costs on accrued basis (13,504)

Change in Net Position of Governmental Activities **\$2,831,091**

The accompanying notes to the basic financial statements are an integral part of this statement.

BASIC FINANCIAL
STATEMENTS

Proprietary Fund
Financial Statements



CITY OF SISTERS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2023

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Total Enterprise Funds</u>
<u>ASSETS:</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 2,642,067	\$ 2,516,244	\$ 5,158,311
Receivables, Net	96,167	120,673	216,840
Inventory	56,269	-	56,269
Total Current Assets	2,794,503	2,636,917	5,431,420
Non-Current Assets:			
Restricted Cash and Cash Equivalents	2,686,238	3,267,351	5,953,589
Deposits	3,083	-	3,083
Net OPEB Asset -RHIA	2,637	2,658	5,295
Capital Assets, Non-Depreciable	338,044	4,967,345	5,305,389
Capital Assets, Depreciable, Net	8,612,246	10,952,387	19,564,633
Total Noncurrent Assets	11,642,248	19,189,741	30,831,989
Total Assets	14,436,751	21,826,658	36,263,409
<u>DEFERRED OUTFLOW OF RESOURCES:</u>			
Pension Related Deferrals	115,417	116,356	231,773
OPEB Related Deferrals - RHIA and CIS	885	891	1,776
Total Deferred Outflow of Resources	116,302	117,247	233,549
<u>LIABILITIES:</u>			
Current Liabilities:			
Accounts Payable	30,223	84,798	115,021
Accrued Compensated Absences	11,970	11,515	23,485
Interest Payable	-	13,338	13,338
Deposits	150,375	9,600	159,975
Unearned Revenue	-	2,994	2,994
Current Portion of Long-Term Liabilities:			
Bond Payable	-	247,000	247,000
Total Current Liabilities	192,568	369,245	561,813
Long-Term Liabilities:			
Noncurrent Portion of Long-Term Liabilities:			
Bond Payable, Net of Premium	-	4,317,317	4,317,317
Net Pension Liability	236,801	238,727	475,528
Net OPEB Liabilities - CIS	7,879	7,943	15,822
Total Long-Term Liabilities	244,680	4,563,987	4,808,667
Total Liabilities	437,248	4,933,232	5,370,480
<u>DEFERRED INFLOW OF RESOURCES:</u>			
Pension Related Deferrals	85,827	86,525	172,352
OPEB Related Deferrals _RHIA and CIS	3,216	3,242	6,458
Total Deferred Inflow of Resources	89,043	89,767	178,810
<u>NET POSITION:</u>			
Net Investment in Capital Assets	8,950,290	11,355,415	20,305,705
Restricted for Systems Development	2,686,013	3,266,866	5,952,879
Restricted for Net OPEB Asset	2,637	2,658	5,295
Unrestricted	2,387,822	2,295,967	4,683,789
Total Net Position	\$ 14,026,762	\$ 16,920,906	\$ 30,947,668

The accompanying notes to the basic financial statements are an integral part of this statement.

CITY OF SISTERS
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2023

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Total Enterprise Funds</u>
<u>OPERATING REVENUES:</u>			
Charges for Services & Fees	\$ 1,404,229	\$ 1,880,581	\$ 3,284,810
Other Revenue	4,971	28,890	33,861
Total Operating Revenues	1,409,200	1,909,471	3,318,671
<u>OPERATING EXPENSES:</u>			
Personnel Services	326,481	308,928	635,409
Materials and Supplies	376,037	442,539	818,576
Depreciation Expense	284,349	353,597	637,946
Total Operating Expenses	986,867	1,105,064	2,091,931
Operating Income (Loss)	422,333	804,407	1,226,740
<u>NON-OPERATING REVENUES (EXPENSES):</u>			
Intergovernmental- Grants	-	72,000	72,000
Gain on Disposition of Assets	2,590	-	2,590
Investment Revenue	134,917	139,481	274,398
Interest Expense	-	(128,469)	(128,469)
Total Non-Operating Revenues (Expenses)	137,507	83,012	220,519
Income Before Other Revenues, Expenses, and Transfers	559,840	887,419	1,447,259
<u>CAPITAL CONTRIBUTIONS AND TRANSFERS:</u>			
Capital Contributions	165,500	-	165,500
Transfers to Other Funds	(8,700)	(71,200)	(79,900)
Transfers from Other Funds	-	59,000	59,000
Total Capital Contributions and Transfers	156,800	(12,200)	144,600
Changes in Net Position	716,640	875,219	1,591,859
Net Position, July 1, 2022	13,310,122	16,045,687	29,355,809
Net Position, June 30, 2023	\$ 14,026,762	\$ 16,920,906	\$ 30,947,668

The accompanying notes to the basic financial statements are an integral part of this statement.

CITY OF SISTERS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2023

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Total Enterprise Funds</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Cash Received from User Charges	\$ 1,372,283	\$ 1,901,854	\$ 3,274,137
Cash Payments for Employee Services	(361,445)	(330,754)	(692,199)
Cash Payments to Suppliers	(423,509)	(396,206)	(819,715)
Net Cash Provided (Used) by Operating Activities	<u>587,329</u>	<u>1,174,894</u>	<u>1,762,223</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</u>			
Transfer to Other Funds	(8,700)	(71,200)	(79,900)
Transfer from Other Funds	-	59,000	59,000
Grant Proceeds	-	72,000	72,000
Net Cash Provided (Used) by Non-capital Financing Activities	<u>(8,700)</u>	<u>59,800</u>	<u>51,100</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>			
Proceeds from Sale of Assets	2,590	-	2,590
Acquisition of Capital Assets	(112,396)	(144,575)	(256,971)
Principal Paid on Long Term Debt	-	(236,000)	(236,000)
Interest Paid on Long Term Debt	-	(172,600)	(172,600)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(109,806)</u>	<u>(553,175)</u>	<u>(662,981)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>			
Investment Income	134,917	139,481	274,398
Net Cash Provided (Used) by Investing Activities	<u>134,917</u>	<u>139,481</u>	<u>274,398</u>
Cash and Cash Equivalents at July 1, 2022	4,724,565	4,962,595	9,687,160
Cash and Cash Equivalents at June 30, 2023	<u>\$ 5,328,305</u>	<u>\$ 5,783,595</u>	<u>\$ 11,111,900</u>
<u>Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:</u>			
Income (loss) from operations	\$ 422,333	\$ 804,407	\$ 1,226,740
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:			
Depreciation	284,349	353,597	637,946
Change in assets and liabilities:			
Decrease (increase) in accounts receivable	(19,305)	(8,817)	(28,122)
Decrease (increase) in inventory	(6,023)	-	(6,023)
Increase (decrease) in deposits	(17,612)	1,200	(16,412)
Increase (decrease) in payables	(45,213)	42,237	(2,976)
Increase (decrease) in OPEB related accounts	(2,836)	(2,734)	(5,570)
Increase (decrease) in pension related accounts	(28,364)	(14,996)	(43,360)
Net cash provided (used) by operating activities	<u>\$ 587,329</u>	<u>\$ 1,174,894</u>	<u>\$ 1,762,223</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

BASIC FINANCIAL
STATEMENTS

Notes to the Basic
Financial Statements



CITY OF SISTERS
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The City of Sisters, Oregon (the City) is organized under the general laws of the State of Oregon. The City Council, composed of the Mayor and four Council members, comprises the legislative branch of the City. Individual departments are under the direction of the City Manager, who is appointed by the City Council.

The financial statements of the City have been prepared in accordance with Generally Accepted Accounting Principles (GAAP). GAAP Statements include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The following is a summary of the more significant policies of the City:

Reporting Entity

In determining the financial reporting entity, the City of Sisters complies with Governmental Accounting Standards Board Statement 14 as amended, "The Financial Reporting Entity." The criteria for including organizations as component units within the City's reporting entity, include whether 1) the organization is legally separate (can sue and be sued in their name); 2) the City holds the corporate powers of the organization; 3) the City appoints a voting majority of the organization's board; 4) the City can impose its will on the organization; 5) the organization has the potential to impose a financial benefit/burden on the City; and 6) there is fiscal dependency by the organization on the City. Based on the aforementioned criteria, the City of Sisters has one component unit, the Urban Renewal Agency.

Blended Component Unit: The Agency was formed to undertake urban renewal projects and activities pursuant to the City's redevelopment plan. The Board of Directors of the Agency consists of the Mayor and the four elected City Council members. The City is required to certify to the County Assessor any incremental taxes to be levied for the benefit of the Agency. Since the City Council has acted as its governing board, it has been included as a blended component unit in financial statements. The City can significantly influence the operations of the Agency and provides financial benefits. Complete financial statements for the Agency may be obtained at the City's administrative offices at 520 E. Cascade Avenue, Sisters, Oregon 97759.

Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the overall City. Eliminations have been made to minimize the double counting of internal activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Direct expenses are those that are specifically associated with a program of function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the City.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Net position is reported as restricted when constraints placed on net asset use are either externally restricted, imposed by creditors (such as through grantors, contributors, or laws) or through constitutional provisions or enabling resolutions.

CITY OF SISTERS
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT):

Basis of Presentation (Cont.)

Fund Financial Statements: The fund financial statements provide information about the city's funds including those of a fiduciary nature, if applicable. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as other governmental funds.

Governmental Funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses, and balance of current financial resources. The City reports the following major governmental funds:

General Fund - The General Fund is the main operating fund of the City. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other funds are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid by the General Fund.

Street Fund - This fund accounts for activities related to the construction and maintenance of City streets. Revenues for this fund come from state highway taxes and grants.

Additionally, the City also reports non-major funds within the governmental fund type.

Special Revenue Funds are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Projects Funds are used to account for financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including acquisition or construction of capital facilities and other capital assets. Capital Project Funds exclude those types of capital related outflows financed by proprietary funds.

Debt Service Funds are used to account for the financial resources that are restricted, committed, or assigned to expenditure for payment made for principal and interest on long-term debt for governmental funds.

CITY OF SISTERS
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Basis of Presentation (Cont.)

Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position, and cash flow. All assets and liabilities are included in the Statement of Net Position. The City has presented the following major proprietary funds:

Water Fund - The Water Fund is used to account for the provision of water services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water system and billing and collection activities.

Sewer Fund - The Sewer Fund is used to account for the provision of sewer services to the residents of the City. Activities of the fund include administration, operations and maintenance of the sewer system and billing and collection activities.

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

Measurement Focus/Basis of Accounting

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 at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the city receives value without giving equal value in exchange, include property taxes, grants, entitlements and donations. On the accrual basis of accounting revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Under terms of grant agreements, the city funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the city's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (when they are measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The city considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt, which is recognized when the obligations are expected to be liquidated with expendable available financial resources. Property taxes, interest and special assessments are susceptible to accrual. Other receipts and taxes become measurable and available when the cash is received by the government and are recognized as revenue at that time. Entitlements and shared revenues are recorded at the time of receipt or earlier if the "susceptible to accrual" criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

CITY OF SISTERS
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Measurement Focus/Basis of Accounting (Cont.)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the city's Sewer and Water Funds are charges to customers for sales and services. These funds also recognize fees intended to recover the cost of connecting new customers to the city's utility systems as operating revenue. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Budgeting

A budget is prepared for each city fund in accordance with the modified accrual basis of accounting and legal requirements set forth in the Oregon local budget law. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total personnel services, materials and services, capital outlay, contingencies, and debt service by fund are the levels of control. The detail budget document, however, is required to contain more specific, detailed information for the above-mentioned expenditure categories. Appropriations lapse at June 30. Unexpected additional resources may be added to the budget by a supplemental budget and appropriations resolution. A supplemental budget may require hearings before the public, publications in newspapers, and approval by the city council. Original and supplemental budgets may be modified by using appropriations transfers between the levels of control. Such transfers require approval by the city council. The city does not utilize encumbrance accounting for budgeted funds.

Cash and Investments

For purposes of the statement of cash flows, cash and cash equivalents include cash on hand, checking, savings and money market accounts and any short-term, highly liquid investments with initial maturity dates of three months or less.

The City has adopted an investment policy requiring compliance with Oregon statutes, which authorizes the City to invest in obligations of the United States, the agencies and instrumentalities of the United States and the State of Oregon, and numerous other investment instruments.

The City's investments may consist of time certificates of deposit, banker's acceptances, commercial paper, U.S. Government Agency securities, and the State of Oregon Treasurer's Local Government Investment Pool (LGIP). The City's investments are reported at fair value at year-end. Changes in the fair value of investments are recorded as investment earnings. The LGIP is stated at cost, which approximates fair value. The fair value of the LGIP is the same as the City's value in the pool shares.

The Oregon State Treasury administers the LGIP. It is an open-ended, non-load diversified portfolio offered to any agency, political subdivision, or public corporation of the State that by law is made the custodian of, or has control of, any fund. LGIP is included in the Oregon Short Term Fund (OSTF) which was established by the State Treasurer.

In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP.

CITY OF SISTERS
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Accumulated Compensated Absences

Accumulated vested vacation and compensatory pay is accrued as it is earned. For governmental funds, compensation not expected to be liquidated with the current resources are reported as liabilities in the government-wide statements and represent a reconciling item between the fund level and government-wide presentations. In business-type funds both the current and long-term liabilities are recorded. Sick pay, which does not vest, is recognized in applicable funds when leave is taken.

Receivables

Amounts due from individuals and organizations are recorded as receivables at year-end. These amounts include charges for services rendered, or for goods and material provided by the City. All receivables are expected to be collected. Accordingly, receivables are reported at the gross amount without an allowance for uncollectible accounts.

Receivables are also recognized for property taxes and intergovernmental grants. Property taxes receivable consist of uncollected taxes levied and payable at the end of the fiscal year. All taxes are considered collectible. Consequently, no allowance for uncollectible taxes has been established. In the governmental fund financial statements, property taxes not collected within sixty days of the end of the fiscal year are reported as a deferred inflow or resources.

Deferred Inflows/Outflows of Resources:

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(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the City has two items that qualifies for reporting in this category, deferred pension contributions and OPEB related deferrals.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualifies for reporting in this category, deferred earnings on pension assets and OPEB related deferrals.

In the governmental funds balance sheet, a different category of deferred inflow of resources, delinquent property tax revenue not available, is reported. Property taxes levied and considered receivable at the end of the fiscal year, but not collected within sixty days of the end of the fiscal year are reported in this category. These amounts are recognized as an inflow of resources (revenue) in the period that the amounts become available.

Inventory

Inventories are valued at cost, which approximates market value, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when purchased. The costs of proprietary fund type inventories are recorded as expenditures when consumed rather than when purchased.

CITY OF SISTERS
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Restricted Assets and Liabilities

Certain resources are set aside and restricted for future bond payments and the related liability; these resources are segregated in the statement of net position and are classified as restricted assets on the Statement of Net Position because their use is limited. For the fiscal year ended June 30, 2023, the City had sinking funds for debt service of \$273,302 in restricted assets.

Long-Term Debt

All bonds and capital leases to be paid from governmental and business-type resources are reported as liabilities in the government-wide financial statements. Amounts of the long-term debt due within the following fiscal year are included in the current liabilities section of the Statement of Net Position.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in fund financial statements as it is in the government-wide statements.

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 and in the fund financial statements for proprietary funds. Purchased or constructed capital assets are reported at cost, or estimated cost when original cost is not available. Donated capital assets are valued at their estimated fair market value on the date received. Maintenance and repairs of capital assets that do not significantly extend the useful life of an asset are not capitalized, but rather are charged to expenditures in the funds.

Assets capitalized have an original cost of \$5,000 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method.

The estimated useful lives are as follows:

Buildings and Improvements	10-50 years
Machinery and Equipment	3-20 years
Vehicles	5-10 years
Water and Sewer Systems	20-50 years
Infrastructure	25-35 years

Use of Estimates

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

CITY OF SISTERS
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Equity Classifications:

Government-wide Statements and Proprietary Fund Financial Statements

Equity is classified as net position, which represents the difference between assets and liabilities, and deferred accounts. Net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantor, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The City’s policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Governmental Fund Financial Statements

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. The City did not have any nonspendable resources as of June 30, 2023.
- Restricted: This classification includes fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The City has restricted funds for public works projects, capital projects and debt service.
- Committed: This classification includes fund balance amounts that are constrained for specific purpose that are internally imposed by the government through resolution of the highest level of decision-making authority, the City Council, and does not lapse at year-end. The City has committed resources as of June 30, 2023.
- Assigned: This classification includes fund balance amounts that are intended to be used for specific purposes that are neither restricted nor committed. This intent can be expressed by the City Council or through the City Council delegating this responsibility to selected staff members or through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned: This classification includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories, and negative fund balances of other governmental funds.

The City’s policy is to use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of the constrained fund balances.

CITY OF SISTERS
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Property Taxes

The assessment date for the tax year is July 1. Personal and real property taxes are a lien on July 1. Total personal property tax becomes due and is delinquent when any installment is not paid by its due date. Real property tax is due and payable on November 15. However, a taxpayer may pay real property taxes in three equal installments, due the 15th day of November, February, and May. Real property taxes become delinquent if not paid by May 15.

Inter-Fund Transactions

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers in the fund financial statements. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

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

CASH AND INVESTMENTS:

For discussion of deposit and investment policies and other related information, see Cash and Investments note under the Summary of Significant Accounting Policies.

The City follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Various restrictions on deposits and investments are imposed by state statutes. These restrictions are summarized in the Cash and Investments note under the Summary of Significant Accounting Policies.

Investments, including amounts held in pool cash and investments are stated at fair value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. Fair value is determined at the quoted market prices, if available; otherwise, the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value.

Deposits - All cash is deposited in compliance with Oregon statutes. The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. FDIC insurance of \$250,000 applies to the deposits in each depository. ORS 295 governs the collateralization of Oregon public funds and provides the statutory requirements for the Oregon Public Funds Collateralization Program (PFCP). Where balances continually exceed \$250,000, ORS 295 requires the depositor to verify that deposit accounts are only maintained at financial institutions on the list of qualified depositories found on the state treasurer's website.

CITY OF SISTERS
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

CASH AND INVESTMENTS (Cont.):

Custodial Credit Risk for Deposits - Custodial credit risk for deposits exists when, in the event of a depository failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk.

As of June 30, 2023, the reported amount of the City's deposits was \$1,786,256 and the bank balance was \$1,824,285. Of the bank balance, the entire amount was insured by the FDIC or covered by the collateral held in a multiple financial institutions collateral pool administered by the Oregon State Treasurer.

Investments - Oregon statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, banker's 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 Governmental Investment Pool. The City has no credit risk policy or investment policy that would further limit its investment choices.

Credit Risk - Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. As of June 30, 2023, the City's investment in the Oregon State Treasurer's Local Government Investment Pool (LGIP) was unrated.

As of June 30, 2023, the City's investments in financial institutions are as follows:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Oregon State Treasurer's Local Government Investment Pool (LGIP)	<u>\$ 20,037,305</u>	N/A
Total Investments	<u>\$ 20,037,305</u>	

Investments in the LGIP and federal agency notes do not require disclosure of credit rating quality.

Concentration of Credit Risk - An increased risk of loss occurs as more investments are acquired from one issuer. This results in a concentration of credit risk. The City places no limit on the amount that may be invested in any one issuer. More than 5 percent of the City's investments are in the Oregon State Treasurer's Local Government Investment Pool (LGIP). This investment is 100% of the City's total investment.

CITY OF SISTERS
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

CAPITAL ASSETS:

The following is a summary of capital asset activity for the fiscal year ended June 30, 2023:

Depreciable Assets Schedule
For the Fiscal Year Ended June 30, 2023

	Beginning Balances	Additions	Deletions	Ending Balances
Governmental Activities				
Assets not being depreciated:				
Land	\$ 1,206,932	\$ 108,578	\$ -	\$ 1,315,510
Art and Sculptures	330,872	-	-	330,872
Construction in Progress	252,652	947,319	542,391	657,580
Total	1,790,456	1,055,897	542,391	2,303,962
Assets being depreciated:				
Building and Building Improvement	4,710,741	-	-	4,710,741
Machinery and Equipment	1,524,652	42,526	10,000	1,557,178
Infrastructure	11,841,367	583,605	-	12,424,972
Total Depreciable Assets	18,076,760	626,131	10,000	18,692,891
Less: Accumulated Depreciation				
Building and Building Improvement	1,994,013	97,315	-	2,091,328
Machinery and Equipment	1,126,901	91,458	10,000	1,208,359
Infrastructure	2,862,492	402,174	-	3,264,666
Total Accumulated Depreciation	5,983,406	590,947	10,000	6,564,353
Net Value of Capital Assets Being Depreciated	12,093,354	35,184	-	12,128,538
Total Governmental Activities -- Net Value of Capital Assets	<u>\$ 13,883,810</u>	<u>\$ 1,091,081</u>	<u>\$ 542,391</u>	<u>\$ 14,432,500</u>
Depreciation expense was charged to the functions of governmental activities as follows:				
General Government		\$ 68,506		
Public Safety		7,625		
Highway and Streets		442,637		
Culture and Recreation		72,180		
Total Depreciation Expense		<u>\$ 590,947</u>		

CITY OF SISTERS
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

CAPITAL ASSETS (Cont.):

	Beginning Balances	Additions	Deletions	Ending Balances
Business-Type Activities				
Assets not being depreciated:				
Land	\$ 4,289,705	\$ -	\$ -	\$ 4,289,705
Art and Sculptures	14,000	-	-	14,000
Water Rights	268,688	-	-	268,688
Construction in Progress	679,200	119,792	65,996	732,996
Total	5,251,593	119,792	65,996	5,305,389
Assets being depreciated:				
Utility Systems	27,985,509	327,891	-	28,313,400
Building and Building Improvement	638,499	-	-	638,499
Machinery and Equipment	714,577	40,783	6,379	748,981
Total Depreciable Assets	29,338,585	368,674	6,379	29,700,880
Less: Accumulated Depreciation				
Utility Systems	8,732,854	589,280	-	9,322,134
Building and Building Improvement	198,555	16,710	-	215,266
Machinery and Equipment	573,270	31,956	6,379	598,847
Total Accumulated Depreciation	9,504,680	637,946	6,379	10,136,247
Net Value of Capital Assets Being Depreciated	19,833,905	(269,272)	-	19,564,633
Total Business-Type Activities -- Net Value of Capital Assets	\$ 25,085,498	\$ (149,480)	\$ 65,996	\$ 24,870,022
Total Net Value of Capital Assets of Primary Government	\$ 38,969,308	\$ 941,601	\$ 608,387	\$ 39,302,522
Depreciation expense was charged to the functions of business-type activities as follows:				
Water		\$ 284,349		
Sewer		353,597		
Total Depreciation Expense		\$ 637,946		

CITY OF SISTERS
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

LONG-TERM DEBT:

In the following paragraphs, long-term debt information is presented separately with respect to governmental and business-type activities. The table below presents the current year's changes in those obligations and the current portions due for each issue.

BUSINESS-TYPE ACTIVITIES:

Full Faith and Credit Refunding Bonds Series 2016 - Sewer

On January 28, 2016, the City issued full faith and credit refunding bonds for \$6,180,000. Proceeds from the issuance were used to pay off the City's loans payable for the City Hall Facility, sewer system, Lazy Z property, and USDA revenue bonds. The bonds are held by US Bank and have a variable interest rate (2-4%) per year. Payments are made annually with interest payments made on Dec 1 and June 1, and principal payments on June 1. The bond is divided into Governmental and Business Type Activities and has different payment schedules for the various debts. The original portion of the debt related to the Sewer activities (Business Type) was \$4,869,000 with payments due through the fiscal year ending June 30, 2041. This debt is comprised of 3 individual debt schedules referred to as 92-04, 92-06, and Sewer Refunding.

Full Faith and Credit Refunding Bonds Series 2016 - Lazy Z

On January 28, 2016, the City issued full faith and credit refunding bonds for \$6,180,000. Proceeds from the issuance were used to pay off the City's loans payable for the City Hall Facility, sewer system, Lazy Z property, and USDA revenue bonds. The bonds are held by US Bank and have a variable interest rate (2-4%) per year. Payments are made annually with interest payments made on Dec 1 and June 1, and principal payments on Jun 1. The bond is divided into Governmental and Business Type Activities and has different payment schedules for the various debts. The original portion of the debt related to the LazyC property (Business Type) was \$776,000 with payments due through the fiscal year ending June 30, 2029.

Full Faith and Credit Refunding Bonds Series 2016 - City Hall and Streets

On January 28, 2016, the City issued full faith and credit refunding bonds for \$6,180,000. Proceeds from the issuance were used to pay off the City's loans payable for the City Hall Facility, sewer system, Lazy Z property, and USDA revenue bonds. The bonds are held by US Bank and have a variable interest rate (2-4%) per year. Payments are made annually with interest payments made on Dec 1 and June 1 and principal payments on Jun 1. The bond is divided into Governmental and Business Type Activities and has different payment schedules for the various debts. The original portion of the debt related to the City Hall and Streets (Governmental) was \$535,000 with payments due through the fiscal year ending June 30, 2029.

CITY OF SISTERS
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

LONG-TERM DEBT (Cont.):

CITY OF SISTERS
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2023

	Outstanding Balance July 1, 2022	Reductions	Outstanding Balance June 30, 2023	Interest Paid	Due Within One Year
Governmental Long Term Debt					
Bonds Payable:					
Full Faith and Credit Refunding Bonds Series 2016 - City Hall and Streets	\$ 317,000	\$ 39,000	\$ 278,000	\$ 11,900	\$ 40,000
Total Governmental Bonds Payable	<u>317,000</u>	<u>39,000</u>	<u>278,000</u>	<u>\$ 11,900</u>	<u>\$ 40,000</u>
Bond Premium	31,735	8,073	23,662		
Total Governmental Bonds Payable, Net of Premium	<u>\$ 348,735</u>	<u>\$ 47,073</u>	<u>\$ 301,662</u>		
Business-Type Long Term Debt					
Bonds Payable:					
Full Faith and Credit Refunding Bonds Series 2016 - Sewer	\$ 3,967,000	\$ 177,000	\$ 3,790,000	\$155,140	\$ 186,000
Full Faith and Credit Refunding Bonds Series 2016 - Lazy Z	466,000	59,000	407,000	17,460	61,000
Total Business-Type Bonds Payable	<u>4,433,000</u>	<u>236,000</u>	<u>4,197,000</u>	<u>\$172,600</u>	<u>\$ 247,000</u>
Bond Premium	410,009	42,692	367,317		
Total Business-Type Bonds Payable, Net of Premium	<u>\$ 4,843,009</u>	<u>\$ 278,692</u>	<u>\$ 4,564,317</u>		

The debt service requirements on the above debt are as follows:

General Obligation and Limited Tax Bonds:

Due Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 287,000	\$ 173,300	\$ 460,300
2025	300,000	161,600	461,600
2026	310,000	149,400	459,400
2027	325,000	136,700	461,700
2028	340,000	123,400	463,400
2029 - 2033	1,070,000	463,800	1,533,800
2034 - 2038	1,080,000	264,800	1,344,800
2039 - 2043	765,000	46,900	811,900
Total	<u>\$ 4,477,000</u>	<u>\$ 1,519,900</u>	<u>\$ 5,996,900</u>

The City has no unused lines of credit.

The City has no assets that are specifically pledged as collateral for any of the debt.

For further detail on debt service, see the 'Schedule of Long-Term Debt Transactions' in the Other Supplementary Data section of this report.

CITY OF SISTERS
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

PENSION PLAN:

The City of Sisters offers various retirement plans to qualified employees as described below.

Name of Pension Plan

The City of Sisters participates with other state agencies in the Oregon Public Employees Retirement System (OPERS) which is a cost-sharing multiple-employer defined benefit pension plan.

Description of Benefit Terms

Plan Benefits

OPERS is administered in accordance with Oregon Revised Statutes (ORS) Chapter 238, Chapter 238A, and Internal Revenue Code Section 401(a). The Oregon Legislature has delegated authority to the Public Employees Retirement Board (PERS Board) to administer and manage the System.

1. Tier One/Tier Two Retirement Benefit (Chapter 238). OPERS is a defined benefit pension plan that provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and their beneficiaries. Benefits are established by state statute. This defined benefit pension plan portion of OPERS is closed to new members hired on or after August 29, 2003.

Pension Benefits

The OPERS retirement allowance is payable monthly for life. Members may select 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. Police and Fire members may purchase increased benefits that are payable between the date of retirement and age 65.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years, or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

During the 2019 Legislative session, Senate Bill 1049 was approved and signed into law by the governor. Under Senate Bill 1049, several components of the bill have significantly impacted the System, and the bill continues to be implemented.

1. Employer Programs Project (effective July 1, 2019): established the Employer Incentive Fund (EIF) Program, which allows eligible employers to receive matching funds if they apply and make a qualifying deposit into a side account.
2. Salary Limit Project: A new limitation on subject final average salary used for PERS benefit calculations and contributions is used to determine member IAP contributions, employer contributions to fund the pension program, and the Final Average Salary (FAS) used in calculating retirement benefits under formula methods was added, (\$210,582 as of January 1, 2022). This amount is indexed annually to the Consumer Price Index (CPI).

CITY OF SISTERS
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

PENSION PLAN (Cont.):

3. Work After Retirement Project (effective January 1, 2020): The 1,039-hour Work After Retirement limit for all PERS retirees is removed for calendar years 2020 through 2024. If a member retires on or after normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations. If a member retires earlier than normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations if the date of their employment is more than six months after their retirement date.
4. Member Redirect Project (effective July 1, 2020): For all currently employed Tier One/Tier Two and OPSRP members earning \$3,333/month in House Bill 2906 as of June 2021), a portion of their 6 percent monthly IAP contributions will be redirected to an “Employee Pension Stability Account.” The Employee Pension Stability Account will be used to pay for part of the member’s future pension benefit.
 - Tier One/Tier Two members: 2.5 percent of each member’s IAP contribution amount, currently contributed to the IAP, (whether paid by the member or employer) will start going into an Employee Pension Stability Account (EPSA). The remainder will continue to go to the member’s existing IAP account.
 - Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full, 6 percent contribution to the IAP.
5. Member Choice Project (effective January 1, 2021): IAP accounts are currently invested in Target-Date Funds based on a member’s birth year. Beginning in 2021, members may choose to invest their IAP balance in a fund that is more reflective of their risk tolerance than the default based on their age.
6. Additionally, the Legislature directed the PERS Board to enact a one-time re-amortization of Tier 1/Tier 2 UAL over 22 years. This means that, effective with the December 31, 2019 rate-setting valuation, the entire unamortized Tier 1/Tier 2 UAL for each rate pool and independent employer will be re-amortized over a 22 year period as a level percentage of projected future payroll.

Death Benefits

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

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

Disability Benefits

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

Benefit Changes After Retirement

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

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

CITY OF SISTERS
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

PENSION PLAN (Cont.):

2. OPSRP Defined Benefit Pension Program (OPSRP DB). The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003.

Pension Benefits

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

Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

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

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

During the 2019 Legislative session, Senate Bill 1049 was approved and signed into law by the governor. Under Senate Bill 1049, several components of the bill have significantly impacted the System, and the bill continues to be implemented.

1. Employer Programs Project (effective July 1, 2019): established the Employer Incentive Fund (EIF) Program, which allows eligible employers to receive matching funds if they apply and make a qualifying deposit into a side account.
2. Salary Limit Project: A new limitation on subject final average salary used for PERS benefit calculations and contributions is used to determine member IAP contributions, employer contributions to fund the pension program, and the Final Average Salary (FAS) used in calculating retirement benefits under formula methods was added (\$210,582 as of January 1, 2022). This amount will be indexed annually to the Consumer Price Index (CPI).
3. Work After Retirement Project (effective January 1, 2020): The 1,039-hour Work After Retirement limit for all PERS retirees is removed for calendar years 2020 through 2024. If a member retires on or after normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations. If a member retires earlier than normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations if the date of their employment is more than six months after their retirement date.
4. Member Redirect Project (effective July 1, 2020): For all currently employed Tier One/Tier Two and OPSRP members earning \$3,333/month in House Bill 2906 as of June 2021), a portion of their 6 percent monthly IAP contributions will be redirected to an "Employee Pension Stability Account." The Employee Pension Stability Account will be used to pay for part of the member's future pension benefit.
 - OPSRP members: 0.75 percent of each member's contribution, currently contributed to the IAP, (whether paid by the member or employer) will start going into their EPSA. The remaining 5.25 percent of the members contribution will continue to go to the member's existing IAP account.
 - Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full, 6 percent contribution to the IAP.

CITY OF SISTERS
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

PENSION PLAN (Cont.):

5. Member Choice Project (effective January 1, 2021): IAP accounts are currently invested in Target-Date Funds based on a member's birth year. Beginning in 2021, members may choose to invest their IAP balance in a fund that is more reflective of their risk tolerance than the default based on their age.

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.

3. Individual Account Program (IAP).

Benefit Terms

The IAP is an individual account-based program under the PERS tax-qualified governmental plan as defined under ORS 238A.400.

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

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

Death Benefits

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

Recordkeeping

OPERS contracts with VOYA Financial to maintain IAP participant records.

4. Postemployment Healthcare Benefits.

ORS 238.420 established the Retirement Health Insurance Account (RHIA) and authorizes a payment of up to \$60 from RHIA toward the monthly cost of health insurance for eligible PERS members. RHIA is a cost-sharing, multiple-employer OPEB plan for 898 participating employers. The plan was closed to new entrants hired on or after August 29, 2003.

To be eligible to receive this monthly payment toward the premium costs, the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan.

CITY OF SISTERS
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

PENSION PLAN (Cont.):

Contributions

Description of Funding and Contributions for PERS Benefit Plans

OPERS' funding policy provides for periodic member and employer contributions at rates established by the Public Employees Retirement Board, subject to limits set in statute. Contributions for employers are recognized on the accrual basis of accounting. Employer contributions to OPERS are calculated based on creditable compensation for active members reported by employers. The rates established for member and employer contributions were approved based on the recommendations of the System's third-party actuary. The contribution rate for every employer has at least two major components; Normal Cost Rate and Unfunded Actuarial Liability (UAL) Rate.

The City's employer contributions for the year ended June 30, 2023 were \$220,338 excluding amounts to fund employer specific liabilities.

The contribution rates in effect for the period July 1, 2021 to June 30, 2023 are: Tier1/Tier2 – 19.38%, OPSRP General Service – 17.05%, and OPSRP Fire and Police – 21.41%.

Member Contributions

Beginning January 1, 2004, all member contributions, except for contributions by judge members, were placed in the OPSRP Individual Account Program (IAP). Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set by statute at 6.0 salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members' behalf.

During FY 2022-2023, no employee IAP contributions were paid or picked up by the City.

Employer Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and OPEB (Other Post Employment Benefit) Plans. Employer contribution rates during the period were based on the December 31, 2019, actuarial valuation, which became effective July 1, 2021. The state of Oregon and certain schools, community colleges, and political subdivisions have made supplemental unfunded actuarial liability payments, and their rates have been reduced. Effective January 1, 2020, Senate Bill 1049 required employers to pay contributions on re-employed PERS retirees' salary as if they were an active member, excluding IAP (6%) contributions. Re-employed retirees do not accrue additional benefits while they work after retirement.

For **Oregon PERS Defined Benefit Plans**, Effective July 1, 2021, the contribution rate for State Agencies was 20.36%, the State and Local Government Rate Pool 28.08%, Schools 27.54%, Cities 28.64% and Judiciary 24.56% of PERS-covered salaries.

For **Oregon PERS OPSRP Benefit Plans**, all OPERS employers with OPSRP Pension Program members are actuarially pooled and share the same contribution rate. Each of these rates includes a component related to disability benefits for General Service and Police and Fire members.

Members of OPSRP are required to contribute 6.0% of their salary covered under the plan which is invested in the IAP. For employees in Tier One / Tier two, the Employer makes this contribution on behalf of its members.

CITY OF SISTERS
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

PENSION PLAN (Cont.):

For **Oregon PERS Postemployment Benefit Plans**, for the fiscal year ended June 30, 2023, PERS employers contributed 5.0% of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA benefits. No UAL rate was assigned for the RHIA program as it was funded at over 100% as of December 31, 2019. These rates were based on the December 31, 2019, actuarial valuation.

Employer contributions are advance-funded on an actuarially determined basis. There is no inflation assumption for RHIA postemployment benefits because the payment amount is set by statute and is not adjusted for increases in healthcare costs.

ORS 238.415 established the Retiree Health Insurance Premium Account (RHIPA) and requires the Board on or before January 1 of each year to calculate the average difference between the health insurance premiums paid by retired state employees under contracts entered into by the Board and health insurance premiums paid by active state employees.

For **OPSRP Pension Program**, all OPERS employers with OPSRP Pension Program members are actuarially pooled and share the same contribution rate. Each of these rates includes a component related to disability benefits for General Service and Police and Fire members.

Pension Plan CAFR/ ACFR

Oregon PERS produces an independently audited ACFR which can be found at:
[2022-Annual-Comprehensive-Financial-Report.pdf \(oregon.gov\)](#)

Actuarial Valuations

The employer contribution rates effective July 1, 2021, through June 30, 2023, were set using the Entry Age Normal actuarial cost method.

For the Tier One/Tier Two component of the OPERS 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 by ongoing Board policy. However, upon passage of Senate Bill 1049, the Legislature directed the PERS Board to enact a one-time re-amortization of Tier 1/Tier 2 UAL over 22 years. This means that, effective with the December 31, 2019 rate-setting valuation, the entire unamortized Tier 1/Tier 2 UAL for each rate pool and independent employer will be re-amortized over a 22 year period as a level percentage of projected future payroll.

For the OPSRP Pension Program component of the OPERS 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 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 the same period of years.

For the Postemployment Healthcare component, the RHIA plan fiduciary net position balance represents the program's accumulation of employer contributions and investment earnings less premium subsidies and administrative expenses. No UAL rate was assigned for the RHIA program as it was funded over 100% as of December 31, 2019. Typically, PERS employers contribute an actuarially determined percent of all PERS-covered salaries to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities being amortized over 10 years.

CITY OF SISTERS
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

PENSION PLAN (Cont.):

Actuarial Methods and Assumptions Used in Developing Total Pension Liability

Actuarial Methods and Assumptions Used in Developing Total Pension Liability:	
Valuation Date	December 31, 2020
Measurement Date	June 30, 2022
Experience Study	2020, published July 24, 2021
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision; blend based on service.
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

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

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF SISTERS
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

PENSION PLAN (Cont.):

Depletion Date Projection

GASB 67 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan’s Fiduciary Net Position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 67 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 67 (paragraph 43) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

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

- OPERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 67 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan’s funded position.

Based on these circumstances, it is our independent actuary’s opinion that the detailed depletion date projections outlined in GASB 67 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

OIC Target and Actual Investment Allocation as of June 30, 2022

<u>Asset Class/Strategy</u>	<u>OIC Policy Range</u>	<u>OIC Target Allocation</u>	<u>Asset Class/Strategy</u>	<u>Actual Allocation²</u>
Debt Securities	15.0% - 25.0%	20.0%	Debt Securities	19.8%
Public Equity	25.0% - 35.0%	30.0%	Public Equity	21.2%
Real Estate	7.5% - 17.5%	12.5%	Real estate	13.6%
Private Equity	15.0% - 27.5%	20.0%	Private Equity	28.0%
Risk Parity	0.0% - 3.5%	2.5%	Risk Parity	2.0%
Real Assets	2.5% - 10.0%	7.5%	Real Assets	7.9%
Diversifying Strategies	2.5% - 10.0%	7.5%	Diversifying Strategies	4.9%
Opportunity Portfolio ¹	0.0% - 5.0%	0.0%	Opportunity Portfolio	2.6%
Total		<u>100%</u>	Total	<u>100%</u>

¹Opportunity Portfolio is an investment strategy and it may be invested up to 5% of total plan net position.

²Based on the actual investment value at 6/30/2022.

³In October 2021 the Alternatives Portfolio was split into Real Assets and Diversifying Strategies.

CITY OF SISTERS
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

PENSION PLAN (Cont.):

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the Oregon 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. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below.

<u>Long Term Expected Rate of Return¹</u>	Annual Target Allocation	Annual Arithmetic Return ²	20-Year Annualized Geometric Mean	Annual Standard Deviation
Global Equity	30.62%	7.11%	5.85%	17.05%
Private Equity	25.50%	11.35%	7.71%	30.00%
Core Fixed Income	23.75%	2.80%	2.73%	3.85%
Real Estate	12.25%	6.29%	5.66%	12.00%
Master Limited Partnerships	0.75%	7.65%	5.71%	21.30%
Infrastructure	1.50%	7.24%	6.26%	15.00%
Commodities	0.63%	4.68%	3.10%	18.85%
Hedge Fund of Funds - Multistrategy	1.25%	5.42%	5.11%	8.45%
Hedge Fund Equity - Hedge	0.63%	5.85%	5.31%	11.05%
Hedge Fund - Macro	5.62%	5.33%	5.06%	7.90%
US Cash ³	-2.50%	1.77%	1.76%	1.20%
Assumed Inflation - Mean			2.40%	1.65%

¹Based on the Oregon Investment Council’s (OIC) Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund as most recently revised on June 2, 2021.

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

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

Sensitivity Analysis

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

	1% Decrease 5.90%	Discount Rate 6.90%	1% Increase 7.90%
Employer's proportionate share of the net pension liability	\$ 2,560,796	\$ 1,443,993	\$ 509,280

Changes Since Last Valuation

A summary of key changes implemented after the December 31, 2020 valuation, which was used in the 2022 PERS ACFR. Changes are described briefly below. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2020 Experience Study for the System, which was published on July 20, 2021, which can be found at: [2020-Experience-Study.pdf \(oregon.gov\)](https://www.oregon.gov/PSERS/Pages/2020-Experience-Study.pdf)

CITY OF SISTERS

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

PENSION PLAN (Cont.):

Changes in Actuarial Methods and Allocation Procedures

There were no changes in actuarial methods and allocation procedures since the December 31, 2020 actuarial valuation.

Changes in Assumptions

The changes in assumptions since the December 31, 2020 actuarial valuation, were limited to non-annuitant Police and Fire Mortality, as shown below.

Mortality Rates

A summary of the current assumed mortality rates and recommended changes is shown below:

Assumption	Recommended December 31, 2020 and 2021 Valuations	Recommended December 31, 2022 and 2023 Valuations
Healthy Annuitant Mortality	Pub-2010 Healthy Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale	Pub-2010 Healthy Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale
School District male	Blend 80% Teachers and 20% General Employees, no set back	No change
Other General Service male (and male beneficiary)	General Employees, set back 12 months	No change
Police & Fire male	Public Safety, no set back	No change
School District female	Teachers, no set back	No change
Other female (and female beneficiary)	General Employees, no set back	No change
Police & Fire female	Public Safety, set back 12 months	No change
Disabled Retiree Mortality	Pub-2010 Disabled Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale	Pub-2010 Disabled Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale
Police & Fire male	Blended 50% Public Safety, 50% Non-Safety, no set back	No change
Other General Service male	Non-Safety, set forward 24 months	No change
Police & Fire female	Blended 50% Public Safety, 50% Non-Safety, no set back	No change
Other General Service female	Non-Safety, set forward 12 months	No change
Non-Annuitant Mortality	Pub-2010 Employee, Sex Distinct, Generational Projection with Unisex Social Security Data Scale	Pub-2010 Employee, Sex Distinct, Generational Projection with Unisex Social Security Data Scale
School District male	125% of same table and set back as Non-Disabled Annuitant assumption	No change
Other General Service male	115% of same table and set back as Non-Disabled Annuitant assumption	No change
Police & Fire male	100% of same table and set back as Non-Disabled Annuitant assumption	125% of same table and set back as Non-Disabled Annuitant assumption
School District female	100% of same table and set back as Non-Disabled Annuitant assumption	No change
Other General Service female	125% of same table and set back as Non-Disabled Annuitant assumption	No change
Police & Fire female	100% of same table and set back as Non-Disabled Annuitant assumption	No change

CITY OF SISTERS
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

PENSION PLAN (Cont.):

Changes Subsequent to the Measurement Date

There were no changes subsequent to the measurement date, that we are aware of.

Deferred Items

Deferred items are calculated at the system-wide level and are allocated to employers based on their proportionate share. For the measurement period ending June 30, 2022, employers will report the following deferred items:

- A difference between expected and actual experience, which is being amortized over the remaining service lives of all plan participants, including retirees. One year of this amortization is included in the employer's total pension expense for the measurement period.

Employer Contributions

OPERS includes accrued contributions when due pursuant to legal requirements, as of June 30 in its Statement of Changes in Fiduciary Net Position.

Beginning with fiscal year 2016, OPERS will be able to report cash contributions and UAL side account amortization by employer, and will publish this information on the OPERS Website. Prior to fiscal year 2016, contributions to the OPSRP Defined Benefit plan were not accounted for by employer, as all employers were pooled for actuarial purposes.

Elements of Changes in Net Position

This information can be found in the Schedule of Changes in Net Pension Liability found on page 76, of the June 30, 2022 Oregon PERS ACFR. [2022-Annual-Comprehensive-Financial-Report.pdf \(oregon.gov\)](#).

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

At June 30, 2023, the employer reported a liability of \$1,443,993 for its proportionate share of the net pension liability. The net pension liability/(asset) was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on a projection of the employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

CITY OF SISTERS
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

PENSION PLAN (Cont.):

At June 30, 2022, the employer's proportion was 0.00943046%.

For the year ended June 30, 2023, the employer recognized pension expense of \$193,349. As of June 30, 2022, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 70,094	\$ 9,005
Changes of assumptions	226,570	2,070
Net difference between projected and actual earnings on investments	-	258,158
Changes in proportionate share	186,805	59,430
Differences between employer contributions and employer's proportionate share of system contributions	-	194,704
Total Deferred Outflows/Inflows	<u>\$ 483,469</u>	<u>\$ 523,367</u>
Post-measurement date contributions	220,338	N/A
Total Deferred Outflow/(Inflow) of Resources	<u>\$ 703,807</u>	<u>\$ 523,367</u>
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		<u>\$ (39,898)</u>

Contributions of \$220,338 for PERS defined benefits, were made subsequent to the measurement date, but prior to the end of the City's reporting period. These contributions, which are reported as deferred outflows of resources related to pensions, will be included as a reduction of the net pension liability in next fiscal year.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense/(income) as follows:

<u>Employer subsequent fiscal years</u>	<u>Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)</u>
1st Fiscal Year	\$ 13,918
2nd Fiscal Year	(40,789)
3rd Fiscal Year	(108,631)
4th Fiscal Year	107,990
5th Fiscal Year	(12,386)
Total	<u>\$ (39,898)</u>

CITY OF SISTERS
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA:

Oregon Public Employees Retirement Systems' (OPERS) Retiree Health Insurance Account (RHIA)

Plan Description

The City contributes to the Oregon Public Employees Retirement Systems' (OPERS) Retiree Health Insurance Account (RHIA), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the Oregon Public Employees Retirement Board (OPERB). The plan, which was established under Oregon Revised Statutes 238.420, provides a payment of up to \$60 per month towards the costs of health insurance for eligible OPERS retirees. RHIA post-employment benefits are set by state statute. The plan was closed to new entrants hired on or after August 29, 2003.

To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Employer contributions are advance-funded on an actuarially determined basis. There is no inflation assumption for RHIA postemployment benefits because the payment amount is set by statute and is not adjusted for increases in healthcare costs.

A comprehensive annual financial report of the funds administered by the OPERB may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700, by calling (503) 598-7377, or by accessing the OPERS web site at [2022-Annual-Comprehensive-Financial-Report.pdf \(oregon.gov\)](#).

Funding Policy

Participating employers are contractually required to contribute at a rate assessed bi-annually by the OPERB. For the fiscal year ended June 30, 2022, PERS employers contributed 0.05% of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA benefits. No unfunded actuarial liability (UAL) rate was assigned for the RHIA program as it was funded over 100% as of December 31, 2019. Typically, PERS employers contribute an actuarially determined percent of all PERS-covered salaries to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities being amortized over 10 years. These rates were based on the December 31, 2019, actuarial valuation.

Contributions

The City's contributions to OPERS' RHIA for the years ended June 30, 2023, 2022, and 2021 were \$78, \$112 and \$100 respectively, which equaled the required contributions for the year.

Actuarial Methods and Assumptions Used in Developing Total Pension Liability

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost Sharing Multiple Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2021. That independently audited report was dated February 25, 2022 and can be found at: <https://sos.oregon.gov/audits/Documents/2022-09.pdf>

CITY OF SISTERS
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA (Cont.):

Actuarial Methods and Assumptions - OPEB Plans - RHIA	
	RHIA
Valuation Date	December 31, 2020
Measurement Date	June 30, 2022
Experience Study	2020, published July 20, 2021
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Retiree healthcare participation	Healthy retirees: 27.5% Disabled retirees: 15%
Healthcare cost trend rate	Not applicable
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2020 Experience Study which is reviewed for the four-year period ending December 31, 2022.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

CITY OF SISTERS
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA (Cont.):

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. Table 31 on page 74 shows Milliman’s assumptions for each of the asset classes in which the plans were invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown on page 74. 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 class, calculated using both arithmetic and geometric means, see Pension Plan note disclosure above or the PERS’ audited financial statements at:

<https://sos.oregon.gov/audits/Documents/2022-09.pdf>

Sensitivity Analysis

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

	1% Decrease 5.90%	Discount Rate 6.90%	1% Increase 7.90%
Employer's proportionate share of the net OPEB liability	\$ (14,492)	\$ (16,079)	\$ (17,440)

OPEB Liabilities/(Assets), OPEB Expense, and Deferred Outflows and Inflows of Resources Related to OPEB

At June 30, 2023, the City reported a net OPEB RHIA liability/(asset) of \$(16,079) for its proportionate share of the net OPEB RHIA liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2022, and the total OPEB RHIA liability/(asset) used to calculate the net OPEB RHIA liability/(asset) was determined by an actuarial valuation as of December 31, 2020. Consistent with GASB Statement No. 75, paragraph 59(a), The City’s proportion of the net OPEB RHIA liability/(asset) is determined by comparing the employer’s actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2022, the City’s proportion was 0.00452507 percent. OPEB RHIA expense/(income) recorded for the year ended June 30, 2023 was \$(1,031).

CITY OF SISTERS
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA:

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 436
Changes of assumptions	126	536
Net difference between projected and actual earnings on investments	-	1,226
Changes in proportionate share	40	1,202
Total Deferred Outflows/Inflows	<u>\$ 166</u>	<u>\$ 3,400</u>
Post-measurement date contributions	78	N/A
Total Deferred Outflow/(Inflow) of Resources	<u>\$ 244</u>	<u>\$ 3,400</u>
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		<u>\$ (3,234)</u>

Contributions of \$78 were made subsequent to the measurement date, but prior to the end of the City's reporting period. These contributions, which are reported as deferred outflows (inflows) of resources related to OPEB, will be included as a reduction of the net OPEB liability in the next fiscal year.

Deferred outflows of resources and deferred inflows of resources related to OPEB's will be recognized in OPEB expense as follows:

<u>Employer subsequent fiscal years</u>	<u>Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)</u>
1st Fiscal Year	\$ (1,706)
2nd Fiscal Year	(1,147)
3rd Fiscal Year	(774)
4th Fiscal Year	393
Total	<u>\$ (3,234)</u>

Changes Subsequent to the Measurement Date

We are not aware of any changes subsequent to the June 30, 2022 Measurement Date that meet this requirement and thus require a brief description under the GASB standard.

CITY OF SISTERS
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

OTHER POST-EMPLOYMENT BENEFITS (OPEB) CIS (IRSP):

Retiree Healthcare Insurance Premiums Subsidy

Plan Description

The City operates a single employer retiree benefit plan through the Citycounty Insurance Services that provides post-employment health, dental vision and life insurance benefits to eligible employees and their spouses. The City is required by Oregon Revised Statutes 243.303 to provide retirees and their dependents with group health insurance from the date of retirement to age 65 at the same rate provided to current employees. Premiums for retirees are tiered and based upon the premium rates available to active employees. The retiree is responsible for any portion of the premiums not paid by the Employer. The implicit employer subsidy is measured as the expected health care cost per retiree and dependent, less the gross premiums charged by the insurance carrier for that coverage. The subsidy is only measured for retirees and spouses younger than age 65, at which point such retirees and spouses typically become eligible for Medicare. GASB Statement 75 is applicable to the City due only to this implicit rate subsidy. This “plan” is not a stand-alone plan, and therefore, does not issue its own financial statements.

Funding Policy

When the City has retirees participating in their health insurance plan, it will, when applicable, collect insurance premiums from all retirees each month and deposit them. The City will then pay healthcare insurance premiums for all retirees at the applicable rate for each family classification.

At June 30, 2023, the City reported a net OPEB IRSP liability/(asset) of \$48,044 for its proportionate share of the net OPEB IRSP liability/(asset). The OPEB IRSP liability/(asset) was measured as of June 30, 2022, and the total OPEB IRSP liability/(asset) used to calculate the net OPEB IRSP liability/(asset) was determined by an actuarial valuation as of July 1, 2022. Consistent with GASB Statement No. 75, paragraph 59(a), The City’s proportion of the net OPEB IRSP liability/(asset) is determined by comparing the employer’s actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2022, the City’s OPEB IRSP expense/(income) for the year ended June 30, 2023 was \$1,966.

Actuarial Methods and Assumptions - The City engaged an actuary to perform an evaluation as of July 1, 2022 using entry age normal Actuarial Cost Method. The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date:

Fiscal Year Ending	June 30, 2022	June 30, 2023	June 30, 2024
Discount Rate	2.16%	3.54%	3.65%
Other Key Actuarial Assumptions and Methods			
Valuation date	July 1, 2020	July 1, 2022	July 1, 2022
Measurement date	June 30, 2021	June 30, 2022	June 30, 2023
Inflation	2.50%	2.40%	2.40%
Salary increases	3.50%	3.40%	3.40%
Withdrawal, retirement, and mortality rates	December 31, 2019 Oregon PERS valuation	December 31, 2021 Oregon PERS valuation	December 31, 2021 Oregon PERS valuation
Election and Lapse Rates	40% of eligible employees 60% of male members and 35% of females members will elect spouse coverage. 5% annual lapse rate	40% of eligible employees 60% of male members and 35% of females members will elect spouse coverage. 5% annual lapse rate	40% of eligible employees 60% of male members and 35% of females members will elect spouse coverage. 5% annual lapse rate
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal

CITY OF SISTERS
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

OTHER POST-EMPLOYMENT BENEFITS (OPEB) CIS (IRSP) (Cont.):

Discount Rate

Under GASB 75, unfunded plans must use a discount rate that reflects a 20-year tax-exempt municipal bond yield or index rate. The assumptions in this report reflect the Bond Buyer 20-Year General Obligation Bond Index. The discount rate in effect for the June 30, 2022 reporting date 2.16%, and the discount rate in effect for the June 30, 2023 reporting date is 3.54%.

Health Care Cost Trend

The assumed medical and vision costs will increase 4.25% in the first year (July 1, 2022 premiums compared with July 1, 2021 premiums). In future years, the medical and vision cost trend varies between 6.75% and 3.75%.

Withdrawal, Retirement and Mortality Rates

They are generally using the rates adopted by the Oregon Public Employees Retirement System (OPERS) for its December 31, 2021 actuarial valuation of retirement benefits.

Election and Lapse Rates

They have assumed that a portion of future retirees and their spouses elect benefits, and that some of those later lapse (drop) from those benefits. The assumptions are based on historical data for similar benefits for other public employers in Oregon. For larger employers, they also consider specific historical experience; and for unique arrangements they consider the incentives provided by those arrangements.

Sensitivity Analysis

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

	1% Decrease 2.54%	Discount Rate 3.54%	1% Increase 4.54%
Total OPEB liability from Implicit Rate Subsidy	\$ 53,228	\$ 48,044	\$ 43,228
	1% Decrease	Trend Rate	1% Increase
Total OPEB liability from Implicit Rate Subsidy	\$ 40,169	\$ 48,044	\$ 57,432

CITY OF SISTERS
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

OTHER POST-EMPLOYMENT BENEFITS (OPEB) CIS (IRSP) (Cont.):

Participation

The following table represents the number of the City's covered participants at the time of the actuarial study:

Membership as of Valuation Date	July 1, 2022
Number of Members	
Active Employees	18
Eligible Retirees	0
Spouses of Ineligible Retirees	0
Total Participants	18
Spouses of Eligible Retirees	0

Changes in Net OPEB IRSP Liability

	Increase (Decrease) Total OPEB Liability
Changes in Total OPEB Liability	
Balance as of June 30, 2022	\$ 56,512
Changes for the year:	
Service Cost	5,369
Interest	1,311
Effect of economic/ demographic gains or losses	(2,079)
Effect of assumptions or other inputs	(10,693)
Employer Contributions	(2,376)
 Net OPEB Liability at June 30, 2023	 \$ 48,044

CITY OF SISTERS
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

OTHER POST-EMPLOYMENT BENEFITS (OPEB) CIS (IRSP) (Cont.):

Components of OPEB Expense

		<u>July 1, 2022 to June 30, 2023</u>
OPEB Expense		
Service cost	\$	5,369
Interest on total OPEB liability		1,311
Recognition of Deferred (Inflows)/Outflows of Resources		-
Recognition of economic/demographic (gains) or losses		(1,261)
Recognition of assumption changes		(3,453)
OPEB Expense	\$	<u>1,966</u>

Schedule of Deferred Inflows and Outflows of Resources for OPEB CIS IRSP

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 850	\$ 9,533
Changes of Assumptions or Inputs	<u>819</u>	<u>13,629</u>
Total Deferred Outflows/Inflows	\$ 1,669	\$ 23,162
Post-measurement date contributions	-	N/A
Total Deferred Outflow/(Inflow) of Resources	<u>\$ 1,669</u>	<u>\$ 23,162</u>
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		<u>\$ (21,493)</u>

Other amounts currently reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in OPEB CIS IRSP expense as follows:

<u>Employer subsequent fiscal years</u>	<u>Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)</u>
1st Fiscal Year	\$ (4,321)
2nd Fiscal Year	(3,569)
3rd Fiscal Year	(3,781)
4th Fiscal Year	(3,810)
5th Fiscal Year	(2,158)
Thereafter	(3,854)
Total	<u>\$ (21,493)</u>

CITY OF SISTERS

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

CONTINGENT LIABILITIES:

Amounts received or receivable from grantor agencies are subject to review and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amount, if any, to be immaterial.

The City of Sisters has elected the "reimbursement" basis for unemployment claims to the State of Oregon Department of Human Resources Employment Division. If a terminated employee collects unemployment compensation based upon earnings from the City, the City will be required to reimburse the State of Oregon for the amount of unemployment compensation paid. Amounts billed by the State of Oregon are charged to expenditures but amounts for which the City is potentially liable as a result of claims not yet filed are unknown.

RISK MANAGEMENT:

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is a member of City-County Insurance Services (CIS), a public entity risk pool currently operating a common risk management and insurance program. The City pays an annual premium to CIS for insurance coverage.

Based on the experience of the City and pool, the City may be liable for an additional premium of up to approximately 20% of its initial premium or it may receive a refund. The City has never had to pay an additional premium. Predetermined limits and deductible amounts are stated in the policy. There have been no significant reductions in coverage from the prior years and settlements have not exceeded insurance coverage in the past three years.

INTERFUND TRANSFERS:

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

<u>Fund</u>	<u>Transfers Out</u>	<u>Transfers In</u>
General Fund	\$ 22,900	-
Street Fund	7,100	-
Sewer Fund	12,200	-
City Hall Debt Service Fund	-	50,900
Water Fund	8,700	-
Total	<u>\$ 50,900</u>	<u>\$ 50,900</u>

These transfers occur on a routine basis and are used by the recipient funds for the normal operations of the funds.

OVER EXPENDITURE OF APPROPRIATIONS:

The City over expended appropriations in the following funds:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>
General Fund/Tourism	\$515,025	\$516,338
General Fund/Parks	343,427	377,388
Sewer Fund/Materials and Services	442,258	539,694

REQUIRED
SUPPLEMENTARY
INFORMATION



CITY OF SISTERS

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

GENERAL FUND

For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis) (See Note 1)	Final Budget Over (Under)
<u>REVENUES:</u>				
Property Taxes	\$ 1,431,000	\$ 1,431,000	\$ 1,456,585	\$ 25,585
Other Taxes	1,059,468	1,059,468	1,177,349	117,881
Intergovernmental	108,624	108,624	634,074	525,450
Licenses and Permits	558,500	558,500	706,471	147,971
Fines and Forfeitures	5,500	5,500	7,309	1,809
Investment Revenue	12,600	12,600	128,230	115,630
Charges for Service	40,374	40,374	40,399	25
Other Revenue	426,277	426,277	438,980	12,703
Total Revenues	3,642,343	3,642,343	4,589,397	947,054
<u>EXPENDITURES:</u>				
Council-Manager	307,658	907,658	268,544	(639,114)
Finance & Administration	254,205	254,205	220,598	(33,607)
Maintenance	176,700	176,700	147,857	(28,843)
Tourism	515,025	515,025	516,338	1,313
Parks	388,427	343,427	377,388	33,961
Police	767,339	767,339	753,134	(14,205)
Community Development	791,898	876,898	671,944	(204,954)
Economic Development	52,500	57,500	56,576	(924)
Non-Departmental:				
Capital Outlay	71,000	71,000	17,410	(53,590)
Operating Contingency	542,292	452,292	-	(452,292)
Total Expenditures	3,867,044	4,422,044	3,029,789	(1,392,255)
Excess (Deficiency) of Revenues Over Expenditures	(224,701)	(779,701)	1,559,608	2,339,309
<u>OTHER FINANCING SOURCES / (USES):</u>				
Operating Transfer (Out)	(22,900)	(333,030)	(22,900)	310,130
Interfund Loan Proceeds	-	600,000	600,000	-
Interfund Loan Payments	-	(600,000)	(600,000)	-
Total Other Financing Sources (Uses)	(22,900)	(333,030)	(22,900)	310,130
Net Change in Fund Balance	(247,601)	(1,112,731)	1,536,708	2,649,439
Fund Balance - July 1, 2022	3,364,096	3,364,096	3,181,156	(182,940)
Fund Balance - June 30, 2023	\$ 3,116,495	\$ 2,251,365	\$ 4,717,864	\$ 2,466,499

CITY OF SISTERS

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

STREET FUND #03

For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis) (See Note 1)	Final Budget Positive (Negative)
<u>REVENUES:</u>				
State Highway Apportionment	\$ 238,560	\$ 238,560	\$ 263,757	\$ 25,197
State Highway Taxes - Bike Trails	2,386	2,386	2,632	246
Intergovernmental Grants	25,000	25,000	162,119	137,119
Franchise Fees	831,400	831,400	887,367	55,967
Investment Revenue	5,300	5,300	39,323	34,023
Total Revenues	1,102,646	1,102,646	1,355,198	252,552
<u>EXPENDITURES:</u>				
Personnel Services	458,593	458,593	351,548	(107,045)
Materials and Services	562,858	562,858	541,310	(21,548)
Capital Outlay	341,000	685,000	357,145	(327,855)
Contingency	170,242	170,242	-	(170,242)
Total Expenditures	1,532,693	1,876,693	1,250,003	(626,690)
Excess (Deficiency) of Revenues Over Expenditures	(430,047)	(774,047)	105,195	879,242
<u>Other Financing Sources / (Uses)</u>				
Operating Transfer (Out)	(7,100)	(7,100)	(7,100)	-
Total Other Financing Sources	(7,100)	(7,100)	(7,100)	-
Net Change in Fund Balance	(437,147)	(781,147)	98,095	879,242
Fund Balance - July 1, 2022	1,192,509	1,192,509	1,481,791	289,282
Fund Balance - June 30, 2023	\$ 755,362	\$ 411,362	\$ 1,579,886	\$ 1,168,524

CITY OF SISTERS
SCHEDULE OF PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY
PERS
Last 10 Fiscal Years*

Fiscal Year Ended June 30, ¹	Measurement Date	(a) Employer's proportion of the net pension liability (asset)	(b) Employer's proportionate share of the net pension liability (asset)	(c) Employer's covered payroll as of Measurement Date	(b/c) Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	June 30, 2022	0.00943046%	\$ 1,443,993	\$ 1,201,706	120.16%	84.5%
2022	June 30, 2021	0.00941742%	1,126,934	1,080,207	104.33%	87.6%
2021	June 30, 2020	0.00815195%	1,779,036	1,058,588	168.06%	75.8%
2020	June 30, 2019	0.00902462%	1,561,043	919,697	169.73%	80.2%
2019	June 30, 2018	0.00725073%	1,098,390	961,050	114.29%	82.1%
2018	June 30, 2017	0.00841066%	1,133,760	778,567	145.62%	83.1%
2017	June 30, 2016	0.00830268%	1,259,220	801,011	157.20%	80.5%
2016	June 30, 2015	0.00830268%	476,710	782,710	60.91%	91.9%
2015	June 30, 2014	0.00863735%	(195,784)	759,194	-25.79%	103.6%
2014	June 30, 2013	0.00863735%	440,777	806,159	54.68%	92.0%

¹Measurement date is one year in arrears.

CITY OF SISTERS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PERS
Last 10 Fiscal Years*

Year Ended June 30,	(a) Contractually required contribution	(b) Contributions in relation to the contractually required contribution	(a-b) Contribution deficiency (excess)	(c) Employer's covered payroll	(b/c) Contributions as a percent of covered payroll
2023	\$ 220,338	\$ 220,338	\$ -	\$ 1,211,824	18.18%
2022	280,609	280,609	-	1,201,706	23.35%
2021	226,023	226,023	-	1,080,207	20.92%
2020	223,640	223,640	-	1,058,588	21.13%
2019	149,444	149,444	-	919,697	16.25%
2018	159,776	159,776	-	961,050	16.63%
2017	109,100	109,100	-	778,567	14.01%
2016	111,829	111,829	-	801,011	13.96%
2015	113,378	113,378	-	782,710	14.49%
2014	112,592	112,592	-	759,194	14.83%

CITY OF SISTERS

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

OPEB RHIA

Last 10 Fiscal Years*

Fiscal Year Ended June 30, ¹	Measurement Date	(a) Employer's proportion of the net pension liability (asset)	(b) Employer's proportionate share of the net pension liability (asset)	(c) Employer's covered payroll as of Measurement Date	(b/c) Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	June 30, 2022	0.00452507%	\$ (16,079)	\$ 1,201,706	-1.34%	194.6%
2022	June 30, 2021	0.00373563%	(12,828)	1,080,207	-1.19%	183.9%
2021	June 30, 2020	0.00381486%	(7,773)	1,058,588	-0.73%	150.1%
2020	June 30, 2019	0.00817729%	(15,801)	919,697	-1.72%	144.4%
2019	June 30, 2018	0.00875430%	(9,772)	961,050	-1.02%	124.0%
2018	June 30, 2017	0.00757956%	(3,163)	778,567	-0.41%	108.9%
2017	June 30, 2016	0.00807745%	2,194	801,011	0.27%	94.2%

¹Measurement date is one year in arrears.

*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

CITY OF SISTERS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OPEB RHIA
Last 10 Fiscal Years*

Year Ended June 30,	(a) Contractually required contribution	(b) Contributions in relation to the contractually required contribution	(a-b) Contribution deficiency (excess)	(c) Employer's covered payroll	(b/c) Contributions as a percent of covered payroll
2023	\$ 78	\$ 78	-	\$ 1,211,824	0.01%
2022	112	112	-	1,201,706	0.01%
2021	100	100	-	1,080,207	0.01%
2020	272	272	-	1,058,588	0.03%
2019	4,053	4,506	-	919,697	0.44%
2018	4,239	4,398	-	961,050	0.44%
2017	3,726	3,726	-	778,567	0.48%

*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

CITY OF SISTERS
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS
CITYCOUNTY INSURANCE SERVICES
Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	\$ 5,369	\$ 5,216	\$ 3,657	\$ 3,291	\$ 3,988	\$ 4,223
Interest on total OPEB liability	1,311	1,223	2,432	2,830	3,026	2,697
Effect of economic/demographic gains or (losses)	(2,079)	-	(13,066)	-	4,705	-
Effect of assumption changes or inputs	(10,693)	274	(4,186)	1,805	(8,030)	(4,192)
Benefit payments	(2,376)	(671)	(8,325)	(15,476)	(13,298)	(11,951)
Net change in total OPEB liability *	(8,468)	6,042	(19,488)	(7,550)	(9,609)	(9,223)
Total OPEB liability, beginning	56,512	50,470	69,958	77,508	87,117	96,340
Total OPEB liability, ending (a) *	48,044	56,512	50,470	69,958	77,508	87,117
Covered payroll	\$ 1,201,706	\$ 1,080,207	\$ 1,058,588	\$ 919,697	\$ 961,050	\$ 778,567
Total OPEB liability as a % of covered payroll **	4.0%	5.2%	4.8%	7.6%	8.1%	11.2%

*This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

* Totals may not agree due to rounding.

SUPPLEMENTARY
INFORMATION

Proprietary Funds

Water Funds



CITY OF SISTERS

COMBINING STATEMENT OF NET POSITION

WATER FUNDS

June 30, 2023

	Water Utility Fund	Water SDC Fund	Total Water
<u>ASSETS:</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 2,642,067	\$ -	\$ 2,642,067
Accounts Receivable, Net	96,167		96,167
Inventory	56,269		56,269
Deposits	3,083		3,083
Total Current Assets	2,797,586	-	2,797,586
Non-Current Assets:			
Restricted Cash and Cash Equivalents	-	2,686,238	2,686,238
Net OPEB Asset - RHIA	2,637	-	2,637
Capital Assets, Non-Depreciable	338,044	-	338,044
Capital Assets, Depreciable, Net	5,177,906	3,434,340	8,612,246
Total Noncurrent Assets	5,518,587	6,120,578	11,639,165
Total Assets	8,316,173	6,120,578	14,436,751
<u>DEFERRED OUTFLOW OF RESOURCES:</u>			
Pension Related Deferrals	115,417	-	115,417
OPEB Related Deferrals - RHIA and CIS	885	-	885
Total Deferred Outflow of Resources	116,302	-	116,302
<u>LIABILITIES:</u>			
Current Liabilities:			
Accounts Payable	29,998	225	30,223
Compensated Absences Payable	11,970	-	11,970
Customer Deposits	150,375	-	150,375
Total Current Liabilities	192,343	225	192,568
Long-Term Liabilities:			
Net Pension Liability	236,801	-	236,801
Net OPEB Liability - CIS	7,879	-	7,879
Total Long-Term Liabilities	244,680	-	244,680
Total Liabilities	437,023	225	437,248
<u>DEFERRED INFLOW OF RESOURCES:</u>			
Pension Related Deferrals	85,827	-	85,827
OPEB Related Deferrals - RHIA and CIS	3,216	-	3,216
Total Deferred Inflow of Resources	89,043	-	89,043
<u>NET POSITION:</u>			
Net Investment in Capital Assets	5,515,950	3,434,340	8,950,290
Restricted for:			
Systems Development	-	2,686,013	2,686,013
Net Pension Asset	2,637	-	2,637
Unrestricted	2,387,822	-	2,387,822
Total Net Position	\$7,906,409	\$6,120,353	\$14,026,762

CITY OF SISTERS

Combining Statement of Revenues, Expenses, and Changes in Net Position WATER FUNDS

For the Fiscal Year Ended June 30, 2023

	Water Utility Fund	Water SDC Fund	Total Water Utility
<u>OPERATING REVENUES:</u>			
Charges for Services:			
Water Charges	\$ 1,100,181	\$ 304,048	\$ 1,404,229
Other Revenue	4,971	-	4,971
Total Operating Revenues	1,105,152	304,048	1,409,200
<u>OPERATING EXPENSES:</u>			
Personnel Services	294,855	31,626	326,481
Materials and Services	376,037	-	376,037
Depreciation	284,349	-	284,349
Total Operating Expenses	955,241	31,626	986,867
Operating Income (Loss)	149,911	272,422	422,333
<u>NON-OPERATING REVENUES (EXPENSES):</u>			
Interest Income	66,542	68,375	134,917
Gain on Disposition of Assets	2,590	-	2,590
Total Non-Operating Revenues (Expenses)	69,132	68,375	137,507
Income Before Other Revenues, Expenses, and Transfers	219,043	340,797	559,840
<u>CAPITAL CONTRIBUTIONS AND TRANSFERS:</u>			
Capital Contributions	165,500	-	165,500
Transfers (Out)	(8,700)	-	(8,700)
Total Capital Contributions and Transfers	156,800	-	156,800
Change in Net Position	375,843	340,797	716,640
Net Position, July 1, 2022	7,530,566	5,779,556	13,310,122
Net Position, June 30, 2023	\$7,906,409	\$6,120,353	\$14,026,762

CITY OF SISTERS

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

WATER FUND

For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Charges for Services	\$ 962,500	\$ 962,500	\$ 1,052,787	\$ 90,287
Fees & Licenses	63,400	63,400	47,394	(16,006)
Investment Revenue	7,000	7,000	66,542	59,542
Other Revenue	-	-	4,971	4,971
Total Revenues	<u>1,032,900</u>	<u>1,032,900</u>	<u>1,171,694</u>	<u>138,794</u>
<u>EXPENDITURES:</u>				
Personnel Services	404,055	404,055	329,819	(74,236)
Materials and Supplies	416,008	416,008	375,274	(40,734)
Capital Outlay	126,000	126,000	49,006	(76,994)
Total Expenditures	<u>946,063</u>	<u>946,063</u>	<u>754,099</u>	<u>(191,964)</u>
Excess (Deficiency) of Revenues Over Expenditures	86,837	86,837	417,595	330,758
<u>OTHER FINANCING SOURCES / (USES):</u>				
Operating Transfer (Out)	(8,700)	(8,700)	(8,700)	-
Proceeds from Disposition of Assets	-	-	2,590	
Total Other Financing Sources (Uses)	<u>(8,700)</u>	<u>(8,700)</u>	<u>(6,110)</u>	<u>2,590</u>
Net Change In Fund Balance	78,137	78,137	411,485	333,348
Fund Balance - July 1, 2022	2,140,995	2,140,995	2,205,729	64,734
Fund Balance - June 30, 2023	<u>\$ 2,219,132</u>	<u>\$ 2,219,132</u>	<u>\$ 2,617,214</u>	<u>\$ 398,082</u>

Reconciliation to generally accepted accounting principles basis

Net Change in Fund Balance - from above	\$ 411,485
Change in Compensated Absences	3,764
Change in Pension Expense	31,200
Capital outlay that is capitalized	48,243
Contributed Capital	165,500
Depreciation Expense	<u>(284,349)</u>
Change in Net Position as Reported in Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position	<u>\$ 375,843</u>

CITY OF SISTERS

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

WATER SDC FUND #11

For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(Budgetary Basis)</u> <u>(See Note 1)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Over</u> <u>(Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
System Development Charges	\$ 350,000	\$ 350,000	\$ 304,048	\$ (45,952)
Interest on Investments	7,500	7,500	68,375	60,875
Total Revenues	<u>357,500</u>	<u>357,500</u>	<u>372,423</u>	<u>14,923</u>
<u>EXPENDITURES:</u>				
Materials and Services	80,000	80,000	31,626	(48,374)
Capital Outlay	60,000	65,000	64,147	(853)
Total Expenditures	<u>140,000</u>	<u>145,000</u>	<u>95,773</u>	<u>(49,227)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>217,500</u>	<u>212,500</u>	<u>276,650</u>	<u>64,150</u>
Net Change in Fund Balance	217,500	212,500	276,650	64,150
Fund Balance - July 1, 2022	<u>1,796,710</u>	<u>1,796,710</u>	<u>2,409,362</u>	<u>612,652</u>
Fund Balance - June 30, 2023	<u><u>\$ 2,014,210</u></u>	<u><u>\$ 2,009,210</u></u>	<u><u>\$ 2,686,012</u></u>	<u><u>\$ 676,802</u></u>

Reconciliation to generally accepted accounting principles basis

Net Change in Fund Balance - from above	<u>\$ 276,650</u>
Capital outlay that is capitalized	64,147
Change in Net Position as Reported in Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position	<u>\$ 340,797</u>

SUPPLEMENTARY
INFORMATION

Proprietary Funds

Sewer Funds



CITY OF SISTERS
COMBINING STATEMENT OF NET POSITION
SEWER FUNDS
June 30, 2023

	Sewer Fund	Sewer SDC Fund	Total Sewer
<u>ASSETS:</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 2,516,244	\$ -	\$ 2,516,244
Accounts Receivable, Net	117,679	-	117,679
Assessments Receivable	-	2,994	2,994
Total Current Assets	2,633,923	2,994	2,636,917
Noncurrent Assets:			
Restricted Cash and Cash Equivalents	-	3,267,351	3,267,351
Net OPEB Asset - RHIA	2,658	-	2,658
Capital Assets, Non-Depreciable	4,967,345	-	4,967,345
Capital Assets, Depreciable, Net	6,474,741	4,477,646	10,952,387
Total Noncurrent Assets	11,444,744	7,744,997	19,189,741
Total Assets	14,078,667	7,747,991	21,826,658
<u>DEFERRED OUTFLOW OF RESOURCES:</u>			
Pension Related Deferrals	116,356	-	116,356
OPEB Related Deferrals - RHIA and CIS	891	-	891
Total Deferred Outflow of Resources	117,247	-	117,247
<u>LIABILITIES:</u>			
Current Liabilities:			
Accounts Payable	84,313	485	84,798
Compensated Absences Payable	11,515	-	11,515
Accrued Interest Payable	13,338	-	13,338
Deposits	9,600	-	9,600
Unearned Revenue	-	2,994	2,994
Current Portion of Long-Term Liabilities:			
Bond Payable	247,000	-	247,000
Total Current Liabilities	365,766	3,479	369,245
Long-Term Liabilities:			
Noncurrent Portion of Long-Term Liabilities:			
Bond Payable, Net of Premium	4,317,317	-	4,317,317
Net Pension Liability	238,727	-	238,727
Net OPEB Liability - RHIA	-	-	-
Net OPEB Liability - CIS	7,943	-	7,943
Total Long-Term Liabilities	4,563,987	-	4,563,987
Total Liabilities	4,929,753	3,479	4,933,232
<u>DEFERRED INFLOW OF RESOURCES:</u>			
Pension Related Deferrals	86,525	-	86,525
OPEB Related Deferrals - RHIA and CIS	3,242	-	3,242
Total Deferred Inflow of Resources	89,767	-	89,767
<u>NET POSITION:</u>			
Net Investment in Capital Assets	6,880,427	4,477,646	11,358,073
Restricted for:			
Systems Development	-	3,266,866	3,266,866
Net Pension Asset	2,658	-	2,658
Unrestricted	2,293,309	-	2,293,309
Total Net Position	\$9,176,394	\$7,744,512	\$16,920,906

CITY OF SISTERS

Combining Statement of Revenues, Expenses, and Changes in Net Position

SEWER FUNDS

For the Fiscal Year Ended June 30, 2023

	<u>Sewer Fund</u>	<u>Sewer SDC Fund</u>	<u>Total Sewer</u>
<u>OPERATING REVENUES:</u>			
Charges for Services:			
Sewer Charges	\$ 1,426,420	\$ 454,161	\$ 1,880,581
Other Revenue	28,890	-	28,890
Total Operating Revenues	1,455,310	454,161	1,909,471
<u>OPERATING EXPENSES:</u>			
Personnel Services	308,928	-	308,928
Materials and Supplies	401,248	41,291	442,539
Depreciation	353,597	-	353,597
Total Operating Expenses	1,063,773	41,291	1,105,064
Operating Income (Loss)	391,537	412,870	804,407
<u>NON-OPERATING REVENUES (EXPENSES):</u>			
Interest Income	57,664	81,817	139,481
Grant Income	72,000	-	72,000
Interest Expense	(111,009)	(17,460)	(128,469)
Total Non-Operating Revenues (Expenses)	18,655	64,357	83,012
Income Before Other Revenues, Expenses, and Transfers	410,192	477,227	887,419
<u>CAPITAL CONTRIBUTIONS AND TRANSFERS:</u>			
Transfers In	59,000	-	59,000
Transfers (Out)	(12,200)	(59,000)	(71,200)
Total Capital Contributions and Transfers	46,800	(59,000)	(12,200)
Change In Net Position	456,992	418,227	875,219
Net Position, July 1, 2022	8,719,402	7,326,285	16,045,687
Net Position, June 30, 2023	\$ 9,176,394	\$ 7,744,512	\$16,920,906

CITY OF SISTERS

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

SEWER FUND #5

For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis) (See Note 1)	Final Budget Over (Under)
<u>REVENUES:</u>				
Charges for Services	\$ 3,472,661	\$ 3,472,661	\$ 1,429,784	\$ (2,042,877)
Licenses and Fees	9,650	9,650	6,541	(3,109)
Intergovernmental	-	-	72,000	72,000
Interest on Investments	5,000	5,000	57,664	52,664
Miscellaneous	5,000	5,000	18,985	13,985
Total Revenues	3,492,311	3,492,311	1,584,974	(1,907,337)
<u>EXPENDITURES:</u>				
Personnel Services	398,990	398,990	330,754	(68,236)
Materials and Services	406,258	442,258	539,694	97,436
Debt Service:				
Principal	177,000	177,000	177,000	-
Interest	155,140	155,140	155,140	-
Contingency	266,000	266,000	6,132	(259,868)
Total Expenditures	1,403,388	1,439,388	1,208,720	(230,668)
Excess (Deficiency) of Revenues Over Expenditures	2,088,923	2,052,923	376,254	(1,676,669)
<u>OTHER FINANCING SOURCES / (USES):</u>				
Operating Transfer (Out)	(12,200)	(12,200)	(12,200)	-
Total Other Financing Sources (Uses)	(12,200)	(12,200)	(12,200)	-
Net Change In Fund Balance	2,076,723	2,040,723	364,054	(1,676,669)
Fund Balance - July 1, 2022	2,175,953	2,175,953	2,175,953	-
Fund Balance - June 30, 2023	\$ 4,252,676	\$ 4,216,676	\$ 2,540,007	\$ (1,676,669)

Reconciliation to generally accepted accounting principles basis

Net change in fund balance from above	\$ 364,054
Change in Compensated Absences	4,096
Change in Accrued Interest	1,439
Change in Pension Expense	17,730
Debt Principal Payments	177,000
Equity Transfer of Debt Service	59,000
Capital outlay that is capitalized	144,578
Bond Amortization	42,692
Depreciation Expense	(353,597)
Change in Net Position as Reported in Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position	<u>\$ 456,992</u>

CITY OF SISTERS

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

SEWER SDC FUND #10

For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		Actual	Variance with
	<u>Original</u>	<u>Final</u>	Amounts (Budgetary Basis) (See Note 1)	Final Budget Over (Under)
<u>REVENUES:</u>				
System Development Charges	\$ 350,000	\$ 350,000	\$ 454,161	\$ 104,161
Interest on Investments	8,800	8,800	81,817	73,017
Total Revenues	358,800	358,800	535,978	177,178
<u>EXPENDITURES:</u>				
Materials and Services	25,000	50,000	41,291	(8,709)
Debt Service	76,460	76,460	76,460	-
Total Expenditures	101,460	126,460	117,751	(8,709)
Excess (Deficiency) of Revenues Over Expenditures	257,340	232,340	418,227	185,887
Net Change in Fund Balance	257,340	232,340	418,227	185,887
Fund Balance - July 1, 2022	2,848,639	2,848,639	2,848,639	-
Fund Balance - June 30, 2023	3,105,979	3,080,979	3,266,866	185,887

Reconciliation to generally accepted accounting principles basis

Net change in fund balance from above	\$ 418,227
Debt Principal Payments	59,000
Equity Transfer of Debt Service	(59,000)
Change in Net Position as Reported in Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position	<u>\$ 418,227</u>

SUPPLEMENTARY
INFORMATION

Non – Major
Governmental Funds



CITY OF SISTERS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
(By Fund Type)
June 30, 2023

	Non-Major Special Revenue Fund	Combined Non-Major Capital Projects Funds	Combined Non-Major Debt Service Funds	Total
<u>ASSETS:</u>				
Cash & Investments	\$ 285,092	\$ 3,706,892	\$ 169,187	\$ 4,161,171
Assessment Receivable	-	63,759	-	63,759
Property Tax Receivable	-	-	8,362	8,362
Total Assets	<u>\$ 285,092</u>	<u>\$ 3,770,651</u>	<u>\$ 177,549</u>	<u>\$ 4,233,292</u>
<u>LIABILITIES:</u>				
Unearned Revenue	\$ -	\$ 79,714	\$ -	\$ 79,714
Total Liabilities	<u>-</u>	<u>79,714</u>	<u>-</u>	<u>79,714</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>				
Delinquent Property Tax Revenue Not Available	-	-	6,951	6,951
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>6,951</u>	<u>6,951</u>
<u>FUND BALANCES:</u>				
Restricted for:				
Capital Projects	-	3,690,937	-	3,690,937
Urban Renewal Projects	285,092	-	-	285,092
Committed for:				
Debt Service	-	-	170,598	170,598
Total Fund Balances	<u>285,092</u>	<u>3,690,937</u>	<u>170,598</u>	<u>4,146,627</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 285,092</u>	<u>\$ 3,770,651</u>	<u>\$ 177,549</u>	<u>\$ 4,233,292</u>

CITY OF SISTERS
**Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances**
NON-MAJOR GOVERNMENTAL FUNDS
(By Fund Type)

For the Fiscal Year Ended June 30, 2023

	Combined Non-Major Special Revenue Funds	Combined Non-Major Capital Projects Funds	Combined Non-Major Debt Service Funds	Total
<u>REVENUES:</u>				
Taxes and Assessments	\$ -	\$ -	\$ 439,065	\$ 439,065
Charges for Services	-	540,109	-	540,109
Investment Revenue	966	89,978	16,633	107,577
Other Revenue	-	14,717	1,432	16,149
Total Revenues	966	644,804	457,130	1,102,900
<u>EXPENDITURES:</u>				
Current:				
General Government	545	-	-	545
Culture and Recreation	-	252,358	-	252,358
Debt Service:				
Principal	-	-	39,000	39,000
Interest	-	-	11,900	11,900
Capital Outlay	313,884	-	-	313,884
Total Expenditures	314,429	252,358	50,900	617,687
Excess (Deficiency) of Revenues Over Expenditures	(313,463)	392,446	406,230	485,213
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating Transfers In	600,000	-	50,900	650,900
Interfund Loan Proceeds (Out)	-	-	(600,000)	(600,000)
Loan Proceeds	-	-	-	-
Total Other Financing Sources (Uses)	600,000	-	(549,100)	50,900
Net Change in Fund Balances	286,537	392,446	(142,870)	536,113
Fund Balances - July 1, 2022	(1,445)	3,298,491	313,468	3,610,514
Fund Balances - June 30, 2023	\$ 285,092	\$ 3,690,937	\$ 170,598	\$ 4,146,627

SUPPLEMENTARY
INFORMATION

Non – Major
Special Revenue Funds



CITY OF SISTERS
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2023

	URA Project Fund	Total
<u>ASSETS:</u>		
Cash & Investments	\$ 285,092	\$ 285,092
Total Assets	\$ 285,092	\$ 285,092
<u>LIABILITIES:</u>		
Accounts Payable	\$ -	\$ -
Total Liabilities	-	-
<u>FUND BALANCES:</u>		
Restricted for:		
Urban Renewal Projects	285,092	285,092
Total Fund Balances	285,092	285,092
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 285,092	\$ 285,092

CITY OF SISTERS

**Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances**

NON-MAJOR SPECIAL REVENUE FUNDS

For the Fiscal Year Ended June 30, 2023

	<u>URA - Project</u>	<u>Total</u>
<u>REVENUES:</u>		
Investment Revenue	\$ 966	\$ 966
Total Revenues	966	966
<u>EXPENDITURES:</u>		
General Government	545	545
Capital Outlay	313,884	313,884
Total Expenditures	314,429	314,429
Excess (Deficiency) of Revenues Over Expenditures	(313,463)	(313,463)
<u>OTHER FINANCING SOURCES (USES):</u>		
Operating Transfers In	600,000	600,000
Total Other Financing Sources (Uses)	600,000	600,000
Net Change in Fund Balances	286,537	286,537
Fund Balances - July 1, 2022	(1,445)	(1,445)
Fund Balances - June 30, 2023	\$ 285,092	\$ 285,092

CITY OF SISTERS

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

URBAN RENEWAL PROJECT FUND

For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		Actual	Variance with
	<u>Original</u>	<u>Final</u>	Amounts (Budgetary Basis) (See Note 1)	Final Budget Over (Under)
<u>REVENUES:</u>				
Interest on Investments	\$ 100	\$ 100	\$ 966	\$ 866
Total Revenues	100	100	966	866
<u>EXPENDITURES:</u>				
Materials and services	\$ 144,500	\$ 144,500	\$ 545	\$ (143,955)
Capital Outlay	-	313,884	313,884	-
Contingency	2,458	(311,426)	-	-
Total Expenditures	146,958	146,958	314,429	(143,955)
Excess (Deficiency) of Revenues Over Expenditures	(146,858)	(146,858)	(313,463)	144,821
<u>OTHER FINANCING SOURCES / (USES):</u>				
Interfund Loan Proceeds In	\$ -	\$ -	\$ 600,000	\$ 600,000
Total Other Financing Sources (Uses)	-	-	600,000	600,000
Net Change In Fund Balance	(146,858)	(146,858)	286,537	744,821
Fund Balance - July 1, 2022	146,858	146,858	(1,445)	(148,303)
Fund Balance - June 30, 2023	\$ -	\$ -	\$ 285,092	\$ 596,518

Reconciliation to generally accepted accounting principles basis

Net change in fund balance from above	286,537
Interfund Transfer	600,000
Interfund Loan Proceeds In	(600,000)
Change in Net Position as Reported in Governmental Funds Statement of Revenues, Expenses, and Changes in Fund Balance	<u>\$ 286,537</u>

SUPPLEMENTARY
INFORMATION

Non – Major
Capital Projects Funds



CITY OF SISTERS
COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
June 30, 2023

	<u>Park SDC Fund</u>	<u>Parking District Fund</u>	<u>Street SDC Fund</u>	<u>Total</u>
<u>ASSETS:</u>				
Cash & Investments	\$ 1,080,425	\$ 308,765	\$ 2,317,702	\$ 3,706,892
Assessment Receivable, net	-	63,759	-	63,759
Total Assets	<u>1,080,425</u>	<u>372,524</u>	<u>2,317,702</u>	<u>3,770,651</u>
<u>LIABILITIES:</u>				
Deferred Revenue	\$ -	\$ 79,714	\$ -	\$ 79,714
Total Liabilities	<u>-</u>	<u>79,714</u>	<u>-</u>	<u>79,714</u>
<u>FUND BALANCES:</u>				
Restricted for:				
Capital Projects	\$ 1,080,425	\$ 292,810	\$ 2,317,702	\$ 3,690,937
Total Fund Balances	<u>1,080,425</u>	<u>292,810</u>	<u>2,317,702</u>	<u>3,690,937</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 1,080,425</u>	<u>\$ 372,524</u>	<u>\$ 2,317,702</u>	<u>\$ 3,770,651</u>

CITY OF SISTERS

**Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances**

NON-MAJOR CAPITAL PROJECTS FUNDS

For the Fiscal Year Ended June 30, 2023

	<u>Park SDC Fund</u>	<u>Parking District Fund</u>	<u>Street SDC Fund</u>	<u>Total</u>
<u>REVENUES:</u>				
Charges for Services	\$ 68,001	\$ -	\$ 472,108	\$ 540,109
Investment Revenue	27,803	7,933	54,242	89,978
Other Revenue	-	14,717	-	14,717
Total Revenues	<u>95,804</u>	<u>22,650</u>	<u>526,350</u>	<u>644,804</u>
<u>EXPENDITURES:</u>				
Current:				
Materials and Services	\$ 51,554	\$ -	\$ 200,804	\$ 252,358
Total Expenditures	<u>51,554</u>	<u>-</u>	<u>200,804</u>	<u>252,358</u>
Excess (Deficiency) of Revenues Over Expenditures	44,250	22,650	325,546	392,446
Net Change in Fund Balances	\$ 44,250	\$ 22,650	\$ 325,546	\$ 392,446
Fund Balances - July 1, 2022	<u>1,036,175</u>	<u>270,160</u>	<u>1,992,156</u>	<u>3,298,491</u>
Fund Balances - June 30, 2023	<u><u>\$1,080,425</u></u>	<u><u>\$ 292,810</u></u>	<u><u>\$2,317,702</u></u>	<u><u>\$3,690,937</u></u>

CITY OF SISTERS

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

PARK SDC FUND #12

For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
System Development Charges	\$ 160,000	\$ 160,000	\$ 68,001	\$ (91,999)
Interest on Investments	3,200	3,200	27,803	24,603
Total Revenues	163,200	163,200	95,804	(67,396)
<u>EXPENDITURES:</u>				
Materials and supplies	\$ 55,000	\$ 55,000	\$ 51,554	\$ (3,446)
Total Expenditures	55,000	55,000	51,554	(3,446)
Excess (Deficiency) of Revenues Over Expenditures	108,200	108,200	44,250	(63,950)
Net Change In Fund Balance	\$ 108,200	\$ 108,200	\$ 44,250	\$ (63,950)
Fund Balance - July 1, 2022	1,020,406	1,020,406	1,036,175	15,769
Fund Balance - June 30, 2023	1,128,606	1,128,606	1,080,425	(48,181)

CITY OF SISTERS

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

PARKING DISTRICT FUND #13

For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Interest on Investments	\$ 900	\$ 900	\$ 7,933	\$ 7,033
Total Revenues	900	900	7,933	7,033
<u>EXPENDITURES:</u>				
Maintenance Department	\$ -	\$ -	\$ -	\$ -
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	900	900	7,933	7,033
Net Change In Fund Balance	900	900	7,933	7,033
Fund Balance - July 1, 2022	264,172	264,172	270,160	5,988
Fund Balance - June 30, 2023	\$ 265,072	\$ 265,072	\$ 278,093	\$ 13,021

CITY OF SISTERS

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

STREET FUND SDC #7

For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		Actual	Variance with
	<u>Original</u>	<u>Final</u>	Amounts (Budgetary Basis) (See Note 1)	Final Budget Over (Under)
<u>REVENUES:</u>				
System Development Charges	\$ 300,000	\$ 300,000	\$ 472,108	\$ 172,108
Interest on Investments	6,000	6,000	54,242	48,242
Total Revenues	306,000	306,000	526,350	220,350
<u>EXPENDITURES:</u>				
Highways and Streets	\$ 3,492,311	\$ 3,492,311	\$ -	\$ (3,492,311)
Materials and Services	340,000	340,000	200,804	(139,196)
Capital Outlay	300,000	300,000	-	(300,000)
Total Expenditures	4,132,311	4,132,311	200,804	(3,931,507)
Excess (Deficiency) of Revenues Over Expenditures	(3,826,311)	(3,826,311)	325,546	4,151,857
Net Change in Fund Balance	\$ (3,826,311)	\$ (3,826,311)	\$ 325,546	\$ 4,151,857
Fund Balance - July 1, 2022	1,884,300	1,884,300	1,992,156	107,856
Fund Balance - June 30, 2023	\$ (1,942,011)	\$ (1,942,011)	\$ 2,317,702	\$ 4,259,713

SUPPLEMENTARY
INFORMATION

Non – Major
Debt Service Funds



CITY OF SISTERS
COMBINING BALANCE SHEET
NON-MAJOR DEBT SERVICE FUNDS
For the Fiscal Year Ended June 30, 2023

	<u>City Hall Debt Service Fund</u>	<u>Urban Renewal Debt Service Fund</u>	<u>Total</u>
<u>ASSETS:</u>			
Cash & Investments	\$ 6,194	\$ 162,993	\$ 169,187
Property Tax Receivable	-	8,362	8,362
Total Assets	<u>\$ 6,194</u>	<u>\$ 171,355</u>	<u>\$ 177,549</u>
<u>LIABILITIES:</u>			
Accounts Payable	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Delinquent Property Tax Revenue Not Available	\$ -	\$ 6,951	\$ 6,951
Total Deferred Inflows of Resources	<u>-</u>	<u>6,951</u>	<u>6,951</u>
<u>FUND BALANCES:</u>			
Committed for:			
Debt Service	6,194	164,404	170,598
Total Fund Balances	<u>6,194</u>	<u>164,404</u>	<u>170,598</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 6,194</u>	<u>\$ 164,404</u>	<u>\$ 170,598</u>

CITY OF SISTERS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

NON-MAJOR DEBT SERVICE FUNDS

For the Fiscal Year Ended June 30, 2023

	City Hall Debt Service Fund	Urban Renewal Debt Service Fund	Total
<u>REVENUES:</u>			
Taxes and Assessments	\$ -	\$ 439,065	\$ 439,065
Investment Revenue	302	16,331	16,633
Miscellaneous Revenue	-	1,432	1,432
Total Revenues	302	456,828	457,130
<u>EXPENDITURES:</u>			
Debt Service:			
Principal	\$ 39,000	\$ -	\$ 39,000
Interest	11,900	-	11,900
Total Expenditures	50,900	-	50,900
Excess of Revenues Over (Under) Expenditures	(50,598)	456,828	406,230
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	\$ 50,900	\$ -	\$ 50,900
Interfund Loan Proceeds (Out)	-	(600,000)	(600,000)
Total Total Other Financing Sources (Uses):	50,900	(600,000)	(549,100)
Excess of Receipts and Other Financing Sources Over (Under) Expenditures and Other Uses	302	(143,172)	(142,870)
Fund Balances - July 1, 2022	5,892	307,576	313,468
Fund Balances - June 30, 2023	\$ 6,194	\$ 164,404	\$ 170,598

CITY OF SISTERS

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual CITY HALL DEBT SERVICE FUND #18 For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Over</u> <u>(Under)</u>
	<u>Original</u>	<u>Final</u>	<u>(See Note 1)</u>	
<u>REVENUES:</u>				
Interest on Investments	\$ 100	\$ 100	\$ 302	\$ 202
Total Revenues	100	100	302	202
<u>EXPENDITURES:</u>				
Debt Service				
Principal	\$ 39,000	\$ 39,000	\$ 39,000	\$ -
Interest	11,900	11,900	11,900	-
Total Expenditures	50,900	50,900	50,900	-
Excess (Deficiency) of Revenues Over Expenditures	(50,800)	(50,800)	(50,598)	202
<u>OTHER FINANCING SOURCES / (USES):</u>				
Operating Transfer In	\$ 50,900	\$ 50,900	\$ 50,900	\$ -
Total Other Financing Sources	50,900	50,900	50,900	-
Net Change In Fund Balance	100	100	302	202
Fund Balance - July 1, 2022	5,259	5,259	5,892	633
Fund Balance - June 30, 2023	\$ 5,359	\$ 5,359	\$ 6,194	\$ 835

CITY OF SISTERS

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

URBAN RENEWAL DEBT SERVICE FUND #20

For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		<u>(Under)</u>
<u>REVENUES:</u>				
Property Taxes	\$ 418,500	\$ 418,500	\$ 439,065	\$ 20,565
Interest on Investments	200	200	16,331	16,131
Miscellaneous	-	-	1,432	1,432
Total Revenues	<u>418,700</u>	<u>418,700</u>	<u>456,828</u>	<u>38,128</u>
<u>EXPENDITURES:</u>				
Personnel services	\$ -	\$ -	\$ -	\$ -
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	418,700	418,700	456,828	38,128
<u>OTHER FINANCING SOURCES / (USES):</u>				
Interfund Loan Proceeds (Out)	-	(600,000)	(600,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(600,000)</u>	<u>(600,000)</u>	<u>-</u>
Net Change In Fund Balance	418,700	(181,300)	(143,172)	38,128
Fund Balance - July 1, 2022	151,248	151,248	307,576	156,328
Fund Balance - June 30, 2023	<u>\$ 569,948</u>	<u>\$ (30,052)</u>	<u>\$ 164,404</u>	<u>\$ 194,456</u>

Reconciliation to generally accepted accounting principles basis

Net change in fund balance from above	(143,172)
Interfund Transfer	(600,000)
Interfund Loan Proceeds Out	<u>600,000</u>
Change in Net Position as Reported in Governmental Funds Statement of Revenues, Expenses, and Changes in Fund Balance	<u>\$ (143,172)</u>

OTHER
INFORMATION

Additional
Supporting Schedules



CITY OF SISTERS
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS & FUTURE REQUIREMENTS
For the Fiscal Year Ended June 30, 2023

Full Faith and Credit Refunding Bonds Series 2016 - Sewer

On January 28, 2016 the City issued full faith and credit refunding bonds in the amount of \$6,180,000. Proceeds from the issuance were used to payoff the City's loans payable for the City Hall Facility, sewer system, Lazy Z property, and USDA revenue bonds. The bonds are held by US Bank and have a variable interest rate (2-4%) per year. Payments are made annually with interest payments made on Dec 1 and Jun 1, and principal payments Jun 1. The bond is divided into Governmental and Business Type Activities, and has different payment schedules for the various debts. The original portion of the debt related to the Sewer activities (Business Type) was \$4,869,000 with payments due through fiscal year ending June 30, 2041. This debt is comprised of 3 individual debt schedules referred to as 92-04, 92-06 and Sewer Refunding.

Current Year Activity:

	Outstanding Balance July 1, 2022	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2023	Due Within One Year
Principal	\$ 3,967,000	\$ -	\$ 177,000	\$ 3,790,000	\$ 186,000
Interest	-	155,140	155,140	-	147,920
Total	\$ 3,967,000	\$ 155,140	\$ 332,140	\$ 3,790,000	\$ 333,920

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2024	\$ 186,000	\$ 147,920	\$ 333,920	4.00%
	2025	192,000	140,400	332,400	4.00%
	2026	199,000	132,580	331,580	4.00%
	2027	209,000	124,420	333,420	4.00%
	2028	216,000	115,920	331,920	4.00%
	2029	225,000	107,100	332,100	4.00%
	2030	170,000	99,200	269,200	4.00%
	2031	175,000	92,300	267,300	4.00%
	2032	185,000	85,100	270,100	4.00%
	2033	190,000	77,600	267,600	4.00%
	2034	200,000	69,800	269,800	4.00%
	2035	205,000	61,700	266,700	4.00%
	2036	215,000	53,300	268,300	4.00%
	2037	225,000	44,500	269,500	4.00%
	2038	235,000	35,500	270,500	4.00%
	2039	245,000	25,900	270,900	4.00%
	2040	255,000	15,700	270,700	4.00%
	2041	265,000	5,300	270,300	4.00%
Total		\$ 3,792,000	\$ 1,434,240	\$ 5,226,240	

CITY OF SISTERS
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS & FUTURE REQUIREMENTS
For the Fiscal Year Ended June 30, 2023

Full Faith and Credit Refunding Bonds Series 2016 - Lazy Z

On January 28, 2016 the City issued full faith and credit refunding bonds in the amount of \$6,180,000. Proceeds from the issuance were used to payoff the City's loans payable for the City Hall Facility, sewer system, Lazy Z property, and USDA revenue bonds. The bonds are held by US Bank and have a variable interest rate (2-4%) per year. Payments are made annually with interest payments made on Dec 1 and Jun 1, and principal payments Jun 1. The bond is divided into Governmental and Business Type Activities, and has different payment schedules for the various debts. The original portion of the debt related to the LazyC property (Business Type) was \$776,000 with payments due through fiscal year ending June 30, 2029.

Current Year Activity:

	Outstanding Balance <u>July 1, 2022</u>	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance <u>June 30, 2023</u>	Due Within <u>One Year</u>
Principal	\$ 466,000	\$ -	\$ 59,000	\$ 407,000	\$ 61,000
Interest	-	17,460	17,460	-	15,060
Total	<u>\$ 466,000</u>	<u>\$ 17,460</u>	<u>\$ 76,460</u>	<u>\$ 407,000</u>	<u>\$ 76,060</u>

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2024	\$ 61,000	\$ 15,060	\$ 76,060	4.00%
	2025	64,000	12,560	76,560	4.00%
	2026	66,000	9,960	75,960	4.00%
	2027	69,000	7,260	76,260	4.00%
	2028	72,000	4,440	76,440	4.00%
	2029	75,000	1,500	76,500	4.00%
Total		<u>\$ 407,000</u>	<u>\$ 50,780</u>	<u>\$ 457,780</u>	

CITY OF SISTERS
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2023

Full Faith and Credit Refunding Bonds Series 2016 - City Hall and Streets

On January 28, 2016 the City issued full faith and credit refunding bonds in the amount of \$6,180,000. Proceeds from the issuance were used to payoff the City's loans payable for the City Hall Facility, sewer system, Lazy Z property, and USDA revenue bonds. The bonds are held by US Bank and have a variable interest rate (2-4%) per year. Payments are made annually with interest payments made on Dec 1 and Jun 1, and principal payments Jun 1. The bond is divided into Governmental and Business Type Activities, and has different payment schedules for the various debts. The original portion of the debt related to the City Hall and Streets (Governmental) was \$535,000 with payments due through fiscal year ending June 30, 2029

Current Year Activity:

	Outstanding Balance July 1, 2022	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2023	Due Within One Year
Principal	\$ 317,000	\$ -	\$ 39,000	\$ 278,000	\$ 40,000
Interest	-	11,900	11,900	-	10,320
Total	<u>\$ 317,000</u>	<u>\$ 11,900</u>	<u>\$ 50,900</u>	<u>\$ 278,000</u>	<u>\$ 50,320</u>

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2024	\$ 40,000	\$ 10,320	\$ 50,320	4.00%
	2025	44,000	8,640	52,640	4.00%
	2026	45,000	6,860	51,860	4.00%
	2027	47,000	5,020	52,020	4.00%
	2028	52,000	3,040	55,040	4.00%
	2029	50,000	1,000	51,000	0.00%
Total		<u>\$ 278,000</u>	<u>\$ 34,880</u>	<u>\$ 312,880</u>	

STATISTICAL SECTION



STATISTICAL SECTION

This section provides further details as a framework for a better understanding of the financial statements.

Financial Trends

- These schedules contain trend information to help the reader understand how financial performance has changed over time.

Revenue Capacity

- These schedules contain information to help the reader assess the City's most significant local revenue sources, property taxes.

Debt Capacity

- These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt.

Demographic and Economic Information

- These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

- These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: The information in these schedules is derived from the comprehensive annual financial reports for the relevant year, unless otherwise noted.

CITY OF SISTERS, OREGON
Net Position By Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Governmental Activities:										
Net investment in capital assets	\$ 14,433	\$ 13,535	\$ 12,117	\$ 11,339	\$ 10,086	\$ 9,445	\$ 9,026	\$ 7,239	\$ 5,926	\$ 6,684
Restricted	5,737	3,626	3,530	2,542	1,869	1,639	1,639	1,492	1,738	1,032
Unrestricted	3,612	3,782	2,780	2,154	2,358	1,632	1,251	1,476	2,251	2,052
Total governmental activities net position	<u>23,782</u>	<u>\$ 20,943</u>	<u>\$ 18,427</u>	<u>\$ 16,035</u>	<u>\$ 14,313</u>	<u>\$ 12,716</u>	<u>\$ 11,916</u>	<u>\$ 10,207</u>	<u>\$ 9,915</u>	<u>\$ 9,768</u>
Business-Type Activities:										
Net investment in capital assets	24,870	\$ 20,243	\$ 19,111	\$ 16,845	\$ 15,804	\$ 8,625	\$ 13,953	\$ 14,200	\$ 14,305	\$ 13,453
Restricted	5,958	5,258	4,730	4,659	4,084	3,807	3,049	2,133	2,170	1,683
Unrestricted	119	3,855	3,043	2,801	2,506	8,599	1,826	1,560	1,037	1,507
Total business-type activities net position	<u>30,947</u>	<u>\$ 29,356</u>	<u>\$ 26,884</u>	<u>\$ 24,305</u>	<u>\$ 22,394</u>	<u>\$ 21,031</u>	<u>\$ 18,828</u>	<u>\$ 17,893</u>	<u>\$ 17,512</u>	<u>\$ 16,643</u>
Primary Government:										
Net investment in capital assets	39,303	\$ 33,778	\$ 31,228	\$ 28,184	\$ 25,890	\$ 18,070	\$ 22,979	\$ 21,439	\$ 20,231	\$ 20,137
Restricted	11,695	8,884	8,260	7,201	5,953	5,446	4,688	3,625	3,908	2,715
Unrestricted	3,731	7,637	5,823	4,955	4,864	10,231	3,077	3,036	3,288	3,559
Total primary government net position	<u>\$ 54,729</u>	<u>\$ 50,299</u>	<u>\$ 45,311</u>	<u>\$ 40,340</u>	<u>\$ 36,707</u>	<u>\$ 33,747</u>	<u>\$ 30,744</u>	<u>\$ 28,100</u>	<u>\$ 27,427</u>	<u>\$ 26,411</u>

CITY OF SISTERS, OREGON
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Program Revenues										
Governmental activities:										
Charges for services, fees and fines										
General government	\$ 428	\$ 287	\$ 258	\$ 303	\$ 282	\$ 261	\$ 376	\$ 430	\$ 551	\$ 441
Public safety	7	-	-	-	-	-	-	-	-	-
Culture and recreation	40	450	425	312	331	326	203	210	168	142
Community Development	15	-	-	-	-	-	-	-	-	-
Highways and streets	-	63	99	25	77	6	7	29	11	30
Capital Projects	1,247	-	-	-	-	-	-	-	-	-
Operating grants and contributions	-	530	579	501	455	416	437	368	341	325
Capital grants and contributions	162	1,162	1,483	1,266	1,394	748	1,981	498	526	323
Total governmental activities program revenues	1,899	2,492	2,844	2,407	2,539	1,757	3,004	1,535	1,597	1,261
Business-type activities:										
Charges for services:										
Water	1,409	1,101	1,046	893	783	722	636	615	592	555
Refuse	-	-	-	-	-	-	-	-	-	-
Sewer	1,909	1,430	1,266	1,127	1,017	952	902	856	848	793
Operating grants	72	-	-	-	-	-	-	-	-	-
Capital grants	166	2,137	2,276	1,688	1,134	2,182	998	701	967	668
Total business-type activities program revenues	3,556	4,668	4,588	3,708	2,934	3,856	2,536	2,172	2,407	2,016
Total primary government program revenues	5,455	7,160	7,432	6,115	5,473	5,613	5,540	3,707	4,004	3,277
Expenses										
Governmental activities:										
General government	540	1,425	1,708	1,636	1,431	1,604	1,610	1,642	1,288	1,204
Public safety	778	714	641	612	588	566	566	544	523	487
Culture and recreation	1,107	393	361	314	295	305	282	330	252	246
Community development	729	12	12	15	4	6	4	32	103	84
Highways and streets	1,001	1,077	1,072	948	1,266	827	792	731	606	631
Interest on long term obligations	4	14	21	28	30	38	46	48	43	58
Public Works	147	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	4,306	3,635	3,815	3,553	3,614	3,346	3,300	3,327	2,815	2,710
Business-type activities:										
Water	987	1,031	931	845	736	743	701	687	557	570
Sewer	1,233	1,186	1,115	1,079	985	946	922	1,073	865	908
Total business-type activities expenses	2,220	2,217	2,046	1,924	1,721	1,689	1,623	1,760	1,422	1,478
Total primary government expenses	6,526	5,852	5,861	5,477	5,335	5,035	4,923	5,087	4,237	4,188
Net Expense										
Governmental activities	(2,407)	(1,142)	(972)	(1,147)	(1,075)	(1,532)	(297)	(1,792)	(1,217)	(1,449)
Business-type activities	1,336	2,452	2,541	1,785	1,212	2,167	914	412	984	538
Total primary government net expense	\$ (1,071)	\$ 1,310	\$ 1,569	\$ 638	\$ 137	\$ 635	\$ 617	\$ (1,380)	\$ (233)	\$ (911)

*2015 governmental activities include a prior period adjustment of \$(269,463) and \$(107,782) for change in accounting principal due to GASB 68.

**2018 government and business activities include a prior period adjustment of \$(55,532) and \$(27,325) for change in accounting principals due to GASB 75.

Source: Current and prior years' financial statements

CITY OF SISTERS, OREGON
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Revenues and Other Changes in Net Position										
General revenues:										
Property taxes levied for:										
General purposes	\$ 1,432	\$ 1,367	\$ 1,248	\$ 1,173	\$ 1,093	\$ 975	\$ 919	\$ 878	\$ 816	\$ 781
Debt service	439	405	406	296	282	225	196	152	121	183
Franchise and public service taxes	887	1,786	1,586	1,222	1,163	1,072	813	973	772	688
Interest and investment earnings	286	56	51	111	103	59	34	22	22	20
Other Taxes and Assessments	1,544	-	-	-	-	-	-	-	-	-
Intergovernmental Tax Turnover	634	-	-	-	-	-	-	-	-	-
Miscellaneous	1	21	51	47	19	35	22	8	21	14
Contributed Revenue	-	-	-	-	-	-	-	-	-	-
Gain (loss) on disposal of asset	-	-	-	-	-	-	-	-	(139)	-
Transfers	21	23	22	21	11	22	22	50	21	20
Total governmental activities	5,244	3,658	3,364	2,870	2,671	2,388	2,006	2,083	1,634	1,706
Business-type activities:										
Contributed Revenue	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	274	43	59	147	162	84	43	20	13	12
Miscellaneous	3	-	-	-	-	-	-	-	-	-
Transfers	(21)	(23)	(22)	(21)	(11)	(22)	(22)	(50)	(21)	(20)
Total business-type activities	256	20	37	126	151	62	21	(30)	(8)	(8)
Total primary government	5,500	3,678	3,401	2,996	2,822	2,450	2,027	2,053	1,626	1,698
Change in Net Position										
Governmental activities	2,839	2,516	2,392	1,723	1,597	855	1,710	291	416	257
Business-type activities	1,592	2,472	2,578	1,910	1,363	2,230	935	381	977	530
Total primary government change in net position	4,431	4,988	4,970	3,633	2,960	3,085	2,645	672	1,393	787
Net Position Beginning										
Governmental activities	20,943	18,427	16,035	12,716	12,716	11,861	10,206	9,915	9,499	9,511
Business-type activities	29,356	26,884	24,305	21,031	21,031	18,801	17,893	17,512	16,535	16,113
Total primary government net position-beginning	50,299	45,311	40,340	33,747	33,747	30,662	28,099	27,427	26,034	25,624
Net Position Ending										
Governmental activities	23,782	20,943	18,427	16,035	14,313	12,716	11,916	10,207	9,915	9,768
Business-type activities	30,948	29,356	26,884	24,305	22,394	21,031	18,828	17,893	17,512	16,643
Total Primary Government Net Position	\$ 54,730	\$ 50,299	\$ 45,311	\$ 40,340	\$ 36,707	\$ 33,747	\$ 30,744	\$ 28,100	\$ 27,427	\$ 26,411

*2015 governmental activities include a prior period adjustment of \$(269,463) and \$(107,782) for change in accounting principal due to GASB 68.

**2018 government and business activities include a prior period adjustment of \$(55,532) and \$(27,325) for change in accounting principals due to GASB 75.

Source: Current and prior years' financial statements

CITY OF SISTERS, OREGON
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Combined General Fund										
Advance to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 848,818
Restricted	-	13,422	13,422	13,422	35,267	32,582	35,267	37,169	58,492	14,694
Committed	-	378,918	245,477	245,477	242,017	230,834	242,017	176,949	150,615	708,323
Unassigned	4,717,864	2,788,817	2,124,188	1,516,516	1,275,374	1,042,302	995,005	1,219,059	1,645,881	940,539
Total general fund	<u>4,717,864</u>	<u>3,181,157</u>	<u>2,383,087</u>	<u>1,775,415</u>	<u>1,552,658</u>	<u>1,305,718</u>	<u>1,272,289</u>	<u>1,433,177</u>	<u>1,854,988</u>	<u>2,512,374</u>
All Other Governmental Funds										
Restricted	\$ 5,270,823	\$3,612,141	\$3,516,827	\$2,528,661	\$1,833,823	\$1,892,844	\$1,603,806	\$1,432,636	\$1,679,194	\$1,017,939
Committed	455,690	1,481,793	1,304,946	1,112,787	840,768	616,989	468,195	295,901	506,628	-
Unassigned									-	(625,759)
Total all other governmental funds	<u>5,726,513</u>	<u>5,093,934</u>	<u>4,821,773</u>	<u>3,641,448</u>	<u>2,674,591</u>	<u>2,509,833</u>	<u>2,072,001</u>	<u>1,728,537</u>	<u>2,185,822</u>	<u>392,180</u>
Total governmental funds	<u>\$10,444,377</u>	<u>\$8,275,091</u>	<u>\$7,204,860</u>	<u>\$5,416,863</u>	<u>\$4,227,249</u>	<u>\$3,815,551</u>	<u>\$3,344,290</u>	<u>\$3,161,714</u>	<u>\$4,040,810</u>	<u>\$2,904,554</u>

¹ Information is present for years ended subsequent to the implementation of GASB 34.

The City implemented GASB 54 in the 2011 fiscal year and the Reserve Fund was combined with the General Fund for external reporting. Information on the new fund balance categories is shown on a prospective basis.

Source: Current and prior years' financial statements

CITY OF SISTERS, OREGON
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Property taxes	\$ 1,895,650	\$ 1,773,342	\$ 1,658,301	\$ 1,468,027	\$ 1,370,878	\$ 1,201,327	\$ 1,112,868	\$ 1,031,320	\$ 944,861	\$ 972,429
Other taxes	1,443,738	1,263,577	1,105,477	798,753	838,550	781,087	721,951	627,772	568,135	503,369
Intergovernmental	634,074	457,131	577,543	564,525	846,242	331,255	526,700	465,183	522,945	298,151
Franchise Fees	887,367	610,663	571,747	508,783	439,101	386,744	343,790	324,542	308,032	268,228
Licenses and Fines	706,471	686,245	650,375	577,508	572,303	545,558	555,359	611,019	688,968	567,295
Fines and forfeitures	7,309	7,360	1,539	1,560	1,010	2,138	1,750	2,746	3,838	3,577
System development charges	540,109	660,877	776,850	590,898	252,600	290,518	272,505	87,974	101,376	95,657
Charges for services	40,399	46,143	38,305	36,161	37,361	34,200	25,977	24,875	23,533	23,066
Rental income	4,800	11,400	9,000	9,000	9,000	9,000	-	4,500	9,000	9,000
Grants	162,119	-	-	-	-	-	-	-	-	-
Interest on Investments	275,130	55,806	51,447	111,059	103,229	58,620	34,634	22,178	22,054	19,836
Other Revenues	450,329	67,415	133,686	62,476	81,067	94,957	24,749	32,800	25,303	23,856
Total revenues	7,047,495	5,639,959	5,574,270	4,728,750	4,551,341	3,735,404	3,620,283	3,234,909	3,218,045	2,784,464
Expenditures										
Current:										
General Government	489,687	1,352,454	1,531,748	1,387,716	1,328,888	1,389,947	1,417,302	1,379,928	1,304,765	1,116,749
Public safety	753,134	714,408	640,635	611,849	588,316	565,688	565,688	543,930	523,010	486,678
Public works	147,857	-	-	-	-	-	-	-	-	-
Culture and recreation	1,146,084	373,771	315,532	291,899	284,517	291,776	264,472	278,802	276,400	239,416
Community development	728,520	96,125	11,831	15,626	3,891	3,933	3,794	4,352	6,288	22,398
Highways and streets	892,858	709,891	692,342	578,999	525,668	563,651	558,015	474,973	492,042	499,545
Capital outlay	688,439	1,006,974	418,595	460,671	1,201,794	224,507	392,441	1,203,769	652,972	812,123
Debt service										
Principal	39,000	324,464	171,158	180,670	190,904	202,989	197,916	281,717	58,714	134,905
Interest	11,900	18,808	25,937	33,021	35,370	43,211	59,692	43,728	41,786	62,611
Total expenditures	4,897,479	4,596,895	3,807,778	3,560,451	4,159,348	3,285,703	3,459,320	4,211,199	3,355,977	3,374,425
Revenues over (under) expenditures	2,150,016	1,043,064	1,766,492	1,168,299	391,993	449,701	160,963	(976,290)	(137,932)	(589,961)
Other Financing Sources (Uses)										
Issuance of debt	-	-	-	-	-	-	-	567,525	1,253,318	710,126
Sale of fixed assets	-	2,836	-	-	8,503	-	-	1,250	-	-
Bond Premium	-	-	-	-	-	-	-	62,644	-	-
Payment to refund debt	-	-	-	-	-	-	-	(584,130)	-	-
Operating transfers in	1,250,900	615,300	52,500	52,000	20,000	53,320	53,320	331,777	80,900	2,634,319
Operating transfers out	(1,230,000)	(592,600)	(31,000)	(30,680)	(8,800)	(31,760)	(31,760)	(281,835)	(60,031)	(2,614,025)
Total other financing sources (uses)	20,900	25,536	21,500	21,320	19,703	21,560	21,560	97,231	1,274,187	730,420
Special Item										
Payment for early extinguishment of debt	-	-	-	-	-	-	-	-	-	(1,056,690)
Net change in fund balances	\$ 2,170,916	\$ 1,068,600	\$ 1,787,992	\$ 1,189,619	\$ 411,696	\$ 471,261	\$ 182,523	\$ (879,059)	\$ 1,136,255	\$ (916,231)
Debt service as a percentage of noncapital expenditures	1%	10.6%	6.2%	7.4%	8.3%	8.7%	9.2%	12.1%	3.9%	8.4%

¹ Information is presented for years ended subsequent to the implementation of GASB 34.
 Source: Current and prior years' financial statements

CITY OF SISTERS, OREGON
Program Revenues by Function/Program
Last Ten Fiscal Years
(accrual basis of accounting)

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities										
General government	\$ 427,941	\$ 355,755	\$ 401,226	\$ 426,986	\$ 351,999	\$ 271,578	\$ 385,290	\$ 539,547	\$ 621,802	\$ 613,203
Public safety	7,309	-	-	-	-	28,897	90,566	28,832	26,215	26,208
Culture and recreation	40,399	688,797	677,326	580,160	545,311	520,964	417,308	259,752	316,955	199,428
Public works	1,246,580	-	-	-	-	-	-	-	-	-
Community Development	14,717	-	-	-	-	-	-	-	-	-
Highways and streets	162,119	1,448,113	1,764,776	1,399,361	1,641,590	992,365	2,110,158	707,578	632,146	422,079
Total governmental activities	1,899,065	2,492,665	2,843,328	2,406,507	2,538,900	1,813,804	3,003,322	1,535,709	1,597,118	1,260,918
Business-type activities										
Water	1,574,700	1,953,559	2,013,858	1,704,340	1,333,217	1,918,279	1,071,855	927,672	1,104,184	888,023
Refuse	-	-	-	-	-	-	-	-	-	-
Sewer	1,981,471	2,715,046	2,573,199	2,003,996	1,600,450	1,938,411	1,464,692	1,244,171	1,302,664	1,127,910
Total business-type activities	3,556,171	4,668,605	4,587,057	3,708,336	2,933,667	3,856,690	2,536,547	2,171,843	2,406,848	2,015,933
Total Primary government	\$ 5,455,236	\$ 7,161,270	\$ 7,430,385	\$ 6,114,843	\$ 5,472,567	\$ 5,670,494	\$ 5,539,869	\$ 3,707,552	\$ 4,003,966	\$ 3,276,851

Source: Current and prior years' financial statements

CITY OF SISTERS, OREGON
 Tax Revenues by Source, Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

<u>Year</u>	<u>General Fund Property Taxes</u>	<u>Transient Room Taxes</u>
2014	787,762	355,306
2015	821,193	406,944
2016	878,897	448,523
2017	917,960	537,629
2018	976,048	594,874
2019	1,090,298	648,398
2020	1,172,697	616,987
2021	1,252,392	902,256
2022	1,367,788	1,063,023
2023	1,445,447	1,106,860

Source: Current and prior year's financial statements

CITY OF SISTERS, OREGON
 Assessed Valuation and Actual Values of Taxable Property
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	Real Property	Manufactured Structures	Personal Property	Public Utility	Total Taxable Assessed Value	Total Direct Tax Rate	Measure 5 Real Market Value (RMV)
2014	306,870,940	209,820	6,945,910	2,799,800	316,826,470	2.6417	375,985,330
2015	314,574,619	234,790	7,944,760	3,454,400	326,208,569	2.6417	389,737,373
2016	342,164,332	287,830	7,816,100	4,380,500	354,648,762	2.6417	438,553,487
2017	360,681,270	253,060	8,320,750	4,148,900	373,403,980	2.6417	499,843,058
2018	381,849,486	279,105	9,173,430	3,692,100	394,994,121	2.6417	559,333,811
2019	420,121,862	263,560	10,550,190	4,998,800	435,934,412	2.6417	669,725,583
2020	455,701,658	275,560	11,798,560	4,650,600	472,426,378	2.6417	761,685,129
2021	497,961,758	305,090	12,306,540	5,287,300	515,860,688	2.6417	862,235,060
2022	542,463,099	349,537	13,484,830	5,287,300	561,584,766	2.6417	1,014,296,975
2023	\$ 580,593,964	\$ 329,500	\$ 16,034,600	\$ 6,516,100	\$ 603,474,164	2.6417	\$ 1,233,094,890

From Tax and Assessment Summary District tax summaries

CITY OF SISTERS, OREGON
Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 of Assessed Valuation)
Last Ten Fiscal Years

Fiscal Year	City of Sisters*			Overlapping Rates					Total Direct & Overlapping Rates
	General Fund	Urban Renewal	Total	Deschutes County	School ₁ District #6	COCC ₂	SPRD ₃	Camp Sherman Fire Dist	
2013	2.53	0.63	3.16	3.32	5.76	0.73	0.21	2.84	16.02
2014	2.53	0.60	3.13	3.21	5.72	0.72	0.21	2.85	15.84
2015	2.57	0.39	2.96	3.22	5.84	0.72	0.21	2.80	15.75
2016	2.56	0.45	3.01	3.27	5.76	0.72	0.21	2.84	15.81
2017	2.54	0.55	3.09	3.23	6.24	0.72	0.21	2.85	16.34
2018	2.54	0.60	3.14	3.07	6.15	0.72	0.21	2.81	16.10
2019	2.52	0.68	3.20	3.08	6.13	0.70	0.36	2.72	16.19
2020	2.53	0.65	3.18	3.09	6.11	0.70	0.36	2.80	16.24
2021	2.49	0.83	3.32	3.04	5.97	0.69	0.36	2.79	16.17
2022	2.49	0.76	3.25	3.45	5.98	0.69	0.36	2.78	16.51
2023	2.49	0.75	3.24	3.35	5.96	0.66	0.36	2.78	16.35

*The table reflects permanent rates that were levied each fiscal year by the entity identified

₁ School District #6 includes Sisters School District and Education Service District (ESD)

₂ COCC - Central Oregon Community College

₃ SPRD - Sisters Parks and Recreation District

CITY OF SISTERS, OREGON
Property Tax Levies and Collections
Last Ten Fiscal Years
(modified accrual basis of Accounting)

Fiscal Year Ended June 30,	Tax Levy for the Fiscal Year	Collected within the Fiscal Year of the Levy			Total Collections to Date	
		Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2014	989,983	943,355	95.29%	45,795	989,150	99.92%
2015	962,333	919,535	95.55%	39,601	959,136	99.67%
2016	1,064,203	1,012,770	95.17%	44,994	1,057,764	99.40%
2017	1,150,311	1,097,521	95.41%	35,637	1,133,157	98.51%
2018	1,231,814	1,183,488	96.08%	9,148	1,192,636	96.82%
2019	1,411,002	1,355,617	96.07%	37,240	1,392,857	98.71%
2020	1,491,890	1,434,618	96.16%	38,388	1,473,005	98.73%
2021	1,698,455	1,636,053	96.33%	46,197	1,682,249	99.05%
2022	1,820,719	1,755,936	96.44%	48,859	1,804,795	99.13%
2023	1,954,667	1,884,190	96.39%		1,936,941	99.09%

CITY OF SISTERS, OREGON
Principal Taxpayers
City of Sisters
June 30, 2023 and June 30, 2013

June 30, 2023

Taxpayer	Real Property Assessed Valuation	Rank	Percentage of Total Assessed Valuation
BEND-THIRD LLC ETAL	\$7,937,480	1	1.37%
THRIVIFY LLC	8,768,370	2	1.51%
WILLITTS LLC	5,950,700	3	1.02%
BEST WESTERN PONDEROSA LODGE INC	5,169,900	4	0.89%
PENN STREET LLC	4,759,900	5	0.82%
MT HOOD SISTERS LLC	3,088,020	6	0.53%
SECORIO LLC	3,051,480	7	0.53%
HIGH COUNTRY DEVELOPMENT	2,925,000	8	0.50%
SISTERS SELF STORAGE LLC	2,830,160	9	0.49%
FISH BARRELL LLC	2,707,990	10	0.47%
	\$47,189,000		
Total Assessed Valuation	\$580,593,964		

June 30, 2013

Taxpayer	Real Property Assessed Valuation	Rank	Percentage of Total Assessed Valuation
SISTERS CORPORATION	\$7,760,220	1	2.57%
3 SISTERS PARTNERS LLC	4,485,690	2	1.49%
BEST WESTERN PONDEROSA LODGE INC	4,074,220	3	1.35%
SISTERS COMMERCIAL II LLC	3,095,350	4	1.02%
THREEWIND ASSOCIATES LLC	3,088,280	5	1.02%
WILLITTS LLC	3,080,480	6	1.02%
CARPENTER, RICHARD & JELINDA S	2,124,960	7	0.70%
JAQUA, STEPHEN	2,047,580	8	0.68%
FIVE PINE LLC	1,979,470	9	0.66%
TEHAN, JOHN & PEGGY	1,536,600	10	0.51%
	\$33,272,850		
Total Assessed Valuation (estimated)	\$301,988,249		

Source: Deschutes County Assessor's Office

CITY OF SISTERS, OREGON
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	<u>Governmental Activities</u>		<u>Business-type Activities</u>		Total Primary Government	Percentage of Personal Income	Population
	Bonds Payable	Notes Payable	Revenue Bonds	Notes Payable			
2014	-	710,126	4,672,913	1,823,429	7,206,468	10.65%	2,115
2015	-	1,904,730	4,572,964	1,727,785	8,205,479	9.50%	2,190
2016	545,656	1,072,843	6,237,293	-	7,855,792	7.63%	2,472
2017	561,835	881,184	6,075,912	16,892	7,535,823	6.78%	2,502
2018	523,015	719,695	5,839,531	-	7,082,241	5.83%	2,540
2019	482,195	557,291	5,660,150	5,959	6,705,595	4.83%	2,725
2020	438,375	415,622	5,353,769	4,509	6,212,275	3.69%	2,985
2021	395,555	282,464	5,101,389	-	5,779,408	2.87%	3,286
2022	317,000	-	4,433,000	-	4,750,000	2.01%	3,489
2023	278,000	-	4,197,000	-	4,475,000	2.81%	3,823

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CITY OF SISTERS, OREGON
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	Population	General Obligation Bonds	Total Taxable Assessed Value (000)'s	Percentage of Debt to Value of Property	Net Bonded Debt Per Capita Value (000)'s
2014	2,115	0	316,826	0.00%	-
2015	2,190	0	326,209	0.00%	-
2016	2,472	0	354,649	0.00%	-
2017	2,502	0	373,404	0.00%	-
2018	2,540	0	394,994	0.00%	-
2019	2,725	0	435,934	0.00%	-
2020	2,985	0	472,426	0.00%	-
2021	3,286	0	515,861	0.00%	-
2022	3,489	0	561,585	0.00%	-
2023	3,823	0	603,474	0.00%	-

CITY OF SISTERS, OREGON
 Legal Debt Margin Information
 Last Ten Fiscal Years
 (unaudited)

ORS 287.004 provides a debt limit on general obligation bonds of 3% of the real market value of all taxable property within the City's boundaries.

Fiscal Year	Real Market Value	Debt Limit Rate	Debt Limit	Less: General Obligation Debt	Legal Debt Margin	Total GO Debt as % of Debt Limit
2014	375,985,330	3%	11,279,560	-	11,279,560	0.00%
2015	389,737,373	3%	11,692,121	-	11,692,121	0.00%
2016	438,553,487	3%	13,156,605	-	13,156,605	0.00%
2017	499,843,058	3%	14,995,292	-	14,995,292	0.00%
2018	559,333,811	3%	16,780,014	-	16,780,014	0.00%
2019	669,725,583	3%	20,091,767	-	20,091,767	0.00%
2020	761,685,129	3%	22,850,554	-	22,850,554	0.00%
2021	862,235,060	3%	25,867,052	-	25,867,052	0.00%
2022	1,014,296,975	3%	30,428,909	-	30,428,909	0.00%
2023	1,233,094,890	3%	36,992,847	-	36,992,847	0.00%

CITY OF SISTERS, OREGON

COMPUTATION OF DIRECT AND OVERLAPPING DEBT
For the fiscal year ended June 30, 2023

<u>Jurisdiction</u>	<u>Total Net Debt</u>	<u>Percent Applicable to City of Sisters</u>	<u>Amount Applicable to City of Sisters</u>
Direct Debt:			
City of Sisters	\$ 4,475,000	100%	\$ 4,475,000
Overlapping Debt:			
Central Oregon Community College	39,020,000	1.44%	561,966
Central Oregon Regional Housing Authority	1,650,200	1.69%	27,811
Deschutes County	23,775,000	1.69%	400,680
Deschutes County SD (Sisters)	43,301,920	22.99%	9,955,588
Deschutes County Public Library	189,200,000	1.69%	3,188,588
High Desert ESD	2,309,592	1.54%	35,464
Sisters RFPD (Camp Sherman)	865,000	40.01%	346,062
	300,121,712	4.84%	14,516,159
Total Direct and Overlapping Debt:	\$ 304,596,712	6.23%	\$ 18,991,159

Source:

Debt Management Division, Oregon State Treasury

Notes:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Sisters. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and therefore responsible for repaying debt, of each overlapping government.

CITY OF SISTERS, OREGON
Historical Sewer Revenues and Expenditures
Last Ten Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Operating Revenues:										
Charges for Services	\$ 715,963	\$ 810,622	\$ 839,625	\$ 883,605	\$ 933,380	\$ 970,331	\$1,095,941	\$1,189,785	\$1,328,767	\$1,420,979
Licenses and Fees	9,227	11,061	2,800	6,200	4,842	8,753	10,578	19,330	14,410	5,441
Rental Income	48,000	24,000	13,000	12,000	13,000	10,000	16,000	125	-	
Interest on Investments	4,074	3,893	4,785	10,845	18,078	33,348	31,434	12,271	8,530	57,664
Miscellaneous ^①	19,503	1,869	1,194	1,793	6,685	29,078	5,337	63,192	250,222	100,891
Total Operating Revenues	\$ 796,767	\$ 851,445	\$ 861,404	\$ 914,443	\$ 975,985	\$1,051,511	\$1,159,289	\$1,284,703	\$1,601,929	\$1,584,975
Operating Expenditures										
Personal Services	\$ 183,905	\$ 153,970	\$ 179,186	\$ 195,525	\$ 227,329	\$ 251,979	\$ 286,617	\$ 300,977	\$ 334,539	\$ 330,756
Materials and Services	190,220	208,291	323,166	239,787	240,103	250,473	290,202	288,250	324,229	539,692
Total Operating Expenditures	\$ 374,125	\$ 362,261	\$ 502,352	\$ 435,312	\$ 467,432	\$ 502,452	\$ 576,819	\$ 589,227	\$ 658,768	\$ 870,448
Net Operating Revenues	422,642	489,184	359,052	479,131	508,553	549,059	582,470	695,476	943,161	714,527
Other Resources:										
Beginning Sewer Fund Balances	\$ 942,064	\$ 896,919	\$ 997,382	\$1,086,518	\$1,203,402	\$1,328,250	\$1,532,422	\$1,743,825	\$1,758,098	\$2,175,950
Total Resources	\$1,364,706	\$ 1,386,103	\$1,356,434	\$1,565,649	\$1,711,955	\$1,877,309	\$2,114,892	\$2,439,301	\$2,701,259	\$2,890,477
Debt Service ^{②③}										
	409,800	368,940	363,475	334,679	339,051	333,284	334,153	335,974	332,245	332,140
Coverage with Net Operating Revenues	1.03	1.33	0.99	1.43	1.50	1.65	1.74	2.07	2.84	2.15
Coverage with Total Resources	3.33	3.76	3.73	4.68	5.05	5.63	6.33	7.26	8.13	8.70

① Includes revenues tied to wastewater disposal in connection with fighting forest fires.

② Includes debt service on the USDA Loans, the BotC Sewer Loan (and initial loan it refunded) and a loan from the Department of Environmental Quality which the City paid off January 12, 2016

③ For Fiscal Year 2015-2016, debt service is net of bond issuance/payoff related activity

CITY OF SISTERS, OREGON
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population¹	Personal Income²	Per Capita Personal Income³	School Enrollment⁴	Unemployment Rate⁵
2013	2,115	53,498,925	25,295	1,148	9.60%
2014	2,115	67,696,920	32,008	1,141	7.80%
2015	2,190	86,408,640	39,456	1,105	6.20%
2016	2,472	103,020,600	41,675	1,736	5.00%
2017	2,502	111,176,370	44,435	1,684	3.80%
2018	2,540	121,434,860	47,809	1,100	3.80%
2019	2,725	138,852,375	50,955	1,109	3.90%
2020	2,985	168,494,295	56,447	1,115	12.30%
2021	3,286	201,155,776	61,216	1,076	5.20%
2022	3,489	236,355,327	67,743	1,115	3.40%
2023	3,823	273,830,021	71,627	1,165	3.70%

Data Sources

¹ Center for Population Research and Census, Portland State University

² Estimation; Calculated, Population multiplied by Per Capita Personal Income

³ Per Capita Income as reported by Economic Research, Federal Reserve Bank of St. Louis

⁴ Sisters School District #6

⁵ Unemployment Rate is at the Deschutes County level.

CITY OF SISTERS, OREGON
Principal Employers within the City
Current and Ten Years Prior

2023

<u>Employer</u>	<u>Employees</u>	<u>Rank</u>
Sisters School District	175	1
Sisters Coffee Company	104	2
United States Forest Service	80	3
ESI Solutions	78	4
Ray's Food Place	43	5
Three Creeks Brewing	43	6
Five Pine Lodge & Conf. Center	42	7
Metabolic Maintenance	40	8
Personalized Nutrients	40	9
McDonald's Sisters	37	10
	<hr/> <u>682</u>	

2013

Sisters School District	131	1
GFP Enterprises	96	2
Sisters Coffee Company	65	3
Five Pine Lodge & Conf. Center	60	4
Three Creeks Brewing	58	5
Ray's Food Place	54	6
McDonald's Sisters	50	7
Energynengineering Systems	40	8
Metabolic Maintenance	32	9
Sisters Athletic Club	31	10
	<hr/> <u>617</u>	

CITY OF SISTERS, OREGON
 Full Time Equivalent City Employees
 by Function/Program
 Last Ten Fiscal Years

Function/Program	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental activities:										
General government	1.40	1.10	1.10	1.30	1.30	1.40	1.90	1.98	2.65	2.52
Culture and recreation	1.40	1.70	1.60	1.30	1.30	1.35	1.63	1.75	1.70	1.66
Community development	3.40	2.40	1.65	1.85	1.85	1.65	1.80	1.75	1.65	0.90
Tourism	-	0.30	0.30	-	-	-	-	-	-	-
Streets and highways	3.00	2.70	2.65	2.55	2.55	2.65	2.41	2.45	2.85	2.03
Total governmental activities	9.20	8.20	7.30	7.00	7.00	7.05	7.74	7.93	8.85	7.11
Business-type activities:										
Water	2.50	2.55	2.50	2.65	2.65	2.50	2.43	2.56	2.20	2.14
Sewer	2.30	2.25	2.20	2.35	2.35	2.20	2.13	2.26	1.70	1.50
Refuse										-
Total business-type activities	4.80	4.80	4.70	5.00	5.00	4.70	4.56	4.82	3.90	3.64
Total primary government budgeted FTE	14.00	13.00	12.00	12.00	12.00	11.75	12.30	12.75	12.75	10.75
City of Sisters										
Management and exempt	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.00	5.00
Temporary employees	0.50	0.50	0.50	0.50	0.50	0.50	0.50	1.00	1.00	1.50
Total Employees	19.50	18.50	17.50	17.50	17.50	17.25	17.80	18.75	17.75	17.25

CITY OF SISTERS, OREGON
 Operating Indicators by Function/Program
 Last Ten Fiscal years

FUNCTION/PROGRAM	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities:										
Street										
Street miles	29.9	29.9	29.7	29.3	29.1	29.1	28.6	28.4	28.4	28.4
Street resurfing miles	0.35	0.47	0.45	0.6	0.4	1	1	0.45	0.22	1.5
Culture and recreation										
Parks	8	8	8	8	8	8	8	8	8	7
Special event permits issued	35	36	3	2	48	38	51	49	43	43
Business-type Activities:										
Water										
Water mains (miles)	40.9	40.7	40.4	39.8	39.3	39.1	38.4	30.3	30.3	30.3
Average daily water consumption -CCF ¹	110,365	109,284	110,512	94,189	98,919	90,260	77,160	77,568	76,515	69,599
Sewer										
Sanitary sewers (miles)	31.17	31.15	30.9	30.9	30.6	30.4	30	29.5	28.9	23
Maximum daily treatment capacity	396,000 gpd	396,000 gpd	396,000 gpd	396,000 gpd	396,000 gpd	396,000 gpd	396,000 gpd	396,000 gpd	396,000 gpd	396,000 gpd
Average daily sewer treatment	219,000	218,000	216,000	204,000	203,000 gpd	197,000 gpd	197,000 gpd	197,000 gpd	195,000 gpd	189,000 gpd

¹1,000 cubic feet

CITY OF SISTERS, OREGON
 Capital Asset and Infrastructure Statistics by Function/Program
 Last Ten Fiscal Years

FUNCTION/PROGRAM	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities										
General Government										
Buildings owned-all structures	24	24	24	24	24	24	24	23	23	21
Vehicles/Equip (i.e. trailers, mowers)	12	12	11	11	10	10	10	9	9	8
Vehicles (i.e. cars & pick ups)-excluding police	13	12	12	11	10	12	12	12	12	12
Vehicles (i.e. dump trucks & bucket trucks)-excluding fire	7	7	7	7	7	8	8	8	8	8
Heavy Equipment (i.e. CAT, grader, etc.)	12	12	12	12	11	11	10	10	10	9
Streets and Highways										
Miles of streets maintained by City:										
Paved	28.4	28.4	28.2	27.8	27.6	27.6	27.1	26.9	26.9	26.9
Unpaved	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Bridges and underpasses	3	3	3	3	3	3	3	3	3	3
Business-type Activities										
Water										
Reservoirs	1	1	1	1	1	1	1	1	1	1
Wells	4	3	3	3	3	3	3	3	3	3
Wastewater										
Treatment plant	1	1	1	1	1	1	1	1	1	1
Lift Stations	4	4	4	4	4	4	4	4	4	4

**REPORTS ON OTHER LEGAL
AND REGULATORY REQUIREMENTS**



CITY OF SISTERS
INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS

As of June 30, 2023

To the Governing Body of the City of Sisters
Sisters, Oregon

We have audited the basic financial statements of the City of Sisters as of and for the year ended June 30, 2023 and have issued our report thereon dated February 11, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

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

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

- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Highway revenues used for public highways and roads (ORS Chapters 294, 368 & 373).**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

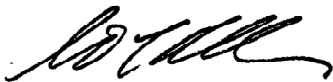
In connection with our testing nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000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

- Supplemental Budget Resolution makes appropriations from unappropriated reserves and makes appropriations to Contracted Services rather than a specific department.
- Budget does not include adequate details regarding beginning fund balance for General Fund and is therefore imbalanced.
- The City over expended appropriations in two funds as described in the Notes to the Financial Statements

OAR 162-10-0230 Internal Control

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

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



Steve Tuchscherer, CPA
Umpqua Valley Financial
Roseburg, Oregon
February 11, 2024

SISTERS URBAN RENEWAL AGENCY

(A Component Unit of the City of Sisters, Oregon)

Annual Financial Report

**For the Fiscal Year Ended
June 30, 2023**



SISTERS URBAN RENEWAL AGENCY

(A component Unit of the City of Sisters, Oregon)

For the Fiscal Year Ended June 30, 2023

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SISTERS URBAN RENEWAL AGENCY
(A COMPONENT UNIT OF THE CITY OF SISTERS, OREGON)

P.O. Box 39
Sisters, OR 97759
(541)323-5222

Fiscal Year 2021-22
AGENCY OFFICIALS

MICHAEL PREEDIN PO BOX 39, SISTERS, OR 97759	Agency Chair
NANCY CONNOLLY PO BOX 39, SISTERS, OR 97759	Agency Member
JENNIFER LETZ PO BOX 39, SISTERS, OR 97759	Agency Member
GARY ROSS PO BOX 39, SISTERS, OR 97759	Agency Member
ANDREA BLUM PO BOX 39, SISTERS, OR 97759	Agency Member

ADMINISTRATION

JOSEPH O'NEILL PO BOX 39, SISTERS, OR 97759	Finance Director
JORDAN WHEELER PO BOX 39, SISTERS, OR 97759	City Manager
KERRY PROSSER PO BOX 39, SISTERS, OR 97759	Assistant City Manager



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors Sisters Urban
Renewal Agency Sisters, Oregon

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Sisters Urban Renewal Agency (*a component unit of the City of Sisters, Oregon*) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund, of the Sisters Urban renewal Agency (a component unit of the City of Sisters, Oregon), as of June 30, 2023, and the respective changes in financial position and the budgetary comparison for the Urban Renewal Project Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules of revenues, expenditures and changes in fund balances – budget and actuals be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the management's discussion and analysis in accordance with the auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The schedules of revenues, expenditures and changes in fund balances – budget and actuals are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The schedules of revenues, expenditures and changes in fund balances – budget and actuals have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of revenues, expenditures and changes in fund balances – budget and actuals are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Agency.

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

Report on Other Legal and Regulatory Requirements

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated February 14, 2024, on our consideration of the Agency's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on the Agency's compliance.



Steve Tuhscherer, CPA
Umpqua Valley Financial, LLC
Roseburg, Oregon
February 14, 2024

MANAGEMENT'S

DISCUSSION

AND ANALYSIS



Sisters Urban Renewal Agency

SISTERS URBAN RENEWAL AGENCY

(A component Unit of the City of Sisters, Oregon)

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2023

Unaudited

The Management's Discussion and Analysis (MD&A) section of the Agency of Sisters Urban Renewal Agency (Agency) financial statements presents a narrative overview and analysis of the financial activities for the fiscal year ending June 30, 2023.

OVERVIEW OF FINANCIAL STATEMENTS

The following discussion and analysis is offered to serve as an introduction to the Agency's basic financial statements which include 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 Agency's finances, in a manner that is similar to a private-sector business. These statements are reported on the full accrual basis of accounting. Under the full accrual basis, revenues and expenses are reported in the year earned or obligated.

The *statement of net position* presents information of the Agency's assets and liabilities, with the difference between the two reported as net position. Evaluating increases or decreases in net position over time can serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

The *statement of activities* presents information on how the Agency's net position has changed during the fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of related cash flows. Revenues and expenses are reported in the statement for some items that will result in cash flows in a future period. An example of this is earned, but uncollected property taxes.

Both of the government-wide statements distinguish functions of the Agency that are principally supported by taxes and intergovernmental revenues, referred to as governmental activities. The Agency does not have other business-type activities.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or functions. The Agency, like other state and local governments, uses fund accounting to demonstrate compliance with legal requirements. All of the funds of the Agency are considered governmental funds.

Governmental Funds are used to account for Agency functions that are supported primarily by taxes and intergovernmental revenues. Governmental fund financial statements focus on the inflows and outflows of spendable resources, as well as available resources at the end of the fiscal year. Such information is useful in evaluating a government's near-term requirements.

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

SISTERS URBAN RENEWAL AGENCY

(A component Unit of the City of Sisters, Oregon)

Management’s Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2023

Unaudited

Expenditures, and Changes in Fund Balances includes a reconciliation to facilitate the comparison between the governmental fund statements and governmental activities.

The Agency maintains two individual governmental funds, the Urban Renewal Project Fund and Urban Renewal Debt Service Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance.

The Agency adopts an annual appropriated budget for both funds. A budgetary comparison has been provided for each fund to demonstrate compliance with the adopted budget.

Notes to the Basic Financial Statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents supplementary information including budgetary to actual comparisons for the Agency’s two funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position:

The following table reflects a summary of Net Position compared to prior fiscal year.

Summary of Net Position

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Assets		
Current and Other Assets	<u>\$ 456,447</u>	<u>\$ 312,166</u>
Total Assets	<u>456,447</u>	<u>312,166</u>
Net Position		
Restricted	<u>456,447</u>	<u>312,166</u>
Total Net Position	<u>\$ 456,447</u>	<u>\$ 312,166</u>

SISTERS URBAN RENEWAL AGENCY

(A component Unit of the City of Sisters, Oregon)

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2023

Unaudited

Statement of Activities:

The following table compares revenues and expenses for the government activities.

Summary of Changes in Net Position

	Governmental Activities	
	2022-23	2021-22
Revenues		
General Revenues		
Taxes and Assessments	\$ 439,981	\$ 405,428
Interest & Investment Earnings	17,297	4,604
Other Revenue	1,432	63
Total General Revenues	458,710	410,095
Total Revenues	458,710	410,095
Program Expenses		
Community Development	314,429	650,746
Interest on Long-Term Debt	-	5,369
Total Expenses	314,429	656,115
Change in Net Position	144,281	(246,020)
Net Position, July 1	312,166	558,186
Net Position, June 30	\$ 456,447	\$ 312,166

FINANCIAL HIGHLIGHTS

The *Urban Renewal Debt Service Fund* accounts for the accumulation of resources and payments for long-term debt related to the Urban Renewal Plan. Tax increment revenues are deposited to the debt service fund. Consistent with state law, the tax revenues are used to leverage debt proceeds, which are placed in the project fund for project construction.

The *Urban Renewal Project Fund* accounts for the accumulation of resources and payments for the project construction costs related to the Urban Renewal Plan.

The Agency's net position increased by \$144,281 during the fiscal year primarily due to an increase in cash and investments.

As of the end of the current fiscal year, the Agency's funds reported combined ending fund balance of \$449,496 for future spending, of which all of the balance is restricted for Urban Renewal Projects.

BUDGETARY HIGHLIGHTS

The Project Fund explored remaining obligations for rehabilitation grants and evaluated an appropriate method to utilize the existing fund balance. The project fund also embarked on the design for street improvement to Adams Avenue.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The Agency's investment in capital assets for June 30, 2023 is zero.

Long-term debt. The Agency carries no long-term debt as of June 30, 2023.

SISTERS URBAN RENEWAL AGENCY

(A component Unit of the City of Sisters, Oregon)

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2023

Unaudited

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

After a relatively dormant period for the five years prior to 2020, the Urban Renewal Agency (URA) has since experienced a high degree of activity. With the update of the URA Plan in 2020 and the revised URA project list in January 2022, the URA has developed a roadmap to undertake projects pursuant to the URA goals.

A necessary step to strategize the undertaking of items in the project list is the analysis of funding strategies to complete those projects. Due to the update of the water utility and wastewater utility master plans, it is likely that funding options related to those master plan projects will need to be explored. Staff determined it would be beneficial, in the short term, to use cash on hand for URA projects commencing relatively soon. Staff would then look at potentially coupling the URA and the City's financing strategies which could attract a more beneficial rate and return compared to a standalone URA financing strategy.

As the City of Sisters utility master plans are adopted and a project list, accompanied with a timeline, becomes available, it will drive the decision to either couple URA funding strategies with the City of Sisters or pursue funding strategies as a stand-alone entity. The staff has worked behind the scenes on the due diligence for URA funding, and whatever option the URA decides to pursue will be able to be done in a timely manner.

The URA and its resources have the ability to steward goals through the strategic proportions of project costs. It is incumbent upon the staff and the URA to maximize the potential for the agency and the project list going forward.

The total appropriated budget for the fiscal year ending June 30, 2024 is \$1,279,983. Of this total \$779,983 is appropriated for the Urban Renewal Project Fund activity. The Unappropriated amount is \$113,579.

REQUESTS FOR INFORMATION

The Agency's financial statements are designed to provide readers with a general overview of the Agency's finances. For questions about the report or additional information, contact the City of Sisters' Finance Officer, at City of Sisters, P.O. Box 39, Sisters, Oregon 97759 or visit the City's website at www.ci.sisters.or.us.

BASIC
FINANCIAL STATEMENTS



Sisters Urban Renewal Agency

SISTERS URBAN RENEWAL AGENCY
(A Component Unit of the City of Sisters, Oregon)

STATEMENT OF NET POSITION
For the Fiscal Year Ended June 30, 2023

	<u>Governmental Activities</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and Investments	448,085
Property Taxes Receivable	8,362
Total Assets	<u>\$ 456,447</u>
<u>NET POSITION:</u>	
Restricted for:	
Urban Renewal Projects	456,447
Total Net Position	<u>\$ 456,447</u>

SISTERS URBAN RENEWAL AGENCY
(A Component Unit of the City of Sisters, Oregon)

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2023

<u>Functions / Programs</u>	<u>(Expenses)</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Change in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
<u>GOVERNMENTAL ACTIVITIES:</u>					
Community Development	\$ 314,429	\$ -	\$ -	\$ -	\$ (314,429)
Total Governmental Activities	\$ 314,429	\$ -	\$ -	\$ -	\$ (314,429)
 <u>GENERAL REVENUES:</u>					
Taxes:					
Property Taxes, Levied for Debt Service					439,981
Interest and Investment Earnings					17,297
Other Revenue					<u>1,432</u>
Subtotal - General Revenues					<u>458,710</u>
Change in Net Position					<u>144,281</u>
Net Position, July 1, 2022					312,166
Net Position, June 30, 2023					<u>\$ 456,447</u>

SISTERS URBAN RENEWAL AGENCY
(A Component Unit of the City of Sisters, Oregon)

BALANCE SHEET
GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2023

	Urban Renewal Project Fund	Urban Renewal Debt Service Fund	Totals
<u>ASSETS:</u>			
Cash and Investments	\$ 285,092	\$ 162,993	\$ 448,085
Property Taxes Receivable	-	8,362	8,362
Total Assets	\$ 285,092	\$ 171,355	\$ 456,447
<u>DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</u>			
Deferred Inflows of Resources:			
Delinquent Property Tax Revenue Not Available	-	6,951	6,951
Total Deferred Inflows of Resources	-	6,951	6,951
Fund Balances:			
Restricted for:			
Urban Renewal Projects	285,092	164,404	449,496
Total Fund Balances	285,092	164,404	449,496
Total Deferred Inflows of Resources & Fund Balances	\$ 285,092	\$ 171,355	\$ 456,447

SISTERS URBAN RENEWAL AGENCY
(A Component Unit of the City of Sisters, Oregon)

**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
For the Fiscal Year Ended June 30, 2023**

Total Fund Balances - Governmental Funds **\$ 449,496**

**Amounts reported for governmental activities in the
Statement of Net Position are different because:**

Property taxes receivables not collected within 60 days of the
current period ending date are deferred in the governmental funds. 6,951

Net Position of Governmental Activities **\$ 456,447**

SISTERS URBAN RENEWAL AGENCY
(A Component Unit of the City of Sisters, Oregon)
Statement of Revenues,
Expenditures, and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2023

	Urban Renewal Project Fund	Urban Renewal Debt Service Fund	Totals
<u>REVENUES:</u>			
Taxes and Assessments	\$ -	\$ 439,065	\$ 439,065
Interest and Investment Earnings	966	16,331	17,297
Miscellaneous	-	1,432	1,432
Total Revenues	<u>966</u>	<u>456,828</u>	<u>457,794</u>
<u>EXPENDITURES:</u>			
Current Operating:			
General Government	545	-	545
Capital Outlay	313,884	-	313,884
Total Expenditures	<u>314,429</u>	<u>-</u>	<u>314,429</u>
Excess (Deficiency) of Revenues Over Expenditures	(313,463)	456,828	143,365
<u>OTHER FINANCING SOURCES (USES):</u>			
Interfund Transfers In	600,000	-	600,000
Interfund Transfers (Out)	-	(600,000)	(600,000)
Total Other Financing sources (uses)	<u>600,000</u>	<u>(600,000)</u>	<u>-</u>
Net Change in Fund Balance	286,537	(143,172)	143,365
Fund Balance - July 1, 2022	(1,445)	307,576	306,131
Fund Balance - June 30, 2023	<u>\$ 285,092</u>	<u>\$ 164,404</u>	<u>\$ 449,496</u>

SISTERS URBAN RENEWAL AGENCY
(A Component Unit of the City of Sisters, Oregon)

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

For the Fiscal Year Ended June 30, 2023

Net changes in fund balances - total governmental funds **\$ 143,365**

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

Some revenues will not be collected for several months after the City's fiscal year end and are therefore not considered "available" revenues in the governmental funds, instead these funds are shown as deferred revenue. However, these funds are recorded as revenue in the Statement of Activities.

The changes in amounts deferred are as follows:

Property Taxes	916
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Change in net position of governmental activities	<u>\$ 144,281</u>
--	--------------------------

**NOTES TO THE BASIC
FINANCIAL STATEMENTS**



Sisters Urban Renewal Agency

SISTERS URBAN RENEWAL AGENCY

(A component Unit of the City of Sisters, Oregon)

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2023 Unaudited

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Sisters Urban Renewal Agency (the Agency), a component unit of the City of Sisters, Oregon, is the urban renewal agency of, and controlled by, the City of Sisters (the City). It was established on July 24, 2003 to assist in the redevelopment of blighted and deteriorated areas within the City through tax increment financing. The governing body consists of a five member advisory committee, which makes its recommendations to the Board of Directors. The Board of Directors is composed of the Mayor and City Council of the City of Sisters.

Inclusion of the Agency in Sisters, Oregon, Comprehensive Annual Financial Report

All significant activities and organizations for which the City exercises oversight responsibility have been included in the City's combined financial statements. The following criteria from Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 34 and 61, regarding manifestation of oversight were considered by the City in its evaluation of City organizations and activities:

- Financial interdependency – the City provides a financial benefit or burden relationship to the organization.
- Authoritative appointment of governing authority – Sisters City Council is the organization's governing authority.

City management has determined that the Agency meets the criteria set forth above, and, therefore, is a component unit of the City. This report is issued solely to meet a State of Oregon, Department of Revenue interpretation of Oregon Revised Statutes that requires a separate audit report.

Agency-wide and Fund Financial Statements

The agency-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all activities of the Agency. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* are supported by taxes and intergovernmental revenues.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Basis of Presentation

The agency-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.

Governmental Funds are funded by a variety of resources, which include Restricted, Committed, Assigned, and Unassigned sources. Unless specifically tracked, expenditures are assumed to begin with Restricted, Committed, Assigned, and lastly, Unassigned.

SISTERS URBAN RENEWAL AGENCY

(A component Unit of the City of Sisters, Oregon)

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2023 Unaudited

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Significant revenues, which are susceptible to accrual under the modified accrual basis of accounting, include property taxes and federal and state grants. Other revenue items are considered to be measurable and available when received by the Agency. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgment, are recorded only when payment is due.

The Agency reports the following major governmental funds:

The *Project Fund* is the Agency's primary operation fund. It accounts for all financial resources of the Agency, which could be restricted, committed, or assigned, except those required to be accounted for in another fund. Principal sources of revenue are Bond/Loan Proceeds. Expenditures are primarily for construction projects related to the downtown core area of the Urban Renewal District.

The *Debt Service* fund accounts for the financial resources that are restricted, committed, or assigned to expenditures for repayment of principal and interest on long-term obligations used to finance construction projects related to the downtown core area of the Urban Renewal District. The principal source of revenue is Urban Renewal Tax collections.

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.

Cash and Cash Equivalents

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

The Agency's bank accounts and investments are maintained in a central pool of cash and investments with the City of Sisters that is available for use by all funds. Each fund's portion of this pool is reported on the combined balance sheet as cash and cash equivalents.

The investment policy of the Agency is to invest in the Local Government Investment Pool (LGIP), U.S. Government Obligations, and interest bearing demand deposits with local banks and to transfer resources to the general checking account as the need arises. This policy is in accordance with ORS 294.035, which specifies the types of investments, authorized for municipal corporations. The Agency allocates earnings on investments to each fund based on the average monthly balances throughout the year.

Investments in the LGIP are reported at amortized cost, which approximates fair value in accordance with GASB Statement Number 31, and are considered cash equivalents for financial reporting purposes. All other investments are reported at fair value.

Receivables and Payables

Receivables including property taxes, accounts, entitlements, and shared revenues are reported in accordance with the policies indicated above.

SISTERS URBAN RENEWAL AGENCY

(A component Unit of the City of Sisters, Oregon)

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2023 Unaudited

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that met the definition of GASB 54: Nonspendable, Restricted, Committed, Assigned, and Unassigned.

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash and include inventories and prepaid amounts.

Fund balance is reported as restricted when the constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Fund balance is reported as committed when the Board passes a resolution that places specific constraints on how the resources may be used. The Board can modify or rescind the resolution at any time through passage of an additional resolution.

Fund balance is reported as assigned when resources are constrained by the government's intent to use them for a specific purpose, but are neither restricted nor committed. Intent is expressed when the Board approves which resources should be assigned to expenditures of particular purposes during the adoption of the annual budget. The City Manager uses that information to determine whether those resources should be classified as assigned or unassigned for presentation in the Agency's fund financial statements.

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned.

Long-Term Obligation

In the agency-wide financial statements, long-term debt obligations are reported as liabilities in the Statement of Net Position.

In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

SISTERS URBAN RENEWAL AGENCY

(A component Unit of the City of Sisters, Oregon)

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2023 Unaudited

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Generally, Oregon Local Budget Law requires annual budgets be adopted for all funds. The modified accrual basis of accounting is used for all budgets, except Oregon Budget Law requires the repayment of interfund loans in a subsequent year to be budgeted. All annual appropriations lapse at fiscal year-end.

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

The resolution authorizing appropriations for each fund sets the level at which expenditures cannot legally exceed appropriations. The Agency established the levels of budgetary control at the materials and services, capital outlay, debt service, and all other requirement levels for all funds.

Unexpected additional resources may be added to the budget and appropriated for expenditure by using a supplemental budget. The supplemental budget process requires a hearing before the public, publication in the newspaper, and approval by the Board. Oregon Local Budget Law also provides certain specific exceptions to the supplemental budget process to increase appropriations. Management must obtain Board authorization for all appropriation transfers and supplementary budgetary appropriations.

Appropriations are limited to a single fiscal year; therefore, all spending authority of the Agency lapses as of year-end.

III. DETAILED NOTES ON ALL FUNDS

Deposits and Investments

Deposits. The Governmental Accounting Standards Board has adopted accounting principles generally accepted in the United States of America (GAAP), which includes standards to categorize deposits to give an indication of the level of custodial credit risk assumed by the Agency at June 30, 2023. If bank deposits at year end are not entirely insured or collateralized with securities held by the district or by its agent in the Agency's name, the Agency must disclose the custodial credit risk that exists.

The Agency maintains a cash pool with the City of Sisters that is available for use by all funds. Each fund type's portion of this pool is reported on the combined balance sheet as cash and cash equivalents. Please refer to the City's basic financial statements, issued under a separate cover, for additional information pertaining to the nature and collateralization of the City's deposits and investments.

Custodial credit risk for deposits is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The Agency does not have a formal policy for custodial credit risk.

As of June 30, 2023, the reported amount of the City's deposits was \$448,084. Of the \$448,084 bank balance, the entire amount was insured by the FDIC or covered by the collateral held in a multiple financial institutions collateral pool administered by the Oregon State Treasurer.

SISTERS URBAN RENEWAL AGENCY

(A component Unit of the City of Sisters, Oregon)

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023
Unaudited**

Investments.

In connection with their shared funds with the City of Sisters, the Agency has invested funds in the State Treasurer’s Oregon Short-Term Fund Local Government Investment Pool during the year. The Oregon Short-Term Fund is the local government investment pool for local governments and was established by the State Treasurer. It was created to meet the administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). Local Government Investment Pool (LGIP) is an unrated external investment pool managed by the State Treasurer’s office, which allows governments within the state to pool their funds for investment purposes. The amounts invested in the pool are not classified by risk categories because they are not evidenced by securities that exist in physical or book entry form as defined by GASB Statement No. 40. In addition, the Oregon State Treasury LGIP distributes investment income on an amortized cost basis and the participant’s equity in the pool is determined by the amount of participant deposits, adjusted for withdrawals and distributed income. Accordingly, the adjustment to fair value would not represent an expendable increase in the Agency’s cash position.

Investments in the Oregon State Treasury LGIP are made under the provision of ORS 194.180. These funds are held in the Agency’s name and are not subject to collateralization requirements or ORS 295.015. Investments are stated at cost, which approximates fair value.

Credit risk. State statutes authorize the Agency to invest primarily in general obligations of the US Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers’ acceptances, certain commercial papers, and the State Treasurer’s investment pool, among others. The Agency has no formal investment policy that further restricts its investment choices.

Concentration of Credit Risk. The Agency is required to provide information about the concentration of credit risk associated with its investments in one issuer that represents 5 percent or more of the total investments, excluding investments in external investment pools or those issued and explicitly guaranteed by the U.S. Government. The Agency has no such investments.

Interest Rate Risk. The Agency has no formal investment policy that explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates.

Receivables

On June 30, 2023, the Agency’s receivables are as follows:

Property taxes	<u>\$ 8,362</u>
Total receivables	<u>\$ 8,362</u>

Property taxes are assessed and attach as an enforceable lien on property as of July 1. Taxes are levied on July 1 and are payable on November 15. They may be paid in installments due November 15, February 15, and May 15. Taxes are billed and collected by Deschutes County and remittance to the Agency is made at periodic intervals. The Agency levied taxes at its maximum taxing authority.

Deferred Outflows/Inflows of Resources

In addition to liabilities, the statement of financial position and or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item unavailable revenue is reported only in the governmental fund balance sheet. The amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The unavailable revenues reported in the governmental funds included \$6,035 in property taxes.

SISTERS URBAN RENEWAL AGENCY

(A component Unit of the City of Sisters, Oregon)

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023
Unaudited**

Fund Balance

Restricted Fund Balance represents amounts that are constrained for Urban Renewal capital projects and the Urban Renewal Debt Service Fund. Generally the purpose for each is indicated by the account title on the face of the balance sheet.

When the option is available to use restricted or unrestricted resources for any purpose, the Agency expends restricted resources first. When the option is available to use committed, assigned, or unassigned resources for any purpose, the Agency expends committed resources before assigned resources, and assigned resources before unassigned resources. Fund balance by classification for the year ended June 30, 2023, is as follows:

Fund Balance	URA Project Fund	URA Debt Service Fund
Restricted For:		
Urban Renewal Projects:	<u>\$285,092</u>	<u>\$164,404</u>
Total Fund Balance	<u>\$285,092</u>	<u>\$164,404</u>

Capital Assets

The Agency constructs and refurbishes assets for the benefit of the City and businesses in the local area, and any assets constructed or improved would be property of the benefiting entity. During the current year the Agency incurred \$313,884 in Capital Outlay related to city projects. The Agency had no capital assets at year end.

Long – Term Obligations

As of June 30, 2023, the Agency had no long-term obligations.

Risk Management

The Agency is exposed to various risks of loss related to torts; theft or damage to and destruction of assets; errors and omissions; and natural disasters for which the Agency carries commercial insurance coverage in the name of the City. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage for the past three years.

Construction in Progress

In the Urban Renewal Project fund there are no construction in progress ongoing as of June 30, 2023.

Commitments and Contingencies

No significant commitments and contingencies at June 30, 2022.

Subsequent Events

No significant subsequent events occurred after fiscal year-end through the date of issuance of financial statements.

REQUIRED
SUPPLEMENTAL INFORMATION



Sisters Urban Renewal Agency

SISTERS URBAN RENEWAL AGENCY

(A Component Unit of the City of Sisters, Oregon)

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

URBAN RENEWAL PROJECT FUND

For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with</u>
			<u>(Budgetary Basis)</u>	<u>Final Budget</u>
			<u>(See Note 1)</u>	<u>Positive</u>
				<u>(Negative)</u>
<u>REVENUES:</u>				
Investment Revenue	\$ 200	\$ 200	\$ 966	\$ 766
Total Revenues	200	200	966	766
<u>EXPENDITURES:</u>				
Materials and Services	4,500	4,500	545	(3,955)
Capital Outlay	-	313,884	313,884	-
Total Expenditures	4,500	318,384	314,429	(3,955)
Excess of Revenues Over (Under) Expenditures	(4,300)	(318,184)	(313,463)	4,721
<u>OTHER FINANCING SOURCES / (USES):</u>				
Interfund Loan Proceeds In	-	-	600,000	600,000
Total Other Financing Sources	-	-	600,000	600,000
Net Change In Fund Balances	(4,300)	(318,184)	286,537	604,721
Fund Balance - July 1, 2022	151,248	151,248	(1,445)	(152,693)
Fund Balance - June 30, 2023	\$ 146,948	\$ (166,936)	\$ 285,092	\$ 452,028

SUPPLEMENTAL INFORMATION



Sisters Urban Renewal Agency

SISTERS URBAN RENEWAL AGENCY
(A Component Unit of the City of Sisters, Oregon)
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
URBAN RENEWAL DEBT SERVICE FUND
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		Actual	Variance
	<u>Original</u>	<u>Final</u>	Amounts	with
			(Budgetary Basis)	Final Budget
			(See Note 1)	Positive
				(Negative)
<u>REVENUES:</u>				
Property Tax Revenue	\$ 418,500	\$ 418,500	\$ 439,065	\$ 20,565
Investment Revenue	200	200	16,331	16,131
Miscellaneous Revenue	-	-	1,432	1,432
Total Revenues	<u>418,700</u>	<u>418,700</u>	<u>456,828</u>	<u>38,128</u>
<u>EXPENDITURES:</u>				
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>418,700</u>	<u>418,700</u>	<u>456,828</u>	<u>38,128</u>
<u>OTHER FINANCING SOURCES / (USES):</u>				
Interfund Loans (Out)	-	(600,000)	(600,000)	-
Total Other Financing Sources	<u>-</u>	<u>(600,000)</u>	<u>(600,000)</u>	<u>-</u>
Net Change In Fund Balances	418,700	(181,300)	(143,172)	38,128
Fund Balance - July 1, 2022	<u>151,248</u>	<u>151,248</u>	<u>307,576</u>	<u>156,328</u>
Fund Balance - June 30, 2023	<u>\$ 569,948</u>	<u>\$ (30,052)</u>	<u>\$ 164,404</u>	<u>\$ 194,456</u>

**REPORT ON LEGAL
AND OTHER REGULATORY REQUIREMENTS**



Sisters Urban Renewal Agency

SISTERS URBAN RENEWAL AGENCY

(A component unit of the City of Sisters, Oregon)

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

As of June 30, 2023

To the Governing Body of the Sisters Urban Renewal Agency
Sisters, Oregon

We have audited the basic financial statements of the Sisters Urban Renewal Agency (a component unit of the City of Sisters) as of and for the year ended June 30, 2023 and have issued our report thereon dated February 14, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

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

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

- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **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 Agency was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control

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

This report is intended solely for the information and use of the Board of Directors and management of the Sisters Urban Renewal Agency and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.



Steve Tuchscherer, CPA
Umpqua Valley Financial
Roseburg, Oregon
February 14, 2024