

# Baker County Library District

Baker City, Oregon



## Financial Statements

For the fiscal year ended June 30, 2020



**GASLIN ACCOUNTING, PC**  
CERTIFIED PUBLIC ACCOUNTANTS

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

## **COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE**

Board of Directors  
Baker County Library District  
2400 Resort Street  
Baker City, OR 97814

Dear Board of Directors of Baker County Library District:

We have audited the financial statements of Baker County Library District as of and for the year ended June 30, 2020, and have issued our report thereon dated December 31, 2020. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated September 1, 2020, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Baker County Library District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies over financial reporting and material noncompliance, and other matters noted during our audit in a separate letter to you dated December 31, 2020.

### **Planned Scope and Timing of the Audit**

The timing of our audit differed somewhat from what we had previously communicated to you in that we had expected to issue the audit report around the end of October and, instead, issued it on 12/31/20. This delay was due primarily to all of the work created by the COVID pandemic and the stimulus associated with it.

## **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

The provision of any non-attest service requires us to identify any possible risks to our independence and describe the safeguards we have implemented to protect against that risk. We prepared the reconciliation schedules of the governmental fund statements to the full accrual statements and we performed the arithmetic calculation of depreciation. The risk to our independence here is the risk of self-review. To mitigate that risk, we have a second CPA review all work performed before the statements are issued to ensure that self-review is not an issue.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Baker County Library District is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2020, except for the implementation of GASB 84 and the associated determination of reporting on the SAGE activity. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are Pension Calculations.

Management's estimate of the Net Pension liability is based on the PERS' own audited financial statements and the associated actuarial calculation. We evaluated the key factors and assumptions used to develop the pension liability and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting Baker County Library District's financial statements relate to: Pension liabilities.

## **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

## **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and uncorrected misstatements. Additionally we are required to report to you all corrected misstatements. There are none to report.

**Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Baker County Library District’s financial statements or the auditor’s report. No such disagreements arose during the course of the audit.

**Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated December 31, 2020.

**Management’s Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

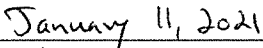
**Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with Baker County Library District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Baker County Library District’s auditors.

This report is intended solely for the information and use of the Board of Directors , and management of Baker County Library District and is not intended to be and should not be used by anyone other than these specified parties.

 CPA

(Signature of Auditor)



(Date)

*To the Board of Directors and Management of  
Baker County Library District*

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Baker County Library District as of and for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered Baker County Library District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Baker County Library District's internal control. Accordingly, we do not express an opinion on the effectiveness of Baker County Library District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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

The District's finance manager has the ability to prepare the financial statements including the Government-Wide Financial Statements. However, the District does rely on us as the auditor to verify the financial statements, including note disclosures, contain all of the elements required to comply with generally accepted accounting principles. We do believe the District staff has the ability to understand, review, and take responsibility for the financial statements require to comply with independence standards under AICPA 101-3. However, our assistance in drafting the financial statements described above does produce a significant deficiency in the District's internal control system.



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

***Gaslin Accounting CPA's PC***  
Baker City, Oregon  
December 31, 2020

BAKER COUNTY LIBRARY DISTRICT  
**TABLE OF CONTENTS**  
For the Fiscal Year Ended June 30, 2020

Elected Board of Directors	1
Independent Auditor's Report	2-3
Management's Discussion and Analysis	4-10

**BASIC FINANCIAL STATEMENTS**

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Government-wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	13
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	14
Statement of Revenues, Expenditures and Changes in Fund Balance	15
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds to the Statement of Activities	16
Fiduciary Fund:	
Statement of Fiduciary Net Position	17
Statement of Changes in Fiduciary Net Position	18
Notes to the Financial Statements	
Note 1 – Summary of Significant Accounting Policies	19-23
Note 2 – Cash and Investments	24
Note 3 – Receivables	24
Note 4 – Prepaid Expenses	24
Note 5 – Capital Assets	25-26
Note 6 – Operating Lease	26
Note 7 – Short-Term Debt	26
Note 8 – Long-Term Debt	27
Note 9 – Interfund Transfers	27
Note 10 – State Constitutional Property Tax Limit	28
Note 11 – Risk Management	28
Note 12 – Commitments and Contingencies	28
Note 13 – Pension Plan and Other Post Employment Benefits	29-34

BAKER COUNTY LIBRARY DISTRICT  
**TABLE OF CONTENTS**  
For the Fiscal Year Ended June 30, 2020  
(Continued)

**REQUIRED SUPPLEMENTARY INFORMATION**

---

Governmental Individual Fund Schedules:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Major Funds	
General Fund	35
Special Revenue Funds – Other Uses Fund	36
Oregon Public Employees Retirement System Schedules:	37
Schedule of District’s Proportionate Share of the Net Pension Liability	
Schedule of District’s Proportionate Share of OPEB-RHIA Liability	
Schedule of District’s Pension Contributions	
Schedule of District’s OPEB-RHIA Contributions	

**OTHER SUPPLEMENTARY INFORMATION**

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Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Non Major Fund	38
Capital Investment Fund	
Budget and Actual – Fiduciary Fund	39
Sage Library System	
Schedule of Property Tax Transactions	40

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

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Independent Auditor’s Report Required by Oregon State Regulations	41
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BAKER COUNTY LIBRARY DISTRICT  
 BAKER CITY, OREGON  
 LIST OF ELECTED OFFICERS  
 For Fiscal Year Ended June 30, 2020

<u>Board of Directors:</u>		<u>Term Expiration:</u>
President	Gary Dielman Baker City, Oregon	June 30, 2023
Director	Frances Vaughan Halfway, Oregon	June 30, 2023
Director	Betty Palmer Baker City, Oregon	June 30, 2021
Director	Kyra Rohner Baker City, Oregon	June 30, 2021
Director	Beth Bigelow Baker City, Oregon	June 30, 2021

Budget Committee:

Member	Aletha Bonebrake Baker City, Oregon	Appointed
Member	Linda Collier Halfway, Oregon	Appointed
Member	Bob Savage Baker City, Oregon	Appointed
Member	Joy LeaMaster Baker City, Oregon	Appointed
Member	Anne Mehaffy Baker City, Oregon	Appointed

District Administration:

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

District Attorney	Greg Baxter 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

We have audited the accompanying financial statements of the governmental activities, each major fund, the fiduciary activity and the aggregate remaining fund information of Baker County Library District, Baker City, Oregon, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the fiduciary activity, and the aggregate remaining fund information of Baker County Library District, Baker City, Oregon, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *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 postemployment benefits information on pages 4 through 10, and pages 35 through 37 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 and postemployment benefits 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, Baker City, Oregon's financial statements as a whole. The *Other Budgetary Comparison Schedules, and Schedule of Property Tax Transactions* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The *Other Budgetary Comparison Schedules, and Schedule of Property Tax Transactions* are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such 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.

## 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 31, 2020 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***



Robert Gaslin, CPA  
December 31, 2020

*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, 2020. The Library District's financial statements and notes to the financial statements which follow should be considered in reading the information presented.

**Financial Highlights**

Assets of the Baker County Library District exceeded its liabilities at the close of the fiscal year by \$1,471,677 (*net position*). The Library District's total net position decreased by \$67,184 over the prior fiscal year. The decrease primarily consisted of a decrease in pension liability adjustments as supplied by PERS related to the GASB 68 required reporting. Combined current assets and capital assets increased \$78,971. The total current assets increased by \$152,918 over the prior fiscal year. Cash increased \$290,737 while other current assets decreased by \$138,819. The decrease in other current assets consisted of a large decrease in property taxes of \$111,141, an increase in other receivables \$1,694 and a decrease in prepaid expenses \$28,372. Prepaid expenses have been combined with the related liability this year. Total capital assets decreased (\$73,947) largely due to depreciation expense of (\$85,847) exceeding asset additions of \$11,900. Building & Improvements decreased (\$72,210) due to depreciation expense. Furniture, Fixtures and Equipment decreased \$1,737 with depreciation exceeding additions. The main branch replaced shelving for the children's collections. Vehicles remained unchanged. 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 \$694,667. The Special Revenue – Other Uses Funds balance of \$167,979 represents funds that are restricted, committed and assigned either by outside parties or management. The Capital Investment Fund balance of \$50,382 are funds committed for future capital projects. The General Fund balance of \$476,306 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 \$431,606.

The General Fund contains the only funds available for discretionary spending, with a current balance of \$476,006 in *unassigned fund balance*. This unassigned fund balance shows an increase of \$203,965 in the ending fund balance in the General Fund over the previous fiscal year, which was \$272,341 on the *modified accrual basis*. Combining assets in cash of \$552,741, property taxes receivable of \$70,521, and other current assets of \$7,467 with liabilities of \$51,956, the General Fund ending fund balance is \$476,306 including \$300 of non-spendable funds. This represents an increase in assets of \$93,967 and a decrease in liabilities of \$29,686 over the prior fiscal year. The increase in assets has two main factors, a large increase in Cash \$231,786 due to large turnovers of back property taxes, and a large decrease in Property Tax Receivables \$111,141. The decrease in liabilities has two main factors, a decrease in deferred inflows of \$41,137 (the offsetting entry for property tax receivable), and a decrease in Wages Payable of \$23,957 (the prepaid payroll asset had been previously shown as a separate number, it has been combined to show a net liability). Accounts payable had a small decrease of \$3,300 over the prior fiscal. And finally, there was a small increase in payroll taxes and benefits payable \$2,429.

### 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 11-12) yielded a total of \$1,264,651 in revenues. Revenues from property taxes of \$1,217,676 represent 98% of total District revenues. The charges for services of \$14,474 (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. Grants, contributions, interest and miscellaneous revenues for the year totaled \$16,607 (1% of revenues).

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

Baker County Library District  
Management's Discussion and Analysis, Continued

**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 two 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 statement 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.

*Agency 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.

Baker County Library District  
 Management's Discussion and Analysis, Continued

**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 \$1,471,677 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 negative balance of (\$32,407) for unrestricted net assets and a positive balance of \$6,936 for restricted net assets.

Net Position

	Fiscal Year <u>2019-2020</u>	Fiscal Year <u>2018-2019</u>
Current assets	\$ 848,880	\$ 695,962
Capital assets	1,512,463	1,586,410
Deferred outflows, pensions	<u>424,737</u>	<u>396,221</u>
Total assets and deferred outflows	<u>2,786,080</u>	<u>2,678,593</u>
Current liabilities	85,209	84,056
Net pension liability	1,026,417	807,281
Long-term liabilities	85,214	89,686
Deferred inflows, pensions	<u>117,563</u>	<u>158,700</u>
Total liabilities and deferred inflow	<u>1,314,403</u>	<u>1,139,732</u>
Net Investment in capital assets	1,497,148	1,568,976
Restricted	6,936	15,486
Unrestricted	<u>(32,407)</u>	<u>(45,601)</u>
Total net position	<u>\$ 1,471,677</u>	<u>\$ 1,538,861</u>

The District's current fiscal year net position decreased by \$21,618 over the prior fiscal year. The decrease was primarily due to liability adjustments for GASB 68 required reporting. There was an increase in the ending current assets and an increase in current liabilities. The primary contributing factors to the decrease were although there was a large increase in current assets that was offset by a large increase in net pension liability. The change in net position is reported on page 12.

The District's *Library Service* expenses for Fiscal Year 2019-2020 decreased to \$1,213,093 compared to Fiscal Year 2018-2019 of \$1,268,811, a decrease of \$55,718.

In Fiscal Year 2019-2020, the District reported a decrease in Operating Grants, Reimbursements, and Contributions, reporting \$16,607 compared to \$49,846 in the prior Fiscal Year 2018-2019.

Property tax revenues increased in Fiscal Year 2019-2020, with the District reporting \$1,398,658 compared to \$1,236,368 in the prior Fiscal Year 2018-2019 due to increases in the current levy and large turnovers of prior year taxes.

Baker County Library District  
 Management's Discussion and Analysis, Continued

**Governmental funds.** Governmental funds combined fund balance increased by \$263,061. The fund balance of the General Fund increased by \$203,965 while the Other Uses Funds increased by \$8,714. 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 \$694,667 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, 2020

	Variance Favorable (Unfavorable)	Budget	Actual	FYE 6/30/2019  Prior Fiscal Year Actual
Total Revenues	\$ 22,088	\$ 1,374,000	\$ 1,396,088	\$ 1,192,344
Expenditures:				
Personal Services	26,180	788,342	762,162	755,571
Materials & Services	53,782	418,960	365,178	351,773
Debt Service	-	2,000	2,000	2,000
Capital Outlay	(283)	10,000	10,283	-
Contingency	430,708	430,708	-	-
Total Expenditures	510,387	1,650,010	1,139,623	1,109,344
Revenues Over (Under) Expenditures	532,475	(276,010)	256,465	83,000
Other Financing Sources (Uses)	( 8,000)	(44,500)	(52,500)	(7,780)
Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	524,475	(320,510)	203,965	75,220
Fund Balances, Beginning	(48,169)	320,510	272,341	197,121
Fund Balances, Ending	476,306	\$ -	\$ 476,306	\$ 272,341

The Special Revenue - *Other Uses Fund* comprises all other activities of the District. This fund includes the memorial department, technology department, capital projects department, the literacy coalition funds, and a provision for severance liability. The *Debt Service Fund*, which was held separately for repaying the bond from special tax levies, has been closed since the District currently does not have bonded debt.

**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 2016, effective July 1, 2017 through June 30, 2021. 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.



Baker County Library District  
Management's Discussion and Analysis, Continued

The total budget for operations increased .04% in the next Fiscal Year 2020-2021 to \$1,709,950 compared to Fiscal Year 2019-2020 of \$1,702,510 (including adopted changes). The Board of Director's contingency reserve target number has been maintained. Operating costs have increased which led to the need to increase the contingency target in the prior fiscal year in order to operate on District funds until November when tax revenues begin to come in.

In the Fiscal Year 2020-2021 budget, Personal Services increased in total by 6.0% over Fiscal Year 2019-2020. Public service levels continue to be maintained and contribute to 3% of the increase. The District continued with the same insurance carrier through Special Districts Insurance Services. The rate increased 3% over the prior year. Pension costs are anticipated to remain about the same this fiscal year but are anticipate to significantly increase in the next biennium with 5% increases anticipated for Fiscal Year 2021-22. Wages were increased by a modest 1.0% COLI along with scheduled step increases. Materials & Services remain relatively flat over the prior fiscal year. Collection Development funding will begin at 8% of the operating budget. Facilities Maintenance is sustained at a high level in order to continue with special repairs and improvement projects. Tax Revenues are anticipated to increase 1.4% with other revenues remaining comparatively flat. Cash carryover is anticipated to remain about the same level.

**Current Year Budget.** The Fiscal Year 2019-2020 operating budget increased by a nominal 0.44% overall over the prior Fiscal Year 2018-2019. Revenues will decrease with prior tax revenues anticipated to return to historical level. Interest and other revenues remaining flat. Personal services increased 6.0% primarily due to an increase in health insurance costs. Materials & Services remains flat over last fiscal year decreasing by 1.8%.

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 and borrow any of the materials available. The online content was sharply increased in order to offer more materials to patrons while library services have been minimized during the pandemic restrictions. The District offers drive-up window and curbside services during short closure periods, and has recently increased in-person numbers for patrons to browse the physical collections. The main branch in Baker temporarily offers a computer outside the front door for patrons to search the catalogs and place holds for those that have concerns about coming inside due the current pandemic restrictions. The District staff is committed to serving the public in new ways to keep the materials available to the public.

**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.

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*BASIC  
FINANCIAL  
STATEMENTS*

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BAKER COUNTY LIBRARY DISTRICT  
STATEMENT OF NET POSITION  
As of June 30, 2020

ASSETS	<u>Current Fiscal Year</u> 6/30/2020	<u>Total</u> Governmental Activities
Current Assets:		
Cash and investments	\$ 770,892	\$ 770,892
Property taxes receivable	70,521	70,521
Accounts receivable	5,250	5,250
Expense reimbursement receivable	2,217	2,217
Total current assets	848,880	848,880
Capital Assets:		
Land	42,800	42,800
Art and historic treasures	14,000	14,000
Buildings and improvements	2,714,023	2,714,023
Furniture, fixtures and equipment	321,743	321,743
Vehicles	97,132	97,132
Accumulated depreciation	(1,677,235)	(1,677,235)
Total capital assets	1,512,463	1,512,463
Deferred Outflows of Resources Related to Pensions	424,737	424,737
Total assets and deferred outflows	2,786,080	2,786,080
LIABILITIES		
Current Liabilities:		
Accounts payable	20,786	20,786
Wages and payroll taxes payable	31,274	31,274
Deferred inflows - property taxes	0	0
Prepaid Reimbursement	832	832
Due to Sage Library System	30,800	30,800
Note payable - current	1,517	1,517
Total current liabilities	85,209	85,209
Noncurrent Liabilities:		
Compensated absences payable	71,416	71,416
Net pension liability	1,026,417	1,026,417
Note payable - noncurrent	13,798	13,798
Total noncurrent liabilities	1,111,631	1,111,631
Deferred Inflows of Resources Related to Pensions	117,563	117,563
Total liabilities and deferred inflows	1,314,403	1,314,403
NET POSITION		
Net investment in capital assets	1,497,148	1,497,148
Restricted	6,936	6,936
Unrestricted	(32,407)	(32,407)
Total net position	\$ 1,471,677	\$ 1,471,677

The notes are an integral part of these financial statements

BAKER COUNTY LIBRARY DISTRICT  
STATEMENT OF ACTIVITIES  
As of June 30, 2020

Governmental Activities:	Program Revenues			Net Revenues (Expense) and Changes in Net Assets	Total Governmental Activities
Expenses	Charges for Services	Operating Grants, Reimbursements and Contributions	Capital Grants and Contributions	FYE 06/30/2020	Total Governmental Activities
Library Services	\$ 1,362,356	\$ 16,607	\$ -	\$ (1,331,275)	\$ (1,331,275)
Interest Expense	\$ 560	\$ -	\$ -	(560)	(560)
Total Governmental Activities	<u>\$ 1,362,916</u>	<u>\$ 16,607</u>	<u>\$ -</u>	<u>(1,331,835)</u>	<u>(1,331,835)</u>
General Revenues:					
Property taxes levied for general purposes				1,217,676	1,217,676
Unrestricted Investment Earnings				23,552	23,552
Other general revenues				23,423	23,423
Total general revenues				<u>1,264,651</u>	<u>1,264,651</u>
Change in net assets					
				(67,184)	(67,184)
Net position - July 1					
				<u>1,538,861</u>	<u>1,538,861</u>
Net position - June 30					
				<u>\$ 1,471,677</u>	<u>\$ 1,471,677</u>

The notes are an integral part of these financial statements  
12

**BAKER COUNTY LIBRARY DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2020**

	<u>General Fund</u>	<u>Special Funds - Other Uses Fund</u>	<u>Capital Investment Fund (Non- Major)</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 552,741	\$ 167,769	50,382	\$ 770,892
Accounts Receivable	5,250	0	0	5,250
Property Taxes Receivable	70,521	0	0	70,521
Expense Reimbursement Receivable	2,217	0	0	2,217
Payroll Advances	0	0	0	0
Prepaid Expense	0	314	0	314
Prepaid Payroll	0	0	0	0
<b>Total Assets</b>	<u>\$ 630,729</u>	<u>\$ 168,083</u>	<u>50,382</u>	<u>\$ 849,194</u>
 <b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 20,682	\$ 104	0	\$ 20,786
Wages Payable	18,058	0	0	18,058
Payroll Taxes and Benefits Payable	13,216	0	0	13,216
<b>Total Liabilities</b>	<u>51,956</u>	<u>104</u>	<u>0</u>	<u>52,060</u>
 <b>Deferred Inflows:</b>				
Prepaid Reimbursement	1,146	0	0	1,146
Due to Sage	30,800	0	0	30,800
Deferred Property Tax Revenue	70,521	0	0	70,521
<b>Total Deferred Inflows</b>	<u>102,467</u>	<u>0</u>	<u>0</u>	<u>102,467</u>
 <b>Fund Balance:</b>				
Non-Spendable Funds	300	314	0	614
Restricted Fund Balance	0	6,008	0	6,008
Committed Fund Balance	0	72,784	50,382	123,166
Assigned Fund Balance	0	88,873	0	88,873
Unassigned Fund Balance	476,006	0	0	476,006
<b>Total Fund Balance</b>	<u>476,306</u>	<u>167,979</u>	<u>50,382</u>	<u>694,667</u>
 <b>Total Liabilities, Deferred Inflows, and Fund Balance</b>				
	<u>\$ 630,729</u>	<u>\$ 168,083</u>	<u>50,382</u>	<u>\$ 849,194</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, 2020

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<b>Total Fund Balances - Total Governmental Funds</b>		<b>\$ 694,667</b>
<p>Amounts reported for governmental activities in the <i>Statement of Net Position</i> are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.</p>		
Cost of Capital Assets	\$ 3,189,698	
Accumulated Depreciation	<u>(1,677,235)</u>	1,512,463
<p>Certain items are prepaid or not available to pay for current period expenditures and are deferred or not reported in the governmental funds:</p>		
Deferred Outflows of Resources Related to OPEB	62	
Deferred Inflows of Resources Related to OPEB	(2,049)	
Deferred Outflows of Resources Related to Pension	424,675	
Deferred Inflows of Resources Related to Pension	<u>(115,514)</u>	307,174
<p>Certain items not due and payable in the current period are not reported in the governmental funds:</p>		
Compensated Absences Payable	(71,416)	
Note Payable	(15,315)	
Net Other Post-Employment Benefit (OPEB) Asset	9,889	
Net Pension Liability	<u>(1,036,306)</u>	(1,113,148)
<p>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.</p>		
		<u>70,521</u>
<b>Total Net Position - Governmental Activities</b>		<b>\$ <u>1,471,677</u></b>

**BAKER COUNTY LIBRARY DISTRICT  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	General Fund	Special Funds - Other Uses Fund	Capital Investment Fund (Non-major)	Total Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 1,328,138	\$ 0	0	\$ 1,328,138
Fines and Fees	14,474	0	0	14,474
Grants	22,802	500	0	23,302
Contributions	386	1,285	0	1,671
Program Reimbursements	6,546	0	0	6,546
Other Revenues	3,816	4,695	0	8,511
Interest	19,926	3,244	382	23,552
Total Revenue	<u>1,396,088</u>	<u>9,724</u>	<u>382</u>	<u>1,406,194</u>
<b>EXPENDITURES</b>				
Current:				
Library Services	1,127,340	3,510	0	1,130,850
Debt Service:				
Principal	1,440	0	0	1,440
Interest	560	0	0	560
Capital Outlay	10,283	0	0	10,283
Total Expenditures	<u>1,139,623</u>	<u>3,510</u>	<u>0</u>	<u>1,143,133</u>
Excess (Deficit) of Revenues Over Expenditures	<u>256,465</u>	<u>6,214</u>	<u>382</u>	<u>263,061</u>
Other Financing Sources (Uses):				
Transfers In	0	12,500	50,000	62,500
Transfers Out	(52,500)	(10,000)	0	(62,500)
Other Financing Sources	0	0	0	0
Total Other Financing Sources (Uses)	<u>(52,500)</u>	<u>2,500</u>	<u>50,000</u>	<u>0</u>
Net Change in Fund Balance	203,965	8,714	50,382	263,061
Fund Balance, July 1	<u>272,341</u>	<u>159,265</u>	<u>0</u>	<u>431,606</u>
Fund Balance, June 30	<u>\$ 476,306</u>	<u>\$ 167,979</u>	<u>50,382</u>	<u>\$ 694,667</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, 2020

<b>Net Change in Fund Balances -Total Governmental Funds</b>	<b>\$</b>	<b>263,061</b>
<p>Amounts reported for governmental activities in the <i>Statement of Activities</i> are different because:</p>		
<p>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:</p>		
Capital Asset Additions and Disposals	\$ 11,900	
Depreciation Expense	<u>(85,847)</u>	(73,947)
<p>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.</p>		
		(149,483)
<p>Other post-employment benefit expense is not reported in the governmental funds.</p>		
		-
<p>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.</p>		
		1,440
<p>Governmental fund do not report accrued compensated absences as they are not considered a current financial obligation.</p>		
		2,207
<p>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.</p>		
		<u>(110,462)</u>
<b>Change in Net Position - Governmental Activities</b>	<b>\$</b>	<b><u>(67,184)</u></b>

**BAKER COUNTY LIBRARY DISTRICT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**SAGE LIBRARY SYSTEM**  
June 30, 2020

	Custodial Funds
<b>ASSETS</b>	
Cash and cash equivalents	\$ 172,335
Receivables	440
Due from local government	30,800
 Total Assets	 203,575
 <b>LIABILITIES</b>	
Accounts payable	8,436
Accrued wages payable	3,505
Accrued payroll taxes and related	2,805
Due to local government	2,217
 Total Liabilities	 16,963
 <b>NET POSITION</b>	
Restricted for:	
Individuals, organizations and other governments	186,612
 Net Position	 \$ 186,612

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

**BAKER COUNTY LIBRARY DISTRICT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**SAGE LIBRARY SYSTEM**  
for the Year Ended June 30, 2020

	Custodial Funds
<b>ADDITIONS</b>	
Contributions:	
Members	\$ 217,125
Grant revenue	58,300
Member reimbursements	3,597
Total Additions	279,022
 <b>DEDUCTIONS:</b>	
Administrative wages and benefits	107,650
Materials and services	187,560
Total Deductions	295,210
Net increase (decrease) in fiduciary net position	(16,188)
Net Position, July 1	202,800
Net Position, June 30	\$ 186,612

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, 2020

**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.

**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.

BAKER COUNTY LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For Fiscal Year Ended June 30, 2020

**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 administrates 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 \$2,200 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 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.

**Cash, Cash Equivalents and Investments**

The Library District's cash and cash equivalents consist entirely of demand deposits and the State of Oregon Treasurer's Local Government Investment Pool (LGIP). The LGIP is stated at cost, which approximates fair value. Fair value of the LGIP is the same as the District's value in the pool shares.

The Oregon State Treasury administers the LGIP. The Local Government Investment Pool (LGIP) is included in the Oregon Short Term Fund (OSTF), which was established by the State Treasurer. 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 Governor appoints the members of the Oregon Investment Council and the Oregon Short Term Fund Board.

**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.

BAKER COUNTY LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For Fiscal Year Ended June 30, 2020

**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 and artwork are classified as historical treasures. Those with historical costs or assessed value are capital assets but are not depreciated; those that have not been appraised are not capitalized under guidelines from the Governmental Accounting Standards Board.

**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.

BAKER COUNTY LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For Fiscal Year Ended June 30, 2020

**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.

**Governmental Fund Financial Statements**

Governmental fund equity is classified in the following categories of fund balance:

- *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.

BAKER COUNTY LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For Fiscal Year Ended June 30, 2020

**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.

The District had budget violations in the current year as follows:

- Personal Services and Materials and Services in the Sage Library Fiduciary Fund exceeded budget by \$9,930 and \$4,635, respectively.

**Other Accounting Pronouncements**

**Accounting Standards GASB 68, Reporting for Pensions**

Effective fiscal year ended June 30, 2015, the District implemented Governmental Accounting Standards Board Statement No 68, *Accounting and Financial Reporting for Pensions* (GASB 68). GASB 68 established accounting and financial reporting requirements for governmental entities that provide their employees with pensions. This statement requires the employer's statement of net position to include the employer's proportionate share of the retirement system's overall unfunded liability (net pension liability). The statement also requires the employer's pension expense be reported as the change in the proportionate share of the net pension liability.

**Accounting Standards – GASB 75, Reporting for Postemployment Benefits**

Effective fiscal year ended June 30, 2018, the District implemented Governmental Accounting Standards Board Statement No 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions* (GASB 75). GASB 75 established additional accounting and financial reporting requirements for governmental entities that requires them to accrue liabilities associated with post-employment benefits.



BAKER COUNTY LIBRARY DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 For Fiscal Year Ended June 30, 2020

**2. CASH AND INVESTMENTS**

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 Checking	\$ 47,136
Cash in Bank Demand Deposit US Bank - Other Uses Funds	3,765
Demand Deposits in Local Government Investment Pool-General Fund	505,605
Demand Deposits in Local Government Investment Pool-Other Uses	164,004
Demand Deposits in Local Government Investment Pool-Capital Inv Fund (LGIP accounts, cost approximates market, interest 1.3% at June 30)	50,382
Total Cash and Investments	<u>\$770,892</u>

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

Cash in Bank Demand Deposit US Bank – Sage Fund	<u>\$172,335</u>
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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. RECEIVABLES**

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

Property Taxes Receivable	\$70,521
USAC E-Rate program reimbursements due	3,204
Vendor reimbursement due	2,046
Due from Sage Fund	<u>2,217</u>
Total	<u>\$77,988</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. Sage Fund reimburses General fund for its portion of the monthly PERS liability.

**4. PREPAID EXPENSES**

At fiscal year ended June 30, 2020, Prepaid Expenses consists of \$300 an employee advance and \$314 due to Other Funds – Memorial to reimburse grant funds held in memorial.

BAKER COUNTY LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For Fiscal Year Ended June 30, 2020

**5. 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
Total capital assets not being depreciated	<u>56,800</u>	<u>-</u>	<u>-</u>	<u>56,800</u>
Capital assets being depreciated:				
Buildings and improvements	2,714,023	-	-	2,714,023
Furniture, fixtures and equipment	315,725	11,900	(5,882)	321,743
Vehicles	97,132	-	-	97,132
Total capital assets being depreciated	<u>3,126,880</u>	<u>11,900</u>	<u>(5,882)</u>	<u>3,132,898</u>
Total capital assets before depreciation	<u>3,183,680</u>	<u>11,900</u>	<u>(5,882)</u>	<u>3,189,698</u>
Less accumulated depreciation for:				
Buildings and improvements	(1,262,678)	(72,210)	-	(1,334,888)
Furniture, fixtures and equipment	(257,590)	(13,637)	5,882	(265,345)
Vehicles	(77,002)	-	-	(77,002)
Total accumulated depreciation	<u>(1,597,270)</u>	<u>(85,847)</u>	<u>5,882</u>	<u>(1,677,235)</u>
Total capital assets, net	<u>\$ 1,586,410</u>	<u>\$ (73,947)</u>	<u>\$ -</u>	<u>\$ 1,512,463</u>

The land and building on 2400 Resort Street, which houses the Baker County Public Library that 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 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 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

BAKER COUNTY LIBRARY DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 For Fiscal Year Ended June 30, 2020

**5. Capital Assets, continued:**

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 a branch library in Richland in the Richland School Senior Housing (operated by Northeast Oregon Housing Authority). The housing authority donates the space for the library to operate the Richland 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 a branch library in Sumpter in the 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 is donated for library use for the Sumpter Branch Library.

The *Historical Treasures* category includes artwork with a known value and an antique Persian rug that has been appraised. The District has many historic photos, microfilm, several works of art and historical treasures that are not capitalized. Appraisals have not been obtained and, therefore, no value has been established to add to the capital assets. The items include several original paintings (oil and watercolors) by local artists, an antique United States Flag, historical photographs and documents, and other miscellaneous artifacts.

The District's collection of library materials is expensed when purchased as they individually are less than the capitalization threshold.

Depreciation expense of \$85,847 for the year was charged to the *Library Services* function in the government-wide Statement of Activities. The District capitalizes minor improvements and equipment that exceeds the capitalization threshold. The District includes these expenditures as library materials and services for budgetary and reporting purposes.

**6. OPERATING LEASE**

The District has an operating lease agreement with Xerox for a Xerox VersaLink C7030T copier. The Lease Agreement started on January 15, 2019 with monthly contract fees of \$115.73 plus monthly copy charges. The term of the lease is 60 months, expiring in 2024. The lease agreement provides for a purchase option at the end of the lease to purchase the copier at fair market value. The current approximate fair market value of the copier is \$6,000. Historically, the District initiates a new lease for current equipment at the termination of the lease. Included in the agreement, Xerox provides all consumable supplies to operate the equipment and provides maintenance. The total fiscal year lease expense and copy charges were \$2,262.

The following is a schedule of future lease payments:

Fiscal Year	Fixed lease payments
2020-2021	\$ 1,389
2021-2022	\$ 1,389
2022-2023	\$ 1,389
2023-2024	\$ 810
Total	\$ 4,977

**7. SHORT-TERM DEBT**

The Library District did not require the use of a short-term operating loan during the fiscal year.

BAKER COUNTY LIBRARY DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 For Fiscal Year Ended June 30, 2020

**8. LONG-TERM DEBT**

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

Obligation	Payable at June 30, 2019	Increases	Decreases	Payable at June 30, 2020	Due in One Year
City of Baker City LID	\$17,434	\$0	\$2,119	\$15,315	\$1,517
Accrued Compensated Absences	73,623	4,756	6,963	71,416	71,416
Totals	\$91,057	\$4,756	\$9,082	\$86,731	\$72,933

Interest expense of \$560 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 2020 was 3.16%. These payments are made by the District's General Fund. As of June 30, 2020, future payments are as follows:

Note Payable to the City of Baker City, LID Project:

Fiscal Year	Principal	Interest	Total Payment
Year 1 2019-2020	\$ 1,440	\$ 560	\$ 2,000
Year 2 2020-2021	1,517	483	2,000
Year 3 2021-2022	1,576	424	2,000
Year 4 2022-2023	1,626	374	2,000
Year 5 2023-2024	1,678	322	2,000
Year 6-9 2024-2028	7,478	736	8,214
<b>TOTALS</b>	<b>\$ 15,315</b>	<b>\$ 2,899</b>	<b>\$ 18,214</b>

**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>
Other Uses Funds-Memorial Department	\$40,000
	\$10,000

A budgeted transfer of \$10,000 from the General Fund to the Severance Liability Department (Special Revenue-Other Uses Funds) was made to accumulate monies for projected retirement packages. General Fund budgeted to transfer two additional amounts of \$1,000 to the Technology fund and \$1,500 to the Election fund. A budgeted transfer of \$40,000 from General Fund and \$10,000 from Other Funds- Capital Department was transferred into the new Capital Investment Fund to establish a separate fund to accumulate savings for future capital projects.

BAKER COUNTY LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For Fiscal Year Ended June 30, 2020

**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.

BAKER COUNTY LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For Fiscal Year Ended June 30, 2020

**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.

BAKER COUNTY LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For Fiscal Year Ended June 30, 2020

**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 his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 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, 2017 Actuarial Valuation, effective July 1, 2019 through June 30, 2021. Employer contributions for the year ended June 30, 2020 were \$88,786.

The rates in effect for the fiscal year ended June 30, 2020 were 26.00% for Tier One/Tier Two General Service members and 18.28% for OPSRP Pension Program General Service members, and 6% for OPSRP Individual Account Program.

BAKER COUNTY LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For Fiscal Year Ended June 30, 2020

**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, 2018
Measurement date	June 30, 2018
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
Rate collar (aka Contribution Rate Stabilization Method)	Change in base contribution rate limit (i.e. collared) to greater of 20% of current base rate or 3% of payroll. Other rules apply. See 2018 Experience Study for additional information.
Economic assumptions:	
Net investment return	7.20 percent
Discount rate	7.20 percent
Consumer price inflation	2.50 percent
Future general wage inflation	3.50 percent overall payroll growth
Healthcare cost inflation rate	7.1% in 2019
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/.15%) in accordance with Moro decision; blended based on service

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



BAKER COUNTY LIBRARY DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 For Fiscal Year Ended June 30, 2020

**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\*.*

**Discount Rate**

The discount rate used to measure the total pension liability was 7.2 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 7.20% as well as the net pension liability using a discount rate that is 1.0% (6.20%) lower or 1.0% (8.20%) higher than the current rate.

Discount Rate	1% Decrease	Current Rate	1% Increase
Proportionate share of the Net Pension Liability (Asset)	\$1,659,553	\$1,036,306	\$514,735

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

At June 30, 2020, the District reported a liability of \$1,036,306 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, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018 rolled forward to June 30, 2019. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2020, the District’s proportionate share was 0.00599104%.

For the year ended June 30, 2020, the District recognized pension expense at the fund level of \$88,786. 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	\$57,149	
Changes in assumptions	\$140,587	
Net difference between projected and actual earnings on investments	\$0	\$29,378
Changes in proportionate share	\$111,101	\$83,134
Differences between employer contributions and proportionate share of system contributions	\$11,555	\$13,609
Total (prior to post-Measurement Date MD contributions)	\$320,392	\$126,121
Contributions subsequent to the MD	\$86,997	N/A
Total (after post-MD contributions)	\$407,389	
Net deferred outflows (inflows) of resources		\$194,271

BAKER COUNTY LIBRARY DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 For Fiscal Year Ended June 30, 2020

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

Amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Subsequent Fiscal Year	Deferred Outflow (Inflow) of Resources
1 <sup>st</sup> Fiscal Year	\$105,186
2 <sup>nd</sup> Fiscal Year	\$21,935
3 <sup>rd</sup> Fiscal Year	\$29,657
4 <sup>th</sup> Fiscal Year	\$33,217
5 <sup>th</sup> Fiscal Year	\$4,276
Thereafter	\$0
Total	\$194,271

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

**Changes in Plan Provisions Subsequent to Measurement Date**

The Oregon Senate Bill 1049, signed into law May 30, 2019 takes effect January 1, 2020. A few of the highlights of this bill includes, for most retirees, this bill removes the hours limit on PERS retirees who want to continue working for a period of five years, 2020-2024 (some restrictions apply). It requires the employer of the retired member to make additional employer contributions. In addition, it redirects a portion of certain employee contributions to establish a new Employee Pension Stability Account for each active member of PERS. It also transfers certain proceeds from lottery funds to establish an Employer Incentive Fund. Employers are encouraged to apply for these funds, receiving matching funds to pay down their Unfunded Actuarial Liability (UAL). The bill is anticipated to impact employer rates for the 2021-2023 biennium (to be published in the 2019 Actuarial Valuation). For more information see information found on the PERS website including information on the implementation of SB1049.

The increase in the pension liability due is reflected in the current measurement period reported.

**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, 2020, 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.

BAKER COUNTY LIBRARY DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 For Fiscal Year Ended June 30, 2020

**Plan Description, Continued:**

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.

**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 7.20% as well as the net OPEB liability (asset) using a discount rate that is 1.0% (6.2%) lower or 1.0% (8.2%) higher than the current rate.

Discount Rate	1% Decrease	Current Rate	1% Increase
Total OPEB Liability	(\$7,667)	(\$9,889)	(\$11,783)

**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	\$1,304
Changes in assumptions	\$0	\$10
Net difference between projected and actual earnings on investments	\$0	\$610
Changes in proportionate share	\$0	\$125
Differences between employer contributions and proportionate share of system contributions	\$0	\$0
Total (prior to post-Measurement Date MD contributions)	\$0	\$2,049
Contributions subsequent to the MD	\$2,418	N/A
Net deferred outflows (inflows) of resources	\$0	(\$2,049)

*The information in this Pension 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, 2019 measurement date that require disclosure.

*REQUIRED  
SUPPLEMENTARY  
INFORMATION*

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BAKER COUNTY LIBRARY DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - MAJOR FUND  
GOVERNMENTAL FUNDS - GENERAL FUND  
For Fiscal Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Taxes:				
Current Year Taxes	\$ 1,150,000	\$ 1,175,000	\$ 1,190,582	\$ 15,582
Prior Years' Taxes	35,000	138,000	137,586	(414)
Other Tax Revenues	4,000	500	0	(500)
Total Taxes	<u>1,189,000</u>	<u>1,313,500</u>	<u>1,328,138</u>	<u>14,638</u>
Intergovernmental Revenues:				
State Resource Sharing	7,500	8,000	7,890	(110)
Fines and Fees:				
Overdue fines and fees	20,000	15,000	14,474	(526)
Fiscal agency fee	2,000	2,000	2,200	200
Grant Revenues	2,000	13,000	14,912	1,912
Contributions	400	400	386	(14)
Other Revenues - Misc	100	100	1,616	1,516
Other Revenues - USAC E-Rate Program	7,000	7,000	6,546	(454)
Contract income	5,000	0	0	0
Interest	15,000	15,000	19,928	4,928
Total Revenues	<u>1,248,000</u>	<u>1,374,000</u>	<u>1,396,088</u>	<u>22,088</u>
<b>EXPENDITURES</b>				
Personal Services:				
CEO - Library Director	83,212	84,100	84,721	(621)
Admin - IT Network & Systems Specialist	18,118	20,000	18,912	1,088
Admin - Business Manager / HR	29,675	29,850	29,907	(57)
Admin - Library Circulation/Office Manager	35,434	30,000	30,100	(100)
Admin - Technical Services/ Catalog Specialist	43,066	43,066	43,065	1
Admin - Collection Management / Outreach	38,760	38,760	38,959	(199)
Youth Services Specialist	33,750	33,750	33,742	8
Facilities Maintenance	32,129	32,129	32,259	(130)
Library Tech - IT Assistant	6,426	1,650	1,275	375
Technical Services - Serials Specialist	39,058	38,000	37,458	542
Technical Services - Processing	30,523	25,000	24,443	557
Technical Services - Media Specialist	30,523	30,523	29,741	782
Collection Management - Library Page/Shelving	23,920	23,920	21,043	2,877
Public Services / Outreach - Bookmobile	14,542	8,000	7,635	365
Public Services / Outreach - Branch Library Leads	72,707	68,200	67,096	1,104
Public Services / Library - General	9,914	15,250	15,457	(207)
Public Services / Library - Sunday	5,552	5,000	4,450	550
Vacation Subs & Special Projects	15,693	18,000	16,188	1,812
Staff Training Expense	1,821	3,707	672	3,035
PERS retirement program	103,364	94,000	88,786	5,214
Payroll taxes and insurance	49,464	46,722	44,064	2,658
Group health and life insurance	101,715	98,715	92,189	6,526
Total Personal Services	<u>819,366</u>	<u>788,342</u>	<u>762,162</u>	<u>26,180</u>
Materials and Services:				
Collection development (books and periodicals)	120,000	130,000	106,399	23,601
Library consortium - Sage membership and expenses	14,350	14,200	13,827	373
Facilities maintenance	38,500	59,000	57,695	1,305
Janitorial contract	17,500	17,500	17,522	(22)
Janitorial supplies	2,800	2,800	3,537	(737)
Equipment lease	2,600	2,600	2,262	338
Computer maintenance	23,000	23,000	21,353	1,647
Bookmobile operations	12,500	8,800	6,587	2,213
Insurance	19,200	21,000	20,619	381
Travel and training	8,500	5,000	808	4,192
Election	0	0	0	0
Professional fees - audit services	9,450	7,500	7,500	0
Bookkeeping supplies	1,300	1,600	1,456	144
Dues and subscription	2,900	4,000	3,300	700
Publication	1,600	2,500	2,528	(28)
Financial management fees	1,380	1,880	1,211	669
Legal administration	250	1,000	801	199
Public programs	1,500	1,500	1,193	307
Branch mileage	5,000	5,000	4,336	664
Library service supplies	20,000	30,000	24,845	5,155
Youth and childrens programs	12,000	13,000	8,221	4,779
Postage	1,500	1,500	885	615
Utilities	43,105	47,920	41,655	6,265
Telecommunications	17,440	17,660	16,638	1,022
Total Materials and Services	<u>376,375</u>	<u>418,960</u>	<u>365,178</u>	<u>53,782</u>
Debt Service Payments	2,000	2,000	2,000	0
Capital Outlay	10,000	10,000	10,283	(283)
Operating Contingency	315,759	430,708	0	430,708
Total Expenditures	<u>1,523,500</u>	<u>1,650,010</u>	<u>1,139,623</u>	<u>510,387</u>
Revenues Over (Under) Expenditures	<u>(275,500)</u>	<u>(276,010)</u>	<u>256,465</u>	<u>532,475</u>
Other Financing Sources (Uses):				
Operating Transfers In	8,000	8,000	0	(8,000)
Operating Transfers Out	(52,500)	(52,500)	(52,500)	0
Other Financing Sources	0	0	0	0
Total Other Financing Uses	<u>(44,500)</u>	<u>(44,500)</u>	<u>(52,500)</u>	<u>(8,000)</u>
Revenues Over (Under) Expenditures and Other Financing Uses	<u>(320,000)</u>	<u>(320,510)</u>	<u>203,965</u>	<u>524,475</u>
Fund Balances, July 1	<u>320,000</u>	<u>320,510</u>	<u>272,341</u>	<u>(48,169)</u>
Fund Balances, June 30	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 476,306</u>	<u>\$ 476,306</u>

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

BAKER COUNTY LIBRARY DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - MAJOR FUND  
GOVERNMENTAL FUNDS - OTHER USES FUNDS  
For Fiscal Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Local Sources:				
Grants	\$ 20,000	\$ 5,000	\$ 500	\$ (4,500)
Contributions	2,000	2,000	1,285	(715)
Other Revenues	7,500	7,500	4,695	(2,805)
Interest	3,825	3,825	3,244	(581)
Total Revenues	<u>33,325</u>	<u>18,325</u>	<u>9,724</u>	<u>(8,601)</u>
<b>EXPENDITURES:</b>				
Personal Services:				
Wages	1,500	1,500	0	1,500
Payroll taxes and related expense	0	150	0	150
Materials and Services:				
Memorial Department	87,375	90,675	3,510	87,165
Literacy Department	1,000	1,200	0	1,200
Technology Department	2,000	3,300	0	3,300
Severance Liability Department	62,500	71,000	0	71,000
Capital Outlay:				
Capital Projects Department	0	0	0	0
Total Expenditures	<u>154,375</u>	<u>167,825</u>	<u>3,510</u>	<u>164,315</u>
Revenues Over (Under) Expenditures	<u>(121,050)</u>	<u>(149,500)</u>	<u>6,214</u>	<u>155,714</u>
Other Financing Sources (Uses):				
Operating Transfers In	12,500	12,500	12,500	0
Operating Transfers Out	<u>(23,000)</u>	<u>(23,000)</u>	<u>(10,000)</u>	<u>13,000</u>
Total Other Financing Sources	<u>(10,500)</u>	<u>(10,500)</u>	<u>2,500</u>	<u>13,000</u>
Revenues and Other Financial Sources Over (Under) Expenditures and Other Financing Uses	<u>(131,550)</u>	<u>(160,000)</u>	<u>8,714</u>	<u>168,714</u>
Fund Balances, July 1	<u>131,550</u>	<u>180,000</u>	<u>159,265</u>	<u>(735)</u>
Fund Balances, June 30	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 167,979</u>	<u>\$ 167,979</u>

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

BAKER COUNTY LIBRARY DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 Oregon PERS Schedules  
 For the fiscal year ended June 30, 2020

**Schedule of District's Proportionate Share of Net Pension Liability**

Fiscal year ended June 30,	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
District's proportion of the Net Pension Liability (NPL)	0.599104%	0.532905%	0.642679%	0.511096%	0.597198%	0.570098%	0.597198%			
District's proportionate share of the Net Pension Liability (Asset)	\$ 1,036,306	\$ 807,281	\$ 866,334	\$ 767,274	\$ 342,879	\$ (129,225)	\$ 290,929			
District's covered-employee payroll	\$ 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	182.73%	142.65%	150.55%	130.86%	64.07%	-27.01%	70.54%			
Plan Net Position as a Percentage of Total Pension Liability	80.20%	82.10%	83.10%	80.53%	91.90%	103.60%	91.97%			

**Schedule of District's Proportionate Share of OPEB-RHIA Liability**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
District's proportion of the Net OPEB-RHIA Liability	0.00511781%	0.00495878%								
Plan Net Position as a Percentage of Total OPEB-RHIA Liability										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.

**Schedule of District's Pension Contributions**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually Required Contribution	\$ 104,459	\$ 92,418	\$ 84,763	\$ 65,496	\$ 68,520	\$ 46,457	\$ 47,143			
Contributions in Relation to the Contractually Required Contribution	\$ (104,459)	\$ (92,418)	\$ (84,763)	\$ (65,496)	\$ (68,520)	\$ (46,457)	\$ (47,143)			
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			UNAVAILABLE
District's Covered Employee Payroll	\$ 567,113	\$ 565,901	\$ 575,443	\$ 498,720	\$ 510,586	\$ 465,853	\$ 419,402			
Contributions as a Percentage of Covered-Employee Payroll	18.42%	16.33%	14.73%	13.13%	13.42%	9.97%	11.24%			

**Schedule of District's OPEB-RHIA Contributions**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually Required Contribution	\$ 2,418	\$ 2,536								
Contributions in Relation to the Contractually Required Contribution	\$ (2,418)	\$ (2,536)								UNAVAILABLE
Contribution Deficiency (Excess)	\$ -	\$ -								

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

*OTHER  
SUPPLEMENTARY  
INFORMATION*

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BAKER COUNTY LIBRARY DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - NON-MAJOR FUND  
RESERVE FUND - CAPITAL INVESTMENT  
For Fiscal Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Local Sources:				
Grants	\$ 0	\$ 0	\$ 0	0
Interest	0	400	382	(18)
Total Revenues	0	400	382	(18)
<b>EXPENDITURES:</b>				
Capital Outlay:				
Facilities maintenance & repair	55,000	55,400	0	55,400
Total Expenditures	55,000	55,400	0	55,400
Revenues Over (Under)				
Expenditures	(55,000)	(55,000)	382	55,382
Other Financing Sources (Uses):				
Operating Transfers In	55,000	55,000	55,000	0
Operating Transfers Out	0	0	0	0
Total Other Financing Sources	55,000	55,000	55,000	0
Revenues and Other Financial Sources Over (Under)				
Expenditures and Other Financing Uses	0	0	55,382	55,382
Fund Balances, July 1	0	0	0	0
Fund Balances, June 30	\$ 0	\$ 0	\$ 55,382	\$ 55,382

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

BAKER COUNTY LIBRARY DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
BUDGET AND ACTUAL  
FIDUCIARY FUND - SAGE LIBRARY SYSTEM  
For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Local Sources:				
Grants	\$ 58,000	\$ 58,000	\$ 58,300	\$ 300
Membership dues	215,951	220,000	217,125	(2,875)
Other revenues	1,500	2,000	3,597	1,597
Interest	10	10	0	(10)
Total revenues	<u>275,461</u>	<u>280,010</u>	<u>279,022</u>	<u>(988)</u>
<b>EXPENDITURES:</b>				
Personal Services:				
Sage system manager	60,900	60,900	67,037	(6,137)
Business manager	6,000	6,000	6,050	(50)
Sage payroll taxes & benefits	30,742	30,820	34,563	(3,743)
Total personal services	<u>97,642</u>	<u>97,720</u>	<u>107,650</u>	<u>(9,930)</u>
Materials and Services:				
Courier services and supplies	93,000	93,000	89,084	3,916
Fiscal agency fee, admin services	1,909	2,200	2,200	0
Dues and subscriptions	3,750	4,000	4,832	(832)
Legal services	250	250	0	250
Member credit expense	1,000	1,000	0	1,000
Miscellaneous	0	0	15,000	(15,000)
Office supplies and miscellaneous	425	1,525	1,250	275
Postage	50	50	61	(11)
Technical services contract	63,660	64,000	63,250	750
Technology maintenance expense	4,500	8,500	5,003	3,497
Technical services expense	2,500	2,500	3,865	(1,365)
Telecommunications	250	400	352	48
Training & professional development	2,500	2,500	175	2,325
Travel	2,500	3,000	2,488	512
Total materials and services	<u>176,294</u>	<u>182,925</u>	<u>187,560</u>	<u>(4,635)</u>
Capital outlay	25,000	25,000	0	25,000
Operating contingency	37,525	44,365	0	44,365
Total expenditures	<u>336,461</u>	<u>350,010</u>	<u>295,210</u>	<u>54,800</u>
Revenues Over (Under) Expenditures	(61,000)	(70,000)	(16,188)	53,812
Fund Balances, July 1	<u>195,000</u>	<u>205,000</u>	<u>202,800</u>	<u>(2,200)</u>
Fund Balances, June 30	<u>\$ 134,000</u>	<u>\$ 135,000</u>	<u>\$ 186,612</u>	<u>\$ 51,612</u>

Fiduciary Fund information is for supplementary use only and is not reflected in the basic financial statements.

BAKER COUNTY LIBRARY DISTRICT  
 SCHEDULE OF PROPERTY TAX TRANSACTIONS  
 For Fiscal Year Ended June 30, 2020

Tax Year	Taxes Receivable June 30, 2019	Current Levy	Adjustments	Discounts Allowed	Taxes Collected	Taxes Receivable June 30, 2020
2019-20	\$ 0	\$ 1,256,932	\$ 2,062	(30,857)	\$ 1,194,142	\$ 29,202
2018-19	136,882	0	192	0	123,361	14,819
2017-18	15,329	0	165	0	8,297	7,827
2016-17	8,536	0	160	0	7,161	2,425
2015-16	7,089	0	155	0	3,963	3,772
2014-15	4,296	0	145	0	1,010	3,389
2013-14	2,695	0	130	0	76	2,510
All Prior Years	6,834	0	65	0	347	6,577
Total	\$ 181,661	\$ 1,256,932	\$ 3,074	\$ (30,857)	1,338,357	\$ 70,521
				Interest Collections	(7,496)	
				Total Collections	\$ 1,330,861	

	General Fund
<u>Current Year Tax Collections:</u>	
Current General Levy	\$ 847,548
Current Local Option Levy	335,158
Other Taxes	8,712
Current Interest	2,724
Total Current Year	\$ 1,194,142
 <u>Prior Years Tax Collections:</u>	
Prior General & Local Option Levy	\$ 144,215
Prior Interest	0
Total Prior Years	144,215
Combined Totals	\$ 1,338,357

*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, 2020, and have issued our report thereon dated December 31, 2020. 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 except for the following budget violations:

- Personal services and materials and services in the Sage Library System exceeded budget by \$9,930 and \$4,635, respectively.

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 31, 2020.

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 31, 2020



Baker County Library District established 1988