



HARRISBURG, OREGON

Annual Financial Report

June 30, 2022

CITY OF HARRISBURG

PO Box 378
Harrisburg, Oregon 97446
(541) 995-6655

MAYOR & CITY COUNCIL

ROBERT DUNCAN PO Box 224, Harrisburg, OR 97446	Mayor
ADAM KEATON 550 N 6th Place, Harrisburg, OR 97446	Councilor
KIM DOWNEY PO Box 651, Harrisburg, OR 97446	Councilor
CHARLOTTE THOMAS 1145 South 6th Street, Harrisburg, OR 97446	Councilor
RANDY KLEMM 785 Monroe Street, Harrisburg, OR 97446	Councilor
ROBERT BOESE 460 N 7th Street, Harrisburg, OR 97446	Councilor
MIKE CAUGHEY 1052 Whitedge Place, Harrisburg, OR 97446	Councilor

ADMINISTRATION

CATHY NELSON PO Box 378, Harrisburg, OR 97446	Finance Officer
MICHELE ELDRIDGE PO Box 378, Harrisburg, OR 97446	City Manager
LORI ROSS PO Box 378, Harrisburg, OR 97446	City Recorder

CITY OF HARRISBURG

AUDIT REPORT

JUNE 30, 2019

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Independent Auditors' Report

To the Honorable Mayor and City Council
City of Harrisburg, 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 Harrisburg as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Harrisburg'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, the business-type activities, each major fund, and the aggregate remaining fund information of City of Harrisburg as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis 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 Harrisburg 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 Harrisburg'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 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 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 City of Harrisburg'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 City of Harrisburg's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion on pages 1-12, schedules of revenues, expenditures and changes in fund balances – budget and actuals on pages 62-64, and the pension and OPEB schedules on pages 65-68 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 62-64 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 Harrisburg's 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 Harrisburg.

The supplementary information on pages 69-94 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.

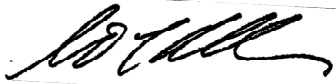
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the 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 March 8, 2023, on our consideration of the City of Harrisburg'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 City's compliance.



Steve Tuchscherer, CPA
Umpqua Valley Financial, LLC
Roseburg, Oregon
March 8, 2023

MANAGEMENT'S
DISCUSSION
AND ANALYSIS

CITY OF HARRISBURG
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2022
Unaudited

The management discussion and analysis of the City of Harrisburg, Oregon (the City) financial performance provides an overview of the City's financial activities for the fiscal year that ended June 30, 2022. The intent of this discussion and analysis is 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, 2022, are as follows:

- The City's net position increased by \$1,460,956, which represents an 8.8% increase from the previous year.
- Total revenue for the City was \$4,679,312. Which represents a 6.53% increase from the previous year. General revenues accounted for \$2,433,820 of revenue, or 52.01% of all revenues. Program specific revenues in the form of charges for services accounted for \$1,631,712 or 34.87% of total revenues. Operating grants received a total \$613,780 or 13.12% of total revenues. There were no capital grants received this year.
- The City had \$3,218,356 in program expenses. Of the program expenses, \$794,468, was for providing water service and \$836,742 was for providing sewer service.
- The City's long-term liabilities decreased by \$1,177,727, a 7.68% decrease from the previous year primarily due to a \$974,867 decrease in the net pension liability and a \$200,092 decrease in bonds payable for the year.
- Among the governmental funds, the General Fund had \$1,693,351 in revenues, which primarily consisted of property taxes, franchise taxes, and grants. The Street Fund had \$293,606 in revenues, which primarily consisted of intergovernmental revenues. The Harrisburg Redevelopment Agency Fund had \$566,603 in revenues, which primarily consisted of property taxes.
- Among proprietary funds, the Water Fund had \$649,150 in operating revenues, which primarily consisted of user fees. The Sewer Fund had \$804,911 in operating revenues, which primarily consisted of user fees.

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 HARRISBURG
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2022
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 library, 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 and 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 the government-wide financial statements, these statements report short-term fiscal accountability focusing on 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 Harrisburg 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 HARRISBURG
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2022
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 General Fund, the Street Fund, the Debt Service Fund, and the Harrisburg Redevelopment Agency Fund. 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 \$18,070,133 this is an increase of \$1,460,956 or 8.8%.

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.

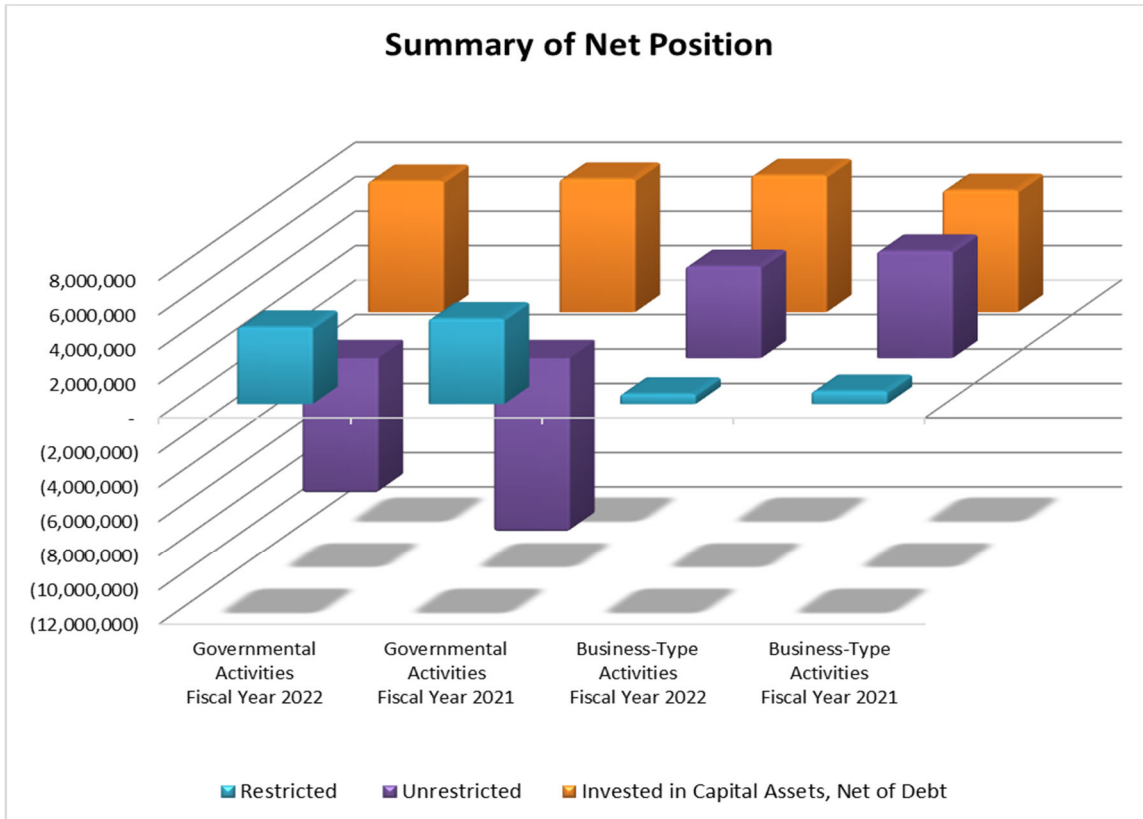
The City's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

CITY OF HARRISBURG
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2022
Unaudited

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

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current and Other Assets	\$ 7,491,975	\$ 7,215,822	\$ 6,767,935	\$ 7,953,737	\$ 14,259,910	\$ 15,169,559
Capital Assets	9,336,152	7,927,093	9,925,588	9,114,625	19,261,740	17,041,718
Total Assets	16,828,127	15,142,914	16,693,523	17,068,361	33,521,650	32,211,277
Deferred Outflow of Resources	187,376	279,467	323,956	369,929	511,332	649,396
Liabilities						
Current Liabilities	793,479	498,260	115,665	278,452	909,144	776,712
Long-Term Liabilities	11,683,277	12,298,146	2,476,294	3,039,152	14,159,571	15,337,298
Total Liabilities	12,476,756	12,796,406	2,591,959	3,317,604	15,068,715	16,114,010
Deferred Inflow of Resources	327,650	59,703	566,484	77,781	894,134	137,484
Net Position						
Net Investment in Capital Assets	7,605,463	7,726,302	7,937,902	7,075,632	15,543,365	14,801,934
Restricted	4,468,640	4,951,009	593,536	752,594	5,062,176	5,703,603
Unrestricted	(7,863,006)	(10,111,039)	5,327,598	6,214,679	(2,535,408)	(3,896,360)
Total Net Position	\$ 4,211,097	\$ 2,566,272	\$ 13,859,036	\$ 14,042,905	\$ 18,070,133	\$ 16,609,179

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 HARRISBURG
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2022
Unaudited

Changes in net position - The City's total revenues for the fiscal year ended June 30, 2022 were \$4,679,312. The total cost of all programs and services was \$3,218,356. The following table shows a comparative analysis of government-wide revenues, expenses, and changes in net position.

Summary of Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2021-22</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2020-21</u>
Revenues						
Program Revenues						
Charges for Services	\$ 177,651	\$ 302,250	\$ 1,454,061	\$ 1,355,914	\$ 1,631,712	\$ 1,658,164
Operating Grants and Contributions	613,780	195,950	-	-	613,780	195,950
Total Program Revenues	791,431	498,200	1,454,061	1,355,914	2,245,492	1,854,114
General Revenues						
Local Sources						
Property Taxes, Franchise Fees, &						
Public Service Taxes	2,330,056	2,411,802	-	-	2,330,056	2,411,802
Interest & Investment Earnings	18,646	37,618	58,716	88,916	77,362	126,534
Other Revenues	26,402	-	-	-	26,402	-
Total General Revenues	2,375,104	2,449,420	58,716	88,916	2,433,820	2,538,336
Total Revenues	3,166,535	2,947,620	1,512,777	1,444,830	4,679,312	4,392,450
Program Expenses						
General Government	297,196	519,313	-	-	297,196	519,313
Public Safety	287,712	258,291	-	-	287,712	258,291
Public Works	398,146	392,316	-	-	398,146	392,316
Culture and Recreation	83,781	179,772	-	-	83,781	179,772
Urban Renewal Projects	4,941	110,257	-	-	4,941	110,257
Interest and Fees on Long-Term Debt	447,534	383,045	67,836	-	515,370	383,045
Utility Services						
Water Utilities	-	-	794,468	258,377	794,468	258,377
Sewer Utilities	-	-	836,742	605,299	836,742	605,299
Total Program Expenses	1,519,310	1,842,993	1,699,046	863,676	3,218,356	2,706,669
Transfers	(2,400)	86,000	2,400	(86,000)	-	-
Special Items	-	-	-	-	-	-
Change in Net Position	\$ 1,644,825	\$ 1,190,627	\$ (183,869)	\$ 495,154	\$ 1,460,956	\$ 1,685,781

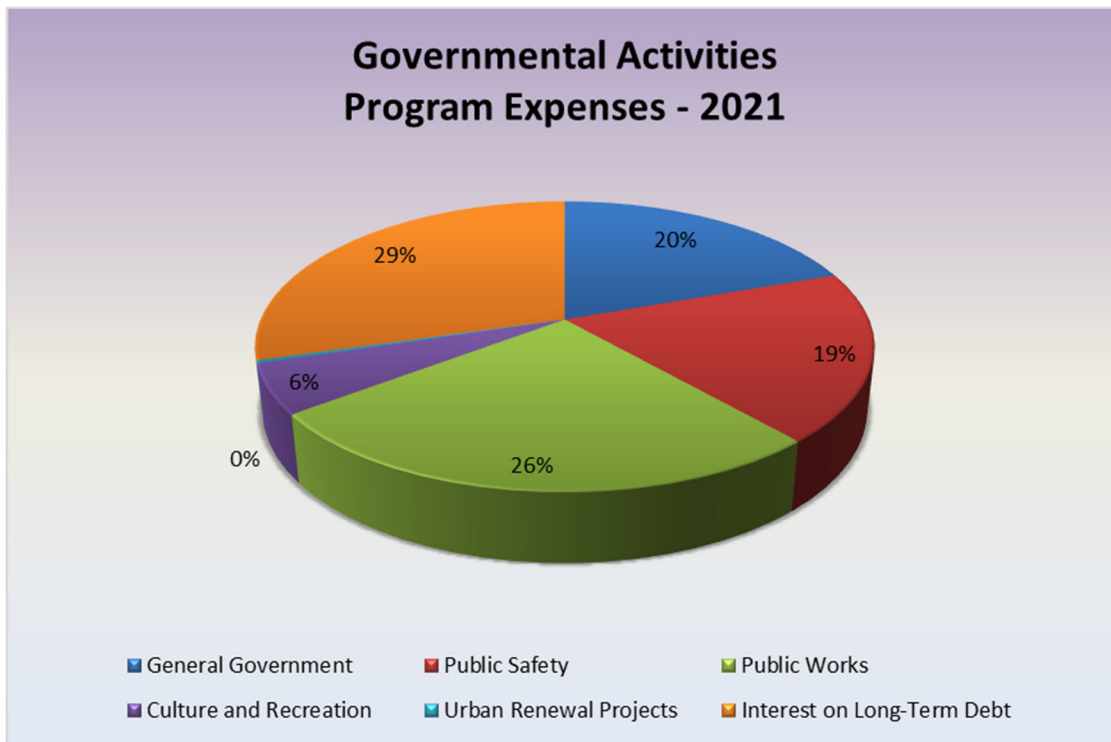
CITY OF HARRISBURG
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2022
Unaudited

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 four 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

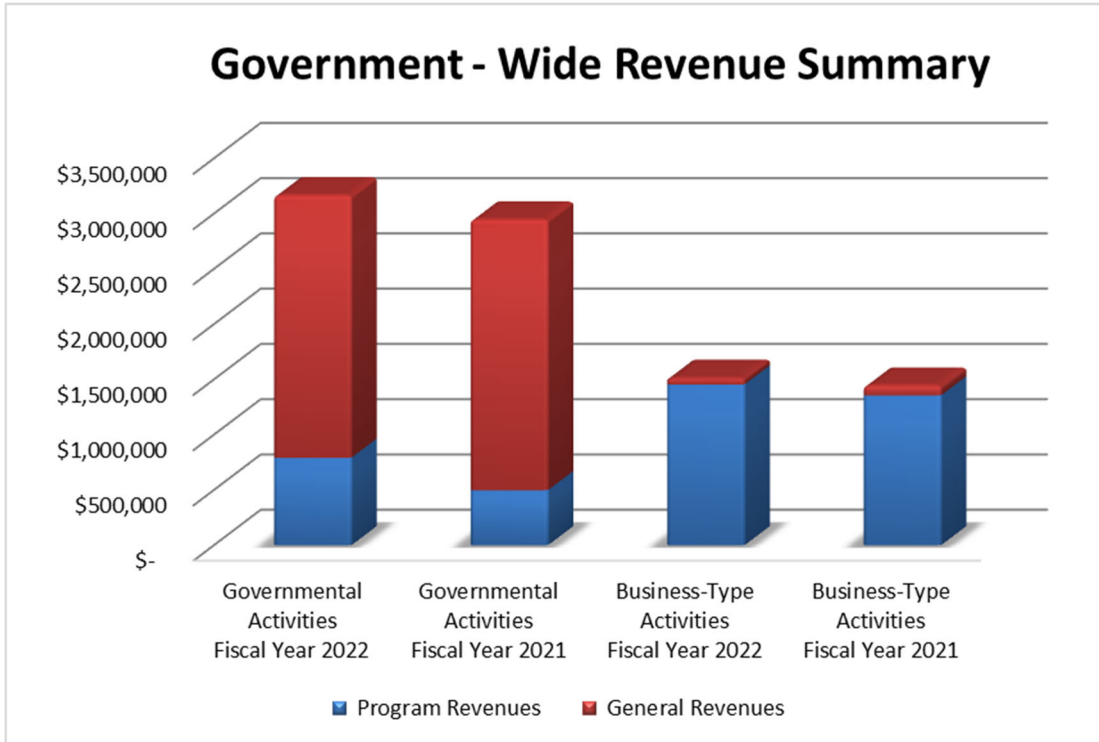
	Total Cost of Services		Net (Cost) Profit of Services	
	2021-22	2020-21	2021-22	2020-21
General Government	\$ (297,196)	\$ (519,313)	\$ 218,089	\$ 675,452
Public Safety	(287,712)	(258,291)	(276,021)	(190,836)
Public Works	(398,146)	(392,316)	(258,081)	(204,512)
Culture and Recreation	(83,781)	(179,772)	(78,761)	(169,706)
Urban Renewal Projects	(4,941)	(110,257)	114,429	(33,521)
Interest Expense	(447,534)	(383,045)	(447,534)	(383,045)
Total Program Expenses	\$ (1,519,310)	\$ (1,842,993)	\$ (727,879)	\$ (306,168)

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



CITY OF HARRISBURG
Management's Discussion and Analysis (MD&A)
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Unaudited

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

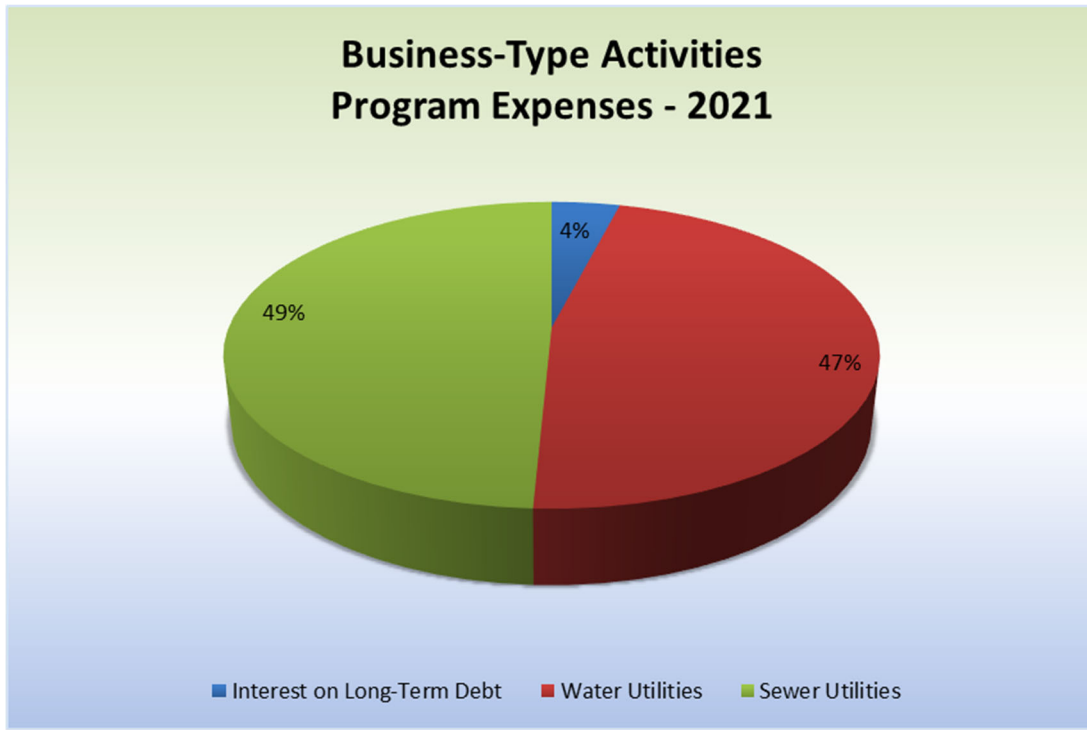


Business-Type Activities

	<u>Total Cost of Services</u>		<u>Net (Cost) Profit of Services</u>	
	2021-22	2020-21	2021-22	2020-21
Utility Services	\$ (1,631,210)	\$ (863,676)	\$ (177,149)	\$ 492,238
Interest on Long-Term Debt	(67,836)	-	(67,836)	-
Total Program Expenses	<u>\$ (1,699,046)</u>	<u>\$ (863,676)</u>	<u>\$ (244,985)</u>	<u>\$ 492,238</u>

CITY OF HARRISBURG
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2022
Unaudited

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



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

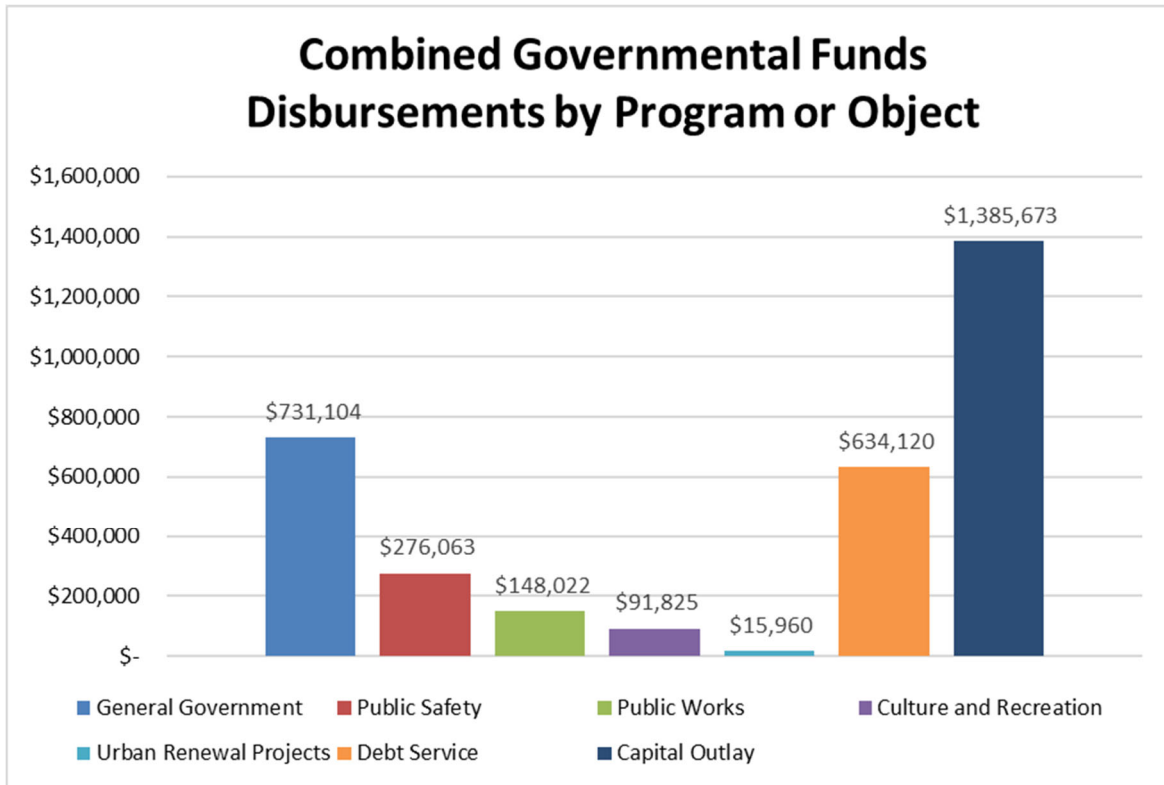
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing 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 \$ \$6,690,935, an increase of \$142,941. The fund balance constitutes restricted, committed, assigned and unassigned amounts. Of the current fund balances, \$304,847 is restricted for public works projects, \$135,880 is restricted for debt service, \$1,950,553 is restricted for capital projects, \$2,077,360 is restricted for urban renewal projects, \$1,022,400 is committed for various programs, and \$1,199,895 is unassigned and available for spending at the City's discretion.

CITY OF HARRISBURG
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2022
Unaudited

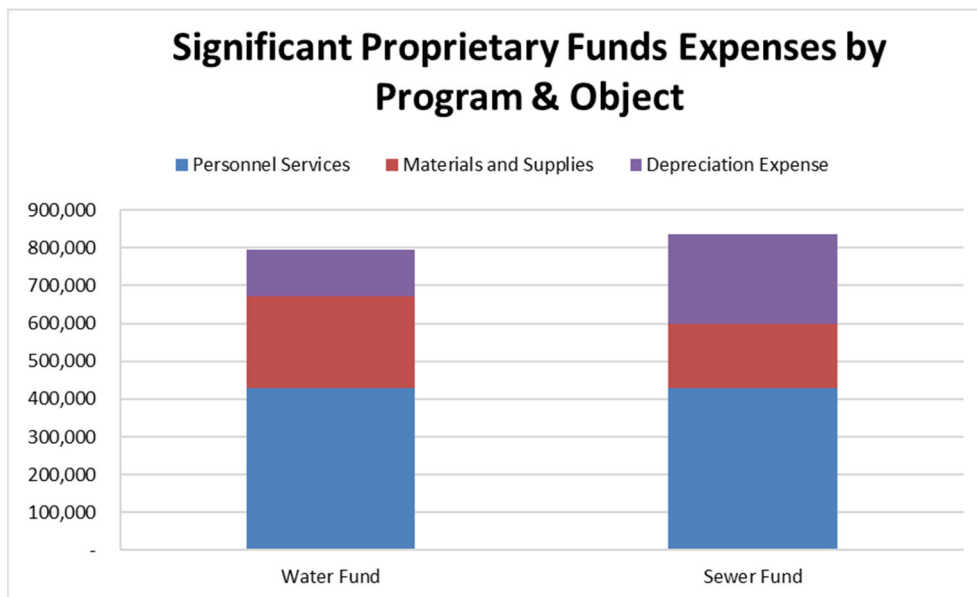
Following is a comparison of current expenditures by program of the governmental funds.



Proprietary Funds

The City's enterprise funds reported unrestricted net position of \$5,320,815, a decrease of \$892,252. The enterprise funds also report \$125,155 in restricted net position for debt service, \$468,381 in restricted net position for public works projects and \$7,937,902 in net position invested in capital assets, net of related debt.

Following is a comparison of current expenses by program of the proprietary funds.



CITY OF HARRISBURG
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2022
Unaudited

Budgetary Highlights

General Fund resources were budgeted and anticipated to be available in the amount of \$1,566,436 during the fiscal year. Actual resources of \$1,693,351 were available, \$126,915 more than budgeted. General Fund expenditures budget was under-spent by \$656,661. The ending fund balance was greater than what was budgeted by \$891,159 and more than the prior year by \$235,097.

The Water Fund balance decreased by \$935,846 during the fiscal year and the Sewer Fund balance increased by \$30,211. Both funds remained within their budgeted appropriations except for the Sewer Fund which overspent the Debt Service Principal appropriation by \$45,000. The Water Fund's actual resources were more than budgeted by \$37,196. The Sewer Fund's actual resources were more than budgeted by \$59,921.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2022, the City had invested, before net reduction for accumulated depreciation, \$31,869,111 in capital assets, including buildings, land, vehicles, water and sewer utility systems, construction in progress and other equipment. This amount represents an increase of \$2,935,506 from the prior year primarily due to additions being higher than deletions. In the governmental activities there were \$1,440,883 of additions and \$31,824 of deletions in the current year and in the enterprise funds there were \$2,374,470 of additions and \$154,448 of deletions.

Total depreciation expense for the year was \$715,484; of which \$355,332 is associated with general government activities, \$121,849 from water utilities, and \$238,302 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

At June 30, 2022 the City had total long-term debt outstanding of \$12,250,000. Principal paid on existing debt was \$245,791, and interest paid on the debt amounted to \$503,476. Additional information on the City's long-term debt can be found in the Long-Term Debt Note of the Notes to the Basic Financial Statements.

CITY OF HARRISBURG
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2022
Unaudited

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

A number of factors were considered by the City's officials during the process of developing the fiscal year 2022-23 budget. The City's budget for the fiscal year ending June 30, 2023, is \$16,628,539, representing an overall decrease of \$1,957,902 when compared with the current fiscal year. There were no major or relevant change in the City's activities from Fiscal Year 2021-2022 to Fiscal Year 2022-2023. They do not have any major financing plans in the near future.

Amounts available for appropriation in the General Fund, Street Fund, Sewer Fund, and Water fund will be \$2,480,530, \$1,166,539, \$1,093,900, and \$6,027,955. The total unappropriated and reserve amounts total in the amount of \$1,297,375.

The Harrisburg Redevelopment Agency budget for the fiscal year ending June 30, 2023, is \$2,415,155, representing an overall increase of \$671,535 when compared with the current fiscal year. The HRA's total appropriation amount for 2022-23 will be \$2,151,355. The total unappropriated and reserve amounts total in the amount of \$263,800.

BE IT FURTHER RESOLVED that the following property taxes are hereby imposed upon the assessed value of all taxable property within the district for tax year 2022-2023:

1. At the rate of \$3.1875 per \$1000 of assessed value for permanent rate tax
2. In the amount of \$439,739 for debt service on general obligation bonds

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 Harrisburg City Hall at 120 Smith Street, Harrisburg, Oregon 97446.

BASIC FINANCIAL
STATEMENTS

Government -Wide
Financial Statements

CITY OF HARRISBURG
STATEMENT OF NET POSITION
June 30, 2022

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>ASSETS:</u>			
Current Assets:			
Cash and Investments	\$ 6,738,297	\$ 6,469,108	\$ 13,207,405
Receivables	471,408	106,361	577,769
Inventory	-	60,528	60,528
Deposits	141,906	-	141,906
Total Current Assets	7,351,611	6,635,997	13,987,608
Restricted Assets:			
Sinking Funds for Debt Service	135,880	125,155	261,035
Net OPEB Asset (RHIA)	4,484	6,783	11,267
Total Restricted Assets	140,364	131,938	272,302
Capital Assets:			
Land and Construction In Progress	2,251,127	4,402,334	6,653,461
Depreciable Assets, Net of Depreciation	7,085,025	5,523,254	12,608,279
Total Capital Assets, Net of Depreciation	9,336,152	9,925,588	19,261,740
Total Assets	16,828,127	16,693,523	33,521,650
<u>DEFERRED OUTFLOW OF RESOURCES:</u>			
Pension Related Deferrals	185,231	320,250	505,481
OPEB Related Deferrals - RHIA	1,119	1,932	3,051
OPEB Related Deferrals - CIS	1,026	1,774	2,800
Total Deferred Outflows of Resources	187,376	323,956	511,332
<u>LIABILITIES:</u>			
Current Liabilities:			
Accounts Payable	437,635	24,785	462,420
Payroll Payable	91,020	-	91,020
Accrued Compensated Absences	27,523	1,635	29,158
Interest Payable	24,312	4,512	28,824
Deposits	2,989	39,733	42,722
Current Portion of Long-Term Liabilities:			
Bonds Payable	210,000	45,000	255,000
Total Current Liabilities	793,479	115,665	909,144
Long-Term Liabilities:			
Noncurrent Portion of Long-Term Liabilities:			
Bonds Payable (Net of unamortized premium)	11,365,787	1,942,686	13,308,473
Net Pension Liability	299,783	518,302	818,085
Net OPEB Obligation - CIS	17,707	15,306	33,013
Total Long-Term Liabilities	11,683,277	2,476,294	14,159,571
Total Liabilities	12,476,756	2,591,959	15,068,715
<u>DEFERRED INFLOW OF RESOURCES:</u>			
Pension Related Deferrals	325,413	562,614	888,027
OPEB Related Deferrals - RHIA	2,237	3,870	6,107
Total Deferred Inflow of Resources	327,650	566,484	894,134
<u>NET POSITION:</u>			
Net Investment in Capital Assets	7,605,463	7,937,902	15,543,365
Restricted for:			
Debt Service	135,880	125,155	261,035
Public Works	304,847	468,381	773,228
Capital Projects	1,950,553	-	1,950,553
Urban Renewal Projects	2,077,360	-	2,077,360
Unrestricted	(7,863,006)	5,327,598	(2,535,408)
Total Net Position	\$ 4,211,097	\$ 13,859,036	\$ 18,070,133

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

CITY OF HARRISBURG
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2022

	<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	\$ (297,196)	\$ -	\$ 515,285	\$ -	\$ 218,089
Public Safety	(287,712)	-	11,691	-	(276,021)
Public Works	(398,146)	140,065	-	-	(258,081)
Culture and Recreation	(83,781)	-	5,020	-	(78,761)
Urban Renewal Projects	(4,941)	37,586	81,784	-	114,429
Interest and Fees Expense	(447,534)	-	-	-	(447,534)
Total Governmental Activities	<u>\$(1,519,310)</u>	<u>\$ 177,651</u>	<u>\$ 613,780</u>	<u>\$ -</u>	<u>\$ (727,879)</u>
<u>BUSINESS-TYPE ACTIVITIES:</u>					
Water Utilities	\$ (794,468)	\$ 649,150	\$ -	\$ -	\$ (145,318)
Sewer Utilities	(836,742)	804,911	-	-	(31,831)
Interest on Long-Term Debt	(67,836)	-	-	-	(67,836)
Total Business-type Activities	<u>\$(1,699,046)</u>	<u>\$ 1,454,061</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (244,985)</u>
Total Primary Government	<u>\$(3,218,356)</u>	<u>\$ 1,631,712</u>	<u>\$ 613,780</u>	<u>\$ -</u>	<u>\$ (972,864)</u>
<u>CHANGES IN NET POSITION:</u>					
Net (expense) revenue			<u>\$ (727,879)</u>	<u>\$ (244,985)</u>	<u>\$ (972,864)</u>
General Revenues:					
Property Taxes, levied for general purposes			671,135	-	671,135
Property Taxes, levied for debt service			421,230	-	421,230
Property Taxes, levied for urban renewal programs			436,309	-	436,309
Intergovernmental Tax Turnovers			418,329	-	418,329
Franchise Taxes			325,615	-	325,615
Other Taxes and Assessments			57,438	-	57,438
Interest and Investment Earnings			18,646	58,716	77,362
Other Revenue			26,402	-	26,402
Subtotal - General Revenues			<u>2,375,104</u>	<u>58,716</u>	<u>2,433,820</u>
Interfund Transfers			(2,400)	2,400	-
Total general revenues, special items, and transfers			<u>2,372,704</u>	<u>61,116</u>	<u>2,433,820</u>
Change in Net Position			1,644,825	(183,869)	1,460,956
Net Position, July 1, 2021			<u>2,566,272</u>	<u>14,042,905</u>	<u>16,609,177</u>
Net Position, June 30, 2022			<u>\$ 4,211,097</u>	<u>\$ 13,859,036</u>	<u>\$18,070,133</u>

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

BASIC FINANCIAL
STATEMENTS

Governmental Fund
Financial Statements

CITY OF HARRISBURG

BALANCE SHEET

GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2022

	Component Unit					Total Governmental Funds
	General Fund	Street Fund	Debt Service Fund	Harrisburg Redevelopment Agency Fund	Other Governmental Funds	
ASSETS:						
Cash and Investments	\$ 1,297,616	\$ 618,715	\$ 134,249	\$ 1,918,848	\$ 2,904,749	\$ 6,874,177
Receivables:						
Accounts, net	321	-	-	-	5,754	6,075
Assessments	-	100,609	-	-	86,036	186,645
Grants	-	-	-	-	-	-
Property Tax	26,919	-	14,674	15,961	-	57,554
Franchise Taxes	-	-	-	-	-	-
Loans	27,523	-	-	193,611	-	221,134
Deposits	2,989	-	-	-	138,917	141,906
Total Assets	<u>\$ 1,355,368</u>	<u>\$ 719,324</u>	<u>\$ 148,923</u>	<u>\$ 2,128,420</u>	<u>\$ 3,135,456</u>	<u>\$ 7,487,491</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:						
LIABILITIES:						
Accounts Payable	\$ 47,300	\$ 313,868	\$ -	\$ -	\$ 76,467	\$ 437,635
Interest Payable	-	-	-	3,953	-	3,953
Payroll Payable	91,020	-	-	-	-	91,020
Deposits	2,989	-	-	-	-	2,989
Total Liabilities	<u>141,309</u>	<u>313,868</u>	<u>-</u>	<u>3,953</u>	<u>76,467</u>	<u>535,597</u>
DEFERRED INFLOWS OF RESOURCES:						
Delinquent Property Tax Revenue Not Available	14,164	-	13,043	8,388	-	35,595
Unavailable Revenue from Loans	-	-	-	38,719	-	38,719
Uncollected Assessments	-	100,609	-	-	86,036	186,645
Total Deferred Inflows of Resources	<u>14,164</u>	<u>100,609</u>	<u>13,043</u>	<u>47,107</u>	<u>86,036</u>	<u>260,959</u>
FUND BALANCES:						
Restricted for:						
Debt Service	-	-	135,880	-	-	135,880
Capital Projects	-	-	-	-	1,950,553	1,950,553
Urban Renewal Projects	-	-	-	2,077,360	-	2,077,360
Public Works	-	304,847	-	-	-	304,847
Committed for:						
Parks and Recreation Programs	-	-	-	-	43,647	43,647
Community Development Projects	-	-	-	-	95,324	95,324
Public Works	-	-	-	-	251,238	251,238
Equipment Acquisition	-	-	-	-	632,191	632,191
Unassigned	1,199,895	-	-	-	-	1,199,895
Total Fund Balances	<u>1,199,895</u>	<u>304,847</u>	<u>135,880</u>	<u>2,077,360</u>	<u>2,972,953</u>	<u>6,690,935</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 1,355,368</u>	<u>\$ 719,324</u>	<u>\$ 148,923</u>	<u>\$ 2,128,420</u>	<u>\$ 3,135,456</u>	<u>\$ 7,487,491</u>

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

CITY OF HARRISBURG

**RECONCILIATION OF THE BALANCE SHEET -- GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION**

June 30, 2022

Total Fund Balances - Governmental Funds	\$ 6,690,935
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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 is -	\$ 12,913,025	
The accumulated depreciation is -	<u>(3,576,873)</u>	
Net Value of Assets		9,336,152

Net OPEB and pension assets/liabilities reported in governmental activities are not financial resources and therefore are not reported in the governmental funds. (313,006)

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

Property Taxes	35,595	
Loan Revenue	38,719	
Assessments	<u>186,645</u>	
		260,959

Deferred inflows and outflows of pension contributions and earnings are not reported in the governmental funds

Net Pension and OPEB Related Deferrals	(140,274)
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Interest Payable is not recorded in the governmental funds: (20,359)

Accrued Compensated Absences are not recorded in the governmental funds: (27,523)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.

(11,575,787)

Net Position of Governmental Activities	<u><u>\$ 4,211,097</u></u>
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The accompanying notes to the basic financial statements are an integral part of this statement.

CITY OF HARRISBURG

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

For the Fiscal Year Ended June 30, 2022

	General Fund	Street Fund	Debt Service Fund	Component Unit		Total Governmental Funds
				Harrisburg Redevelopment Agency Fund	Other Governmental Funds	
REVENUES:						
Taxes and Assessments	\$ 701,102	\$ 958	\$ 421,230	\$ 436,309	\$ 67,737	\$ 1,627,336
Intergovernmental	124,839	290,555	-	-	2,935	418,329
Franchise Taxes	325,615	-	-	-	-	325,615
Licenses & Permits	26,402	-	-	-	-	26,402
Charges for Service	-	-	-	-	140,065	140,065
Fines and Forfeitures	57,438	-	-	-	-	57,438
Investment Revenue	1,553	1,348	410	10,924	4,411	18,646
Grants	444,482	-	-	81,784	-	526,266
Other Revenue	11,920	745	-	37,586	17,411	67,662
Total Revenues	1,693,351	293,606	421,640	566,603	232,559	3,207,759
EXPENDITURES:						
Current Operating:						
General Government	666,624	-	-	-	64,480	731,104
Public Safety	276,063	-	-	-	-	276,063
Public Works	-	116,803	-	-	31,219	148,022
Culture and Recreation	20,000	-	-	-	71,825	91,825
Urban Renewal Projects	-	-	-	15,960	-	15,960
Debt Service:						
Principal	-	-	80,000	120,791	-	200,791
Interest and Fees	-	-	330,162	103,167	-	433,329
Capital Outlay	4,817	978,001	-	183,023	219,832	1,385,673
Total Expenditures	967,504	1,094,804	410,162	422,941	387,356	3,282,767
Excess (Deficiency) of Revenues Over Expenditures	725,847	(801,198)	11,478	143,662	(154,797)	(75,008)
OTHER FINANCING SOURCES (USES):						
Interfund Transfers In	6,750	170,000	-	-	351,400	528,150
Interfund Transfers (Out)	(497,500)	(26,300)	-	-	(6,750)	(530,550)
Total Other Financing Sources (Uses)	(490,750)	143,700	-	-	344,650	(2,400)
Net Change in Fund Balances	235,097	(657,498)	11,478	143,662	189,853	(77,408)
Fund Balances - July 1, 2021	964,798	962,345	124,402	1,790,757	2,783,100	6,625,402
Prior Period Adjustment	-	-	-	142,941	-	142,941
Fund Balances - June 30, 2022	\$ 1,199,895	\$ 304,847	\$ 135,880	\$ 2,077,360	\$ 2,972,953	\$ 6,690,935

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

CITY OF HARRISBURG
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, 2022

Net Changes in Fund Balances - Total Governmental Funds \$ (77,408)

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	\$ 1,764,391	
Less current year depreciation	<u>\$ (355,332)</u>	
		1,409,059

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	(16,963)	
Assessments	(3,003)	
Uncollected Rents	<u>(21,258)</u>	
		(41,224)

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

The change in interest payable from the prior year to the current year is reconciled here.	(14,205)
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Changes to vacation payable are reported as a change in expenses	(1,006)
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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.

Retirement of debt principal is as follows:

Notes Payable	120,791	
General Obligations Bonds	<u>80,000</u>	
		200,791

Prepaid expenses were originally reported in the governmental funds as an expenditure. In the Statement of Activities the amount to be charged each year as an expense over the estimated expense incurred to pay the obligation is amortized, rather than expensed at the time of the prepayment.

Amount of current year amortization - Bond Premium	53,265
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Adjustment for pension costs on accrued basis	<u>115,553</u>
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Change in Net Position of Governmental Activities	<u>\$ 1,644,825</u>
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The accompanying notes to the basic financial statements are an integral part of this statement.

BASIC FINANCIAL
STATEMENTS

Proprietary Fund
Financial Statements

CITY OF HARRISBURG
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2022

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Total Enterprise Funds</u>
<u>ASSETS:</u>			
Current Assets:			
Cash and Investments	\$ 5,829,855	\$ 639,253	\$ 6,469,108
Receivables	40,962	65,399	106,361
Inventory	55,472	5,056	60,528
Total Current Assets	5,926,289	709,708	6,635,997
Restricted Assets:			
Sinking Funds for Debt Service	-	125,155	125,155
Net OPEB Asset (RHIA)	3,876	2,907	6,783
Total Restricted Assets	3,876	128,062	131,938
Capital Assets:			
Land and Construction In Progress	3,517,255	885,079	4,402,334
Depreciable Assets, Net of Depreciation	1,913,480	3,609,774	5,523,254
Total Capital Assets	5,430,735	4,494,853	9,925,588
Total Assets	11,360,900	5,332,623	16,693,523
<u>DEFERRED OUTFLOW OF RESOURCES:</u>			
Pension Related Deferrals	160,125	160,125	320,250
OPEB Related Deferrals - RHIA	966	966	1,932
OPEB Related Deferrals - CIS	887	887	1,774
Total Deferred Outflow of Resources	\$ 161,978	\$ 161,978	\$ 323,956
<u>LIABILITIES:</u>			
Current Liabilities:			
Accounts Payable	14,649	10,136	24,785
Accrued Compensated Absences	-	1,635	1,635
Interest Payable	-	4,512	4,512
Customer Deposits	20,194	19,539	39,733
Current Portion of Long-Term Liabilities:			
Bond Payable	-	45,000	45,000
Total Current Liabilities	34,843	80,822	115,665
Long-Term Liabilities:			
Noncurrent Portion of Long-Term Liabilities:			
Bonds Payable (Net of unamortized premium)	-	1,942,686	1,942,686
Net Pension Liability	259,151	259,151	518,302
Net OPEB Obligation - CIS	15,306	-	15,306
Total Long-Term Liabilities	274,457	2,201,837	2,476,294
Total Liabilities	309,300	2,282,659	2,591,959
<u>DEFERRED INFLOW OF RESOURCES:</u>			
Pension Related Deferrals	281,307	281,307	562,614
OPEB Related Deferrals - RHIA	1,935	1,935	3,870
Total Deferred Inflow of Resources	\$ 283,242	\$ 283,242	\$ 566,484
<u>NET POSITION:</u>			
Net Investment in Capital Assets	5,430,735	2,507,167	7,937,902
Restricted for Debt Service	-	125,155	125,155
Restricted for Public Works	192,306	276,075	468,381
Restricted for Net Pension Asset	3,876	2,907	6,783
Unrestricted	5,303,419	17,396	5,320,815
Total Net Position	\$ 10,930,336	\$ 2,928,700	\$ 13,859,036

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

CITY OF HARRISBURG

**STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS**

For the Fiscal Year Ended June 30, 2022

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Total Enterprise Funds</u>
<u>OPERATING REVENUES:</u>			
Charges for Services & Fees	\$ 625,230	\$ 798,479	\$ 1,423,709
Other Revenue	23,920	6,432	30,352
Total Operating Revenues	649,150	804,911	1,454,061
<u>OPERATING EXPENSES:</u>			
Personnel Services	427,923	428,616	856,539
Materials and Supplies	244,695	169,823	414,518
Depreciation Expense	121,850	238,303	360,153
Total Operating Expenses	794,468	836,742	1,631,210
Operating Income (Loss)	(145,318)	(31,831)	(177,149)
<u>NON-OPERATING REVENUES (EXPENSES):</u>			
Investment Revenue	56,596	2,120	58,716
Interest Expense	-	(67,836)	(67,836)
Total Non-Operating Revenues (Expenses)	56,596	(65,716)	(9,120)
Income Before Other Revenues, Expenses, and Transfers	(88,722)	(97,547)	(186,269)
<u>CAPITAL CONTRIBUTIONS AND TRANSFERS:</u>			
Transfers to Other Funds	(46,300)	(46,300)	(92,600)
Transfers from Other Funds	42,000	53,000	95,000
Total Capital Contributions and Transfers	(4,300)	6,700	2,400
Changes in Net Position	(93,022)	(90,847)	(183,869)
Net Position, July 1, 2021	11,023,358	3,019,547	14,042,905
Net Position, June 30, 2022	\$ 10,930,336	\$ 2,928,700	\$ 13,859,036

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

CITY OF HARRISBURG

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2022

	<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	\$ 658,683	\$ 808,171	\$ 1,470,114
Cash Payments for Employee Services	(415,359)	(416,989)	(852,922)
Cash Payments to Suppliers	(380,892)	(198,611)	(579,503)
Net Cash Provided (Used) by Operating Activities	(137,568)	192,571	55,003
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</u>			
Transfer to Other Funds	(46,300)	(46,300)	(92,600)
Transfer from Other Funds	42,000	53,000	95,000
Net Cash Provided (Used) by Non-capital Financing Activities	(4,300)	6,700	2,400
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>			
Acquisition of Capital Assets	(973,642)	(279,271)	(1,252,913)
Principal Paid on Long Term Debt	-	(63,847)	(63,847)
Interest and Fees Paid on Long Term Debt	-	(70,584)	(70,584)
Net Cash Provided (Used) by Capital and Related Financing Activities	(973,642)	(413,702)	(1,387,344)
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>			
Investment Income	56,596	2,120	58,716
Net Cash Provided (Used) by Investing Activities	56,596	2,120	58,716
Cash and Cash Equivalents at July 1, 2021	6,888,769	976,719	7,865,488
Cash and Cash Equivalents at June 30, 2022	\$ 5,829,855	\$ 764,408	\$ 6,594,263
<u>Reconciliation of income (loss) from operations</u>			
<u>to net cash provided (used) by operating activities:</u>			
Income (loss) from operations	\$ (145,318)	\$ (31,831)	\$ (177,149)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:			
Depreciation	121,850	238,303	360,153
Change in assets and liabilities:			
Decrease (increase) in accounts receivable	8,409	2,186	10,595
Increase (decrease) in deposits	1,124	1,074	2,198
Increase (decrease) in payables	(136,197)	(28,788)	(164,985)
Increase (decrease) in pension related accounts	12,564	11,627	24,191
Net cash provided (used) by operating activities	\$ (137,568)	\$ 192,571	\$ 55,003

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 HARRISBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The City of Harrisburg, Oregon (City) is a municipal corporation incorporated under the laws of the State of Oregon. The City is governed by an elected Mayor and an elected council. Administration officials are appointed by the council and are responsible for the day-to-day operations of the City.

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 Harrisburg 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 own 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 is able to 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 Harrisburg has one component unit, the Urban Renewal Agency.

Blended Component Unit. The City has included the financial operations of its Redevelopment Agency as a blended component unit in the basic financial statements. The Agency is a legally separate entity, which is governed by a board comprised of the members of the City Council as stipulated in the Agency's bylaws. The City Council has the ability to impose its will on the Agency as determined on the basis of budget adoption, taxing authority, and funding for the Agency. The Agency is reported as a special revenue fund and a debt service fund. Complete financial statements for the Agency can be obtained from the Finance Department of the City.

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 HARRISBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022

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 fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from 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.

Debt Service Fund - This fund is used to repay debts the City has collected, including principal, interest, and other costs.

Harrisburg Redevelopment Agency Fund – This fund accounts for the General Fund revenues and expenditures of the Redevelopment Agency.

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. Non-major special revenue funds include Community & Economic Development Fund, Office Equipment Fund, Equipment Reserve Fund, Library Fund, Bike Path Reserve Fund, Storm Drain Reserve Fund, Transportation SDC Fund, Parks SDC Fund, Storm SDC Fund, Water SDC Fund, and Sewer SDC Fund.

CITY OF HARRISBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022

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 on 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 HARRISBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022

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. 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. The 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 HARRISBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022

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 HARRISBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022

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, 2022, 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 the 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 HARRISBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022

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, 2022.
- 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, 2022.
- 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 HARRISBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022

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 at 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 HARRISBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022

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, 2022, the reported amount of the City's deposits was \$437,798 and the bank balance was \$441,347. 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, 2022, the City's investment in the Oregon State Treasurer's Local Government Investment Pool (LGIP) was unrated.

At June 30, 2022, 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>\$ 13,172,548</u>	N/A
Total Investments	<u>\$ 13,172,548</u>	

Investments in the LGIP and federal agency notes do not require disclosure 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 investments.

RECEIVABLES:

The following is a summary of receivable balances reported on the statement of net position at June 30, 2022:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Accounts, net	\$ 6,075	\$ 106,361
Assessments	186,645	-
Property Tax	57,554	-
Loans	221,134	-
Total	<u>\$ 471,408</u>	<u>\$ 106,361</u>

CITY OF HARRISBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022

CAPITAL ASSETS:

The following is a summary of capital asset activity for the fiscal year ended June 30, 2022:

Depreciable Assets Schedule
For the Fiscal Year Ended June 30, 2022

Governmental Activities	<u>Beginning Balances</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balances</u>
Assets not being depreciated:				
Land	\$ 520,438	\$ -	\$ -	\$ 520,438
Construction in Progress	31,824	1,730,689	31,824	1,730,689
Total	552,262	1,730,689	31,824	2,251,127
Assets being depreciated:				
Land Improvement	651,697	-	-	651,697
Building and Building Improvement	1,163,347	15,101	-	1,178,448
Machinery and Equipment	652,069	33,702	-	685,771
Infrastructure	8,129,258	16,723	-	8,145,981
Total Depreciable Assets	10,596,372	65,526	-	10,661,898
Less: Accumulated Depreciation				
Land Improvement	353,440	24,820	-	378,260
Building and Building Improvement	406,262	26,403	-	432,665
Machinery and Equipment	403,856	41,875	-	445,731
Infrastructure	2,057,983	262,235	-	2,320,217
Total Accumulated Depreciation	3,221,541	355,332	-	3,576,873
Net Value of Capital Assets Being Depreciated	7,374,831	(289,806)	-	7,085,025
Total Governmental Activities -- Net Value of Capital Assets	<u>\$ 7,927,093</u>	<u>\$ 1,440,883</u>	<u>\$ 31,824</u>	<u>\$ 9,336,152</u>

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

General Government	\$ 21,538
Public Safety	11,649
Public Works	292,995
Culture and Recreation	29,150
Total Depreciation Expense	<u>\$ 355,332</u>

CITY OF HARRISBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022

CAPITAL ASSETS (Cont.):

Business-Type Activities	<u>Beginning Balances</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balances</u>
Assets not being depreciated:				
Land	\$ 533,872	\$ -	\$ -	\$ 533,872
Construction in Progress	<u>3,017,444</u>	<u>973,641</u>	<u>122,624</u>	<u>3,868,461</u>
Total	3,551,316	973,641	122,624	4,402,333
Assets being depreciated:				
Utility Systems	13,570,717	320,098	-	13,890,815
Machinery and Equipment	<u>662,938</u>	<u>-</u>	<u>-</u>	<u>662,938</u>
Total Depreciable Assets	14,233,655	320,098	-	14,553,753
Less: Accumulated Depreciation				
Utility Systems	8,200,702	319,630	-	8,520,332
Machinery and Equipment	<u>469,644</u>	<u>40,522</u>	<u>-</u>	<u>510,166</u>
Total Accumulated Depreciation	8,670,346	360,151	-	9,030,497
Net Value of Capital Assets Being Depreciated	<u>5,563,309</u>	<u>(40,053)</u>	<u>-</u>	<u>5,523,255</u>
Total Business-Type Activities -- Net Value of Capital Assets	<u>\$ 9,114,625</u>	<u>\$ 933,588</u>	<u>\$ 122,624</u>	<u>\$ 9,925,588</u>
Total Net Value of Capital Assets of Primary Government	<u>\$ 17,041,718</u>	<u>\$ 2,374,470</u>	<u>\$ 154,448</u>	<u>\$ 19,261,741</u>

Depreciation expense was charged to the functions of business-type activities as follows:

Water	\$ 121,849
Sewer	<u>238,302</u>
Total Depreciation Expense	<u>\$ 360,151</u>

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 current year changes in those obligations and the current portions due for each issue.

GOVERNMENTAL ACTIVITIES:

On August 24, 2017, the City issued \$930,000 in General Obligation Refunding Bonds, Series 2017 held by US Bank with an interest rate of 3.00 to 4.00% annually and maturity in fiscal year 2039 to refinance the November 1, 2000 General Obligation Bonds held by USDA Rural Development for Water System Improvements that had an original balance of \$1,174,000 and an interest rate of 4.75.

On August 24, 2017, the City issued \$2,405,000 in Full Faith and Credit Obligations, Series 2017, entered with US Bank for HRA development projects with an interest rate between 2% and 4%.

CITY OF HARRISBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022

LONG-TERM DEBT (Cont.):

GOVERNMENTAL ACTIVITIES (Cont.):

On September 29, 2017, the Harrisburg Redevelopment Agency issued a note with KS State Bank Government Finance Department in the amount of \$531,000 with an interest rate of 4.55%. Proceeds of the note are for private loans/grants for redevelopment projects on private property. This loan has been paid off and has no outstanding balance.

BUSINESS-TYPE ACTIVITIES:

On August 21, 2019, the City issued General Obligation Bonds, Series 2019 to finance capital costs related to the City's water system in the amount of \$7,420,000. The Bonds are held by US Bank and carry an interest rate between 3.0 and 4.25%. Interest payments are due June 1 and December 1 with a principal payment due June 1 of each year, with the first interest payment due December 1, 2019.

On August 24, 2017, the City issued \$2,405,000 in Full Faith and Credit Refunding Obligations, Series 2017, entered with US Bank for the refinancing of USDA Revenue Bonds for Sewer Projects with an interest rate between 2% and 4%.

CITY OF HARRISBURG

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2022

	Outstanding Balance		Reductions/ Adjustments	Interest Paid	Outstanding Balance	Due Within
<u>Governmental Long-Term Debt</u>	July 1, 2021	New Issues	Adjustments	Paid	June 30, 2022	One Year
Bonds Payable:						
General Obligation Refunding Bond, Series 2017	\$ 795,000.00	\$ -	\$ 35,000.00	\$ 29,600.00	\$ 760,000.00	\$ 35,000.00
Full Faith and Credit Project Bond, Series 2017 -						
HRA Development Projects	\$ 2,405,000.00	\$ -	\$ -	\$ 93,800.00	\$ 2,405,000.00	\$ 120,000.00
General Obligation Bonds, Series 2019	\$ 7,300,000.00	\$ -	\$ 45,000.00	\$ 300,562.00	\$ 7,255,000.00	\$ 55,000.00
Total Bonds Payable	<u>\$ 10,500,000.00</u>	<u>\$ -</u>	<u>\$ 80,000.00</u>	<u>\$ 423,962.00</u>	<u>\$ 10,420,000.00</u>	<u>\$ 210,000.00</u>
Notes from Direct Borrowings:						
KS State Bank Government Finance Dept. - HRA						
Development Loan	\$ 120,791.00	\$ -	\$ 120,791.00	\$ 5,414.00	\$ -	\$ -
Total Notes from Direct Borrowings	<u>\$ 120,791</u>	<u>\$ -</u>	<u>\$ 120,791</u>	<u>\$ 5,414</u>	<u>\$ -</u>	<u>\$ -</u>
Total Governmental Long-Term Debt	<u>\$ 10,620,791.00</u>	<u>\$ -</u>	<u>\$ 200,791.00</u>	<u>\$ 429,376.00</u>	<u>\$ 10,420,000.00</u>	<u>\$ 210,000.00</u>
Bond Issuance Premiums	<u>\$ 1,209,052.00</u>	<u>\$ -</u>	<u>\$ 53,265.00</u>	<u>\$ -</u>	<u>\$ 1,155,787.00</u>	<u>\$ -</u>
Governmental Long-Term Debt net of Unamortized Premiums	<u>\$ 11,829,843.00</u>	<u>\$ -</u>	<u>\$ 254,056.00</u>	<u>\$ 429,376.00</u>	<u>\$ 11,575,787.00</u>	<u>\$ 210,000.00</u>
	Outstanding Balance		Reductions/ Adjustments	Interest Paid	Outstanding Balance	Due Within
<u>Business-Type Long-Term Debt</u>	July 1, 2021	New Issues	Adjustments	Paid	June 30, 2022	One Year
Bonds Payable:						
Full Faith and Credit Refunding Bond, Series 2017	\$ 1,875,000.00	\$ -	\$ 45,000.00	\$ 74,100.00	\$ 1,830,000.00	\$ 45,000.00
Total Bonds Payable	<u>\$ 1,875,000.00</u>	<u>\$ -</u>	<u>\$ 45,000.00</u>	<u>\$ 74,100.00</u>	<u>\$ 1,830,000.00</u>	<u>\$ 45,000.00</u>
Total Business-Type Long-Term Debt	<u>\$ 1,875,000.00</u>	<u>\$ -</u>	<u>\$ 45,000.00</u>	<u>\$ 74,100.00</u>	<u>\$ 1,830,000.00</u>	<u>\$ 45,000.00</u>
Bond Issuance Premiums	<u>\$ 163,993.00</u>	<u>\$ -</u>	<u>\$ 6,307.00</u>	<u>\$ -</u>	<u>\$ 157,686.00</u>	<u>\$ -</u>
Business-Type Long-Term Debt net of Unamortized Premiums	<u>\$ 2,038,993.00</u>	<u>\$ -</u>	<u>\$ 51,307.00</u>	<u>\$ 74,100.00</u>	<u>\$ 1,987,686.00</u>	<u>\$ 45,000.00</u>

CITY OF HARRISBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022

LONG-TERM DEBT (Cont.):

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

General Obligation and Full Faith and Credit Bonds:

Due Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 255,000	\$ 493,863	\$ 748,863
2024	280,000	487,863	767,863
2025	300,000	477,013	777,013
2026	330,000	465,363	795,363
2027	350,000	452,563	802,563
2028 - 2032	2,150,000	2,034,813	4,184,813
2033 - 2037	3,015,000	1,539,213	4,554,213
2038 - 2042	2,705,000	951,100	3,656,100
2043 - 2047	2,865,000	311,950	3,176,950
Total	<u>\$ 12,250,000</u>	<u>\$ 7,213,738</u>	<u>\$ 19,463,738</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 HARRISBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022

PENSION PLAN:

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

Name of Pension Plan

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

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years, or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for 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 (effective January 1, 2020): A new \$195,000 limitation on subject 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. This amount will be indexed annually to the Consumer Price Index (CPI).

CITY OF HARRISBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022

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 \$2,500/month or more, (adjusted to \$3,333/month in House Bill 2906 effective 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 salary, currently contributed to the IAP, (whether paid by the member or employer) will start going into an Employee Pension Stability Account (EPSA). The remaining 3.5 percent of salary 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.
1. 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.
2. 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 HARRISBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022

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 (effective January 1, 2020): A new \$195,000 limitation on subject 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. 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 \$2,500/month or more, (adjusted to \$3,333/month in House Bill 2906 effective 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 salary, currently contributed to the IAP, (whether paid by the member or employer) will start going into their EPSA. The remaining 5.25 percent of salary 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 HARRISBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022

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 900 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 HARRISBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022

PENSION PLAN (Cont.):

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, 2022 were \$159,501 excluding amounts to fund employer specific liabilities. The contribution rates in effect for the period July 1, 2021 to June 30, 2023 were: Tier1/Tier2 – 22.22%, OPSRP General Service – 19.75%, and OPSRP Police and Fire – 24.11%.

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 percent of salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members behalf.

During FY 2021-2022, approximately \$45,763 in 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 percent) contributions.

For **Oregon PERS Defined Benefit Plans**, based on the actuarial valuation as of December 31, 2019, the state agencies, the judiciary, schools, and political subdivisions all had decreases in employer contribution rates on July 1, 2021. These rate changes are measured against the actual average rates paid since the last rate-setting valuation. Every two years, the PERS Board adjusts contributions so that, over time, those contributions will be sufficient to fund the benefits earned, if earnings follow assumptions.

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 six percent 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 HARRISBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022

PENSION PLAN (Cont.):

For **Oregon PERS Postemployment Benefit Plans**, for the fiscal year ended June 30, 2022, PERS employers contributed 0.06 percent 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 126.4 percent as of December 31, 2017. These rates were based on the December 31, 2017, 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:

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

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 16 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 at 126.4 percent as of December 31, 2017. 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 HARRISBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022

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, 2019
Measurement Date	June 30, 2021
Experience Study	2018, published July 24, 2019
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
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	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

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

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 HARRISBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022

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, 2021

<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	20.8%
Public Equity	27.5% - 37.5%	32.5%	Public Equity	29.4%
Real estate	9.5% - 15.5%	12.5%	Real estate	10.5%
Private Equity	14.0% - 21.0%	17.5%	Private Equity	25.1%
Alternative Equity	7.5% - 17.5%	15.0%	Alternative Equity	9.5%
Opportunity Portfolio ¹	0.0% - 5.0%	0.0%	Opportunity Portfolio	2.3%
Risk Parity	0.0% - 2.5%	2.5%	Risk Parity	2.4%
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 6/30/2021.

CITY OF HARRISBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022

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>	Target	Annual	20-Year	Annual
Asset Class	Allocation	Arithmetic	Annualized	Standard
		Return ²	Geometric Mean	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	Discount Rate	1% Increase
	5.90%	6.90%	7.90%
Employer's proportionate share of the net pension liability	\$ 1,606,523	\$ 818,085	\$ 158,448

CITY OF HARRISBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022

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

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

Mortality Rates

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

Assumption	Recommended December 31, 2018 and 2019 Valuations	Recommended December 31, 2020 and 2021 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 beneficiary)	Teachers, no set back General Employees, set back 12 months	Blend 80% Teachers and 20% General Employees, no set back 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	120% of same table and set back as Healthy Annuitant assumption	125% of same table and set back as Healthy Annuitant assumption
Other General Service male	115% of same table and set back as Healthy Annuitant assumption	No change
Police & Fire male	100% of same table and set back as Healthy Annuitant assumption	No change
School District female	100% of same table and set back as Healthy Annuitant assumption	No change
Other General Service female	125% of same table and set back as Healthy Annuitant assumption	No change
Police & Fire female	100% of same table and set back as Healthy Annuitant assumption	No change

CITY OF HARRISBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022

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, 2020, 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, 2021 Oregon PERS ACFR.

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

At June 30, 2022, the employer reported a liability of \$818,085 for its proportionate share of the net pension liability. The net pension liability/(asset) was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of 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 HARRISBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022

PENSION PLAN (Cont.):

At June 30, 2022, the employer's proportion was 0.00683647%.

For the year ended June 30, 2022, the employer recognized pension expense of \$79,995. On June 30, 2021, 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	\$ 76,578	\$ -
Changes of assumptions	204,791	2,153
Net difference between projected and actual earnings on investments	-	605,622
Changes in proportionate share	57,282	225,156
Differences between employer contributions and employer's proportionate share of system contributions	<u>7,329</u>	<u>55,096</u>
Total Deferred Outflows/Inflows	\$ 345,980	\$ 888,027
Post-measurement date contributions	159,501	N/A
Total Deferred Outflow/(Inflow) of Resources	<u>\$ 505,481</u>	<u>\$ 888,027</u>
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		<u>(542,047)</u>

Contributions of \$159,501 for PERS defined benefits, were made subsequent to the measurement date, but prior to the end of the District'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	\$ (97,956)
2nd Fiscal Year	(105,863)
3rd Fiscal Year	(144,912)
4th Fiscal Year	(194,821)
5th Fiscal Year	1,505
Thereafter	-
Total	<u>\$ (542,047)</u>

CITY OF HARRISBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022

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

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, 2021, state agencies contributed 0.06 and 0.12 percent of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA and RHIPA benefits, respectively. No UAL rate was assigned for the RHIA program as it was funded at 126.4 percent as of December 31, 2017. 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.

Contributions

The City's contributions to OPERS' RHIA for the years ended June 30, 2022, 2021, and 2020 were \$105, \$95, and \$99 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 HARRISBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022

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

Actuarial Methods and Assumptions Used in Developing Total OPEB (RHIA) Liability:

Actuarial Methods and Assumptions - OPEB Plans - RHIA	
	RHIA
Valuation Date	December 31, 2019
Measurement Date	June 30, 2021
Experience Study	2018, published July 24, 2019
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Retiree healthcare participation	Healthy retirees: 32% Disabled retirees: 20%
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 2018 Experience Study which is reviewed for the four-year period ending December 31, 2018.

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 HARRISBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022

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://www.oregon.gov/pers/Documents/Financials/CAFR/2021-ACFR.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	\$ (10,821)	\$ (12,236)	\$ (13,445)

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

At June 30, 2022, the City reported a net OPEB RHIA liability/(asset) of \$(12,236) for its proportionate share of the net OPEB RHIA liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2021, 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, 2019. 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, 2021, the City’s proportion was 0.00356319 percent. OPEB RHIA expense/(income) recorded for the year ended June 30, 2022 was \$(500).

CITY OF HARRISBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA:

At June 30, 2022, 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	\$ -	\$ 340
Changes of assumptions	241	182
Net difference between projected and actual earnings on investements	-	2,908
Changes in proportionate share	2,810	2,677
Differences between employer contributions and employer's proportionate share of system contributions	-	-
Total Deferred Outflows/Inflows	<u>\$ 3,051</u>	<u>\$ 6,107</u>
Post-measurement date contributions	105	N/A
Total Deferred Outflow/(Inflow) of Resources	<u>\$ 3,156</u>	<u>\$ 6,107</u>
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		<u>(3,056)</u>

Contributions of \$105 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 OBEB 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	\$ 213
2nd Fiscal Year	(1,688)
3rd Fiscal Year	(664)
4th Fiscal Year	(917)
5th Fiscal Year	-
Thereafter	-
Total	<u>\$ (3,056)</u>

Changes Subsequent to the Measurement Date

We are not aware of any changes subsequent to the June 30, 2021 Measurement Date that meet this requirement and thus require a brief description under the GASB standard.

CITY OF HARRISBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022

OTHER POST-EMPLOYMENT BENEFITS (OPEB) CIS:

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, 2022, the City reported a net OPEB IRSP liability/(asset) of \$48,319 for its proportionate share of the net OPEB IRSP liability/(asset). The OPEB IRSP liability/(asset) was measured as of June 30, 2021, 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, 2020. 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, 2021, the City’s OPEB IRSP expense/(income) for the year ended June 30, 2022 was \$5,052.

Actuarial Methods and Assumptions - The City engaged an actuary to perform an evaluation as of July 1, 2020 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:

Discount Rate	3.50%	2.21%	2.16%
Other Key Actuarial Assumptions and Methods			
Valuation date	July 1, 2018	July 1, 2020	July 1, 2020
Measurement date	June 30, 2019	June 30, 2020	June 30, 2021
Inflation	2.50%	2.50%	2.50%
Salary increases	3.50%	3.50%	3.50%
Withdrawal, retirement, and mortality rates	December 31, 2017 Oregon PERS valuation	December 31, 2019 Oregon PERS valuation	December 31, 2019 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 HARRISBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022

OTHER POST-EMPLOYMENT BENEFITS (OPEB) CIS (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, 2021 reporting date is 2.21%, and the discount rate in effect for the June 30, 2022 reporting date is 2.16%.

Health Care Cost Trend

The assumed medical and vision costs will increase 5.25% for FYE June 30, 2022. In future years, the medical and vision cost trend varies between 5.00% and 4.00% due to the timing of the excise tax scheduled to affect health care benefits. The trend then settles to an ultimate rate of 4.00%.

Withdrawal, Retirement and Mortality Rates

They are generally using the rates adopted by the Oregon Public Employees Retirement System (PERS) for its December 31, 2019 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 liability of the Plan, calculated using the disclosure discount rate as well as what the Plan's total OPEB 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	Discount Rate	1% Increase
	1.16%	2.16%	3.16%
Total OPEB liability from Implicit Rate Subsidy	\$ 51,212	\$ 48,319	\$ 45,500
	1% Decrease	Trend Rate	1% Increase
Total OPEB liability from Implicit Rate Subsidy	\$ 43,579	\$ 48,319	\$ 53,873

CITY OF HARRISBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022

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

Participation

The following table represents the number of the City's covered participants:

<u>Count as of Actuarial date 7/1/2020</u>	<u>PERS Police & Fire</u>	<u>PERS General Service</u>	<u>Total</u>
Number of Members			
Active	0	12	12
Retired Members	0	0	0
Spouses of Ineligible Retirees	<u>0</u>	<u>1</u>	<u>1</u>
Total Participants	0	13	13
Spouses of Eligible Retirees	0	0	0

Changes in Net OPEB IRSP Liability

Changes in Total OPEB Liability	Increase (Decrease) Total OPEB Liability
Balance as of June 30, 2021	\$ 50,095
Changes for the year:	
Service Cost	3,375
Interest	1,111
Effect of assumptions or other inputs	154
Benefit payments	<u>(6,416)</u>
Net OPEB Liability at June 30, 2022	<u>\$ 48,319</u>

CITY OF HARRISBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022

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

Components of OPEB Expense

OPEB Expense	<u>July 1, 2021 to June 30, 2022</u>
Service cost	3,375
Interest on total OPEB liability	1,111
Recognition of Deferred (Inflows)/Outflows of Resources	-
Recognition of economic/demographic (gains) or losses	-
Recognition of assumption changes	566
OPEB Expense	<u>\$ 5,052</u>

Schedule of Deferred Inflows and Outflows of Resources

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions or inputs	2,800	-
Total Deferred Outflows/Inflows	\$ 2,800	\$ -
Post-measurement date contributions	-	N/A
Total Deferred Outflow/(Inflow) of Resources	<u>\$ 2,800</u>	<u>\$ -</u>
Net Deferred Outflow/(Inflow) of Resources		<u>2,800</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 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	\$ 566
2nd Fiscal Year	566
3rd Fiscal Year	566
4th Fiscal Year	566
5th Fiscal Year	514
Thereafter	22
Total	<u>\$ 2,800</u>

CITY OF HARRISBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022

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 Harrisburg 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, 2022, were as follows:

	<u>Transfers Out</u>	<u>Transfers In</u>
General Fund	\$ 497,500	6,750
Community & Economic Development Fu	-	120,000
Library Fund	-	85,000
Office Equipment Fund	-	55,000
Equipment Reserve Fund	-	78,900
Sewer Fund	46,300	53,000
Storm Drain Reserve Fund	-	5,000
Street Fund	26,300	170,000
Water Fund	46,300	42,000
Building Permit Fund	5,600	5,000
Electrical Permit Fund	1,150	2,500
Total	<u>\$ 623,150</u>	<u>\$ 623,150</u>

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

CITY OF HARRISBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022

EXPENDITURES OVER APPROPRIATION

The City over expended appropriations in the following funds:

<u>Fund / Category</u>	<u>Appropriation</u>	<u>Expenditure</u>	<u>Variance</u>
Harrisburg Renewal Agency/Debt Service/Principal	120,750	120,791	41
Harrisburg Renewal Agency/Debt Service/Interest and Fees	99,300	103,167	3,867
Sewer/Debt Service/Principal	0	45,000	45,000

REQUIRED
SUPPLEMENTARY
INFORMATION

CITY OF HARRISBURG

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

GENERAL FUND

For the Fiscal Year Ended June 30, 2022

	<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>				
Taxes and Assessments	\$ 654,096	\$ 654,096	\$ 701,102	\$ 47,006
Intergovernmental	107,900	107,900	124,839	16,939
Franchise Fees	307,980	307,980	325,615	17,635
Licenses and Permits	12,500	12,500	26,402	13,902
Fines and Forfeitures	32,050	32,050	57,438	25,388
Investment Revenue	3,860	3,860	1,553	(2,307)
Grants	437,200	437,200	444,482	7,282
Other Revenue	10,850	10,850	11,920	1,070
Total Revenues	<u>1,566,436</u>	<u>1,566,436</u>	<u>1,693,351</u>	<u>126,915</u>
<u>EXPENDITURES:</u>				
Personnel Services	434,435	434,435	431,460	(2,975)
Materials and Services	906,690	906,690	531,227	(375,463)
Capital Outlay	40,000	40,000	4,817	(35,183)
Contingency	243,040	243,040	-	(243,040)
Total Expenditures	<u>1,624,165</u>	<u>1,624,165</u>	<u>967,504</u>	<u>(656,661)</u>
Excess (Deficiency) of Revenues Over Expenditures	(57,729)	(57,729)	725,847	783,576
<u>OTHER FINANCING SOURCES / (USES):</u>				
Operating Transfer In	6,750	6,750	6,750	-
Operating Transfer (Out)	<u>(497,500)</u>	<u>(497,500)</u>	<u>(497,500)</u>	-
Total Other Financing Sources (Uses)	<u>(490,750)</u>	<u>(490,750)</u>	<u>(490,750)</u>	-
Net Change in Fund Balance	(548,479)	(548,479)	235,097	783,576
Fund Balance - July 1, 2021	<u>857,215</u>	<u>857,215</u>	<u>964,798</u>	<u>107,583</u>
Fund Balance - June 30, 2022	<u>\$ 308,736</u>	<u>\$ 308,736</u>	<u>\$ 1,199,895</u>	<u>\$ 891,159</u>

CITY OF HARRISBURG

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

STREET FUND

For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
			(Budgetary Basis)	Over
			(See Note 1)	Over
				(Under)
<u>REVENUES:</u>				
Taxes and Assessments	\$ 396	\$ 396	\$ 958	\$ 562
Intergovernmental	986,100	986,100	290,555	(695,545)
Investment Revenue	3,350	3,350	1,348	(2,002)
Miscellaneous Revenue	900	900	745	(155)
Total Revenues	990,746	990,746	293,606	(697,140)
<u>EXPENDITURES:</u>				
Personnel Services	56,350	56,350	43,377	(12,973)
Materials and Services	90,110	90,110	73,426	(16,684)
Capital Outlay	1,125,000	1,125,000	978,001	(146,999)
Contingency	174,674	174,674	-	(174,674)
Total Expenditures	1,446,134	1,446,134	1,094,804	(351,330)
Excess (Deficiency) of Revenues Over Expenditures	(455,388)	(455,388)	(801,198)	(345,810)
<u>OTHER FINANCING SOURCES / (USES):</u>				
Operating Transfer In	170,000	170,000	170,000	-
Operating Transfer Out	(26,300)	(26,300)	(26,300)	-
Total Other Financing Sources (Uses)	143,700	143,700	143,700	-
Net Change In Fund Balance	(311,688)	(311,688)	(657,498)	(345,810)
Fund Balance - July 1, 2021	640,000	640,000	962,345	322,345
Fund Balance - June 30, 2022	\$ 328,312	\$ 328,312	\$ 304,847	\$ (23,465)

CITY OF HARRISBURG

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

HARRISBURG REDEVELOPMENT AGENCY FUND - A COMPONENT UNIT

For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Taxes and Assessments	\$ 239,260	\$ 239,260	\$ 436,309	\$ 197,049
Investment Revenue	15,000	15,000	10,924	(4,076)
Grants	82,000	82,000	81,784	(216)
Other Revenue	-	-	37,586	37,586
Total Revenues	336,260	336,260	566,603	230,343
EXPENDITURES:				
Materials and Supplies	28,450	28,450	15,960	(12,490)
Capital Outlay	1,495,120	1,495,120	183,023	(1,312,097)
Debt Service				
Principal	120,750	120,750	120,791	41
Interest and Fees	99,300	99,300	103,167	3,867
Total Expenditures	1,743,620	1,743,620	422,941	(1,320,679)
Excess (Deficiency) of Revenues Over Expenditures	(1,407,360)	(1,407,360)	143,662	1,551,022
OTHER FINANCING SOURCES / (USES):				
Loan Proceeds	13,160	13,160	-	(13,160)
Total Other Financing Sources	13,160	13,160	-	(13,160)
Net Change In Fund Balance	(1,394,200)	(1,394,200)	143,662	1,537,862
Fund Balance - July 1, 2021	1,394,200	1,394,200	1,790,757	396,557
Prior Period Adjustment			142,941	
Fund Balance - June 30, 2022	\$ -	\$ -	\$ 2,077,360	\$ 1,934,419

Reconciliation to generally accepted accounting principles basis

Net Change in Fund Balance - from above	143,662
Disbursements of Loan Amounts are Not Expenditures for Fund Financial Reporting	11,794
Payments Collected on Loans Receivable	
Change in Accrued Interest	(3,953)
Loan Receivable Disbursements	(2,848)
Change in Net Position as Reported in Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position	<u>\$ 148,655</u>

CITY OF HARRISBURG

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

PERS

Last 10 Fiscal Years*

Measurement Date June 30,	(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	(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
2022	0.00683647%	\$ 818,085	\$ 762,339	107.31%	87.6%
2021	0.00821571%	1,792,951	537,113	333.81%	75.8%
2020	0.00847946%	1,466,744	651,070	225.28%	80.2%
2019	0.00745724%	1,129,674	797,117	141.72%	82.1%
2018	0.00781471%	1,053,426	875,307	120.35%	83.1%
2017	0.00647747%	972,419	805,323	120.75%	91.9%
2016	0.00896029%	514,452	800,417	64.27%	91.9%
2015	0.00955061%	(216,485)	833,570	-25.97%	103.6%
2014	0.00955061%	\$ 487,382	\$ 833,570	58.47%	92.0%

*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 HARRISBURG

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
2022	\$ 159,501	\$ 159,501	\$ -	\$ 762,339	20.92%
2021	152,617	152,617	-	537,133	28.41%
2020	124,178	124,178	-	651,070	19.07%
2019	114,355	114,355	-	797,117	14.35%
2018	107,405	107,405	-	875,307	15.33%
2017	123,456	123,456	-	805,323	15.33%
2016	122,704	122,704	-	800,417	12.27%
2015	102,279	102,279	-	833,570	12.27%
2014	143,030	143,030	-	1,165,689	12.12%
2013	\$ 119,316	\$ 119,316	\$ -	\$ 984,455	12.12%

CITY OF HARRISBURG

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

Last 10 Fiscal Years*

Measurement Date June 30,	(a)	(b)	(c)	(b/c)	Plan fiduciary net position as a percentage of the total OPEB liability
	Employer's proportion of the net OPEB liability (asset)	Employer's proportionate share of the net OPEB liability (asset)	Employer's covered payroll	Employer's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	
2022	0.00356319%	\$ (12,236)	\$ 762,339	-1.61%	183.9%
2021	0.00138483%	(2,822)	537,133	-0.53%	150.1%
2020	0.00720404%	(13,921)	651,070	-0.99%	144.4%
2019	0.00703468%	(7,853)	797,117	-0.99%	124.0%
2018	0.00662924%	(2,767)	875,307	-0.32%	108.9%
2017	0.00709781%	\$ 1,927	\$ 805,323	0.24%	94.2%

*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 HARRISBURG

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 employee payroll	(b/c) Contributions as a percent of covered payroll
2022	\$ 105	\$ 105	\$ -	\$ 762,339	0.01%
2021	95	95	-	537,133	0.02%
2020	99	99	-	651,070	0.02%
2019	3,570	3,570	-	797,117	0.45%
2018	3,406	3,406	-	875,307	0.39%
2017	3,324	3,324	-	805,323	0.41%
2016	3,282	3,282	-	800,417	0.41%
2015	\$ 2,736	\$ 2,736	\$ -	\$ 833,570	0.33%

*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

SUPPLEMENTARY
INFORMATION

Debt Service Fund

CITY OF HARRISBURG

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

**DEBT SERVICE FUND
(A Major Fund)**

For the Fiscal Year Ended June 30, 2022

	<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>				
Taxes and Assessments	\$ 437,066	\$ 437,066	\$ 421,230	\$ (15,836)
Investment Revenue	1,020	1,020	410	(610)
Total Revenues	<u>438,086</u>	<u>438,086</u>	<u>421,640</u>	<u>(16,446)</u>
<u>EXPENDITURES:</u>				
Debt Service				
Principal	80,100	80,100	80,000	(100)
Interest and Fees	330,170	330,170	330,162	(8)
Total Expenditures	<u>410,270</u>	<u>410,270</u>	<u>410,162</u>	<u>(108)</u>
Excess (Deficiency) of Revenues Over Expenditures	27,816	27,816	11,478	(16,338)
Net Change In Fund Balance	27,816	27,816	11,478	(16,338)
Fund Balance - July 1, 2021	113,223	113,223	124,402	11,179
Fund Balance - June 30, 2022	<u>\$ 141,039</u>	<u>\$ 141,039</u>	<u>\$ 135,880</u>	<u>\$ (5,159)</u>

SUPPLEMENTARY
INFORMATION

Proprietary Funds

Water Funds

CITY OF HARRISBURG
COMBINING STATEMENT OF NET POSITION
WATER FUNDS
For the Fiscal Year Ended June 30, 2022

	<u>Water Fund</u>	<u>Water Reserve Fund</u>	<u>Total Water Utility</u>
<u>ASSETS:</u>			
Current Assets:			
Cash and Investments	\$ 5,637,549	\$ 192,306	\$ 5,829,855
Accounts Receivable	40,962	-	40,962
Loans Receivable		-	-
Inventory	55,472	-	55,472
Total Current Assets	<u>5,733,983</u>	<u>192,306</u>	<u>5,926,289</u>
Non-Current Assets:			
Net OPEB Asset (RHIA)	3,876	-	3,876
Capital Assets:			
Land and Construction In Progress	3,517,255	-	3,517,255
Capital Assets, Net of Depreciation	<u>1,913,480</u>	<u>-</u>	<u>1,913,480</u>
Total Capital Assets	<u>5,430,735</u>	<u>-</u>	<u>5,430,735</u>
Total Assets	<u>\$ 11,168,594</u>	<u>\$ 192,306</u>	<u>\$ 11,360,900</u>
<u>DEFERRED OUTFLOW OF RESOURCES:</u>			
Pension Related Deferrals	160,125	-	160,125
OPEB Related Deferrals - RHIA	966	-	966
OPEB Related Deferrals - CIS	<u>887</u>	<u>-</u>	<u>887</u>
Total Deferred Outflow of Resources	<u>\$ 161,978</u>	<u>\$ -</u>	<u>\$ 161,978</u>
<u>LIABILITIES:</u>			
Current Liabilities:			
Accounts Payable	\$ 14,649	\$ -	\$ 14,649
Customer Deposits	<u>20,194</u>	<u>-</u>	<u>20,194</u>
Total Current Liabilities	34,843	-	34,843
Long-Term Liabilities:			
Noncurrent Portion of Long-Term Liabilities:			
Net Pension Liability	259,151	-	259,151
Net OPEB Obligation - CIS	<u>15,306</u>	<u>-</u>	<u>15,306</u>
Total Long-Term Liabilities	<u>274,457</u>	<u>-</u>	<u>274,457</u>
Total Liabilities	<u>\$ 309,300</u>	<u>\$ -</u>	<u>\$ 309,300</u>
<u>DEFERRED INFLOW OF RESOURCES:</u>			
Pension Related Deferrals	281,307	-	281,307
OPEB Related Deferrals - RHIA	<u>1,935</u>	<u>-</u>	<u>1,935</u>
Total Deferred Inflow of Resources	<u>\$ 283,242</u>	<u>\$ -</u>	<u>\$ 283,242</u>
<u>NET POSITION:</u>			
Net Investment in Capital Assets	\$ 5,430,735	\$ -	\$ 5,430,735
Restricted for:			
Capital Projects	-	192,306	192,306
Net Pension Asset	3,876	-	3,876
Unrestricted	<u>5,303,419</u>	<u>-</u>	<u>5,303,419</u>
Total Net Position	<u>\$ 10,738,030</u>	<u>\$ 192,306</u>	<u>\$ 10,930,336</u>

CITY OF HARRISBURG

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

WATER FUNDS

For the Fiscal Year Ended June 30, 2022

	<u>Water Fund</u>	<u>Water Reserve Fund</u>	<u>Total Water Utility</u>
<u>OPERATING REVENUES:</u>			
Charges for Services:			
Water Charges	\$ 625,230	\$ -	\$ 625,230
Other Revenue	23,920	-	23,920
Total Operating Revenues	649,150	-	649,150
<u>OPERATING EXPENSES:</u>			
Personnel Services	427,923	-	427,923
Materials and Supplies	225,671	19,024	244,695
Depreciation	121,850	-	121,850
Total Operating Expenses	775,444	19,024	794,468
Operating Income (Loss)	(126,294)	(19,024)	(145,318)
<u>NON-OPERATING REVENUES (EXPENSES):</u>			
Interest Income	56,186	410	56,596
Total Non-Operating Revenues (Expenses)	56,186	410	56,596
Income Before Other Revenues, Expenses, and Transfers	(70,108)	(18,614)	(88,722)
<u>CAPITAL CONTRIBUTIONS AND TRANSFERS:</u>			
Transfers In	42,000	-	42,000
Transfers (Out)	(46,300)	-	(46,300)
Total Capital Contributions and Transfers	(4,300)	-	(4,300)
Change in Net Position	(74,408)	(18,614)	(93,022)
Net Position, July 1, 2021	10,812,438	210,920	11,023,358
Net Position, June 30, 2022	\$10,738,030	\$ 192,306	\$10,930,336

CITY OF HARRISBURG

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

WATER FUND

For the Fiscal Year Ended June 30, 2022

	<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	\$ 588,000	\$ 588,000	\$ 625,230	\$ 37,230
Investment Revenue	60,340	60,340	56,186	(4,154)
Other Revenue	19,800	19,800	23,920	4,120
Total Revenues	668,140	668,140	705,336	37,196
<u>EXPENDITURES:</u>				
Personnel Services	525,240	525,240	437,570	(87,670)
Materials and supplies	245,250	245,250	209,234	(36,016)
Capital Outlay	7,606,200	7,606,200	990,078	(6,616,122)
Contingency	52,610	52,610	-	(52,610)
Total Expenditures	8,429,300	8,429,300	1,636,882	(6,792,418)
Excess (Deficiency) of Revenues Over Expenditures	(7,761,160)	(7,761,160)	(931,546)	6,829,614
<u>OTHER FINANCING SOURCES / (USES):</u>				
Operating Transfer In	42,000	42,000	42,000	-
Operating Transfer (Out)	(46,300)	(46,300)	(46,300)	-
Total Other Financing Sources (Uses)	(4,300)	(4,300)	(4,300)	-
Net Change In Fund Balance	(7,765,460)	(7,765,460)	(935,846)	6,829,614
Fund Balance - July 1, 2021	8,150,000	8,150,000	6,634,985	(1,515,015)
Fund Balance - June 30, 2022	\$ 384,540	\$ 384,540	\$ 5,699,139	\$ 5,314,599

Reconciliation to generally accepted accounting principles basis

Net Change in Fund Balance - from above	(935,846)
Change in Pension Expense	9,646
Capital outlay that is capitalized	973,642
Depreciation Expense	(121,850)
Change in Net Position as Reported in Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position	<u>\$ (74,408)</u>

CITY OF HARRISBURG

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

WATER RESERVE FUND

For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis) (See Note 1)	Final Budget Over (Under)
REVENUES:				
Investment Revenue	\$ 1,020	\$ 1,020	\$ 410	\$ (610)
Total Revenues	1,020	1,020	410	(610)
EXPENDITURES:				
Capital Outlay	233,420	233,420	19,024	(214,396)
Total Expenditures	233,420	233,420	19,024	(214,396)
Excess (Deficiency) of Revenues Over Expenditures	(232,400)	(232,400)	(18,614)	213,786
Net Change In Fund Balance	(232,400)	(232,400)	(18,614)	213,786
Fund Balance - July 1, 2021	232,400	232,400	210,920	(21,480)
Fund Balance - June 30, 2022	\$ -	\$ -	\$ 192,306	\$ 192,306

Reconciliation to generally accepted accounting principles basis

Net change in fund balance from above	(18,614)
Change in Net Position as Reported in Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position	<u>\$ (18,614)</u>

SUPPLEMENTARY
INFORMATION

Proprietary Funds

Sewer Funds

CITY OF HARRISBURG
COMBINING STATEMENT OF NET POSITION
SEWER FUNDS

For the Fiscal Year Ended June 30, 2020

	Sewer Fund	Sewer Reserve Fund	Total Sewer Utility
<u>ASSETS:</u>			
Current Assets:			
Cash and Investments	\$ 382,089	\$ 628,532	\$ 1,010,621
Accounts Receivable	69,531	-	69,531
Inventory	5,056	-	5,056
Total Current Assets	456,676	628,532	1,085,208
Non-Current Assets:			
Restricted Cash	-	125,155	125,155
Net OPEB Asset (RHIA)	4,697	-	4,697
Total Non-Current Assets	4,697	125,155	129,852
Capital Assets:			
Land and Construction In Progress	627,441	-	627,441
Depreciable Assets, Net of Depreciation	3,596,295	-	3,596,295
Total Capital Assets	4,223,736	-	4,223,736
Total Assets	\$ 4,685,109	\$ 753,687	\$ 5,438,796
<u>DEFERRED OUTFLOW OF RESOURCES:</u>			
Pension Related Deferrals	145,716	-	145,716
Total Deferred Outflow of Resources	\$ 145,716	\$ -	\$ 145,716
<u>LIABILITIES:</u>			
Current Liabilities:			
Accounts Payable	\$ 14,144	\$ 1,420	\$ 15,564
Compensated Absences Payable	9,007	-	9,007
Accrued Interest Payable	4,576	-	4,576
Customer Deposits	16,385	-	16,385
Current Portion of Long-Term Liabilities:			
Bond Payable	38,767	-	38,767
Total Current Liabilities	82,879	1,420	84,299
Long-Term Liabilities:			
Noncurrent Portion of Long-Term Liabilities:			
Bonds Payable (Net of unamortized premium)	2,051,533	-	2,051,533
Net Pension Liability	494,842	-	494,842
Total Long-Term Liabilities	2,546,375	-	2,546,375
Total Liabilities	\$ 2,629,254	\$ 1,420	\$ 2,630,674
<u>DEFERRED INFLOW OF RESOURCES:</u>			
Pension Related Deferrals	44,744	-	44,744
OPEB Related Deferrals - RHIA	966	-	966
Total Deferred Inflow of Resources	\$ 45,710	\$ -	\$ 45,710
<u>NET POSITION:</u>			
Net Investment in Capital Assets	\$ 2,133,436	\$ -	\$ 2,133,436
Restricted for:			
Debt Service	-	125,155	125,155
Capital Projects	-	627,112	627,112
Net Pension Asset	4,697	-	4,697
Unrestricted	17,728	-	17,728
Total Net Position	\$ 2,155,861	\$ 752,267	\$ 2,908,128

CITY OF HARRISBURG

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

SEWER FUNDS

For the Fiscal Year Ended June 30, 2022

	<u>Sewer Fund</u>	<u>Sewer Reserve Fund</u>	<u>Total Sewer Utility</u>
<u>OPERATING REVENUES:</u>			
Charges for Services:			
Sewer Charges	\$ 798,479	\$ -	\$ 798,479
Other Revenue	6,432	-	6,432
Total Operating Revenues	804,911	-	804,911
<u>OPERATING EXPENSES:</u>			
Personnel Services	428,616	-	428,616
Materials and Supplies	169,823	-	169,823
Depreciation	238,303	-	238,303
Total Operating Expenses	836,742	-	836,742
Operating Income (Loss)	(31,831)	-	(31,831)
<u>NON-OPERATING REVENUES (EXPENSES):</u>			
Interest Income	1,710	410	2,120
Interest Expense	(67,836)	-	(67,836)
Total Non-Operating Revenues (Expenses)	(66,126)	410	(65,716)
Income Before Other Revenues, Expenses, and Transfer	(97,957)	410	(97,547)
<u>CAPITAL CONTRIBUTIONS AND TRANSFERS:</u>			
Transfers In	53,000	-	53,000
Transfers (Out)	(46,300)	-	(46,300)
Capital Asset Transfers In	140,854	-	140,854
Capital Asset Transfers (Out)	-	(140,854)	(140,854)
Total Capital Contributions and Transfers	147,554	(140,854)	6,700
Change In Net Position	49,597	(140,444)	(90,847)
Net Position, July 1, 2021	2,477,873	541,674	3,019,547
Net Position, June 30, 2022	\$2,527,470	\$ 401,230	\$2,928,700

CITY OF HARRISBURG

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

SEWER FUND

For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Charges for Services	\$ 736,100	\$ 736,100	\$ 798,479	\$ 62,379
Investment Revenue	3,660	3,660	1,710	(1,950)
Other Revenue	6,940	6,940	6,432	(508)
Total Revenues	746,700	746,700	806,621	59,921
EXPENDITURES:				
Personnel Services	535,240	535,240	437,567	(97,673)
Materials and supplies	262,470	262,470	187,865	(74,605)
Capital Outlay	70,000	70,000	38,578	(31,422)
Debt Service:				
Principal	-	-	45,000	45,000
Interest	119,100	119,100	74,100	(45,000)
Contingency	26,000	26,000	-	(26,000)
Total Expenditures	1,012,810	1,012,810	783,110	(229,700)
Excess (Deficiency) of Revenues Over Expenditures	(266,110)	(266,110)	23,511	289,621
OTHER FINANCING SOURCES / (USES):				
Operating Transfer In	53,000	53,000	53,000	-
Operating Transfer (Out)	(46,300)	(46,300)	(46,300)	-
Total Other Financing Sources (Uses)	6,700	6,700	6,700	-
Net Change In Fund Balance	(259,410)	(259,410)	30,211	289,621
Fund Balance - July 1, 2021	326,700	326,700	373,748	47,048
Fund Balance - June 30, 2022	\$ 67,290	\$ 67,290	\$ 403,959	\$ 336,669

Reconciliation to generally accepted accounting principles basis

Net change in fund balance from above	30,211
Change in Compensated Absences	20,574
Change in Accrued Interest	(43)
Change in Pension and OPEB Expense	(11,623)
Debt Principal Payments	45,000
Current Year Amortization of Bond Premium	6,307
Capital outlay that is capitalized	197,474
Depreciation Expense	(238,303)
Change in Net Position as Reported in Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position	<u>\$ 49,597</u>

CITY OF HARRISBURG

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

SEWER RESERVE FUND

For the Fiscal Year Ended June 30, 2022

	<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>				
Investment Revenue	\$ 1,020	\$ 1,020	\$ 410	\$ (610)
Total Revenues	<u>1,020</u>	<u>1,020</u>	<u>410</u>	<u>(610)</u>
<u>EXPENDITURES:</u>				
Capital Outlay	554,120	554,120	140,854	(413,266)
Total Expenditures	<u>554,120</u>	<u>554,120</u>	<u>140,854</u>	<u>(413,266)</u>
Excess (Deficiency) of Revenues Over Expenditures	(553,100)	(553,100)	(140,444)	412,656
Net Change In Fund Balance	(553,100)	(553,100)	(140,444)	412,656
Fund Balance - July 1, 2021	553,100	553,100	541,674	(11,426)
Fund Balance - June 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 401,230</u>	<u>\$ 401,230</u>

Reconciliation to generally accepted accounting principles basis

Net change in fund balance from above	<u>(140,444)</u>
Change in Net Position as Reported in Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position	<u>\$ (140,444)</u>

SUPPLEMENTARY
INFORMATION

Non – Major
Special Revenue Funds

CITY OF HARRISBURG
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2022

	Community & Economic Development Fund	Office Equipment Fund	Equipment Reserve Fund	Library Fund	Bike Path Reserve Fund	Storm Drain Reserve Fund	Trans- portation SDC Fund	Parks SDC Fund	Storm SDC Fund	Water SDC Fund	Sewer SDC Fund	Building Permit Fund	Electrical Permit Fund	Total
ASSETS:														
Cash & Investments	\$ 340,492	\$ 15,351	\$ 278,836	\$ 95,661	\$ 43,647	\$ 288,447	\$ 378,923	\$ 93,222	\$ 109,986	\$ 370,679	\$ 866,300	\$ 19,234	\$ 3,971	\$ 2,904,749
Accounts Receivable	41	-	-	-	-	5,713	-	-	-	-	-	-	-	5,754
Assessment Receivable	-	-	-	-	-	-	-	-	-	-	86,036	-	-	86,036
Deposits	-	-	-	-	-	-	-	138,916	-	-	-	-	-	138,916
Total Assets	\$ 340,533	\$ 15,351	\$ 278,836	\$ 95,661	\$ 43,647	\$ 294,160	\$ 378,923	\$ 232,139	\$ 109,986	\$ 370,679	\$ 952,336	\$ 19,234	\$ 3,971	\$ 3,135,456
LIABILITIES:														
Accounts Payable	552	1,977	-	337	-	61,515	-	7,474	-	-	-	4,307	305	76,467
Total Liabilities	552	1,977	-	337	-	61,515	-	7,474	-	-	-	4,307	305	76,467
DEFERRED INFLOW OF RESOURCES:														
Uncollected Assessments	-	-	-	-	-	-	-	-	-	-	86,036	-	-	86,036
Total Deferred Inflow of Resources	-	-	-	-	-	-	-	-	-	-	86,036	-	-	86,036
FUND BALANCES:														
Restricted for:														
Capital Projects	-	-	-	-	-	-	378,923	224,665	109,986	370,679	866,300	-	-	1,950,553
Committed for:														
Parks and Recreation Programs	-	-	-	-	43,647	-	-	-	-	-	-	-	-	43,647
Community Development Projects	-	-	-	95,324	-	-	-	-	-	-	-	-	-	95,324
Equipment Acquisition	339,981	13,374	278,836	-	-	-	-	-	-	-	-	-	-	632,191
Public Works	-	-	-	-	-	232,645	-	-	-	-	-	14,927	3,666	251,238
Total Fund Balances	339,981	13,374	278,836	95,324	43,647	232,645	378,923	224,665	109,986	370,679	866,300	14,927	3,666	2,972,953
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 340,533	\$ 15,351	\$ 278,836	\$ 95,661	\$ 43,647	\$ 294,160	\$ 378,923	\$ 232,139	\$ 109,986	\$ 370,679	\$ 952,336	\$ 19,234	\$ 3,971	\$ 3,135,456

CITY OF HARRISBURG

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

NON-MAJOR SPECIAL REVENUE FUNDS

For the Fiscal Year Ended June 30, 2022

	Community & Economic Development Fund	Office Equipment Fund	Equipment Reserve Fund	Library Fund	Bike Path Reserve Fund	Storm Drain Reserve Fund	Trans- portation SDC Fund	Parks SDC Fund	Storm SDC Fund	Water SDC Fund	Sewer SDC Fund	Building Permit Fund	Electrical Permit Fund	Total
REVENUES:														
Taxes and Assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 67,737	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 67,737
Intergovernmental	-	-	-	-	2,935	-	-	-	-	-	-	-	-	2,935
Charges for Services	-	-	-	-	-	-	19,825	13,900	3,600	33,776	28,719	33,915	6,330	140,065
Investment Revenue	451	36	370	101	61	531	612	451	165	410	1,223	-	-	4,411
Other Revenue	12,391	-	-	5,020	-	-	-	-	-	-	-	-	-	17,411
Total Revenues	12,842	36	370	5,121	2,996	68,268	20,437	14,351	3,765	34,186	29,942	33,915	6,330	232,559
EXPENDITURES:														
General Government	8,716	55,764	-	-	-	-	-	-	-	-	-	-	-	64,480
Highways and Street	-	-	-	-	-	8,817	-	-	-	-	-	18,388	4,014	31,219
Culture and Recreation	-	-	-	71,825	-	-	-	-	-	-	-	-	-	71,825
Capital Outlay	1,083	14,000	53,126	-	-	110,656	1,598	39,369	-	-	-	-	-	219,832
Total Expenditures	9,799	69,764	53,126	71,825	-	119,473	1,598	39,369	-	-	-	18,388	4,014	387,356
Excess (Deficiency) of Revenues Over Expenditures	3,043	(69,728)	(52,756)	(66,704)	2,996	(51,205)	18,839	(25,018)	3,765	34,186	29,942	15,527	2,316	(154,797)
OTHER FINANCING SOURCES (USES):														
Operating Transfers In	120,000	55,000	78,900	85,000	-	5,000	-	-	-	-	-	5,000	2,500	351,400
Operating Transfers (Out)	-	-	-	-	-	-	-	-	-	-	-	(5,600)	(1,150)	(6,750)
Total Other Financing Sources (Uses)	120,000	55,000	78,900	85,000	-	5,000	-	-	-	-	-	(600)	1,350	344,650
Net Change in Fund Balances	123,043	(14,728)	26,144	18,296	2,996	(46,205)	18,839	(25,018)	3,765	34,186	29,942	14,927	3,666	189,853
Fund Balances - July 1, 2021	216,938	28,102	252,692	77,028	40,651	278,850	360,084	249,683	106,221	336,493	836,358	-	-	2,783,100
Fund Balances - June 30, 2022	\$ 339,981	\$ 13,374	\$278,836	\$95,324	\$43,647	\$ 232,645	\$378,923	\$224,665	\$109,986	\$370,679	\$866,300	\$ 14,927	\$ 3,666	\$2,972,953

CITY OF HARRISBURG

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual COMMUNITY & ECONOMIC DEVELOPMENT FUND For the Fiscal Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> (Budgetary Basis) (See Note 1)	<u>Final Budget</u> <u>Over</u> <u>(Under)</u>
<u>REVENUES:</u>				
Investment Revenue	\$ 1,120	\$ 1,120	\$ 451	\$ (669)
Other Revenue	12,500	12,500	12,391	(109)
Total Revenues	13,620	13,620	12,842	(778)
<u>EXPENDITURES:</u>				
Materials and Services	71,700	71,700	8,716	(62,984)
Capital Outlay	226,350	226,350	1,083	(225,267)
Contingency	-	-	-	-
Total Expenditures	298,050	298,050	9,799	(288,251)
Excess (Deficiency) of Revenues Over Expenditures	(284,430)	(284,430)	3,043	287,473
<u>OTHER FINANCING SOURCES / (USES):</u>				
Operating Transfer In	120,000	120,000	120,000	-
Total Other Financing Sources (Uses)	120,000	120,000	120,000	-
Net Change in Fund Balance	(164,430)	(164,430)	123,043	287,473
Fund Balance - July 1, 2021	164,430	164,430	216,938	52,508
Fund Balance - June 30, 2022	\$ -	\$ -	\$ 339,981	\$ 339,981

CITY OF HARRISBURG

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

OFFICE EQUIPMENT RESERVE FUND

For the Fiscal Year Ended June 30, 2022

	<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>Original</u>	<u>Final</u>	<u>(See Note 1)</u>	<u>(Under)</u>
<u>REVENUES:</u>				
Investment Revenue	\$ 90	\$ 90	\$ 36	\$ (54)
Total Revenues	90	90	36	(54)
<u>EXPENDITURES:</u>				
Materials and Services	56,050	56,050	55,764	(286)
Capital Outlay	24,000	24,000	14,000	(10,000)
Total Expenditures	80,050	80,050	69,764	(10,286)
Excess (Deficiency) of Revenues Over Expenditures	(79,960)	(79,960)	(69,728)	10,232
<u>OTHER FINANCING SOURCES / (USES):</u>				
Operating Transfer In	55,000	55,000	55,000	-
Total Other Financing Sources (Uses)	55,000	55,000	55,000	-
Net Change In Fund Balance	(24,960)	(24,960)	(14,728)	10,232
Fund Balance - July 1, 2021	24,960	24,960	28,102	3,142
Fund Balance - June 30, 2022	\$ -	\$ -	\$ 13,374	\$ 13,374

CITY OF HARRISBURG
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
EQUIPMENT RESERVE FUND
For the Fiscal Year Ended June 30, 2022

	<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>				
Investment Revenue	\$ 920	\$ 920	\$ 370	\$ (550)
Total Revenues	920	920	370	(550)
<u>EXPENDITURES:</u>				
Capital Outlay	328,260	328,260	53,126	(275,134)
Total Expenditures	328,260	328,260	53,126	(275,134)
Excess (Deficiency) of Revenues Over Expenditures	(327,340)	(327,340)	(52,756)	274,584
<u>OTHER FINANCING SOURCES / (USES):</u>				
Operating Transfer In	78,900	78,900	78,900	-
Total Other Financing Sources (Uses)	78,900	78,900	78,900	-
Net Change In Fund Balance	(248,440)	(248,440)	26,144	274,584
Fund Balance - July 1, 2021	248,440	248,440	252,692	4,252
Fund Balance - June 30, 2022	\$ -	\$ -	\$ 278,836	\$ 278,836

CITY OF HARRISBURG

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

LIBRARY FUND

For the Fiscal Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> (Budgetary Basis) (See Note 1)	<u>Final Budget</u> Over (Under)
<u>REVENUES:</u>				
Investment Revenue	\$ 250	\$ 250	\$ 101	\$ (149)
Miscellaneous Revenue	1,950	1,950	5,020	3,070
Total Revenues	2,200	2,200	5,121	2,921
<u>EXPENDITURES:</u>				
Personnel Services	59,652	59,652	49,231	(10,421)
Materials and Services	28,315	28,315	22,594	(5,721)
Capital Outlay	5,000	5,000	-	(5,000)
Contingency	6,205	6,205	-	(6,205)
Total Expenditures	99,172	99,172	71,825	(27,347)
Excess (Deficiency) of Revenues Over Expenditures	(96,972)	(96,972)	(66,704)	30,268
<u>OTHER FINANCING SOURCES / (USES):</u>				
Operating Transfer In	85,000	85,000	85,000	-
Total Other Financing Sources (Uses)	85,000	85,000	85,000	-
Net Change In Fund Balance	(11,972)	(11,972)	18,296	30,268
Fund Balance - July 1, 2021	74,850	74,850	77,028	2,178
Fund Balance - June 30, 2022	\$ 62,878	\$ 62,878	\$ 95,324	\$ 32,446

CITY OF HARRISBURG

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

BIKE PATH RESERVE FUND

For the Fiscal Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>(Budgetary Basis)</u>	<u>Over</u>
			<u>(See Note 1)</u>	<u>(Under)</u>
<u>REVENUES:</u>				
Intergovernmental	\$ 2,800	\$ 2,800	\$ 2,935	\$ 135
Investment Revenue	150	150	61	(89)
Total Revenues	2,950	2,950	2,996	46
<u>EXPENDITURES:</u>				
Capital Outlay	43,510	43,510	-	(43,510)
Total Expenditures	43,510	43,510	-	(43,510)
Net Change In Fund Balance	(40,560)	(40,560)	2,996	43,556
Fund Balance - July 1, 2021	40,560	40,560	40,651	91
Fund Balance - June 30, 2022	\$ -	\$ -	\$ 43,647	\$ 43,647

CITY OF HARRISBURG

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

STORM DRAIN RESERVE FUND

For the Fiscal Year Ended June 30, 2022

	<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>				
Taxes and Assessments	\$ 66,000	\$ 66,000	\$ 67,737	\$ 1,737
Investment Revenue	1,320	1,320	531	(789)
Total Revenues	67,320	67,320	68,268	948
<u>EXPENDITURES:</u>				
Materials and Services	20,000	20,000	8,817	(11,183)
Capital Outlay	276,645	276,645	110,656	(165,989)
Total Expenditures	296,645	296,645	119,473	(177,172)
Excess (Deficiency) of Revenues Over Expenditures	(229,325)	(229,325)	(51,205)	178,120
<u>OTHER FINANCING SOURCES / (USES):</u>				
Operating Transfer In	5,000	5,000	5,000	-
Total Other Financing Sources	5,000	5,000	5,000	-
Net Change In Fund Balance	(224,325)	(224,325)	(46,205)	178,120
Fund Balance - July 1, 2021	224,325	224,325	278,850	54,525
Fund Balance - June 30, 2022	\$ -	\$ -	\$ 232,645	\$ 232,645

Reconciliation to Generally Accepted Accounting Principal Basis (GAAP):

Net change in fund balance from above	(46,205)
Change in Net Position as Reported in Proprietary Funds Statement of of Revenues, Expenditures, and Changes in Net Position	<u>\$ (46,205)</u>

CITY OF HARRISBURG

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

TRANSPORTATION SYSTEM DEVELOPMENT RESERVE FUND

For the Fiscal Year Ended June 30, 2022

	<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>Original</u>	<u>Final</u>	<u>(See Note 1)</u>	<u>(Under)</u>
<u>REVENUES:</u>				
System Development Charges	\$ 15,225	\$ 15,225	\$ 19,825	\$ 4,600
Investment Revenue	1,520	1,520	612	(908)
Total Revenues	16,745	16,745	20,437	3,692
<u>EXPENDITURES:</u>				
Capital Outlay	365,545	365,545	1,598	(363,947)
Total Expenditures	365,545	365,545	1,598	(363,947)
Net Change in Fund Balance	(348,800)	(348,800)	18,839	367,639
Fund Balance - July 1, 2021	348,800	348,800	360,084	11,284
Fund Balance - June 30, 2022	\$ -	\$ -	\$ 378,923	\$ 378,923

CITY OF HARRISBURG

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
PARKS SYSTEM DEVELOPMENT RESERVE FUND**

For the Fiscal Year Ended June 30, 2022

	<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>Original</u>	<u>Final</u>	<u>(See Note 1)</u>	<u>(Under)</u>
<u>REVENUES:</u>				
System Development Charges	\$ 9,000	\$ 9,000	\$ 13,900	\$ 4,900
Investment Revenue	1,120	1,120	451	(669)
Total Revenues	10,120	10,120	14,351	4,231
<u>EXPENDITURES:</u>				
Capital Outlay	256,120	256,120	39,369	(216,751)
Total Expenditures	256,120	256,120	39,369	(216,751)
Excess (Deficiency) of Revenues Over Expenditures	(246,000)	(246,000)	(25,018)	220,982
Net Change in Fund Balance	(246,000)	(246,000)	(25,018)	220,982
Fund Balance - July 1, 2021	246,000	246,000	249,683	3,683
Fund Balance - June 30, 2022	\$ -	\$ -	\$ 224,665	\$ 224,665

CITY OF HARRISBURG

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
STORM SYSTEM DEVELOPMENT RESERVE FUND**

For the Fiscal Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> (Budgetary Basis) (See Note 1)	<u>Final Budget</u> Over (Under)
<u>REVENUES:</u>				
System Development Charges	\$ 2,250	\$ 2,250	\$ 3,600	\$ 1,350
Investment Revenue	410	410	165	(245)
Total Revenues	2,660	2,660	3,765	1,105
<u>EXPENDITURES:</u>				
Capital Outlay	107,960	107,960	-	(107,960)
Total Expenditures	107,960	107,960	-	(107,960)
Excess (Deficiency) of Revenues Over Expenditures	(105,300)	(105,300)	3,765	109,065
Net Change in Fund Balance	(105,300)	(105,300)	3,765	109,065
Fund Balance - July 1, 2021	105,300	105,300	106,221	921
Fund Balance - June 30, 2022	\$ -	\$ -	\$ 109,986	\$ 109,986

CITY OF HARRISBURG

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
WATER SYSTEM DEVELOPMENT RESERVE FUND**

For the Fiscal Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> (Budgetary Basis) (See Note 1)	<u>Final Budget</u> Over (Under)
<u>REVENUES:</u>				
System Development Charges	\$ 21,110	\$ 21,110	\$ 33,776	\$ 12,666
Investment Revenue	1,020	1,020	410	(610)
Total Revenues	22,130	22,130	34,186	12,056
<u>EXPENDITURES:</u>				
Capital Outlay	350,030	350,030	-	(350,030)
Total Expenditures	350,030	350,030	-	(350,030)
Excess (Deficiency) of Revenues Over Expenditures	(327,900)	(327,900)	34,186	362,086
Net Change in Fund Balance	(327,900)	(327,900)	34,186	362,086
Fund Balance - July 1, 2021	327,900	327,900	336,493	8,593
Fund Balance - June 30, 2022	\$ -	\$ -	\$ 370,679	\$ 370,679

CITY OF HARRISBURG

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
SEWER SYSTEM DEVELOPMENT RESERVE FUND**

For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis) (See Note 1)	Final Budget Over (Under)
<u>REVENUES:</u>				
System Development Charges	\$ 17,950	\$ 17,950	\$ 28,719	\$ 10,769
Investment Revenue	3,040	3,040	1,223	(1,817)
Total Revenues	20,990	20,990	29,942	8,952
<u>EXPENDITURES:</u>				
Capital Outlay	649,990	649,990	-	(649,990)
Total Expenditures	649,990	649,990	-	(649,990)
Net Change in Fund Balance	(629,000)	(629,000)	29,942	658,942
Fund Balance - July 1, 2021	629,000	629,000	836,358	207,358
Fund Balance - June 30, 2022	\$ -	\$ -	\$ 866,300	\$ 866,300

OTHER
INFORMATION

Additional
Supporting Schedules

CITY OF HARRISBURG
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2022

Full Faith and Credit Refunding Bond, Series 2017

Full Faith and Credit Refunding Bond, Series 2017 entered into with US Bank for refinancing of USDA Revenue Bonds for Sewer Projects. Original amount \$4,470,000 with an interest rate between 2.00% and 4.00%. The loan total was divided at inception between the City (\$2,405,000) and City's Urban Renewal Agency (\$2,405,000).

Current Year Activity:

	Outstanding Balance July 1, 2021	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2022	Due Within One Year
Principal	\$ 1,875,000	\$ -	\$ 45,000	\$ 1,830,000	\$ 45,000
Interest	-	74,100	74,100	-	72,300
Total	<u>\$ 1,875,000</u>	<u>\$ 74,100</u>	<u>\$ 119,100</u>	<u>\$ 1,830,000</u>	<u>\$ 117,300</u>

Future Requirements:

Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
2023	\$ 45,000	\$ 72,300	\$ 117,300	2.00%
2024	50,000	71,400	121,400	4.00%
2025	50,000	69,400	119,400	4.00%
2026	55,000	67,400	122,400	4.00%
2027	55,000	65,200	120,200	4.00%
2028	55,000	63,000	118,000	4.00%
2029	60,000	60,800	120,800	4.00%
2030	60,000	58,400	118,400	4.00%
2031	65,000	56,000	121,000	4.00%
2032	65,000	53,400	118,400	4.00%
2033	70,000	50,800	120,800	4.00%
2034	70,000	48,000	118,000	4.00%
2035	75,000	45,200	120,200	4.00%
2036	80,000	42,200	122,200	4.00%
2037	80,000	39,000	119,000	4.00%
2038	85,000	35,800	120,800	4.00%
2039	90,000	32,400	122,400	4.00%
2040	90,000	28,800	118,800	4.00%
2041	95,000	25,200	120,200	4.00%
2042	100,000	21,400	121,400	4.00%
2043	105,000	17,400	122,400	4.00%
2044	105,000	13,200	118,200	4.00%
2045	110,000	9,000	119,000	4.00%
2046	115,000	4,600	119,600	4.00%
Total	<u>\$ 1,830,000</u>	<u>\$ 1,050,300</u>	<u>\$ 2,880,300</u>	

CITY OF HARRISBURG
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2022

General Obligation Refunding Bond, Series 2017

General Obligation Bonds held by US Bank for refinancing of USDA GO Bonds and Water projects. Original balance is \$930,000 with an interest rate between 3.00% and 4.00%. Dated August 24, 2017.

Current Year Activity:

	Outstanding Balance July 1, 2021	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2022	Due Within One Year
Principal	\$ 795,000	\$ -	\$ 35,000	\$ 760,000	\$ 35,000
Interest	-	29,600	29,600	-	28,550
Total	<u>\$ 795,000</u>	<u>\$ 29,600</u>	<u>\$ 64,600</u>	<u>\$ 760,000</u>	<u>\$ 63,550</u>

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2023	\$ 35,000	\$ 28,550	\$ 63,550	3.00%
	2024	35,000	27,500	62,500	3.00%
	2025	35,000	26,450	61,450	3.00%
	2026	40,000	25,400	65,400	3.00%
	2027	40,000	24,200	64,200	3.00%
	2028	40,000	23,000	63,000	4.00%
	2029	40,000	21,400	61,400	4.00%
	2030	45,000	19,800	64,800	4.00%
	2031	45,000	18,000	63,000	4.00%
	2032	45,000	16,200	61,200	4.00%
	2033	50,000	14,400	64,400	4.00%
	2034	50,000	12,400	62,400	4.00%
	2035	55,000	10,400	65,400	4.00%
	2036	55,000	8,200	63,200	4.00%
	2037	60,000	6,000	66,000	4.00%
	2038	60,000	3,600	63,600	4.00%
	2039	30,000	1,200	31,200	4.00%
Total		<u>\$ 760,000</u>	<u>\$ 286,700</u>	<u>\$ 1,046,700</u>	

CITY OF HARRISBURG
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2022

KS State Bank Government Finance Dept. - HRA Development Loan

HRA note with KS State Bank Government Finance Department in the amount of \$531,000 with an interest rate of 4.550% for purpose of funding private loans to urban renewal developers. Dated September 29, 2017.

Current Year Activity:

	Outstanding Balance <u>July 1, 2021</u>	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance <u>June 30, 2022</u>	Due Within <u>One Year</u>
Principal	\$ 120,791	\$ -	\$ 120,791	\$ -	\$ -
Interest	-	5,414	5,414	-	-
Total	<u>\$ 120,791</u>	<u>\$ 5,414</u>	<u>\$ 126,205</u>	<u>\$ -</u>	<u>\$ -</u>

Future Requirements:

Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

CITY OF HARRISBURG
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2022

Full Faith and Credit Project Bond, Series 2017 - HRA Development Projects

HRA Loan from the City of Harrisburg . Original amount \$2,405,000 with an interest rate of 2.00% to 4.00%. This is the Urban Renewal Agency's share of Full Faith and Credit Refunding Bond, Series 2017 entered into with US Bank for refinancing of USDA Revenue Bonds for Sewer Projects.

Current Year Activity:

	Outstanding Balance July 1, 2021	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2022	Due Within One Year
Principal	\$ 2,405,000	\$ -	\$ -	\$ 2,405,000	\$ 120,000
Interest	-	93,800	93,800	-	93,800
Total	\$ 2,405,000	\$ 93,800	\$ 93,800	\$ 2,405,000	\$ 213,800

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2023	\$ 120,000	\$ 93,800	\$ 213,800	2.00%
	2024	125,000	91,400	216,400	4.00%
	2025	130,000	86,400	216,400	4.00%
	2026	135,000	81,200	216,200	4.00%
	2027	140,000	75,800	215,800	4.00%
	2028	145,000	70,200	215,200	4.00%
	2029	150,000	64,400	214,400	4.00%
	2030	160,000	58,400	218,400	4.00%
	2031	165,000	52,000	217,000	4.00%
	2032	170,000	45,400	215,400	4.00%
	2033	180,000	38,600	218,600	4.00%
	2034	185,000	31,400	216,400	4.00%
	2035	190,000	24,000	214,000	4.00%
	2036	200,000	16,400	216,400	4.00%
	2037	210,000	8,400	218,400	4.00%
Total		\$ 2,405,000	\$ 837,800	\$ 3,242,800	

CITY OF HARRISBURG
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2022

General Obligation Bonds, Series 2019

On August 21, 2019, the City issued General Obligation Bonds, Series 2019 to finance capital costs related to the City's water system in the amount of \$7,420,000. The Bonds are held by US Bank and carry an interest rate between 3.0 and 4.25%. Interest payments are due June 1 and December 1 with a principal payment due June 1 of each year, with the first interest payment due December 1, 2019.

Current Year Activity:

	Outstanding Balance July 1, 2021	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2022	Due Within One Year
Principal	\$ 7,300,000	\$ -	\$ 45,000	\$ 7,255,000	\$ 55,000
Interest	-	300,562	300,562	-	299,213
Total	<u>\$ 7,300,000</u>	<u>\$ 300,562</u>	<u>\$ 345,562</u>	<u>\$ 7,255,000</u>	<u>\$ 354,213</u>

Future Requirements:

Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
2023	\$ 55,000	\$ 299,213	\$ 354,213	3.00%
2024	70,000	297,563	367,563	4.00%
2025	85,000	294,763	379,763	4.00%
2026	100,000	291,363	391,363	4.00%
2027	115,000	287,363	402,363	4.00%
2028	130,000	282,763	412,763	4.00%
2029	150,000	277,563	427,563	4.00%
2030	165,000	271,563	436,563	4.00%
2031	185,000	264,963	449,963	4.00%
2032	210,000	257,563	467,563	4.00%
2033	230,000	249,163	479,163	4.00%
2034	255,000	239,963	494,963	4.00%
2035	280,000	229,763	509,763	4.00%
2036	305,000	218,563	523,563	4.00%
2037	335,000	206,363	541,363	4.00%
2038	365,000	192,963	557,963	4.00%
2039	395,000	178,363	573,363	4.00%
2040	430,000	162,563	592,563	4.25%
2041	465,000	144,288	609,288	4.25%
2042	500,000	124,525	624,525	4.25%
2043	540,000	103,275	643,275	4.25%
2044	585,000	80,325	665,325	4.25%
2045	630,000	55,463	685,463	4.25%
2046	675,000	28,688	703,688	4.25%
Total	<u>\$ 7,255,000</u>	<u>\$ 5,038,938</u>	<u>\$ 12,293,938</u>	

REPORTS ON OTHER LEGAL
AND
REGULATORY REQUIREMENTS

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

As of June 30, 2022

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

We have audited the basic financial statements of the City of Harrisburg as of and for the year ended June 30, 2022 and have issued our report thereon dated March 7, 2023. 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 Harrisburg' 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).**

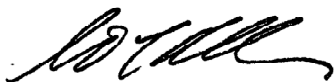
In connection with our testing nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000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

- The City over expended appropriations in the 2 funds. See note in Notes to the Basic 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 Harrisburg 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
March 7, 2023