

# Baker County Library District Baker City, Oregon



1 Baker County Library District established 1988

## Financial Statements For the fiscal year ended June 30, 2022

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BAKER COUNTY LIBRARY DISTRICT

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BAKER COUNTY LIBRARY DISTRICT

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BAKER COUNTY LIBRARY DISTRICT  
BAKER CITY, OREGON  
LIST OF ELECTED OFFICERS  
For Fiscal Year Ended June 30, 2022

Board of Directors:

Term Expiration:

President	Kyra Rohner Baker City, Oregon	June 30, 2025
Director	Betty Palmer Baker City, Oregon	June 30, 2025
Director	Gary Dielman Baker City, Oregon	June 30, 2023
Director	Beth Bigelow Baker City, Oregon	June 30, 2025
Director	Joan Spriggs Halfway, Oregon	June 30, 2023

All District Directors can receive mail at the Baker County Public Library, the administrative offices, located at 2400 Resort Street, Baker City, Oregon 97814.

District Administration:

Library Director and Budget Officer	Perry Stokes 2400 Resort Street Baker City, Oregon	Appointed
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Registered Agent:

District Attorney	Greg Baxter 1995 3 <sup>rd</sup> Street Baker City, Oregon	Appointed
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**GASLIN ACCOUNTING, PC**  
CERTIFIED PUBLIC ACCOUNTANTS

2550 BROADWAY STREET  
BAKER CITY, OR 97814  
(541)523-6471

## INDEPENDENT AUDITOR'S REPORT

*To the Board of Directors of*  
Baker County Library District  
Baker City, OR 97814

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

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, each major fund, the discretely presented component unit and the aggregate remaining fund information of the Baker County Library District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Baker County Library District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the discretely presented component unit and the aggregate remaining fund information of the Baker County Library District, as of June 30, 2022, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Baker County Library District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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 Baker County Library District's ability to continue as a going concern for one year after the date that the financial statements are issued or when applicable, one year after the date that the financial statements are available to be issued.

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

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

are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and PERS schedules on pages 5 through 11, 38 through 41, and 42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

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

The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 information is fairly stated in all material respects in relation to the financial statements taken as a whole.

### **Other Information**

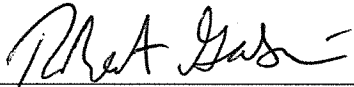
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Baker County Library District's basic financial statements. The combining and individual major and nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

**Report on Other Legal and Regulatory Requirements**

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 12, 2022 on our consideration of Baker County Library District's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

***Gaslin Accounting CPA's PC***



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Robert Gaslin, CPA  
December 12, 2022



*MANAGEMENT  
DISCUSSION  
AND ANALYSIS*

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**Baker County Library District**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

The management of the Baker County Library District (Library District) offers readers of the Library District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2022. The Library District's financial statements and notes to the financial statements which follow should be considered in reading the information presented.

**Financial Highlights**

On the *Statement of Net Position*, assets of the Baker County Library District exceeded its liabilities at the close of the fiscal year by \$1,554,790 (*net position*). The Library District's total net position increased by \$292,909 over the prior fiscal year. The increase is primarily due to pension liability adjustments as supplied by PERS related to the GASB 68 required reporting. Combined current assets and capital assets decreased (\$1,539). The total current assets increased by \$116,499 over the prior fiscal year. Cash decreased (\$4,758) while other current assets increased by \$121,257. The increase in other current assets consisted of an increase in property taxes of \$118,129 and an increase in other receivables of \$3,128. Total capital assets decreased (\$1,539) as depreciation expense of (\$97,968) exceeded asset additions of \$110,013 less an amount for retired assets. Building & Improvements increased \$12,227 as additions exceeded depreciation. Furniture, Fixtures and Equipment decreased (\$9,670) with depreciation exceeding additions. Vehicles decreased \$4,096 due to depreciation. Art & Historic Treasures remain unchanged and are not depreciated.

At the close of the current fiscal year, the Baker County Library District's *Governmental Funds* reported combined ending fund balance (*modified accrual*) of \$817,209. The Special Revenue – Other Uses Fund balance of \$177,242 represents funds that are restricted, committed and assigned either by outside parties or management. The Capital Investment Fund balance of \$104,638 are funds committed for future capital projects. The General Fund balance of \$535,329 represents funds that are unassigned which is the amount that assets exceed liabilities. The combined ending fund balance at the end of the previous fiscal year was \$821,595.

The General Fund contains the only funds available for discretionary spending, with a current balance of \$535,029 in *unassigned fund balance*. This unassigned fund balance shows an increase of \$37,120 in the ending fund balance in the General Fund over the previous fiscal year, which was \$497,909 on the *modified accrual basis*. Combining assets in cash of \$582,507, property taxes receivable of \$166,793 and other current assets of \$3,711 with liabilities of \$49,974, the General Fund ending fund balance is \$535,329 including \$300 of non-spendable funds. This represents an increase in assets of \$152,658 and a decrease in liabilities of (\$2,626) over the prior fiscal year. The increase in assets is due to an increase in cash of \$33,105, an increase in property taxes receivable of \$118,129, and an increase in other receivables of \$1,424. The decrease in liabilities was due to a decrease in accounts payable of (\$4,672) and an increase in payroll taxes and benefits payable \$2,046.

## Overview of the Financial Statements

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

**Government-wide financial statements.** These statements are designed to provide readers with a broad overview of the Baker County Library District's finances in a manner similar to a private-sector business.

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

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

Both of the government-wide financial statements report pension information on the full accrual basis in accordance with Governmental Accounting Standards Board Statements (GASB) No 68.

The government-wide financial statements report functions of the Baker County Library District that are principally supported by taxes and intergovernmental revenues and are considered *governmental activities*. These *governmental activities* reported as full accrual numbers (see pages 12-13) yielded a total of \$1,386,475 in revenues. Revenues from property taxes of \$1,269,510 represent 91% of total District revenues. The charges for services of \$12,109 (1% of revenues) are incidental cost-recovery for printing and faxing activities, sale of computer memory devices for in-house use, and fines for overdue materials. There are no charges for borrowing materials unless a person does not return them as agreed. Interest and miscellaneous revenues for the year totaled \$38,474 (3% of revenues). Grants and contributions for the year totaled \$66,382 (5% of revenues).

The governmental activities of the Baker County Library District are the provision of print and media materials, and educational programming activities, to the general public.

The District reports information on a Component Unit consisting of the Baker County Library Foundation Inc activities. The Foundation also includes the *Friends of the Baker Library* committee activities. This entity is a 501c(3) non-profit entity that exists to benefit the Library District.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Baker County Library District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-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 facilitate this comparison between *governmental funds* and *governmental activities*.

The Baker County Library District maintains three individual governmental funds. Information is presented separately in the *governmental fund balance sheet* and in the *governmental fund statement of revenues, expenditures, and changes in fund balances* for each fund.

The Baker County Library District adopts an annual appropriated budget for each of its funds. A budgetary comparison schedule for each fund has been provided to demonstrate compliance with the budget. This information can be found in the *required supplementary information* section.

The basic governmental fund financial statements can be found in the *basic financial statement* section.

*Fiduciary funds* are used to account for resources held by the District in a custodial capacity for another entity. On June 17, 2014, the Library District agreed to act as the fiscal agent for the Sage Library System at the request of the Sage User Council beginning on July 1, 2014. These funds are not available to support library operations. The Library District is the fiscal agent, administering the funds to operate activities for this council of regional libraries.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found behind the fund financial statements in the *basic financial statement* section.

**Required supplementary information.** This section contains a statement of revenues, expenditures and changes in fund balance for each of the governmental funds on the modified accrual basis and compare the budget with actual expenditures.

**Government-wide financial analysis.** As noted earlier, *net position* may serve over time as a useful indicator of a government's financial position. In the case of the Baker County Library District, assets exceeded liabilities by \$1,554,790 at the close of the fiscal year (*full accrual method*).

The largest portion of the Baker County Library District's assets reflect its investment in capital assets (land, art, buildings, vehicles, and equipment). The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

A portion of the Baker County Library District's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* may be used to meet the government's ongoing obligations to citizens and creditors. *Net position* shows a positive balance of \$26,332 for unrestricted net assets and a positive balance of \$15,597 for restricted net assets. The large swing from the prior year's negative *unrestricted net assets* to the current positive balance is due to large change in the pension liabilities reported by PERS. The District's pension liability significantly decreased by (\$697,491) in the current fiscal year.

	Net Position Summarized for:	
	Fiscal Year	Fiscal Year
	2021-2022	2020-2021
Current assets	\$ 1,040,264	\$ 923,765
Capital assets	1,525,189	1,526,728
Deferred outflows, pensions	387,545	460,390
Total assets and deferred outflows	2,952,998	2,910,883
Current liabilities	57,842	55,070
Net pension liability	611,697	1,259,188
Long-term liability	105,077	92,429
Deferred inflows, pensions	623,592	242,315
Total liabilities and deferred inflows	1,398,208	1,649,002
Net investment in capital assets	1,512,861	1,512,002
Restricted	15,597	15,597
Unrestricted	26,332	(265,718)
Total net position	\$ 1,554,790	\$ 1,261,881

The District's current fiscal year net position increased by \$292,909 over the prior fiscal year. There was a increase in the ending current assets of \$116,496 and a decrease in current liabilities of (\$2,772). The increase in assets was due to a large increase in cash and property taxes receivable less a small decrease in capital assets. The increase in current liabilities combined with a sizeable decrease in pension liability adjustments, for GASB 68 required reporting, contributed to the increase in net position.

The District's *Library Service* expenses for Fiscal Year 2021-2022 increased to \$1,093,158 compared to Fiscal Year 2020-2021 \$1,704,284, primarily due to a large decrease in pension liabilities.

Operating Grants, Reimbursements, and Contributions increased in Fiscal Year 2021-2022 to \$66,382 compared to \$209,103 in the prior Fiscal Year 2020-2021, a decrease of (\$142,721).

Property tax revenues increased in Fiscal Year 2021-2022 to \$1,269,510 compared to \$1,255,467 in the prior Fiscal Year 2020-2021 due to increases in the current levy, an increase of \$14,043.

**Governmental funds.** Governmental funds combined fund balance decreased by (\$4,386). The fund balance of the General Fund increased by \$37,120, the Other Uses Funds increased by \$12,450 and Capital Investments decreased by (\$53,956). The changes in fund balances are reported on page 15 of this report.

The modified accrual basis statements (Fund Financial Statements, pages 13 and 15) are reconciled with the full accrual statements (Government-wide Financial Statements, pages 11-12) on pages 14 and 16. On the modified accrual method, the District has combined unassigned fund balance of \$535,029 in the General Fund at fiscal year-end.

Summary of Revenues, Expenditures and Changes in Fund Balance for General Fund

	For the Year Ended June 30, 2022			FYE 06/30/2021
	Variance Favorable (Unfavorable)	Budget	Actual	Prior Fiscal Year Actual
Total Revenues	\$ (61,353)	\$ 1,424,984	\$ 1,363,631	\$ 1,498,019
Expenditures:				
Personal Services	12,132	875,070	862,938	808,351
Materials & Services	39,428	473,900	434,472	545,346
Debt Service	0	2,000	2,000	2,000
Capital Outlay	25,000	25,000	0	7,864
Contingency	554,695	554,695	0	0
Total Expenditures	631,255	1,930,665	1,299,410	1,363,561
Revenues Over (Under) Expenditures	569,902	(505,681)	64,221	134,458
Other Financing Sources (Uses)	11,188	(38,289)	(27,101)	(112,555)
Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	581,090	(543,970)	37,120	21,903
Fund Balance, Beginning	(45,761)	543,970	498,209	476,306
Fund Balance, Ending	\$ 535,329	\$ -	\$ 535,329	\$ 498,209

The Special Revenue - *Other Uses Fund* comprises all other activities of the District. This fund includes the memorial department, technology department, the literacy project funds, and a provision for severance liability. The District does not have a *Debt Service Fund* since the District currently does not have bonded debt.

The Reserve Fund – *Capital Investment Fund* represents funds being accumulated for future capital investments. The District used funds to replace the main library building heating system and for major roof replacement projects. Near the end of the fiscal year, the District diverted unanticipated tax revenues to this fund to replenish savings.

**Economic Factors and Next Year's Budget.** The Library District has a permanent tax rate of 0.5334 plus a local option tax rate of 0.249 which was renewed in May 2020, effective July 1, 2021 through June 30, 2025. The District loses a small percentage of collections on its permanent rate due to compression by overlapping taxing districts, which share proportionally in the loss of collections where the combined total of authority exceeds \$10 per \$1,000 Total Assessed Value (TAV). In the areas of the District that are already compressed with permanent tax rates, the local option tax may either be partially collectible or uncollectible. The local option levy that voters approved was for operating funds to continue library services at the current service level.

The total budget for operations (General Fund) increased 2.8% for the coming Fiscal Year 2022-2023 to \$2,030,237 compared to Fiscal Year 2021-2022 of \$1,975,454 (including adopted changes). The contingency reserve number continues to grow in order to meet the increased requirements to operate on District funds until November when tax revenues begin to come in and to keep pace with inflation. The increase in the upcoming budget was primarily related to an increase in anticipated tax revenues which was absorbed by rising personnel and operations costs. Tax revenues are anticipated to increase 4.5% in the coming year. The District continues to prioritize evolving library services, to offer current technology based on demand and usage, emphasizing building improvement projects for our aging facilities, and has focused on continuing to develop youth programming.

In the Fiscal Year 2022-2023 budget, *Personal Services* increased in total by 11.45% over Fiscal Year 2021-2022. The District has maintained its health insurance benefits offered through Special Districts Insurance Services which increased 6% over the prior year. Wages were increased by 5.0% COLI to keep pace with inflation. The budget restored a key staff position that had been scaled back for retirement and regular wage step increases. The *Materials & Services* budget decreased 2.5% over the prior fiscal year, effectively remaining stable. The Collection Development budget will begin at a healthy 8% of the operating budget. The teen and children's collections have been the focus of recent purchases. The Marketing budget will remain high for the purpose of letting the public know about programs, services and a list of many items available for public loan. Facilities Maintenance is maintained at a high level in order to continue moving forward with the strategic plan and improvement projects.

**Current Year Budget.** The Fiscal Year 2021-2022 operating budget decreased by 8.7% overall over the prior Fiscal Year 2020-2021. Revenues decreased due to the reduction in grant funding, primarily the Coronavirus Relief Funding (CRF) from the prior year. The cash carryover remained stable with a small increase. Personal services increased 8.6% due to two primary factors, an increase in health insurance costs and a 5% COLI increase to pace wages with inflation. Materials & Services decreased 28% due to reduced CRF funding.

The District website ([www.bakerlib.org](http://www.bakerlib.org)) offers access to extensive library collections for patrons. The *Sage Library System* gives patrons the ability to search over 70 member library catalogs. Patrons can borrow any of the materials available. The library has a growing movie DVD collection, audio books for all ages and other new materials coming in weekly. The online content continues to offer electronic materials to patrons. The District offers many practical, educational and fun items for patron use and checkout. The Bookmobile continues to visit local retirement centers and support outlying rural communities.

**Requests for Information.** This financial report is designed to provide a general overview of the Baker County Library District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Library Director, Baker County Library District, 2400 Resort Street, Baker City, Oregon 97814.



*BASIC  
FINANCIAL  
STATEMENTS*

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**Baker County Library District**  
**Statement of Net Position**  
June 30, 2022

	<u>Primary Government</u>		<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Total</u>	<u>Baker County Library Foundation Inc</u>
<b>ASSETS</b>			
Current Assets:			
Cash and cash investments	\$ 868,056	\$ 868,056	\$ 30,880
Investments	-	-	52,782
Property taxes receivable	166,793	166,793	-
Accounts receivable	2,689	2,689	-
Expense reimbursement receivable	2,726	2,726	-
Total current assets	<u>1,040,264</u>	<u>1,040,264</u>	<u>83,662</u>
Capital Assets:			
Land	42,800	42,800	-
Art and historic treasures	14,000	14,000	-
Buildings and improvements	2,842,739	2,842,739	-
Construction in process	45,000	45,000	-
Furniture, fixtures and equipment	314,211	314,211	-
Vehicles	117,612	117,612	-
Accumulated depreciation	(1,851,173)	(1,851,173)	-
Total capital assets	<u>1,525,189</u>	<u>1,525,189</u>	<u>-</u>
Other Assets - OPEB Asset	3,502	3,502	-
Total assets	<u>2,568,955</u>	<u>2,568,955</u>	<u>83,662</u>
Deferred Outflows of Resources Related to:			
Other Post-Employment Benefits (OPEB)	2,229	2,229	-
Pensions	381,814	381,814	-
Total deferred outflows	<u>384,043</u>	<u>384,043</u>	<u>-</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	21,680	21,680	-
Wages and payroll taxes payable	33,667	33,667	-
Prepaid Reimbursement	915	915	-
Note payable - current	1,580	1,580	-
Total current liabilities	<u>57,842</u>	<u>57,842</u>	<u>-</u>
Noncurrent Liabilities:			
Compensated absences payable	94,329	94,329	-
Net pension liability	611,697	611,697	-
Note payable - noncurrent	10,748	10,748	-
Total noncurrent liabilities	<u>716,774</u>	<u>716,774</u>	<u>-</u>
Total liabilities	<u>774,616</u>	<u>774,616</u>	<u>-</u>
Deferred Inflows of Resources Related to Pensions			
OPEB	1,164	1,164	-
Pensions	622,428	622,428	-
Total deferred inflows	<u>623,592</u>	<u>623,592</u>	<u>-</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,512,861	1,512,861	-
Restricted for grant expenditures	15,597	15,597	83,662
Unrestricted surplus (deficit)	26,332	26,332	-
Total net position	<u>\$ 1,554,790</u>	<u>\$ 1,554,790</u>	<u>\$ 83,662</u>

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

Baker County Library District  
Statement of Activities  
For the Fiscal Year Ended June 30, 2022

Function/ Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		Component Unit Baker County Library Foundation Inc
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants	Primary Government		
					Governmental Activities	Total	
<b>Primary Government:</b>							
Governmental Activities:							
Library Services	\$ 1,093,158	\$ 12,109	\$ 5,311	\$ 61,071	\$ (1,014,667)	\$ (1,014,667)	\$ -
Interest Expense	408	-	-	-	(408)	(408)	-
Total primary government	<u>\$ 1,093,566</u>	<u>\$ 12,109</u>	<u>\$ 5,311</u>	<u>\$ 61,071</u>	<u>\$ (1,015,075)</u>	<u>\$ (1,015,075)</u>	<u>\$ -</u>
<b>Component Unit:</b>							
Baker County Library Foundation Inc	<u>\$ 1,742</u>	<u>\$ -</u>	<u>\$ 1,591</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (151)</u>
General Revenues:							
Property taxes levied for general purposes					1,269,510	1,269,510	-
Unrestricted Investment Earnings (Loss)					10,173	10,173	(10,593)
Other general revenues					31,885	31,885	5,394
Loss on asset disposal					(3,584)	(3,584)	-
Total general revenues					<u>1,307,984</u>	<u>1,307,984</u>	<u>(5,199)</u>
Change in net position					<u>292,909</u>	<u>292,909</u>	<u>(5,350)</u>
Net position - beginning					<u>1,261,881</u>	<u>1,261,881</u>	<u>89,012</u>
Net position - ending					<u>\$ 1,554,790</u>	<u>\$ 1,554,790</u>	<u>\$ 83,662</u>

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

BAKER COUNTY LIBRARY DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2022

ASSETS	General Fund	Special Revenue - Other Uses Fund	Capital Investment Fund	Total Governmental Funds
Cash and Cash Equivalents	\$ 582,507	\$ 180,911	\$ 104,638	\$ 868,056
Accounts Receivable	985	1,704	-	2,689
Property Taxes Receivable	166,793	-	-	166,793
Expense Reimbursement Receivable	2,726	-	-	2,726
Total Assets	<u>753,011</u>	<u>182,615</u>	<u>104,638</u>	<u>1,040,264</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE				
Liabilities:				
Accounts Payable	16,307	5,373	-	21,680
Wages Payable	17,503	-	-	17,503
Payroll Taxes and Benefits Payable	16,164	-	-	16,164
Total Liabilities	<u>49,974</u>	<u>5,373</u>	<u>-</u>	<u>55,347</u>
Deferred Inflows:				
Unearned Reimbursement	915	-	-	915
Deferred Property Tax Revenue	166,793	-	-	166,793
Total Deferred Inflows	<u>167,708</u>	<u>-</u>	<u>-</u>	<u>167,708</u>
Fund Balances:				
Non-Spendable Funds	300	-	-	300
Restricted Fund Balance	-	15,297	-	15,297
Committed Fund Balance	-	3,399	104,638	108,037
Assigned Fund Balance	-	158,546	-	158,546
Unassigned Fund Balance	535,029	-	-	535,029
Total Fund Balances	<u>535,329</u>	<u>177,242</u>	<u>104,638</u>	<u>817,209</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 753,011</u>	<u>\$ 182,615</u>	<u>\$ 104,638</u>	<u>\$ 1,040,264</u>

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

BAKER COUNTY LIBRARY DISTRICT  
 Reconciliation of Governmental Funds Balance Sheet  
 to the Statement of Net Position  
 June 30, 2022

**Total Fund Balances - Total Governmental Funds** \$ 817,209

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 as assets in governmental funds:

Cost of Capital Assets	\$ 3,376,362	
Accumulated Depreciation	(1,851,173)	1,525,189

Certain items are prepaid or not available to pay for current period expenditures and are not deferred or not reported in governmental funds:

Deferred Outflows of Resources related to OPEB	2,229	
Deferred Inflows of Resources related to OPEB	(1,164)	
Deferred Outflows of Resources related to Pension	381,814	
Deferred Inflows of Resources related to Pension (Credit)	(622,428)	(239,549)

Certain items that are not due and payable in the current period are not reported in the governmental funds:

Compensated Absences Payable	(94,329)	
Notes Payable	(12,328)	
Other Post-Employment Benefit (OPEB) Asset	3,502	
Net Pension Liability	(611,697)	(714,852)

Property taxes receivable will be collected this year but are not available soon enough to pay for the current periods expenditures, and therefore are deferred funds.

166,793

**Total Net Position - Governmental Activities**

\$ 1,554,790

BAKER COUNTY LIBRARY DISTRICT  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR FISCAL YEAR ENDED JUNE 30, 2022

	General Fund	Special Revenue - Other Uses Fund	Capital Investment Fund	Total Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 1,269,510	\$ -	\$ -	\$ 1,269,510
Fines and Fees	12,109	-	-	12,109
Grants	61,071	3,900	-	64,971
Contributions	311	1,100	-	1,411
Program Reimbursements	6,949	-	-	6,949
Other Revenues	19,523	5,413	-	24,936
Interest	8,446	909	818	10,173
Total Revenue	<u>1,377,919</u>	<u>11,322</u>	<u>818</u>	<u>1,390,059</u>
<b>EXPENDITURES</b>				
Current:				
Library Services	1,297,410	7,972	-	1,305,382
Debt Service:				
Principal	1,592	-	-	1,592
Interest	408	-	-	408
Capital Outlay	-	-	87,063	87,063
Total Expenditures	<u>1,299,410</u>	<u>7,972</u>	<u>87,063</u>	<u>1,394,445</u>
Excess (Deficit) of Revenues Over Expenditures	<u>78,509</u>	<u>3,350</u>	<u>(86,245)</u>	<u>(4,386)</u>
Other Financing Sources (Uses):				
Transfers In	3,400	12,500	32,289	48,189
Transfers Out	(44,789)	(3,400)	-	(48,189)
Total Other Financing Sources (Uses)	<u>(41,389)</u>	<u>9,100</u>	<u>32,289</u>	<u>-</u>
Net Change in Fund Balances	37,120	12,450	(53,956)	(4,386)
Fund Balances, July 1	<u>498,209</u>	<u>164,792</u>	<u>158,594</u>	<u>821,595</u>
Fund Balances, June 30	<u>\$ 535,329</u>	<u>\$ 177,242</u>	<u>\$ 104,638</u>	<u>\$ 817,209</u>

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

BAKER COUNTY LIBRARY DISTRICT  
 Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and  
 Changes in Fund Balances to the Statement of Activities  
 Year Ended June 30, 2022

**Net Change in Fund Balances - Total Governmental Funds** \$ (4,386)

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

Governmental funds report capital outlays as expenditures. In the *Statement of Activities* the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital Asset Additions and Disposals	\$ 100,013	
Depreciation Expense	(97,968)	2,045
Gain (Loss) on asset disposal		(3,584)

Changes in deferred outflows and inflows related to pensions do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.	192,699
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Changes in other post-employment benefit (OPEB) expense is not reported in the governmental funds.	1,476
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Long-term debt principal payments are included as an expense in the governmental fund statements, but are reported as a reduction of liability in the government-wide financial statements.	1,592
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Governmental funds do not report accrued compensated absences as they are not considered a current financial obligation. Change in compensated absences.	(15,062)
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Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities, property taxes are recognized as revenue as revenue is levied. Change in property taxes receivable.	118,129
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<b>Change in Net Position - Governmental Activities</b>	<u><u>\$ 292,909</u></u>
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BAKER COUNTY LIBRARY DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
SAGE LIBRARY SYSTEM  
June 30, 2022

	Custodial Funds
<b>ASSETS</b>	
Cash and cash equivalents	\$ 195,672
Receivables	-
Total Assets	195,672
<b>LIABILITIES</b>	
Accounts payable	2,570
Accrued payroll taxes and related	-
Total Liabilities	2,570
<b>NET POSITION</b>	
Restricted for:	
Individuals, organizations and other governments	193,102
Total Net Position	\$ 193,102

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



BAKER COUNTY LIBRARY DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET  
SAGE LIBRARY SYSTEM  
for the Year Ended June 30, 2022

	<u>Custodial Funds</u>
ADDITIONS	
Contributions:	
Members	\$ 227,556
Grant revenue	60,950
Member reimbursements	<u>2,529</u>
Total Additions	<u>291,035</u>
DEDUCTIONS:	
Administrative wages and benefits	98,907
Materials and services	182,527
Capital outlay	<u>-</u>
Total Deductions	<u>281,434</u>
Net increase (decrease) in fiduciary net position	9,601
Net Position, July 1	<u>183,501</u>
Net Position, June 30	<u><u>\$ 193,102</u></u>

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

BAKER COUNTY LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For Fiscal Year Ended June 30, 2022

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**The Financial Reporting Entity**

The Baker County Library District (Library District) is an Oregon Municipal Corporation incorporated in July 1986. At that time, the library was operated by Baker County and, accordingly, its financial operations were included with those of Baker County, Oregon. Effective July 1, 1988, the District became a separate reporting entity when the voters of Baker County approved a levy to establish a County Library District Tax Base. The Library District is governed by a separately elected five member Board of Directors (Board) who approves the administrative officials. The daily functioning of the Library District is under the supervision of the Library Director. As required by generally accepted accounting principles, all activities of the Library District have been included in the basic financial statements.

**Basis of Presentation**

**Government-Wide Financial Statements**

The Statement of Net Position and the Statement of Activities present information about the Library District. These statements include the governmental financial activities of the overall District. Governmental activities are financed primarily through property taxes, intergovernmental revenues, and charges for services.

The Statement of Activities presents a comparison between direct expenses and a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to that function. Program revenues include: (1) charges for services that include fines for overdue books, magazines, audio and video materials, copy and printing fees, and other fees, (2) operating grants or contributions that are restricted to a particular function or segment and (3) capital grants or contributions that are restricted to a particular function or segment. Revenues that are not classified as program revenues, including property taxes and state support, are presented 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 legislation.

Fiduciary Statements are not included in the Government-Wide financial statements. In Government-Wide financial statements, we eliminate interfund activity.

**Component Unit Reporting:**

The Baker County Library District is reporting funds, for the first time, being held by the Baker County Library Foundation Inc., an Oregon non-profit organization whose purpose is to support this library. The Foundation has existed for some years with little to no activity. This fiscal year has seen an increase in donations with a change in leadership and volunteer support. The Foundation also has a sub-committee, the Friends of the Library, which has increased its activities. The Friends of the Library primarily run a small used book store in the library and a summer book sale where they sell discarded library books. The funds are used to support projects that benefit the library. With the increase activity, the Foundation has reached the threshold of a component unit. These activities are reported in a separate column on the Government-Wide statements as required.

BAKER COUNTY LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For Fiscal Year Ended June 30, 2022

**Governmental Fund Financial Statements**

The governmental fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds which are reported in separate columns. In addition, separate financial statements are provided for governmental funds and an agency fund. For the fiscal year the Library District has two major governmental funds and one non-major governmental fund:

The *General Fund* is the District's primary operating fund and accounts for all revenues and expenditures except those required to be accounted for in another fund.

The special revenue fund titled *Other Uses Funds* accounts for revenue derived from donations and grants, which typically are restricted to finance particular functions or activities. There are four departments in this fund to account for this type of revenue including Memorial Department, Literacy Department, Technology Department, and Severance Liability Department. The Capital Projects Department has been closed out and moved to a new separate fund.

The *Capital Investment Fund* was created to accumulate savings for future capital improvements.

**Fiduciary Fund Statements**

The fiduciary fund statements provide information for a custodial fund that was adopted on June 17, 2014. Baker County Library District agreed to act as the fiscal agent for the Sage Library System as requested by the Sage User Council. The Sage Library System is a regional consortium of libraries that voluntarily participate in an organized program using shared software and agree to share resources amongst member libraries. The system exponentially expands the resources available to all member library patrons. The Sage User Council administers this regional program, sets its own operating policies and is self-funding. As a fund of the Library District, it adheres to the general policies of the Library District. The Sage Fund paid the District \$2,160 agency fee and reimburses certain other wages and related expenses.

**Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-exchange transactions, in which the District 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. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. It is the District's policy to first use restricted resources prior to the use of unrestricted general revenues when an expense is incurred for which there are both restricted and unrestricted assets are available.

The governmental fund financial statements are reported using the current financial resources measurement focus and the *modified accrual basis of accounting*. Revenues are recognized when both measurable and available. The District considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Property taxes and interest are considered to be susceptible to accrual. Expenditures generally are recorded when a liability is incurred. 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.

BAKER COUNTY LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For Fiscal Year Ended June 30, 2022

**Cash and Cash Investments – Primary Government**

The Library District's cash and cash investments consist entirely of bank demand deposits and the State of Oregon Treasurer's Local Government Investment Pool.

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board. The LGIP seeks to exchange shares at \$1 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1 per share, it is possible to lose money by investing in the pool. The District intends to measure these investments at book value, as the LGIP's fair value approximates its amortized cost basis.

**Fair Value Measurements – Baker County Library Foundation Inc**

Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of fair value hierarchy under FASB ASC 820 are described as follows:

- *Level 1 Inputs* are generally quoted prices in active markets for identical assets or liabilities.
- *Level 2 Inputs* are generally indirect information such as quoted prices for similar assets or liabilities in the active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active.
- *Level 3 Inputs* are unobservable and generally allow for situations in which there is little, if any market activity.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

- *Exchange Traded Funds*: Valued at the daily closing price as reported by the applicable securities exchange. Exchange traded funds held by the District's component unit are registered with the Securities and Exchange Commission. The exchange traded funds held by the District's component unit are deemed to be actively traded.
- *Mutual Funds*: Valued at the daily closing price as reported by the fund. Mutual Funds held by the District's component unit are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and the transact at that price. The mutual funds held by the District's component unit are deemed to be actively traded.

BAKER COUNTY LIBRARY DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 For Fiscal Year Ended June 30, 2022

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the District's component unit believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets the level, within the fair value hierarchy, the Organization's asset holdings with Edward Jones Investment Company, LLC:

Investments Measured at Fair Value	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
		Level One	Level Two	Level Three
Mutual Funds	\$ 43,857	\$ 43,857	\$ -	\$ -
Exchange Traded Funds	8,925	8,925	-	-
Total Investments	<u>\$ 52,782</u>	<u>\$ 52,782</u>	<u>\$ -</u>	<u>\$ -</u>

**Property Taxes Receivable**

Property taxes are levied July 1 on property values assessed as of January 1. The tax levy is divided into three installments with collection dates of November 15, February 15, and May 15 following the lien date. Discounts are allowed if the amount due is received by November 15 or February 15. The taxes are considered past due after May 15, at which time the applicable property is subject to penalties and interest.

Uncollected property taxes are recorded on the statement of net position. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established. All property taxes receivable are due from property owners within the District.

**Accounts Receivable**

Accounts receivable are primarily comprised of program expense reimbursements due from a sponsor or grant. Therefore, an allowance for uncollectible amounts has not been established.

**Capital Assets**

Capital assets are recorded at original or estimated original cost. The Library District defines capital assets as assets with an initial cost of more than \$1,000 and an estimated life in excess of one year. Donated capital assets are recorded at their estimated fair market value on the date donated. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings and Improvements	15 to 40 years
Furniture, Fixtures and Equipment	10 years
Computers and Related Equipment	5 years
Vehicles	5 to 10 years

The cost of normal maintenance and repair that do not add to the value of the asset or materially extend assets lives are not capitalized.

The *Library Collection* is comprised of items that are individually below the District's capitalization policy and are not capitalized. Historic photographs, artwork and other items are classified as *Historical Treasures*. Those with historical costs or an assessed value are reported as capital assets but are not depreciated, whereas, those that have not been appraised are not capitalized under guidelines from the Governmental Accounting Standards Board.

BAKER COUNTY LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For Fiscal Year Ended June 30, 2022

**Compensated Absences**

Compensated absences are charged to expense in the fund financial statements when the benefit is paid. The current value of accrued vacation time and sick leave vested at fiscal year-end is accrued into the government-wide financial statements. Most full-time employees have available ten to fifteen days of vacation leave and twelve days of sick leave, annually; either vacation or sick leave may be used as bereavement leave. Unused vacation leave is accumulated with a maximum accumulation of 250 hours; vacation leave vests after one year. Unused sick leave is also accumulated and is available in future years, if extended illness should occur; one-half of accumulated sick leave vests after five years and is payable to the employee upon termination or retirement. For Oregon PERS Tier One and Tier Two employees only (those hired prior to January 1, 2004), at retirement, one-half of unused sick leave is added to the total days worked for the purpose of calculating appropriate pension benefits.

**Long-Term Obligations**

Long-term debt is reported as a liability in the government-wide financial statement of net position. However, in fund financial statements, long-term debt payments are displayed in expenditures as debt service.

**Deferred Inflows and Outflows of Resources Related to Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (PERS) and additions to/deductions from PERS'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. Under the accrual basis of accounting, these *deferred amounts related to pensions and OPEB* (other postemployment benefits) is reported only on the Statement of Net Position.

**Order of Expenditures**

When both restricted and unrestricted assets are available, restricted resources would generally be used first and then the unrestricted resources as they are needed. When unrestricted fund balances resources are expended they would be considered to be expended in order from the committed, assigned (if applicable) and unassigned reporting categories.

**Use of Estimates**

The preparation of the District's basic financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from the estimates.

**Fund Equity**

**Government-Wide Financial Statements**

Equity is classified as *Net Position* and displayed in the following three components:

- *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 borrowings that are attributable to the acquisition, or improvements of those assets.
- *Restricted net position* – Consists of net position with constraints placed on their use either by external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or law through constitutional provisions or enabling legislation.
- *Unrestricted net position* – All other net position that does not meet the definition of restricted or net investment in capital assets as shown above.

BAKER COUNTY LIBRARY DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 For Fiscal Year Ended June 30, 2022

**Governmental Fund Financial Statements**

Governmental fund equity is classified in the following categories of Fund Balances:

- *Non-spendable* – amounts that are not in a spendable form (including inventory) or are required to be retained in perpetuity (such as an endowment).
- *Restricted* – amounts that are generally restricted by outside parties for a specific purpose (including donors, grantors, or bondholders), through constitutional provisions or by enabling legislation.
- *Committed* – consists of funds formally set aside by the Board of Directors for a particular purpose. This usually occurs by adoption of a resolution. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same formal action.
- *Assigned* - amounts the District intends to use for a specific purpose. Assignment can be made by the designation of revenue sources to a particular fund, by informal motion of the Board of Directors or by decision of management.
- *Unassigned* – Amounts that are available for any purpose.

**Budgetary Information**

An annual budget is prepared and legally adopted for each governmental fund on the *modified accrual basis of accounting* using program categories required by Oregon State Budget Law for Municipal Corporations. Consistent with Oregon law, expenditures are appropriated at the following levels of control: Personal Services, Materials and Services, Capital Outlay, Transfers, Debt Service, and Contingency.

The Library District begins its budgeting process by appointing budget committee members each year. Recommendations are developed through early spring with the Board approving the budget in late spring. Public notices of the budget hearing are published generally in early June with the public hearing being held in late June. The final budget is adopted, appropriations made, and the tax levy declared no later than June 30 each year.

Expenditure budgets are appropriated at the major program level for each fund. The detail budget document, however, is required to contain more specific, detailed information for the aforementioned expenditure categories.

Expenditure appropriations may not be legally over-expended except in limited circumstances including the case of dedicated grant receipts, which could not be reasonably estimated at the time the budget was adopted.

Supplemental budgets less than 10% of a fund’s original budget may be adopted by the Board at a regular meeting. A supplemental budget greater than 10% of a fund’s original budget requires hearings before the public, publication in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control (major function levels) with Board approval. Appropriations lapse at the end of each fiscal year. The budget may also be modified for unanticipated grants or gifts restricted for special purposes by Board resolution. The Board of Directors approved transfers of budgetary appropriations during the fiscal year.

**2. CASH AND CASH INVESTMENTS- PRIMARY GOVERNMENT**

The Library District maintains two bank demand deposit accounts at US Bank. The District also invests in the Oregon Local Government Investment Pool.

At the fiscal year-end, *Governmental Funds* cash and investments are comprised of the following:

Cash in bank demand deposit US Bank - General Fund checking	\$ 27,512
Cash in bank demand deposit US Bank - Other Uses Funds checking	10,115
Demand deposits in Local Government Investment Pool-General Fund	554,995
Demand deposits in Local Government Investment Pool-Other Uses Funds	170,796
Demand deposits in Local Government Investment Pool-Capital Investment (LGIP accounts, cost approximates market, interest rate 0.93% at June 30)	104,638
Total Cash and Investments	\$ 868,056

At the fiscal year-end, *Fiduciary Fund* cash is comprised of the following:

Cash in bank demand deposit US Bank - Sage Fund	\$ 195,672
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**BAKER COUNTY LIBRARY DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
For Fiscal Year Ended June 30, 2022

The Local Government Investment Pool (LGIP) is included in the Oregon Short Term Fund (OSTF), which was established by the State Treasurer. OSTF is not subject to SEC regulation and is unrated for credit quality. OSTF is subject to requirements established in Oregon Revised Statutes, investment policies adopted by the Oregon Investment Council, and portfolio guidelines established by the Oregon Short Term Fund Board. The investment activity of the District for the fiscal year was limited to the LGIP and such investments are not required to be categorized according to the level of custodial credit risk.

Chapter 295 requires municipalities to hold deposits only with banks listed as Qualified Depositories for Public Funds by the Office of the Treasurer of the State of Oregon when they exceed the federal depository insurance limit. The District currently maintains deposits at US Bank, which is a bank included in the list of Qualified Depositories for Public Funds. Deposits at US Bank did not exceed FDIC coverage during the fiscal year. The District has no formal investment policy but does follow the requirements of Chapter 295 of the Oregon Revised Statutes for managing custodial funds.

**3. CASH – BAKER COUNTY FOUNDATION INC**

The Baker County Library Foundation cash is comprised of the following:

Cash in demand deposit Umpqua Bank – Foundation	\$ 30,880
	-
Total Cash	\$ 30,880

The Foundation currently maintains deposits at Umpqua Bank, which is a bank included in the list of Qualified Depositories for Public Funds. Deposits at Umpqua Bank did not exceed FDIC coverage during the fiscal year.

**4. INVESTMENTS – BAKER COUNTY FOUNDATION INC**

Investments consisted of the following as of June 30:

	Cost	Fair Value	Unrealized Gain (Loss)
<b>Exchange Traded Funds</b>			
Vanguard Index Trust Large Cap ETF	\$ 5,798	\$ 3,964	\$ (1,834)
Vanguard Intermediate Term Corporate Bond ETF	4,640	4,962	322
Total Exchange Traded Funds	10,438	8,926	(1,512)
<b>Mutual Funds</b>			
American Bond Fund of America C1 F3	9,569	8,504	(1,065)
American Fundatmental Investors C1 F3	5,361	4,544	(817)
American Growth Fund of America C1 F3	5,771	4,310	(1,461)
American High-Income Municipal Bond C1 F3	2,695	2,440	(255)
American Small Cap World C1 F3	5,154	3,604	(1,550)
Blackrock Total Return C1 K	8,324	7,518	(806)
Federated Hermes Government Obligations C1 Pm	1,046	1,048	2
Franklin Dynatech C1 R6	5,656	3,611	(2,045)
Franklin Total Return C1 R6	9,608	8,277	(1,331)
Total Mutual Funds	53,184	43,856	(9,328)
Total Investments	\$ 63,622	\$ 52,782	\$ (10,840)



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**5. RECEIVABLES**

Receivables as of the year-end for the District's governmental funds are comprised of the following:

USAC E-Rate program reimbursements due	\$	81
Vendor reimbursement		904
Due from component unit, Friends of the Baker Library, expense reimbursement		1,704
Total Receivables	\$	<u>2,689</u>

The amount due from USAC E-Rate Program represents reimbursements requested to complete the funding for the fiscal year. This Federal program subsidizes Internet costs for rural schools and libraries to expand the use of technology in rural areas.

**Undistributed Tax in Potential Refund Appeal**

Certain property tax assessments within Baker County are disputed and in the appeal process. As such, the County has held-back these funds in case they must be returned to the taxpayer. At year end, Baker County had \$2,158,071 in undistributed taxes related to this appeal. This circumstance has caused the amounts that are receivable from the County by the district to increase significantly. The district's share of this undistributed tax is \$116,688 and is included in the District's property taxes receivable. A determination of the likelihood that these funds will be returned to the taxpayer or eventually distributed has not been determined as of the date of these financial statements.

**6. CAPITAL ASSETS**

Capital asset activity for the fiscal year was as follows:

	Balance, Beginning of fiscal year	Increases	Decreases & Transfers	Balance, End of fiscal year
Capital assets not being depreciated:				
Land	\$ 42,800	\$ -	\$ -	\$ 42,800
Historical Treasures	14,000	-	-	14,000
Construction in process	-	45,000	-	45,000
Total capital assets not being depreciated	<u>56,800</u>	<u>45,000</u>	<u>-</u>	<u>101,800</u>
Capital assets being depreciated:				
Buildings and improvements	2,798,764	53,925	(9,950)	2,842,739
Furniture, fixtures and equipment	324,815	1,088	(11,692)	314,211
Vehicles	117,612	-	-	117,612
Total capital assets being depreciated	<u>3,241,191</u>	<u>55,013</u>	<u>(21,642)</u>	<u>3,274,562</u>
Total capital assets before depreciation	<u>3,297,991</u>	<u>100,013</u>	<u>(21,642)</u>	<u>3,376,362</u>
Less accumulated depreciation for:				
Buildings and improvements	(1,413,598)	(83,114)	6,366	(1,490,346)
Furniture, fixtures and equipment	(278,267)	(10,758)	11,692	(277,333)
Vehicles	(79,398)	(4,096)	-	(83,494)
Total accumulated depreciation	<u>(1,771,263)</u>	<u>(97,968)</u>	<u>18,058</u>	<u>(1,851,173)</u>
Total capital assets, net	<u>\$ 1,526,728</u>	<u>\$ 2,045</u>	<u>\$ (3,584)</u>	<u>\$ 1,525,189</u>

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Depreciation expense of \$97,968 for the year was charged to the *Library Services* function in the government-wide Statement of Activities. The District capitalizes improvements and equipment that exceeds the capitalization threshold as reported in Note 1. The District includes these expenditures as library materials and services for budgetary and reporting purposes.

Historical Information on District Land and Building Acquisitions

The land and building on 2400 Resort Street, which houses the *Baker County Public Library* was previously owned by the City of Baker City, Oregon. Baker City deeded the building to the Library District on July 27, 1990. The donated land and building were valued at \$270,000, the estimated market value at the time of transfer. This location also serves as the administrative offices for the Library District. The building was expanded and remodeled in 2001.

The land and building in Halfway which houses the *Halfway Branch Library* was purchased on March 18, 2003 for \$50,000. The building was the historic Halfway Masonic Lodge. The District remodeled the building during the fiscal year ended June 30, 2004.

The land and building in Haines which houses the *Haines Branch Library* was previously owned by the City of Haines, Oregon. The City of Haines deeded the historic City Hall building to the Library District on October 1, 2003. The donated land and building were valued at \$45,000, the estimated market value at the time of transfer. The District entered into a Memorandum of Understanding with the City of Haines on the same date, which requires the District to use the property as a library. The District assumed responsibility for all costs associated with the property. If at any time the District discontinues use of the building for library purposes, then the property will be deeded back to the City of Haines.

The *Huntington Branch Library* is in the City park in this small community. The City of Huntington deeded two City lots to the Library District on June 20, 2005. The donated land was valued at \$5,300, the estimated market value at the time of transfer. The District entered into a Donation Agreement with the City of Huntington on the same date, which requires the District to use the property for a library site. The District assumed responsibility for all costs associated with the property. If at any time the District discontinues use of the property for library purposes, then the property will be deeded back to the City of Huntington. During fiscal year ended June 30, 2005, the District placed a new modular building on the lots to serve as the Huntington Branch Library.

The District operates the *Richland Branch Library* in the Richland School Senior Housing (operated by Northeast Oregon Housing Authority). The housing authority donates the space for the library to operate the branch library for the benefit of the community as well as the housing residents. The District pays a proportionate share of the related utilities for the use of the space.

The District operates the *Sumpter Branch Library* inside the Sumpter city museum building. The District shares the cost of the related utilities with the City of Sumpter based on an allocation of space occupied by the library. The space was donated for library use for the branch library for the benefit of this small community.

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**7. LONG-TERM DEBT**

The following is a summary of the District’s outstanding debt at fiscal year-end:

Obligation	Payable at June 30, 2021	Increases	Decreases	Payable at June 30, 2022	Due in one year
City of Baker City LID	\$ 14,726	\$ -	\$ (2,398)	\$ 12,328	\$ 1,580
Accrued Compensated Absences	\$ 79,267	\$ 56,454	\$ (41,392)	\$ 94,329	\$ -
<b>Totals</b>	<b>\$ 93,993</b>	<b>\$ 56,454</b>	<b>\$ (43,790)</b>	<b>\$ 106,657</b>	<b>\$ 1,580</b>

Interest expense of \$408 on long-term debt has been included in the direct expense of individual functions of the government wide Statement of Activities.

City of Baker City LID:

The District incurred a long-term debt through a City project titled Resort Street Underground Utility Local Improvement District 2012. The City of Baker City made improvements to Resort Street in 2013 which runs in front of the main library building located in Baker City. The District was billed for \$24,500 in April 2014, payable in 40 semi-annual installments of \$612.50, representing its portion of the street improvements. The board approved the payment of the debt in May 2014 in installments of \$2,000 annually over 14 years. The first payment was due November 23, 2014 with subsequent payments due May 23 and November 23 each year thereafter. The interest rate is variable and will be set every six months using the State Local Government Investment Pool average for the previous six months plus 1%. The current interest rate as of May 2021 was 3.40%.

These payments are made by the District’s General Fund. As of June 30, 2022, future payments are as follows:

Fiscal Year	Principal	Interest	Total Payment
Year 1 2022-2023	\$ 1,580	\$ 420	\$ 2,000
Year 2 2023-2024	1,648	352	2,000
Year 3 2024-2025	1,705	295	2,000
Year 4 2025-2026	1,763	237	2,000
Year 5 2026-2027	1,824	176	2,000
Year 6-7 2027-2029	3,808	147	3,955
<b>TOTALS</b>	<b>\$ 12,328</b>	<b>\$ 1,627</b>	<b>\$ 13,955</b>

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**8. FUND BALANCES, GOVERNMENTAL FUNDS**

On the *Balance Sheet - Governmental Funds*, the fund balances are reported in the aggregate in the classifications defined by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund balances by classification for the year ended June 30, 2022, were as follows:

Fund balances	General Fund	Special Funds- Other Uses Fund	Reserve Fund- Capital Investment	Total Governmental Funds
Nonspendable:				
Prepaid wages	\$ 300	\$ -	\$ -	\$ 300
Restricted:				
Grant expenditures	-	15,297	-	15,297
Committed:				
Community support	-	2,000	-	2,000
Capital projects, building	-	-	104,638	104,638
Youth programs	-	1,399	-	1,399
Assigned:				
Capital projects, technology	-	5,366	-	5,366
Community support	-	55,389	-	55,389
Library operations	-	4,518	-	4,518
Literacy program	-	1,040	-	1,040
Reserve for retirement packages	-	92,233	-	92,233
Unassigned	535,029	-	-	535,029
Total fund balances	\$ 535,329	\$ 177,242	\$ 104,638	\$ 817,209

**9. INTERFUND TRANSFERS**

Interfund transfers for the fiscal year are as follows:

<u>Transfers Out:</u>	<u>Transfers In:</u>
General Fund	<u>Special Fund – Other Uses Fund:</u> \$12,500
General Fund	<u>Capital Investment Fund:</u> \$32,289
Other Uses Funds-Memorial Department	<u>General Fund:</u> \$3,400

General fund budgeted transfers of \$10,000 to the Severance Liability fund (Other Uses Funds) to accumulate monies for projected retirement packages, another \$1,500 to Election Reserves to fund upcoming board election costs, and \$1,000 to the Technology savings fund. A budgeted transfer of \$32,289 from General Fund was transferred into the new Capital Investment Fund to continue to accumulate savings for future capital projects. Other Uses-Memorial transfers the proceeds from online book sales to support General fund book purchases.

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**10. STATE CONSTITUTIONAL PROPERTY TAX LIMIT**

The Oregon voters in 1990 approved a state constitutional limit on property taxes for schools and non-school government operations (Measure 5). Under those provisions of the limitation, tax revenues are separated into those for the public school system and those for local government operations other than the public school system. The limitation specified a maximum allowable tax of \$10.00 for each \$1,000 of property real market value imposed by the local government for fiscal 1995-1996 and thereafter. The Oregon Department of Revenue established permanent rates for each taxing district in effect eliminating all tax bases.

In May 1997 Oregon voters approved an additional state constitutional limit (Measure 50) on assessed values used on the calculation of property taxes for school and non-school government operations. Beginning in fiscal 1997-98 assessed values were rolled back to the lesser of fiscal 1995-96 real market values, less an additional 10% or current real market values. New construction from July 1, 1995 and taxes levied for repayment of debt are not subject to the roll back. Future increases in assessed values of an individual property are limited to a maximum 3% increase independent of new construction.

The permanent tax rate for the District set by the State is \$0.5334 per \$1,000 of assessed valuation. The caps imposed by Measure 5 significantly affect the availability of property tax revenues for the District in areas where all local government taxes combined exceed the \$10 limit. In areas that are compressed, the tax rate will yield only its proportionate amount of the \$10.

**11. RISK MANAGEMENT**

The Library District is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years. The Library District obtains most of its insurance coverage through Special Districts Association of Oregon under an insurance pooling arrangement in which many special districts in Oregon participate. The risk of additional assessments to the Library District over premiums previously paid is presently deemed remote by District management.

**12. COMMITMENTS, CONTINGENCIES AND SUBSEQUENT EVENTS:**

The Library District is self-insured for unemployment claims purposes. Information related to maximum exposure of the District for all terminated employees at the end of the fiscal year is not available. Management believes there are no claims for the fiscal year.

Compensated absences are comprised of accumulated vacation leave and accumulated sick leave that has vested at the fiscal year end and are accrued in the government-wide financial statements.

Subsequent events are events or transactions that occur after the financial statements date, but before financial statements are issued. The Library District recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the financial statements, including the estimates inherent in the process of preparing the financial statements. The Library District's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the financial statement but arose after the financial statements date and before the financial statements are available to be issued. The Library District has evaluated subsequent events through the date that the financial statements were available to be issued and found that no adjustments or disclosures were necessary.

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**13. PENSION PLAN AND OTHER POST-EMPLOYMENT BENEFIT PLANS**

**A. Public Employees Retirement System (PERS)**

**Plan Description**

The Baker County Library District provides employees with pensions through the Oregon Public Employees Retirement System (PERS) a cost-sharing multiple-employer defined benefit pension plan. The Oregon Legislature delegated authority to the Public Employees Retirement Board to administer and manage the system.

All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A. Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The Pension Program, established by ORS Chapter 238A, provides benefits to members hired on or after this date. Contribution requirements are established by ORS and may be amended by the PERS Board of Trustees.

Oregon PERS issues a publicly available Comprehensive Annual Financial Report and Actuarial Valuation that can be obtained at: [www.oregon.gov/PERS/EMP/Pages/Financials/Actuarial-Financial-Information.aspx](http://www.oregon.gov/PERS/EMP/Pages/Financials/Actuarial-Financial-Information.aspx), under CAFR Archives.

In addition, much of the information presented in this Pension Note was provided by PERS and can be found at \*PERS Website: [www.oregon.gov/PERS/EMP/Pages/index.aspx](http://www.oregon.gov/PERS/EMP/Pages/index.aspx), under Financials.

**Benefits Provided**

**1. PERS Defined Benefit (DB) Pension Plan, Tier One/Tier Two Retirement Benefit (ORS 238)**

**Pension Benefits** – The Defined Benefit Pension Plan (ORS 238) is closed to new members on or after August 29, 2003. The PERS retirement allowance is payable monthly for life, selected from several retirement benefit options. These options include annuities, survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and 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 they have had a contribution in each of five calendar years. General Service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60. *For a complete list of requirements related to vesting and retirement age, see the PERS website\*.*

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

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

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

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**2. Oregon Public Service Retirement Plan Pension Program (OPSRP DB, ORS238A)**

**Pension Benefits** – The Pension Program (ORS 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age: for General Service 1.5 percent is multiplied by the number of years of service and the final average salary. The 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 or the date on which termination becomes effective, if the pension program is terminated. *For complete list of requirements related to vesting and retirement age, see the PERS website\*.*

**Death Benefits** – Upon the death of a non-retired (active) 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 that would otherwise have been paid to the deceased member.

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

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

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

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

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

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

**Recordkeeping** – PERS contracts with VOYA Financial to maintain IAP participant records.

**Contributions:**

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and Other Postemployment Benefit (OPEB) Plans.

Employer contribution rates during the period were based on the December 31, 2019 Actuarial Valuation, effective July 1, 2021 through June 30, 2023. Employer contributions for the year ended June 30, 2022 were \$108,759.

The rates in effect for the fiscal year ended June 30, 2022 were 26.44% for Tier One/Tier Two General Service members and 20.14% for OPSRP Pension Program General Service members, and 6% for OPSRP Individual Account Program.

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**Actuarial Valuations**

The employer contribution rates were set using the entry age actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, the 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 unfunded actuarial accrued liabilities being amortized over 20 years.

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

The total pension liability in the actuarial evaluation was determined using the following actuarial assumptions:

Valuation date	December 31, 2019
Measurement date	June 30, 2021
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll; as layered amortization over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset valuation method	Market value of assets, excluding reserves
Rate collar (aka Contribution Rate Stabilization Method)	Change in base contribution rate limit (i.e. collared) is not allowed to decrease if the funded status of the rate pool or employer is 87% or lower. The rate collar does not limit the change in the normal cost rate or changes for individual employer side accounts.
Economic assumptions:	
Net investment return	6.90 percent
Discount rate	6.90 percent
Consumer price inflation	2.40 percent
Future general wage inflation	3.40 percent overall payroll growth
Healthcare cost inflation rate	Ranging from 5.5% in 2022 to 3.9% in 2074

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2020 Experience Study. *For complete report of actuarial assumptions, see the PERS website\*.*

**Long-Term Expected Rate of Return**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019, the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. *For complete information and list of investment assets, see the PERS website\*.*



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**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.

**Discount Rate Sensitivity**

The sensitivity of the District’s net pension liability to changes in the discount rate is presented below, which shows the District’s net pension liability calculated using the discount rate of 6.90% as well as the net pension liability using a discount rate that is 1.0% lower (5.90%) or 1.0% higher (7.90%) than the current rate.

Discount Rate	1% Decrease	Current Rate	1% Increase
Proportionate share of the Net Pension Liability (Asset)	\$1,201,226	\$611,697	\$118,475

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

At June 30, 2022, the District reported a liability of \$611,697 for its proportionate share of the net pension liability. As the fiscal agent, this liability also includes the Sage Fund. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019 rolled forward to June 30, 2021. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2022, the District’s proportionate share was 0.00511175%.

For the year ended June 30, 2022, the District recognized pension expense at the fund level of \$127,557. The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$57,259	\$0
Changes in assumptions	\$153,126	\$1,610
Net difference between projected and actual earnings on investments	\$0	\$452,834
Changes in proportionate share	\$39,220	\$137,930
Differences between employer contributions and proportionate share of system contributions	\$2,433	\$30,054
Total (prior to post-Measurement Date MD contributions)	\$252,038	\$622,428
Contributions subsequent to the MD	\$129,776	N/A
Net deferred outflows (inflows) of resources	\$381,814	(\$370,390)

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

Amounts reported as deferred outflows or inflows of resources related to pension will be recognized in pension expense/(income) as follows:

Subsequent Fiscal Year	Deferred Outflow (Inflow) of Resources
1 <sup>st</sup> Fiscal Year	(\$74,577)
2 <sup>nd</sup> Fiscal Year	(\$70,157)
3 <sup>rd</sup> Fiscal Year	(\$95,696)
4 <sup>th</sup> Fiscal Year	(\$134,988)
5 <sup>th</sup> Fiscal Year	\$5,028
Thereafter	\$0
Total	(\$370,390)

*The information in this Pension Note was provided by PERS. For complete information see the PERS website\*.*

**B. Other Post-Employment Benefits (OPEB)**

**Plan Description**

The District is required by ORS 243.303 to make available to retirees, on a self-pay basis, group health and dental insurance from the date of retirement until Medicare eligibility. This continued medical coverage is offered to the District's eligible retirees and their spouse and dependents. This insurance is administered through the District's group health insurance and is a cost-sharing multiple employer plan. Premiums are paid by retirees based on the rates established for active employees plus 2% for administrative costs. The District does not subsidize any of the cost after retirement.

At June 30, 2022, there was one inactive, retired employee receiving benefits under the District's group health insurance and 11 active employees covered by the plan. The liability for the implicit post-employment insurance subsidy the District provides while not actuarially calculated, is not believed to be material.

Once the retiree qualifies for Medicare they are eligible to participate in health insurance that is offered through Oregon PERS. PERS administers the Retirement Health Insurance Account (RHIA) cost-sharing, multiple-employer defined benefit Other Postemployment Benefit (OPEB) plan. The insurance is offered to the retiree and their spouse and dependents. Premiums are determined by PERS and the cost is not known to the District.

Retirement Eligibility – To be eligible for the above plan, a retiree must be receiving benefits from Oregon PERS. Tier 1 or Tier 2 PERS members must be the earlier of age 55 or have 30 years of service. OPSRP members must be at least age 55 with 5 years of service.

Funding Requirements – The District does not make contributions directly to the health insurance plan.

Actuarial Assumptions – The assumptions are generally based upon those used in valuing pension benefits under Oregon PERS. The key actuarial assumptions and methods are stated above.

While the OPEB liability (asset) associated with the PERS RHIA is explained and disclosed below. The total assets and liabilities are immaterial and have not been reflected in these financial statements.

BAKER COUNTY LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For Fiscal Year Ended June 30, 2022

**Discount Rate Sensitivity**

The sensitivity of the District's net OPEB liability (asset) to changes in the discount rate is presented below, which shows the District's OPEB liability (asset) calculated using the discount rate of 6.90% as well as the net OPEB liability (asset) using a discount rate that is 1.0% lower (5.9%) or 1.0% higher (5.9%) than the current rate.

Discount Rate	1% Decrease	Current Rate	1% Increase
Total OPEB Liability	(\$3,097)	(\$3,502)	(\$3,848)

**Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Benefits:**

The following amounts reported as deferred inflows of resources related to OPEB are immaterial and will not be recognized in these financial statements.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$0	\$97
Changes in assumptions	\$69	\$52
Net difference between projected and actual earnings on investments	\$0	\$832
Changes in proportionate share	\$2,050	\$183
Differences between employer contributions and proportionate share of system contributions	\$0	\$0
Total (prior to post-Measurement Date MD contributions)	\$2,119	\$1,164
Contributions subsequent to the MD	\$110	N/A
Net deferred outflows (inflows) of resources	\$2,229	\$955

Amounts reported as deferred outflows or inflows of resources related to OPEB will be recognized in OPEB expense/ (income) as follows:

Subsequent Fiscal Year	Deferred Outflow (Inflow) of Resources
1 <sup>st</sup> Fiscal Year	(\$1,649)
2 <sup>nd</sup> Fiscal Year	(\$242)
3 <sup>rd</sup> Fiscal Year	(\$190)
4 <sup>th</sup> Fiscal Year	(\$263)
5 <sup>th</sup> Fiscal Year	\$0
Thereafter	\$0
Total	\$955

*The information in this OPEB Note was provided by PERS. For complete information see the PERS website\*.*

**Changes Subsequent to Measurement Date**

Management is not aware of any other changes subsequent to the June 30, 2021 measurement date that require disclosure.

*REQUIRED  
SUPPLEMENTARY  
INFORMATION*

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BAKER COUNTY LIBRARY DISTRICT  
 Budgetary Comparison Schedule - General Fund  
 For Fiscal Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Taxes:				
Current Year Property Taxes	\$ 1,278,935	\$ 1,306,184	\$ 1,218,606	\$ (87,578)
Prior Years' Property Taxes	45,000	55,000	47,892	(7,108)
Other Property Tax Revenues	500	500	3,012	2,512
Total Property Taxes	<u>1,324,435</u>	<u>1,361,684</u>	<u>1,269,510</u>	<u>(92,174)</u>
Intergovernmental Revenues:				
State Resource Sharing	8,000	8,100	8,094	(6)
Fines and Fees:				
Overdue fines and fees	15,000	12,500	12,109	(391)
Fiscal agency fee	2,000	2,200	2,160	(40)
Grant Revenues	5,500	18,000	52,977	34,977
Contributions	2,500	2,500	311	(2,189)
Other Revenues - Rebate	-	2,500	14,288	11,788
Other Revenues - Other Misc	-	-	3,075	3,075
Other Revenues - USAC E-Rate Program	7,000	8,000	6,949	(1,051)
Interest	<u>15,000</u>	<u>12,000</u>	<u>8,446</u>	<u>(3,554)</u>
Total Revenues	<u>1,379,435</u>	<u>1,427,484</u>	<u>1,377,919</u>	<u>(49,565)</u>

**EXPENDITURES**

Personal Services:

CEO - Library Director	86,417	86,417	86,417	-
Admin - IT Network & Systems Specialist	19,092	19,092	19,003	89
Admin - Business Manager / HR	32,732	32,850	32,935	(85)
Admin - Library Circulation/Office Manager	39,067	39,067	39,075	(8)
Admin - Technical Services/ Catalog Specialist	47,504	47,504	47,504	-
Admin - Collection Management / Outreach	42,753	42,753	42,858	(105)
Youth Services Specialist	35,433	35,433	35,443	(10)
Facilities Maintenance	33,746	33,746	33,746	-
Technical Services - Serials Specialist	41,036	40,250	38,979	1,271
Technical Services - Catalog Asst/ Acquisition	26,997	31,000	34,374	(3,374)
Technical Services - Media Specialist	32,244	32,244	31,590	654
Collection Management - Library Page/Shelving	27,753	22,000	20,104	1,896
Public Services / Outreach - Bookmobile	15,671	9,500	9,446	54
Public Services / Outreach - Branch Library Leads	78,841	73,860	72,725	1,135
Public Services / Library - General	26,033	25,500	18,812	6,688
IT Assistant	-	1,500	1,243	257
Vacation Subs & Special Projects	12,858	17,000	13,574	3,426
Staff Training Expense	3,216	2,000	1,189	811
Severance	-	1,000	996	4
PERS retirement program	113,574	104,000	108,759	(4,759)
Payroll taxes and insurance	51,418	43,304	45,203	(1,899)
Group health and life insurance	<u>135,484</u>	<u>135,050</u>	<u>128,963</u>	<u>6,087</u>
Total Personal Services	<u>901,869</u>	<u>875,070</u>	<u>862,938</u>	<u>12,132</u>

BAKER COUNTY LIBRARY DISTRICT  
 Budgetary Comparison Schedule - General Fund, CONTINUED  
 For Fiscal Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES, CONTINUED				
Materials and Services:				
Collection development (books and periodicals)	120,000	137,500	110,210	27,290
Library consortium - Sage membership and expenses	16,250	16,250	14,843	1,407
Facilities maintenance	57,500	62,600	60,179	2,421
Janitorial contract	26,400	21,000	22,500	(1,500)
Janitorial supplies	3,000	3,000	2,092	908
Equipment services	2,500	2,500	2,323	177
Computer maintenance	38,500	40,700	62,687	(21,987)
Bookmobile operations	10,000	14,500	12,411	2,089
Insurance	22,000	22,000	20,493	1,507
Travel and training	4,000	4,000	3,519	481
Professional fees - audit services	8,000	8,000	7,900	100
Bookkeeping supplies	2,000	2,500	1,821	679
Dues and subscription	3,600	3,600	2,385	1,215
Marketing & Publication	10,000	10,000	3,483	6,517
Financial management fees	1,380	1,380	1,066	314
Legal administration	100	750	630	120
Professional services	1,200	1,400	808	592
Public programs	3,300	14,200	13,820	380
Branch mileage	4,500	3,500	2,817	683
Library service supplies	20,500	23,500	17,678	5,822
Youth and childrens programs	14,000	15,000	10,595	4,405
Postage	1,000	1,300	943	357
Utilities	45,500	46,420	42,018	4,402
Telecommunications	18,150	18,300	17,251	1,049
Total Materials and Services	<u>433,380</u>	<u>473,900</u>	<u>434,472</u>	<u>39,428</u>
Debt Service Payments	2,000	2,000	2,000	-
Capital Outlay	25,000	25,000	-	25,000
Operating Contingency	513,686	554,695	-	554,695
Total Expenditures	<u>1,875,935</u>	<u>1,930,665</u>	<u>1,299,410</u>	<u>631,255</u>
Revenues Over (Under) Expenditures	<u>(496,500)</u>	<u>(503,181)</u>	<u>78,509</u>	<u>581,690</u>
Other Financing Sources (Uses):				
Operating Transfers In	4,000	4,000	3,400	(600)
Operating Transfers Out	<u>(32,500)</u>	<u>(44,789)</u>	<u>(44,789)</u>	<u>-</u>
Total Other Financing Uses	<u>(28,500)</u>	<u>(40,789)</u>	<u>(41,389)</u>	<u>(600)</u>
Revenues Over (Under) Expenditures and Other Financing Uses	(525,000)	(543,970)	37,120	581,090
Fund Balances, July 1	<u>525,000</u>	<u>543,970</u>	<u>498,209</u>	<u>(45,761)</u>
Fund Balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 535,329</u>	<u>\$ 535,329</u>

BAKER COUNTY LIBRARY DISTRICT  
 Budgetary Comparison Schedule - Special Revenue-Other Uses Fund  
 For Fiscal Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Local Sources:				
Grants	\$ 10,000	\$ 10,000	\$ 3,900	\$ (6,100)
Contributions	2,000	2,000	1,100	(900)
Other Revenues	4,000	4,000	5,413	1,413
Interest	3,500	1,500	909	(591)
Total Revenues	19,500	17,500	11,322	(6,178)
EXPENDITURES:				
Personal Services:				
Wages	1,500	1,500	-	1,500
Payroll taxes and related expense	150	150	-	150
Materials and Services:				
Memorial Department	82,350	90,350	7,972	82,378
Literacy Department	1,500	1,500	-	1,500
Technology Department	5,500	5,500	-	5,500
Severance Liability Department	92,000	92,000	-	92,000
Capital Outlay:				
Capital Projects Department	-	-	-	-
Total Expenditures	183,000	191,000	7,972	183,028
Revenues Over (Under)				
Expenditures	(163,500)	(173,500)	3,350	176,850
Other Financing Sources (Uses):				
Operating Transfers In	12,500	12,500	12,500	-
Operating Transfers Out	(4,000)	(4,000)	(3,400)	600
Total Other Financing Sources	8,500	8,500	9,100	600
Revenues and Other Financial Sources Over (Under)				
Expenditures and Other Financing Uses	(155,000)	(165,000)	12,450	177,450
Fund Balances, July 1	155,000	165,000	164,792	(208)
Fund Balances, June 30	\$ -	\$ -	\$ 177,242	\$ 177,242

BAKER COUNTY LIBRARY DISTRICT  
 Budgetary Comparison Schedule - Capital Investment Fund  
 For Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Local Sources:				
Grants	\$ -	\$ -	\$ -	\$ -
Interest	<u>1,500</u>	<u>1,000</u>	<u>818</u>	<u>(182)</u>
Total Revenues	<u>1,500</u>	<u>1,000</u>	<u>818</u>	<u>(182)</u>
EXPENDITURES:				
Capital Outlay:				
Facilities maintenance & repair	<u>186,500</u>	<u>192,289</u>	<u>87,063</u>	<u>105,226</u>
Total Expenditures	<u>186,500</u>	<u>192,289</u>	<u>87,063</u>	<u>105,226</u>
Revenues Over (Under) Expenditures	<u>(185,000)</u>	<u>(191,289)</u>	<u>(86,245)</u>	<u>105,044</u>
Other Financing Sources (Uses):				
Operating Transfers In	20,000	32,289	32,289	-
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources	<u>20,000</u>	<u>32,289</u>	<u>32,289</u>	<u>-</u>
Revenues and Other Financial Sources Over (Under) Expenditures and Other Financing Uses	(165,000)	(159,000)	(53,956)	105,044
Fund Balances, July 1	<u>165,000</u>	<u>159,000</u>	<u>158,594</u>	<u>(406)</u>
Fund Balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104,638</u>	<u>\$ 104,638</u>



BAKER COUNTY LIBRARY DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 Oregon PERS Schedules  
 For the fiscal year ended June 30, 2021

Fiscal year ended June 30,	<u>Schedule of District's Proportionate Share of Net Pension Liability</u>									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the Net Pension Liability (NPL)	0.00511175%	0.00576989%	0.00599104%	0.0053291%	0.0064268%	0.0051110%	0.0059720%	0.0057010%	0.0059720%	
District's proportionate share of the Net Pension Liability (Asset)	\$ 611,697	\$ 1,259,188	\$ 1,036,306	\$ 807,281	\$ 866,334	\$ 767,274	\$ 342,879	\$ (129,225)	\$ 290,929	
District's covered-employee payroll	\$ 583,991	\$ 590,489	\$ 567,113	\$ 565,901	\$ 575,443	\$ 586,334	\$ 535,187	\$ 478,356	\$ 412,408	UNAVAILABLE
District's proportionate share of the NPL as a Percentage of its Covered-Employee Payroll	104.74%	213.24%	182.73%	142.65%	150.55%	130.86%	64.07%	-27.01%	70.54%	
Plan Net Position as a Percentage of Total Pension Liability	87.60%	75.80%	80.20%	82.10%	83.10%	80.53%	91.90%	103.60%	91.97%	

Fiscal year ended June 30,	<u>Schedule of District's Proportionate Share of OPEB-RHIA Liability</u>									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the Net OPEB-RHIA Liability (NOL)	0.00101979%	0.00087317%	0.00511781%	0.00495878%						
District's proportionate share of the Net OPEB-RHIA Liability (Asset)	\$ (3,502)	\$ (1,779)	\$ (9,889)	\$ (5,535)						
District's covered-employee payroll	\$ 583,991	\$ 590,489	\$ 567,113	\$ 565,901						
District's proportionate share of the NOL as a percentage of its covered-employee payroll	-0.60%	-0.30%	-1.74%	-0.98%						
Plan Net Position as a Percentage of Total NOL	183.9%	150.1%	144.4%	124.0%				UNAVAILABLE		

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

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

Fiscal year ended June 30,	<u>Schedule of District's Pension Contributions</u>									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contribution	\$ 127,557	\$ 116,396	\$ 104,459	\$ 92,418	\$ 84,763	\$ 65,496	\$ 68,520	\$ 46,457	\$ 47,143	
Contributions in Relation to the Contractually Required Contribution	\$ (127,557)	\$ (116,396)	\$ (104,459)	\$ (92,418)	\$ (84,763)	\$ (65,496)	\$ (68,520)	\$ (46,457)	\$ (47,143)	
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	UNAVAILABLE
District's Covered Employee Payroll	\$ 583,991	\$ 590,489	\$ 567,113	\$ 565,901	\$ 575,443	\$ 498,720	\$ 510,586	\$ 465,853	\$ 419,402	
Contributions as a Percentage of Covered-Employee Payroll	21.84%	19.71%	18.42%	16.33%	14.73%	13.13%	13.42%	9.97%	11.24%	

Fiscal year ended June 30,	<u>Schedule of District's OPEB-RHIA Contributions</u>									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contribution	\$ 1,555	\$ 1,914	\$ 2,418	\$ 2,536						
Contributions in Relation to the Contractually Required Contribution	\$ (1,555)	\$ (1,914)	\$ (2,418)	\$ (2,536)						UNAVAILABLE
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -						
District's Covered Employee Payroll	\$ 583,991	\$ 590,489	\$ 567,113	\$ 565,901						
Contributions as a Percentage of Covered-Employee Payroll	0.27%	0.32%	0.43%	0.45%						

*OTHER  
SUPPLEMENTARY  
INFORMATION*

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BAKER COUNTY LIBRARY DISTRICT  
 Budgetary Comparison Schedule - Fiduciary Fund, Sage Library System  
 For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
<b>Local Sources:</b>				
Grants	\$ 61,000	\$ 61,000	\$ 60,950	\$ (50)
Membership dues	228,000	228,000	227,556	(444)
Other revenues	3,500	2,825	2,529	(296)
Interest	-	-	-	-
Total revenues	<u>292,500</u>	<u>291,825</u>	<u>291,035</u>	<u>(790)</u>
<b>EXPENDITURES:</b>				
<b>Personal Services:</b>				
Sage system manager	75,250	75,250	67,689	7,561
Business manager	6,500	6,500	6,547	(47)
Sage payroll taxes & benefits	28,786	26,911	24,671	2,240
Total personal services	<u>110,536</u>	<u>108,661</u>	<u>98,907</u>	<u>9,754</u>
<b>Materials and Services:</b>				
Courier services and supplies	96,000	96,000	99,107	(3,107)
Fiscal agency fee, admin services	2,200	2,200	2,160	40
Dues and subscriptions	5,000	5,000	6,458	(1,458)
Member credits	-	100	-	100
Office supplies and miscellaneous	525	525	390	135
Postage	60	60	59	1
Technical services contract	66,881	66,881	66,450	431
Technical services expense	4,000	4,000	3,403	597
Technology maintenance expense	6,000	6,000	4,211	1,789
Telecommunications	400	400	234	166
Training & professional development	1,000	1,000	55	945
Travel	2,000	2,000	-	2,000
Total materials and services	<u>184,066</u>	<u>184,166</u>	<u>182,527</u>	<u>1,639</u>
Capital outlay	15,000	15,000	-	15,000
Operating contingency	12,898	26,152	-	26,152
Total expenditures	<u>322,500</u>	<u>333,979</u>	<u>281,434</u>	<u>52,545</u>
Revenues Over (Under) Expenditures	(30,000)	(42,154)	9,601	51,755
Fund Balances, July 1	<u>165,000</u>	<u>175,000</u>	<u>183,501</u>	<u>8,501</u>
Fund Balances, June 30	<u>\$ 135,000</u>	<u>\$ 132,846</u>	<u>\$ 193,102</u>	<u>\$ 60,256</u>

*AUDIT  
COMMENTS  
AND DISCLOSURES*

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INDEPENDENT AUDITOR'S REPORT  
REQUIRED BY OREGON STATE REGULATIONS

We have audited the basic financial statements of Baker County Library District as of and for the year ended June 30, 2022, and have issued our report thereon dated December 12, 2022. 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 Baker County Library District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

- Insurance and fidelity bonds in force or required by law.
- Deposit of public funds with financial institutions (ORS Chapter 295)
- Local budget law (ORS 294.305-294.565)
- Budgets legally required (ORS Chapter 294.900)
- Programs funded from outside sources.
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).

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

OAR 162-10-0230 Internal Control

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

We noted certain internal control matters that we reported to management of Baker County Library District in a separate letter dated December 12, 2022

This report is intended solely for the information and use of the board of directors and management of Baker County Library District and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

***Gaslin Accounting CPA's PC***



Robert Gaslin CPA  
December 12, 2022

# Audit Report or Review Report Submission

**Are you submitting a(an):**  
Audit Report

**Municipal corporation**  
Baker Co Library District

**Municipal customer number**  
00160 [REDACTED]

**Fiscal year end date**  
6/30/2022

**Your name**  
Robert Gaslin

**Your email**  
ro[REDACTED]n@gmail.com

**Additional email to receive copy of this submission**  
d[REDACTED]s@bakerlib.org

**Additional email to receive copy of this submission**  
dir[REDACTED]@bakerlib.org

**Attach Audit Report or Review Report here**  
Baker County Library District June 30, 2022.pdf  
BCLD Internal Control Letter.pdf

**Did the auditor communicate deficiencies?**  
Yes

**Would you like to submit your plan of action now?**  
No

A Plan of Action as adopted by the governing body must be filed within 30 days of your report submission. You can email to [municipalfilings.sos@sos.oregon.gov](mailto:municipalfilings.sos@sos.oregon.gov) or mail to:

Audits Division  
255 Capitol St. NE  
Salem OR 97310

You may proceed by clicking Submit below to submit your report without the Plan of Action at this time.

**Comments or additional information**