CITY OF TOLEDO **AGENDA**

Fire Department
285 NE Burgess Rd
Toledo, Oregon 97391
6:00 p.m.

TOLEDO CITY COUNCIL
Work Session – also via Zoom Meeting Platform
February 23, 2022

Virtual Meeting: The City Council will hold the meeting in person for the City Council and staff as well as through the Zoom video meeting platform. The public is encouraged to attend the meeting electronically. Visit the meetings page on the city website for meeting login information.

Public Comments: The City Council may take limited verbal comments during the meeting. Written comments may be submitted by email to lisa.figueroa@cityoftoledo.org 3:00 p.m. the day of the meeting to be included in the record. Comments received will be shared with the City Council and included in the record.

1. **Call to Order, Pledge of Allegiance and roll call**

2. **Joint meeting with the Confederated Tribes of Siletz Indians**
   How do the two communities work together to
   - Get more industry to the Stedco property
   - Create more cultural events between the two communities

3. **Presentations**
   2020-2021 Audit Presentation

4. **Visitors/Public Comment**
   (The public comment period provides the public with an opportunity to address the City Council regarding items not on the agenda. Please limit your comments to three (3) minutes).

5. **Consent Agenda**
   Minutes from the Special Meeting held January 22, 2022

6. **Discussion Items**
   - Capital Improvement Plan review
   - Discussion regarding housing and economic development in regards to City Council Goals & objectives action plan

7. **Decision Items**
   - Approval to spend $60,000 for new Fire Command Vehicle
   - Resolution No. 1481, to receive the financial audit for Fiscal Year 2020-2021
   - Resolution No. 1482, approving the transfer of funds for Fiscal Year 2021-2022
   - Approve an expenditure of $147,500 for Water Treatment Plant asphalt improvements
   - Decision - bonus

Comments submitted in advance are preferable. Comments may be submitted by phone at 541-336-2247 extension 2060 or by e-mail at lisa.figueroa@cityoftoledo.org. The meeting is accessible to persons with disabilities. A request for an interpreter for the hearing impaired, or for other accommodations for persons with disabilities, should be made at least 48 hours in advance of the meeting by calling city offices at (541) 336-2247.

8. Reports and Comments

- Committee updates

9. Adjournment

Comments submitted in advance are preferable. Comments may be submitted by phone at 541-336-2247 extension 2060 or by e-mail at lisa.figueroa@cityoftoledo.org. The meeting is accessible to persons with disabilities. A request for an interpreter for the hearing impaired, or for other accommodations for persons with disabilities, should be made at least 48 hours in advance of the meeting by calling city offices at (541) 336-2247.

CITY OF TOLEDO
Lincoln County, Oregon

ANNUAL FINANCIAL REPORT

June 30, 2021

CITY OF TOLEDO
Lincoln County, Oregon

CITY OFFICIALS

June 30, 2021

MAYOR

Rod Cross
206 N. Main St.
Toledo, OR 97391

CITY COUNCIL

Tracy Mix
206 N. Main St.
Toledo, OR 97391

Robert Duprau
206 N. Main St.
Toledo, OR 97391

Jackie Kauffman
206 N. Main St.
Toledo, OR 97391

Betty Kamikawa
206 N. Main St.
Toledo, OR 97391

Todd Michels
206 N. Main St.
Toledo, OR 97391

Wade Carey
206 N. Main St.
Toledo, OR 97391

CITY MANAGER

Judy Richter

CITY ATTORNEY

Michael E. Adams

CITY OF TOLEDO
Lincoln County, Oregon

TABLE OF CONTENTS

June 30, 2021

FINANCIAL SECTION

Independent Auditor's Report

The Honorable Mayor and
Members of the City Council
City of Toledo
Toledo, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Toledo, Oregon as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City'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 error or fraud.

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 and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. 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 the audit evidence we have obtained is sufficient and appropriate to provide a reasonable 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, business-type activities, each major fund, and the aggregate remaining fund information of the City of Toledo, 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 conformity 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, the schedules of the City's proportionate share of the net pension liability, OPEB medical liability and City contributions, and the budgetary comparison information on pages 4 through 11 and 62 through 67, respectively, 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. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We do not express an opinion or provide any assurance on the management's discussion and analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Toledo's basic financial statements as a whole. The combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The aforementioned information is the responsibility of management, and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2021 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Toledo's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated February 18, 2021 on our tests of the City's compliance with certain provisions of laws and regulations 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.

Teresa Hanford

Hanford & Associates, LLC
West Richland, Washington
February 18, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF TOLEDO
Lincoln County, Oregon
MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

As management of the City of Toledo, Lincoln County, Oregon, we offer readers this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2021. It should be read in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- At June 30, 2021, total net position of the City of Toledo amounted to $23,741,617. Of this amount, $14,808,786 was invested in capital assets, net of related debt. The remaining balance included $3,628,063 restricted for various purposes and $5,304,767 of unrestricted net position.

- At June 30, 2021, the City's governmental funds reported combined ending net position of $7,472,023.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Toledo's basic financial statements. The basic financial statements are comprised of three components:
(1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of the City'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 City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position 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 distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and streets, and culture and recreation. The business-type activities of the City include water and sewer services.

The government-wide financial statements can be found on pages 12 through 14 of this report.

Fund Financial Statements

The fund financial statements are designed to demonstrate compliance with finance-related legal requirements overseeing the use of fund accounting. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. All of the funds of the City of Toledo can be divided into two categories: governmental funds and proprietary funds.

- **Governmental Funds**

  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 available resources, as well as on the balances of available resources at the end of the fiscal year. Such information may be useful in evaluating the City'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 City's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

  The City maintains 17 individual governmental funds. Information is presented separately in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Street, Stabilization and Revolving Loan Funds, all of which are considered to be major governmental funds. Data from the nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

  The City of Toledo adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided for each fund individually to demonstrate compliance with their respective budgets.

  The basic governmental fund financial statements can be found on pages 15 through 18 of this report.

- **Proprietary Funds**

  Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City maintains five enterprise funds and two internal service funds.

  Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses the enterprise funds to account for its water and sewer utility operations.

  Internal service funds serve as an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses the internal service funds to account for its public works. Because these services predominantly benefit governmental functions rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

  The basic proprietary fund financial statements can be found on pages 19 through 23 of this report.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the financial data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 24 through 61 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which includes the City's proportionate share of the net pension liability and City contributions, as well as budgetary comparison information for the General, Street, Stabilization, and Revolving Loan Funds. This required supplementary information can be found on pages 62 through 67 of this report.

The combining statements referred to earlier, in connection with nonmajor governmental and proprietary funds, are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 68 through 92 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. At June 30, 2021, the City's assets exceeded liabilities by $23,794,550.

A large portion of the City's net position reflects its investment in capital assets (e.g., land, buildings, and equipment) less any related debt used to acquire those assets that is still outstanding. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City's Net Position

The City's net position increased by $99,588 during the current fiscal year. This minor increase is primarily due to the delay in large projects and their associated funding and due to contributions from corona virus pandemic relief funds. There were no significant changes in operations. A condensed statement of net position information is shown below.

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Assets						
Current and other assets	$ 8,086,482	$ 7,978,062	$ 2,955,391	$ 2,764,456	$ 11,041,872	$ 10,742,517
Restricted assets	84,491	-	828,734	738,515	913,225	738,515
Noncurrent assets including capital	8,197,637	8,272,806	13,291,473	13,960,993	21,489,110	22,233,799
Total assets	16,368,610	16,250,868	17,075,597	17,463,964	33,444,207	33,714,831
Deferred Outflows of					-	
Resources	975,655	391,908	363,048	137,698	1,338,703	529,606
					-	
Liabilities					-	
Current liabilities	1,142,829	886,653	107,183	168,453	1,250,012	1,055,106
Noncurrent liabilities	8,449,696	8,435,248	957,784	724,844	9,407,480	9,160,092
Total liabilities	9,592,524	9,321,901	1,064,967	893,297	10,657,491	10,215,198
Deferred Inflows of					-	
Resources	279,717	247,366	104,085	86,912	383,802	334,278
Net position					-	
Net investment in					-	
capital assets	1,517,313	1,817,826	13,291,473	13,960,993	14,808,786	15,778,819
Restricted for various					-	
purposes	2,806,438	2,917,837	821,626	717,569	3,628,063	3,635,406
Unrestricted	3,148,273	2,337,846	2,156,495	1,942,890	5,304,767	4,280,736
Total net position	$ 7,472,023	$ 7,073,510	$ 16,269,593	$ 16,621,452	$ 23,741,617	$ 23,694,962

City's Changes in Net Position

The condensed statement of activities information shown on the following page explains changes in net position.

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Program revenues						
Charges for services	$ 597,305	$ 431,200	$ 3,199,247	$ 2,759,217	$ 3,796,552	$ 3,190,417
Operating grants and contributions	382,828	60,543	45,659	395	428,487	60,938
Capital grants and contributions	-	-	-	552,561	-	552,561
Total program revenues	980,132	491,743	3,244,907	3,312,173	4,225,039	3,803,916
General revenues						
Property taxes	2,447,252	2,106,962	-	-	2,447,252	2,106,962
Franchise fees	1,636,567	1,845,179	-	-	1,636,567	1,845,179
Motor fuel taxes	252,251	247,185	-	-	252,251	247,185
Alcohol/cigarette taxes	84,920	75,156	-	-	84,920	75,156
Privilege taxes	24,563	17,629	-	-	24,563	17,629
Intergovernmental	-	206,039	-	-	-	206,039
Investment earnings	58,652	170,144	26,919	63,249	85,571	233,393
Rents and leases	6,351	17,545	-	12,116	6,351	29,661
Miscellaneous	110,588	136,645	92,496	40,601	203,084	177,246
Total general revenues	4,621,144	4,822,484	119,415	115,966	4,740,559	4,938,450
Total revenues	5,601,277	5,314,227	3,364,322	3,428,139	8,965,598	8,742,366
Program expenses						
General government	1,904,733	1,582,416	-	-	1,904,733	1,582,416
Public safety	2,476,045	2,252,903	-	-	2,476,045	2,252,903
Highways and streets	1,159,350	608,969	-	-	1,159,350	608,969
Culture and recreation	386,162	382,800	-	-	386,162	382,800
Solid Waste	6,526	-	-	-	6,526	-
Water	-	-	1,793,533	1,655,708	1,793,533	1,655,708
Sewer	-	-	1,309,448	1,194,297	1,309,448	1,194,297
Total program expenses	5,932,816	4,827,088	3,102,981	2,850,005	9,035,797	7,677,093
Transfers	613,200	47,500	(613,200)	(47,500)	-	-
Change in net position	281,660	534,639	(351,859)	530,634	(70,199)	1,065,273
Net position - beginning	7,073,510	6,588,387	16,621,452	16,090,818	23,694,962	22,679,205
Prior period adjustment	116,854	(49,515)	-	-	116,854	(49,515)
Net position - end of year	$ 7,472,024	$ 7,073,511	$ 16,269,593	$ 16,621,452	$ 23,741,617	$ 23,694,963

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measurement of the City's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined fund balances of $7,519,232. Of this amount, $1,787,499 constitutes unassigned fund balance, which is available for spending at the City's discretion.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, total fund balance of the General Fund was $1,847,238.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Total net position of the proprietary funds amounted to $16,269,593 at year-end. Of this amount, $13,291,473 was invested in capital assets, net of related debt. The remaining balance included $821,626 restricted for various purposes and $2,156,495 of unrestricted net position.

BUDGETARY HIGHLIGHTS

Budget amounts shown in the financial statements reflect the original budget amounts and final budget amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets for its governmental activities and business-type activities as of June 31, 2021 amounted to $7,908,064 and $13,291,473, net of accumulated depreciation, respectively. This investment in capital assets includes land, buildings and structures, equipment and vehicles, land improvements, and infrastructure. The total depreciation expense related to the City's investment in capital assets for its governmental activities and business-type activities during the current fiscal year was $582,496 and $669,520, respectively.

Additional information on the City's capital assets can be found in Note II-D on pages 39 through 41 of this report.

Long-Term Liabilities

At the end of the current fiscal year, the City had total debt outstanding for its governmental activities and business-type activities of $6,390,750 and $0, respectively. These amounts are comprised of general obligation bonds, and bond premiums. The City's total debt decreased by $564,229 during the current fiscal year, due to a payments made in accordance with debt agreements. Additional information on the City's long-term liabilities can be found in Note II-G on pages 43 through 45 of this report.

The City took out a loan of $650,000 in 2020 which has not been fully drawn down and is not presented in the long term liabilities. The loan is for wastewater system improvements. Half of this, $325,000, is expected to be forgiven in 2022, when the debt will be reported in the City's financial statements.

KEY ECONOMIC FACTORS AND BUDGET INFORMATION FOR THE FUTURE

At the time these financial statements were prepared and audited, the City was aware of the following circumstances that could affect its future financial health:

Revenues

- The City's electricity franchise rate increased from 4.25% to 5.0% in the 2016-2017 fiscal year. This increase along with rate increases and increased electrical consumption is estimated to continue to bring in an additional $220,000 annually in revenues.
- The revenues received from the Lincoln County Library District are estimated to be down slightly from the previous year at $70,000.
- Revenue from the Toledo Rural Fire Protection District is projected to be the same as the previous year at an estimated $180,000.
- The City started receiving state shared marijuana tax revenue during 2021 although amounts are expected to be minimal, about $12,000.
- The combined unappropriated fund balance is projected to increase by approximately $1.3 million.

Expenditures

- During 2020 the City filled one position - 1.0 FTE Treatment Plant Operator Trainee.
- This budget reflects anticipated increases in wages and compensation as the result of Collective Bargaining Agreements and other projected cost of living wage increases.
- General Fund Contract services has been increased to reflect continued outsourcing of legal services for the City Attorney/Legal services.
- The budget contains funding for professional engineering and architectural services and construction for the renovation of the Public Safety Building acquired by the City in 2017. The City delayed the project during 2021.

All of these factors were considered in preparing the City's budget for fiscal year 2021-2022.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest. Questions concerning any of the information provided in the report or requests for additional information should be addressed to the City Manager at the following address: P.O. Box 220, Toledo, Oregon 97391.

BASIC FINANCIAL STATEMENTS

CITY OF TOLEDO

Lincoln County, Oregon

STATEMENT OF NET POSITION

June 30, 2021

	Governmental Activities	Business-Type Activities	Total
ASSESTS			
Current assets			
Cash and cash equivalents	$ 7,627,388	$ 2,491,765	$ 10,119,153
Receivables, net current portion	277,088	310,508	587,595
Property taxes receivable	160,349	-	160,349
Inventory	21,657	153,118	174,775
Total current assets	8,086,482	2,955,391	11,041,872
Restricted assets			
Cash and cash equivalents	84,491	828,734	913,225
Total restricted assets	84,491	828,734	913,225
Noncurrent assets			
Housing rehabilitation loans receivable	208,451	-	208,451
Assets held for sale	81,122	-	81,122
Capital assets not being depreciated	1,054,662	823,714	1,878,376
Capital assets being depreciated, net	6,853,401	12,467,759	19,321,160
Total noncurrent assets	8,197,637	13,291,473	21,489,110
Total assets	16,368,610	17,075,597	33,444,207
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions	975,655	363,048	1,338,703
LIABILITIES			
Current liabilities			
Accounts payable	310,341	33,653	343,994
Compensated absences	180,063	23,536	203,599
Accrued interest	52,933	-	52,933
Deposits payable	84,491	49,994	134,485
Long-term debt due within one year	515,000	-	515,000
Total current liabilities	1,142,829	107,183	1,250,012

The accompanying notes are an integral part of these financial statements.

CITY OF TOLEDO
Lincoln County, Oregon
STATEMENT OF NET POSITION

June 30, 2021

Noncurrent liabilities			
Net pension liability	2,430,217	904,302	3,334,519
OPEB liability	143,728	53,482	197,210
Long-term debt due in more than one year	5,875,751	-	5,875,751
Total noncurrent liabilities	8,449,696	957,784	9,407,480
Total liabilities	9,592,524	1,064,967	10,657,491
DEFERRED INFLOWS OF RESOURCES			
Related to pensions	279,717	104,085	383,802
NET POSITION			
Net investment in capital assets	1,517,313	13,291,473	14,808,786
Restricted for various purposes	2,806,438	821,626	3,628,063
Unrestricted	3,148,273	2,156,495	5,304,767
Total net position	$ 7,472,023	$ 16,269,593	$ 23,741,617

The accompanying notes are an integral part of these financial statements.

CITY OF TOLEDO
Lincoln County, Oregon
STATEMENT OF ACTIVITIES

June 30, 2021

		Program Revenues			Net(expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
Governmental activities							
General government	$ 1,904,733	$ 196,562	$ 198,769	$ -	$ (1,509,402)	$ -	$ (1,509,402)
Public safety	2,476,045	162,410	-	-	(2,313,635)	-	(2,313,635)
Highways and streets	1,159,350	151,018	150,000	-	(858,332)	-	(858,332)
Culture and recreation	386,162	79,425	34,058	-	(272,679)	-	(272,679)
Solid Waste	6,526	7,891	-	-	1,365		1,365
Total governmental activities	$ 5,932,816	$ 597,305	$ 382,828	$ -	(4,952,684)	-	(4,952,684)
Business-type activities							
Water	1,793,533	2,025,197	45,659	-	-	277,323	277,323
Sewer	1,309,448	1,174,050	-	-	-	(135,397)	(135,397)
Total business-type activities	$ 3,102,981	$ 3,199,247	$ 45,659	$ -	-	141,926	141,926
			General Revenues				
			Property taxes		2,447,252	-	2,447,252
			Franchise fees		1,636,567	-	1,636,567
			Motor fuel taxes		252,251	-	252,251
			Alcohol and cigarette taxes		84,920	-	84,920
			Privilege taxes		24,563	-	24,563
			Investment earnings		58,652	26,919	85,571
			Sale of surplus		6,351	-	6,351
			Miscellaneous		110,588	92,496	203,084
			Total general revenues		4,621,144	119,415	4,740,559
			Transfers		613,200	(613,200)	-
			Change in net position		281,660	(351,859)	(70,199)
			Net position - beginning		7,073,510	16,621,452	23,694,962
			Prior period adjustment		116,854	-	116,854
			Net position - ending		$ 7,472,024	$ 16,269,593	$ 23,741,617

The accompanying notes are an integral part of these financial statements.

CITY OF TOLEDO

Lincoln County, Oregon

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2021

	General Fund	Special Revenue: Street Fund	Special Revenue: Stabilization Fund	Special Revenue: Revolving Loan Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 1,928,841	$ 2,478,533	$ 483,781	$ 62,153	$ 2,674,080	$ 7,627,388
Restricted cash	84,491	-	-	-	-	84,491
Accounts receivable, net of uncollectible accounts	268,085	9,003	-	-	-	277,088
Property taxes receivable	149,124	-	-	-	11,225	160,349
Notes receivable	-	-	-	208,451	-	208,451
Assets held for resale	81,122	-	-	-	-	81,122
Total assets	2,511,663	2,487,536	483,781	270,604	2,685,305	8,438,889
LIABILITIES						
Accounts payable	274,593	24,612	-	-	11,136	310,341
Deposits payable	84,491	-	-	-	-	84,491
Total liabilities	359,085	24,612	-	-	11,136	394,833
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue						
Property taxes	94,150	-	-	-	11,034	105,184
Notes receivable		-	-	208,451	-	208,451
Court fines	211,190	-	-	-	-	211,190
Total deferred inflows of resources	305,340	-	-	208,451	11,034	524,825
FUND BALANCES						
Restricted	84,491	2,462,924	-	62,153	196,869	2,806,438
Committed	-	-	483,781	-	1,101,430	1,585,211
Assigned	-	-	-	-	1,340,084	1,340,084
Unassigned	1,762,747	-	-	-	24,752	1,787,499
Total fund balances	1,847,238	2,462,924	483,781	62,153	2,663,136	7,519,232
Total liabilities, deferred inflows of resources and fund balances	$ 2,511,663	$ 2,487,536	$ 483,781	$ 270,604	$ 2,685,305	$ 8,438,889

The accompanying notes are an integral part of these financial statements.

CITY OF TOLEDO

Lincoln County, Oregon

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES

June 30, 2021

Total fund balances		**$ 7,519,232**
Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds:		
Nondepreciable capital assets	1,054,662	
Capital assets net of accumulated depreciation	6,853,401	7,908,064
Receivables that will be collected 60 days beyond yearend are reported as unavailable revenue, deferred inflows, under modified accrual. The change in these balances are recorded as adjustments to revenue under full accrual.		
Property taxes	105,184	
Notes receivable	208,451	
Court fines	211,190	524,825
Inventory is not reported at the fund level.		21,657
Amounts relating to the City's proportionate share of net pension liability or assets for the Oregon Public Retirement System (PERS) are not reported in governmental fund statements. In the governmental fund statements, pension expense is recognized when due. The amounts consist of:		
Deferred outflows of resources relating to pension expense	975,655	
Deferred inflows of resources relating to the return on pension assets	(279,717)	
Net OPEB (liability)	(143,728)	
Net pension asset (liability)	(2,430,217)	(1,878,007)
Long term liabilities are not due or payable in the in the current period and are therefore not reported in the governmental funds. Interest on long-term, debt is not accrued in the governmental funds, but rather, is recognized as an expenditure when due. These liabilities consist of:		
Compensated absences payable	(180,063)	
Bonds payable including premiums/discounts and accrued interest	(6,443,684)	(6,623,747)
Net position of governmental activities		$ 7,472,023

The accompanying notes are an integral part of these financial statements

CITY OF TOLEDO
Lincoln County,Oregon

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2021

		Special Revenue				
	General Fund	Street Fund	Stabilization Fund	Revolving Loan Fund	Nonmajor Governmental Funds	Total Government Funds
REVENUES						
Taxes						
Property	$ 2,202,573	$ -	$ -	$ -	$ 169,518	$ 2,372,092
Franchise	981,937	654,630	-	-	-	1,636,567
Motor fuel	-	249,729	-	-	2,523	252,251
Alcohol	68,193	-	-	-	-	68,193
Cigarette and marijuana	16,726	-	-	-	-	16,726
Privilege	-	-	-	-	24,563	24,563
Licenses, permits, and fees	62,569	106,964	-	-	7,891	177,424
Grants and contributions	92,492	150,000	-	-	140,335	382,828
Charges for services	92,181	-	-	-	-	92,181
Intergovernmental charges	195,725	-	-	-	-	195,725
State revenue sharing	57,145	-	-	-	-	57,145
Fines	90,345	-	-	-	-	90,345
Investment earnings	15,864	20,837	3,739	490	17,723	58,652
Rents and leases	17,800	-	-	-	-	17,800
Miscellaneous	51,346	3,660	12,213	-	29,005	96,225
Total revenues	3,944,898	1,185,820	15,952	490	391,558	5,538,717
EXPENDITURES						
Current						
General government	1,150,724	-	2,859	-	86,540	1,240,123
Public safety	2,235,361	-	-	-	15,013	2,250,374
Highways and streets	-	855,078	-	-	6,099	861,177
Culture and recreation	332,881	-	-	-	11,512	344,393
Solid waste	-	-	-	-	6,526	6,526
Debt service						
Principal	-	-	-	-	500,000	500,000
Interest	-	-	-	-	238,300	238,300
Capital outlay	-	77,263	-	-	352,035	429,299
Total expenditures	3,718,966	932,342	2,859	-	1,216,025	5,870,191
Excess (deficiency) of revenues over (under) expenditures	225,932	253,478	13,093	490	(824,467)	(331,474)
OTHER FINANCING SOURCES (USES)						
Proceeds from the sale of surplus	-	-	-	-	6,351	6,351
Transfers in	-	-	-	-	1,336,700	1,336,700
Transfers out	(298,500)	(425,000)	-	-	-	(723,500)
Total other financing sources (uses)	(298,500)	(425,000)	-	-	1,343,051	619,551
Net change in fund balances	(72,568)	(171,522)	13,093	490	518,584	288,077
Fund balances - beginning	1,907,181	2,634,446	470,688	61,664	2,144,552	7,218,531
Prior period adjustment	12,626	-	-	-	-	12,626
Fund balances - ending	$ 1,847,238	$ 2,462,924	$ 483,781	$ 62,154	$ 2,663,136	$ 7,519,233

The accompanying notes are an integral part of these financial statements

CITY OF TOLEDO
Lincoln County, Oregon

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2021

Net change in fund balances		**$ 288,077**
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures; however, in the statement of activities, the costs of these assets are allocated over their estimated useful lives and are reported as depreciation expense.		
Capital outlay expenditures - governmental funds	113,526	
Depreciation expense recorded in the current year	(582,496)	(468,970)
Receivables that will be collected 60 days beyond yearend are reported as unavailable revenue, deferred inflows, under modified accrual. The change in these balances are recorded as adjustments to revenue under full accrual.		
Property taxes	75,161	
Notes receivable	-	
Court fines	(33,315)	
		41,846
The issuance of long-term debt (e.g. bonds, loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		511,296
Some expenses reported in the statement of activities do not require the use of current financial resources and are therefore not reported as expenditures in the governmental funds:		
Change in compensated absences	(49,401)	
Change in inventory	1,094	(48,307)
Pension and OPEB expenses or credits that do not meet the measurable and available criteria are not recognized as revenue or expense in the current year in governmental funds. In the statement of activities, pension expense or credit is recognized when determined to have been accrued.		
Pension adjustment		14,363
OPEB adjustment		(56,644)
Change in net position		**$ 281,660**

The accompanying notes are an integral part of these financial statements.

CITY OF TOLEDO
Lincoln County, Oregon

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

June 30, 2021

	Business -Type Activities				
	Enterprise Funds				
	Water	Sewer	Water Reserve	Nonmajor Enterprise Funds	Total Enterprise Funds
ASSETS					
Current assets					
Cash and cash equivalents	$ 420,340	$ 158,775	$ 1,912,650	$ -	$ 2,491,765
Accounts receivable	194,337	116,170	-	-	310,508
Inventory	139,170	13,948	-	-	153,118
Total current assets	753,847	288,894	1,912,650	-	2,955,391
Restricted assets					
Cash and cash equivalents	-	-	-	828,734	828,734
Capital assets not being depreciated	353,686	470,028	-	-	823,714
Capital assets being depreciated, net	7,829,533	4,638,226	-	-	12,467,759
Total assets	8,937,066	5,397,148	1,912,650	828,734	17,075,597
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	184,351	178,697	-	-	363,048
LIABILITIES					
Current liabilities					
Accounts payable	11,293	14,464	788	7,108	33,653
Compensated absences	12,998	10,538	-	-	23,536
Deposits payable	49,994	-	-	-	49,994
Total current liabilities	74,285	25,002	788	7,108	107,183
Noncurrent liabilities					
Net pension liability	459,193	445,109	-	-	904,302
OPEB liability	27,158	26,325	-	-	53,482
Total liabilities	560,636	496,435	788	7,108	1,064,967

The accompanying notes are an integral part of these financial statements.

CITY OF TOLEDO
Lincoln County, Oregon

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

June 30, 2021

	Business -Type Activities				
	Enterprise Funds				
	Water	Sewer	Water Reserve	Nonmajor Enterprise Funds	Total Enterprise Funds
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	52,853	51,232	-	-	104,085
NET POSITION					
Net investment in capital assets	8,183,219	5,108,254	-	-	13,291,473
Restricted for:			-		
Debt Service	-	-	-	-	-
System Improvement	-	-	-	169,087	169,087
System Development	-	-	-	652,539	652,539
Unrestricted	324,709	(80,077)	1,911,862	-	2,156,495
Total net position	$ 8,507,928	$ 5,028,177	$ 1,911,862	$ 821,626	$ 16,269,593

The accompanying notes are an integral part of these financial statements.

CITY OF TOLEDO
Lincoln County, Oregon

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

PROPRIETARY FUNDS

For the Year Ended June 30, 2021

	Business -Type Activities				
	Water	Sewer	Water Reserve	Nonmajor Enterprise Funds	Total Enterprise Funds
OPERATING REVENUES					
Water sales	$ 1,381,290	$ -	$ -	$ -	$ 1,381,290
Water sales - Seal Rock	621,478	-	-	-	621,478
Sewer charges	-	1,173,850	-	-	1,173,850
Fees and charges	11,245	200	-	-	11,445
Grants and contributions	805	-	44,854	-	45,659
Rents and leases	11,184	-	-	-	11,184
OPEB adjustment	1,776	2,609	-	-	4,384
Compensated absence adjustment	6,252	6,580	-	-	12,832
Total operating revenues	2,034,030	1,183,239	44,854	-	3,262,123
OPERATING EXPENSES					
Cost of sales and services	757,326	842,189	39,125	-	1,638,640
Administration	15,690	9,636	-	-	25,326
Materials and supplies	12,303	-	565,098	162,947	740,348
Depreciation	384,393	285,127	-	-	669,520
Pension adjustment	19,599	9,548	-	-	29,147
Total operating expenses	1,189,311	1,146,500	604,222	162,947	3,102,981
Operating income (loss)	844,719	36,739	(559,368)	(162,947)	159,143
NONOPERATING REVENUE (EXPENSE)					
Investment earnings	1,856	2,453	16,911	5,700	26,919
Miscellaneous	1,239	2,479	-	71,561	75,279
Total nonoperating revenues (expenses)	3,095	4,932	16,911	77,260	102,198
Income (loss) before contributions and transfers	847,814	41,671	(542,457)	(85,687)	261,341
Transfers in	-	-	308,955	189,743	498,698
Transfers out	(750,073)	(361,825)	-	-	(1,111,898)
Change in net position	97,741	(320,154)	(233,502)	104,056	(351,859)
Total net position - beginning	8,410,187	5,348,331	2,145,364	717,570	16,621,452
Total net position - ending	$ 8,507,928	$ 5,028,177	$ 1,911,862	$ 821,626	$16,269,593

The accompanying notes are an integral part of these financial statements.

CITY OF TOLEDO
Lincoln County, Oregon

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended June 30, 2021

	Business -Type Activities				
	Enterprise Funds				
	Water	Sewer	Water Reserve	Nonmajor Enterprise Funds	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	$1,976,093	$1,171,542	$ -	$ -	$3,147,635
Receipts from rentals	11,184	-	-	-	11,184
Other receipts	805	-	44,854	-	45,659
Payments to employees	(314,823)	(324,784)	-	-	(639,607)
Payments to suppliers	(561,181)	(528,768)	(609,511)	(176,785)	(1,876,246)
Net cash provided (used) by operating activities	1,112,078	317,990	(564,657)	(176,785)	688,626
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Grants and contributions		-	-	-	-
Miscellaneous Income	1,239	2,479	-	-	3,719
Net cash provided (used) by noncapital financing activities	1,239	2,479	-	-	3,719
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
System development charges	-	-	-	71,561	71,561
Transfers from other funds - capital purposes	-	-	308,955	189,743	498,698
Transfers to other funds - capital purposes	(750,073)	(361,825)	-	-	(1,111,898)
Sale of surplus property	-	-	-	-	-
Principal paid on capital debt	-	-	-	-	-
Interest paid on capital debt	-	-	-	-	-
Purchase of capital assets	-	-	-	-	-
Net Cash provided (used) by capital and related financing activities	(750,073)	(361,825)	308,955	261,304	(541,639)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest income	1,856	2,453	16,911	5,700	26,919
Net cash provided (used) by investing activates	1,856	2,453	16,911	5,700	26,919
Net increase (decrease) in cash and cash equivalents	365,100	(38,903)	(238,791)	90,218	177,624

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

CITY OF TOLEDO

Lincoln County, Oregon

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended June 30, 2021

	Business -Type Activities				
	Enterprise Funds				
	Water	Sewer	Water Reserve	Nonmajor Enterprise Funds	Total Enterprise Funds
Cash and cash equivalents - beginning (including restricted balances)	55,240	197,678	2,151,441	738,515	3,142,874
Cash and cash equivalents - ending (including restricted balances)	420,340	158,775	1,912,650	828,733	3,320,498
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating Income (loss)	844,719	36,739	(559,368)	(162,947)	159,143
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation	384,393	285,127	-	-	669,520
Capital contributions	-	-	-	-	-
(Increase) decrease in:					
Receivables	(44,365)	(2,508)	-	-	(46,874)
Inventories	(56,963)	258	-	-	(56,705)
Deferred outflows of resources	(115,502)	(109,848)	-	-	(225,350)
Increase (decrease) in:					
Accounts payable	(16,185)	(1,985)	(5,289)	(13,838)	(37,297)
Compensated absences	(6,252)	(6,580)	-	-	(12,832)
Customer deposits	(11,092)	-	-	-	(11,092)
Net pension liability	125,704	111,620	-	-	237,324
OPEB liability	(1,775)	(2,608)	-	-	(4,384)
Deferred inflows of resources	9,397	7,776	-	-	17,173
Net cash provided (used) by operating activities	$ 1,112,078	$ 317,990	$ (564,657)	$ (176,785)	$ 688,626

The accompanying notes are an integral part of these financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statements of activities) report information on all of the activities of the City. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support.

B. Reporting Entity

The City of Toledo was incorporated in 1905 and is situated on a bend of the Yaquina River, surrounded by wooded hills. Toledo is just seven miles inland from the Central Oregon Coast and is the only inland coastal community with a deep-water channel. The historic town cascades over the hillsides to the river. The mission of Toledo's city government is to provide efficient, and necessary public services that protect and enhance the quality of life in Toledo, now and in the future, as determined by citizens, law, and available economic resources. The City provides basic services to citizens within the city limits. Control of the City is vested in its mayor and city council, elected to office by voters within the City.

C. Basis of Presentation - Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities incorporate data from governmental funds, while the business-type activities incorporate data from enterprise funds. Separate financial statements are provided for all governmental and proprietary funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds. Separate financial statements for each fund category - governmental and proprietary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

General Fund – The General Fund is the primary operating fund of the City. It accounts for all financial resources except those required to be accounted for in another fund. The primary source of revenue is property taxes.

Special Revenue Fund

Street Fund – The Street Fund accounts for the maintenance, operation, and construction of the City's streets. The primary sources of revenue are state shared highway funds.

Stabilization Fund – The Stabilization Fund is used to accumulate funds for future expenditures, including expected increases in PERS contribution rates, insurance costs, and fluctuations in General Fund revenues. The primary source of revenue is transfers.

Revolving Loan Fund – The Revolving Loan Fund accounts for the repayment and relending of funds originally obtained through federal programs. The primary source of revenue is loan repayments.

Capital Projects Fund

Water Construction Fund – The Water Construction Fund accounts for bond funded projects.

Debt Service Fund – The Debt Service Fund accounts for the repayment of the City's long-term debt. The primary source of revenue is property taxes. The primary use of revenue is for the payment of principal and interest due on long-term debt.

The City reports the following major proprietary funds:

Enterprise Funds

Water Fund – The Water Fund accounts for the resources and expenses related to the supply, treatment, and distribution of water. The primary source of revenue is user fees.

Sewer Fund – The Sewer Fund accounts for the resources and expenses related to the collection and treatment of wastewater. The primary source of revenue is user fees.

Water Reserve Fund – The Water Reserve Fund is used to accumulate funds for future system development costs. The primary source of revenue is transfers.

Additionally, the City reports the following nonmajor funds:

Special Revenue Funds

Forfeiture Revenue Fund – The Forfeiture Revenue Fund accounts for amounts received from government agencies.

Grant Fund – The Grant Fund accounts for financial resources from various grants. The primary use of revenue is expenditures for meeting purposes of the grants.

City Council Strategic Reserve Fund – The City Council Strategic Reserve Fund accounts for income from loan repayments to be used for future expenses at the Council's discretion.

Solid Waste Fund – The Solid Waste Fund is used to accumulate funds dedicated to landfill closure expenses. The primary source of revenue is user fees.

911 System Fund – The 911 System Fund accounts for the operation of the 911 call center. The primary source of revenue is payments for services rendered.

General Reserve Fund – The General Reserve Fund is used to accumulate funds for future equipment expenditures. The primary source of revenue is transfers.

Library Reserve Fund – The Library Reserve Fund is used to accumulate funds for future library programs, maintenance, and equipment costs.

Footpaths and Bicycle Trail Fund – The Footpaths and Bicycle Trail Fund accounts for required expenditures of state highway funds dedicated to the development and maintenance of footpaths and bicycle trails. The primary source of revenue is state highway taxes.

Street Reserve Fund – The Street Reserve Fund is used to accumulate funds for future maintenance, operation, and construction of the City's streets. The primary source of revenue is transfers.

Public Works Equipment Reserve Fund – The Public Works Equipment Reserve Fund is used to accumulate funds for future equipment acquisitions. The primary source of revenue is transfers.

Capital Projects Fund

Building and Property Reserve Fund – The Building and Property Reserve Fund is used to accumulate funds for future building and property purchases. The primary source of revenue is transfers committed by the City Council.

Enterprise Funds

System Development Fund – The System Development Fund is used to accumulate funds for future system development costs. The primary sources of revenue are user fees and transfers.

Sewer Reserve Fund – The Sewer Reserve Fund is used to accumulate funds for system development. The primary source of revenue is transfers.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in the fund financial statements, certain eliminations are made in preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activity column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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 the related cash flows. Property taxes are recognized as revenue in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due.

General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

F. Budgetary Information

The City budgets all funds in accordance with the requirements of state law. Annual appropriated budgets are adopted for the general, special revenue, debt service, enterprise, and internal service funds. All funds are budgeted on the modified accrual basis of accounting.

The City begins its budgeting process by appointing budget committee members. The budget officer prepares a budget, which is reviewed by the budget committee. The budget is then published in proposed form and is presented at public hearings to obtain taxpayer comments and approval from the budget committee. The budget is legally adopted by the city council by resolution prior to the beginning of the City's fiscal year. The council resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total personnel services, materials and services, debt service, capital outlay, and contingency are the levels of control for the funds established by the resolution. The detailed budget document, however, is required to contain more specific detailed information for the aforementioned expenditure categories and management may revise the detailed line item budgets within appropriation categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution. Supplemental budgets less than 10% of a fund's original budget may be adopted by the city council at a regular council 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 city council. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by the city council. During the year, there were no supplemental budgets. The City does not use encumbrances and appropriations lapse at year-end.

Budget amounts shown in the financial statements reflect the original budget amounts and final budget amounts.

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

1. Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. Restricted Assets

Assets whose use is restricted for debt service, facilities improvement and construction, grant projects, or by other agreement are segregated on the Statement of Net Position

3. Investments

State statutes authorize the City to invest in legally issued general obligations of the United States, the agencies and instrumentalities of the United States and the states of Oregon, Washington, Idaho, or California, certain interest-bearing bonds, time deposit open accounts, certificates of deposit, and savings accounts in banks, mutual savings banks, and savings and loan associations that maintain a head office or a branch in this state in the capacity of a bank, mutual savings bank, or savings and loan association, and share accounts and savings accounts in credit unions in the name of, or for the benefit of, a member of the credit union pursuant to a plan of deferred compensation.

4. Accounts Receivable

Receivables are recorded as revenue when earned. No allowance for uncollectible accounts has been established, as management deems all receivables collectible.

5. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds are eliminated in the statement of net position.

6. Inventory

Inventory of supplies is valued at cost using the first-in, first-out method. Inventory consists of materials for use in the public works, water, and sewer departments.

7. Capital assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost where no historical records exist. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance or repairs that do not add to the value of an asset or materially extend its life are charged to expenditures as incurred and are not capitalized. Major capital outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the City are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Equipment and vehicles	5-25
Buildings, structures, and infrastructure	5-40

8. Deferred Outflows/Inflows of Resources (Non-Pension Related)

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement elements, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet.

The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

9. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

10. Fund Balance Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned, fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

11. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision- making authority. The City Council is the highest level of decision-making authority for the government that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The City Council (council) has by resolution authorized the City Manager to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The City reports fund equity in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance – amounts that are in nonspendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (i.e. city council). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest level action to remove or change the constraint.
- Assigned fund balance – amounts that City intends to use for a specific purpose. Intent can be expressed by city council or by an official or body to which the city council delegates authority.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

The City has not formally adopted a minimum fund balance policy.

H. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes and other intentionally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic remittances of collection to entities levying taxes. Property taxes are levied and become a lien as of July 1 on property values assessed as of June 30. Property taxes are payable in three installments, which are due on November 15, February 15, and May 15.

3. Compensated Absences

Vacation

The City's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Sick leave

Accumulated sick leave lapses when employees leave the employ of the City and, upon separation from service, no monetary obligation exists.

4. 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 Systems (PERS) and additions to/deductions from PERS' 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.

5. Proprietary Fund Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenue of the proprietary funds are charges for services provided. Operating expenses for the proprietary funds include the cost of services and administrative expenses. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

I. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

II. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Deposits and Investments

The City of Toledo maintains a cash and cash equivalents pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the fund financial statements as cash and cash equivalents. Additionally, several funds held separate cash accounts. Interest earned on pooled cash and investments is allocated to participating funds.

Investments, including amounts held in pooled cash and investments, are stated at fair value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Applicatio*n, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value.

The City participates in an external investment pool (State of Oregon Local Government Investment Pool). The Pool is not registered with the U.S. Securities and Exchange Commission as an investment company. The State's investment policies are governed by the Oregon Revised Statutes (ORS) and the Oregon Investment Council (OIC).

The State Treasurer is the investment officer for the OIC and is responsible for all funds in the State Treasury.

These funds are invested exercising reasonable care, skill, and caution. Investments in the Pool are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board, which established diversification percentages and specifies the types and maturities of investments. The portion of the external investment pool which belongs to local government investment participants is reported in an Investment Trust Fund in the State's Comprehensive Annual Financial Report (CAFR). A copy of the State's CAFR may be obtained at the Oregon State Treasury, 350 Winter St. N.E., Salem, Oregon 97310-0840.

Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or price paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based on the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

- Level 1 – Unadjusted quoted prices for identical investments in active markets.
- Level 2 – Observable inputs other than quotes market prices; and,
- Level 3 – Unobservable inputs.

There were no transfers of assets or liabilities among the three levels of the fair value hierarchy for the year ended June 30, 2021.

Fair values of assets measured on a recurring basis at June 30, 2021 are as follows:

	Level 2
Investments	
Oregon Local Government Investment Pool	$ 10,959,124

Credit Risk

Oregon statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the Local Government Investment Pool. The City has not adopted a formal policy regarding credit risk; however, investments comply with state statutes.

Investments

As of June 30, 2021, the City had the following investments:

	Quality Rating	Maturities	Fair Value
Oregon Local Government Investment Pool	Unrated	-	$ 10,959,124

Interest Rate Risk

The City does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increases in interest rates.

Concentration of Credit Risk

The City does not have a formal policy that places a limit on the amount that may be invested in any one insurer.

Custodial Credit Risk – Investments

This is the risk that, in the event of the failure of a counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. The City does not have a policy that limits the amount of investments that can be held by counterparties.

Custodial Credit Risk – Deposits

This is the risk that, in the event of a bank failure, the City's deposits may not be returned. All City deposits not covered by Federal Depository Insurance Corporation (FDIC) insurance are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon, organized in accordance with ORS 295. The PFCP is a shared liability structure for participating bank depositories. Barring any exceptions, a bank depository is required to pledge collateral valued at a minimum of 10% of their quarter-end public fund deposits if they are considered well capitalized, 25% of their quarter-end public fund deposits if they are considered adequately capitalized, or 110% of their quarter-end public fund deposits if they are considered undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities.

The City holds accounts at Bank of the West, for which deposits are insured by the FDIC up to $250,000. At June 30, 2021, the City had deposits of $250,000 insured by the FDIC, and $0 collateralized under the PFCP.

Deposits

The City's cash and investments at June 30, 2021 are as follows:

Petty cash	$	300
Total deposits		72,954
Total investments		10,959,124
Total deposits and investments	$	11,032,378

Cash and investments by fund:

Unrestricted		
Governmental activities		
General Fund	$	1,928,841
Street Fund		2,478,533
Stabilization Fund		483,781
Revolving Loan Fund		62,153
Nonmajor governmental funds		2,674,080
Business-type activities		
Water Fund		420,340
Sewer Fund		158,775
Water Reserve Fund		1,912,650
Nonmajor enterprise funds		-
Total unrestricted cash and investments		10,119,153
Restricted		
Governmental activities		
General Fund		84,491
Business-type activities		
Nonmajor enterprise funds		828,734
Total restricted cash and investments		913,225
Total cash and investments	$	11,032,378

B. Restricted Assets

Restricted assets are for debt service, the revolving loan program, and system development.

Accounts Receivable

Receivables as of June 30, 2021 are as follows:

	Governmental Activities	Business-Type Activities	Total
Receivables			
Property Taxes	$ 160,349	$ -	$ 160,349
Court fines net of uncollectable	261,893	-	261,893
Franchise Fees and other	15,195	-	15,195
Noncurrent housing rehabilitation loans	208,451	-	208,451
Utilities	-	310,508	310,508
Total receivables	645,888	310,508	956,396

Prior to 2020, the City had been unable to collect a significant portion of its court fines, but could not definitize the amounts that should be written off. When implementing the new software, management cleaned up old accounts that were no longer collectible (either 10 or 15 years old, per the statute of limitations), leaving a balance of $506,000 at year-end. Management estimates at least half of the court fines balance will be uncollectible, so $253,000 has been recorded as an allowance for doubtful accounts, resulting in a net receivables balance of $253,000. The new software implemented in 2020 will help the City determine the actual rate of collectability of its accounts as time progresses. As this occurs, the City will make adjustments to amounts reported as collectible.

C. Deferred Inflows/Deferred Outflows

Deferred inflows and outflows of resources summarized on the statement of net position are comprised of the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net pension liability - PERS	$ 1,338,703	$ 175,632
OPEB liability - medical insurance	37,011	46,196
	$ 1,375,714	$ 221,828

CITY OF TOLEDO
Lincoln County, Oregon
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

D. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Prior Period Adjustment	**Restated Beginning Balance**	Increases	Decreases	**Ending Balance**
Governmental activities						
Capital assets not being depreciated						
Land	$ 726,070	$ -	**$ 726,071**	$ -	$ -	**$ 726,071**
Work in process	328,592	-	**328,592**	-	-	**328,592**
Total capital assets not being depreciated	1,054,662	-	**1,054,663**	-	-	**1,054,662**
Capital assets being depreciated						
Buildings and structures	3,710,744	148,205	**3,858,949**	-	-	**3,858,949**
Equipment and vehicles	3,472,091	309,841	**3,781,932**	113,526	-	**3,895,458**
Land improvements	1,998,799	8,057	**2,006,856**	-	-	**2,006,856**
Infrastructure	5,855,393	29,123	**5,884,516**	-	-	**5,884,516**
Total capital assets being depreciated	15,037,027	495,226	**15,532,253**	113,526	-	**15,645,779**
Less accumulated depreciation for						
Buildings and structures	(1,748,621)	(113,358)	**(1,861,979)**	(99,931)	-	**(1,961,909)**
Equipment and vehicles	(2,058,503)	(240,460)	**(2,298,963)**	(184,716)	-	**(2,483,679)**
Land improvements	(1,295,860)	(8,057)	**(1,303,917)**	(52,923)	-	**(1,356,840)**
Infrastructure	(2,715,899)	(29,123)	**(2,745,022)**	(244,926)	-	**(2,989,949)**
Total accumulated depreciation	(7,818,883)	(390,998)	**(8,209,881)**	(582,496)	-	**(8,792,377)**
Total capital assets being depreciated, net	7,218,144	104,228	**7,322,372**	(468,970)	-	**6,853,401**
Governmental activities capital assets, net	$ 8,272,806	$ 104,228	**$ 8,377,035**	$ (468,970)	$ -	**$ 7,908,065**

CITY OF TOLEDO
Lincoln County, Oregon
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets not being depreciated				
Land	**$ 823,714**	$ -	$ -	**$ 823,714**
Work in process	**-**	-	-	**-**
Total capital assets not being depreciated	**823,714**	-	-	**823,714**
Capital assets being depreciated				
Buildings and structures	**3,060,618**	-	-	**3,060,618**
Equipment and vehicles	**913,703**	147,286	-	**1,060,989**
Land improvements	**77,980**	-	-	**77,980**
Infrastructure	**21,874,677**	-	-	**21,874,677**
Total capital assets being depreciated	**25,926,978**	147,286	-	**26,074,264**
Less accumulated depreciation for				
Buildings and structures	**(2,773,736)**	(14,940)	-	**(2,788,676)**
Equipment and vehicles	**(441,215)**	(195,169)	-	**(636,383)**
Land improvements	**(37,162)**	(2,249)	-	**(39,411)**
Infrastructure	**(9,537,810)**	(604,226)	-	**(10,142,036)**
Total accumulated depreciation	**(12,789,922)**	(816,584)	-	**(13,606,506)**
Total capital assets being depreciated, net	**13,137,056**	(669,298)	-	**12,467,759**
Business-type activities capital assets, net	**$13,960,770**	$ (669,298)	$ -	**$13,291,473**

Capital assets are reported on the statement of net position as follows:

	Capital Assets	Accumulated Depreciation	Net Capital Assets
Governmental activities			
Land	$ 726,071	$ -	$ 726,071
Work in process	328,592	-	328,592
Buildings and structures	3,858,949	(1,961,909)	1,897,040
Equipment and vehicles	3,895,458	(2,483,679)	1,411,778
Land improvements	2,006,856	(1,356,840)	650,016
Infrastructure	5,884,516	(2,989,949)	2,894,567
Total governmental activities capital assets	16,700,442	(8,792,377)	7,908,065
Business-type activities			
Land	823,714	-	823,714
Work in process	-	-	-
Buildings and structures	3,060,618	(2,788,676)	271,942
Equipment and vehicles	1,060,989	(636,383)	424,606
Land improvements	77,980	(39,411)	38,569
Infrastructure	21,874,677	(10,142,036)	11,732,641
Total business-type activities capital assets	26,897,978	(13,606,506)	13,291,473
Total capital assets	$ 43,598,420	$ (22,398,883)	$ 21,199,538

Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities	
General government	$ 167,898
Public safety	172,867
Highways and streets	215,087
Culture and recreation	26,644
Total governmental activities	582,496
Business-type activities	
Water	384,393
Sewer	285,127
Total business-type activities	$ 669,520

E. Interfund Transactions

Operating transfers are reflected as other financing sources (uses) in the governmental and proprietary funds. Interfund transfers during the year consisted of:

	Transfers in:			
	Nonmajor Governmental Funds	Water Reserve Fund	Nonmajor Enterprise Funds	**Total**
Transfers out:				
Governmental activities				
General Fund	$ 298,500	$ -	$ -	**$ 298,500**
Street Fund	425,000	-	-	**425,000**
Total governmental activities	723,500	-	-	**723,500**
Business-type activities				
Water Fund	441,118	308,955	-	**750,073**
Sewer Fund	172,082	-	189,743	**361,825**
Total business-type activities	613,200	308,955	189,743	**1,111,898**
Total	**$ 1,336,700**	**$ 308,955**	**$ 189,743**	**$ 1,835,398**

The primary purposes of the interfund transfers were to move funds into reserve funds for future expenses and to account for the utility funds' contributions towards debt payments made by the Debt Service Fund.

F. Compensated Absences

The following is a summary of compensated absences transactions for the year:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities				
Compensated absences	$ 130,662	$ 49,401	$ -	$ 180,063
Business-type activities				
Compensated absences	$ 36,368	$ -	$ 12,832	$ 23,536

The General, Water, and Sewer Funds have traditionally been used to liquidate compensated absence liabilities.

G. Long-Term Liabilities

1. Changes in Long-Term Liabilities

The following is a summary of long-term liabilities transactions for the year:

	Interest Rate	Original Amount	Beginning Balance	Additions	Reduction	Ending Balance	Due Within One Year
Governmental activities							
Full Faith and Credit Refunding Bonds, Series 2016	3.00-4.00%	$6,620,000	$5,480,000	$ -	$ (350,000)	$5,130,000	$ 360,000
General Obligation Refunding Bonds, Series 2016	2.00-4.00%	1,170,000	640,000	-	(150,000)	490,000	155,000
Premium - Refunding Bonds, Series 2016		984,286	834,980	-	(64,229)	770,750	-
Total governmental activities		$8,774,286	$6,954,980	$ -	$ (564,229)	$6,390,750	$ 515,000

2. Interest Expense

Interest expense was charged to function/programs of the City as follows:

Governmental activities	
Interest on long-term debt	$ 238,300

3. Advance Refunding

On October 20, 2016, the City issued $6,620,000 of full faith and credit refunding bonds and $1,170,000 of general obligation refunding bonds with interest rates of 2% to 4% and annual maturities from April 2017 through June 2024.

The net proceeds of $8,774,286 (after issuance costs of $108,990, plus premium of $984,286) were used to refund various serial bonds with a total principal amount of $9,081,941 and interest rates of 4.25% to 5%. The net proceeds were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded bonds. As a result, the refundable bonds are considered to be defeased, and the related liability for the bonds has been removed from the City's liabilities.

The advance refunding was done in order to reduce debt payments in the long-term. The refunding decreased the City's total debt service payments by approximately $1.3 million. The transaction resulted in an economic gain (difference between present value of the debt services payments on the old and new debt) of $155,507.

4. Governmental Activity – Full Faith and Credit Refunding Bonds and General Obligation Refunding Bonds Series 2016

Full faith and credit bonds and general obligation bonds are direct obligations that pledge the full faith and credit of the City and are payable from ad valorem debt service levy proceeds. As noted above, the City's outstanding full faith and credit bonds and general obligation bonds represent funding primarily for the defeasance of various serial bonds. Interest is fixed and ranges between 2% and 4%. Interest rates increase in accordance with original bond documents. Interest is due semiannually on April 1 and October 1 for the full faith and credit bonds and June 1 and December 1 for the general obligation bonds. Principal is due annually on April 1 and June 1 for the full faith and credit and general obligation bonds, respectively. The Debt Service Fund has traditionally been used to liquidate long-term debt related to the full faith and credit and general obligation bonds.

On October 20, 2016, the city issued full faith and credit bonds and general obligation bonds of $6,620,000 (par value) and $1,170,000, respectively, with interest rates of 2% to 4% to advance refund the City's general obligation bonds series 2005 and its sewer revenue installment bonds #1 and #2 and LOCAP series 2012A bonds. The Debt Service Fund has traditionally been used to liquidate long-term debt related to the full faith and credit and general obligation bonds.

As a result of the refunding, the City reduced its total debt service requirements by $178,582, which resulted in an economic gain (difference between present value of the debt services payments on the old and new debt) of $155,507.

As of June 30, 2021 the remaining balance outstanding was $5.62 million.

5. Governmental Activity - Future Maturities of Long-Term Liabilities

Year Ending	Bonds		
June 30	Principal	Interest	Total
2022	$ 515,000	$ 224,800	$ 739,800
2023	$ 540,000	$ 204,200	$ 744,200
2024	$ 560,000	$ 182,600	$ 742,600
2025	$ 405,000	$ 160,200	$ 565,200
2026	$ 420,000	$ 144,000	$ 564,000
2027-2031	$ 2,370,000	$ 348,000	$ 2,718,000
2032-2033	$ 810,000	$ 43,400	$ 853,400
	$ 5,620,000	$ 1,307,200	$ 6,927,200

6. Wastewater System Improvements

In April 2019, the City Council approved a financing contract with Business Oregon for the Sewer Force Mainline Replacement and Collection System Improvements in the amount of $650,000. Of this amount, $325,000 is a grant and $325,000 is a loan at 2.77% interest for 30 years. The City has completed the project and is waiting for Business Oregon to closeout the project on its end.

As of June 30, 2021 the remaining balance outstanding was $650,000.

H. Constraints on Fund Balances

Constraints on fund balances reported on the balance sheet as follows:

	General Fund	Street Fund	Stabilization Fund	Revolving Loan Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund balances:						
Restricted for:						
Street maintenance & improvements	$ -	$ 2,462,924	$ -	$ -	$ -	$ 2,462,924
Disaster preparedness	-	-	-	-	15,021	15,021
Grant projects	-	-	-	-	152,968	152,968
Housing rehabilitation loans	-	-	-	62,153	-	62,153
Footpaths & bicycle trails	-	-	-	-	28,881	28,881
Bond deposits	84,491	-	-	-	-	84,491
Committed for:						
General reserve	-	-	-	-	504,691	504,691
Building & property reserve	-	-	-	-	596,739	596,739
Revenue stabilization	-	-	483,781	-	-	483,781
Assigned to:						
Operating projects	-	-	-	-	4,348	4,348
City Council directed projects	-	-	-	-	70,149	70,149
Landfill closure costs	-	-	-	-	199,179	199,179
911 system costs	-	-	-	-	46,963	46,963
Library costs	-	-	-	-	33,696	33,696
Street improvements	-	-	-	-	772,259	772,259
Public works	-	-	-	-	213,490	213,490
Unassigned	1,762,747	-	-	-	24,752	1,787,499
Total fund balances	$ 1,847,238	$ 2,462,924	$ 483,781	$ 62,153	$ 2,663,136	$ 7,519,232

III. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. There was no significant reduction in insurance coverage from the previous year. There were no insurance settlements exceeding insurance coverage in any of the past three years.

B. Retirement Plans

1. Oregon Public Employees Retirement System

General Information about the Pension Plan

Plan Description

Employees of the City of Toledo are provided with pensions through the Oregon Public Employees Retirement System (OPERS) a cost-sharing multiple-employer defined benefit pension plan, the Oregon Legislature has 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 August 29, 2003. OPERS issues a publicly available Comprehensive Annual Financial Report and Actuarial Valuation that can be obtained at http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx.

Benefits Provided

A. Tier One/Tier Two Retirement Benefit ORS Chapter 238

Pension Benefits

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

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

Death Benefits

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

- the member was employed by 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 (COLA) changes. The COLA is capped at 2.0 percent.

B. OPSRP Defined Benefit Pension Program (OPSRP DB)

Pension Benefits

The Pension Program (ORS Chapter 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:

> Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.
>
> General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

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

Death Benefits

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

Disability Benefits

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

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 $750 plus 0.15 percent on annual benefits above $60,000.

C. OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits

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

Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 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

OPERS contracts with VOYA Financial to maintain IAP participant records.

Contributions

A. Employer Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2019. Effective January 1, 2020, Senate Bill 1049 required employers to pay contributions on re-employed PERS retirees' salary as if they were an active member, excluding IAP (6 percent) contributions. Employer contributions for the year ended June 30, 2021 were $227,078 excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2021 were 35.22 percent for Tier One/Tier Two General Service Member, 35.22 percent for Tier One/Tier Two Police and Fire, 26.44 percent for OPSRP Pension Program General Service Members, 31.07 percent for OPSRP Pension Program Police and Fire Members.

B. Employee Contributions

Beginning January 1, 2004, all employee contributions were placed in the OPSRP Individual Account Program (IAP), a defined contribution pension plan established by the Oregon Legislature. Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set by statute at 6.0 percent of salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members behalf. The IAP member accounts represent member contributions made on or after January 1, 2004, plus earnings allocations less disbursements for refunds, death benefits, and retirements.

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

At June 30, 2019, the City reported a liability of $3,335,000 for its proportionate share of the net pension liability. 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 City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2020, the City's proportion was 0.01527953 percent, which was increased from its proportion of 0.01439017 percent, measured as of June 30, 2020.

For the year ended June 30, 2021, the City's recognized pension expense was $86,000. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF TOLEDO
Lincoln County, Oregon
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 146,759	$ -
Changes of assumptions	178,953	6,270
Net difference between projected and actual earnings on investments	392,096	-
Changes in proportion	124,903	265,986
Differences between employer contributions and proportionate share of contributions	268,916	111,546
Total (prior to post-MD contributions)	1,111,627	383,802
Contributions subsequent to the MD	227,078	-
Total	$ 1,338,705	$ 383,802

City's contributions subsequent to the measurement date of $1,339,000 are reported as deferred outflows of resources related to pensions and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	$ 103,973
2023	169,999
2024	189,822
2025	225,071
2026	38,960
Total	$ 727,825

Actuarial Assumptions

The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

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.

Valuation Date	December 31, 2018
Measurement Date	June 30, 2020
Experience Study Report	2018, published July 24, 2019
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Long-Term Expected Rate of Return	7.20 percent
Discount Rate	7.20 percent
Projected Salary Increases	3.50 percent overall payroll growth
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and grade COLA (1.25%/0.15%) in accordance with *Moro* decision, blend based on service.
Mortality	**Health retirees and beneficiaries:** RP-2014 healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. **Active Members:** RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. **Disabled retirees:** RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

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. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. 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.

	Assumed Asset Allocation		
Asset Class/Strategy	**Low Range**	**High Range**	**Target**
Debt Securities	15.0%	25.0%	20.0%
Public Equity	27.5%	37.5%	32.5%
Real Estate	9.5%	15.5%	12.5%
Private Equity	14.0%	21.0%	17.5%
Alternative Equity	7.5%	17.5%	15.0%
Opportunity Portfolio	0.0%	3.0%	0.0%
Risk Parity	0.0%	2.5%	2.5%
Total			100.0%

Asset Class	Target Allocation	Compounded Annual Return (Geometric)
Core Fixed Income	9.60%	4.07%
Short-Term Bonds	9.60%	3.68%
Bank/Leveraged Loans	3.60%	5.19%
High Yield Bonds	1.20%	5.74%
Large/Mid Cap US Equities	16.17%	6.30%
Small Cap US Equities	1.35%	6.68%
Micro Cap US Equities	1.35%	6.79%
Developed Foreign Equities	13.48%	6.91%
Emerging Foreign Equities	4.24%	7.69%
Non-US Small Cap Equities	1.93%	7.25%
Private Equities	17.50%	8.33%
Real Estate (Property)	10.00%	5.55%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	1.50%	4.06%
Hedge Fund - Event-Driven	0.38%	5.59%
Timber	1.12%	5.61%
Farmland	1.12%	6.12%
Infrastructure	2.24%	6.67%
Commodities	1.12%	3.79%
Total	100.00%	
Assumed Inflation - Mean		2.50%

Depletion Date Projection

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

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

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is our independent actuary's opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

Discount Rate

The discount rate used to measure the total pension liability was 7.20 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.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of the net pension liability (asset)	$ 4,951,485	$ 3,334,519	$ 1,978,618

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

Changes in Plan Provisions During the Measurement Period

A legislative change that occurred during the measurement period affected the plan provisions reflected for financial reporting purposes. Senate Bill 1049, signed into law in June 2019, introduced a limit on the amount of annual salary included for the calculation of benefits. Beginning in 2020, annual salary in excess of $195,000 (as indexed in future years) will be excluded when determining member benefits. As a result, future Tier 1/Tier 2 and OPSRP benefits for certain active members are now projected to be lower than prior to the legislation. Senate Bill 1049 was reflected in the June 30, 2019 Total Pension Liability as a reduction in liability.

Changes in Plan Provisions Subsequent to Measurement Date

There were no changes subsequent to the June 30, 2020 measurement period that require disclosure.

C. Other Post-Employment Benefits (GASB 75) – City Medical Benefit Plan

a. Other Post-Employment Benefit (OPEB) City Medical Benefit Plan (the Plan)

General Information about the OPEB Plan

The City provides a single-employer, retiree benefit plan that provides post-employment health, dental, and vision benefits to eligible employees and their spouses. There are active and retired members in the plan. Benefits and eligibility for members are established through various collective bargaining agreements.

Plan Descriptions, Benefit Terms, Eligibility

All employees of the Employer retiring from active service with a pension benefit payable immediately under Oregon PERS.

Retirees and their dependents under age 65 are allowed to continue health care coverages received prior to retirement. Premiums for retirees are tiered and based upon the premium rates available to active employees. The retiree is responsible for any portion of the premiums not paid by the employer.

The implicit employer subsidy is measured as the expected health care cost per retiree and dependent, less the gross premiums charged by the insurance carrier for that coverage. The subsidy is only measured for retirees and spouses younger than age 65, at which point such retirees and spouses typically become eligible for Medicare.

Participant Statistics

As of June 30, 2020, there were 40 active participants and 0 retirees in the Medical Benefit plan. The average attained age of active participants is 47.5, and average years of past service is 8.4. The City did not establish an irrevocable trust (or equivalent arrangement) to account for this plan.

<u>Funding Policy</u>

The benefits from this program are paid by the City on a self-pay basis and the required contribution is based on projected pay-as-you-go financing requirements. There is no obligation on the part of the City to fund these benefits in advance.

Actuarial Methods and Assumptions:

The City engaged an actuary to perform an evaluation as of June 30, 2019 using age entry normal, level percent of salary Actuarial Cost Method.

The Single Employer Pension Plan liability was determined using the following actuarial assumptions, applied to all periods including the measurement:

Valuation Date	July 1, 2020
Measurement Dates/Fiscal Year Ends	June 30, 2020
Actuarial Assumptions:	
Actuarial Cost Method	Entry Age Normal
Interest Rate for Discounting Future Liabilities	2.21%
General Inflation	2.50%
Salary Scale	3.50%

Mortality rates were based on the RP-2014 Healthy Annuitant, sex distinct, mortality tables blended 50/50 blue collar and white collar, set back one year for males. Mortality is projected on a generational basis using the Unisex Social Security Data Scale.

Turnover rates were based on percentages developed for the valuation of benefits under Oregon PERS and vary by years of service.

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Changes in Medical Benefit OPEB Liability		
Total OPEB Liability at June 30, 2020	$	215,957
Changes for the year:		
Service cost		15,632
Interest on OPEB liability		7,828
Change in assumptions		(5,610)
Economic/Demographic (gain)/loss		(20,605)
Benefit payments		(15,992)
Net changes		(18,747)
Total OPEB Liability at June 30, 2021	$	197,210

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ (18,029)	$ 26,404
Changes of assumptions or other inputs	(18,982)	3,713
Benefit payments	-	16,079
Total	$ (37,011)	$ 46,196

Amounts reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported by the City as deferred outflows or inflows of resources related to OPEB will be recognized in OPEB expense in subsequent years as follows:

Year ended June 30, 2021:	Deferred Outflow/(Inflow) of Resources
2022	$ (250)
2023	(250)
2024	(250)
2025	(250)
2026	146
Thereafter	$ (6,040)

The following presents the net OPEB liability, calculated using the discount rate of 3.50%, as well as what the liability would be if it was calculated using a discount rate 1-percentage-point lower or 1-percentage-point higher than the current rate:

June 30 Disclosure	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB Liability	$ 210,388	$ 197,210	$ 184,833

The following presents the net OPEB liability, calculated using the current trend rate, as well as what the liability would be if it was calculated using a discount rate 1-percentage-point lower or 1-percentage-point higher than the current rate:

June 30 Disclosure	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	$ 178,337	$ 197,210	$ 219,832

D. Commitment and Contingencies

The City of Toledo entered into an agreement with the Port of Toledo to transfer the Public Safety Building that was originally erected in 1978 to the Port. The transfer of the building took place on October 7, 2009. The City of Toledo will retain right of first refusal on the building before the Port can enter into a sale of the building.

E. Subsequent Events

Management has evaluated subsequent events through February 18, 2022, which was the date that the financial statements were available to be issued. The water service and operating contributions with Seal Rock are tentatively expected to end by fiscal-year end. The financial and operational impact to the City is uncertain at this time.

F. Prior Period Adjustments

A. Capital Assets
As documented in the capital asset note, additional pre-existing capital assets were identified and added to the reported assets and accumulated depreciation. The net addition of capital assets is a $104,000 increase to beginning fund balance.

B. Assets Held for Resale
Additionally, assets held for resale are considered current resources and reportable under modified accrual. Previously they were reported only on the governmentwide statements for the governmental funds. The addition of these balances to the General Fund on the Governmental Balance Sheet resulted in a $81,000 increase to beginning fund balance.

C. Bail Deposits
The City identified additional pre-existing bail deposits, which are reported a liability, that were not captured by the previous software. The addition of the bail deposits held, is a $68,000 decrease to the beginning fund balance.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF TOLEDO
Lincoln County, Oregon

SCHEDULES OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) AND CITY CONTRIBUTIONS

OREGON PERS SYSTEM

Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)

	2021	2020	2019	2018	2017	2016	2015
(a) City's proportion of the net pension liability (asset)	0.01527953%	0.01439017%	0.01739231%	0.01847977%	0.01748515%	0.01780836%	0.01688662%
(b) City's proportionate share of the net pension liability (asset)	$ 3,334,519	$ 2,489,155	$ 2,634,706	$ 2,491,080	$ 2,624,927	$ 1,022,288	$ (382,772)
(c) City's covered-employee payroll	$ 2,358,487	$ 2,497,478	$ 2,368,129	$ 2,155,822	$ 2,039,644	$ 2,105,514	$ 2,164,788
(b/c) City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	141%	100%	111%	116%	129%	49%	-18%
Plan fiduciary net position as a percentage of the total pension liability (asset) from audited schedules	75.80%	80.20%	82.10%	83.12%	80.53%	91.88%	103.59%

Schedule of City Contributions

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 227,078	$ 339,052	$ 9,295	$ 291,757	$ 236,071	$ 115,370	$ 106,343
Contributions in relation to the contractually required contribution	$ 227,078	$ 339,052	$ 9,295	$ 291,757	$ 236,071	$ 115,370	$ 106,343
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's covered-employee payroll	$ 2,358,487	$ 2,497,478	$ 2,360,010	$ 2,368,129	$ 2,329,378	$ 2,277,517	$ 2,164,788
Contributions as a percentage of covered-employee payroll	10%	14%	0%	12%	10%	5%	5%

SCHEDULES OF CHANGES IN OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY AND RELATED RATIOS - MEDICAL BENEFIT

City Medical Benefit Plan

Schedule of Changes

	2021	2020	2019
Total Medical Benefit Pension Liability, beginning	$ 215,957	$ 197,210	$ 215,957
Changes for the year:			
Service cost	15,632	14,060	15,632
Interest	7,828	8,112	7,828
Change in assumptions	(5,610)	4,993	(5,610)
Experience (gain)/loss	(20,605)	-	(20,605)
Benefit payments	(15,992)	(13,408)	(15,992)
Net changes for the year	(18,747)	13,757	(18,747)
Total Medical Benefit Pension Liability, ending	197,210	210,967	197,210
City's covered-employee payroll	$ 2,358,487	$ 2,497,478	$ 2,360,010
Net Medical Benefit Pension Liability as a Percentage of Covered Payroll	8.36%	8.45%	8.36%

CITY OF TOLEDO
Lincoln County, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended June 30, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Taxes				
Property	$ 1,949,000	$ 1,949,000	$ 2,165,480	$ (216,480)
Franchise	949,250	949,250	981,937	(32,687)
Alcohol	60,000	60,000	68,193	(8,193)
Cigarette and marijuana	16,000	16,000	16,726	(726)
Licenses, permits, and fees	56,525	56,525	62,569	(6,044)
Grants	10,000	10,000	92,492	(82,492)
Charges for services	77,100	77,100	92,181	(15,081)
Intergovernmental charges	190,000	190,000	195,725	(5,725)
State revenue sharing	43,000	43,000	57,145	(14,145)
Fines	65,000	65,000	91,794	(26,794)
Investment earnings	30,000	30,000	15,864	14,136
Rents and leases	12,000	12,000	17,800	(5,800)
Miscellaneous	25,000	77,000	51,346	25,654
Total revenues	3,482,875	3,534,875	3,909,254	(374,379)
EXPENDITURES				
Current				
General government	736,623	705,323	561,836	143,487
General government - General services	417,100	417,100	351,487	65,613
General government - Property maintenance	318,255	318,255	237,401	80,854
Public safety - Fire	682,783	688,783	627,767	61,016
Public safety - Municipal court	44,750	44,750	38,391	6,359
Public safety - Police	1,557,185	1,569,185	1,569,204	(19)
Library	326,376	351,676	332,881	18,795
Contingency	910,149	910,149	-	910,149
Total expenditures	4,993,221	5,005,221	3,718,966	1,286,255
Excess (deficiency) of revenues over (under) expenditures	(1,510,346)	(1,470,346)	190,288	(1,660,634)
OTHER FINANCING SOURCES (USES)				
Transfers out	(258,500)	(298,500)	(298,500)	-
Net change in fund balances	(1,768,846)	(1,768,846)	(108,212)	(1,660,634)
Fund balances - beginning	1,768,846	1,768,846	1,958,723	(189,877)
Prior period adjustment	-	-	-	-
Fund balances - ending	$ -	$ -	$ 1,782,014	$ (1,782,014)

Reconciliation to fund-level modified-accrual statements

An adjustment was required for the beginning balance of bail bonds receivable which will be reflected as a prior period adjustment to the beginning fund balance on the modified accrual statements.	(68,496)
The addition of property taxes receivables and unavailable revenue deferred inflows and their net adjustment versus prior year balances.	37,093
Add the annual allowance for doubtful accounts for court fines, which are reported as revenue adjustments.	(1,449)
Assets held for resale, East Slope Property and Wetland Mitigation Property, are not budgeted. The addition of these assets will be reported as a prior period adjustment for modified accrual.	81,122
PY variance between budgetary and modified accrual ending fund balance due to balances that are only reported for modified accrual.	(51,542)
Fund balance full-accrual statements	$ 1,847,238

CITY OF TOLEDO
Lincoln County, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

STREET FUND
For the Year Ended June 30, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Taxes				
Franchise	$ 631,500	$ 631,500	$ 654,630	$ (23,130)
Motor fuel	210,000	210,000	249,729	(39,729)
Licenses, permits, and fees	102,300	102,300	106,964	(4,664)
Grants	150,000	150,000	150,000	-
Investment earnings	40,000	40,000	20,837	19,163
Miscellaneous	1,500	1,500	3,660	(2,160)
Total revenues	1,135,300	1,135,300	1,185,820	(50,520)
EXPENDITURES				
Current				
Materials and services	2,983,711	2,983,711	855,078	2,128,633
Capital outlay	85,000	85,000	77,263	7,737
Contingency	250,000	250,000	-	250,000
Total expenditures	3,318,711	3,318,711	932,342	2,386,369
Excess (deficiency) of revenues over (under) expenditures	(2,183,411)	(2,183,411)	253,478	(2,436,889)
OTHER FINANCING SOURCES (USES)				
Transfers out	(425,000)	(425,000)	(425,000)	-
Total other financing sources (uses)	(425,000)	(425,000)	(425,000)	-
Net change in fund balances	(2,608,411)	(2,608,411)	(171,522)	(2,436,889)
Fund balances - beginning	2,608,411	2,608,411	2,634,446	(26,035)
Fund balances - ending	$ -	$ -	$ 2,462,924	$ (2,462,924)

CITY OF TOLEDO
Lincoln County, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

STABILIZATION FUND
For the Year Ended June 30, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Investment earnings	$ 20,000	$ 20,000	$ 3,739	$ 16,261
Miscellaneous	10,000	10,000	12,213	(2,213)
Total revenues	30,000	30,000	15,952	14,048
EXPENDITURES				
Current				
General Government	499,260	499,260	2,859	496,401
Total expenditures	499,260	499,260	2,859	496,401
Excess (deficiency) of revenues over (under) expenditures	(469,260)	(469,260)	13,093	(482,353)
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(469,260)	(469,260)	13,093	(482,353)
Fund balances - beginning	469,260	469,260	470,688	(1,428)
Fund balances - ending	$ -	$ -	$ 483,781	$ (483,781)

CITY OF TOLEDO
Lincoln County, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

REVOLVING LOAN FUND
For the Year Ended June 30, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Investment earnings	$ 1,200	$ 1,200	$ 490	$ 710
Total revenues	1,200	1,200	490	710
EXPENDITURES				
Current				
General Government	62,813	62,813	-	62,813
Excess (deficiency) of revenues over (under) expenditures	(61,613)	(61,613)	490	(62,103)
Fund balances - beginning	61,613	61,613	61,664	(51)
Fund balances - ending	$ -	$ -	$ 62,154	$ (62,154)

OTHER SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES

CITY OF TOLEDO
Lincoln County, Oregon

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

June 30, 2021

	Special Revenue Funds					
	Forfeiture Revenue	Grant	911 System	City Council Strategic Reserve	General Reserve	Solid Waste
ASSETS						
Cash and cash equivalents	$ 4,348	$ 158,049	$ 46,963	$ 70,149	$ 519,712	$ 199,900
Accounts receivable	-	-	-	-	-	-
Property taxes receivable	-	-	-	-	-	-
Total assets	4,348	158,049	46,963	70,149	519,712	199,900
LIABILITIES						
Accounts payable	-	5,081	-	-	-	721
Total Liabilities	-	5,081	-	-	-	721
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue						
Property taxes	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
FUND BALANCES						
Restricted	-	152,968	-	-	15,021	-
Committed	-	-	-	-	504,691	-
Assigned	4,348	-	46,963	70,149	-	199,179
Unassigned	-	-	-	-	-	-
Total fund balances	4,348	152,968	46,963	70,149	519,712	199,179
Total liabilities, deferred inflows of resources, and fund balances	$ 4,348	$ 158,049	$ 46,963	$ 70,149	$ 519,712	$ 199,900

Special Revenue Funds					Capital Projects Funds		
Library Reserve	Footpaths and Bicycle Trail	Street Reserve	Public Works Reserve	Debt Service Fund	Water Construction Fund	Building & Property Reserve	Total Nonmajor Governmental Funds
$ 36,967	$ 28,881	$ 772,259	$ 213,490	$ 26,051	$ -	$ 597,311	$ 2,674,080
-	-	-	-	-	-	-	-
-	-	-	-	11,225	-	-	11,225
36,967	28,881	772,259	213,490	37,276	-	597,311	2,685,305
3,272	-	-	-	1,490	-	572	11,136
3,272	-	-	-	1,490	-	572	11,136
-	-	-	-	11,034	-	-	11,034
-	-	-	-	11,034	-	-	11,034
-	28,881	-	-	-	-	-	196,869
-	-	-	-	-	-	596,739	1,101,430
33,696	-	772,259	213,490	-	-	-	1,340,084
-	-	-	-	24,752	-	-	24,752
33,696	28,881	772,259	213,490	24,752	-	596,739	2,663,136
$ 36,967	$ 28,881	$ 772,259	$ 213,490	$ 37,276	$ -	$ 597,311	$ 2,685,305

CITY OF TOLEDO
Lincoln County, Oregon

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

	Special Revenue Funds					
	Forfeiture Revenue	Grant	911 System	City Council Strategic Reserve	General Reserve	Solid Waste
REVENUES						
Taxes						
Property	$ -	$ -	$ -	$ -	$ -	$ -
Motor fuel	-	-	-	-	-	-
Privilege	-	-	24,563	-	-	-
Solid waste fees	-	-	-	-	-	7,891
Grants and contributions	-	106,277	-	-	-	-
Investment earnings	34	783	-	334	3,272	1,559
Miscellaneous	-	20	485	27,750	-	-
Total revenues	34	107,080	25,048	28,084	3,272	9,449
EXPENDITURES						
Current						
General government	-	46,540	-	40,000	-	-
Public safety	-	-	15,013	-	-	-
Highways and streets	-	6,099	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Solid waste	-	-	-	-	-	6,526
Debt service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	-	-	24,152	-	77,818	-
Total expenditures	-	52,639	39,165	40,000	77,818	6,526
Excess (deficiency) of revenues over (under) expenditures	34	54,441	(14,117)	(11,916)	(74,546)	2,923
OTHER FUNANCING SOURCES (USES)						
Proceeds from sale of surplus	-	-	-	-	6,351	-
Transfers in	-	-	-	40,000	176,000	
Total other financing sources (uses)	-	-	-	40,000	182,351	-
Net change in fund balances	34	54,441	(14,117)	28,084	107,805	2,923
Fund balances - beginning	4,314	98,527	61,080	42,065	411,907	196,255
Fund balances - ending	$ 4,348	$ 152,968	$ 46,963	$ 70,149	$ 519,712	$ 199,179

	Special Revenue Funds					Capital Projects Funds		Total
	Library Reserve	Footpaths and Bicycle Trail	Street Reserve	Public Works Reserve	Debt Service Fund	Water Construction Fund	Building & Property Reserve	Nonmajor Governmental Funds
	$ -	$ -	$ -	$ -	$ 169,518	$ -	$ -	$ 169,518
	-	2,523	-	-	-	-	-	2,523
	-	-	-	-	-	-	-	24,563
	-	-	-	-	-	-	-	7,891
	34,058	-	-	-	-	-	-	140,335
	160	208	3,012	1,490	276	1,549	5,046	17,723
	-	-	-	-	-	-	750	29,005
	34,219	2,730	3,012	1,490	169,795	1,549	5,796	391,558
	-	-	-	-	-	-	-	86,540
	-	-	-	-	-	-	-	15,013
	-	-	-	-	-	-	-	6,099
	11,512	-	-	-	-	-	-	11,512
	-	-	-	-	-	-	-	6,526
	-	-	-	-	500,000	-	-	500,000
	-	-	-	-	238,300	-	-	238,300
	9,197	-	-	58,032	-	56,020	126,817	352,035
	20,709	-	-	58,032	738,300	56,020	126,817	1,216,025
	13,510	2,730	3,012	(56,542)	(568,505)	(54,471)	(121,021)	(824,467)
	-	-	-	-	-	-	-	6,351
	-	-	390,000	82,500	565,700	-	82,500	1,336,700
	-	-	390,000	82,500	565,700	-	82,500	1,343,051
	13,510	2,730	393,012	25,958	(2,805)	(54,471)	(38,521)	518,584
	20,186	26,150	379,247	187,533	27,558	54,471	635,260	2,144,552
	$ 33,696	$ 28,881	$ 772,259	$ 213,490	$ 24,753	$ 0	$ 596,739	$ 2,663,136

CITY OF TOLEDO
Lincoln County, Oregon

COMBINING STATEMENT OF NET POSITION

NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2021

	System Development Fund	Sewer Reserve Fund	Total Nonmajor Enterprise Funds
ASSETS			
Current assets			
Cash and cash equivalents	$ -	$ -	$ -
Restricted assets			
Cash and cash equivalents	652,539	176,195	828,734
Total assets	652,539	176,195	828,734
LIABILITIES			
Accounts payable	-	7,108	7,108
Total Liabilities	-	7,108	7,108
NET POSITION			
Restricted for:			
System improvement	-	169,087	169,087
System development	652,539	-	652,539
Total net position	$ 652,539	$ 169,087	$ 821,626

CITY OF TOLEDO
Lincoln County, Oregon

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2021

	System Development Fund	Sewer Reserve Fund	Total Nonmajor Enterprise Funds
OPERATING REVENUE	-	-	-
OPERATING EXPENSES			
Materials and supplies	-	162,947	162,947
Operating income (loss)	-	(162,947)	(162,947)
NONOPERATING REVENUES (EXPENSES)			
System development charges	71,561	-	71,561
Investment earnings	4,578	1,121	5,700
Miscellaneous	-	-	-
Loan proceeds	-	-	-
Total nonoperating revenues (expenses)	76,139	1,121	77,260
Income (loss) before transfers	76,139	(161,826)	(85,687)
Transfers in	-	189,743	189,743
Transfers out	-	-	-
Change in net position	76,139	27,917	104,056
Total net position - beginning	576,399	141,170	717,570
Total net position - ending	$ 652,539	$ 169,087	$ 821,626

CITY OF TOLEDO
Lincoln County, Oregon

COMBINING STATEMENT OF CASH FLOWS

NONMAJOR ENTERPRISE FUNDS

For the Year Ended June 30, 2021

	System Development Fund	Sewer Reserve Fund	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash payments to suppliers	$ -	$ (176,785)	$ (176,785)
Net cash provided (used) by operating activities	-	(176,785)	(176,785)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
System development charges	71,561	-	71,561
Transfers from other funds for capital purposes	-	189,743	189,743
Purchases of capital outlay	-	-	-
Loan proceeds	-	-	-
Net cash provided (used) by capital and related financing activities	71,561	189,743	261,304
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	4,578	1,121	5,700
Net cash provided (used) by investing activities	4,578	1,121	5,700
Net increase (decrease) in cash and cash equivalents	76,139	14,079	90,218
Cash and cash equivalents - beginning (including restricted cash)	576,399	162,116	738,515
Cash and cash equivalents - ending (including restricted cash)	$ 652,538	$ 176,195	$ 828,733
			-
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$ -	$ (162,947)	$ (162,947)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Increase (decrease) in accounts payable	-	(13,838)	(13,838)
Net cash provided (used) by operating activities	$ -	$ (176,785)	$ (176,785)
Noncash investing, capital, and financing activities:			
Transfer of capital assets		$ -	$ -

CITY OF TOLEDO
Lincoln County, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FORFEITURE REVENUE FUND
For the Year Ended June 30, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Investment earnings	$ 75	$ 75	$ 34	$ 41
Miscellaneous	1,000	1,000	-	1,000
Total revenues	1,075	1,075	34	1,041
EXPENDITURES				
Current				
General Government	5,384	5,384	-	5,384
Total expenditures	5,384	5,384	-	5,384
Excess (deficiency) of revenues over (under) expenditures	(4,309)	(4,309)	34	(4,343)
Fund balances - beginning	4,309	4,309	4,314	(5)
Fund balances - ending	$ -	$ -	$ 4,348	$ (4,348)

CITY OF TOLEDO
Lincoln County, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GRANT FUND

For the Year Ended June 30, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Grants and contributions	$ 25,000	$ 79,640	$ 106,277	$ (26,637)
Investment earnings	1,600	1,600	783	817
Miscellaneous	-	-	20	(20)
Total revenues	26,600	81,240	107,080	(25,840)
EXPENDITURES				
Current				
General government	11,504	56,144	46,540	9,604
General government - Property maintenance	113,000	113,000	-	113,000
Highways and streets	-	10,000	6,099	3,901
Total expenditures	124,504	179,144	52,639	126,505
Excess (deficiency) of revenues over (under) expenditures	(97,904)	(97,904)	54,441	(152,345)
Fund balances - beginning	97,904	97,904	98,527	(623)
Fund balances - ending	$ -	$ -	$ 152,968	$ (152,968)

CITY OF TOLEDO
Lincoln County, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

911 SYSTEM FUND

For the Year Ended June 30, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Privilege taxes	$ 15,000	$ 15,000	$ 24,563	$ (9,563)
Investment earnings	1,400	1,400	485	915
Miscellaneous	5,000	5,000	-	5,000
Total revenues	21,400	21,400	25,048	(3,648)
EXPENDITURES				
Current				
Public Safety	20,000	20,000	15,013	4,988
Capital outlay	56,500	56,500	24,152	32,348
Total expenditures	76,500	76,500	39,165	37,335
Excess (deficiency) of revenues over (under) expenditures	(55,100)	(55,100)	(14,117)	(40,983)
Fund balances - beginning	55,100	55,100	61,080	(5,980)
Fund balances - ending	$ -	$ -	$ 46,963	$ (46,963)

CITY OF TOLEDO
Lincoln County, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CITY COUNCIL STRATEGIC RESERVE FUND
For the Year Ended June 30, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Loan program proceeds	$ 10,000	$ 10,000	$ -	$ 10,000
Investment earnings	900	900	334	566
Miscellaneous	-	-	27,750	(27,750)
Total revenues	10,900	10,900	28,084	(17,184)
EXPENDITURES				
Current				
General government	52,890	92,890	40,000	52,890
Total expenditures	52,890	92,890	40,000	52,890
Excess (deficiency) of revenues over (under) expenditures	(41,990)	(81,990)	(11,916)	(70,074)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	40,000	40,000	-
Total other financing sources (uses)	-	40,000	40,000	-
Net change in fund balances	(41,990)	(41,990)	28,084	(70,074)
Fund balances - beginning	41,990	41,990	42,065	(75)
Fund balances - ending	$ -	$ -	$ 70,149	$ (70,149)

CITY OF TOLEDO
Lincoln County, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL RESERVE FUND
For the Year Ended June 30, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Investment earnings	$ 11,000	$ 11,000	$ 3,272	$ 7,728
Total revenues	11,000	11,000	3,272	7,728
EXPENDITURES				
General government	15,000	15,000	-	15,000
Capital outlay	559,940	559,940	77,818	482,122
Total expenditures	574,940	574,940	77,818	497,122
Excess (deficiency) of revenues over (under) expenditures	(563,940)	(563,940)	(74,546)	(489,394)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of surplus	-	-	6,351	(6,351)
Transfers in	176,000	176,000	176,000	-
Total other financing sources (uses)	176,000	176,000	182,351	(6,351)
Net change in fund balance	(387,940)	(387,940)	107,805	(495,745)
Fund balances - beginning	387,940	387,940	411,907	(23,967)
Fund balances - ending	$ -	$ -	$ 519,712	$ (519,712)

CITY OF TOLEDO
Lincoln County, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

SOLID WASTE FUND
For the Year Ended June 30, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Solid waste fees	$ 7,900	$ 7,900	$ 7,891	$ 9
Investment earnings	4,200	4,200	1,559	2,641
Total revenues	12,100	12,100	9,449	2,651
EXPENDITURES				
Current				
Solid waste	209,868	209,868	6,526	203,342
Total Expenditures	209,868	209,868	6,526	203,342
Excess (deficiency) of revenues over (under) expenditures	(197,768)	(197,768)	2,923	(200,691)
Fund balances - beginning	197,768	197,768	196,255	1,513
Fund balances - ending	$ -	$ -	$ 199,179	$ (199,179)

CITY OF TOLEDO
Lincoln County, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

LIBRARY RESERVE FUND
For the Year Ended June 30, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Grants	$ 22,000	$ 32,000	$ 34,058	$ (2,058)
Investment earnings	250	250	160	90
Total revenues	22,250	32,250	34,219	(1,969)
EXPENDITURES				
Current				
Library	27,675	27,675	11,512	16,163
Capital outlay	12,000	22,000	9,197	12,803
Total expenditures	39,675	49,675	20,709	28,966
Excess (deficiency) of revenues over (under) expenditures	(17,425)	(17,425)	13,510	(30,935)
Fund balances - beginning	17,425	17,425	20,186	(2,761)
Fund balances - ending	$ -	$ -	$ 33,696	$ (33,696)

CITY OF TOLEDO
Lincoln County, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOOTPATHS AND BICYCLE TRAIL FUND
For the Year Ended June 30, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Motor fuel taxes	$ 2,000	$ 2,000	$ 2,523	$ (523)
Investment earnings	450	450	208	242
Total revenues	2,450	2,450	2,730	(280)
EXPENDITURES				
Capital outlay	28,510	28,510		28,510
Total expenditures	28,510	28,510	-	28,510
Excess (deficiency) of revenues over (under) expenditures	(26,060)	(26,060)	2,730	(28,790)
Fund balances - beginning	26,060	26,060	26,150	(90)
Fund balances - ending	$ -	$ -	$ 28,881	$ (28,881)

CITY OF TOLEDO
Lincoln County, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

STREET RESERVE FUND
For the Year Ended June 30, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Investment earnings	$ 7,000	$ 7,000	$ 3,012	$ 3,988
Total revenues	7,000	7,000	3,012	3,988
EXPENDITURES				
Current				
Highways and streets	781,652	781,652	-	781,652
Total expenditures	781,652	781,652	-	781,652
Excess (deficiency) of revenues over (under) expenditures	(774,652)	(774,652)	3,012	(777,664)
OTHER FINANCING SOURCES (USES)				
Transfers in	390,000	390,000	390,000	-
Transfers out	-	-	-	-
Total other financing sources (uses)	390,000	390,000	390,000	-
Net change in fund balance	(384,652)	(384,652)	393,012	(777,664)
Fund balances - beginning	384,652	384,652	379,247	5,405
Fund balances - ending	$ -	$ -	$ 772,259	$ (772,259)

-

CITY OF TOLEDO
Lincoln County, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

PUBLIC WORKS EQUIPMENT RESERVE FUND
For the Year Ended June 30, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Investment earnings & misc.	3,000	3,000	1,490	1,510
Total revenues	3,000	3,000	1,490	1,510
EXPENSES				
Capital outlay	283,782	283,782	58,032	225,750
Total expenditures	283,782	283,782	58,032	225,750
Excess (deficiency) of revenues over (under) expenses	(280,782)	(280,782)	(56,542)	(224,240)
OTHER FINANCING SOURCES (USES)				
Transfers in	82,500	82,500	82,500	-
Total other financing sources (uses)	82,500	82,500	82,500	-
Change in net position	(198,282)	(198,282)	25,958	(224,240)
Net position - beginning	198,282	198,282	187,533	10,749
Net position - ending	$ -	$ -	$ 213,490	$ (213,490)

CITY OF TOLEDO
Lincoln County, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

DEBT SERVICE FUND
For the Year Ended June 30, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Property taxes	$ 170,000	$ 170,000	$ 170,766	$ (766)
Investment earnings	700	700	276	424
Total revenues	170,700	170,700	171,043	(343)
EXPENDITURES				
Debt service				
Principal	150,000	150,000	150,000	-
Interest	22,600	22,600	22,600	-
Contingency	27,409	27,409	-	27,409
Total expenditures	200,009	200,009	172,600	27,409
Excess (deficiency) of revenues over (under) expenditures	(29,309)	(29,309)	(1,557)	(27,752)
Fund balances - beginning	29,309	29,309	28,451	858
Fund balances - ending	$ -	$ -	$ 26,894	$ (26,894)

Reconciliation to fund-level modified accrual statements	
The addition of property taxes receivables and unavailable revenue deferred inflows and their net adjustment versus prior year balances.	(1,248)
Other funds that contribute towards debt payments are budgeted with the debt service expenditures. For financial presentation, the payments are reported by the Debt Service Fund and payments by contributing funds are reclassified as transfers in and out.	
Add: Transfers in from contributing funds	565,700
Add: Debt service expenditure	(565,700)
PY variance between budgetary and modified accrual ending fund balance due to balances that are only reported for modified accrual.	(893)
Fund balance modified-accrual statements	$ 24,753

CITY OF TOLEDO
Lincoln County, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

WATER CONSTRUCTION FUND
For the Year Ended June 30, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Investment earnings	2,500	2,500	1,549	951
Total revenues	2,500	2,500	1,549	951
EXPENDITURES				
Capital outlay	59,564	59,564	56,020	3,544
Total expenditures	62,064	62,064	57,569	4,495
Excess (deficiency) of revenues over (under) expenditures	(57,064)	(57,064)	(54,471)	(2,593)
Fund balances - beginning	57,064	57,064	54,471	2,593
Fund balances - ending	$ -	$ -	$ -	$ -

CITY OF TOLEDO
Lincoln County, Oregon

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL

BUILDING AND PROPERTY RESERVE FUND
For the Year Ended June 30, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Grants and contributions	$ 75,000	$ 75,000	$ -	$ 75,000
Investment earnings	12,000	12,000	5,046	6,954
Miscellaneous	-	-	750	(750)
Total revenues	87,000	87,000	5,796	81,204
EXPENDITURES				
Capital outlay	798,032	798,032	126,817	671,215
Total expenditures	798,032	798,032	126,817	671,215
Excess (deficiency) of revenues over (under) expenditures	(711,032)	(711,032)	(121,021)	(590,011)
OTHER FINANCING SOURCES (USES)				
Transfers in	82,500	82,500	82,500	-
Total other financing sources (uses)	82,500	82,500	82,500	-
Net change in fund balance	(628,532)	(628,532)	(38,521)	(590,011)
Fund balances - beginning	628,532	628,532	635,260	(6,728)
Fund balances - ending	$ -	$ -	$ 596,739	$ (596,739)

CITY OF TOLEDO
Lincoln County, Oregon

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL

PUBLIC SAFETY BUILDING REMODEL FUND
For the Year Ended June 30, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES	$ -	$ -	$ -	$ -
EXPENDITURES				
Capital outlay	5,000,000	5,000,000	-	5,000,000
Total expenditures	5,000,000	5,000,000	-	5,000,000
Excess (deficiency) of revenues over (under) expenditures	(5,000,000)	(5,000,000)	-	(5,000,000)
OTHER FINANCING SOURCES (USES)				
Proceeds from debt issuance	5,000,000	5,000,000	-	5,000,000
Total other financing sources (uses)	5,000,000	5,000,000	-	5,000,000
Net change in fund balance	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	$ -	$ -	$ -	$ -

Notes to the Schedule

This fund had budgetary activity during the fiscal year. However, there was no actual activity, so the fund is not reported on the combining nor fund-level statements.

CITY OF TOLEDO
Lincoln County, Oregon
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL
WATER FUND
For the Year Ended June 30, 2020

	Budgeted Amounts			
REVENUES	Original	Final	Actual	Variance
Water sales	$ 1,244,500	$ 1,244,500	$ 1,381,290	$ (136,790)
Water sales - Seal Rock	346,000	346,000	621,478	(275,478)
Fees and charges	9,300	9,300	11,245	(1,945)
Grants and contributions	300	300	805	(505)
Rents and leases	11,185	11,185	11,184	1
Investment earnings	9,000	9,000	1,856	7,144
Miscellaneous	3,000	3,000	1,239	1,761
Total revenues	1,623,285	1,623,285	2,029,097	(405,812)
EXPENDITURES				
Current				
Water plant				
Cost of operations	531,677	531,677	462,838	68,839
Administration	8,037	8,037	7,845	192
Water distribution				
Cost of operations	398,673	398,673	368,988	29,685
Administration	10,812	10,812	7,845	2,967
Debt service				
Principal	259,000	259,000	259,000	-
Interest	159,618	159,618	159,618	-
Capital outlay	15,000	15,000	12,303	2,697
Contingency	35,000	35,000	-	35,000
Total expenditures	886,140	886,140	1,278,437	70,541
Excess (deficiency) of revenues over (under) expenditures	737,145	737,145	750,660	(476,353)
OTHER FINANCING SOURCES (USES)				
Transfers out	(331,455)	(331,455)	(331,455)	-
Total other financing sources (uses)	(331,455)	(331,455)	(331,455)	-
Change in net position	405,690	405,690	419,205	(476,353)
Total net position - beginning	125,987	125,987	189,503	(63,516)
Total net position - ending	$ 531,677	$ 531,677	$ 608,707	$ (539,869)

Reconciliation to fund-level full-accrual statements	
Pension Adjustment (Expense) Income	(19,599)
OPEB Adjustment (Expense) Income	1,776
Compensated Absence (Expense) Income	6,252
Depreciation Expense	(384,393)
Convert expenditures to changes in inventory assets.	56,963
Deposits payable adjustment	11,092
This fund contributes towards governmental debt. It's contributions are budgeted as debt service expenditures. For financial presentation, the payments are reported by the Debt Service Fund and payments by contributing funds are reclassified as transfers in and out.	
Add: Transfers out from contributing funds	(418,618)
Less: Debt service expenditure	418,618
PY variance between budgetary and full accrual ending fund balance due to balances that are only reported for modified accrual.	8,220,684
Prior year fund balance immaterial adjustment related to pensions.	6,445
Fund balance full-accrual statements	$ 8,507,928

CITY OF TOLEDO

Lincoln County, Oregon

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL

SEWER FUND

For the Year Ended June 30, 2020

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Sewer sales	$ 1,187,116	$ 1,187,116	$ 1,173,850	$ 13,266
Fees and charges	-	-	200	(200)
Investment earnings	3,000	3,000	2,453	547
Miscellaneous	150	150	2,479	(2,329)
Total revenues	1,190,266	1,190,266	1,178,983	11,283
EXPENDITURES				
Sewer plant				
Cost of operations	428,470	428,470	369,167	59,303
Administration	1,862	1,862	1,791	71
Sewer collection				
Cost of operations	582,517	582,517	472,764	109,753
Administration	10,812	10,812	7,845	2,967
Debt service				
Principal	107,100	107,100	91,000	16,100
Interest	56,082	56,082	56,082	-
Capital outlay	30,000	30,000	-	30,000
Contingency	40,000	40,000	-	40,000
Total expenditures	828,373	828,373	998,649	258,194
Excess (deficiency) of revenues over (under) expenditures	361,893	361,893	180,334	(246,911)
OTHER FINANCING SOURCES (USES)				
Transfers out	(214,743)	(214,743)	(214,743)	-
Total other financing sources (uses)	(214,743)	(214,743)	(214,743)	-
Change in net position	147,150	147,150	(34,409)	(246,911)
Total net position - beginning	281,320	281,320	306,401	(25,081)
Total net position - ending	$ 428,470	$ 428,470	$ 271,991	$ (271,991)

Reconciliation to fund-level full-accrual statements	
Pension Adjustment (Expense) Income	(9,548)
OPEB Adjustment (Expense) Income	2,609
Compensated Absence (Expense) Income	6,580
Depreciation expense	(285,127)
Convert expenditures to changes in inventory assets.	(258)
This fund contributes towards governmental debt. It's contributions are budgeted as debt service expenditures. For financial presentation, the payments are reported by the Debt Service Fund and payments by contributing funds are reclassified as transfers in and out.	
Add: Transfers out from contributing funds	(147,082)
Less: Debt service expenditure	147,082
PY variance between budgetary and full accrual ending fund balance due to balances that are only reported for modified accrual.	5,041,930
Fund balance full-accrual statements	$ 5,028,177

CITY OF TOLEDO
Lincoln County, Oregon
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL

WATER RESERVE FUND
For the Year Ended June 30, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Intergovernmental - Seal Rock	$ -	$ -	$ 44,854	$ (44,854)
Investment earnings	30,000	30,000	16,911	13,089
Total revenues	30,000	30,000	61,765	(31,765)
EXPENDITURES				
Current				
Cost of operations	170,000	170,000	39,125	130,875
Capital outlay	2,321,812	2,321,812	565,098	1,756,714
Total expenditures	2,491,812	2,491,812	604,222	1,887,590
Excess (deficiency) of revenues over (under) expenditures	(2,461,812)	(2,461,812)	(542,457)	(1,919,355)
OTHER FINANCING SOURCES (USES)				-
Transfers in	308,955	308,955	308,955	-
Total other financing sources (uses)	308,955	308,955	308,955	-
Change in net position	(2,152,857)	(2,152,857)	(233,502)	(1,919,355)
Total net position - beginning	2,152,857	2,152,857	2,145,364	7,493
Total net position - ending	$ -	$ -	$ 1,911,862	$ (1,911,862)

Reconciliation to fund-level full-accrual statements

The Sewer Reserve does not own capital assets. Purchased capital assets are transferred to Sewer Fund.	
Add: Transfer out to the Sewer Fund.	-
Less: Capital outlay expenditures.	-
Fund balance full-accrual statements	$ 1,911,862

CITY OF TOLEDO
Lincoln County, Oregon
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL

SYSTEM DEVELOPMENT FUND
For the Year Ended June 30, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
System development charges	$ 18,400	$ 18,400	$ 71,561	$ (53,161)
Investment earnings	10,000	10,000	4,578	5,422
Total revenues	28,400	28,400	76,139	(47,739)
EXPENDITURES				
Capital outlay	605,588	605,588	-	605,588
Total expenditures	605,588	605,588	-	605,588
Excess (deficiency) of revenues over (under) expenditures	(577,188)	(577,188)	76,139	(653,327)
Net position - beginning	577,188	577,188	576,399	789
Net position - ending	$ -	$ -	$ 652,539	$ (652,539)

CITY OF TOLEDO

Lincoln County, Oregon

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL

SEWER RESERVE FUND

For the Year Ended June 30, 2020

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Investment earnings	4,000	4,000	1,121	2,879
Total revenues	4,000	4,000	1,121	2,879
EXPENSES				
Current				
Cost of operations	1,623,970	1,623,970	72,562	1,551,408
Capital outlay	170,000	170,000	90,385	79,615
Total expenditures	1,793,970	1,793,970	162,947	1,631,023
Excess (deficiency) of revenues over (under) expenditures	(1,789,970)	(1,789,970)	(161,826)	(1,628,144)
OTHER FINANCING SOURCES (USES)				
Proceeds from debt issuance	1,350,000	1,350,000	-	1,350,000
Transfers in	189,743	189,743	189,743	-
Total other financing sources (uses)	1,539,743	1,539,743	189,743	1,350,000
Change in net position	(250,227)	(250,227)	27,917	(278,144)
Net position - beginning	250,227	250,227	141,170	109,057
Net position - ending	$ -	$ -	$ 169,087	$ (169,087)

AUDIT COMMENTS AND DISCLOSURES
REQUIRED BY FEDERAL AND STATE REGULATIONS

INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS

The Honorable Mayor and
Members of the City Council
City of Toledo
Toledo, Oregon

We have audited the basic financial statements of the City of Toledo as of and for the year ended June 30, 2021 and have issued our report thereon dated February 18, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

As part of obtaining reasonable assurance about whether the City of Toledo'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 162-010-0000 through 162-010-0320 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 statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

Deposit of public funds with financial institutions (ORS Chapter 295)

Indebtedness limitations, restrictions, and repayment

Budgets legally required (ORS Chapter 294)

Insurance and fidelity bonds in force or required by law

Programs funded from outside sources

Highway revenues used for public highways, roads, and streets

Authorized investment of surplus funds (ORS Chapter 294)

Public contracts and purchasing (ORS Chapters 279A, 279B, 279C)

In connection with our testing, nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, contracts, and grants, including the provisions of Oregon Revised Statutes, as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-010-0230 Internal Control

In planning and performing our audit, we considered the City of Toledo's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Toledo's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Toledo, Oregon's internal control.

We did note certain matters that we reported as finding 2021-01 in the Schedule of Findings and Responses.

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

Teresa Hanford

Hanford & Associates, LLC
West Richland, Washington
February 18, 2021

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Mayor and
Members of the City Council
City of Toledo
Toledo, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Toledo as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 18, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Toledo's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Toledo's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Toledo's internal control.

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

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

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit the attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as items 2021-01 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Toledo's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Responses to Findings

City of Toledo, Oregon's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of Toledo, Oregon's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Teresa Hanford

Hanford & Associates, LLC
West Richland, Washington
February 18, 2021

CITY OF TOLEDO
Lincoln County, Oregon

SCHEDULE OF FINDINGS AND RESPONSES

June 30, 2021

Findings – Financial Statement Audit

Significant Deficiency in Internal Control Over Financial Reporting

2021-01 Preparation of Financial Statements

Criteria:
A complete system of internal control contemplates an adequate system for preparing the financial statements.

Condition:
The City of Toledo has elected not to have an internal control system designed to provide for the preparation of the financial statements and related footnotes being audited. As auditors, we were requested to draft the financial statements and the accompanying notes.

Cause:
Due to cost and other consideration, the City of Toledo requested we draft the financial statements and related footnotes. This is common for small cities, who often do not have the staff or resources to prepare their own financial statements.

Effect:
The control deficiency could result in a misstatement to the financial statements that would not be prevented or detected.

Recommendation:
This circumstance is not unusual. It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

Management's Response:
The City doesn't have the staff or resources to prepare its own financial statements, therefore we will rely on the auditors to prepare them.

TOLEDO CITY COUNCIL
SPECIAL MEETING
January 22, 2022
10:00 a.m.

1. CALL TO ORDER

Mayor Rod Cross called the meeting to order at 10:00 a.m. electronically via Zoom in Toledo, Oregon.

Present	Absent	
X		Mayor Rod Cross
X		Council President Betty Kamikawa
X		Councilor Jackie Kauffman
X		Councilor Rob Duprau
X		Councilor Todd Michels
X		Councilor Wade Carey
X		Vacant

Staff present: City Manager (CM) Judy Richter, City Recorder (CR) Lisa Figueroa, Police Chief (PC) Michael Pace, Public Works Director (PWD) Bill Zuspan, Fire Chief (FC) Larry Robeson

2. DISCUSSION

Training

The City Council and staff watched a training video from the League of Oregon Cities.

The Council recessed for a break at 11:00 a.m. and reconvened at 11:10 a.m.

CM Richter directed the Council to their City Council rules. She said it is important to review them every so often and noted the last update to the rules was before the pandemic and virtual meetings were not regularly practiced, which may need to be included under the decorum section of the rules. There was discussion about performing the Pledge of Allegiance and a consensus of the Council requested it be brought before the Council for consideration. The Council continued to review the rules and they asked staff to bring back the rules to a future meeting to continue their review of the rules.

The Council recessed for lunch at 11:55 a.m. and reconvened at 12:35 p.m.

Jalene Case, consultant, facilitated the afternoon session to review and update the City Council Action Plan and Urban Renewal District project list.

City Council Action Plan and Urban Renewal District project list

The Council and Ms. Case reviewed the City Council 2021-2022 Goals and Objectives Action Plan and the Council made no changes to the current goals. The Council expressed concern on increasing affordable housing within the City and how it correlates with business development. After further discussion, they decided to bring it back to a future work session for more discussion.

The Council continued through the goals and made no additional changes.
Motion – It was moved and seconded to postpone (Cross/Kauffman) the discussion in regards on housing and economic development to the work session in February and the motion carried unanimously.

The Council recessed for a break at 1:36 p.m. and reconvened at 1:41 p.m.

Ms. Case referred to the Urban Renewal District Project list included in the packet. The Council reviewed the list and it was determined Building improvements and Utility infrastructure were listed as high priority. The Council considered options for funding and then a consensus of the Council agreed to the listed funding of Urban Renewal District projects for the first year:

- Building improvements [grants] - $50,000
- Public Buildings [upgrades to City Hall & Public Safety Building] - $170,000
- Utility Infrastructure [manhole liners & Business 20 sewer lines] - $150,000
- Administration - $30,000

CM Richter indicated she would like to see a three to five year plan so she can prepare an accurate budget for the Urban Renewal District.

The Council recessed for a break at 2:47 p.m. and reconvened at 2:57 p.m.

Citizen engagement & Art Toledo
The Council proceeded to discuss citizen engagement and ways to encourage the public to interact and be present more in the city and local events. There was discussion about having events where the community could get together. The City Council and staff listed several options for possible citizen engagement activities:

- BBQ party
- Combine BBQ party and town hall
- Create a Mayor's update following City Council meetings
- Informational night to share for volunteer positions expectations/requirements
- Increase the number of events
- Council needs to take on more of the engagement work rather than staff
- Increase the number of events
- Reinstate lunch with the Mayor
- Outreach to the local churches to provide news and updates
- Provide an *'Introduction to the Council'*
- Interactive online polls
- A City Council member attend community group [e.g. Port of Toledo] meetings as a liaison
- City wide mobile application for citizens
- Movies in the park
- Offer an '*Introduction to Government'* class for citizens

Following the discussion, each of the Council members committed to the following activities:

- Councilor Duprau; reach out to local churches to share the Council's agendas and meeting information and attend the Pool District meetings

- Councilor Mix; attend the Port of Toledo and School District meetings
- Councilor Carey; introduce the Council members to the community
- Councilor Michels; work on a town hall
- Mayor Cross; work on a communications/radio broadcast system for the community
- Councilors Kamikawa and Mix; coordinate a spring clean up
- Councilors Kauffman and Kamikawa; work on Main Street events such as a car show, outside movie, etc.

The Council discussed the status of Art Toledo and it was noted they need to see some outcomes from the program, such as expenses and whether items have been sold by the artists involved to determine how to proceed with the program.

There was discussion about opening one of the phantom gallery cycles to the showcase what citizens love of Toledo and make it a photo contest with a prize. CR Figueroa noted staff will come up with criteria to present to the Council in a future meeting.

3. ADJOURNMENT

The meeting adjourned at 4:10 p.m.

Approve: Attest:

______________________________ ______________________________

Mayor Rod Cross City Recorder Lisa Figueroa

Capital Expenditure Detail

Department:	Administration – Information Technology (IT)
Purchase item:	New Server and Operating System
Cost of item:	$13,000.00
Budget line item:	001-100-620500
Replacement:	Replaces one older server and will host multiple Virtual machines
Ongoing Impact:	The purchase will ensure City operations and services are efficiently provided to the community and constituents

Explanation of need for purchase:
The City has two virtual machine hosts (physical servers) that are reaching the end of their life cycle. The new sever will allow the City to consolidate the two servers and allow for continued growth at the same time. Microsoft's extended support places the end of life for Server 2019 at 2029.

Capital Expenditure Detail

Department:	Administration
Purchase item:	Website/Communications redesign & upgrade
Cost of item:	$11,000
Budget line item:	001-900-608100
Replacement:	Update to the current City website and public communications functions

Explanation of need for purchase:
It has been four years since the website was redesigned and Staff is requesting funding to upgrade and update the website and public information communications.

The current website provides information to the public on a daily basis. However when the current website was negotiated, the design of the website did not take into consideration or include functions that can be automated, integrated into mobile applications/alerts and notifications or include automated functions and workflows.

Being able to upgrade the City website to use automated features such as prescheduled/automatic City Council and Committee alerts, e-mail/text notifications, webforms or website 'keyword' text/chat could alleviate some of the staff time spent manually creating those notifications or spent answering questions on a weekly basis.

Updating and upgrading the website and regular communications meets the City Council's goal to Keep the community informed about council and city activities through outreach by diverse methods.

Ongoing Impact(s):

Capital Expenditure Detail

Department:	Toledo Police Department
Purchase item:	New Patrol Car
Cost of item:	2021 Dodge Durango - $59,000 (estimated cost)
Budget line item:	Vehicle Replacement Plan (036-360-62800)
Replacement:	E245525 2009 Dodge Charger
Ongoing Impact(s):	Planned vehicle replacement for next vehicle is 2023-24

Explanation of need for purchase:
The purchase of the 2021 Dodge Durango is part of the vehicle replacement plan. In accordance to the plan, $125000 has been set aside for the replacement of vehicles for the Police Department's (TPD) fleet. The TPD vehicle replacement plan was created to ensure continuous public safety coverage for the community. Money is set aside every year in an attempt to be fiscally responsible by replacing aging vehicles before they become a financial liability through continuous maintenance costs. The purchase of the 2021 Dodge Durango will greatly reduce the amount of vehicle maintenance costs that have incurred this year.

This vehicle has been on order since July, 2022. We are re-budgeting in case it does not arrive before June 30.

Year		**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	
	Assignment	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	
E245525 - 2009 Dodge	Training	$59,000					unmarked					$59,000
E250527 - 2010 Dodge	Detective		$0	60,000					unmarked			$60,000
E250549 - 2010 Dodge	Admin				$0	$65,000					unmarked	$65,000
E255879 - 2012 Chev	Chief						$0	65,000				$65,000
E258582 - 2014 Ford	Patrol	unmarked							$0	$70,000		$70,000
E262521 - 2015 Ford	Patrol		unmarked								$0	$0
E275107 - 2018 Ford	Patrol				unmarked							
												$319,000
Years total		$59,000	$0	$60,000	$0	$65,000	$0	$65,000	$0	$70,000	$0	$319,000
												$19,400
												$16,500
Beginning Balance		$125,000	$91,000	$116,000	$81,000	$111,000	$76,000	$111,000	$81,000	$121,000	$91,000	
Transfer required		$25,000	$25,000	$25,000	$30,000	$30,000	$35,000	$35,000	$40,000	$40,000	$45,000	
Expenditures		$59,000	$0	$60,000	$0	$65,000	$0	$65,000	$0	$70,000	$0	
Balance after expenditures		$91,000	$116,000	$81,000	$111,000	$76,000	$111,000	$81,000	$121,000	$91,000	$136,000	

Capital Expenditure Detail

Department:	Building & Property Reserve – Fire Department
Purchase item:	Storage Addition
Budgeted Funds:	$40,000
Budget line item:	035-350-621500
Replacement:	
Ongoing Impact:	General long-term maintenance and upkeep will continue to be necessary as assets age

Explanation of need for purchase:
Creation of storage space attached to the existing training/community meeting room. The room is often used for functions not related to fire training and there is no place to store the tables and chairs when not in use. Additionally, there are times when meeting and training needs require different configurations of set-up and as such there is a lack of room configuration flexibility due to the lack of storage needs that have exceeded the current storage room.

It is planned the project will be built on the east wall where there is currently a planter and when completed, should provide approximately 130 square feet of storage area.

This was budgeted last year with the plan that the high school would be able to help with the construction to keep the costs down. If they can draw up the plans, we believe we can complete the project using our crew.

Capital Expenditure Detail

Department:	Fire
Purchase item:	Training Prop Materials
Cost of item:	$12,000
Budget line item:	0035-350-621800
Replacement (Y/N)	No

Explanation of need for purchase:
Rolling over this project in the possibility that it cannot be completed within the current budget cycle.

The department would purchase materials to build a Confined Space Rescue training prop on the property at the Fire Dept. This project will be built with in-kind work from public works and volunteers.

The prop would consist of an in ground structure much like a manhole or utility vault, approximately 14' vertical shaft with a 6' foot vault below and an 8 – 10' horizontal exit/entrance. For safety purposes, the top entrance will have a steel manhole lid and the bottom horizontal exit/entrance will have a locking grate.

The department did due diligence seeking out venders and possible discounts or "seconds" on materials. Oldcastle Infrastructure out of Wilsonville is the only company reasonably close to us that make precast concrete pipe, manholes, vaults etc. They do not provide discounts for small agencies, nor do they have any second quality material at a reduced rate.

The City's infrastructure has many locations that require workers to enter, which are by definition; "confined spaces". Most of these are permitted entry spaces which require an emergency plan in case something goes wrong and a rescue is needed. These spaces are inherently dangerous and require specialized equipment and training to make a safe entry and effect a rescue. Most agencies use "911" or the "Fire Dept." as their emergency plan. Many emergency response departments do not have the proper training to safely make these type of rescues.

Toledo Fire Department is developing a training program for Confined Space rescue so we are prepared for the time when a rescue is needed. Many of our members are Rope Rescue technicians, which is a prerequisite for Confined Space rescue.

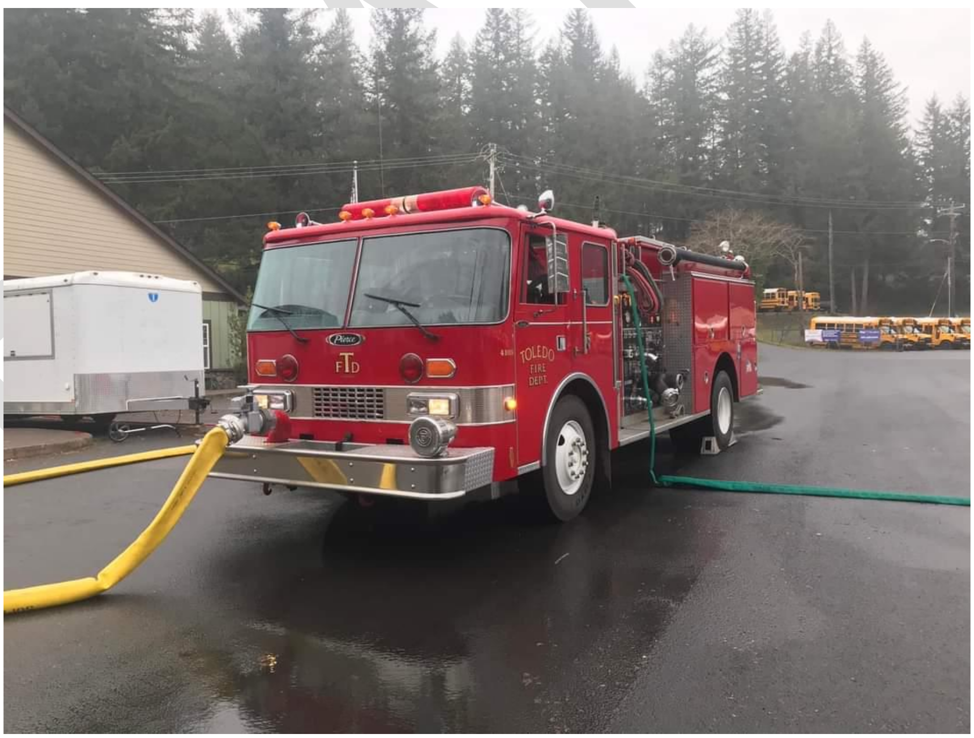
This training prop would not only serve as Confined Space Rescue training for the Fire Dept., but would also serve as a safe and clean environment for Public Works to train at the self-rescue level with the equipment they currently have.

Ongoing Impact(s):

Capital Expenditure Detail

Department:	Fire
Purchase item:	Engine
Cost of item:	$140,000
Budget line item:	
Replacement (Y/N)	Yes

Explanation of need for purchase:
The 1986 Pierce engine was a granted engine from the 1033 program replacing a 1970 gas powered engine. The normal life span of a engine is 30 years and 4103 has been in service for 36 now. It has 50,000 mile and 6,000 hrs on engine and 700 hours on the pump.



Capital Expenditure Detail

Department:	Fire
Purchase item:	RIT bags - Rescue bags with Air tanks, universal air connection hoses and couplings and masks.
Cost of item:	Three (3) equipped bags would be $19,536.00
Budget line item:	
Replacement	Yes

Explanation of need for purchase:
RIT bags (Rescue intervention teams) are required on all structure fire scenes. In the event of a downed, trapped Firefighter or a (Mayday) is declared these kits are what's used to resupply breathing air.

The bag contains a 60 min breathing air bottle, hoses and a mask like what the interior crews are wearing. The Intent of the kits are firefighter rescue but will also work for patient rescue. The hoses attached in the kit will plug directly into a firefighters air pack through a UAC (universal air connection) and refill the existing bottle inside the building. These UACs are the same on any air pack in production today.

Ongoing Impact(s):

Capital Expenditure Detail

Department:	Building & Property Reserve - Police
Purchase item:	Repair/Maintenance to the Exterior of the new Public Safety Building
Cost of item:	$250,000
Budget line item:	035-350-621400
Replacement:	
Ongoing Impact:	Ongoing general maintenance and upkeep.

Explanation of need for purchase:
The maintenance on the exterior of the new Public Safety Building has been minimal since purchase and probably prior to that by the previous owners. At this time the extent of the repairs needed have been identified. We have been trying to find 3 contractors to give us estimates on the needed repairs/replacement. We hope to do the roofing and siding with the seismic upgrades needed.

Costs for the elevator permit are ongoing.

It seems prudent to allocate resources to be ready to complete this work as necessary

Capital Expenditure Detail

Department:	PUBLIC WORKS
Purchase item:	Service truck
Cost of item:	$60,000 ea.
Budget line item:	
Replacement (Y/N)	Replace #0601 which has 73,300 miles and is requiring untimely repairs and is 16 years old.

Explanation of need for purchase: Replace 2006 Ford F-250 XLT Service Truck #0601 which has 73,300 miles and is requiring untimely repairs and is 16 years old.

OPTIONS FOR #0601:

A. Use vehicle for trade-in value (numbers to be determined)
B. Surplus sale through City procedures
C. Re-allocate vehicle to become Code enforcement vehicle.

Ongoing Impact(s):
Having a dependable, lower maintenance cost vehicle for fleet use.

Capital Expenditure Detail

Department:	Public Works -
Purchase item:	Portable Air Compressor
Cost of item:	$15,000
Budget line item:	011-110-620-500
Replacement (Y/N)	Yes

Explanation of need for purchase:
Current compressor is not reliable & requires major repairs each time it is used. Becoming very difficult to purchase replacement parts due to age. This equipment is essential to operate jackhammers, rotary cutting equipment and to pump air for testing of utility lines.

Ongoing Impact(s):
Ability to use City employees to perform more maintenance tasks, saving cost of using contractors.

Capital Expenditure Detail

Department:	Public Works - Streets
Purchase item:	Brush Mower
Cost of item:	$90-95,000
Budget line item:	011-110-
Replacement (Y/N)	Yes

Explanation of need for purchase:
Brush Mower for City streets and easements, current mower is 26 years old and requiring major maintenance on a regular basis.

Ongoing Impact(s):
Reliable brush and mower equipment to maintain city streets and easements.

Capital Expenditure Detail

Department:	Public Works-Distribution
Purchase item:	New water main- Meadow Lane
Cost of item:	$19,000
Budget line item:	
Replacement (Y/N)	NO

Explanation of need for purchase:
The City plans to acquire Meadow Lane from Lincoln County Property Management, in an effort to upgrade the roadway to residences expectations, the city needs to first place a water main in the Right-of-Way to service four customers.

Ongoing Impact(s):
Reliable water for residences lining on Meadow Lane.

Capital Expenditure Detail

Department:	Water Distribution
Purchase item:	Replace/ upgrade existing Water Main/ NW 10th St.
Cost of item:	$180,000
Budget line item:	041-410-620-520
Replacement (Y/N)	YES

Explanation of need for purchase:
Need to replace 4" existing A/C water main with 6" C-900 to add 1 fire hydrant for residential safety. This line is 4" A/C and very brittle, & has had many untimely failures narrowly escaping property damage to residences.

Ongoing Impact(s):
Continue service of quality water with less interruptions due to pipe failure and provide better fire protection to the neighborhood. Replacing this line would complete a "loop" of new main in the area and provide better water pressures.

Capital Expenditure Detail

Department:	Water Reserve fund-Distribution
Purchase item:	New Ammon Reservoir
Cost of item:	$1.3 million
Budget line item:	041-410-620-520
Replacement (Y/N)	Yes

Explanation of need for purchase:
The roof of the present Ammon Reservoir was found seriously defective, upper beams are distorted and in need of replacement. This has been reported in the last 2 budget years but the work was not performed due to situation with Seal Rock Water.

Peterson Structural engineering has provided 90% of drawings at a cost for roof replacement of $770,000, upgrades will also have to be made to make the reservoir structurally compliant. Also, the reservoir is in need of a paint job, add $350,000. Total maintenance cost of $1million.

- Engineer estimated a new reservoir at just over 1 million, (3 years ago)
- The reservoir is in need of maintenance and rebuilding.
- It is past its useful life in the present condition.
- Catastrophic failure is a very real possibility under normal operating conditions and even greater risk with any form of earth movement.

Ongoing Impact(s):
Reliable treated water storage facility for the City of Toledo that is a major contributor to the water Hydraulics for customers. This tank also serves G.P. & Cascade sawmill.

Capital Expenditure Detail

Department:	Water Distribution
Purchase item:	Replace/ upgrade existing Water Main/Hillvale Ln.
Cost of item:	$80,000
Budget line item:	041-410-620-520
Replacement (Y/N)	YES

Explanation of need for purchase:
Need to replace 4” existing A/C water main with 6” C-900 to add a fire hydrant for residential safety. As per 2010 Water Master plan.

Ongoing Impact(s):
Continue service of quality water with less interruptions due to pipe failure and provide fire protection to the neighborhood.

Capital Expenditure Detail

Department:	Public Works-Distribution
Purchase item:	HDPE 12" Millcreek Phase 2 replacement project / costs
Cost of item:	$400,000
Budget line item:	041-410-620-520
Replacement (Y/N)	YES

Explanation of need for purchase: The current transmission line is A/C pipe installed in the 1950s and is currently crossing wetlands, swamps, pastures, rivers and hard to access areas. The line is failing at an increasing rate. This line has suffered three failures since January 18, 2022.

Ongoing Impact(s):
Reliable water transmission line will provide raw water from Millcreek Reservoir to Water Treatment Plant to process for citizens of Toledo and outside customers.

Capital Expenditure Detail

Department:	Water Treatment Plant
Purchase item:	Chlorine Generator
Cost of item:	$ 65,000
Budget line item:	041-410-620-520
Replacement (Y/N)	Yes

Explanation of need for purchase:
This is for an onsite chlorine generator to replace current model that is no longer supported by the manufacturer, requires two units in tandem. (included in above cost)

Ongoing Impact(s):
To allow WTP to continue to make its own chlorine for water disinfection / treatment reducing treatment costs.

Capital Expenditure Detail

Department:	Water Treatment Plant
Purchase item:	Chemical Dosage Pumps
Cost of item:	$ 35,000
Budget line item:	041-410-620-520
Replacement (Y/N)	Yes

Explanation of need for purchase:
This is to replace current diaphragm chemical dosage pumps with new, more reliable pumps with brushless DC motors. The above dollar amount will provide us with 3 new pumps and 3 backup pumps.

Ongoing Impact(s):
The WTP operates with 3 different chemical dosage pumps at a time, It is advisable to always have a back-up pump for each of the different chemicals.

Capital Expenditure Detail

Department:	Water Treatment Plant
Purchase item:	Plant Back-Up Generator
Cost of item:	$ 600,000
Budget line item:	041-410-620-520
Replacement (Y/N)	Yes

Explanation of need for purchase: The current generator for the Water Treatment Plant is beyond life expectancy and is located inside the basement of the building. Ideal plan is to move the generator to an outside location on the South side of building and provide shelter from elements. Current generator is not dependable to supply needed currents for full plant operation.

Ongoing Impact(s):
New generator will supply dependable electrical current to operate the treatment plant in event of emergency operations.

Capital Expenditure Detail

Department:	Water Treatment Plant
Purchase item:	Exterior Stairway
Cost of item:	$ 40,000
Budget line item:	041-410-620-520
Replacement	Yes

Explanation of need for purchase: Current staircase has sagged and is now a potential danger. Failing welds, rusted out holes in the treads and improper angles have created need for replacement for employee safety.

Ongoing Impact(s):
To enhance the safety of employees during everyday plant operations.

Capital Expenditure Detail

Department:	Waste Water
Purchase item:	Main Line Replacement/Business Hwy 20 Project
Cost of item:	$250,000
Budget line item:	Possible Urban Renewal District funding
Replacement	

Explanation of need for purchase:
Heavily bellied pipe is buried under Business Highway 20 near the police station. This pipe was suspected of heavy flows during flow mapping. Television inspection was unsuccessful due to very poor pipe grade forcing the camera underwater through most of the survey. The portions that were visible contained heavy leaks at every joint. The current pipe is 8-inch concrete and observed flow lines indicate a full pipe is often experienced in this section.

Significant settlement is occurring in the pipe along its current alignment, likely due to its placement near a tidal lowland area. There is also concern that the sanitary sewer mapping shows the pipe could be located underneath an existing building. City staff considered moving the alignment north and routing the pipeline under Business 20 until its intersection with “A” Street. The “A” street intersection is on a rising slope resulting in the realignment having a depth of approximately 20 feet at the terminating manhole. Feedback received from long time Public Works Department employees suggest that the existing alignment is located between existing buildings, not beneath them. Our recommendation is to replace the existing pipeline using the current alignment which will reduce traffic disruption, require less asphalt patching, and not require deep trenching equipment. It is anticipated that some foundation stabilization and dewatering equipment will be necessary at this site. This project includes the replacement of four pipe segments and installation of four new manholes.

Ongoing Impact(s):
To greatly reduce Inflow and Infiltration (I&I) and improve flow lines increasing the efficiency of the waste water plant & satisfying Department of Environmental Quality requirements. This project is part of the 2011 I&I Study.

Capital Expenditure Detail

Department:	Wastewater Treatment Plant
Purchase item:	Helisieve Unit
Cost of item:	$100,000
Budget line item:	
Replacement (Y/N)	Yes

Explanation of need for purchase:
This device is a pre-screening system that removes large items before they enter the treatment facility. It is vital to the proper operation of the treatment plants remaining process.

Helisieve-2001 model
Removes rags, sanitary napkins, large debris, and other large items before they enter the treatment facility. Removal of these items is necessary to prevent process disruptions due to pump, rake arm, aerator, and pipe blockages. This unit runs continually every day and moving parts have begun to show significant wear. Current equipment has been in place for 21 years and has exceeded its life expectancy and is performing poorly.

Grit concentrator-2002 model
Removes abrasive grit that is harmful to any of the numerous moving parts at the wastewater treatment plant. (i.e. pumps, bearings, pipes, rake arms, grit cyclone, etc.) This unit runs three times a day, every day and has exceeded its life expectancy. The lack of performance of this piece of equipment is also causing the aeration basin to fill with grit, thus covering the aerators which is not allowing oxygen to be dissolved into the water. The oxygen is necessary to keep the micro-organisms, (that remove organics) alive.

Ongoing Impact(s):
To insure continuous proper, and efficient operation of the wastewater plant and its infrastructure.

Capital Expenditure Detail

Department:	Public Works-Wastewater Collection
Purchase item:	Cure In Place Pipe (CIPP) Liner Installs
Cost of item:	$150,000
Budget line item:	042-420-620-550
Replacement (Y/N)	No

Explanation of need for purchase:
To reduce Inflow and Infiltration (I & I) to the Wastewater Treatment Plant and enhance the structural integrity of each sections of wastewater mainlines.

Ongoing Impact(s):
Reduce I&I into the Wastewater collection system in an effort to meet treatment plant standards and Department of Environmental Quality requirements. This will also help with Plant overflows during extended storm events.

Capital Expenditure Detail

Department:	Public Works-Wastewater Collection
Purchase item:	Manhole liners
Cost of item:	$85,000
Budget line item:	042-420-620550
Replacement:	No

Explanation of need for purchase:
To reduce Inflow and Infiltration (I&I) to the Wastewater Treatment Plant (WWTP) and enhance the structural integrity of each manhole.

Ongoing Impact(s):
Reduce I&I into Wastewater collection system in an effort to meet treatment plant standards and Department of Environmental Quality requirements. This will also help with plant overflows during extended storm events.

5 year Project List - Streets

Project Description	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
grind & overlays/ location TBD		$125,000	$150,000	$150,000	$150,000
street striping / contractor	$6,000	$7,000	$7,500	$8,000	$8,500
safet painting / x-walks hyd. Etc.	$5,000	$6,000	$6,500	$7,000	$7,500
grind & overlay 10TH st.	$102,000				
Hillvale overlay			$60,000		
NW 10th St. overlay/ grind		$60,000			
TOTALS	$113,000	$198,000	$224,000	$165,000	$166,000

5 year Project List - Wastewater

Project Description	SOURCE	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
I & I REDUCTION	I&I study	$200,000	$200,000	$200,000	$200,000	$200,000
Helisieve unit at WWTP CIP 22'	STAFF		$100,000			
Bus 20 replacement CIP 22'	I&I Study		250,000.00			
Effluent Outfall line repair/replace		$225,000			$200,000	
N E 12th Street project C	I&I Study			$200,000		
Totals		$425,000	$550,000	$400,000	$400,000	$200,000

5 year Project List - Water

Project Description	source	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
Millcreek raw main replacement	WMP 2010	$350,000	$350,000	$700,000		
WTP Generator CIP 22'	STAFF		$510,000			
Ammon tank replacement	WMP 2010		$1,300,000			
Graham St. Storage Tank Refurbishment	WMP 2010				$250,000	
WTP filtering replacement	WTP					
Hillvale mainline upgrade	WMP			$80,000		
A/C Line replacements/ 10th St.	WMP		$150,000			
WTP exterior paint	STAFF			$25,000		
WTP chlorine generator	STAFF		$65,000			
WTP steel stairway	STAFF		$40,000			
wtp CHEMICAL DOSAGE PUMPS	STAFF		$35,000			
Totals		$350,000	$2,450,000	$805,000	$250,000	

CITY OF TOLEDO
REQUEST FOR COUNCIL ACTION
L. Robeson

<table>
<tr><td rowspan="2"></td><th>Meeting Date:</th><th>Agenda Topic:</th></tr>
<tr><td>February 23, 2022</td><td rowspan="3">Approval to spend $60,000 for new Fire Command Vehicle</td></tr>
<tr><th>Council Goal:</th><th>Agenda Type:</th></tr>
<tr><td>Improve Emergency Preparedness</td><td>Decision Items</td></tr>
<tr><th>Prepared by:</th><th>Reviewed by:</th><th>Approved by:</th></tr>
<tr><td>Fire Chief L.Robeson</td><td>City Manager Judy Richter</td><td>City Manager Judy Richter</td></tr>
</table>

Recommendation:
Motion to approve approximately $60,000 for purchase of new Fire Command Vehicle.

Background:
This purchase was approved in this current budget, 036-360-621800. $40.000 for the vehicle and $15,000 for outfitting. Costs have gone up slightly in the last year.

Staff selected a 2022 Ford Expedition. The vendor is ready to order the truck and says there is a 14 to 16 week delivery time to their shop. Upfitting and delivery will be another month.

Fiscal Impact:	Fiscal Year:	GL Number:
$60,000	**2021-2022**	**N/A**

Attachment:
1. Quote for Vehicle
2. Quote for outfitting

```
CNGP530                  VEHICLE ORDER CONFIRMATION          01/31/22 12:30:27
 ==> _________ ________________________________________           Dealer: F74022
                             2022 EXPEDITION                         Page: 1 of 1
 Order No: 9999    Priority: E2  Ord FIN: QS045  Order Type: 5B Price Level: 225
 Ord PEP:  102A Cust/Flt Name: TOLDEO              PO Number:
                      RETAIL                                        RETAIL
 U1G  4X4 XL          $53160                SP DLR ACCT ADJ
 YZ   OXFORD WHITE                          SP FLT ACCT CR
 L    XL CLOTH BUCKET                       FUEL CHARGE
 H    BLACK ONYX                       B4A  NET INV FLT OPT     NC
102A  EQUIP GRP        (2080)               DEST AND DELIV    1695
      .17" STEEL WHEEL                TOTAL BASE AND OPTIONS 52775
      .SKID PLATES                    TOTAL                  52775
 99T  .3.5L ECO V6 ENG    NC          *THIS IS NOT AN INVOICE*
 44U  .10SPD AUTO         NC          *TOTAL PRICE EXCLUDES COMP PR
 TDR  P265/70R17 OWL      NC
 X3L  .3.73 REG AXLE      NC
      FLEET SPCL ADJ      NC
 794  PRICE CONCESSN
      REMARKS TRAILER
 153  FRT LICENSE BKT     NC
```

40259 QUOTE
+201.30 PRIV TAX
+149.05 CAT TAX
+155.50 E-PLATES

Estimate

Date	Estimate #
1/27/2022	13917

Wire Works LLC

2525 Commercial St NE
Salem OR 97301

Toledo Fire
285 NE Burgess Road
Toledo, Oregon 97391

A processing fee of 3.75% will be applied to all invoices paid with a credit card

Job	P.O. No.	Rep
		GC

Item	Description	Qty	Rate	Total
	Command 2022 Ford Explorer:			
	Cusotmer to provide: Radio system(s) MDT, docking station, and power supply Portable radio chargers Flashlights			
	Power distribution:			
Ch27.1.7	911 Circuits power distribution panel. 27 circuits, single stage timer, 7 foot. SPECIFY MOUNTING BRACKET	1	749.95	749.95T
MBFSUVL1-20+	911 Circuits mounting bracket "L1" that mounts under drivers front seat.	1	19.95	19.95T
CB150	Wire Works 150 amp manual resettable circuit breaker.	1	49.95	49.95T
WWPD-023	Wireworks circuit breaker bracket.	1	17.95	17.95T
	Push Bumper:			
BK2019ITU20	Setina PB450L lighted push bumper for the 2020 Ford Interceptor Utility. Includes Whelen ION light heads.	1	786.71	786.71T
Ion Duo upcharge	Upcharge for Whelen DUO Lights	4	25.20	100.80T
Rough Country 70...	Rough Country 20-INCH CREE LED LIGHT BAR - (DUAL ROW | BLACK SERIES W/ COOL WHITE DRL). 18,000 LUMENS	1	172.86	172.86T
	Siren:			
SA315P	Whelen Siren Speaker. 123db. 2 7/8 mounting depth.	1	178.24	178.24T
SAK1	Whelen universal mount bracket for the SA315P speaker. A4	1	0.00	0.00T

Thank you for the opportunity!

Subtotal	
Sales Tax (0.0%)	
Total	

Phone # 503-990-8750 Fax # 503-990-8034 www.wireworks.co

Estimate

Date	Estimate #
1/27/2022	13917

Wire Works LLC

2525 Commercial St NE
Salem OR 97301

Toledo Fire
285 NE Burgess Road
Toledo, Oregon 97391

A processing fee of 3.75% will be applied to all invoices paid with a credit card

Job	P.O. No.	Rep
		GC

Item	Description	Qty	Rate	Total
I3JC	Grill lights: Whelen ION TRIO Linear LED Lighthead. Red/blue lights with white over ride LED's.	2	133.90	267.80T
Ford 2020+ NonB...	Corner lights: Factory option Wire kit to plug into 2020+ Ford SoundOff Mpower lights inside the headlights, for Non-bluePRINT hookup. Includes the 3 pin connector with jumpers and two 4 pin plugs with 4 foot input wires	1	39.95	39.95T
	Wig Wags: Factory option			
	Front windshield light: Included in promo bundle (Whelen Inner Edge DUO)			
TCRB44	Side lights: Whelen Tracer 5 Lamp Housing and TCRL** DUO™ Lightheads. "L" Bracket Mounting (6 Required) or Vehicle Specific Mounting Purchased Separately	2	695.50	1,391.00T
I3JC	Rear quarter glass lights: Whelen ION TRIO Linear LED Lighthead. Red/blue lights with white over ride LED's.	2	133.90	267.80T

Thank you for the opportunity!

Subtotal	
Sales Tax (0.0%)	
Total	

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Estimate

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Job	P.O. No.	Rep
		GC

Item	Description	Qty	Rate	Total
	Taillight housings:			
VTX609R	Whelen Vertex Super LED lighthead. Red.	2	79.30	158.60T
VTX609B	Whelen Vertex Super LED lighthead. Blue.	2	79.30	158.60T
	Rear deck light:			
	Included in promo bundle (Whelen Inner Edge 8 lamp DUO)			
	Hatch lip lights:			
TLIR	Whelen ION T-Series light. Red color.	1	84.50	84.50T
TLIB	Whelen ION T-Series Light. Blue color.	1	84.50	84.50T
	Hatch dome light:			
3SC0CDCR	Whelen 3" white LED dome light.	2	52.65	105.30T
6402	Round rocker switch. Non-lighted.	1	8.95	8.95T
	Officer area:			
KBLB-KB023	Whelen Core Bundle include: Front Inner Edge DUO, Rear Inner Edge DUO, C399 Core controller with choice of control head, and OBDII data cable	1	2,545.40	2,545.40T
C-VS-1012-INUT	Ford Interceptor Utility (2020) Specific Angled Console. Angled console with 22 inches of total internal mounting space; 10 inches front angled, 12 inches rear horizontal	1	356.62	356.62T
CUP2-1001	Havis Self-Adjusting Double Cup Holder	1	44.58	44.58T
C-ARM-102	Havis Arm rest, External mount, Small arm rest pad, Height adjustable, Side mount	1	57.62	57.62T
	Cargo/Command box:			

Thank you for the opportunity!

Subtotal	
Sales Tax (0.0%)	
Total	

Estimate

Date	Estimate #
1/27/2022	13917

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Toledo Fire
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Job	P.O. No.	Rep
		GC

Item	Description	Qty	Rate	Total
	TBD			
Misc	Place holder for command box/budget	1	3,000.00	3,000.00T
Labor	Labor required to complete the build of a vehicle	52	95.00	4,940.00T
Shop Supplies	Shop supplies to complete job. Includes zip ties, connectors, loom, etc.	1	350.00	350.00T
Freight out	Freight costs to have product shipped.	1	600.00	600.00T

Thank you for the opportunity!

Subtotal	$16,537.63
Sales Tax (0.0%)	$0.00
Total	$16,537.63

Phone # 503-990-8750 Fax # 503-990-8034 www.wireworks.co

CITY OF TOLEDO
REQUEST FOR COUNCIL ACTION

	Meeting Date:	**Agenda Topic:**
	February 23, 2022	Resolution No. 1481, to receive the Fiscal Year 2020-2021 financial audit
Council Goal:	**Agenda Type:**	
Not Applicable	Consent Agenda	
Prepared by:	**Reviewed by:**	**Approved by:**
City Manager J. Richter	City Manager Judy Richter	City Manager Judy Richter

Recommendation:
Motion to adopt Resolution No. 1481, A Resolution of the Toledo City Council to receive the Financial Audit for Fiscal Year 2020-2021 as presented by Hanford & Associates.

Background:
The City of Toledo is required by law to have a Financial Audit done every year and filed with the Secretary of State. Recently the legislature passed regulation that requires acknowledgement of receipt and review of the Audit by the Governing Body when there are "findings." The only finding identified by the auditor is that we didn't draft our own financial statements. This is common in small cities where there isn't adequate staff to take on a project of this complexity.

The Resolution provides the documentation to the Secretary of State that the Council is aware of the situation and has accepted the associated risk. A copy of the resolution will be forwarded to the Secretary upon signature by the Mayor.

Fiscal Impact:	**Fiscal Year:**	**GL Number:**
N/A	**2021-2022**	**N/A**

Attachment:
1. Resolution No. 1481

CITY OF TOLEDO
RESOLUTION NO. 1481

A RESOLUTION OF THE TOLEDO CITY COUNCIL TO RECEIVE THE FISCAL YEAR 2020-2021 FINANCIAL AUDIT AS PRESENTED BY HANFORD & ASSOCIATES

WHEREAS, the City of Toledo City Council has received and reviewed the Financial Audit for the fiscal year 2020-2021 from the City Auditors, Hanford & Associates; and

WHEREAS, the Secretary of State of Oregon requires confirmation that the governing body is aware of any audit findings and has taken corrective action: and

WHEREAS one finding of significant deficiency was identified because the City did not draft the financial statements but asked Hanford & Associates to draft them.

NOW, THEREFORE, THE CITY OF TOLEDO RESOLVES AS FOLLOWS:

Section 1. To confirm the receipt and review of the Fiscal Year 2020-2021 Financial Audit.

Section 2. To choose to accept responsibility for the risks and deficiencies noted by the auditor and not take corrective action. It is common for small cities to not have adequate staff to draft financial statements.

Section 3. That this Resolution shall be effective immediately upon passage by the Toledo City Council.

That this resolution is hereby adopted by the Toledo City Council on this 23rd day of February, 2022.

APPROVED

____
Mayor Rod Cross

ATTEST

____
City Recorder Lisa Figueroa

CITY OF TOLEDO
REQUEST FOR COUNCIL ACTION

	Meeting Date:	Agenda Topic:
	February 23, 2022	Resolution No. 1482, Approving transfer of funds between budget lines for the Fiscal Year 2021-2022
Council Goal:	**Agenda Type:**	
Not Applicable	Decision Items	
Prepared by:	**Reviewed by:**	**Approved by:**
City Manager J. Richter	City Manager Judy Richter	City Manager Judy Richter

Recommendation:
Motion to approve Resolution No.1482 Approving the transfer of funds between budget lines for the Fiscal year 2021-2022

Background:
City Attorney, Mike Adams has returned from active Military duty on February 1, 2022. Since his return was uncertain when the 2021-2022 budget was approved, there was no appropriation made for his salary. The Human Resource Specialist position has remained vacant and there are no plans to fill the position this fiscal year. Oregon Budget Law allows the transfer of appropriation between budget lines to cover the necessary appropriations.

Fiscal Impact:	Fiscal Year:	GL Number:
$44,146.00	**2021-2022**	**See proposed resolution**

Attachment:
1. Resolution No. 1482

CITY OF TOLEDO
RESOLUTION NO. 1482

A RESOLUTION OF THE TOLEDO CITY COUNCIL APPROVING TRANSFER OF FUNDS BETWEEN BUDGET LINES FOR THE FISCAL YEAR 2021-2022

WHEREAS, City Attorney Michael E. Adams has returned from active military duty; and

WHEREAS, under Federal Uniformed Services Employment and Reemployment Rights Act (USERRA) law, he is to be reinstated to his former position with full salary and benefits; and

WHEREAS, The City of Toledo is supportive of his return but did not provide budget appropriation for his salary in the 2021-2022 budget,

WHEREAS, the Human Resources Specialist position, which is vacant, was included in the 2021-2022 and the funds can be transferred to cover the costs of the City Attorney position; and

WHEREAS, Local Budget Law, ORS 294.463, authorizes the transfer of funds in these situations.

NOW, THEREFORE, THE CITY OF TOLEDO RESOLVES AS FOLLOWS:

Section 1. The following transfers be made:

General Fund Transfers:

Department	From	To	Amount
Administration	001-100-500022	001-100-500082	$44,146

Section 2. That this Resolution shall be effective immediately upon passage by the Toledo City Council.

That this resolution is hereby adopted by the Toledo City Council on this 23rd day of February, 2022.

APPROVED

ATTEST

Mayor Rod Cross

City Recorder Lisa Figueroa

CITY OF TOLEDO
REQUEST FOR COUNCIL ACTION

	Meeting Date:	Agenda Topic:
	February 23, 2022	Approve expenditure of $147,500 for Water Treatment Plant asphalt improvements
Council Goal:	**Agenda Type:**	
Maintain and improve public infrastructure and facilities	Decision Items	
Prepared by:	**Reviewed by:**	**Approved by:**
Public Works Director B. Zuspan	City Manager Judy Richter	City Manager Judy Richter

Recommendation:
Motion to approve an expenditure of $147,500 to replace asphalt surrounding the Water Treatment Plant.

Background:
The Water Treatment Plant asphalt is very aged, alligator cracking is common and creating water penetration into the ground causing soft and uneven surfaces and drainage issues.

Fiscal Impact:	Fiscal Year:	GL Number:
$147,500	**2021-2022**	**041-410-620-520**

Attachment:
1. Road & Driveway quote
2. Capital Expenditure Detail sheet

Road & Driveway Company
Cedar Creek Quarries, Inc.

CCB 16331
CCB 46114

BID

121 NE Harney • PO BOX 730 • Newport, OR 97365
P: 541.265.9441 • F: 541.265.9443
www.roadanddriveway.com

Job No. 14550
Date: 1/18/2021

We are pleased to submit the following bid

To:
City of Toledo
ATTN: Bill Zuspan
PO Box 220
Toledo, OR 97391
P: 719-640-5969
E: pwdirector@cityoftoledo.org

For:
Toledo Water Treatment Plant 2021
Toledo, OR

QUANTITY	UNIT	ITEM DESCRIPTION	UNIT PRICE	AMOUNT
		Item 1 -- Mobilization -- Required for any combination of item no.'s chosen.	lump sum	$ 1,500.00
		Excavate and haul away failed asphalt and asphalt base. Shape, rock, grade, and compact asphalt base. Pave 3" nominal compacted depth hot mix asphalt. For the following areas:		
		Item 2 -- Lower Area -- Total area (+/-) 6,905 sf.	lump sum	$ 37,198.12
		Item 3 -- Mid Area -- Total area (+/-) 6,122 sf.	lump sum	$ 32,980.00
		Item 4 -- Front Area -- Total area (+/-) 7,590 sf.	lump sum	$ 40,888.30
		Item 5 -- Access Area -- Total area (+/-) 6,480 sf.	lump sum	$ 34,908.59
			Estimated Total service charges:	$ 147,475.01

Please be advised:
-- Total cost to be determined per item no.'s chosen.
-- Bid does not include bank stabilization. Asphalt damage due to settling likely to reoccur.
-- Assumes non-prevailing wage.
-- Base repair down to 12" below top of existing asphalt.

Terms: cash, check, credit paid upon completion of work. In accordance with ORS 701.625, invoices not paid by Customer within thirty (30) days are delinquent and will bear interest at the rate one and one-half percent (1.5%) per month, or the max amount allowed by law, whichever is less, until paid.

Your signature on one copy, returned to this office, will make this a legal contract for the performance of the above work.

Accepted by ____________ Work approved by Ryley Wienert

Date ____________ Date 1/18/2021

Price valid for 30 days after above date, prior to acceptance.

Capital Expenditure Detail

Department:	Water Reserve Fund
Purchase item:	Water Treatment Plant Blacktop
Cost of item:	$147,500
Budget line item:	041-410-620520
Replacement:	Facility asphalt surroundings
Ongoing Impact:	Ongoing damage to present surface, gates that no longer be made secure due to uneven surface of the ground

Explanation of need for purchase:
Treatment Plant blacktop surface is worn out, separated and uneven.

This is proving to be challenge to drive equipment across, drainage issues.

Asphalt is broken up in spots that are allowing water to get underneath and cause washout damage during hi rains, would be prudent to resurface before more damage is done.

CITY OF TOLEDO
REQUEST FOR COUNCIL ACTION

<table>
<tr><td rowspan="2"></td><th>Meeting Date:</th><th>Agenda Topic:</th></tr>
<tr><td>February 23, 2022</td><td rowspan="3">Approve Bonus to the City of Toledo employees for hard work during COVID-19 pandemic</td></tr>
<tr><th>Council Goal:</th><th>Agenda Type:</th></tr>
<tr><td>Not Applicable</td><td>Decision Items</td></tr>
<tr><th>Prepared by:</th><th>Reviewed by:</th><th>Approved by:</th></tr>
<tr><td>City Manager J. Richter</td><td>City Manager Judy Richter</td><td>City Manager Judy Richter</td></tr>
</table>

Recommendation:
Motion to approve 5% bonus for city employees to recognize their dedication and hard work during the COVID-19 pandemic.

Background:
COVID-19 has presented many challenges during the last two years. The employees of the City of Toledo have done an amazing job of rising to the challenges every day! The City of Toledo would like to recognize and reward that dedication by awarding a bonus of 5% of base pay as of 2/1/2022. This bonus will be paid in paychecks spread out over a six month period.

For employees who have not yet completed two years of service to the City, they will begin to receive their bonuses (based on current salary) when they reach their two year anniversary (spread out over a six month period.)

Fiscal Impact:	Fiscal Year:	GL Number:
See attachment	**2022-2023**	**To be determined**

Attachment:
1. Calculations

Dept	Yearly Salary	5% of Yearly Salary	PERS	FICA	W/C	Total	6 months payment amount
Employees Hired Prior to 2/1/2020							
			0.2134	0.0765	$ 0.015		
			0.1927				
			0.1491				
10	$ 49,788	$ 2,489	$ 371	$ 190	$ 37	$ 3,088	$ 414.90
10	$ 62,640	$ 3,132	$ 467	$ 240	$ 47	$ 3,886	$ 522.00
10	$ 61,224	$ 3,061	$ 653	$ 234	$ 46	$ 3,995	$ 510.20
10	$ 46,944	$ 2,347	$ 350	$ 180	$ 35	$ 2,912	$ 391.20
10	$ 44,244	$ 2,212	$ 330	$ 169	$ 33	$ 2,744	$ 368.70
10	$ 46,944	$ 2,347	$ 350	$ 180	$ 35	$ 2,912	$ 391.20
10	$ 33,912	$ 1,696	$ 253	$ 130	$ 25	$ 2,104	$ 282.60
		$ 17,285	**$ 2,774**	**$ 1,322**	**$ 259**	**$ 21,640**	**$ 2,880.80**
						$ -	
100	$ 99,576	$ 4,979	$ 742	$ 381	$ 75	$ 6,177	$ 829.80
100	$ 76,608	$ 3,830	$ 571	$ 293	$ 57	$ 4,752	$ 638.40
100	$ 68,196	$ 3,410	$ 508	$ 261	$ 51	$ 4,230	$ 568.30
100	$ 39,972	$ 1,999	$ 427	$ 153	$ 30	$ 2,608	$ 333.10
100	$ 62,388	$ 3,119	$ 465	$ 239	$ 47	$ 3,870	$ 519.90
100	$ 87,036	$ 4,352	$ 649	$ 333	$ 65	$ 5,399	$ 725.30
		$ 21,689	**$ 3,362**	**$ 1,659**	**$ 325**	**$ 27,036**	**$ 3,614.80**
130	$ 51,288	$ 2,564	$ 382	$ 196	$ 38	$ 3,181	$ 427.40
120	$ 56,052	$ 2,803	$ 418	$ 214	$ 42	$ 3,477	$ 467.10
		$ 5,367	**$ 800**	**$ 411**	**$ 81**	**$ 6,658**	**$ 894.50**
400	$ 49,992	$ 2,500	$ 373	$ 191	$ 37	$ 3,101	$ 416.60
400	$ 57,840	$ 2,892	$ 557	$ 221	$ 43	$ 3,714	$ 482.00
400	$ 57,840	$ 2,892	$ 557	$ 221	$ 43	$ 3,714	$ 482.00
400	$ 64,884	$ 3,244	$ 692	$ 248	$ 49	$ 4,233	$ 540.70
400	$ 62,184	$ 3,109	$ 599	$ 238	$ 47	$ 3,993	$ 518.20
400	$ 94,152	$ 4,708	$ 1,005	$ 360	$ 71	$ 6,143	$ 784.60
400	$ 46,740	$ 2,337	$ 348	$ 179	$ 35	$ 2,899	$ 389.50
400	$ 49,992	$ 2,500	$ 373	$ 191	$ 37	$ 3,101	$ 416.60
400	$ 80,220	$ 4,011	$ 598	$ 307	$ 60	$ 4,976	$ 668.50
400	$ 46,740	$ 2,337	$ 348	$ 179	$ 35	$ 2,899	$ 389.50
		$ 30,529	**$ 5,451**	**$ 2,335**	**$ 458**	**$ 38,774**	**$ 5,088.20**
500	$ 52,440	$ 2,622	$ 560	$ 201	$ 39	$ 3,421	$ 437.00
500	$ 94,152	$ 4,708	$ 907	$ 360	$ 71	$ 6,045	$ 784.60
		$ 7,330	**$ 1,467**	**$ 561**	**$ 110**	**$ 9,467**	**$ 1,221.60**
700	$ 57,528	$ 2,876	$ 429	$ 220	$ 43	$ 3,568	$ 479.40
700	$ 21,192	$ 1,060	$ 226	$ 81	$ 16	$ 1,383	$ 176.60
700	$ 20,040	$ 1,002	$ 149	$ 77	$ 15	$ 1,243	$ 167.00
700	$ 14,700	$ 735	$ 157	$ 56	$ 11	$ 959	$ 122.50
700	$ 85,068	$ 4,253	$ 634	$ 325	$ 64	$ 5,277	$ 708.90
		$ 9,926	**$ 1,595**	**$ 759**	**$ 149**	**$ 12,430**	**$ 1,654.40**
		$ 92,126	**$ 15,450**	**$ 7,048**	**$ 1,382**	**$ 116,005**	**$ 15,354.30**

Employees hired since 2/1/2020						total amount	
400	$ 59,964	$ 2,998	$ 640	$ 229	$ 45	$ 3,912	$ 499.70
500	$ 55,788	$ 2,789	$ 538	$ 213	$ 42	$ 3,582	$ 464.90
400	$ 37,440	$ 1,872	$ 361	$ 143	$ 28	$ 2,404	$ 312.00
100	$ 41,712	$ 2,086	$ 311	$ 160	$ 31	$ 2,587	$ 347.60
400	$ 42,156	$ 2,108	$ 314	$ 161	$ 32	$ 2,615	$ 351.30
400	$ 51,744	$ 2,587	$ 499	$ 198	$ 39	$ 3,322	$ 431.20
130	$ 56,052	$ 2,803	$ 418	$ 214	$ 42	$ 3,477	$ 467.10
120/130	$ 46,944	$ 2,347	$ 350	$ 180	$ 35	$ 2,912	$ 391.20
10	$ 44,244	$ 2,212	$ 330	$ 169	$ 33	$ 2,744	$ 368.70
500	$ 48,216	$ 2,411	$ 465	$ 184	$ 36	$ 3,096	$ 401.80
100	$ 44,244	$ 2,212	$ 472	$ 169	$ 33	$ 2,887	$ 368.70
		$ 26,425	**$ 4,696**	**$ 2,022**	**$ 396**	**$ 33,539**	**$ 4,404.20**