

Baker County Library District

Baker City, Oregon



1 Baker County Library District established 1988

Financial Statements

For the fiscal year ended June 30, 2021

BAKER COUNTY LIBRARY DISTRICT
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BAKER COUNTY LIBRARY DISTRICT
 BAKER CITY, OREGON
 LIST OF ELECTED OFFICERS
 For Fiscal Year Ended June 30, 2021

<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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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Baker County Library District, Baker City, Oregon, as of and for the year ended June 30, 2021, 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, and the aggregate remaining fund information of Baker County Library District, Baker City, Oregon, as of June 30, 2021, 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 November 11, 2021 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
November 11, 2021

*MANAGEMENT
DISCUSSION
AND ANALYSIS*

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, 2021. The Library District's financial statements and notes to the financial statements which follow should be considered in reading the information presented.

Financial Highlights

On the *Statement of Net Position*, assets of the Baker County Library District exceeded its liabilities at the close of the fiscal year by \$1,261,881 (*net position*). The Library District's total net position decreased by (\$265,718) over the prior fiscal year. The decrease is primarily due to pension liability adjustments as supplied by PERS related to the GASB 68 required reporting. Combined current assets and capital assets increased \$89,150. The total current assets increased by \$74,885 over the prior fiscal year. Cash increased \$101,922 while other current assets decreased by (\$27,037). The decrease in other current assets consisted of a decrease in property taxes of (\$21,857) and a decrease in other receivables of (\$5,180). Total capital assets increased \$14,265 as asset additions of \$108,293 exceeded depreciation expense of (\$94,028). Building & Improvements increased \$6,031 as additions exceeded depreciation. Furniture, Fixtures and Equipment decreased (\$9,850) with depreciation exceeding additions. Vehicles increased \$18,084 as the District added two vehicles to its fleet this year which caused additions to exceed depreciation. Art & Historic Treasures remain unchanged and are not depreciated.

At the close of the current fiscal year, the Baker County Library District's *Governmental Funds* reported combined ending fund balance (*modified accrual*) of \$821,595. The Special Revenue – Other Uses Fund balance of \$164,792 represents funds that are restricted, committed and assigned either by outside parties or management. The Capital Investment Fund balance of \$158,594 are funds committed for future capital projects. The General Fund balance of \$498,209 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 \$694,667.

The General Fund contains the only funds available for discretionary spending, with a current balance of \$497,909 in *unassigned fund balance*. This unassigned fund balance shows an increase of \$21,903 in the ending fund balance in the General Fund over the previous fiscal year, which was \$476,006 on the *modified accrual basis*. Combining assets in cash of \$549,402, property taxes receivable of \$48,664, and other current assets of \$2,287 with liabilities of \$52,600, the General Fund ending fund balance is \$498,209 including \$300 of non-spendable funds. This represents a decrease in assets of (\$30,376) and an increase in liabilities of \$644 over the prior fiscal year. The decrease in assets is due to a decrease in property taxes receivable of (\$21,857), a decrease in other receivables of (\$5,180) and a decrease in cash of (\$3,339). The increase in liabilities was due to a small increase in accounts payable of \$297 and a small increase in payroll taxes and benefits payable \$347.

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 \$1,275,173 in revenues. Revenues from property taxes of \$1,255,467 represent 84% of total District revenues. The charges for services of \$10,212 (1% of revenues) are incidental cost-recovery for printing and faxing activities, sale of computer memory devices for in-house use, and fines for overdue materials. There are no charges for borrowing materials unless a person does not return them as agreed. Interest and miscellaneous revenues for the year totaled \$19,359 (1% of revenues). Grants and contributions for the year totaled \$209,103 (14% of revenues). The majority of the grant revenues were received through the Federal Coronavirus Relief Funds (CRF) of \$179,758 for purchasing safety supplies, equipment and building improvements to meet COVID related operating needs.

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

The District has added information on a Component Unit consisting of the Baker County Library Foundation Inc. activities. This entity is a 501c(3) non-profit entity that exists to benefit the Library District. The Foundation received increased donations and activity in its Friends of the Baker Library committee which rose to the level of required inclusion in these financial statements.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the *governmental fund balance sheet* and the *governmental fund statement of revenues, expenditures and changes in fund balances* provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

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

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

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

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

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

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

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 \$1,261,881 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 (\$265,718) for unrestricted net assets and a positive balance of \$15,597 for restricted net assets.

	<u>Net Position Summarized</u>	
	Fiscal year 2020-2021	Fiscal year 2019-2020
Current assets	\$ 923,765	\$ 848,880
Capital assets	1,526,728	1,512,463
Deferred outflows, pensions	460,390	424,737
Total assets and deferred outflows	<u>2,910,883</u>	<u>2,786,080</u>
Current liabilities	55,070	85,209
Net pension liability	1,259,188	1,026,417
Long-term liability	92,429	85,214
Deferred inflows, pensions	242,315	117,563
Total liabilities and deferred inflows	<u>1,649,002</u>	<u>1,314,403</u>
Net investment in capital assets	1,512,002	1,497,148
Restricted	15,597	6,936
Unrestricted	<u>(265,718)</u>	<u>(32,407)</u>
Total net position	\$ <u><u>1,261,881</u></u>	\$ <u><u>1,471,677</u></u>

The District's current fiscal year net position decreased by (\$209,796) over the prior fiscal year. There was an increase in the ending current assets of \$74,885 and a decrease in current liabilities of (\$30,139). The increase in assets was primarily due to an increase in cash and an increase in capital assets. The decrease in current liabilities combined with a decrease to liability adjustments, for GASB 68 required reporting, contributed to the decrease in net position.

The District's *Library Service* expenses for Fiscal Year 2020-2021 increased to \$1,704,284 compared to Fiscal Year 2019-2020 \$1,362,916, an increase of \$341,368.

Operating Grants, Reimbursements, and Contributions increased in Fiscal Year 2020-2021 to \$209,103 compared to \$29,345 in the prior Fiscal Year 2019-2020, an increase of \$179,758.

Property tax revenues increased in Fiscal Year 2020-2021 to \$1,255,467 compared to \$1,217,676 in the prior Fiscal Year 2019-2020 due to increases in the current levy, an increase of \$37,791.

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

Governmental funds. Governmental funds combined fund balance increased by \$126,927. The fund balance of the General Fund increased by \$21,903 while the Other Uses Funds decreased by (\$3,188). 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 \$497,909 in the General Fund at fiscal year-end.

	Summary of Revenues, Expenditures and Changes in Fund Balance for General Fund			FYE 06/30/2020
	For the Year Ended June 30, 2021			Prior Fiscal
	Variance Favorable (Unfavorable)	Budget	Actual	Year Actual
Total Revenues	(34,753)	\$ 1,532,772	\$ 1,498,019	\$ 1,396,088
Expenditures:				
Personal Services	21,878	830,229	808,351	762,162
Materials & Services	60,784	606,130	545,346	365,178
Debt Service	-	2,000	2,000	2,000
Capital Outlay	17,136	25,000	7,864	10,283
Contingency	509,241	509,241	-	-
Total Expenditures	609,039	1,972,600	1,363,561	1,139,623
Revenues Over (Under) Expenditures	574,286	(439,828)	134,458	256,465
Other Financing Sources (Uses)	-	(112,555)	(112,555)	(52,500)
Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	574,286	(552,383)	21,903	203,965
Fund Balances, Beginning	(76,077)	552,383	476,306	272,341
Fund Balances, Ending	498,209	\$ -	\$ 498,209	\$ 476,306

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

The Reserve Fund – *Capital Investment Fund* represents funds being accumulated for future capital investments. The District diverted unanticipated revenues from a County property tax settlement to boost this fund.

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.

The total budget for operations decreased (8.7%) for the coming Fiscal Year 2021-2022 to \$1,908,435 compared to Fiscal Year 2020-2021 of \$2,091,155 (including adopted changes). The contingency reserve target number has been increased and realized in order to meet the increased requirements to operate on District funds until November when tax revenues begin to come in. The decrease in the upcoming budget was primarily related to a decrease in the budget for Other Financing Sources. The District received funds from the Federal Coronavirus Relief Fund (CRF) administered through the Oregon Department of Administrative Services. The CRF grant funds were used to purchase personal protective equipment for staff and patrons, safety signage and supplies, sterilization equipment for library materials, equipment made available for students to use at home, and to improve ventilation in all District buildings. The equipment and improvements allowed the District to keep its libraries open or be able to offer curbside services during the pandemic to meet patron and student needs.

In the Fiscal Year 2021-2022 budget, *Personal Services* increased in total by 8.6% over Fiscal Year 2020-2021. The District continues to maintain public service levels while increasing its facility maintenance staff to support building improvements. The District has maintained its health insurance benefits offered through Special Districts Insurance Services. The rate increased 5.9% over the prior year. Pension costs are anticipated to increase by 5% effective July 1, 2021 for the next biennium. Wages were increased by 4.0% COLI to keep pace with inflation along with scheduled step increases. *Materials & Services* decreased over the prior fiscal year primarily due to the decrease in CRF grant funds used to make building improvements. Collection Development funding will again begin at 8% of the operating budget. Facilities Maintenance is maintained at a high level in order to accommodate planned improvement projects. Tax Revenues are anticipated to increase 3.5% with other revenues remaining comparable to prior levels. Cash carryover is anticipated to remain stable.

Current Year Budget. The Fiscal Year 2020-2021 operating budget increased by 22.8% overall over the prior Fiscal Year 2019-2020. Revenues increased due to the District applying for Federal Coronavirus Relief Funds made available. Some revenues declined due to decrease fines and fees while other revenues were comparable to prior years. Personal services increased 6.0% primarily due to an increase in health insurance costs. Materials & Services increased 44% due to an increase in CRF funding received for building improvements, equipment and other needs as previously described.

The District website (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 increased to continue to offer more materials to patrons electronically. The Library was able to stay open during the pandemic while adhering to

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

restrictions. At the main library, a limited number of patrons were able to come inside the library to select or pick up materials as well as services that were available at the drive-up window. The branch libraries offered curb side services during times where access was limited or suspended. The District has expanded the number of laptops and WiFi hotspots for educational use primarily for students in our County. Youth programs have been available primarily through expanded use of online programming and content. The District staff is committed to serving the public and continue to look for new ways to serve the public and make materials available.

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

*BASIC
FINANCIAL
STATEMENTS*

Baker County Library District
Statement of Net Position
June 30, 2021

	Primary Government		Component Unit
	Governmental Activities	Total	Baker County Library Foundation Inc
ASSETS			
Current Assets:			
Cash and investments	\$ 872,814	\$ 872,814	\$ 89,012
Property taxes receivable	48,664	48,664	-
Accounts receivable	521	521	-
Expense reimbursement receivable	1,766	1,766	-
Total current assets	<u>923,765</u>	<u>923,765</u>	<u>89,012</u>
Capital Assets:			
Land	42,800	42,800	-
Art and historic treasures	14,000	14,000	-
Buildings and improvements	2,798,764	2,798,764	-
Furniture, fixtures and equipment	324,815	324,815	-
Vehicles	117,612	117,612	-
Accumulated depreciation	(1,771,263)	(1,771,263)	-
Total capital assets	<u>1,526,728</u>	<u>1,526,728</u>	<u>-</u>
Other Assets - OPEB Asset	1,779	1,779	-
Total assets	<u>2,452,272</u>	<u>2,452,272</u>	<u>89,012</u>
Deferred Outflows of Resources Related to:			
Other Post-Employment Benefits (OPEB)	2,612	2,612	-
Pensions	455,999	455,999	-
Total deferred outflows	<u>458,611</u>	<u>458,611</u>	<u>-</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	21,005	21,005	-
Wages and payroll taxes payable	31,621	31,621	-
Deferred inflows - property taxes	0	0	-
Prepaid Reimbursement	880	880	-
Note payable - current	1,564	1,564	-
Total current liabilities	<u>55,070</u>	<u>55,070</u>	<u>-</u>
Noncurrent Liabilities:			
Compensated absences payable	79,267	79,267	-
Net pension liability	1,259,188	1,259,188	-
Note payable - noncurrent	13,162	13,162	-
Total noncurrent liabilities	<u>1,351,617</u>	<u>1,351,617</u>	<u>-</u>
Total liabilities	<u>1,406,687</u>	<u>1,406,687</u>	<u>-</u>
Deferred Inflows of Resources Related to Pensions			
OPEB	4,202	4,202	-
Pensions	238,113	238,113	-
Total deferred inflows	<u>242,315</u>	<u>242,315</u>	<u>-</u>
NET POSITION			
Net investment in capital assets	1,512,002	1,512,002	-
Restricted for grant expenditures	15,597	15,597	89,012
Unrestricted surplus (deficit)	(265,718)	(265,718)	-
Total net position	<u>\$ 1,261,881</u>	<u>\$ 1,261,881</u>	<u>\$ 89,012</u>

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

Baker County Library District
Statement of Activities
For the Fiscal Year Ended June 30, 2021

Function/ Programs Primary Government:	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Component Unit Baker County Library Foundation Inc
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants	Primary Government	
Governmental Activities:						
Library Services	\$ 1,703,813	\$ 10,212	\$ 117,246	\$ 91,857	\$ (1,484,498)	\$ -
Interest Expense	471	-	-	-	(471)	-
Total primary government	\$ 1,704,284	\$ 10,212	\$ 117,246	\$ 91,857	\$ (1,484,969)	\$ -
Component Unit:						
Baker County Library Foundation Inc	\$ 1,625	\$ -	\$ -	\$ 38,175	\$ -	\$ 36,550
General Revenues:						
Property taxes levied for general purposes				1,255,467	1,255,467	-
Unrestricted Investment Earnings				13,066	13,066	7
Other general revenues				6,640	6,640	600
Total general revenues				1,275,173	1,275,173	607
Change in net position				(209,796)	(209,796)	37,157
Net position - beginning				1,471,677	1,471,677	51,855
Net position - ending				\$ 1,261,881	\$ 1,261,881	\$ 89,012

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

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

	General Fund	Special Revenue - Other Uses Fund	Capital Investment Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 549,402	\$ 164,818	\$ 158,594	\$ 872,814
Accounts Receivable	521	0	0	521
Property Taxes Receivable	48,664	0	0	48,664
Expense Reimbursement Receivable	1,766	0	0	1,766
Total Assets	\$ 600,353	\$ 164,818	\$ 158,594	\$ 923,765
 LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE				
Liabilities:				
Accounts Payable	\$ 20,979	\$ 26	\$ 0	\$ 21,005
Wages Payable	14,722	0	0	14,722
Payroll Taxes and Benefits Payable	16,899	0	0	16,899
Total Liabilities	52,600	26	0	52,626
 Deferred Inflows:				
Unearned Reimbursement	880	0	0	880
Due to Sage	0	0	0	0
Deferred Property Tax Revenue	48,664	0	0	48,664
Total Deferred Inflows	49,544	0	0	49,544
 Fund Balances:				
Non-Spendable Funds	300	0	0	300
Restricted Fund Balance	0	15,297	0	15,297
Committed Fund Balance	0	3,425	158,594	162,019
Assigned Fund Balance	0	146,070	0	146,070
Unassigned Fund Balance	497,909	0	0	497,909
Total Fund Balances	498,209	164,792	158,594	821,595
 Total Liabilities, Deferred Inflows, and Fund Balances	 \$ 600,353	 \$ 164,818	 \$ 158,594	 \$ 923,765

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, 2021

Total Fund Balances - Total Governmental Funds	\$	821,595
<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	\$ 3,297,991	
Accumulated Depreciation	(1,771,263)	1,526,728
<p>Certain items are prepaid or not available to pay for current period expenditures and are deferred or not reported in governmental funds:</p>		
Deferred Outflows of Resources related to OPEB	2,612	
Deferred Inflows of Resources related to OPEB	(4,202)	
Deferred Outflows of Resources related to Pension	455,999	
Deferred Inflows of Resources related to Pension	(238,113)	216,296
<p>Certain items are not due and payable in the current period are not reported in the governmental funds:</p>		
Compensated Absences Payable	(79,267)	
Note Payable	(14,726)	
Other Post-Employment Benefit (OPEB) Asset	1,779	
Net Pension Liability	(1,259,188)	(1,351,402)
<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>		
		48,664
Total Net Position - Governmental Activities	\$	<u><u>1,261,881</u></u>

BAKER COUNTY LIBRARY DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR FISCAL YEAR ENDED JUNE 30, 2021

	General Fund	Special Revenue - Other Uses Fund	Capital Investment Fund	Total Governmental Funds
REVENUES				
Property Taxes	\$ 1,277,324	\$ 0	\$ 0	\$ 1,277,324
Fines and Fees	10,212	0	0	10,212
Grants	189,147	10,000	0	199,147
Contributions	333	2,675	0	3,008
Program Reimbursements	6,948	0	0	6,948
Other Revenues	2,928	3,712	0	6,640
Interest	11,127	1,282	657	13,066
Total Revenue	<u>1,498,019</u>	<u>17,669</u>	<u>657</u>	<u>1,516,345</u>
EXPENDITURES				
Current:				
Library Services	1,353,697	25,856	0	1,379,553
Debt Service:				
Principal	1,529	0	0	1,529
Interest	471	0	0	471
Capital Outlay	7,864	0	0	7,864
Total Expenditures	<u>1,363,561</u>	<u>25,856</u>	<u>0</u>	<u>1,389,417</u>
Excess (Deficit) of Revenues Over Expenditures	<u>134,458</u>	<u>(8,187)</u>	<u>657</u>	<u>126,928</u>
Other Financing Sources (Uses):				
Transfers In	6,000	11,000	107,555	124,555
Transfers Out	(118,555)	(6,000)	0	(124,555)
Total Other Financing Sources (Uses)	<u>(112,555)</u>	<u>5,000</u>	<u>107,555</u>	<u>0</u>
Net Change in Fund Balances	21,903	(3,187)	108,212	126,928
Fund Balances, July 1	<u>476,306</u>	<u>167,979</u>	<u>50,382</u>	<u>694,667</u>
Fund Balances, June 30	<u>\$ 498,209</u>	<u>\$ 164,792</u>	<u>\$ 158,594</u>	<u>\$ 821,595</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, 2021

Net Change in Fund Balances - Total Governmental Funds	\$	126,928
<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	108,293	
Depreciation Expense	(94,028)	14,265
<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>		
		(326,825)
<p>Change in other post-employment benefit (OPEB) expense is not reported in the governmental funds.</p>		
		(11,687)
<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>		
		1,529
<p>Governmental funds do not report accrued compensated absences as they are not considered a current financial obligation. Change in compensated absences.</p>		
		7,851
<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. Change in property tax receivables.</p>		
		<u>(21,857)</u>
Change in Net Position - Governmental Activities	\$	<u>(209,796)</u>

BAKER COUNTY LIBRARY DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
SAGE LIBRARY SYSTEM
June 30, 2021

		<u>Custodial Funds</u>
ASSETS		
Cash and cash equivalents	\$	172,143
Receivables		15,618
Total Assets		<u>187,761</u>
 LIABILITIES		
Accounts payable		2,588
Accrued payroll taxes and related		1,672
Total Liabilities		<u>4,260</u>
 NET POSITION		
Restricted for:		
Individuals, organizations and other governments		<u>183,501</u>
 Total Net Position	 \$	 <u><u>183,501</u></u>

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, 2021

		Custodial Funds
ADDITIONS		
Contributions:		
Members	\$	221,836
Grant revenue		61,101
Member reimbursements		1,195
Total Additions		284,132
 DEDUCTIONS:		
Administrative wages and benefits		96,792
Materials and services		179,298
Capital outlay		11,152
Total Deductions		287,242
Net increase (decrease) in fiduciary net position		(3,110)
Net Position, July 1		186,611
Net Position, June 30	\$	183,501

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, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Financial Reporting Entity

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

Basis of Presentation

Government-Wide Financial Statements

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

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

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

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

Component Unit Reporting:

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

BAKER COUNTY LIBRARY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For Fiscal Year Ended June 30, 2021

Governmental Fund Financial Statements

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

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

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

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

Fiduciary Fund Statements

The fiduciary fund statements provide information for a custodial fund that was adopted on June 17, 2014. Baker County Library District agreed to act as the fiscal agent for the Sage Library System as requested by the Sage User Council. The Sage Library System is a regional consortium of libraries that voluntarily participate in an organized program using shared software and agree to share resources amongst member libraries. The system exponentially expands the resources available to all member library patrons. The Sage User Council 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 \$1,857 agency fee and reimburses certain other wages and related expenses.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-exchange transactions, in which the District receives value without giving equal value in exchange, include property taxes, grants, entitlements and donations. On the accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. It is the District's policy to first use restricted resources prior to the use of unrestricted general revenues when an expense is incurred for which there are both restricted and unrestricted assets are available.

The governmental fund financial statements are reported using the current financial resources measurement focus and the *modified accrual basis of accounting*. Revenues are recognized when both measurable and available. The District considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Property taxes and interest are considered to be susceptible to accrual. Expenditures generally are recorded when a liability is incurred. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

BAKER COUNTY LIBRARY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For Fiscal Year Ended June 30, 2021

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.

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.

BAKER COUNTY LIBRARY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For Fiscal Year Ended June 30, 2021

Long-Term Obligations

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

Deferred Inflows and Outflows of Resources Related to Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (PERS) and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Under the accrual basis of accounting, these *deferred amounts related to pensions and OPEB* (other postemployment benefits) is reported only on the Statement of Net Position.

Order of Expenditures

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

Use of Estimates

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

Fund Equity

Government-Wide Financial Statements

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

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

Governmental Fund Financial Statements

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

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

BAKER COUNTY LIBRARY DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 For Fiscal Year Ended June 30, 2021

Budgetary Information

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

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

Expenditure budgets are appropriated at the major program level for each fund. The detail budget document, however, is required to contain more specific, detailed information for the aforementioned expenditure categories. Expenditure appropriations may not be legally over-expended except in limited circumstances including the case of dedicated grant receipts, which could not be reasonably estimated at the time the budget was adopted.

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

2. CASH AND 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	\$ 24,432
Cash in Bank Demand Deposit US Bank - Other Uses Funds	14,031
Demand Deposits in Local Government Investment Pool-General Fund	524,970
Demand Deposits in Local Government Investment Pool-Other Uses	150,787
Demand Deposits in Local Government Investment Pool-Capital Inv Fund (LGIP accounts, cost approximates market, interest 0.60% at June 30)	158,594
Total Cash and Investments	<u>\$872,814</u>

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

Cash in Bank Demand Deposit US Bank – Sage Fund	<u>\$172,143</u>
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At the fiscal year-end, *Baker County Library Foundation* cash is comprised of the following:

Cash in Bank Demand Deposit Umpqua Bank – Foundation	\$63,834
Cash in Bank Demand Deposit Umpqua Bank – Foundation dba Friends	<u>25,178</u>
Total Cash	<u>\$89,012</u>

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.

BAKER COUNTY LIBRARY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For Fiscal Year Ended June 30, 2021

3. RECEIVABLES

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

Property Taxes Receivable	\$48,664
USAC E-Rate program reimbursements due	323
Vendor reimbursement due	198
Due from Other Funds	94
Due from Sage Fund	<u>1,672</u>
Total	<u>\$50,951</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. 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	84,741	-	2,798,764
Furniture, fixtures and equipment	321,743	3,072	-	324,815
Vehicles	97,132	20,480	-	117,612
Total capital assets being depreciated	<u>3,132,898</u>	<u>108,293</u>	<u>-</u>	<u>3,241,191</u>
Total capital assets before depreciation	<u>3,189,698</u>	<u>108,293</u>	<u>-</u>	<u>3,297,991</u>
Less accumulated depreciation for:				
Buildings and improvements	(1,334,888)	(78,710)	-	(1,413,598)
Furniture, fixtures and equipment	(265,345)	(12,922)	-	(278,267)
Vehicles	(77,002)	(2,396)	-	(79,398)
Total accumulated depreciation	<u>(1,677,235)</u>	<u>(94,028)</u>	<u>-</u>	<u>(1,771,263)</u>
Net capital assets	<u>\$ 1,512,463</u>	<u>\$ 14,265</u>	<u>\$ -</u>	<u>\$ 1,526,728</u>

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

The 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.

BAKER COUNTY LIBRARY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For Fiscal Year Ended June 30, 2021

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 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 \$94,028 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.

**BAKER COUNTY LIBRARY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS**

5. LONG-TERM DEBT

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

Obligation	Payable at June 30, 2020	Increases	Decreases	Payable at June 30, 2021	Due in One Year
City of Baker City LID	\$15,315	\$0	(\$589)	\$14,726	\$1,564
Accrued Compensated Absences	71,416	49,323	(41,472)	79,267	0
Totals	\$86,731	\$49,323	(\$42,061)	\$93,993	\$1,564

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 2021 was 3.40%.

These payments are made by the District's General Fund. As of June 30, 2021, future payments are as follows:

Note Payable to the City of Baker City, LID Project:					
Fiscal Year		Principal	Interest	Total Payment	
Year 1	2020-2021	\$ 1,529	\$ 471	\$ 2,000	
Year 2	2021-2022	1,564	436	2,000	
Year 3	2022-2023	1,618	382	2,000	
Year 4	2023-2024	1,673	327	2,000	
Year 5	2024-2025	1,731	269	2,000	
Year 6-8	2025-2028	6,611	443	7,054	
TOTALS		\$ 14,726	\$ 2,328	\$ 17,054	

BAKER COUNTY LIBRARY DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 For Fiscal Year Ended June 30, 2021

6. FUND BALANCES, GOVERNMENTAL FUNDS

On the *Balance Sheet - Governmental Funds*, the fund balances are reported in the aggregate in the classifications defined by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund balances by classification for the year ended June 30, 2021, were as follows:

Fund balances	Special Funds-		Reserve Fund-		Total Governmental Funds
	General Fund	Other Uses Fund	Capital Investment		
Nonspendable:					
Prepaid wages	\$ 300	\$ -	\$ -		\$ 300
Restricted:					
Grant expenditures	-	15,297	-		15,297
Committed:					
Community support	-	3,300	-		3,300
Capital projects, building	-	-	158,594		158,594
Youth programs	-	1,125	-		1,125
Assigned:					
Capital projects, technology	-	8,538	-		8,538
Community support	-	49,465	-		49,465
Library operations	-	4,280	-		4,280
Literacy program	-	1,045	-		1,045
Reserve for retirement packages	-	81,742	-		81,742
Unassigned	497,909				497,909
Total fund balances	\$ 498,209	\$ 164,792	\$ 158,594		\$ 821,595

7. INTERFUND TRANSFERS

Interfund transfers for the fiscal year are as follows:

Transfers Out:

General Fund

General Fund

Other Uses Funds-Memorial Department

Transfers In:

Special Fund – Other Uses Fund:

\$11,000

Capital Investment Fund:

\$107,555

General Fund:

\$6,000

General fund budgeted a transfer of \$10,000 to the Severance Liability Department (Special Revenue-Other Uses Funds) to accumulate monies for projected retirement packages and budgeted to transfer \$1,000 to the Other Funds-Technology savings fund. A budgeted transfer of \$107,555 from General Fund was transferred into the new Capital Investment Fund to continue to accumulate savings for future capital projects. Other Uses-Memorial budgeted to transfer \$6,000 to General Fund out of the proceeds from online book sales used to support the book budget.

BAKER COUNTY LIBRARY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For Fiscal Year Ended June 30, 2021

8. 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.

9. 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.

10. 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, 2021

11. 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, 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, 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, 2021

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

Pension Benefits – The Pension Program (ORS 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age: for General Service 1.5 percent is multiplied by the number of years of service and the final average salary. The normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age or the date on which termination becomes effective, if the pension program is terminated. *For complete list of requirements related to vesting and retirement age, see the PERS website*.*

Death Benefits – Upon the death of a non-retired (active) member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse receives for life 50 percent that would otherwise have been paid to the deceased member.

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

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

3. OPSRP Individual Account Program (OPSRP IAP)

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

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

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

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

Contributions:

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

Employer contribution rates during the period were based on the December 31, 2017 Actuarial Valuation, effective July 1, 2019 through June 30, 2021. Employer contributions for the year ended June 30, 2021 were \$97,009 and total pension expense of \$187,788.

The rates in effect for the fiscal year ended June 30, 2021 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, 2021

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, 2020
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	5.8% 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*.*

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*.*

BAKER COUNTY LIBRARY DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 For Fiscal Year Ended June 30, 2021

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)	\$1,869,791	\$1,259,188	\$747,170

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

At June 30, 2021, the District reported a liability of \$1,259,188 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, 2020, 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, 2020. 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, 2021, the District's proportionate share was 0.00576989%.

For the year ended June 30, 2021, the District recognized pension expense at the fund level of \$97,009. 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	\$55,420	\$0
Changes in assumptions	\$67,577	\$2,368
Net difference between projected and actual earnings on investments	\$148,064	\$0
Changes in proportionate share	\$74,948	\$76,748
Differences between employer contributions and proportionate share of system contributions	\$5,707	\$34,487
Total (prior to post-Measurement Date MD contributions)	\$351,716	\$113,603
Contributions subsequent to the MD	\$104,283	N/A
Net deferred outflows (inflows) of resources	\$455,999	\$238,113

BAKER COUNTY LIBRARY DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 For Fiscal Year Ended June 30, 2021

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 st Fiscal Year	\$60,033
2 nd Fiscal Year	\$67,008
3 rd Fiscal Year	\$70,785
4 th Fiscal Year	\$42,699
5 th Fiscal Year	(\$2,413)
Thereafter	\$0
Total	\$238,113

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, effective 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, 2021, there was one inactive, retired employee receiving benefits under the District's group health insurance and 10 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, 2021

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	(\$1,436)	(\$1,779)	(\$2,072)

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	\$182
Changes in assumptions	\$0	\$95
Net difference between projected and actual earnings on investments	\$198	\$0
Changes in proportionate share	\$4,328	\$47
Differences between employer contributions and proportionate share of system contributions	\$0	\$0
Total (prior to post-Measurement Date MD contributions)	\$4,526	\$324
Contributions subsequent to the MD	\$1,914	N/A
Net deferred outflows (inflows) of resources	\$2,612	\$4,202

*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, 2020 measurement date that require disclosure.

*REQUIRED
SUPPLEMENTARY
INFORMATION*

BAKER COUNTY LIBRARY DISTRICT
Budgetary Comparison Schedule - General Fund
For Fiscal Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes:				
Current Year Property Taxes	\$ 1,192,242	\$ 1,235,772	\$ 1,227,427	\$ (8,345)
Prior Years' Property Taxes	35,000	50,000	45,595	(4,405)
Other Property Tax Revenues	500	500	4,302	3,802
Total Property Taxes	1,227,742	1,286,272	1,277,324	(8,948)
Intergovernmental Revenues:				
State Resource Sharing	8,000	8,000	7,889	(111)
Fines and Fees:				
Overdue fines and fees	9,000	12,000	10,212	(1,788)
Fiscal agency fee	2,000	2,000	1,857	(143)
Grant Revenues	1,000	201,000	181,258	(19,742)
Contributions	500	500	333	(167)
Other Revenues - Misc	1,000	1,000	1,071	71
Other Revenues - USAC E-Rate Program	7,000	7,000	6,948	(52)
Interest	12,000	15,000	11,127	(3,873)
Total Revenues	1,268,242	1,532,772	1,498,019	(34,753)
EXPENDITURES				
Personal Services:				
CEO - Library Director	84,718	84,800	84,721	79
Admin - IT Network & Systems Specialist	15,472	17,750	16,994	756
Admin - Business Manager / HR	31,473	31,473	31,642	(169)
Admin - Library Circulation/Office Manager	37,573	35,750	35,785	(35)
Admin - Technical Services/ Catalog Specialist	43,487	43,500	43,495	5
Admin - Collection Management / Outreach	39,138	39,138	39,076	62
Youth Services Specialist	34,075	34,100	34,080	20
Facilities Maintenance	31,659	32,500	32,457	43
Technical Services - Serials Specialist	39,453	39,500	39,451	49
Technical Services - Processing	30,338	31,400	31,607	(207)
Technical Services - Media Specialist	30,834	30,834	30,092	742
Collection Management - Library Page/Shelving	24,484	24,484	23,367	1,117
Public Services / Outreach - Bookmobile	15,065	10,000	9,213	787
Public Services / Outreach - Branch Library Leads	72,540	68,050	65,806	2,244
Public Services / Library - General	13,672	21,600	22,573	(973)
Vacation Subs & Special Projects	17,320	11,000	10,688	312
Staff Training Expense	5,022	1,500	1,184	316
PERS retirement program	102,334	107,000	97,009	9,991
Payroll taxes and insurance	48,421	45,300	44,433	867
Group health and life insurance	118,695	120,550	114,678	5,872
Total Personal Services	835,773	830,229	808,351	21,878
Materials and Services:				
Collection development (books and periodicals)	102,000	125,300	97,097	28,203
Library consortium - Sage membership and expenses	14,400	15,900	15,172	728
Facilities maintenance	52,000	219,200	211,200	8,000
Janitorial contract	40,000	20,000	21,792	(1,792)
Janitorial supplies	5,000	12,000	5,866	6,134
Equipment lease	2,400	2,000	2,083	(83)
Computer maintenance	22,300	38,100	34,274	3,826
Bookmobile operations	10,000	7,500	8,167	(667)
Insurance	21,000	21,500	21,493	7
Travel and training	4,000	3,000	2,132	868
Election	6,500	6,500	6,221	279
Professional fees - audit services	7,800	7,800	7,700	100
Bookkeeping supplies	1,600	2,100	1,569	531
Dues and subscription	3,500	3,525	3,246	279
Publication	3,000	5,000	5,761	(761)
Financial management fees	1,380	1,380	1,169	211
Legal administration	1,000	1,000	189	811
Professional services	0	500	628	(128)
Public programs	2,000	2,000	1,580	420
Branch mileage	5,000	3,000	2,538	462
Library service supplies	25,000	30,000	26,377	3,623
Youth and childrens programs	13,500	13,500	8,928	4,572
Postage	1,500	1,000	928	72
Utilities	47,775	46,325	42,098	4,227
Telecommunications	18,600	18,000	17,138	862
Total Materials and Services	411,255	606,130	545,346	60,784
Debt Service Payments	2,000	2,000	2,000	0
Capital Outlay	10,000	25,000	7,864	17,136
Operating Contingency	404,922	509,241	0	509,241
Total Expenditures	1,663,950	1,972,600	1,363,561	609,039
Revenues Over (Under) Expenditures	(395,708)	(439,828)	134,458	574,286
Other Financing Sources (Uses):				
Operating Transfers In	6,000	6,000	6,000	0
Operating Transfers Out	(46,000)	(118,555)	(118,555)	0
Other Financing Sources	5,000	0	0	0
Total Other Financing Uses	(35,000)	(112,555)	(112,555)	0
Revenues Over (Under) Expenditures and Other Financing Uses	(430,708)	(552,383)	21,903	574,286
Fund Balances, July 1	430,708	552,383	476,306	(76,077)
Fund Balances, June 30	\$ 0	\$ 0	\$ 498,209	\$ 498,209

BAKER COUNTY LIBRARY DISTRICT
 Budgetary Comparison Schedule - Special Revenue-Other Uses Fund
 For Fiscal Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Local Sources:				
Grants	\$ 10,000	\$ 10,000	\$ 10,000	\$ 0
Contributions	2,000	2,000	2,675	675
Other Revenues	5,500	5,500	3,712	(1,788)
Interest	3,500	3,500	1,282	(2,218)
Total Revenues	21,000	21,000	17,669	(3,331)
EXPENDITURES:				
Personal Services:				
Wages	1,500	1,500	0	1,500
Payroll taxes and related expense	150	150	0	150
Materials and Services:				
Memorial Department	102,350	107,350	25,856	81,494
Literacy Department	1,500	1,500	0	1,500
Technology Department	4,500	4,500	0	4,500
Severance Liability Department	81,000	81,000	0	81,000
Capital Outlay:				
Capital Projects Department	0	0	0	0
Total Expenditures	191,000	196,000	25,856	170,144
Revenues Over (Under)				
Expenditures	(170,000)	(175,000)	(8,187)	166,813
Other Financing Sources (Uses):				
Operating Transfers In	11,000	11,000	11,000	0
Operating Transfers Out	(6,000)	(6,000)	(6,000)	0
Total Other Financing Sources	5,000	5,000	5,000	0
Revenues and Other Financial Sources Over (Under)				
Expenditures and Other Financing Uses	(165,000)	(170,000)	(3,187)	166,813
Fund Balances, July 1	165,000	170,000	167,979	(2,021)
Fund Balances, June 30	\$ 0	\$ 0	\$ 164,792	\$ 164,792

BAKER COUNTY LIBRARY DISTRICT
 Budgetary Comparison Schedule - Capital Investment Fund
 For Fiscal Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Local Sources:				
Grants	\$ 0	\$ 0	\$ 0	\$ 0
Interest	1,200	1,200	657	(543)
Total Revenues	1,200	1,200	657	(543)
EXPENDITURES:				
Capital Outlay:				
Facilities maintenance & repair	91,600	164,155	0	164,155
Total Expenditures	91,600	164,155	0	164,155
Revenues Over (Under) Expenditures	(90,400)	(162,955)	657	163,612
Other Financing Sources (Uses):				
Operating Transfers In	35,000	107,555	107,555	0
Operating Transfers Out	0	0	0	0
Total Other Financing Sources	35,000	107,555	107,555	0
Revenues and Other Financial Sources Over (Under) Expenditures and Other Financing Uses	(55,400)	(55,400)	108,212	163,612
Fund Balances, July 1	55,400	55,400	50,382	(5,018)
Fund Balances, June 30	\$ 0	\$ 0	\$ 158,594	\$ 158,594

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

Schedule of District's Proportionate Share of Net Pension Liability

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

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

Fiscal year ended June 30,	<u>2021</u>	<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>
District's proportion of the Net OPEB-RHIA Liability (NOL)	0.00087317%	0.00511781%	0.00495878%							
District's proportionate share of the Net OPEB-RHIA Liability (Asset)	\$ (1,779)	\$ (9,889)	\$ (5,535)							
District's covered-employee payroll	\$ 590,489	\$ 567,113	\$ 565,901							
District's proportionate share of the NOL as a percentage of its covered-employee payroll	-0.30%	-1.74%	-0.98%							
Plan Net Position as a Percentage of Total NOL	150.1%	144.4%	124.0%					UNAVAILABLE		

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

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

Schedule of District's Pension Contributions

Fiscal year ended June 30,	<u>2021</u>	<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>
Contractually Required Contribution	\$ 116,396	\$ 104,459	\$ 92,418	\$ 84,763	\$ 65,496	\$ 68,520	\$ 46,457	\$ 47,143		
Contractually Required Contribution	\$ (116,396)	\$ (104,459)	\$ (92,418)	\$ (84,763)	\$ (65,496)	\$ (68,520)	\$ (46,457)	\$ (47,143)		
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		UNAVAILABLE
District's Covered Employee Payroll	\$ 590,489	\$ 567,113	\$ 565,901	\$ 575,443	\$ 498,720	\$ 510,586	\$ 465,853	\$ 419,402		
Contributions as a Percentage of Covered-Employee Payroll	19.71%	18.42%	16.33%	14.73%	13.13%	13.42%	9.97%	11.24%		

Schedule of District's OPEB-RHIA Contributions

Fiscal year ended June 30,	<u>2021</u>	<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>
Contractually Required Contribution	\$ 1,914	\$ 2,418	\$ 2,536							
Contractually Required Contribution	\$ (1,914)	\$ (2,418)	\$ (2,536)							
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -							
District's Covered Employee Payroll	\$ 590,489	\$ 567,113	\$ 565,901							
Contributions as a Percentage of Covered-Employee Payroll	0.32%	0.43%	0.45%							

*OTHER
SUPPLEMENTARY
INFORMATION*

BAKER COUNTY LIBRARY DISTRICT
Budgetary Comparison Schedule - Fiduciary Fund, Sage Library System
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Local Sources:				
Grants	\$ 61,000	\$ 61,000	\$ 61,101	\$ 101
Membership dues	223,000	223,000	221,836	(1,164)
Other revenues	2,825	2,825	1,195	(1,630)
Interest	0	0	0	0
Total revenues	<u>286,825</u>	<u>286,825</u>	<u>284,132</u>	<u>(2,693)</u>
EXPENDITURES:				
Personal Services:				
Sage system manager	62,727	62,727	67,397	(4,670)
Business manager	6,180	6,180	6,319	(139)
Sage payroll taxes & benefits	33,232	35,762	23,076	12,686
Total personal services	<u>102,139</u>	<u>104,669</u>	<u>96,792</u>	<u>7,877</u>
Materials and Services:				
Courier services and supplies	95,950	95,950	94,027	1,923
Fiscal agency fee, admin services	1,857	1,857	1,857	0
Dues and subscriptions	5,000	5,000	1,756	3,244
Legal services	250	250	0	250
Member credit expense	1,000	2,624	2,624	0
Office supplies and miscellaneous	425	925	756	169
Postage	50	50	47	3
Technical services contract	65,570	65,570	64,190	1,380
Technical services expense	2,500	2,500	2,552	(52)
Technology maintenance expense	4,500	12,000	11,116	884
Telecommunications	400	400	234	166
Training & professional development	2,500	500	55	445
Travel	3,500	500	84	416
Total materials and services	<u>183,502</u>	<u>188,126</u>	<u>179,298</u>	<u>8,828</u>
Capital outlay	25,000	25,000	11,152	13,848
Operating contingency	16,184	11,184	0	11,184
Total expenditures	<u>326,825</u>	<u>328,979</u>	<u>287,242</u>	<u>41,737</u>
Revenues Over (Under) Expenditures	(40,000)	(42,154)	(3,110)	39,044
Fund Balances, July 1	<u>190,000</u>	<u>175,000</u>	<u>186,611</u>	<u>11,611</u>
Fund Balances, June 30	<u>\$ 150,000</u>	<u>\$ 132,846</u>	<u>\$ 183,501</u>	<u>\$ 50,655</u>

BAKER COUNTY LIBRARY DISTRICT
 SCHEDULE OF PROPERTY TAX TRANSACTIONS
 For Fiscal Year Ended June 30, 2021

Tax Year	Taxes Receivable June 30, 2020	Current Levy	Adjustments	Discounts Allowed	Taxes Collected	Taxes Receivable June 30, 2021
2020-21	\$ 0	\$ 1,328,786	\$ 1,581	(33,345)	\$ 1,232,546	\$ 26,439
2019-20	29,202	0	506	0	18,718	11,401
2018-19	14,819	0	507	0	9,708	6,120
2017-18	7,827	0	89	0	6,526	2,286
2016-17	2,425	0	90	0	2,701	161
2015-16	3,772	0	92	0	3,635	74
2014-15	3,389	0	93	0	3,215	85
All Prior Years	<u>9,087</u>	<u>0</u>	<u>205</u>	<u>0</u>	<u>6,600</u>	<u>2,098</u>
Total	<u>\$ 70,521</u>	<u>\$ 1,328,786</u>	<u>\$ 3,163</u>	<u>\$ (33,345)</u>	1,283,649	<u>\$ 48,664</u>

Interest Collections (6,324)

Total Collections \$ 1,277,325

	General Fund
<u>Current Year Tax Collections:</u>	
Current General Levy	\$ 864,213
Current Local Option Levy	363,214
Other Taxes	4,302
Current Interest	817
Total Current Year	<u>\$ 1,232,546</u>
<u>Prior Years Tax Collections:</u>	
Prior General & Local Option Levy	\$ 45,596
Prior Interest	5,507
Total Prior Years	<u>51,103</u>
Combined Totals	<u>\$ 1,283,649</u>

*AUDIT
COMMENTS
AND DISCLOSURES*



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, 2021, and have issued our report thereon dated November 11, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

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

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

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

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

OAR 162-10-0230 Internal Control

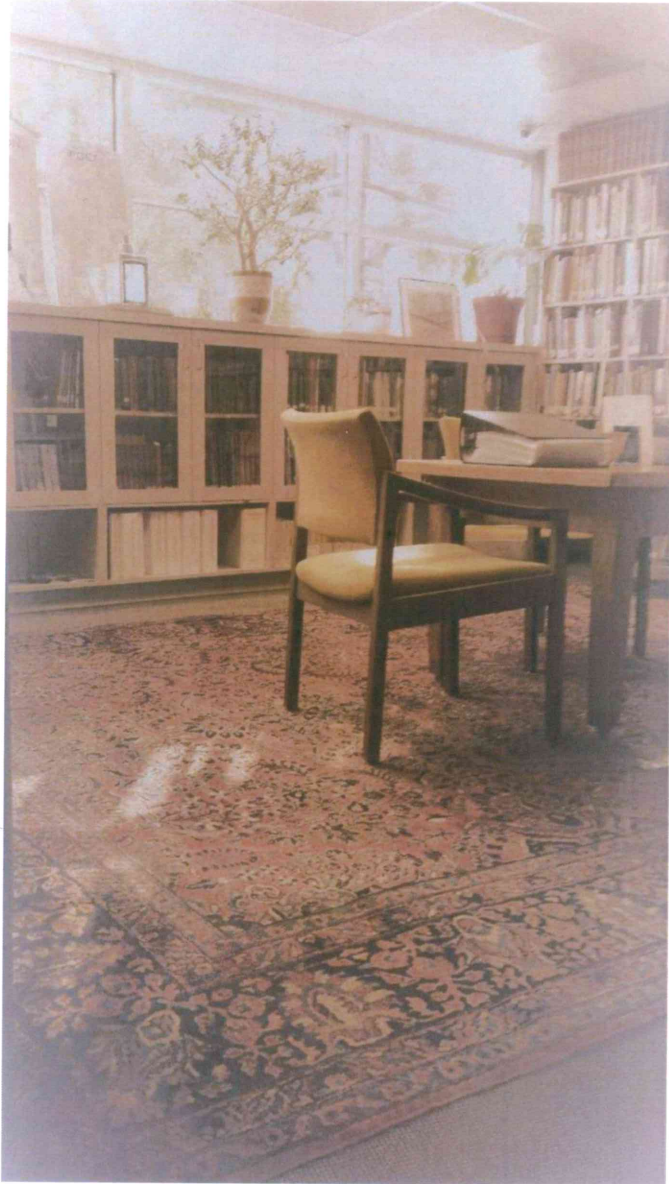
In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of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

We noted certain internal control matters that we reported to management of Baker County Library District in a separate letter dated November 11, 2021.

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
November 11, 2021



This photo features an Antique Persian Rug on display in the Oregon Room.