

City of Rockaway Beach

Regular City Council Meeting Minutes



Date: Wednesday, November 9, 2022
Time: 6:00 P.M.
Location: Rockaway Beach City Hall, 276 HWY 101 -Civic Facility

View the meeting live here: <https://janescottvideoproductions.com>

CALL TO ORDER – Susan J Wilson, Mayor

PLEDGE OF ALLEGIANCE

ROLL CALL

[Mayor – Susan J Wilson: Present](#)
[Position #3 - Kristine Hayes: Present](#)
[Position #4 - Terry Walhood: Present](#)
[Position #1 - Mary McGinnis: Present](#)
[Position #5 - Penelope Cheek: Present](#)
[Position #2 - Tom Martine: Present](#)

CONSENT AGENDA

[Position #4 - Terry Walhood: Motion](#)
[Position #2 - Tom Martine: 2nd](#)
[Position #3 - Kristine Hayes: Abstain](#)
[Position #4 - Terry Walhood: Approve](#)
[Position #1 - Mary McGinnis: Approve](#)
[Position #5 - Penelope Cheek: Approve](#)
[Position #2 - Tom Martine: Approve](#)

Walhood motion to pass the minutes of the two meetings with the exception of Hayes comment. Martine seconded.

PRESENTATIONS, GUESTS & ANNOUNCEMENTS

STAFF REPORTS

Fire Chief Todd Hesse talked about call volume for October, and trainings that the department has been conducting. Hesse stated that he was able to get two new king tide signs, that will be going on each beach. Hesse stated it is slash burning season and those are managed by OFD. Hesse is reaching out to the community for a questionnaire that he would like the citizen's answer. Hesse also mentioned that on the 17th of December there will be a CPR class from 11-5.

Cheek made a comment on how well the fire department did on the Life Flight call regarding the accident on Hwy 101.

Deputy Grogan talked about call volume, and calls that they went on in October. Grogan mentioned they are doing more traffic stops, since things have slowed down.

Public Works Superintendent Dan Emerson discussed the things that public works had worked on for the month of October.

CITIZEN INPUT ON NON-AGENDA ITEMS

John Orloff residing at 340 N. Slope Way, talked about radio communications withing the City of Rockaway Beach.

Daniel Howlett residing at 132 N Grayling, spoke on current elections.

APPROVAL OF PROPOSAL FOR INTERIM CITY MANAGER

The council discussed the proposal that was submitted by the Wyntergreen Company to provide professional management services on an interim basis, for a period of up to roughly six months while the city recruits candidates for the permanent City Manager Position. The council decided to table this discussion and schedule an executive session to move forward.

McGinnis made a motion to postpone the discussion for interim City Manager, seconded by Cheek; motion carried.

[Position #1 - Mary McGinnis: Motion](#)

[Position #5 - Penelope Cheek: 2nd](#)

[Position #3 - Kristine Hayes: Approve](#)

[Position #4 - Terry Walhood: Approve](#)

[Position #1 - Mary McGinnis: Approve](#)

[Position #5 - Penelope Cheek: Approve](#)

[Position #2 - Tom Martine: Approve](#)

OLD BUSINESS

APPROVE FUNDING AWARDS FOR THE 2022 COMMUNITY GRANT

Wilson read the following: The city appropriated \$20,000 for the 2022 Community Grant Program as part of its 2022-2023 Budget. \$4,078.67 in grant funding remains unawarded. This Grant program provides funding to non-profit entities and other organizations that serve the Rockaway Beach Community. Joe's Snack and Bar has requested \$5,000.00 for building maintenance and has submitted an updated application as requested by the council. The Friends of the Rockaway Beach Library also submitted a request for \$5,000.00 for building maintenance. The Rockaway Beach City Council shall determine the grant recipients and the dollar amount of each grant award based on the grant program evaluation criteria.

Hayes made a motion to approve \$5,000 from the community grant to Friends of the Rockaway Beach Library, seconded by Cheek; motion carried.

[Position #3 - Kristine Hayes: Motion](#)

[Position #5 - Penelope Cheek: 2nd](#)

[Position #3 - Kristine Hayes: Approve](#)
[Position #4 - Terry Walhood: Approve](#)
[Position #1 - Mary McGinnis: Approve](#)
[Position #5 - Penelope Cheek: Approve](#)
[Position #2 - Tom Martine: Approve](#)

NEW BUSINESS

NOMINATION AND APPOINTMENT OF PLANNING COMMISSION LIAISON

Wilson read the following: The Liaison City Councilor attends Planning Commission meetings and reports to City Council on their deliberations and discussions. Council Liaisons inform the Planning Commission of upcoming City Council meeting agenda items, assignments or Council decisions that may be of interest to them. The City Council transmits requests for information or action through the committee's Council Liaison. The mayor shall nominate for appointment by a majority of the Council, the Liaison Councilor.

Cheek made a motion to appoint McGinnis as the council Liaison, seconded by Martine; motion carried.

[Position #5 - Penelope Cheek: Motion](#)
[Position #2 - Tom Martine: 2nd](#)
[Position #3 - Kristine Hayes: Approve](#)
[Position #4 - Terry Walhood: Approve](#)
[Position #1 - Mary McGinnis: Approve](#)
[Position #5 - Penelope Cheek: Approve](#)
[Position #2 - Tom Martine: Approve](#)

REQUEST TO PROPOSE SUPPLEMENTAL BUDGET TO INCREASE APPROPRIATIONS FOR FISCAL YEAR 2022-20223 FOR THE PURPOSE OF HIRING A CODE ENFORCEMENT OFFICER

Martine motion to table until first of the year, seconded by Cheek; motion carried.

[Position #2 - Tom Martine: Motion](#)
[Position #5 - Penelope Cheek: 2nd](#)
[Position #3 - Kristine Hayes: Approve](#)
[Position #4 - Terry Walhood: Approve](#)
[Position #1 - Mary McGinnis: Approve](#)
[Position #5 - Penelope Cheek: Approve](#)
[Position #2 - Tom Martine: Approve](#)

DISCUSSION ON SCHEDULING THE LOCATION, DATE AND TIME OF A REGULARLY OCCURRING COUNCIL WORKSHOP

Wilson read the following: City municipal code states that Workshops shall be held as needed to gather information and informally discuss specific issues or questions. The location, date, and time shall be determined at regular Council meetings. The public may attend workshops but may not participate unless expressly asked. Many cities find holding regular workshops prior to their regular council

meetings beneficial. The League of Oregon Cities recommends holding workshops in separate, more informal meeting room than that of regular council meetings.

Martine and Hayes would like to see this held before city council meetings. McGinnis mentioned that during the workshop discussions cannot be on something that needs a vote.

COUNCIL CONCERNS

Hayes talked about wanting a temporary city manager and would like to schedule an ethics training.

McGinnis thanked Luke for the 15 years he put in at the city. She also would like to have the new mayor and all council members to go to a training held in Manzanita that the league of Oregon Cities is putting on.

Walhood would like to thank Luke for the 15 years of service and said congratulations to the new council member and mayor.

Cheek thanked the Fire Dept for all their hard work.

Martine thanked public works for all their work.

MAYOR'S REPORT

Wilson thanked all those that voted for her and congratulated the new mayor.

ADJOURNMENT

Martine made a motion to adjourn the meeting at 7:12pm, seconded by Cheek: motion carried.

[Position #2 - Tom Martine: Motion](#)

[Position #5 - Penelope Cheek: 2nd](#)

[Position #3 - Kristine Hayes: Approve](#)

[Position #4 - Terry Walhood: Approve](#)

[Position #1 - Mary McGinnis: Approve](#)

[Position #5 - Penelope Cheek: Approve](#)

[Position #2 - Tom Martine: Approve](#)

MINUTES APPROVED THIS
14TH DAY OF DECEMBER 2022

Mayor, Susan J Wilson

Office Manager, Becca Harth



City of Rockaway Beach

Special City Council Meeting Minutes

Date: Thursday, November 17, 2022
Time: 6:00 P.M.
Location: Rockaway Beach City Hall, 276 HWY 101 -Civic Facility

CALL TO ORDER – Susan J Wilson, Mayor

PLEDGE OF ALLEGIANCE

Mayor – Susan J Wilson: Present
Position #3 - Kristine Hayes: Present
Position #4 - Terry Walhood: Present
Position #1 - Mary McGinnis: Present
Position #5 - Penelope Cheek: Present
Position #2 - Tom Martine: Present

ROLL CALL

NEW BUSINESS

CONSIDERATION OF CITY MANAGER POSITION

Council discussion regarding possible rehire of former City Manager Luke Shepard, proceeding with interim hire or utilizing available city staff to temporarily fill that vacancy.

McGinnis made a motion to rehire former City Manager Luke Shepard, seconded by Cheek; motion carried.

Position #1 - Mary McGinnis: Motion
Position #5 - Penelope Cheek: 2nd
Position #3 - Kristine Hayes: Approve
Position #4 - Terry Walhood: Approve
Position #1 - Mary McGinnis: Approve
Position #5 - Penelope Cheek: Approve
Position #2 - Tom Martine: Approve

COUNCIL CONCERNS

Walhood stated the merchants association decorated the candy cane express for the tree lighting.

McGinnis said the Christmas decoration the beautification committee did and public works for the Christmas tree.

MAYOR'S REPORT

COUNCIL CONCERNS

MAYOR'S REPORT

ADJOURNMENT

Hayes made a motion to adjourn the meeting, seconded by Walhood: motion carried.

Position #3 - Kristine Hayes: Motion

Position #4 - Terry Walhood: 2nd

Mayor - Sue Wilson: Approve

Position #3 - Kristine Hayes: Approve

Position #4 - Terry Walhood: Approve

Position #1 - Mary McGinnis: Approve

Position #5 - Penelope Cheek: Approve

Position #2 - Tom Martine: Approve

MINUTES APPROVED THIS
14TH DAY OF DDECEMBER
2022

Mayor, Susan J. Wilson

Office Manager, Becca Harth

Decorative Trash Can Program



Quintin Bauer
Public Trash Collection Program Manager
City of Portland

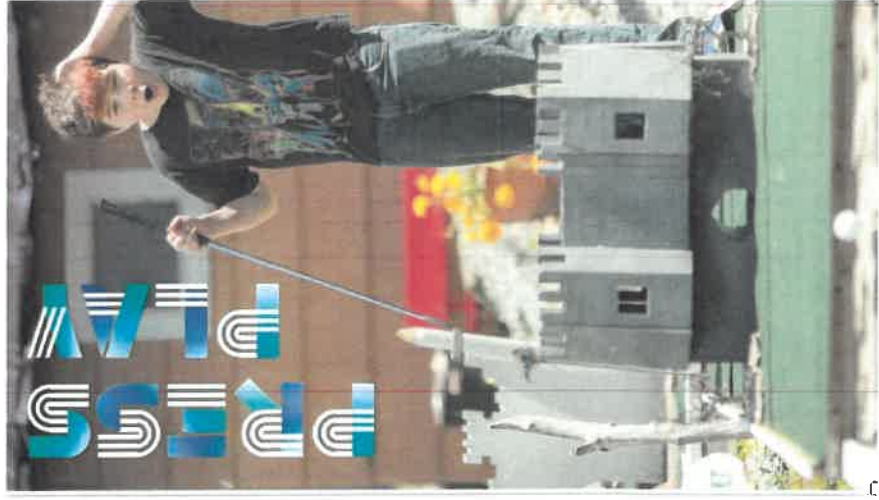
**They arrived –
finally!**











Doggie waste stations 10 for the price of 5 – October special

Also ordered:

- Weather-hardy Rockaway Beach logo stickers for top of waste can
- Trash bags
- Doggie bags



Wayfinding Signage Program

Almost there!



**City of Rockaway Beach
Wayfinding Plan**

Old Growth Cedar Trail



As you follow the boardwalk over wetlands and the dense thickets of the Cedar Wetlands Preserve, look for these trees and plants—classic residents of an old-growth coastal bog.

What Grows Here?

Trees and Plants Along the Preserve Boardwalk



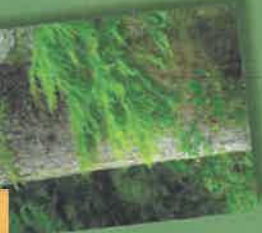
Western Red Cedar
Taxus canadensis

The Western Red Cedar provides shady, cool, moist habitat. The cedar tree is an important spiritual significance to Native peoples of the Northwest who used it for building, medicine, and graving (baskets, medicines and transportation canoes).



Red (or Oregon) Alder
Alnus rubra

The "toe" of this deciduous tree refers to the 100-year mark from its first logs and the cover of the forest when cut. Red alder is one of the first tree species to grow again on disturbed soil.



Sitka Spruce
Picea sitchensis

Like spruce trees in the cool Pacific Coast, these trees frequently rot as "honey log" when blown to the ground but can also grow into enormous giant redwood forests.



Deer Fern
Pteris aquilina

The delicate fronds (leaves) of Deer Fern can be seen growing as small clumps on the forest floor. Its name likely derives from being a winter food source for browsing deer and elk.



Stink Cabbage
Physalis angustifolia

Also known as swamp lantern, stink cabbage is one of the few plants to emerge in the spring with its bright yellow spots. (The lanterns poking up from the wetland bottoms, divided leaves can produce a smell reminiscent of a stink.



Salmonberry
Rubus spectabilis

Salmonberry loves wetlands and can grow in dense thickets. The name may have come from indigenous peoples' fondness for eating the berries with salmon roe (eggs) but could also derive from the salmonberry's shape, like a crown of the berries.

Old Growth Cedar Trail



Osprey

(*Pandion haliaetus*)

Osprey are migratory birds, who come to Oregon in April and remain until September. Look for their large stick nests nearby in tall trees or shrubs, dead standing trees.

The 50 boggy acres of the Cedar Wetlands Preserve provide rich habitat to a diverse range of wildlife.

Who Lives Here?

Wildlife Along the Preserve Boardwalk



Red-breasted Nuthatch

(*Sitta canadensis*)

Look for this little nuthatch as it binds for insects on the bark of trees, sometimes zig-zagging down the trunk head first. Nuthatches nest and store food in tree-cavities, both of their own making and ones hollowed out by woodpeckers.



Coyote

(*Canis latrans*)

Intelligent and resourceful, coyotes are widely adapted to a variety of habitats and will readily take advantage of this wild pocket to forage for food. Coyotes have long been prominent in indigenous people's stories here in Oregon and throughout the West.



Raccoon

(*Procyon lotor*)

With its black "mask" around its eyes, raccoons are happy in woods and wetlands where they can find cover, food and water. This boggy preserve offers a natural habitat.



Pileated Woodpecker

(*Dryocopus pileatus*)

Pileated woodpeckers love stands of mature trees like these with plenty of downed logs. The bird's large red crested head with white stripes across the face make it easy to identify, especially once you hear its rhythmic, whinnying call.

Illustrations: Nora Sharwood

Old Growth Cedar Trail

*"There is no description, no image in any book
that is capable of replacing the sight of real trees,
and all the life to be found around them,
in a real forest."*

- Maria Montessori

We Are All Stewards of This Land

A Conservation Legacy for Rockaway Beach

Since time immemorial, the Tillamook and Nehalem people (now part of the Confederated Tribes of Siletz Indians) have walked this land. When Euro-Americans first arrived, this area was homesteaded by William Heitmüller. The wooded acres were then sold in the 1920s to Publishers Paper Company who donated this parcel in 1980 to The Nature Conservancy, an international conservation organization. In 2000, the nearly 50-acre parcel was gifted to the City of Rockaway Beach and designated a special-area wetlands.

Terri Michel (then City Manager for Rockaway Beach) had a dream to make this old growth wetland accessible to everyone. With support from the community, grant funding was secured to build this wonderful boardwalk for all to enjoy!

Want to get involved?

North Coast Land Conservancy and The Nature Conservancy both offer volunteer opportunities in this region.

Old Growth Cedar Trail

Rockaway Beach's Treasured Resident

Look to the Sky!

Bend back and look skyward. Far above you, try to glimpse the uppermost branches of this ancient Western Red Cedar (*Thuja plicata*), one of the largest in North America, swaying in the breeze.

Rising out of the Saltair Creek Swamp to a height of 154 feet, this gnarled giant, known to locals simply as "The Big Cedar," is estimated to be 800–1200 years old, with a trunk almost 50 feet in circumference. The tree has weathered many a fierce coastal storm and was among the few coastal trees to survive the impact of a massive tsunami on the west coast of North America caused by the Cascadia earthquake on Vancouver Island.

Today, this magnificent tree remains a special link to our past on this coast. Let's take care of it together!

As you look up, note the hemlocks that have sprouted high above, sending their roots down through the cedar's core. On the other side, steps down offer a close experience of Saltair Creek's soggy bottomland. To avoid soil compaction, please stay on the boardwalk.



Phyllis Baker City Park TILLAMOOK COAST

Building Community

Everyone loves a good park.

Parks, plazas, grounds where people can meet and socialize, where families can relax and play, and they develop a sense of community within communities. Here in Rockaway Beach, our Fourth of July Celebration includes spectacular fireworks on the beach and our traditional fun night here in Phyllis Baker Park.



A Fourth of July tradition includes the popular Phyllis Baker Wigwag tradition—starting in 1968 that grew up to two thousand spectators, with proceeds benefiting the Tillamook Animal Shelter.



"We make a living by what we get.

We make a life by what we give."

— Winston Churchill

How Will You Be Remembered?

Phyllis Baker (1929-2012) was a true "worker bee" for the City of Rockaway Beach. While serving two years on the City Council under Mayor Jim Watts, Baker took on the task of forming the Parks & Recreation Department and worked diligently for 18 years helping to improve the lives of residents in Rockaway Beach. In recognition of her work in the community, this park is dedicated to her memory.



Beach Access

Rockaway Beach TILLAMOOK COAST

"How inappropriate to call this planet Earth, when it is so clearly Ocean."
- Arthur C. Clarke

Sea Stacks and Shipwrecks!

Sitting just offshore, Twin Rocks

is one of the Oregon coast's most recognizable rock formations. Measuring 88 feet at its pinnacle with an opening 35 feet across, Twin Rocks was once a single conical structure. Pounding waves and millions of years of erosion have slowly worn away the softer portions of the stone, leaving behind the two rock profiles—one arch, one stack—you see today. Part of Oregon Islands National Wildlife Refuge, Twin Rocks is closed to public access but home to a wide array of wildlife.



Nearly 2,000 sea stacks and rock islands, large and small, mark the entire length of the Oregon coastline. The tallest stacks and rocky cliffs provide ideal breeding and nesting habitat for a multitude of seabirds, such as red-tail hawks.

The 7-mile stretch of pristine beach you see before you belies the wild and stormy nature of the Pacific Ocean. The Pacific Northwest coastline has long been fraught with danger for any who set sail off its shores. Nearly 3,000 shipwrecks have been recorded in Oregon waters alone since the late 1700s, many at river bars where strong currents pushing against the waters of the Pacific can produce fast and furious swells quickly.

One of the most dramatic took place not far from here. On February 14, 1906, the *Emily G. Reed*, a full-masted wooden schooner, lost its way during a foggy cold rainstorm and crashed into a sandbar south of here near the entrance to Tillamook Bay. Eight of the seventeen crew and passengers died. For many years after, the ship's cargo of sunken coal could be found along this stretch of beach.

Most of the wrecks in our beach stretch were the result of the heavy fog that often blankets the Oregon coast. Several wrecks of many types like the *Emily G. Reed* are still visible in other locations and you may see other wrecks of the same type when you visit the beach. The *Emily G. Reed* is the largest of a group of wrecks.

Please note that it is illegal to disturb the remains of wrecks or artifacts found on the beach.



Wayside

The Emily G. Reed Shipwreck

On the wind, just south of here
In the remains of a Red Regent, wooden sailing shipwreck, one of many along the Oregon coast, is the shipwreck of the Emily G. Reed. The ship was built in 1880 and was carrying over 2,000 lbs of coal. It was wrecked on the coast of Tillamook Bay in 1892. The ship was built in 1880 and was carrying over 2,000 lbs of coal. It was wrecked on the coast of Tillamook Bay in 1892. The ship was built in 1880 and was carrying over 2,000 lbs of coal. It was wrecked on the coast of Tillamook Bay in 1892.

Natatoriums, (indoor swimming pools)
were popular along the Oregon Coast and Rockaway Beach was no different. Beginning in the early 1920s, this location was home for over 40 years to "the Nat" - a popular over-story landmark where locals and visitors learned to swim in warm salt water heated directly from the ocean. The 50 foot wide by 80 foot long heated pool included a winding pool, diving boards, a recreation building, lifeguard stand and a snack bar. The "Nat" also featured ballroom tables and a dance hall.

The "Nat"

The Natatorium building was built in 1924 and was the first of its kind on the Oregon coast.

The Emily G. Reed
The ship was built in 1880 and was carrying over 2,000 lbs of coal. It was wrecked on the coast of Tillamook Bay in 1892.

Twin Rocks

Sitting just offshore, it's hard to miss Twin Rocks, two massive 100-foot high sandstone rocks estimated to be between 20-30 million years old. An iconic symbol of Rockaway Beach and beloved by residents, Twin Rocks was likely much larger, but has been eroded away over time and lies into the distinctive structures—one arch, one stack—you see today.

Cedar Wetlands Preserve

Take a trip back in time at Cedar Wetlands Preserve and Forest Sanctuary, just south of Rockaway Beach. An historical site, it was the site of a boardwalk area, constructed of Canadian yellow cedar over the boggy wetlands. Take your stroll through old-growth forest to the Preserve's gem—a mammoth Western Red Cedar estimated to be between 800 and 1,200 years old.

The Cedar Wetlands Preserve
The preserve is a 100-acre area of old-growth forest and wetlands. It is a great place to see a variety of birds and plants. The preserve is a great place to see a variety of birds and plants.

Twin Rocks is a local landmark
Twin Rocks is a local landmark and is a great place to see a variety of birds and plants. The rocks are a great place to see a variety of birds and plants.

Kiosks



We invite you to explore our community!

Rockaway Beach's Community Area
 We invite you to explore our community! The Rockaway Beach Community Area is a vibrant, walkable neighborhood with a mix of residential, commercial, and recreational uses. It's a place where you can enjoy the beach, shopping, and dining all in one place.

For green views and a beach walk
 The new Rockaway Beach Community Area is a vibrant, walkable neighborhood with a mix of residential, commercial, and recreational uses. It's a place where you can enjoy the beach, shopping, and dining all in one place.

Business and recreation opportunities
 The new Rockaway Beach Community Area is a vibrant, walkable neighborhood with a mix of residential, commercial, and recreational uses. It's a place where you can enjoy the beach, shopping, and dining all in one place.




Welcome to Rockaway Beach! small town, big beach

Since the first railroad car stopped here in 1917, Rockaway Beach has enjoyed a long history as a popular vacation spot. Our community includes historic homes, parks, and a variety of shops and services. It's a place where you can enjoy the beach, shopping, and dining all in one place.

Rockaway Beach's Community Area
 The new Rockaway Beach Community Area is a vibrant, walkable neighborhood with a mix of residential, commercial, and recreational uses. It's a place where you can enjoy the beach, shopping, and dining all in one place.

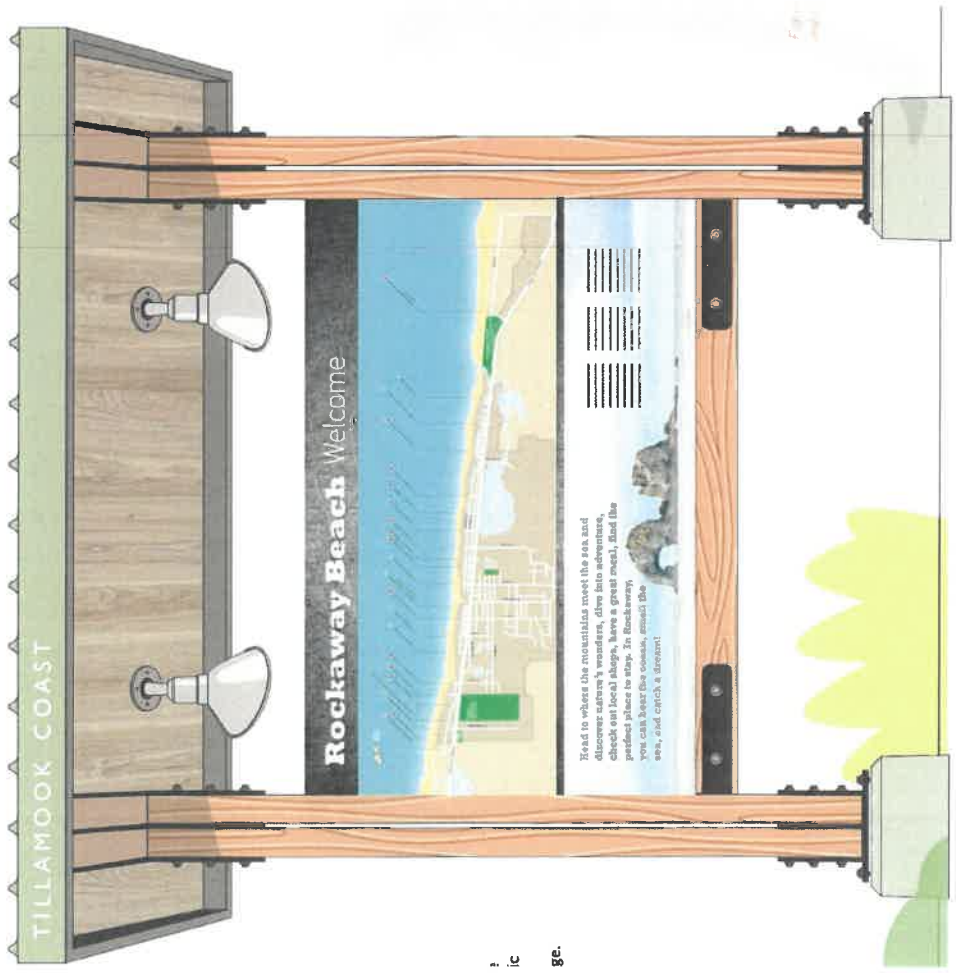
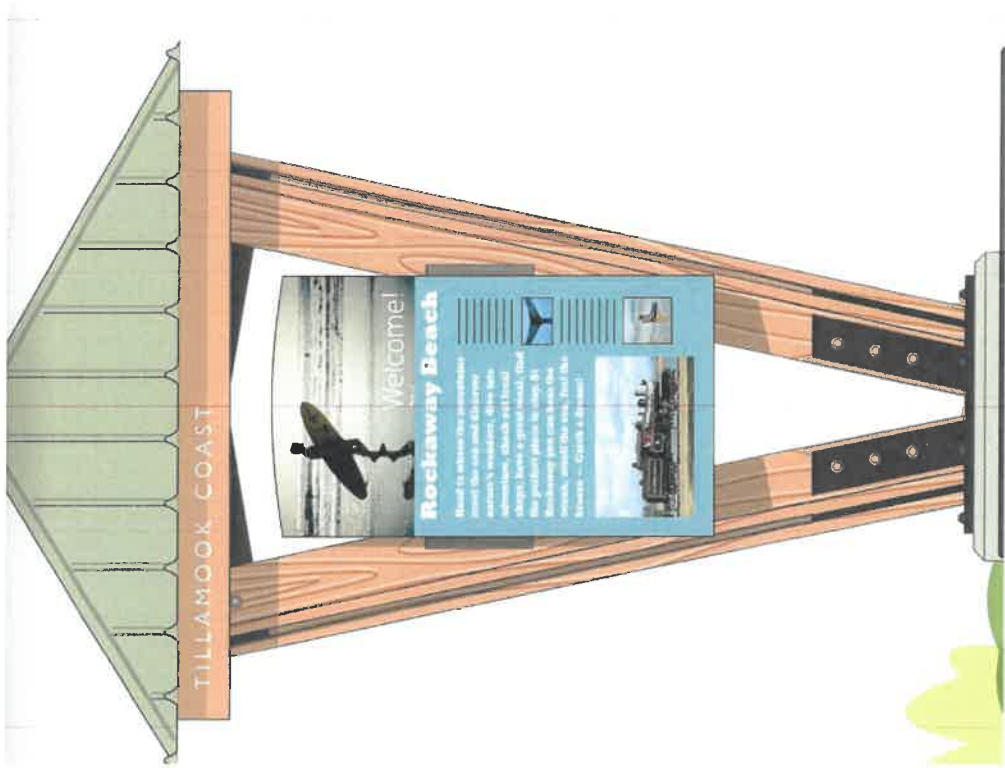
Rockaway Beach's Community Area
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8



South end

ROCKAWAY BEACH
OREGON

small town. big beach.

2021-2022

MARKETING GRANT UPDATE

Amy Blackburn, Deputy Director
TCVA



small town. big beach.

2021-2022

AWARDS

- FIRECRACKER WIENER NATIONALS COMPLETE
- INTERNATIONAL POLICE MUSEUM NOT COMPLETE
- PENNYFULNESS (Simply Charming) NOT COMPLETE
- RB LITTLE STORE (Closed business) NOT COMPLETE
- ROCKAWAY BEACH RESORT NOT COMPLETE
- SEA BREEZE ICE CREAM SHOP NOT COMPLETE
- TROXEL'S (BIG CEDAR WEBSITE) NOT COMPLETE

AWARDED \$20,943 OUTSTANDING \$17,191 COMPLETE



small town. big beach.

2022-2023

TIMELINE

AVAILABLE FUNDING \$35,000

OPEN DATE: TUESDAY, JANUARY 3, 2023

CLOSE DATE: TUESDAY, FEBRUARY 28, 2023

AWARD DATE: WEDNESDAY, MARCH 8, 2023 @

CITY COUNCIL MEETING



2022-2023

DETAILS

Eligible applicants must operate in the Rockaway Beach area or serve visitors in the Rockaway Beach area and be a business or non-profit engaged in tourism activities.

Maximum grant amount: \$3,000.

No match required.

New! Grant requests may be used to help offset the 50% match requirement for the Tillamook Coast Visitors Association Signage grant!



City of Rockaway Beach, Oregon

276 S. Highway 101, PO Box 5
Rockaway Beach, OR 97136
(503) 374-1752

December 7, 2022

Management and City Council
City of Rockaway Beach
Rockaway Beach, Oregon 97136

In planning and performing our audit of the basic financial statements of the City of Rockaway Beach as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the City of Rockaway Beach's internal control over financial reporting (internal control) as a basis for designing 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Rockaway Beach'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 significant deficiencies or material weaknesses and therefore, significant deficiencies or material weaknesses may exist that have not been identified. However, as discussed below, we identified a deficiency in internal control that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent misstatements, or to 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 reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- Reasonably possible: The chance of the future event or events occurring is more than remote but less than likely.
- Probable: The future event or events are likely to occur.

We consider the following deficiency in the City's internal control to be a material weakness:

Revenue Recognition

During our audit, we noted year-end revenue for transient room taxes was recorded in the subsequent year. Recording revenue in the incorrect period may result in a material misstatement of revenue in one or more fiscal years. We recommend that revenue be recorded in the period it is earned rather than the period in which cash is received.

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 attention by those charged with governance. We consider the following deficiencies in the City's internal control to be significant deficiencies:

Cash Reconciliation

During our audit, we noted that the ending cash balance was not reconciled to the LGIP statement. In addition, voided transactions were not fully removed from the accounting system. Failure to reconcile cash accounts to monthly statements could result in a material misstatement of cash due to fraud or error. We recommend that the city perform a monthly reconciliation of the LGIP account.

Preparation of Financial Statements in Accordance with Generally Accepted Accounting Principles (GAAP)

Auditing standards require us to assess the internal control system of the city. In addition, the standards require us to extend this assessment of controls over financial statement preparation. Proper controls over financial statement preparation requires adequate knowledge and involvement to detect errors and omissions in the financial statements. The city relies on us, as the auditor, to assist them in drafting the financial statements. In addition, we verify that the financial statements, including note disclosures, contain all of the elements required to comply with accounting principles generally accepted in the United States of America. We do believe that the city has staff with the ability to understand, review, and take responsibility for the financial statements required to comply with independence standards; however, our assistance in drafting the financial statements described above does produce a significant deficiency in the City's internal control system. We do not recommend any change in the preparation of the financial statements, but the board should be aware of this deficiency and stress the importance of thorough review of the financial statements prior to approval of the audit.

Accrued Insurance Payables and Prepaids

During our audit, it was determined that accrued insurance payables are not being reconciled, and the balances are increasing rather than being reduced at the time a payment is made. Additionally, prepaid expenses are not decreasing as a monthly expense is incurred. This deficiency may result in misstatements to the City's financial statements. We recommend that these balance sheet accounts be reviewed and reconciled monthly, and that adjusting entries be made to reflect accurate balances.

During our audit, we also noted the following matters that are presented for your consideration:

Compensated Absence Liability

During our audit, we noted that the balance for compensated absences includes amounts in excess according to City policy for several employees. We recommend that the city address excessive amounts accrued and continue to reconcile balances regularly.

Journal Entries

During our audit, it was noted that there was a lack of controls over the journal entry process. This could result in a financial misstatement due to fraud or error. We recommend that management track all adjusting journal entries, implement approval procedures, and maintain supporting documentation for all entries.

We believe that the implementation of these recommendations will provide the city with a stronger system of internal accounting control while also making its operations more efficient. We will be happy to discuss the details of these recommendations with you and assist in any way possible with their implementation.

Compliments

We would like to take the time to compliment Becca Harth on her preparedness, cooperation, and assistance during the audit process, which allowed for an efficient and organized audit to be performed. This communication is intended solely for the information and use of management, the city council, others within the city, and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Debra L. Blasquez, CPA
Koontz, Blasquez & Associates, P.C.



City of Rockaway Beach, Oregon

276 S. Highway 101, PO Box 5
Rockaway Beach, OR 97136
(503) 374-1752

December 7, 2022

City Council
City of Rockaway Beach
Rockaway Beach, Oregon 97136

We have audited the financial statements of the City of Rockaway Beach as of and for the year ended June 30, 2022, and have issued our report thereon dated December 5, 2022. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated June 17, 2022, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

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

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

We have provided our findings regarding significant control deficiencies over financial reporting, material weaknesses, material noncompliance, and other matters noted during our audit in a separate letter to you dated December 5, 2022.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

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

Qualitative Aspects of the City's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City of Rockaway Beach is included in Note I to the financial statements. As described in Note VI-D to the financial statements, during the year, the City changed its method of accounting for leases by adopting GASB Statement No. 87, Leases. Accordingly, the cumulative effects of the accounting change have been reported on the governmentwide statement of activities. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

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

The most sensitive accounting estimates affecting the financial statements are management's estimates of depreciable lives and salvage values of capital assets, which are based on expected useful lives of the assets and current market conditions. We evaluated the key factors and assumptions used to develop the depreciable lives and salvage values and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the City of Rockaway Beach's financial statements relate to retirement benefits and other postemployment benefits.

Significant Difficulties Encountered During the Audit

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

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected financial statement misstatements whose effects in the current period, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The material misstatements that we identified as a result of our audit procedures are summarized in the attached schedule and were brought to the attention of, and corrected by, management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the City of Rockaway Beach's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated December 5, 2022.

Management's Consultations with Other Accountants

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

with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City of Rockaway Beach, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the city, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditors.

Modification of the Auditor's Report

We have added an emphasis of matter paragraph to our auditor's report for the City's implementation of GASB Statement No. 87 for the year ended June 30, 2022.

This report is intended solely for the information and use of the city council and management of the City of Rockaway Beach and is not intended to be and should not be used by anyone other than these specified parties.

Debra L. Blasquez, CPA
Koontz, Blasquez & Associates, P.C.

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

ANNUAL FINANCIAL REPORT

June 30, 2022

DRAFT



CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

CITY OFFICIALS

June 30, 2022

MAYOR

Sue Wilson
1190 Francis Street
Rockaway Beach, Oregon 97136

CITY COUNCIL

Tom Martine
1234 Lake Boulevard
Rockaway Beach, Oregon 97136

Kristine Hayes
663 S. Beacon Street
Rockaway Beach, Oregon 97136

Terry Winwood
P.O. Box 21
Rockaway Beach, Oregon 97136

Penelope Cheek
P.O. Box 294
Rockaway Beach, Oregon 97136

Mary McGinnis
P.O. Box 269
Rockaway Beach, Oregon 97136

CITY MANAGER

Luke Shepard
P.O. Box 5
Rockaway Beach, Oregon 97136

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

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FINANCIAL SECTION

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

As management of the City of Rockaway Beach, Tillamook County, Oregon, we offer readers this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2022. It should be read in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- At June 30, 2022, total net position of the City of Rockaway Beach amounted to \$24,026,704. Of this amount, \$12,753,485 was invested in capital assets, net of related debt. The remaining balance included \$4,473,272 restricted for various purposes and \$6,799,947 of unrestricted net position.
- At June 30, 2022, the City's governmental funds reported combined ending fund balances of \$7,372,157.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Rockaway Beach'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, roads and streets, and parks and recreation. The business-type activities of the City include water and sewer services.

The government-wide financial statements can be found on pages 13 through 15 of this report.

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 Rockaway Beach 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 13 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, Roads and Streets, Transient Room Tax, Sewer Improvements Debt Service, and Project and Equipment Reserve 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 Rockaway Beach adopts an annual appropriated budget for all of its governmental 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 16 through 19 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 four enterprise funds.

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

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.

Information is presented separately in the proprietary funds statement of net position, proprietary funds statement of revenues, expenses, and changes in fund net position, and the proprietary funds statement of cash flows for the Water Operating, Sewer Operating, and Sewer SDC Funds, all of which are considered to be major proprietary funds, as well as for the Water SDC Fund, which is considered to be a nonmajor proprietary fund.

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

The basic proprietary fund financial statements can be found on pages 20 through 24 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 25 through 65 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 schedule of the proportionate share of the net pension liability, schedule of contributions, schedule of changes in the City's total OPEB liability and related ratios, schedule of the proportionate share of the net OPEB liability (asset), schedule of contributions – other postemployment benefits, and budgetary comparison information for the General, Roads and Streets, and Transient Room Tax Funds. This required supplementary information can be found on pages 66 through 73 of this report.

The combining statements referred to earlier, in connection with nonmajor governmental funds, are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 74 through 89 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, 2022, the City's assets exceeded liabilities by \$24,026,704.

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 OF ROCKAWAY BEACH
Tillamook County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

City's Net Position

At the end of the current fiscal year, the City was able to report positive balances in all categories of net position. The City's net position increased by \$2,233,042 during the current fiscal year.

Condensed statement of net position information is shown below.

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Assets and deferred outflows of resources						
Current assets	\$ 5,255,071	\$ 4,668,017	\$ 3,465,278	\$ 2,824,109	\$ 8,720,349	\$ 7,492,126
Restricted assets	2,241,563	1,879,546	2,243,757	2,021,969	4,485,320	3,901,515
Noncurrent assets	7,238,709	7,563,728	7,802,600	7,454,463	15,041,309	15,018,191
Deferred outflows of resources	<u>225,980</u>	<u>423,849</u>	<u>322,320</u>	<u>348,309</u>	<u>548,300</u>	<u>772,158</u>
Total assets and deferred outflows of resources	<u>14,961,323</u>	<u>14,535,140</u>	<u>13,833,955</u>	<u>12,648,850</u>	<u>28,795,278</u>	<u>27,183,990</u>
Liabilities and deferred inflows of resources						
Current liabilities	519,304	502,882	21,428	40,320	540,732	543,202
Noncurrent liabilities	2,336,319	3,516,305	700,544	1,096,630	3,036,863	4,612,935
Deferred inflows of resources	<u>510,991</u>	<u>126,640</u>	<u>679,988</u>	<u>107,551</u>	<u>1,190,979</u>	<u>234,191</u>
Total liabilities and deferred inflows of resources	<u>3,366,614</u>	<u>4,145,827</u>	<u>1,401,960</u>	<u>1,244,501</u>	<u>4,768,574</u>	<u>5,390,328</u>
Net position						
Net investment in capital assets	4,950,885	4,934,668	7,802,600	7,454,463	12,753,485	12,389,131
Restricted for various purposes	2,229,515	1,865,838	2,243,757	2,021,969	4,473,272	3,887,807
Unrestricted	<u>4,414,309</u>	<u>3,588,807</u>	<u>2,385,638</u>	<u>1,927,917</u>	<u>6,799,947</u>	<u>5,516,724</u>
Total net position	<u>\$ 11,594,709</u>	<u>\$ 10,389,313</u>	<u>\$ 12,431,995</u>	<u>\$ 11,404,349</u>	<u>\$ 24,026,704</u>	<u>\$ 21,793,662</u>

City's Changes in Net Position

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

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

Condensed Statement of Activities

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Program revenues						
Charges for services	\$ 1,075,102	\$ 994,584	\$ 2,230,993	\$ 2,135,456	\$ 3,306,095	\$ 3,130,040
Operating grants and contributions	29,261	62,651	-	-	29,261	62,651
Capital grants and contributions	-	254,654	185,678	174,608	185,678	429,262
Total program revenues	<u>1,104,363</u>	<u>1,311,889</u>	<u>2,416,671</u>	<u>2,310,064</u>	<u>3,521,034</u>	<u>3,621,953</u>
General revenues						
Property taxes	463,393	439,700	-	-	463,393	439,700
Transient room taxes	1,657,255	1,827,185	-	-	1,657,255	1,827,185
Alcohol, cigarette, and other taxes	65,172	90,811	-	-	65,172	90,811
Investment earnings	44,943	41,393	6,669	9,798	51,612	51,191
Miscellaneous	25,493	105,922	191,120	30,618	216,613	136,540
Total general revenues	<u>2,256,256</u>	<u>2,505,011</u>	<u>197,789</u>	<u>40,416</u>	<u>2,454,045</u>	<u>2,545,427</u>
Total revenues	<u>3,360,619</u>	<u>3,816,900</u>	<u>2,614,460</u>	<u>2,350,480</u>	<u>5,975,079</u>	<u>6,167,380</u>
Program expenses						
General government	669,386	1,182,528	-	-	669,386	1,182,528
Public safety	650,233	710,167	-	-	650,233	710,167
Roads and streets	410,908	549,094	-	-	410,908	549,094
Parks and recreation	-	3,700	-	-	-	3,700
Interest on long-term debt	62,593	39,031	-	-	62,593	39,031
Water	-	-	979,580	963,143	979,580	963,143
Sewer	-	-	969,337	925,871	969,337	925,871
Total program expenses	<u>1,793,120</u>	<u>2,484,520</u>	<u>1,948,917</u>	<u>1,889,014</u>	<u>3,742,037</u>	<u>4,373,534</u>
Transfers and contributed capital	(362,103)	(733,872)	362,103	733,872	-	-
Change in net position	<u>1,205,396</u>	<u>598,508</u>	<u>1,027,646</u>	<u>1,195,338</u>	<u>2,233,042</u>	<u>1,793,846</u>
Net position - beginning of year, as restated	<u>10,389,313</u>	<u>9,790,805</u>	<u>11,404,349</u>	<u>10,209,011</u>	<u>21,793,662</u>	<u>19,999,816</u>
Net position - end of year	<u>\$ 11,594,709</u>	<u>\$ 10,389,313</u>	<u>\$ 12,431,995</u>	<u>\$ 11,404,349</u>	<u>\$ 24,026,704</u>	<u>\$ 21,793,662</u>

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 major governmental funds reported combined fund balances of \$5,307,469. This amount included \$11,805 of nonspendable amounts related to prepaid expenses, \$421,624 restricted for street maintenance, \$813,993 restricted for debt service, \$1,591,812 assigned to special projects, and \$1,098,482 assigned to future equipment purchases. The remaining \$1,369,753 constitutes unassigned fund balance, which is available for spending at the City's discretion.

Significant Changes in Major Governmental Fund Balances

- General Fund: The 27.6% increase in unassigned fund balance can be attributed to higher than estimated revenues and expenditure reductions.
- Roads and Streets Fund: The 32% increase in nonspendable fund balance can be attributed to an increase in prepaid expenses.
- Roads and Streets Fund: The 37.5% increase in amounts restricted for street maintenance can be attributed to transfers in for future road and street projects.
- Project and Equipment Reserve Fund: The 76.1% increase in amounts assigned to future equipment purchases can be attributed to funding of future projects currently being planned or designed.

Proprietary Funds

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

Net position of the major enterprise funds amounted to \$11,809,872 at year end. Of this amount, \$7,802,600 was invested in capital assets, net of related debt. The remaining balance included \$1,621,634 restricted for system development and \$2,385,638 of unrestricted net position.

Significant Changes in Major Proprietary Fund Net Position

- Water Operating Fund: The 34.6% increase in unrestricted net position can be attributed to a recent rate increase and the addition of new connections.

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Sewer Operating Fund: The 20.9% increase in net position invested in capital assets, net of related debt, can be attributed to funding of a large capital improvement project.

BUDGETARY HIGHLIGHTS: GENERAL FUND

Significant variances between budgeted and actual amounts in the General Fund for the year ended June 30, 2022 include:

- Alcohol taxes were budgeted for \$18,000. Actual revenue was \$26,669 (48.2% over budget) due to unanticipated sales growth.
- Grant revenue was budgeted for \$265,682. Actual revenue was \$29,261 (89% under budget) due to reimbursements received in the budget year after the money was expended.
- Other revenue was budgeted for \$6,500. Actual revenue was \$12,322 (89.6% over budget) due to an increase in city facility rentals and the increase of police department sweatshirt sales.
- Expenditures for public safety were budgeted for \$719,764. Actual expenditures were \$248,496 (65.5% under budget) due to contracting with the Tillamook Sheriff's Department.
- Expenditures for fire protection were budgeted for \$623,439. Actual expenditures were \$420,263 (32.6% under budget) due to not hiring for the firefighter positions.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental activities and business-type activities as of June 30, 2022 amounted to \$7,150,214 and \$7,802,600, net of accumulated depreciation, respectively. This investment in capital assets includes land, construction in progress, buildings, machinery and equipment, intangibles, vehicles, 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 amounted to \$425,862 and \$487,009, respectively.

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

Long-Term Liabilities

At the end of the current fiscal year, the City had total long-term liabilities outstanding of \$2,265,125, including unamortized premium on bonds of \$194,329. This amount is comprised of three equipment leases, a loan, and bonds payable. The City's total debt decreased by \$364,351 during the current fiscal year. Additional information on the City's long-term debt can be found in Note III-G on pages 43 through 45 of this report.

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

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:

- Health insurance benefits will continue to increase above inflation.
- PERS rates increased significantly for the 2021-2022 period.
- Potential judgments from pending litigation not covered by CIS.
- Funds will need to be held in reserve for potential leave payouts in the General Fund, which will reduce funds available for operations.

These factors were considered in preparing the City's budget for fiscal year 2022-2023.

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 5, Rockaway Beach, Oregon 97136.

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BASIC FINANCIAL STATEMENTS

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CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

STATEMENT OF NET POSITION

June 30, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current assets			
Cash and cash equivalents	\$ 4,855,791	\$ 2,952,880	\$ 7,808,671
Accounts receivable, net	360,395	373,654	734,049
Property taxes receivable	16,559	-	16,559
Lease receivable, current portion	10,521	-	10,521
Inventories	-	120,077	120,077
Prepays and deposits	11,805	18,667	30,472
Total current assets	5,255,071	3,465,278	8,720,349
Restricted assets			
Cash and cash equivalents	2,174,983	2,243,757	4,418,740
Accounts receivable, net	66,580	-	66,580
Total restricted assets	2,241,563	2,243,757	4,485,320
Noncurrent assets			
Lease receivable, less current portion	22,008	-	22,008
Right to use leased assets, net of accumulated amortization	66,487	-	66,487
Capital assets			
Land and construction in progress	2,153,856	104,899	2,258,755
Capital assets, net of accumulated depreciation	4,996,358	7,697,701	12,694,059
Total capital assets	7,150,214	7,802,600	14,952,814
Total noncurrent assets	7,238,709	7,802,600	15,041,309
Total assets	14,735,343	13,511,635	28,246,978
Deferred outflows of resources			
Net deferred outflow of pension related resources	222,275	320,967	543,242
Net deferred outflow of OPEB related resources	3,705	1,353	5,058
Total deferred outflows of resources	225,980	322,320	548,300
Total assets and deferred outflows of resources	14,961,323	13,833,955	28,795,278

(Continued)

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

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

STATEMENT OF NET POSITION

June 30, 2022

(Continued)

	Governmental Activities	Business-Type Activities	Total
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Current liabilities			
Accounts payable	\$ 94,730	\$ 10,003	\$ 104,733
Accrued payroll liabilities	4,513	292	4,805
Accrued interest payable	30,318	-	30,318
Compensated absences payable, current portion	6,456	11,133	17,589
Leases payable, current portion	50,189	-	50,189
Loan payable, current portion	60,000	-	60,000
Bonds payable, current portion	265,000	-	265,000
Bond premium, current portion	8,098	-	8,098
Total current liabilities	<u>519,304</u>	<u>21,428</u>	<u>540,732</u>
Noncurrent liabilities			
Compensated absences payable, less current portion	25,826	44,531	70,357
Leases payable, less current portion	15,607	-	15,607
Bonds payable, less current portion	1,680,000	-	1,680,000
Bond premium, less current portion	186,231	-	186,231
Net pension liability	419,583	605,883	1,025,466
Net OPEB liability	9,072	50,130	59,202
Total noncurrent liabilities	<u>2,336,319</u>	<u>700,544</u>	<u>3,036,863</u>
Total liabilities	<u>2,855,623</u>	<u>721,972</u>	<u>3,577,595</u>
Deferred inflows of resources			
Leases	32,529	-	32,529
Net deferred inflow of pension related resources	462,201	667,422	1,129,623
Net deferred inflow of OPEB related resources	16,261	12,566	28,827
Total deferred inflows of resources	<u>510,991</u>	<u>679,988</u>	<u>1,190,979</u>
Total liabilities and deferred inflows of resources	<u>3,366,614</u>	<u>1,401,960</u>	<u>4,768,574</u>
NET POSITION			
Net investment in capital assets	4,950,885	7,802,600	12,753,485
Restricted for:			
Debt service	1,581,512	-	1,581,512
Street maintenance	421,624	-	421,624
Donated purpose	41,828	-	41,828
System development	184,551	2,243,757	2,428,308
Unrestricted	4,414,309	2,385,638	6,799,947
Total net position	<u>\$ 11,594,709</u>	<u>\$ 12,431,995</u>	<u>\$ 24,026,704</u>

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

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2022

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 669,386	\$ 793,610	\$ 28,346	\$ -
Public safety	650,233	165,458	880	-
Roads and streets	410,908	114,516	-	-
Parks and recreation	-	1,518	35	-
Interest on long-term debt	62,593	-	-	-
Total governmental activities	\$ 1,793,120	\$ 1,075,102	\$ 29,261	\$ -
Business-type activities				
Water	\$ 979,580	\$ 1,345,823	\$ -	\$ 164,190
Sewer	969,337	885,170	-	21,488
Total business-type activities	\$ 1,948,917	\$ 2,230,993	\$ -	\$ 185,678
General revenues				
Property taxes				
Transient room taxes				
Alcohol, cigarette, and other taxes				
Investment earnings				
Miscellaneous				
Total general revenues				
Transfers and contributed capital				
Change in net position				
Net position - beginning, as restated				
Net position - ending				

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

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-Type Activities	Totals
\$ 152,570	\$ -	\$ 152,570
(483,895)	-	(483,895)
(296,392)	-	(296,392)
1,553	-	1,553
(62,593)	-	(62,593)
<u>(688,757)</u>	<u>-</u>	<u>(688,757)</u>
-	530,433	530,433
<u>-</u>	<u>(62,679)</u>	<u>(62,679)</u>
<u>-</u>	<u>467,754</u>	<u>467,754</u>
463,393	-	463,393
1,657,255	-	1,657,255
65,172	-	65,172
44,943	6,669	51,612
<u>25,493</u>	<u>191,120</u>	<u>216,613</u>
<u>2,256,256</u>	<u>197,789</u>	<u>2,454,045</u>
<u>(362,103)</u>	<u>362,103</u>	<u>-</u>
1,205,396	1,027,646	2,233,042
<u>10,389,313</u>	<u>11,404,349</u>	<u>21,793,662</u>
<u>\$ 11,594,709</u>	<u>\$ 12,431,995</u>	<u>\$ 24,026,704</u>

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2022

	General Fund	Special Revenue Funds	
		Roads and Streets	Transient Room Tax
ASSETS			
Cash and cash equivalents	\$ 1,425,389	\$ 433,672	\$ 1,259,628
Accounts receivable, net	13,278	-	347,117
Property taxes receivable	16,559	-	-
Lease receivable	32,529	-	-
Prepays and deposits	9,189	2,616	-
	<u>\$ 1,496,944</u>	<u>\$ 436,288</u>	<u>\$ 1,606,745</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 66,247	\$ 12,048	\$ 14,933
Accrued payroll liabilities	4,513	-	-
	<u>70,760</u>	<u>12,048</u>	<u>14,933</u>
Deferred inflows of resources			
Unavailable revenue - property taxes	14,713	-	-
Unavailable revenue - leases	32,529	-	-
	<u>47,242</u>	<u>-</u>	<u>-</u>
Fund balances			
Nonspendable	9,189	2,616	-
Restricted	-	421,624	-
Assigned	-	-	1,591,812
Unassigned	1,369,753	-	-
	<u>1,378,942</u>	<u>424,240</u>	<u>1,591,812</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,496,944</u>	<u>\$ 436,288</u>	<u>\$ 1,606,745</u>

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

Debt Service Fund Sewer Improvements Debt Service	Capital Projects Fund Project and Equipment Reserve	Nonmajor Governmental Funds	Total Governmental Funds
\$ 770,929	\$ 1,099,282	\$ 2,041,874	\$ 7,030,774
43,064	-	23,516	426,975
-	-	-	16,559
-	-	-	32,529
-	-	-	11,805
<u>\$ 813,993</u>	<u>\$ 1,099,282</u>	<u>\$ 2,065,390</u>	<u>\$ 7,518,642</u>
\$ -	\$ 800	\$ 702	\$ 94,730
-	-	-	4,513
-	800	702	99,243
-	-	-	14,713
-	-	-	32,529
-	-	-	47,242
-	-	-	11,805
813,993	-	993,898	2,229,515
-	1,098,482	1,070,790	3,761,084
-	-	-	1,369,753
<u>813,993</u>	<u>1,098,482</u>	<u>2,064,688</u>	<u>7,372,157</u>
<u>\$ 813,993</u>	<u>\$ 1,099,282</u>	<u>\$ 2,065,390</u>	<u>\$ 7,518,642</u>

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

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

June 30, 2022

Total fund balances		\$ 7,372,157
Right to use leased assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds.		
Right to use leased assets	250,731	
Accumulated amortization	<u>(184,244)</u>	66,487
Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds.		
Cost	15,706,288	
Accumulated depreciation	<u>(8,556,074)</u>	7,150,214
Property tax revenue is recognized in the net position of governmental activities when the taxes are levied; however, in the governmental fund statements, it is recognized when available to be used for current year operations. Taxes not collected within 60 days of the end of the year are not considered available to pay for current year operations and are therefore not reported as revenue in the governmental funds.		14,713
Liabilities not due or payable in the current period are 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:		
Accrued interest payable	(30,318)	
Compensated absences payable	(32,282)	
Leases payable	(65,796)	
Loan payable	(60,000)	
Bonds payable	(1,945,000)	
Bond premium	<u>(194,329)</u>	(2,327,725)
Pension assets or liabilities, with related deferred outflows of resources and deferred inflows of resources, are not reported in the governmental funds, but are reported on the statement of net position. The amounts included in governmental activities on the statement of net position:		
Net pension liability	(419,583)	
Deferred outflows of pension related resources	222,275	
Deferred inflows of pension related resources	<u>(462,201)</u>	(659,509)
OPEB assets or liabilities, with related deferred outflows of resources and deferred inflows of resources, are not reported in the governmental funds, but are reported on the statement of net position. The amounts included in governmental activities on the statement of net position:		
Net OPEB liability	(9,072)	
Deferred outflows of OPEB related resources	3,705	
Deferred inflows of OPEB related resources	<u>(16,261)</u>	<u>(21,628)</u>
Net position of governmental activities		<u>\$ 11,594,709</u>

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

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2022

	General Fund	Special Revenue Funds	
		Roads and Streets	Transient Room Tax
REVENUES			
Taxes			
Property	\$ 474,924	\$ -	\$ -
Alcohol	26,669	-	-
Cigarette	1,199	-	-
Other taxes	37,304	-	-
Transient room taxes	-	-	1,657,255
Licenses, permits, and fees	471,832	-	-
Grants	29,261	-	-
Debt service fees	-	-	-
Charges for services	40,370	-	-
State revenue sharing	25,711	114,516	-
Investment earnings	21,599	5,188	1,597
Other revenue	12,322	-	-
Total revenues	<u>1,141,191</u>	<u>119,704</u>	<u>1,658,852</u>
EXPENDITURES			
Current			
Administration	463,524	-	-
General services	-	-	189,854
Public safety	248,496	-	-
Fire protection	420,263	-	-
Highways and streets	-	226,146	-
Debt service	70,612	-	-
Capital outlay	29,479	6,044	-
Total expenditures	<u>1,232,374</u>	<u>232,190</u>	<u>189,854</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(91,183)</u>	<u>(112,486)</u>	<u>1,468,998</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	590,589	228,085	-
Transfers out	(203,000)	-	(1,253,910)
Contributed capital out	-	-	-
Total other financing sources (uses)	<u>387,589</u>	<u>228,085</u>	<u>(1,253,910)</u>
Net change in fund balances	296,406	115,599	215,088
Fund balances - beginning	<u>1,082,536</u>	<u>308,641</u>	<u>1,376,724</u>
Fund balances - ending	<u>\$ 1,378,942</u>	<u>\$ 424,240</u>	<u>\$ 1,591,812</u>

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

Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Sewer Improvements Debt Service	Project and Equipment Reserve		
\$ -	\$ -	\$ -	\$ 474,924
-	-	-	26,669
-	-	-	1,199
-	-	-	37,304
-	-	-	1,657,255
-	-	29,378	501,210
-	-	-	29,261
254,339	-	152,127	406,466
-	-	-	40,370
-	-	-	140,227
1,572	296	6,593	36,845
-	-	-	12,322
<u>255,911</u>	<u>296</u>	<u>188,098</u>	<u>3,364,052</u>
-	-	-	463,524
-	-	-	189,854
-	-	-	248,496
-	-	-	420,263
-	-	-	226,146
209,242	-	101,903	381,757
<u>-</u>	<u>46,723</u>	<u>47,536</u>	<u>129,782</u>
<u>209,242</u>	<u>46,723</u>	<u>149,439</u>	<u>2,059,822</u>
<u>46,669</u>	<u>(46,427)</u>	<u>38,659</u>	<u>1,304,230</u>
-	521,236	354,000	1,693,910
-	-	-	(1,456,910)
<u>-</u>	<u>-</u>	<u>(599,103)</u>	<u>(599,103)</u>
<u>-</u>	<u>521,236</u>	<u>(245,103)</u>	<u>(362,103)</u>
46,669	474,809	(206,444)	942,127
<u>767,324</u>	<u>623,673</u>	<u>2,271,132</u>	<u>6,430,030</u>
<u>\$ 813,993</u>	<u>\$ 1,098,482</u>	<u>\$ 2,064,688</u>	<u>\$ 7,372,157</u>

CITY OF ROCKAWAY BEACH
Tillamook 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, 2022

Net change in fund balances		\$ 942,127
Amounts reported for governmental activities on the statement of activities are different because:		
Governmental funds report right to use leased assets as expenditures; however, on the statement of activities, the costs of these assets are allocated over the terms of the leases and reported as amortization expense.		
Current year amortization		(50,146)
Governmental funds report capital outlay as expenditures; however, on the statement of activities, the costs of these assets are allocated over their estimated useful lives and are reported as depreciation expense.		
Increase in capital outlay	128,981	
Less current year depreciation expense	<u>(425,862)</u>	(296,881)
Some expenses reported on the statement of activities do not require the use of current financial resources and are therefore not reported as expenditures in the governmental funds.		
Compensated absences		4,330
Long-term debt proceeds are reported as other financing sources in the governmental funds. On the statement of net position, however, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability on the statement of net position.		
Accrued interest	10,666	
Lease liability payments	51,253	
Bond premium	8,098	
Debt principal paid	<u>305,000</u>	375,017
Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. On the statement of activities, property taxes are recognized as revenue when levied.		
		(11,531)
Changes in the net pension assets and liabilities, as well as the related changes in deferred outflows and deferred inflows of resources, are not recognized as expenditures in the governmental funds.		
		245,017
Changes in the net OPEB assets and liabilities, as well as the related changes in deferred outflows and deferred inflows of resources, are not recognized as expenditures in the governmental funds.		
		<u>(2,537)</u>
Change in net position		<u>\$ 1,205,396</u>

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

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

June 30, 2022

	Business-Type Activities		
	Enterprise Funds		
	Water Operating	Sewer Operating	Sewer SDC
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current assets			
Cash and cash equivalents	\$ 1,969,879	\$ 983,001	\$ -
Accounts receivable	201,644	172,010	-
Inventories	115,111	4,966	-
Prepays and deposits	10,406	8,261	-
Total current assets	<u>2,297,040</u>	<u>1,168,238</u>	<u>-</u>
Restricted assets			
Cash and cash equivalents	157,169	-	1,464,465
Capital assets			
Construction in progress	104,899	-	-
Capital assets, net of accumulated depreciation	4,800,935	2,896,766	-
Total capital assets	<u>4,905,834</u>	<u>2,896,766</u>	<u>-</u>
Total assets	<u>7,360,043</u>	<u>4,065,004</u>	<u>1,464,465</u>
Deferred outflows of resources			
Net deferred outflow of pension related resources	163,644	157,323	-
Net deferred outflow of OPEB related resources	703	650	-
Total deferred outflows of resources	<u>164,347</u>	<u>157,973</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>7,524,390</u>	<u>4,222,977</u>	<u>1,464,465</u>

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

<u>Business-Type Activities</u>	
<u>Enterprise Funds</u>	
<u>Nonmajor</u>	
<u>Water SDC</u>	<u>Total</u>
\$ -	\$ 2,952,880
-	373,654
-	120,077
-	18,667
-	<u>3,465,278</u>
<u>622,123</u>	<u>2,243,757</u>
-	104,899
-	<u>7,697,701</u>
-	<u>7,802,600</u>
<u>622,123</u>	<u>13,511,635</u>
-	320,967
-	<u>1,353</u>
-	<u>322,320</u>
<u>622,123</u>	<u>13,833,955</u>

(Continued)

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CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

June 30, 2022

(Continued)

	Business-Type Activities		
	Enterprise Funds		
	Water Operating	Sewer Operating	Sewer SDC
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Current liabilities			
Accounts payable	\$ 4,559	\$ 5,444	\$ -
Accrued payroll liabilities	-	292	-
Compensated absences payable, current portion	6,239	4,894	-
Total current liabilities	<u>10,798</u>	<u>10,630</u>	<u>-</u>
Noncurrent liabilities			
Compensated absences payable, less current portion	24,954	19,577	-
Net pension liability	308,908	296,975	-
Net OPEB liability	25,631	24,499	-
Total noncurrent liabilities	<u>359,493</u>	<u>341,051</u>	<u>-</u>
Total liabilities	<u>370,291</u>	<u>351,681</u>	<u>-</u>
Deferred inflows of resources			
Net deferred inflow of pension related resources	340,283	327,139	-
Net deferred inflow of OPEB related resources	6,541	6,025	-
Total deferred inflows of resources	<u>346,824</u>	<u>333,164</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>717,115</u>	<u>684,845</u>	<u>-</u>
NET POSITION			
Net investment in capital assets	4,905,834	2,896,766	-
Restricted for system development	157,169	-	1,464,465
Unrestricted	1,744,272	641,366	-
Total net position	<u>\$ 6,807,275</u>	<u>\$ 3,538,132</u>	<u>\$ 1,464,465</u>

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

<u>Business-Type Activities</u>	
<u>Enterprise Funds</u>	
<u>Nonmajor</u>	
<u>Water SDC</u>	<u>Total</u>
\$ -	\$ 10,003
-	292
-	<u>11,133</u>
-	<u>21,428</u>
-	44,531
-	605,883
-	<u>50,130</u>
-	<u>700,544</u>
-	<u>721,972</u>
-	667,422
-	<u>12,566</u>
-	<u>679,988</u>
-	<u>1,401,960</u>
-	7,802,600
622,123	2,243,757
-	<u>2,385,638</u>
<u>\$ 622,123</u>	<u>\$ 12,431,995</u>

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CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

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

PROPRIETARY FUNDS

For the Year Ended June 30, 2022

	Business-Type Activities		
	Enterprise Funds		
	Water Operating	Sewer Operating	Sewer SDC
Operating revenues			
Charges for sales and services			
Water sales	\$ 1,345,823	\$ -	\$ -
Sewer charges	-	885,170	-
Total operating revenues	<u>1,345,823</u>	<u>885,170</u>	<u>-</u>
Operating expenses			
Administration	498,531	486,685	-
Materials and supplies	216,145	260,547	-
Depreciation	264,904	222,105	-
Total operating expenses	<u>979,580</u>	<u>969,337</u>	<u>-</u>
Operating income (loss)	<u>366,243</u>	<u>(84,167)</u>	<u>-</u>
Nonoperating revenues (expenses)			
System development charges	-	-	21,488
Investment earnings	1,864	3,978	442
Other income (expense)	188,127	2,993	-
Total nonoperating revenues (expenses)	<u>189,991</u>	<u>6,971</u>	<u>21,930</u>
Income (loss) before transfers and contributed capital	<u>556,234</u>	<u>(77,196)</u>	<u>21,930</u>
Transfers out	(117,000)	(120,000)	-
Contributed capital in	14,358	706,631	-
Contributed capital out	-	-	(121,886)
Total transfers and contributed capital	<u>(102,642)</u>	<u>586,631</u>	<u>(121,886)</u>
Change in net position	453,592	509,435	(99,956)
Total net position - beginning	<u>6,353,683</u>	<u>3,028,697</u>	<u>1,564,421</u>
Total net position - ending	<u>\$ 6,807,275</u>	<u>\$ 3,538,132</u>	<u>\$ 1,464,465</u>

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

<u>Business-Type Activities</u>	
<u>Enterprise Funds</u>	
<u>Nonmajor</u>	
<u>Water SDC</u>	<u>Total</u>
\$ -	\$ 1,345,823
-	885,170
-	<u>2,230,993</u>
-	985,216
-	476,692
-	<u>487,009</u>
-	<u>1,948,917</u>
-	<u>282,076</u>
164,190	185,678
385	6,669
-	<u>191,120</u>
<u>164,575</u>	<u>383,467</u>
<u>164,575</u>	<u>665,543</u>
-	(237,000)
-	720,989
-	<u>(121,886)</u>
-	<u>362,103</u>
164,575	1,027,646
<u>457,548</u>	<u>11,404,349</u>
<u>\$ 622,123</u>	<u>\$ 12,431,995</u>

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CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended June 30, 2022

	Business-Type Activities Enterprise Funds	
	Water Operating	Sewer Operating
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	\$ 1,347,278	\$ 881,049
Cash payments to employees	(409,104)	(395,133)
Cash payments to suppliers	(225,913)	(259,134)
Net cash provided (used) by operating activities	712,261	226,782
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment earnings	1,864	3,978
Net cash provided (used) by investing activities	1,864	3,978
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers to other funds	(117,000)	(120,000)
Other income (expense)	188,127	2,993
Net cash provided (used) by noncapital financing activities	71,127	(117,007)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
System development charges	-	-
Contributed capital out	-	-
Purchase of capital assets	(98,600)	(15,557)
Net cash provided (used) by capital and related financing activities	(98,600)	(15,557)
Net increase (decrease) in cash and cash equivalents	686,652	98,196
Cash and cash equivalents - beginning (including \$1,564,421 and \$457,548 for the Sewer SDC and Water SDC Funds, respectively, reported in restricted accounts)	1,440,396	884,805
Cash and cash equivalents - ending (including \$157,169, \$1,464,465 and \$622,123 for the Water Operating, Sewer SDC and Water SDC Funds, respectively, reported in restricted accounts)	\$ 2,127,048	\$ 983,001
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Contributed capital in for purchase of capital assets	\$ 14,358	\$ 706,631

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

Business-Type Activities		
Enterprise Funds		
Sewer SDC	Nonmajor Water SDC	Total
\$ -	\$ -	\$ 2,228,327
-	-	(804,237)
-	-	(485,047)
-	-	939,043
442	385	6,669
442	385	6,669
-	-	(237,000)
-	-	191,120
-	-	(45,880)
21,488	164,190	185,678
(121,886)	-	(121,886)
-	-	(114,157)
(100,398)	164,190	(50,365)
(99,956)	164,575	849,467
1,564,421	457,548	4,347,170
\$ 1,464,465	\$ 622,123	\$ 5,196,637
\$ -	\$ -	\$ 720,989

(Continued)

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended June 30, 2022

(Continued)

	Business-Type Activities	
	Enterprise Funds	
	Water	Sewer
	Operating	Operating
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 366,243	\$ (84,167)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation	264,904	222,105
(Increase) decrease in:		
Accounts receivable	1,455	(4,121)
Prepays	(2,094)	-
Inventories	(7,851)	(879)
Net deferred outflow of pension related resources	14,869	11,034
Net deferred outflow of OPEB related resources	44	42
Increase (decrease) in:		
Accounts payable	177	2,292
Accrued payroll liabilities	(9,009)	(10,859)
Compensated absences payable	(4,183)	(3,282)
Net pension liability	(207,226)	(189,796)
Net OPEB liability	3,524	3,384
Net deferred inflow of pension related resources	292,333	281,917
Net deferred inflow of OPEB related resources	(925)	(888)
	\$ 712,261	\$ 226,782

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

Business-Type Activities		
Enterprise Funds		
Sewer SDC	Nonmajor Water SDC	Total
\$ -	\$ -	\$ 282,076
-	-	487,009
-	-	(2,666)
-	-	(2,094)
-	-	(8,730)
-	-	25,903
-	-	86
-	-	2,439
-	-	(19,866)
-	-	(7,465)
-	-	(397,022)
-	-	6,908
-	-	574,250
-	-	(1,813)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 939,043</u>

DRAFT

NOTES TO BASIC FINANCIAL STATEMENTS

DRAFT

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Rockaway Beach have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting Entity

The community of Rockaway, located in Tillamook County, was established as a seaside resort in 1909 by the Rockaway Beach Group. In 1987, the name was changed to the City of Rockaway Beach. The City has a total area of 1.71 square miles, of which 1.6 square miles is land and 0.11 square miles is water. The City provides basic services to its 1,365 citizens within the city limits. The city council exercises legislative authority by ordinance, administrative authority by resolution, and quasi-judicial authority by order. The council consists of a mayor and five voting councilors nominated and elected from the community at large.

B. Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges for goods and services provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds and proprietary funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for 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.

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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 City 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, principal and interest on long-term debt, as well as expenditures related to compensated absences, are recorded only when payment is due.

Property taxes, investment earnings, and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and have therefore been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

General Fund – The General Fund accounts for all financial resources of the City, except those required to be accounted for in another fund. The primary sources of revenue are property taxes, licenses, permits, and fees.

Special Revenue Funds

Roads and Streets Fund – The Roads and Streets Fund accounts for monies expended for maintenance and improvement of the City's roads and streets. The primary sources of revenue are state highway revenues.

Transient Room Tax Fund – The Transient Room Tax Fund accounts for funds received and expended in connection with transient room tax.

Debt Service Fund

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

Capital Projects Fund

Project and Equipment Reserve Fund – The Project and Equipment Reserve Fund accounts for the funding of equipment purchases. The primary source of revenue is transfers from other funds.

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The City reports the following major proprietary funds:

Enterprise Funds

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

Sewer SDC Fund – The Sewer SDC Fund is used to accumulate funds for future sewer system development costs. The primary source of revenue is system development charges.

The City reports the following nonmajor governmental funds:

Special Revenue Funds

Transportation SDC Fund – The Transportation SDC Fund is used to accumulate funds for future system development costs. The primary sources of revenue are licenses, permits, and fees.

Donation Reserve Fund – The Donation Reserve Fund is used to account for restricted donations received by the City. The primary source of revenue is transfers from other funds.

Debt Service Funds

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

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

1981 Water Revenue Bond Fund – The 1981 Water Revenue Bond Fund accounts for the repayment of the City's long-term debt. The primary use of revenue is for the payment of principal and interest due on long-term debt.

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Capital Projects Funds

Fire Equipment Reserve Fund – The Fire Equipment Reserve Fund is used to accumulate funds for future fire equipment purchases. The primary source of revenue is transfers from other funds.

Water Master Plan Reserve Fund – The Water Master Plan Reserve Fund is used to account for major infrastructure projects benefitting the City’s culinary water system. The primary source of revenue is transfers from other funds.

Sewer Master Plan Reserve Fund – The Sewer Master Plan Reserve Fund accounts for major infrastructure projects in the wastewater collection and treatment system. The primary source of revenue is transfers from other funds.

The City reports the following nonmajor proprietary fund:

Enterprise Fund

Water SDC Fund – The Water SDC Fund is used to accumulate funds for future water system development costs. The primary source of revenue is system development charges.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are transfers between the governmental funds and the proprietary funds. Elimination of these transactions would distort their respective financial statements.

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 a proprietary fund’s principal ongoing operations. The operating expenses of proprietary funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Equity

1. Deposits and Investments

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.

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.

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.

Uncollected property taxes are shown on the balance sheet of the governmental funds. Property taxes collected within approximately 60 days of fiscal year end are recognized as revenue, while the remaining amount of taxes receivable are recorded as unavailable revenue because they are not deemed available to finance operations of the current period.

3. Accounts Receivable

Receivables are recorded as revenue when earned. The City records a bad debt expense when the receivable is determined to be uncollectible.

4. Lease Receivable

The City has recorded a lease receivable as a result of implementing GASB Statement No. 87, *Leases*. The lease receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Equity (Continued)

5. Inventories

Inventories of supplies are valued at cost using the first-in, first-out method. Inventories consist of materials for use in the water and sewer departments.

6. Right to Use Assets

The City has recorded right to use leased assets as a result of implementing GASB Statement No. 87, *Leases*. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the terms of the related leases.

7. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental and 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 \$5,000 and an estimated useful life in excess of two years. 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.

Depreciation of capital assets are computed on the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Vehicles	5-20
Fixtures and equipment	5-25
Buildings and improvements	10-50
Light and sewer systems	20-50
Water system	30-100

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Equity (Continued)

8. Compensated Absences

Amounts of vested or accumulated vacation leave that are expected to be liquidated with expendable available financial resources are reported as expenditures when paid. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as current liabilities on the statement of net position. In accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

9. Long-Term Liabilities

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs whether or not withheld from the actual debt proceeds received are reported as debt service expenditures.

10. Retirement Plan

Most of the City's employees participate in Oregon's Public Employees Retirement System (PERS). Contributions are made on a current basis as required by the plan and are recorded as expenses or expenditures.

11. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet 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 or fund balance that applies to a future period and therefore, will not be recognized as an outflow of resources until that time. The City has two items that qualify for reporting in this category, which are deferred amounts related to pensions and deferred amounts related to other postemployment benefits. These amounts are deferred and recognized as outflows of resources when the City recognizes pension or other postemployment benefit expenses/expenditures. Deferred outflows of amounts related to pensions and other postemployment benefits are included in the government-wide statement of net position and proprietary funds statement of net position.

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Equity (Continued)

11. Deferred Outflows and Inflows of Resources (Continued)

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period and therefore, will not be recognized as an inflow of resources until that time. The City has four items that qualify for reporting in this category, which are unavailable revenue from property taxes, unavailable revenue from leases, deferred amounts related to pensions, and deferred amounts related to other postemployment benefits. Unavailable revenue from property taxes and leases is deferred and recognized as inflows of resources in the period that the amounts become available. Unavailable revenue from property taxes is reported on the balance sheet. Unavailable revenue from leases is reported on the government-wide statement of net position and balance sheet. Deferred amounts related to pensions and other postemployment benefits are deferred and recognized as inflows of resources in the period when the City recognizes pension or other postemployment benefit income. Deferred inflows of amounts related to pensions and other postemployment benefits are included in the government-wide statement of net position and proprietary funds statement of net position.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense information about the net position of the Oregon Public Employees Retirement System (OPERS), and additions to/deductions from OPERS' net position have been determined on the same basis as they are reported by OPERS. 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.

For purposes of measuring the implicit other postemployment benefits (OPEB) liability, the City has relied on actuarial reports. The net OPEB liability, deferred outflows of resources, and deferred inflows of resources are related to changes in assumptions for the covered active and inactive participants.

For purposes of measuring the net OPEB retirement health insurance account (RHIA) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense information about the net position of OPERS, and additions to/deductions from OPERS' net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Equity (Continued)

12. Fund Equity

The City reports governmental 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 the City intends to use for a specific purpose. Intent can be expressed by the city council or by an official or body to which the city council delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

Commitment of fund balance is accomplished through adoption of a resolution or ordinance by the city council. Further, commitments of fund balance may be modified or rescinded only through approval of the city council via resolution or ordinance. Authority to assign fund balances has been granted to the budget officer.

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

E. Use of Estimates

The preparation of financial statements in accordance 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.

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. 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, capital projects, and enterprise 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. The General Fund has appropriations by department. Total personnel services, materials and services, debt service, capital outlay, transfers, and contingency are the levels of control for the other 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.

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Deposits and Investments

The City of Rockaway Beach 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 based upon their combined cash and investment balances.

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 Application*, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. Fair value is determined at the quoted market price, if available; otherwise, the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value.

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

A. Deposits and Investments (Continued)

The Oregon State Treasury administers the LGIP. The LGIP is an open-ended, no-load, diversified portfolio offered to any agency, political subdivision, or public corporation of the state that by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the state's short-term funds. To provide regulatory oversight, the Oregon Legislature established the Oregon Short-Term Fund Board and LGIP investments are approved by the Oregon Investment Council. The fair value of the City's position in the LGIP is the same as the value of the pool shares.

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 an investment policy regarding credit risk; however, investments comply with the state statutes.

Investments

As of June 30, 2022, the City had the following investments:

	Credit Quality Rating	Maturities	Fair Value
Oregon Local Government Investment Pool	Unrated	-	\$ 7,989,547

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.

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

A. Deposits and Investments (Continued)

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 US Bank and Columbia Bank, for which the FDIC provides insurance coverage of \$250,000 for demand deposit accounts and an additional \$250,000 for time and savings accounts per institution. At June 30, 2022, the City had \$295,653 insured by the FDIC and \$4,179,792 covered by the PFCP.

Deposits

The City's deposits and investments at June 30, 2022 are as follows:

Cash on hand	\$ 500
Checking and savings accounts	4,237,364
Total investments	<u>7,989,547</u>
Total deposits and investments	<u>\$ 12,227,411</u>

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

A. Deposits and Investments (Continued)

Deposits (Continued)

Cash and investments by fund:

Governmental activities - unrestricted	
General Fund	\$ 1,425,389
Transient Room Tax Fund	1,259,628
Project and Equipment Reserve Fund	1,099,282
Nonmajor governmental funds	<u>1,071,492</u>
Total governmental activities - unrestricted	<u>4,855,791</u>
Business-type activities - unrestricted	
Water Operating Fund	1,969,879
Sewer Operating Fund	<u>983,001</u>
Total business-type activities - unrestricted	<u>2,952,880</u>
Total unrestricted cash and investments	<u>7,808,671</u>
Governmental activities - restricted	
Roads and Streets Fund	433,672
Sewer Improvements Debt Service Fund	770,929
Nonmajor governmental funds	<u>970,382</u>
Total governmental activities - restricted	<u>2,174,983</u>
Business-type activities - restricted	
Water Operating Fund	157,169
Sewer SDC Fund	1,464,465
Nonmajor proprietary fund - Water SDC Fund	<u>622,123</u>
Total business-type activities - restricted	<u>2,243,757</u>
Total restricted cash and investments	<u>4,418,740</u>
Total cash and investments	<u>\$ 12,227,411</u>

Restricted cash is for future payments of debt principal and interest, as well as for future rural and system development improvements.

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

B. Lease Receivable

In July 2020, the City entered into a lease with a tenant for meeting room space for operation of a health clinic and related activities. Under the lease, the tenant pays the City \$946 per month for 60 months in exchange for 905 square feet at the City Hall building. The lease receivable is measured at the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 3%. During the year ended June 30, 2022, the City recognized lease revenue in the amount of \$10,209.

C. Right to Use Leased Assets

The District has recorded three right to use leased assets for equipment. The related leases are discussed in Note III-G.2. The right to use leased assets are amortized on a straight-line basis over the terms of the related leases.

Right to use asset activity for the City for the year ended June 30, 2022 was as follows:

	Beginning Balance, <u>As Restated</u>	<u>Increases</u>	<u>Decreases</u>	Ending Balance
Governmental activities				
Right to use assets				
Leased equipment	\$ 250,731	\$ -	\$ -	\$ 250,731
Less accumulated amortization for Leased equipment	<u>(134,098)</u>	<u>(50,146)</u>	<u>-</u>	<u>(184,244)</u>
Total right to use assets being amortized, net	<u>\$ 116,633</u>	<u>\$ (50,146)</u>	<u>\$ -</u>	<u>\$ 66,487</u>

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

Governmental activities	
General government	<u>\$ 50,146</u>

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

D. Capital Assets

Capital asset activity for the year ended June 30, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets not being depreciated				
Land	\$ 2,093,276	\$ -	\$ -	\$ 2,093,276
Construction in progress	<u>24,512</u>	<u>52,966</u>	<u>16,898</u>	<u>60,580</u>
Total capital assets not being depreciated	<u>2,117,788</u>	<u>52,966</u>	<u>16,898</u>	<u>2,153,856</u>
Capital assets being depreciated				
Buildings	2,250,043	28,479	-	2,288,522
Machinery and equipment	644,163	14,561	-	658,724
Intangibles	8,550	-	-	8,550
Vehicles	975,240	32,975	-	1,008,215
Infrastructure	<u>9,571,523</u>	<u>16,898</u>	-	<u>9,588,421</u>
Total capital assets being depreciated	<u>13,459,519</u>	<u>92,913</u>	-	<u>13,552,432</u>
Less accumulated depreciation for				
Buildings	(951,545)	(64,829)	-	(1,016,374)
Machinery and equipment	(417,283)	(32,114)	-	(449,397)
Intangibles	(8,550)	-	-	(8,550)
Vehicles	(799,989)	(27,108)	-	(827,097)
Infrastructure	<u>(5,952,845)</u>	<u>(301,811)</u>	-	<u>(6,254,656)</u>
Total accumulated depreciation	<u>(8,130,212)</u>	<u>(425,862)</u>	-	<u>(8,556,074)</u>
Total capital assets being depreciated, net	<u>5,329,307</u>	<u>(332,949)</u>	-	<u>4,996,358</u>
Governmental activities capital assets, net	<u>\$ 7,447,095</u>	<u>\$ (279,983)</u>	<u>\$ 16,898</u>	<u>\$ 7,150,214</u>

(Continued)

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

D. Capital Assets (Continued)

(Continued)	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities				
Capital assets not being depreciated				
Construction in progress	\$ 158,352	\$ 82,612	\$ 136,065	\$ 104,899
Capital assets being depreciated				
Buildings	2,159,494	-	-	2,159,494
Machinery and equipment	290,431	14,789	-	305,220
Vehicles	132,580	31,114	-	163,694
Infrastructure	<u>11,658,706</u>	<u>842,696</u>	-	<u>12,501,402</u>
Total capital assets being depreciated	<u>14,241,211</u>	<u>888,599</u>	-	<u>15,129,810</u>
Less accumulated depreciation for				
Buildings	(570,163)	(44,351)	-	(614,514)
Machinery and equipment	(228,581)	(18,825)	-	(247,406)
Vehicles	(76,715)	(8,996)	-	(85,711)
Infrastructure	<u>(6,069,641)</u>	<u>(414,837)</u>	-	<u>(6,484,478)</u>
Total accumulated depreciation	<u>(6,945,100)</u>	<u>(487,009)</u>	-	<u>(7,432,109)</u>
Total capital assets being depreciated, net	<u>7,296,111</u>	<u>401,590</u>	-	<u>7,697,701</u>
Business-type activities capital assets, net	<u>\$ 7,454,463</u>	<u>\$ 484,202</u>	<u>\$ 136,065</u>	<u>\$ 7,802,600</u>

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

D. Capital Assets (Continued)

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

	Capital Assets	Accumulated Depreciation	Net Capital Assets
Governmental activities			
Land	\$ 2,093,276	\$ -	\$ 2,093,276
Construction in progress	60,580	-	60,580
Buildings	2,288,522	(1,016,374)	1,272,148
Machinery and equipment	658,724	(449,397)	209,327
Intangibles	8,550	(8,550)	-
Vehicles	1,008,215	(827,097)	181,118
Infrastructure	<u>9,588,421</u>	<u>(6,254,656)</u>	<u>3,333,765</u>
Total governmental activities capital assets	<u>15,706,288</u>	<u>(8,556,074)</u>	<u>7,150,214</u>
Business-type activities			
Construction in progress	104,899	-	104,899
Buildings	2,159,494	(614,514)	1,544,980
Machinery and equipment	305,220	(247,406)	57,814
Vehicles	163,694	(85,711)	77,983
Infrastructure	<u>12,501,402</u>	<u>(6,484,478)</u>	<u>6,016,924</u>
Total business-type activities capital assets	<u>15,234,709</u>	<u>(7,432,109)</u>	<u>7,802,600</u>
Total capital assets	<u>\$ 30,940,997</u>	<u>\$ (15,988,183)</u>	<u>\$ 14,952,814</u>

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

Governmental activities	
General government	\$ 148,775
Public safety	44,184
Roads and streets	<u>232,903</u>
Total governmental activities	<u>\$ 425,862</u>
Business-type activities	
Water	\$ 264,904
Sewer	<u>222,105</u>
Total business-type activities	<u>\$ 487,009</u>

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

E. Interfund Transfers

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

	Transfers in:				Total
	General Fund	Roads and Streets Fund	Project and Equipment Reserve Fund	Nonmajor Governmental Funds	
Transfers out:					
Governmental activities					
General Fund	\$ -	\$ 36,000	\$ -	\$ 167,000	\$ 203,000
Transient Room Tax Fund	500,589	192,085	521,236	40,000	1,253,910
Total governmental activities	500,589	228,085	521,236	207,000	1,456,910
Business-type activities					
Water Operating Fund	45,000	-	-	72,000	117,000
Sewer Operating Fund	45,000	-	-	75,000	120,000
Total business-type activities	90,000	-	-	147,000	237,000
Total	\$ 590,589	\$ 228,085	\$ 521,236	\$ 354,000	\$ 1,693,910

The principal purposes of the interfund transfers in are summarized below by fund:

General Fund: To fund city hall operations.

Roads and Streets Fund: To fund road and street improvements.

Project and Equipment Reserve Fund: To fund future equipment purchases.

Nonmajor Governmental Funds

Donation Reserve Fund: To support police coverage.

Debt Service Reserve Fund: To fund future debt payments.

Fire Equipment Reserve Fund: To fund future fire equipment purchases.

Water Master Plan Reserve Fund: To support the Water Master Plan.

Sewer Master Plan Reserve Fund: To support the Sewer Master Plan.

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

F. Compensated Absences

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Compensated absences	\$ 36,612	\$ -	\$ 4,330	\$ 32,282	\$ 6,456
Business-type activities					
Compensated absences	\$ 63,129	\$ -	\$ 7,465	\$ 55,664	\$ 11,133

The General, Roads and Streets, Water Operating, and Sewer Operating Funds have traditionally been used to liquidate compensated absences 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, As Restated	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities							
Leases payable							
Copier lease	3%	\$ 18,087	\$ 5,091	\$ -	\$ 3,799	\$ 1,292	\$ 1,292
Phone and network lease	3%	203,148	95,190	-	41,516	53,674	42,778
Postage meter	3%	29,496	16,768	-	5,938	10,830	6,119
Total leases payable		250,731	117,049	-	51,253	65,796	50,189
Bonds							
Series 2020	3%	2,190,000	2,190,000	-	245,000	1,945,000	265,000
Unamortized premium on bonds	N/A	202,427	202,427	-	8,098	194,329	8,098
Total bonds		2,392,427	2,392,427	-	253,098	2,139,329	273,098
Loans							
McMillan Creek Loan - US Bank	4.8%	900,000	120,000	-	60,000	60,000	60,000
Total long-term liabilities		\$ 3,543,158	\$ 2,629,476	\$ -	\$ 364,351	\$ 2,265,125	\$ 383,287

2. Leases Payable

The City has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB Statement No. 87, *Leases*, and therefore, have been recorded at the present values of the future minimum lease payments as of the dates of inception.

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

G. Long-Term Liabilities (Continued)

2. Leases Payable (Continued)

a. Copier Lease

The agreement was executed on November 29, 2017 to lease a copier and requires 60 monthly payments of \$325. Variable payments consist of \$0.007 per copy over 8,500 black and white images and \$0.047 per copy for color images. The lease liability is measured at an implied discount rate of 3%. As a result of the lease, the City has recorded a right to use asset with a net book value of \$1,498 on June 30, 2022. The right to use leased asset is discussed in more detail in Note III-C.

b. Phone and Network Lease

The agreement was executed on October 31, 2018 to lease a phone and networking system and requires 60 monthly payments of \$3,650.30. The lease liability is measured at an implied discount rate of 3%. As a result of the lease, the City has recorded a right to use asset with a net book value of \$54,170 on June 30, 2022. The right to use leased asset is discussed in more detail in Note III-C.

c. Postage Meter Lease

The agreement was executed on April 30, 2019 to lease a postage meter and requires 60 monthly payments of \$530. The lease liability is measured at an implied discount rate of 3%. As a result of the lease, the City has recorded a right to use asset with a net book value of \$10,816 on June 30, 2022. The right to use leased asset is discussed in more detail in Note III-C.

3. Governmental Activity McMillan Creek Loan

On May 15, 2008, the City entered into a loan agreement with US Bank for \$900,000. Proceeds were used to fund the McMillan Creek Reservoir project. Interest on the loan is fixed at 4.8%. Principal and interest payments are due semiannually on October 15 and April 15. The Water Improvements Debt Service Fund has traditionally been used to liquidate long-term debt related to the loan.

4. Governmental Activity Series 2020 Bonds

On December 8, 2020, the City issued Full Faith and Credit Refunding Obligations, Series 2020 in the amount of \$2,190,000 to pay off existing debt obligations. Interest is fixed at 3% and is payable semiannually on August 1 and February 1. The Debt Service Reserve Fund has traditionally been used to liquidate long-term debt related to the obligations.

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

G. Long-Term Liabilities (Continued)

5. Governmental Activity Future Maturities of Long-Term Liabilities

The future minimum long-term liability obligations and the net present values of the minimum lease payments as of June 30, 2022 are as follows:

Year Ending June 30	Leases		Bonds		Loan		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 50,189	\$ 1,274	\$ 265,000	\$ 54,375	\$ 60,000	\$ 2,160	\$ 375,189	\$ 57,809
2024	15,607	114	270,000	46,350	-	-	285,607	46,464
2025	-	-	280,000	38,100	-	-	280,000	38,100
2026	-	-	75,000	32,775	-	-	75,000	32,775
2027	-	-	80,000	30,450	-	-	80,000	30,450
2028-2032	-	-	375,000	116,775	-	-	375,000	116,775
2033-2037	-	-	185,000	76,575	-	-	185,000	76,575
2038-2042	-	-	215,000	46,575	-	-	215,000	46,575
2043-2046	-	-	200,000	12,000	-	-	200,000	12,000
	<u>\$ 65,796</u>	<u>\$ 1,388</u>	<u>\$ 1,245,000</u>	<u>\$ 453,975</u>	<u>\$ 60,000</u>	<u>\$ 2,160</u>	<u>\$ 2,070,796</u>	<u>\$ 457,523</u>

H. Constraints on Fund Balances

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

	General Fund	Roads and Streets Fund	Transient Room Tax Fund	Sewer Improvements Debt Service	Project and Equipment Reserve	Nonmajor Governmental Funds	Total Governmental Funds
Fund balances:							
Nonspendable - prepaids	\$ 9,189	\$ 2,616	\$ -	\$ -	\$ -	\$ -	\$ 11,805
Restricted for:							
Debt service	-	-	-	813,993	-	767,519	1,581,512
Street maintenance	-	421,624	-	-	-	-	421,624
System development	-	-	-	-	-	184,551	184,551
Donated purpose	-	-	-	-	-	41,828	41,828
Assigned to:							
Fire equipment	-	-	-	-	-	178,249	178,249
Future equipment purchases	-	-	-	-	1,098,482	-	1,098,482
Special projects	-	-	1,591,812	-	-	-	1,591,812
Debt service	-	-	-	-	-	137	137
System improvements	-	-	-	-	-	892,404	892,404
Unassigned	1,369,753	-	-	-	-	-	1,369,753
Total fund balances	<u>\$ 1,378,942</u>	<u>\$ 424,240</u>	<u>\$ 1,591,812</u>	<u>\$ 813,993</u>	<u>\$ 1,098,482</u>	<u>\$ 2,064,688</u>	<u>\$ 7,372,157</u>

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

IV. PENSION PLAN

A. Plan Description

Employees of the City 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 System Board to administer and manage the system. All benefits of the system are established by the legislature, pursuant to Oregon Revised Statutes (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 annual comprehensive financial report and actuarial valuation, both of which can be obtained at: <http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>.

B. Benefits Provided

1. 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 that are actuarially equivalent to the base benefit. These options include survivorship benefits and lump-sum refunds. The base benefit is based on years of service and final average salary. A percentage (1.67% for general service employees, 2.0% for police and fire 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. Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2020. Police and fire members may purchase increased benefits that are payable between the date of retirement and age 65.

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 Pension Plan is closed to new members hired on or after August 29, 2003.

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

IV. PENSION PLAN (Continued)

B. Benefits Provided (Continued)

1. Tier One/Tier Two Retirement Benefit (ORS Chapter 238) (Continued)

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 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 fair value of underlying global equity investments of that account. Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living adjustments (COLA). The COLA is capped at 2.0%.

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

IV. PENSION PLAN (Continued)

B. Benefits Provided (Continued)

2. Oregon Public Service Retirement Plan (OPSRP) Pension Program (Defined Benefit)

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:

General service: 1.5% 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.

Police and fire: 1.8% 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.

Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2020.

A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, or, 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% 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 credit before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45% of the member's salary determined as of the last full month of employment before the disability occurred.

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

IV. PENSION PLAN (Continued)

B. Benefits Provided (Continued)

3. OPSRP Individual Account Program (IAP)

Benefit Terms

The IAP is an individual account-based program under the OPERS tax-qualified governmental plan as defined under ORS 238A.400. An IAP member becomes vested on the date the employee account is established or on the date the rollover account is 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 IAP may receive the amounts in his or her employee account, rollover account, and vested employee account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, or 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution stipulation.

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.

C. 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. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation, which became effective July 1, 2021. Effective January 1, 2020, Senate Bill 1049 required employers to pay contributions on reemployed PERS retirees' salaries as if they were active members, excluding IAP contributions. Employer contributions for the year ended June 30, 2022 were \$140,624, excluding amounts to fund employer-specific liabilities. The rates in effect for the fiscal year ended June 30, 2022 were 23.07% for Tier One/Tier Two general service members, 23.07% for Tier One/Tier Two police and fire members, 18.43% for OPSRP Pension Program general service members, 22.79% for OPSRP Pension Program police and fire members, and 6% for OPSRP IAP.

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

IV. PENSION PLAN (Continued)

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

At June 30, 2022, the City reported a liability of \$1,025,466 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019 rolled forward to June 30, 2021. The 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, 2021, the City's proportion was 0.0086%, which decreased from its proportion of 0.0101% measured as of June 30, 2020.

For the year ended June 30, 2022, the City recognized pension expense of \$(41,887). At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 95,990	\$ -
Changes in assumptions	256,704	2,699
Net difference between projected and actual earnings on investments	-	759,145
Changes in proportion	44,161	309,130
Differences between employer contributions and proportionate share of contributions	5,763	58,649
Total (prior to post measurement date contributions)	402,618	1,129,623
Contributions subsequent to the measurement date	140,624	-
Total	\$ 543,242	\$ 1,129,623

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

IV. PENSION PLAN (Continued)

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

Deferred outflows of resources related to pensions of \$140,624 resulting from the City's contributions subsequent to the measurement date will be recognized as either a reduction of the net pension liability or an increase in the net pension asset in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Amortization Period Ending June 30	Deferred Outflows	Deferred Inflows
2023	\$ 154,948	\$ 283,282
2024	94,198	257,326
2025	68,820	264,314
2026	61,031	304,684
2027	23,621	20,017
	\$ 402,618	\$ 1,129,623

E. Actuarial Assumptions

The employer contribution rates effective July 1, 2021 through June 30, 2023, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), and (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period. Senate Bill 1049 was signed into law in June 2019 and required a one-time re-amortization of Tier One/Tier Two unfunded actuarial accrued liabilities over a 22-year period at the December 31, 2019 rate-setting actuarial valuation, which set actuarially determined contribution rates for the 2021-2023 biennium. Future Tier One/Tier Two unfunded actuarial accrued liability gains or losses will be amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an actuarially determined amount for funding a disability benefit component, and (3) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

IV. PENSION PLAN (Continued)

E. Actuarial Assumptions (Continued)

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2019
Measurement Date	June 30, 2021
Experience Study	2018, published July 24, 2019
Actuarial Assumptions:	
Actuarial Cost Method	Entry Age Normal
Inflation Rate	2.40%
Long-Term Expected Rate of Return	6.90%
Discount Rate	6.90%
Projected Salary Increases	3.40%
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25% / 0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy retirees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

Actuarial valuations of an ongoing plan involve estimates of 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.

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

IV. PENSION PLAN (Continued)

F. 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 Public Employees Retirement System 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 displays the OIC-approved asset allocation policy, revised as of April 24, 2019.

Asset Class	Target Allocation
Cash	0.00 %
Debt Securities	20.00 %
Public Equity	32.50 %
Private Equity	17.50 %
Real Estate	12.50 %
Alternatives Portfolio	15.00 %
Risk Parity	<u>2.50 %</u>
Total	<u>100.00 %</u>

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 asset 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.

Asset Class	Target Allocation	20-Year Annualized Geometric Mean
Global Equity	30.62 %	5.85 %
Private Equity	25.50 %	7.71 %
Core Fixed Income	23.75 %	2.73 %
Real Estate	12.25 %	5.66 %
Master Limited Partnerships	0.75 %	5.71 %
Infrastructure	1.50 %	6.26 %
Commodities	0.63 %	3.10 %
Hedge Fund of Funds - Multistrategy	1.25 %	5.11 %
Hedge Fund Equity - Hedge	0.63 %	5.31 %
Hedge Fund - Macro	5.62 %	5.06 %
US Cash	<u>-2.50 %</u>	1.76 %
Total	<u>100.00 %</u>	
Assumed Inflation - Mean		2.40 %

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

IV. PENSION PLAN (Continued)

G. Depletion Date Projection

GASB Statement No. 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 net position (fair value of investment assets, all others at cost) 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 net position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB Statement No. 68 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB Statement No. 68 (paragraph 67) does allow for alternative evaluations of projected solvency if such evaluation can reliably be made. The Governmental Accounting Standards Board 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 for sufficiency for OPERS:

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

Based on these circumstances, it is OPERS' third-party actuary's opinion that the detailed depletion date projections outlined in GASB Statement No. 68 would clearly indicate that the net position is always projected to be sufficient to cover benefit payments and administrative expenses.

H. Discount Rate

The discount rate used to measure the total pension liability was 6.90% 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 net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

IV. PENSION PLAN (Continued)

I. 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 6.90%, 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 one percentage point lower (5.90%) or one percentage point higher (7.90%) than the current rate:

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net pension liability (asset)	\$ 2,013,770	\$ 1,025,466	\$ 198,614

J. Pension Plan Net Position

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

K. Changes in Plan Provisions During Measurement Period

Oregon Senate Bill 111, enacted in June 2021, provides an increased pre-retirement death benefit for members who die on or after their early retirement age.

L. Changes in Plan Provisions Subsequent to Measurement Date

On July 23, 2021, the Public Employees Retirement System Board voted to set the assumed rate of return to 6.90%, down from 7.20%, and the inflation rate was lowered from 2.50% to 2.40%. These rates were applied by the actuaries to the net pension liability as of June 30, 2021.

V. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

A. Benefit Plans

The other postemployment benefits (OPEB) for the City combines two separate plans. The City provides an implicit rate subsidy for retiree health insurance continuation premiums, and a contribution to the State of Oregon's PERS cost-sharing, multiple-employer, defined health insurance benefit plan.

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

V. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

B. Financial Statement Presentation

The amounts on the financial statements relate to the plans as follows:

	Implicit Rate Subsidy Plan	PERS RHIA Plan	Total OPEB
Net OPEB (asset) liability	\$ 79,510	\$ (20,308)	\$ 59,202
Deferred outflows of resources			
Change in proportionate share	-	2,212	2,212
Change in assumptions	2,349	400	2,749
Contributions after measurement date	-	97	97
Deferred inflows of resources			
Difference between projected and actual earnings on investments	-	(4,826)	(4,826)
Difference between expected and actual experience	(10,567)	(565)	(11,132)
Change in assumptions	(12,567)	(302)	(12,869)
OPEB expense (Included in program expenses on statement of activities)	9,206	(1,375)	7,831

C. Implicit Rate Subsidy

1. Plan Description

The City's healthcare plan is administered by Citycounty Insurance Services. The City has a health insurance continuation option available for most groups of retirees. It is a substantive postemployment benefits plan offered under Oregon Revised Statutes (ORS) 243. ORS 243.303 requires that the City provide retirees with an opportunity to participate in group health and dental insurance from the date of retirement to age 65, and the rate would be calculated using claims experience from retirees and active employees for health plan rating purposes. Providing the same rate to retirees as provided to current employees constitutes an implicit rate subsidy for OPEB. This single-employer plan is not a standalone plan and therefore does not issue its own financial statements.

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

V. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

C. Implicit Rate Subsidy (Continued)

2. Benefits Provided

The plan provides eligible retirees and their dependents under age 65 the same healthcare coverage at the same premium rates as offered to active employees. The retiree is responsible for the premiums. As of the valuation date of July 1, 2020, the following employees were covered by the benefit terms:

Active employees	14	
Inactive employees or beneficiaries receiving benefits	-	
Total	14	

3. Total OPEB Liability, Expense, and Deferred Outflows and Inflows of Resources Related to the Implicit Rate Subsidy

The City's total OPEB liability of \$79,510 was measured as of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2020.

For the fiscal year ended June 30, 2022, the City recognized OPEB expense from this plan of \$9,206. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 10,567
Change in assumptions	2,349	12,567
Total	\$ 2,349	\$ 23,134

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

V. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

C. Implicit Rate Subsidy (Continued)

3. Total OPEB Liability, Expense, and Deferred Outflows and Inflows of Resources Related to the Implicit Rate Subsidy (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Amortization Period Ending June 30	Deferred Outflows and Inflows
2023	\$ (2,925)
2024	(2,925)
2025	(2,925)
2026	(2,925)
2027	(2,925)
Thereafter	(6,160)
	\$ (20,785)

4. Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2020 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation Rate	2.50%
Salary Increases	3.50%
Healthy Mortality	Pub-2010 General and Safety Employee and Healthy Retiree tables, sex distinct for members and dependents, with a one-year setback for male general service employees and female safety employees
Discount Rate	2.16% (change from 2.21% in previous measurement period)
Healthcare Cost Trend Rate	Medical and vision: 5.25% in 2022, varying between 5.00% and 4.00% in future years Dental: 4.00% per year

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

V. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

C. Implicit Rate Subsidy (Continued)

4. Actuarial Assumptions and Other Inputs (Continued)

The discount rate was based on the Bond Buyer 20-Year General Obligation Municipal Bond Index.

5. Changes in the Total OPEB Liability

	Total OPEB Liability
Balance as of June 30, 2021	\$ 67,236
Changes for the year:	
Service cost	10,418
Interest on total OPEB liability	1,713
Effect of assumption changes or inputs	439
Benefit payments	(296)
Balance as of June 30, 2022	\$ 79,510

Changes in assumptions is the result of the change in the discount rate from 2.21% to 2.16%.

6. Sensitivity of the Total OPEB Liability

The following presents the City's total OPEB liability, as well as what the liability would be if it were calculated using a discount rate that is one percentage point lower (1.16%) or one percentage point higher (3.16%) than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare trend assumption.

	Discount Rate		
	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB liability	\$ 89,056	\$ 79,510	\$ 70,663
	Healthcare Cost Trend		
	1% Decrease (4.25%)	Current Trend Rate (5.25%)	1% Increase (6.25%)
Total OPEB liability	\$ 65,371	\$ 79,510	\$ 96,986

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

V. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

D. PERS Retirement Health Insurance Account (RHIA)

1. Plan Description

The City contributes to the PERS Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing, multiple-employer, defined benefit other postemployment benefit plan administered by PERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums for eligible retirees. ORS 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants hired after August 29, 2003. PERS issues publicly available financial statements and required supplementary information. That report may be obtained at:
<http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>.

2. Benefits Provided

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the RHIA established by the employer and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost, the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

3. Contributions

PERS' funding policy provides for 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. Employer contribution rates for the period were based on the December 31, 2019 actuarial valuation, which became effective July 1, 2021. The City's contribution rates for the period were 0.06% for Tier One/Tier Two members to fund the normal cost portion of RHIA benefits. No unfunded actuarial accrued liability rate was assigned for the RHIA program as it was funded at 172.1% as of December 31, 2020. Typically, PERS employers contribute an actuarially determined percentage of all PERS-covered salaries to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities being amortized over 10 years. The City's total contributions for the year ended June 30, 2022 amounted to \$97.

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

V. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

D. PERS Retirement Health Insurance Account (RHIA) (Continued)

4. OPEB Assets, Liabilities, Expense, and Deferred Outflows and Inflows of Resources Related to RHIA

At June 30, 2022, the City reported an asset of \$20,308 for its proportionate share of the OPERS net OPEB asset. The net OPEB asset was measured as of June 30, 2021, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to June 30, 2021. The City's proportion of the net OPEB asset was based on the City's contributions to the RHIA program during the measurement period relative to contributions from all participating employers. At June 30, 2021, the City's proportionate share was 0.0059%, which decreased from its proportion of 0.0069% as of June 30, 2020.

For the year ended June 30, 2022, the City recognized OPEB expense from this plan of \$(1,375). At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 565
Net differences between projected and actual earnings	-	4,826
Change in assumptions	400	302
Change in proportionate share	2,212	-
Total (prior to post measurement date contributions)	2,612	5,693
Contributions subsequent to the measurement date	97	-
Total	\$ 2,709	\$ 5,693

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

V. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

D. PERS Retirement Health Insurance Account (RHIA) (Continued)

4. OPEB Assets, Liabilities, Expense, and Deferred Outflows and Inflows of Resources Related to RHIA (Continued)

Deferred outflows of resources related to OPEB of \$97 resulting from the City's contributions subsequent to the measurement date will be recognized as either a reduction of the net OPEB liability or an increase in the net OPEB asset in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Amortization Period Ending June 30	Deferred Outflows	Deferred Inflows
2023	\$ 1,963	\$ 1,929
2024	649	1,137
2025	-	1,102
2026	-	1,525
	\$ 2,612	\$ 5,693

5. Actuarial Methods and Assumptions

The RHIA plan is unaffected by healthcare cost trends since the benefit is limited to a \$60 monthly payment toward Medicare companion insurance premiums; consequently, the disclosure of a healthcare cost trend is not applicable. Other significant actuarial assumptions are consistent with those disclosed for the OPERS pension plan in Note IV-E.

6. Long-Term Expected Rate of Return

The long-term expected rate of return assumptions for the OPEB plan are consistent with those disclosed for the OPERS pension plan in Note IV-F.

7. Depletion Date Projection

The detailed depletion date projections outlined in GASB Statement No. 75, and allowance for alternative evaluations of projected solvency outlined in GASB Statement No. 75 (paragraph 39), are consistent with those disclosed for GASB Statement No. 68 in Note IV-G.

8. Discount Rate

The discount rate used to measure the total OPEB liability was 6.90% for the OPEB plan. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the OPEB plan's net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the OPEB plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

V. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

D. PERS Retirement Health Insurance Account (RHIA) (Continued)

9. Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the City's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 6.90%, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.90%) or one percentage point higher (7.90%) than the current rate:

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net OPEB liability (asset)	\$ (17,960)	\$ (20,308)	\$ (22,315)

10. OPEB Plan Net Position

Detailed information about the other postemployment benefit plan's net position is available in the separately issued OPERS financial report.

11. Changes in Plan Provisions During Measurement Period

There were no changes in plan provisions during the current measurement period.

12. Changes in Plan Provisions Subsequent to Measurement Date

On July 23, 2021, the Public Employees Retirement System Board voted to set the assumed rate of return to 6.90%, down from 7.20%, and the inflation rate was lowered from 2.50% to 2.40%. These rates were applied by the actuaries to the net OPEB liability as of June 30, 2021.

VI. 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. Tax Abatements

The City had no tax abatements for the year ended June 30, 2022.

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

VI. OTHER INFORMATION (Continued)

C. Pending Litigation

The City has pending litigation from an individual who resides in the City. The following case is pending judgment at the Court of Appeals:

Case	Damages Requested	Potential of Loss*
Dang v. City of Rockaway Beach	\$ 213,627	\$ 213,627

* Plus 9% interest

See Note VI-F.1 for further information.

D. Restatement

In implementing GASB Statement No. 87, *Leases*, the City has restated beginning net position in order to recognize a lease receivable, right to use leased assets, lease liabilities, and deferred inflows of resources related to leases on the statement of net position. Beginning net position was restated as follows:

Government-Wide Statements	Governmental Activities
Net position - beginning, as originally reported	\$ 10,389,729
Cumulative effect of change in accounting principle	<u>(416)</u>
Net position - beginning, as restated	<u>\$ 10,389,313</u>

E. New Pronouncements

The Governmental Accounting Standards Board (GASB) has issued the following pronouncements that have future effective dates that will impact future financial presentations. Management has not currently determined what impact implementation of the following statements will have on future financial statements.

GASB Statement No. 91, *Conduit Debt Obligations*, is effective for the City beginning with its fiscal year ending June 30, 2023. The objective of this statement clarifies the definition of a conduit debt obligation and improves required note disclosures.

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

VI. OTHER INFORMATION (Continued)

E. New Pronouncements (Continued)

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, will be effective for the City beginning with its fiscal year ending June 30, 2023. The requirements of this statement will improve financial reporting by establishing the definitions of public-private and public-public arrangements (PPPs) and availability payment arrangements (APAs) and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, will be effective for the City beginning with its fiscal year ending June 30, 2023. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments.

GASB Statement No. 99, *Omnibus 2022*, will be effective for the City beginning with its fiscal year ending June 30, 2023. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation of certain GASB statements and accounting and financial reporting for financial guarantees.

GASB Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*, will be effective for the City beginning with its fiscal year ending June 30, 2024. The objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or accessing accountability.

GASB Statement No. 101, *Compensated Absences*, will be effective for the City beginning with its fiscal year ending June 30, 2025. This statement updates the recognition and measurement guidance for compensated absences and amends previously required disclosures.

F. Subsequent Events

Management has evaluated subsequent events through December 7, 2022, which was the date that the financial statements were available to be issued.

1. Litigation

The City reached a settlement regarding the Dang v. City of Rockaway Beach litigation. As of December 7, 2022, there was no liability.

REQUIRED SUPPLEMENTARY INFORMATION

DRAFT

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

<u>Pension Plan</u>	(a)	(b)	(c)	(b/c)	Plan fiduciary
Year Ended June 30	City's proportion of the net pension liability (asset)	City's proportionate share of the net pension liability (asset)	City's covered payroll	City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	net position as a percentage of the total pension liability
2022	0.00856949%	\$ 1,025,466	\$ 1,063,702	96.41%	87.60%
2021	0.01014378%	2,213,722	1,039,294	213.00%	75.80%
2020	0.01112959%	1,925,153	985,173	195.41%	80.20%
2019	0.01101116%	1,668,046	1,046,607	159.38%	82.10%
2018	0.00974040%	1,313,010	872,539	150.48%	83.10%
2017	0.00799472%	1,200,193	852,821	140.73%	80.50%
2016	0.00917517%	526,789	784,187	67.18%	91.90%
2015	0.00734632%	(166,520)	768,898	(21.66)%	103.60%
2014	0.00734632%	374,893	710,228	52.78%	91.97%

Changes in Benefit Terms

The Oregon Supreme Court decision in *Moro v. State of Oregon* issued on April 30, 2015 reversed a significant portion of the reductions that the 2013 Oregon Legislature made to future COLA through Senate Bills 822 and 861. This reversal increased the proportionate share of the net pension liability (asset) as of June 30, 2015 as compared to June 30, 2014.

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 benefits for certain active members are projected to be lower than prior to the legislation.

Oregon Senate Bill 111, enacted in June 2021, provides an increased pre-retirement death benefit for members who die on or after their early retirement age.

Changes in Assumptions

The Public Employees Retirement System Board adopted assumption changes that were used to measure the June 30, 2016, 2018, and 2021 total pension liability. For June 30, 2016, the changes included the lowering of the long-term expected rate of return to 7.50% and the lowering of the assumed inflation rate to 2.50%. For June 30, 2018, the long-term expected rate of return was lowered to 7.20%. For June 30, 2021, the long-term expected rate of return was lowered to 6.90% and the inflation rate was lowered to 2.40%. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay.

*This schedule is intended to show information for 10 years; additional years' information will be displayed as it becomes available.

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

SCHEDULE OF CONTRIBUTIONS

<u>Pension Plan</u>		(b)		(a-b)		(c)		(b/c)
Year Ended June 30	(a) Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	City's covered payroll	Contributions as a percent of covered payroll			
2022	\$ 140,624	\$ 140,624	\$ -	\$ 905,492	15.53%			
2021	188,026	188,026	-	1,063,702	17.68%			
2020	181,607	181,607	-	1,039,294	17.47%			
2019	141,692	141,692	-	985,173	14.38%			
2018	139,921	139,921	-	1,046,607	13.37%			
2017	102,448	102,448	-	872,539	11.74%			
2016	87,043	87,043	-	852,821	10.21%			
2015	75,707	75,707	-	784,187	9.65%			
2014	82,150	82,150	-	768,898	10.68%			

Changes in Benefit Terms

The Oregon Supreme Court decision in *Moro v. State of Oregon* issued on April 30, 2015 reversed a significant portion of the reductions that the 2013 Oregon Legislature made to future COLA through Senate Bills 822 and 861. This reversal increased the proportionate share of the net pension liability (asset) as of June 30, 2015 as compared to June 30, 2014.

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 benefits for certain active members are projected to be lower than prior to the legislation.

Oregon Senate Bill 111, enacted in June 2021, provides an increased pre-retirement death benefit for members who die on or after their early retirement age.

Changes in Assumptions

The Public Employees Retirement System Board adopted assumption changes that were used to measure the June 30, 2016, 2018, and 2021 total pension liability. For June 30, 2016, the changes included the lowering of the long-term expected rate of return to 7.50% and the lowering of the assumed inflation rate to 2.50%. For June 30, 2018, the long-term expected rate of return was lowered to 7.20%. For June 30, 2021, the long-term expected rate of return was lowered to 6.90% and the inflation rate was lowered to 2.40%. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay.

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CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS

<u>Implicit Rate Subsidy</u>	2022	2021
Total OPEB Liability		
Service cost	\$ 10,418	\$ 7,015
Interest	1,713	2,651
Economic/demographic gains or losses	-	(9,595)
Change in assumptions	439	(384)
Benefit payments	(296)	(2,317)
Net change in total OPEB liability	12,274	(2,630)
Total OPEB liability - beginning	67,236	69,866
Total OPEB liability - ending	\$ 79,510	\$ 67,236
Covered employee payroll	\$ 905,492	\$ 1,063,702
Total OPEB liability as a percentage of covered employee payroll	8.78%	6.32%

Changes in Assumptions

For each valuation date, the following changes in assumptions are made:

Expected claims and premiums are updated to reflect changes in available benefits and premium levels. Expected retiree and dependent costs are updated to reflect current health cost guidelines.

The healthcare cost trend is updated to reflect changes in premium levels, as well as future expected economic and regulatory conditions.

Mortality, withdrawal, and retirement rates are updated to reflect assumptions used in the Oregon PERS actuarial valuation immediately preceding each implicit rate subsidy valuation date.

For June 30, 2022, the discount rate decreased to 2.16%. For June 30, 2021, the discount rate decreased to 2.21%. For June 30, 2019, the discount rate increased to 3.87% from 3.58% for June 30, 2018.

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<u>2020</u>	<u>2019</u>	<u>2018</u>
\$ 6,285	\$ 10,071	\$ 10,697
2,516	2,740	2,031
-	(4,194)	-
2,727	(15,055)	(5,645)
<u>(788)</u>	<u>(1,794)</u>	<u>(550)</u>
10,740	(8,232)	6,533
<u>59,126</u>	<u>67,358</u>	<u>60,825</u>
<u>\$ 69,866</u>	<u>\$ 59,126</u>	<u>\$ 67,358</u>
\$ 1,039,294	\$ 985,173	\$ 1,046,607
6.72%	6.00%	6.44%

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CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)

RHIA

Year Ended June 30	(a) City's proportion of the net OPEB liability (asset)	(b) City's proportionate share of the net OPEB liability (asset)	(c) City's covered payroll	(b/c) City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2022	0.00591390%	\$ (20,308)	\$ 1,063,702	-1.91%	183.90%
2021	0.00687354%	(14,006)	1,039,294	-1.35%	150.10%
2020	0.00899631%	(17,384)	985,173	-1.76%	144.40%
2019	0.94245500%	(10,520)	1,046,607	-1.01%	124.00%
2018	0.96124200%	(4,012)	872,539	-0.46%	108.90%
2017	0.00861744%	2,340	852,821	0.27%	94.20%

Changes in Assumptions

The Public Employees Retirement System adopted assumption changes that were used to measure the June 30, 2016, 2018, and 2021 total OPEB liability. For June 30, 2016, the changes included the lowering of the long-term expected rate of return to 7.50% and the lowering of the assumed inflation rate to 2.50%. For June 30, 2018, the long-term expected rate of return was lowered to 7.20%. For June 30, 2021, the long-term expected rate of return was lowered to 6.90% and the inflation rate was lowered to 2.40%. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups.

No assets have been accumulated in a trust to pay for the related benefits.

*This schedule is intended to show information for 10 years; additional years' information will be displayed as it becomes available.

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

SCHEDULE OF CONTRIBUTIONS

OTHER POSTEMPLOYMENT BENEFITS

<u>RHIA</u>					
Year Ended June 30	(a) Contractually required contribution	(b) Contributions in relation to the contractually required contribution	(a-b) Contribution deficiency (excess)	(c) City's covered payroll	(b/c) Contributions as a percent of covered payroll
2022	\$ 97	\$ 97	-	\$ 905,492	0.01%
2021	437	437	-	1,063,702	0.04%
2020	4,464	4,464	-	1,039,294	0.43%
2019	4,459	4,459	-	985,173	0.45%
2018	4,786	4,786	-	1,046,607	0.46%
2017	3,842	3,842	-	872,539	0.44%

Changes in Assumptions

The Public Employees Retirement System adopted assumption changes that were used to measure the June 30, 2016, 2018, and 2021 total OPEB liability. For June 30, 2016, the changes included the lowering of the long-term expected rate of return to 7.50% and the lowering of the assumed inflation rate to 2.50%. For June 30, 2018, the long-term expected rate of return was lowered to 7.20%. For June 30, 2021, the long-term expected rate of return was lowered to 6.90% and the inflation rate was lowered to 2.40%. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups.

No assets have been accumulated in a trust to pay for the related benefits.

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CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

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

GENERAL FUND

For the Year Ended June 30, 2022

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual		GAAP Basis
			Budget Basis	Adjustments	
REVENUES					
Taxes					
Property	\$ 428,830	\$ 35,800	\$ 464,630	\$ 10,294	\$ 474,924
Alcohol	18,000	8,669	26,669	-	26,669
Cigarette	1,500	(301)	1,199	-	1,199
Other taxes	52,000	(14,696)	37,304	-	37,304
Licenses, permits, and fees	432,550	39,282	471,832	-	471,832
Grants	265,682	(236,421)	29,261	-	29,261
Charges for services	40,500	(130)	40,370	-	40,370
State revenue sharing	20,000	5,711	25,711	-	25,711
Investment earnings	18,000	3,599	21,599	-	21,599
Other revenue	6,500	5,822	12,322	-	12,322
Total revenues	1,283,562	(152,665)	1,130,897	10,294	1,141,191
EXPENDITURES					
Current					
Administration	600,735	(107,732)	493,003	-	493,003
Public safety	719,764	(471,268)	248,496	-	248,496
Fire protection	623,439	(203,176)	420,263	-	420,263
Total current expenditures	1,943,938	(782,176)	1,161,762	-	1,161,762
Debt service	82,515	(11,903)	70,612	-	70,612
Contingency	250,000	(250,000)	-	-	-
Total expenditures	2,276,453	(1,044,079)	1,232,374	-	1,232,374
Excess (deficiency) of revenues over (under) expenditures	(992,891)	891,414	(101,477)	10,294	(91,183)
OTHER FINANCING SOURCES (USES)					
Proceeds of sale	285,000	(285,000)	-	-	-
Transfers in	590,589	-	590,589	-	590,589
Transfers out	(203,000)	-	(203,000)	-	(203,000)
Total other financing sources (uses)	672,589	(285,000)	387,589	-	387,589
Net change in fund balance	(320,302)	606,414	286,112	10,294	296,406
Fund balance - beginning	571,080	516,955	1,088,035	(5,499)	1,082,536
Fund balance - ending	\$ 250,778	\$ 1,123,369	\$ 1,374,147	\$ 4,795	\$ 1,378,942

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

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

ROADS AND STREETS FUND

For the Year Ended June 30, 2022

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual		GAAP Basis
			Budget Basis	Adjustments	
REVENUES					
Grants	\$ 100,000	\$ (100,000)	\$ -	\$ -	\$ -
State revenue sharing	100,000	14,516	114,516	-	114,516
Investment earnings	4,000	1,188	5,188	-	5,188
Total revenues	204,000	(84,296)	119,704	-	119,704
EXPENDITURES					
Current					
Personnel services	145,332	(36,145)	109,187	-	109,187
Materials and services	124,200	(7,241)	116,959	-	116,959
Capital outlay	150,000	(143,956)	6,044	-	6,044
Contingency	30,000	(30,000)	-	-	-
Total expenditures	449,532	(217,342)	232,190	-	232,190
Excess (deficiency) of revenues over (under) expenditures	(245,532)	133,046	(112,486)	-	(112,486)
OTHER FINANCING SOURCES (USES)					
Transfers in	228,085	-	228,085	-	228,085
Net change in fund balance	(17,447)	133,046	115,599	-	115,599
Fund balance - beginning	172,759	135,882	308,641	-	308,641
Fund balance - ending	\$ 155,312	\$ 268,928	\$ 424,240	\$ -	\$ 424,240

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

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

TRANSIENT ROOM TAX FUND

For the Year Ended June 30, 2022

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual		GAAP Basis
			Budget Basis	Adjustments	
REVENUES					
Transient room taxes	\$ 1,243,082	\$ 414,173	\$ 1,657,255	\$ -	\$ 1,657,255
Investment earnings	4,000	(2,403)	1,597	-	1,597
Total revenues	<u>1,247,082</u>	<u>411,770</u>	<u>1,658,852</u>	<u>-</u>	<u>1,658,852</u>
EXPENDITURES					
Current					
Materials and services	317,678	(127,824)	189,854	-	189,854
Contingency	10,000	(10,000)	-	-	-
Total expenditures	<u>327,678</u>	<u>(137,824)</u>	<u>189,854</u>	<u>-</u>	<u>189,854</u>
Excess (deficiency) of revenues over (under) expenditures	919,404	549,594	1,468,998	-	1,468,998
OTHER FINANCING SOURCES (USES)					
Transfers out	(1,253,910)	-	(1,253,910)	-	(1,253,910)
Net change in fund balance	(334,506)	549,594	215,088	-	215,088
Fund balance - beginning	<u>412,500</u>	<u>964,224</u>	<u>1,376,724</u>	<u>-</u>	<u>1,376,724</u>
Fund balance - ending	<u>\$ 77,994</u>	<u>\$ 1,513,818</u>	<u>\$ 1,591,812</u>	<u>\$ -</u>	<u>\$ 1,591,812</u>

OTHER SUPPLEMENTARY INFORMATION
COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES

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CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

June 30, 2022

	Special Revenue Funds		Debt Service Funds	
	Transportation SDC	Donation Reserve	Debt Service Reserve	Water Improvements Debt Service
ASSETS				
Cash and cash equivalents	\$ 184,551	\$ 41,828	\$ 229,400	\$ 514,603
Accounts receivable, net	-	-	-	23,516
Total assets	\$ 184,551	\$ 41,828	\$ 229,400	\$ 538,119
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Fund balances				
Restricted for:				
Debt service	-	-	229,400	538,119
System development	184,551	-	-	-
Donated purpose	-	41,828	-	-
Assigned to:				
Fire equipment	-	-	-	-
Debt service	-	-	-	-
System improvements	-	-	-	-
Total fund balances	184,551	41,828	229,400	538,119
Total liabilities and fund balances	\$ 184,551	\$ 41,828	\$ 229,400	\$ 538,119

Debt Service Fund	Capital Projects Funds			Total Nonmajor Governmental Funds
	1981 Water Revenue Bond	Fire Equipment Reserve	Water Master Plan Reserve	
\$ 137	\$ 178,249	\$ 490,953	\$ 402,153	\$ 2,041,874
-	-	-	-	23,516
<u>\$ 137</u>	<u>\$ 178,249</u>	<u>\$ 490,953</u>	<u>\$ 402,153</u>	<u>\$ 2,065,390</u>
\$ -	\$ -	\$ 702	\$ -	\$ 702
-	-	-	-	767,519
-	-	-	-	184,551
-	-	-	-	41,828
-	178,249	-	-	178,249
137	-	-	-	137
<u>-</u>	<u>-</u>	<u>490,251</u>	<u>402,153</u>	<u>892,404</u>
<u>137</u>	<u>178,249</u>	<u>490,251</u>	<u>402,153</u>	<u>2,064,688</u>
<u>\$ 137</u>	<u>\$ 178,249</u>	<u>\$ 490,953</u>	<u>\$ 402,153</u>	<u>\$ 2,065,390</u>

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CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

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

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended June 30, 2022

	Special Revenue Funds		Debt Service Funds	
	Transportation SDC	Donation Reserve	Debt Service Reserve	Water Improvements Debt Service
REVENUES				
Licenses, permits, and fees	\$ 29,378	\$ -	\$ -	\$ -
Debt service fees	-	-	-	152,127
Investment earnings	211	-	-	316
Total revenues	<u>29,589</u>	<u>-</u>	<u>-</u>	<u>152,443</u>
EXPENDITURES				
Debt service	-	-	-	101,903
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,903</u>
Excess (deficiency) of revenues over (under) expenditures	<u>29,589</u>	<u>-</u>	<u>-</u>	<u>50,540</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	22,000	100,000	-
Contributed capital out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>22,000</u>	<u>100,000</u>	<u>-</u>
Net change in fund balances	29,589	22,000	100,000	50,540
Fund balances - beginning	<u>154,962</u>	<u>19,828</u>	<u>129,400</u>	<u>487,579</u>
Fund balances - ending	<u>\$ 184,551</u>	<u>\$ 41,828</u>	<u>\$ 229,400</u>	<u>\$ 538,119</u>

Debt Service Fund	Capital Projects Funds			Total Nonmajor Governmental Funds
	1981 Water Revenue Bond	Fire Equipment Reserve	Water Master Plan Reserve	
\$ -	\$ -	\$ -	\$ -	\$ 29,378
-	-	-	-	152,127
-	249	3,637	2,180	6,593
-	249	3,637	2,180	188,098
-	-	-	-	101,903
-	47,536	-	-	47,536
-	47,536	-	-	149,439
-	(47,287)	3,637	2,180	38,659
-	85,000	72,000	75,000	354,000
-	-	(14,358)	(584,745)	(599,103)
-	85,000	57,642	(509,745)	(245,103)
-	37,713	61,279	(507,565)	(206,444)
137	140,536	428,972	909,718	2,271,132
<u>\$ 137</u>	<u>\$ 178,249</u>	<u>\$ 490,251</u>	<u>\$ 402,153</u>	<u>\$ 2,064,688</u>

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

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

TRANSPORTATION SDC FUND

For the Year Ended June 30, 2022

	Original and Final Budget	Variance with Final Budget Over (Under)	Budget Basis	Actual Adjustments	GAAP Basis
REVENUES					
Licenses, permits, and fees	\$ 15,000	\$ 14,378	\$ 29,378	\$ -	\$ 29,378
Investment earnings	<u>1,000</u>	<u>(789)</u>	<u>211</u>	<u>-</u>	<u>211</u>
Total revenues	16,000	13,589	29,589	-	29,589
EXPENDITURES					
Capital outlay	<u>180,000</u>	<u>(180,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(164,000)	13,589	29,589	-	29,589
Fund balance - beginning	<u>164,376</u>	<u>(9,414)</u>	<u>154,962</u>	<u>-</u>	<u>154,962</u>
Fund balance - ending	<u>\$ 376</u>	<u>\$ 184,175</u>	<u>\$ 184,551</u>	<u>\$ -</u>	<u>\$ 184,551</u>

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

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

DONATION RESERVE FUND

For the Year Ended June 30, 2022

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual		
			Budget Basis	Adjustments	GAAP Basis
REVENUES					
Grants	\$ 2,500	\$ (2,500)	\$ -	\$ -	\$ -
Investment earnings	25	(25)	-	-	-
Total revenues	<u>2,525</u>	<u>(2,525)</u>	-	-	-
EXPENDITURES					
Current					
Materials and services	2,000	(2,000)	-	-	-
Capital outlay	<u>40,000</u>	<u>(40,000)</u>	-	-	-
Total expenditures	<u>42,000</u>	<u>(42,000)</u>	-	-	-
Excess (deficiency) of revenues over (under) expenditures	(39,475)	39,475	-	-	-
OTHER FINANCING SOURCES (USES)					
Transfers in	<u>22,000</u>	-	<u>22,000</u>	-	<u>22,000</u>
Net change in fund balance	(17,475)	39,475	22,000	-	22,000
Fund balance - beginning	<u>21,028</u>	<u>(1,200)</u>	<u>19,828</u>	-	<u>19,828</u>
Fund balance - ending	<u>\$ 3,553</u>	<u>\$ 38,275</u>	<u>\$ 41,828</u>	<u>\$ -</u>	<u>\$ 41,828</u>

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

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

SEWER IMPROVEMENTS DEBT SERVICE FUND

For the Year Ended June 30, 2022

	Original and Final Budget	Variance with Final Budget Over (Under)	Budget Basis	Actual Adjustments	GAAP Basis
REVENUES					
Debt service fees	\$ 243,800	\$ 10,539	\$ 254,339	\$ -	\$ 254,339
Investment earnings	250	1,322	1,572	-	1,572
Total revenues	244,050	11,861	255,911	-	255,911
EXPENDITURES					
Debt service	209,243	(1)	209,242	-	209,242
Excess (deficiency) of revenues over (under) expenditures	34,807	11,862	46,669	-	46,669
Fund balance - beginning	497,747	269,577	767,324	-	767,324
Fund balance - ending	\$ 532,554	\$ 281,439	\$ 813,993	\$ -	\$ 813,993

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

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

DEBT SERVICE RESERVE FUND

For the Year Ended June 30, 2022

	Original and Final Budget	Variance with Final Budget Over (Under)	Budget Basis	Actual Adjustments	GAAP Basis
REVENUES					
Investment earnings	\$ 10	\$ (10)	\$ -	\$ -	\$ -
EXPENDITURES					
Debt service	<u>220,000</u>	<u>(220,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenses	<u>(219,990)</u>	<u>219,990</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Net change in fund balance	(119,990)	219,990	100,000	-	100,000
Fund balance - beginning	<u>129,410</u>	<u>(10)</u>	<u>129,400</u>	<u>-</u>	<u>129,400</u>
Fund balance - ending	<u>\$ 9,420</u>	<u>\$ 219,980</u>	<u>\$ 229,400</u>	<u>\$ -</u>	<u>\$ 229,400</u>

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

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

WATER IMPROVEMENTS DEBT SERVICE FUND

For the Year Ended June 30, 2022

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual		
			Budget Basis	Adjustments	GAAP Basis
REVENUES					
Debt service fees	\$ 148,260	\$ 3,867	\$ 152,127	\$ -	\$ 152,127
Investment earnings	1,000	(684)	316	-	316
Total revenues	149,260	3,183	152,443	-	152,443
EXPENDITURES					
Debt service	107,650	(5,747)	101,903	-	101,903
Excess (deficiency) of revenues over (under) expenditures	41,610	8,930	50,540	-	50,540
Fund balance - beginning	472,819	14,760	487,579	-	487,579
Fund balance - ending	\$ 514,429	\$ 23,690	\$ 538,119	\$ -	\$ 538,119

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

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

1981 WATER REVENUE BOND FUND

For the Year Ended June 30, 2022

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual		GAAP Basis
			Budget Basis	Adjustments	
REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-
Fund balance - beginning	<u>-</u>	<u>137</u>	<u>137</u>	<u>-</u>	<u>137</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 137</u>	<u>\$ 137</u>	<u>\$ -</u>	<u>\$ 137</u>

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CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

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

PROJECT AND EQUIPMENT RESERVE FUND

For the Year Ended June 30, 2022

	Original and Final Budget	Variance with Final Budget Over (Under)	Budget Basis	Actual Adjustments	GAAP Basis
REVENUES					
Grants	\$ 1,750,000	\$ (1,750,000)	\$ -	\$ -	\$ -
Investment earnings	800	(504)	296	-	296
Total revenues	1,750,800	(1,750,504)	296	-	296
EXPENDITURES					
Capital outlay	2,365,000	(2,318,277)	46,723	-	46,723
Excess (deficiency) of revenues over (under) expenditures	(614,200)	567,773	(46,427)	-	(46,427)
OTHER FINANCING SOURCES (USES)					
Transfers in	521,236	-	521,236	-	521,236
Net change in fund balance	(92,964)	567,773	474,809	-	474,809
Fund balance - beginning	650,000	73,673	623,673	-	623,673
Fund balance - ending	\$ 457,036	\$ 641,446	\$ 1,098,482	\$ -	\$ 1,098,482

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

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

FIRE EQUIPMENT RESERVE FUND

For the Year Ended June 30, 2022

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual		
			Budget Basis	Adjustments	GAAP Basis
REVENUES					
Investment earnings	\$ 1,000	\$ (751)	\$ 249	\$ -	\$ 249
EXPENDITURES					
Capital outlay	110,000	(62,464)	47,536	-	47,536
Excess (deficiency) of revenues over (under) expenditures	(109,000)	61,713	(47,287)	-	(47,287)
OTHER FINANCING SOURCES (USES)					
Transfers in	85,000	-	85,000	-	85,000
Net change in fund balance	(24,000)	61,713	37,713	-	37,713
Fund balance - beginning	102,933	37,603	140,536	-	140,536
Fund balance - ending	\$ 78,933	\$ 99,316	\$ 178,249	\$ -	\$ 178,249

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

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

WATER MASTER PLAN RESERVE FUND

For the Year Ended June 30, 2022

	Original and Final Budget	Variance with Final Budget Over (Under)	Budget Basis	Actual Adjustments	GAAP Basis
REVENUES					
Investment earnings	\$ 10,000	\$ (6,363)	\$ 3,637	\$ -	\$ 3,637
EXPENDITURES					
Capital outlay	300,000	(285,642)	14,358	(14,358)	-
Contingency	30,000	(30,000)	-	-	-
Total expenditures	330,000	(315,642)	14,358	(14,358)	-
Excess (deficiency) of revenues over (under) expenditures	(320,000)	309,279	(10,721)	14,358	3,637
OTHER FINANCING SOURCES (USES)					
Transfers in	72,000	-	72,000	-	72,000
Contributed capital out	-	-	-	(14,358)	(14,358)
Total other financing sources (uses)	72,000	-	72,000	(14,358)	57,642
Net change in fund balance	(248,000)	309,279	61,279	-	61,279
Fund balance - beginning	286,833	142,139	428,972	-	428,972
Fund balance - ending	\$ 38,833	\$ 451,418	\$ 490,251	\$ -	\$ 490,251

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

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

SEWER MASTER PLAN RESERVE FUND

For the Year Ended June 30, 2022

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual		GAAP Basis
			Budget Basis	Adjustments	
REVENUES					
Investment earnings	\$ 4,000	\$ (1,820)	\$ 2,180	\$ -	\$ 2,180
EXPENDITURES					
Capital outlay	600,000	(15,255)	584,745	(584,745)	-
Contingency	15,000	(15,000)	-	-	-
Total expenditures	615,000	(50,255)	584,745	(584,745)	-
Excess (deficiency) of revenues over (under) expenditures	(611,000)	28,435	(582,565)	584,745	2,180
OTHER FINANCING SOURCES (USES)					
Transfers in	75,000	-	75,000	-	75,000
Contributed capital out	-	-	-	(584,745)	(584,745)
Total other financing sources (uses)	75,000	-	75,000	(584,745)	(509,745)
Net change in fund balance	(536,000)	28,435	(507,565)	-	(507,565)
Fund balance - beginning	946,413	(36,695)	909,718	-	909,718
Fund balance - ending	\$ 410,413	\$ (8,260)	\$ 402,153	\$ -	\$ 402,153

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

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

WATER OPERATING FUND

For the Year Ended June 30, 2022

	Original and Final Budget	Variance with Final Budget Over (Under)	Budget Basis	Actual Adjustments	GAAP Basis
REVENUES					
Water sales	\$ 1,193,000	\$ 152,823	\$ 1,345,823	\$ -	\$ 1,345,823
Investment earnings	6,000	(4,136)	1,864	-	1,864
Other income	15,000	173,127	188,127	-	188,127
Total revenues	1,214,000	321,814	1,535,814	-	1,535,814
EXPENSES					
Current					
Personnel services	607,020	(206,925)	400,095	98,436	498,531
Materials and services	271,500	(47,505)	223,995	(7,850)	216,145
Capital outlay	162,500	(63,899)	98,601	(98,601)	-
Depreciation	-	-	-	264,904	264,904
Contingency	30,000	(30,000)	-	-	-
Total expenses	1,071,020	(348,329)	722,691	256,889	979,580
Excess (deficiency) of revenues over (under) expenses	142,980	670,143	813,123	(256,889)	556,234
OTHER FINANCING SOURCES (USES)					
Transfers out	(117,000)	-	(117,000)	-	(117,000)
Contributed capital in	-	-	-	14,358	14,358
Total other financing sources (uses)	(117,000)	-	(117,000)	14,358	(102,642)
Change in net position	25,980	670,143	696,123	(242,531)	453,592
Net position - beginning	1,109,250	529,166	1,638,416	4,715,267	6,353,683
Net position - ending	\$ 1,135,230	\$ 1,199,309	\$ 2,334,539	\$ 4,472,736	\$ 6,807,275

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

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

SEWER OPERATING FUND

For the Year Ended June 30, 2022

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual		GAAP Basis
			Budget Basis	Adjustments	
REVENUES					
Sewer charges	\$ 856,500	\$ 28,670	\$ 885,170	\$ -	\$ 885,170
Investment earnings	13,000	(9,022)	3,978	-	3,978
Other income	1,000	1,993	2,993	-	2,993
Total revenues	870,500	21,641	892,141	-	892,141
EXPENSES					
Current					
Personnel services	586,947	(202,673)	384,274	102,411	486,685
Materials and services	298,200	(36,774)	261,426	(879)	260,547
Capital outlay	67,500	(51,943)	15,557	(15,557)	-
Depreciation	-	-	-	222,105	222,105
Contingency	30,000	(30,000)	-	-	-
Total expenses	982,647	(321,390)	661,257	308,080	969,337
Excess (deficiency) of revenues over (under) expenses	(112,147)	343,031	230,884	(308,080)	(77,196)
OTHER FINANCING SOURCES (USES)					
Transfers out	(120,000)	-	(120,000)	-	(120,000)
Contributed capital in	-	-	-	706,631	706,631
Total other financing sources (uses)	(120,000)	-	(120,000)	706,631	586,631
Change in net position	(232,147)	343,031	110,884	398,551	509,435
Net position - beginning	805,818	240,834	1,046,652	1,982,045	3,028,697
Net position - ending	\$ 573,671	\$ 583,865	\$ 1,157,536	\$ 2,380,596	\$ 3,538,132

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

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

SEWER SDC FUND

For the Year Ended June 30, 2022

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual		GAAP Basis
			Budget Basis	Adjustments	
REVENUES					
System development charges	\$ 100,000	\$ (78,512)	\$ 21,488	\$ -	\$ 21,488
Investment earnings	6,000	(5,558)	442	-	442
Total revenues	106,000	(84,070)	21,930	-	21,930
EXPENSES					
Capital outlay	550,000	(429,114)	121,886	(121,886)	-
Excess (deficiency) of revenues over (under) expenses	(444,000)	344,044	(99,956)	121,886	21,930
OTHER FINANCING SOURCES (USES)					
Contributed capital out	-	-	-	(121,886)	(121,886)
Change in net position	(444,000)	344,044	(99,956)	-	(99,956)
Net position - beginning	1,587,230	(22,809)	1,564,421	-	1,564,421
Net position - ending	\$ 1,143,230	\$ 321,235	\$ 1,464,465	\$ -	\$ 1,464,465

CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

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

WATER SDC FUND

For the Year Ended June 30, 2022

	Original and Final Budget	Variance with Final Budget Over (Under)	Budget Basis	Actual Adjustments	GAAP Basis
REVENUES					
System development charges	\$ 100,000	\$ 64,190	\$ 164,190	\$ -	\$ 164,190
Investment earnings	<u>1,100</u>	<u>(715)</u>	<u>385</u>	<u>-</u>	<u>385</u>
Total revenues	101,100	63,475	164,575	-	164,575
EXPENSES					
Capital outlay	<u>150,000</u>	<u>(150,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenses	(48,900)	213,475	164,575	-	164,575
Net position - beginning	<u>431,237</u>	<u>26,311</u>	<u>457,548</u>	<u>-</u>	<u>457,548</u>
Net position - ending	<u>\$ 382,337</u>	<u>\$ 239,786</u>	<u>\$ 622,123</u>	<u>\$ -</u>	<u>\$ 622,123</u>

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OTHER FINANCIAL SCHEDULES

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CITY OF ROCKAWAY BEACH
Tillamook County, Oregon

SCHEDULE OF PROPERTY TAX TRANSACTIONS

For the Year Ended June 30, 2022

Tax Year	Taxes Receivable July 1, 2021	2021-2022 Levy	Adjustments and Discounts	Collections	Taxes Receivable June 30, 2022
2021-2022	\$ -	\$ 472,494	\$ (12,174)	\$ 451,312	\$ 9,008
2020-2021	8,807	-	(10)	4,867	3,930
2019-2020	4,292	-	(7)	2,412	1,873
2018-2019	2,277	-	(5)	1,710	562
2017-2018	842	-	(5)	690	147
2016-2017	355	-	(8)	242	105
2015-2016	251	-	(5)	155	91
Prior	972	-	(8)	121	843
Subtotal - Prior	17,796	-	(48)	10,197	7,551
Total	\$ 17,796	\$ 472,494	\$ (12,222)	461,509	\$ 16,559
Add:					
Other taxes and interest				3,121	
Undistributed taxes with county, July 1, 2021				-	
Total available				464,630	
Less: Turnovers to City				(464,630)	
Undistributed taxes with county, June 30, 2022				\$ -	

Rockaway Beach Fire Rescue

276 Hwy 101 S

PO Box 5

Rockaway Beach OR 97136

503-374-1752



Date December 5, 2022

Honorable Mayor, City Council and City Manager of Rockaway Beach

Fire Department Council Report:

The following is a summary of the activities and operations of the Rockaway Beach Fire Rescue Department for the month of November 2022.

The Department responded or participated in 49 events during the month of November, the breakdown is listed below.

911 calls for Service: 29	Trainings: 6	Non-Emergent: 14
24- Medical	Fire Operations	12- Beach Safety
0- Fire Alarm	Tactics	1- Public Assist
1- Structure Fire	Hose/Nozzles	2- Lift Assist
0- Water Rescue	Medical Emergencies	7- Burn Complaints
2- MVA		4- Radio call-ins
2- Outside Fire		1- Special Assignments
0-Vehicle Fire		

Year to Date	<u>2021</u>	<u>2022</u>
911 Calls	388	363
Non-Emergent	237	254
Trainings	95	103
Total	720	720

Training update- The department focused November Thursday night trainings on Structure fire evolutions and driving safety, and Medical Emergencies. A class was also held to train the trainer on the new flashover simulator. December trainings will include winter operations, pre-fire plans and air management.

Beach Safety continues to be a priority of the department. The focus continues to be on education and safety. During the month of November crews were on the beach 4 times providing information to citizens and visitors. Have been working with State Parks to better coordinate our safety and enforcement actions on the Beach.

	October	YTD
Fire safety\Educational Moments-	4	144
Water Safety Messages\Out of Water-	4\0 persons	294\622
Stickers to kids-	0	30
Educational signs reset-	0	14
Education Signs Replaced-	0	4
Fires extinguished-	0	58
Volunteer Hours	9	312

Emergency Preparedness group and Radio group continue to meet and train. Tillamook County Emergency coordinator is scheduled to speak this month. Committees are meeting and preparing for training with the Emergency radio operations as well as preparing for a spring emergency preparedness fair. More volunteers are needed, so please contact me if you are interested in joining.

The AFG grant is moving forward. Bid requests are currently being sought. Deadline for bids is December 16th.

Overall, my mission and goals have not changed. I continue to take care of the immediate safety of my crew and public needs as my highest priorities. If you have any questions, concerns or thoughts please let me know.

Respectfully submitted,



Todd Hesse
Fire Chief
Rockaway Beach Fire Rescue



TILLAMOOK COUNTY SHERIFF'S OFFICE

CONSERVATORS OF THE PEACE

Sheriff Joshua Brown

Rockaway Beach Patrol

Month of November 2022

We hope everyone had a Happy Thanksgiving and enjoyed time with their families. The tree lighting was very busy and allowed us the opportunity to spend time with the citizens and visitors of Rockaway enjoying this annual tradition.

Notable calls for service this month include the fatal motor vehicle crash on Highway 101 near north 9th Avenue. Several deputies worked with ODOT and the Oregon State Police during this call. Tillamook Ambulance, Rockaway Beach Fire and Rescue and Garibaldi Fire and Rescue provided initial care and transport for the vehicles' occupants as needed.

We took a report of a stolen vehicle near the end of the month. The vehicle was recovered in Tillamook the same day of the initial report. This case was forwarded to the District Attorney for review.

Not particular to November, though we did have a call this month regarding second or rental homes being fraudulently posted on Craigslist and other sites by people other than the owners that are trying to scam renters. It may be worthwhile to search your rental properties' addresses on the internet from time to time to try to combat these scams.

Recent cold weather impacted travel on Highway 6. Tripcheck is a great resource for travel information in Oregon. Allow for extra drive time over the winter months to account for poor weather and other possible road closures.

Other call numbers are noted in the statistics report provided.

Undersheriff Matt Kelly

<u>Incident Date And Time</u>	<u>Incident Type</u>	<u>Incident Unit ID</u>
11/01/2022 11:49:17	Traffic Stop	210
11/01/2022 13:48:37	Assist	210
11/01/2022 16:24:45	7	210
11/01/2022 16:31:32	Assist	210
11/01/2022 17:08:36	Welfare check	217
11/01/2022 20:09:16	Welfare check	217
11/02/2022 10:17:43	Traffic Stop	210
11/02/2022 10:27:48	CAMI	219
11/02/2022 11:07:07	Contact	210
11/02/2022 11:07:07	Contact	215
11/02/2022 12:23:05	Follow Up	215
11/02/2022 14:26:31	Traffic Stop	215
11/02/2022 15:36:46	Traffic Stop	215
11/02/2022 18:46:27	BUSINESS CHECK	215
11/03/2022 13:43:25	Follow Up	215
11/03/2022 14:29:40	Follow Up	215
11/03/2022 16:01:15	Traffic Stop	215
11/03/2022 16:27:54	Traffic Stop	215
11/03/2022 19:13:22	Welfare check	215
11/04/2022 08:35:21	Trespass	218
11/04/2022 12:41:22	Follow Up	215
11/04/2022 13:46:02	Road Hazard	215
11/04/2022 23:23:21	MVA	217
11/04/2022 23:23:21	MVA	229
11/05/2022 13:33:33	BUSINESS CHECK	215
11/05/2022 16:02:21	Follow Up	215
11/05/2022 19:37:17	Property	215
11/05/2022 20:40:22	Traffic Stop	217
11/05/2022 20:40:22	Traffic Stop	215
11/06/2022 10:53:04	Traffic Stop	210
11/06/2022 13:55:16	Traffic Stop	210
11/06/2022 14:19:29	Welfare check	210
11/06/2022 16:56:04	UEMV	210
11/06/2022 16:56:04	UEMV	225
11/06/2022 23:12:06	Contact	225
11/06/2022 23:20:27	BUSINESS CHECK	225
11/07/2022 08:00:02	Death	210
11/07/2022 08:00:02	Death	214
11/07/2022 13:01:16	Assist	210
11/07/2022 14:21:38	Follow Up	214
11/07/2022 15:43:07	Traffic Stop	210
11/07/2022 15:59:24	Traffic Stop	210
11/08/2022 07:39:46	Traffic Stop	210
11/08/2022 10:16:37	CAMI	219
11/08/2022 13:55:10	Civil Service	214
11/08/2022 15:12:34	Civil	210

11/08/2022 16:09:24	Warrant	210
11/08/2022 20:30:14	Civil Service	225
11/09/2022 07:08:36	Follow Up	210
11/09/2022 07:31:53	57	210
11/09/2022 08:34:35	Traffic Stop	210
11/09/2022 09:54:09	Unknown	210
11/09/2022 11:58:25	MVA	210
11/09/2022 11:58:25	MVA	214
11/09/2022 11:58:25	MVA	226
11/09/2022 11:58:25	MVA	230
11/09/2022 11:58:25	MVA	215
11/09/2022 19:52:04	BUSINESS CHECK	215
11/10/2022 08:56:37	Animal	230
11/10/2022 08:56:37	Animal	215
11/10/2022 10:27:48	Theft	215
11/10/2022 11:35:43	Suspicious	215
11/10/2022 13:01:10	Contact	215
11/10/2022 13:30:51	Traffic Stop	215
11/10/2022 13:42:58	Contact	215
11/11/2022 18:40:08	Welfare check	217
11/11/2022 18:40:26	Runaway	217
11/11/2022 23:20:50	Follow Up	217
11/12/2022 11:11:03	Contact	221
11/12/2022 13:55:32	Follow Up	215
11/13/2022 15:05:14	Assist	210
11/14/2022 00:13:06	BUSINESS CHECK	225
11/14/2022 00:23:28	BUSINESS CHECK	225
11/14/2022 01:33:47	Suspicious	225
11/14/2022 09:13:50	7	210
11/14/2022 14:50:37	Property	210
11/14/2022 15:07:47	Property	210
11/14/2022 15:11:19	Property	210
11/14/2022 15:12:53	Property	210
11/14/2022 21:20:21	Suspicious	225
11/14/2022 22:26:58	BUSINESS CHECK	225
11/15/2022 10:23:52	Assist	210
11/15/2022 11:20:59	Vehicle	210
11/15/2022 14:33:51	Assist	210
11/15/2022 14:48:34	Contact	210
11/16/2022 01:39:22	BUSINESS CHECK	225
11/16/2022 08:08:46	Traffic Stop	210
11/16/2022 08:31:35	Traffic Stop	210
11/16/2022 10:46:49	Unknown	210
11/16/2022 12:52:42	BUSINESS CHECK	210
11/16/2022 13:32:14	Traffic Stop	215
11/16/2022 14:21:40	Follow Up	215
11/16/2022 18:32:52	Runaway	215

11/17/2022 13:27:43	Traffic Stop	215
11/17/2022 13:43:57	Traffic Stop	215
11/17/2022 15:31:02	Welfare check	215
11/18/2022 13:03:25	Traffic Stop	215
11/18/2022 13:20:47	Traffic Stop	215
11/18/2022 13:37:31	Traffic Stop	215
11/18/2022 20:20:08	BUSINESS CHECK	215
11/18/2022 23:00:05	BUSINESS CHECK	217
11/18/2022 23:00:22	BUSINESS CHECK	217
11/18/2022 23:00:42	BUSINESS CHECK	217
11/18/2022 23:01:01	BUSINESS CHECK	217
11/18/2022 23:01:20	BUSINESS CHECK	217
11/18/2022 23:01:38	BUSINESS CHECK	217
11/18/2022 23:02:05	BUSINESS CHECK	217
11/19/2022 19:27:42	Suspicious	215
11/20/2022 23:52:32	BUSINESS CHECK	225
11/21/2022 11:35:00	Vehicle	210
11/21/2022 12:21:22	Traffic Stop	210
11/21/2022 14:33:21	Warrant	210
11/21/2022 15:27:36	Road Hazard	210
11/22/2022 12:01:31	Suspicious	210
11/22/2022 14:17:05	Civil Service	210
11/22/2022 17:03:48	Incom 911	225
11/22/2022 23:20:24	BUSINESS CHECK	225
11/23/2022 07:46:15	Structure Fire	210
11/23/2022 09:21:28	7	210
11/23/2022 11:43:31	Traffic Stop	210
11/23/2022 11:54:15	BUSINESS CHECK	210
11/23/2022 15:32:21	BUSINESS CHECK	210
11/24/2022 13:27:19	7	215
11/24/2022 14:57:14	BUSINESS CHECK	215
11/24/2022 15:27:46	BUSINESS CHECK	215
11/25/2022 16:54:27	BUSINESS CHECK	215
11/25/2022 20:08:53	Assist	215
11/26/2022 15:32:51	Road Hazard	215
11/26/2022 21:07:20	BUSINESS CHECK	215
11/26/2022 21:12:36	BUSINESS CHECK	215
11/26/2022 21:19:42	BUSINESS CHECK	215
11/26/2022 21:21:32	BUSINESS CHECK	215
11/28/2022 09:21:16	Fraud	210
11/28/2022 10:40:06	Follow Up	210
11/28/2022 15:37:18	Traffic Stop	210
11/28/2022 15:47:40	Traffic Stop	210
11/28/2022 18:40:47	Harassment	225
11/28/2022 21:02:30	Traffic Stop	225
11/28/2022 21:58:47	BUSINESS CHECK	225
11/29/2022 10:07:02	CAMI	219

11/29/2022 10:13:47	Assist	210
11/29/2022 10:21:56	Medical	210
11/29/2022 11:33:14	Follow Up	210
11/29/2022 11:49:17	7	210
11/29/2022 11:56:06	UUMV	210
11/30/2022 12:18:19	Follow Up	210
11/30/2022 13:13:20	Traffic Stop	215
11/30/2022 13:31:51	Traffic Stop	215
11/30/2022 13:46:26	Follow Up	215
11/30/2022 19:13:24	BUSINESS CHECK	215
11/30/2022 19:51:23	BUSINESS CHECK	215



December 7th, 2022

Dear Mayor and City Council Members,

For November public works continued ditch work and cleaning out catch basins. The Rock Creek culverts that drain the center of town have been filling with sedimentation over the past years. This year public works dug out parts of these culverts and will continue to address the sedimentation. The storm drainage system through town is hard to deal with as our town is so flat. With that said, I want the public to know the stormwater that sits on South Coral Street when it floods **must** flow south all the way to south 6th drain called Saltair creek then to the ocean. That is a long flat run and due to South Coral Street being so close to sea level it will continue to be an area of concern. King tides are expected in December around the 22nd to 24th then another in January, Public Works will be watching tides close. Sewer line cleaning has been going good with South 6th, Lake Lytle, and the Nedonna Whitedove areas done. I would like to thank Nehalem Bay Wastewater and their team for the help they gave on October 28th. It was Friday at about 4:30pm (quitting time) and we received a notice from a nice couple at 182 S. Easy Street that sewer was coming from a manhole on S. Easy Street near Nehalem Ave. Our crew tried to take care of the plugged sewer main but was unsuccessful. We called Nehalem Bay Wastewater and they responded immediately, within 30min they showed up with the right tool for the job and took care of the problem. Rockaway Beach thanked them with 4 giant cinnamon rolls from Downy's café, they are amazing. Teamwork is important and Rockaway Beach likes to play so, thanks again Nehalem.

Public works installed two new water services and has scheduled another service installation for December. We installed our north 3rd water booster motor that had been rebuilt last month. Community center work has been moving forward, no bad news yet. The building condition is much better than I was expecting to see. Woodpecker fixed some problem areas, and I am very pleased with their quality of work. Public works have been going through all the Christmas lights and decorations needed for the holiday. And thanks to our grinch, I mean Don Kiser and with the cooperation of the Oregon Department of Forestry we were able to secure a beautiful Christmas tree. The Christmas tree lighting was a total success. Public Works is very happy to help and thanks everyone for all for the great complements. Are there any questions, thank you.

Dan W. Emerson, Superintendent
City of Rockaway Beach Public Works
P: 503.374.0586 / C: 503.457.6094
PublicWorks@corb.us



City of Rockaway Beach, Oregon

276 S. Highway 101, PO Box 5

Rockaway Beach, OR 97136

(503) 374-1752

December 8, 2022

Office of the Secretary of State
Audits Division
255 Capitol Street NE, Suite 180
Salem, Oregon 97310

Plan of Action for the City of Rockaway Beach

The City of Rockaway Beach respectfully submits the following corrective action plan in response to deficiencies reported in our audit of the fiscal year ended June 30, 2022. The audit was completed by the independent auditing firm, Koontz, Blasquez & Associates, P.C., Albany, Oregon. The plan of action was adopted by the governing body of the City at their meeting on December 14, 2022, as indicated by the signatures below.

The deficiencies are discussed below with the corrective action plan listed for each:

1. Material Weakness: Revenue Recognition

- a. **Description:** During the audit, the auditor noted year-end revenue for transient room taxes was recorded in the subsequent year. Recording revenue in the incorrect period may result in a material misstatement of revenue in one or more fiscal years.

Recommendation: The auditor recommended that revenue be recorded in the period it is earned rather than the period in which cash is received

- b. **Plan of action:** City staff will coordinate with the auditors before posting any future short term rental revenue that comes in after the end of the fiscal year.

- c. **Timeframe for, or date of, implementation:** August 31, 2022

2. Significant Deficiency: Cash Reconciliation

- a. **Description:** During the audit, it was noted that the ending cash balance was not reconciled to the LGIP statement. In addition, voided transactions were not fully removed from the accounting system. Failure to reconcile cash accounts to monthly statements could result in a material misstatement of cash due to fraud or error.

Recommendation: The auditor recommended that the City perform a monthly reconciliation of the LGIP account.

- b. **Plan of action:** The City now has the program to be able to reconcile the LGIP account

c. **Timeframe for, or date of, implementation:** July 1, 2022

3. Significant Deficiency: Preparation of Financial Statements in Accordance with Generally Accepted Accounting Principles (GAAP)

a. **Description:** Auditing standards require the auditor to assess the internal control system of the City. In addition, the standards require the auditor to extend this assessment of controls over financial statement preparation. Proper controls over financial statement preparation require adequate knowledge and involvement to detect errors and omissions in the financial statements. The City relies on the auditor to assist in drafting the financial statements. In addition, the auditor verifies that the financial statements, including note disclosures, contain all of the elements required to comply with accounting principles generally accepted in the United States of America. The auditor believes that the City has staff with the ability to understand, review, and take responsibility for the financial statements required to comply with independence standards; however, the auditor's assistance in drafting the financial statements described above does produce a significant deficiency in the City's internal control system.

Recommendation: The auditor does not recommend any change in the preparation of the financial statements, but the board should be aware of this deficiency and stress the importance of thorough review of the financial statements prior to approval of the audit.

b. **Plan of action:** The City of Rockaway Beach considers the cost of staffing the financial expertise to correct this deficiency to outweigh the benefit and has determined that it is more beneficial to continue to outsource these matters to external experts.

c. **Timeframe for, or date of, implementation:** June 30, 2022

4. Significant Deficiency: Accrued Insurance Payables and Prepaids

a. **Description:** During the audit, it was determined that accrued insurance payables are not being reconciled, and the balances are increasing rather than being reduced at the time a payment is made. Additionally, prepaid expenses are not decreasing as a monthly expense is incurred. This deficiency may result in misstatements to the City's financial statements.

Recommendation: The auditor recommended that these balance sheet accounts be reviewed and reconciled monthly, and that adjusting entries be made to reflect accurate balances.

b. **Plan of action:** City will have reconciled documents including any adjustments checked and signed off by proper management

c. **Timeframe for, or date of, implementation:** January 2023

Signed by:

Luke Shepard, City Manager

Date

City Council Member

Date

**ROCKAWAY BEACH BUDGET COMMITTEE
CITIZEN MEMBERS**

<u>NAME</u>	<u>TELEPHONE</u>	<u>TERM END</u>	<u>POSITION #</u>
David Elkins 363 Longview Loop Rockaway Beach, OR 97136 mercoupe50@gmail.com	541-993-0800	6/24	1
Stephanie Winchester 905 N. 3 rd Ave. Rockaway Beach, OR 97136 steph@goducks.com	503-867-0409	6/24	2
Janet McIntire P.O. Box 122 Rockaway Beach, OR 97136 themasofrb@gmail.com	971 306 1062 503-871-9765 (e)	6/22	3
Dave May P.O. Box 108 Rockaway Beach, OR 97136	503-355-8236	6/23	4
Patrick McIntire P.O. Box 122 Rockaway Beach, OR 97136 drpmac@gmail.com	971 306 1062 503-930-3221 (e)	6/24	5
Mary McGinnis P.O. Box 269 Rockaway Beach, OR 97136 mary.mcginnis@hotmail.com	573-280-2160	6/23	6

City of Rockaway Beach, Oregon

276 S. Highway 101, PO Box 5
Rockaway Beach, OR 97136
(503) 374-1752 FAX (503) 355-8221



**RESUME FORM FOR CONSIDERATION BY MAYOR AND COUNCIL
(PLEASE PRINT)**

Name: Penny Chilton Date: 11-10-22
Mailing Address: PO Box 792 City Rockaway State OR Zip 97136
Street Address: 608 S. md. ave. City Rockaway State OR Zip 97136
Telephone: _____ Cell Phone: 503 812 3297
E-mail Address: pekalapekes@gmail
Registered voter in Rockaway Beach? Yes No Precinct: 024
How long have you resided in Rockaway Beach? 27 years

What background or experience do you have that would make you an effective member of the Budget Committee?

Thirtyfive years of owning and running
three bussinesses suceestfully.

Why would you like to serve on the Budget Committee?

Being recently retired, I now have the time
and energy to help support the city
where I reside

Are you willing to commit to a busy budget meeting schedule of one meeting per week between March and June and several scheduled meetings during the remainder of the year? Yes No

Signature: Penny Chilton Date: 11-10-22

City of Rockaway Beach, Oregon

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**RESUME FORM FOR CONSIDERATION BY MAYOR AND COUNCIL
(PLEASE PRINT)**

Name: Susan Hennessy Schaeferbauer Date: 11-5-2022

Mailing Address: P.O. Box 1345 City Rockaway Beach State OK Zip 97136

Street Address: 701 S. 2nd Ave City Rockaway Beach State OK Zip 97136

Telephone: 971-322-5045 Cell Phone: 971-322-5045

E-mail Address: Tugmonkadegmail.com

Registered voter in Rockaway Beach? Yes No Precinct: _____

How long have you resided in Rockaway Beach? 2 years / Rockaway tourist since 1960

What background or experience do you have that would make you an effective member of the Budget Committee?

I Successfully managed a State Farm office for 34 years (handling daily deposits, claims writing policies - I still manage a restaurant handling daily revenue, lottery and helped keep the restaurant afloat during covid shut downs

Why would you like to serve on the Budget Committee?

To help Rockaway Beach retain its natural beauty and life style

Are you willing to commit to a busy budget meeting schedule of one meeting per week between March and June and several scheduled meetings during the remainder of the year? Yes No

Signature: Susan Hennessy Schaeferbauer Date: 11-5-22

22

City of Rockaway Beach, Oregon

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(503) 374-1752 FAX (503) 355-8221



**RESUME FORM FOR CONSIDERATION BY MAYOR AND COUNCIL
(PLEASE PRINT)**

Name: LARRY TURPEN Date: 10-23-22
Mailing Address: P.O. # 1154 City Rockaway Beach State OR Zip 97136
Street Address: 140. So Palistado City RB State OR Zip 97136
Telephone: 775-856-3136 Cell Phone: _____
E-mail Address: TURPEN.L@COMAIL.COM

Registered voter in Rockaway Beach? Yes No Precinct: _____

How long have you resided in Rockaway Beach? 6 years

What background or experience do you have that would make you an effective member of the Budget Committee?

Was involved in business for 50 years
Served on many Budget Committees
Have Business TRAINING & Education

Why would you like to serve on the Budget Committee?

To serve this community in a meaningful way
To keep good business and good to fiscal
health.

Are you willing to commit to a busy budget meeting schedule of one meeting per week between March and June and several scheduled meetings during the remainder of the year? Yes No

Signature: [Handwritten Signature] Date: 10-23-22

City of Rockaway Beach, Oregon

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**RESUME FORM FOR CONSIDERATION BY MAYOR AND COUNCIL
(PLEASE PRINT)**

Name: Debra Grace Date: 10/26/22

Mailing Address: PO Box 525 City Rockaway Beach State OR Zip 97136

Street Address: 271 N Palisades St City Rockaway Beach State OR Zip 97136

Telephone: _____ Cell Phone: 503-730-2204

E-mail Address: dpgrace@outlook.com

Registered voter in Rockaway Beach? Yes No Precinct: _____

How long have you resided in Rockaway Beach? 14 years

What background or experience do you have that would make you an effective member of the Budget Committee?

Administration Assistant for Tillamook Estuaries Partnership: Responsible for data entry for accounts receivable/payable and fiscal administration for TEP and partners.

Executive Director for Oregon Association of Dental Laboratories: Completed monthly, quarterly and annual bank reconciliations and prepare annual budgeting report for approval by the Board of Directors. Responsible for all accounting functions including those necessary for auditing and budgeting.

Why would you like to serve on the Budget Committee?

I want to start looking for an opportunity to volunteer and contribute to the community and develop a sense of belonging in the community.

Are you willing to commit to a busy budget meeting schedule of one meeting per week between March and June and several scheduled meetings during the remainder of the year? Yes No

Signature: _____ Date: 10/26/22

City of Rockaway Beach, Oregon

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(503) 374-1752 FAX (503) 355-8221



**RESUME FORM FOR CONSIDERATION BY MAYOR AND COUNCIL
(PLEASE PRINT)**

Name: Sheila Berry Date: November 14, 2022

Mailing Address: PO Box 303 City Rockaway Beach State OR Zip 97136

Street Address: 101 SE 4th Ave City Rockaway Beach State OR Zip 97136

Telephone: 503-354-7438 Cell Phone: 503-354-7438

E-mail Address: rbsunset@pm.me

Registered voter in Rockaway Beach? Yes No Precinct: 024

How long have you resided in Rockaway Beach? Since February 2019

What background or experience do you have that would make you an effective member of the Budget Committee?

My professional experience includes over 30 years in financial services, including as an auditor, controller and financial consultant. Over the course of my career I was licensed as a CPA in UT, VT and HI. Additionally, I have advised a range of clients on budget development, as well as effective analysis of actual-to-budget comparison. I enjoy volunteering in my community and have been a stewardship volunteer for Lower Nehalem Community Trust since 2019.

I am currently spending a great deal of time in Idaho caring for my mother-in-law, but I have extensive experience working remotely and using all of the related tools, should the need arise.

Why would you like to serve on the Budget Committee?

I would like to apply my knowledge and experience for the benefit of my home town. I believe I am now familiar enough with the area to provide an informed perspective.

Are you willing to commit to a busy budget meeting schedule of one meeting per week between March and June and several scheduled meetings during the remainder of the year? Yes No

Signature: Sheila Berry Digitally signed by Sheila Berry
DN: cn=Sheila Berry, o=ou,
email=rbsunset@pm.me, c=US
Date: 2022.11.14 14:23:52 -08'00' Date: November 14, 2022