

# TOWN OF LAKEVIEW



## LAKEVIEW, OREGON

Annual Financial Report

June 30, 2019

## **TOWN OF LAKEVIEW**

525 North First Street  
Lakeview, OR 97630  
(541) 947-2029

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### **MAYOR AND CITY COUNCIL**

RAY TURNER 525 N. 1st Street, Lakeview, OR 97630	Mayor
SHARON FAULKNER 525 N. 1st Street, Lakeview, OR 97630	Member
SANDY WENZEL 525 N. 1st Street, Lakeview, OR 97630	Member
WOODROW WARREN 525 N. 1st Street, Lakeview, OR 97630	Member
DARWIN JOHNSON 525 N. 1st Street, Lakeview, OR 97630	Member

### **ADMINISTRATION**

JEFF MARSHALL 525 N. 1st Street, Lakeview, OR 97630	Pro-Tem Town Manager
TAWNA HAVEL 525 N. 1st Street, Lakeview, OR 97630	Finance Director

# TOWN OF LAKEVIEW

## AUDIT REPORT

JUNE 30, 2019

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# TOWN OF LAKEVIEW

## AUDIT REPORT

JUNE 30, 2019

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**INDEPENDENT AUDITOR’S REPORT**

To the Honorable Mayor and Town Council  
Town of Lakeview, Oregon

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lakeview as of and for the year ended June 30, 2019 which collectively comprise the Town of Lakeview’s basic financial statements, as listed in the table of contents.

**Management’s Responsibility for the Financial Statements**

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

**Auditor’s Responsibility**

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my unmodified and qualified audit opinions.

**Summary of Opinions**

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Business -Type Activities	Unmodified
General Fund	Unmodified
9-1-1 Fund	Unmodified
Water Fund	Qualified
Sewer Fund	Qualified
Geothermal Project – DOC Fund	Unmodified
Geothermal Project – Barry Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

## **Basis for Qualified Opinion on the Water Fund and the Sewer Fund**

Prior to these financial statements, the Water Fund and Sewer Fund were reported as a combined fund – the Utility Fund. The City has elected to separate the funds for reporting purposes for this year and all subsequent years. Separating the beginning net positions of the two funds from the prior year combined ending net position involved arriving at an estimate that is not supported by available information. If historical information were available, the calculated beginning net positions would vary by an amount that is not determinable. The two estimated beginning net positions total the net position of the combined Utility Fund.

## **Qualified Opinions**

In my opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on the Water Fund and the Sewer Fund” paragraph, the financial statements referred to above present fairly, in all material respects, the financial positions of the Water Fund and Sewer Fund of as of June 30, 2019, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Unmodified Opinions**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund other than the Water Fund and Sewer Fund, and the aggregate remaining fund information of as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management’s discussion on pages 2-8, the schedules of revenues, expenditures and changes in fund balances – budget and actuals on pages 45-46, and the pension schedules on pages 47-48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the management’s discussion and analysis and the pension schedules in accordance with the auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Lakeview's basic financial statements. The schedules of revenues, expenditures and changes in fund balances – budget and actuals described above on pages 45-46 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The schedules of revenues, expenditures and changes in fund balances – budget and actuals have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedules of revenues, expenditures and changes in fund balances – budget and actuals are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### *Other Information*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Lakeview's basic financial statements. The other supplementary information on pages 51-76 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Town of Lakeview.

The other supplementary information on pages 51-76 is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, other supplementary information is fairly stated in all material respects in relation to the financial statements taken as a whole.

#### **Report on Other Legal and Regulatory Requirements**

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, I have issued my report dated May 12, 2020, on my consideration of the Town of Lakeview's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of my testing of compliance and the results of that testing and not to provide an opinion on the Town of Lakeview's compliance.



Steve Tuhscherer, CPA  
May 12, 2020

**MANAGEMENT'S**  
**DISCUSSION**  
**AND ANALYSIS**



**TOWN OF LAKEVIEW**  
**Management's Discussion and Analysis (MD&A)**  
**For the Fiscal Year Ended June 30, 2019**

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The management discussion and analysis of the Town of Lakeview, Oregon (the Town) financial performance provides an overview of the Town's financial activities for the fiscal year that ended June 30, 2019. The intent of this discussion and analysis is to look at the Town's financial performance as a whole. Readers should also review the basic financial statements and notes to enhance their understanding of the Town's financial performance.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the fiscal year ended June 30, 2019 are as follows:

- The Town's net position decreased by \$776,534 which represents a 3.7% decrease from the previous year. This decrease is primarily the result of governmental activity expenses exceeding revenues.
- The Town has separated the Water and Sewer activities for financial reporting purposes in order to provide improved information and understanding of the long-term costs associated with each activity. The beginning net positions of the two activities was arrived at by estimating all historical revenues, expenditures, investments in capital assets, and all long-term liability balances.
- The Town's long-term liabilities increased in 2019 by \$36,871 due to an increase in the net pension liability, and offset by reductions of long-term bonds and notes payable balances.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

Management's Discussion and Analysis introduces the Town's basic financial statements. The basic financial statements include: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. To supplement the basic financial statements, this report also includes required supplementary information, other supplementary information, and accompanying information.

*Government-wide Financial Statements*

The first of the government-wide statements is the *Statement of Net Position*. This is the Town-wide statement of financial position that presents information including all the Town's assets, deferred inflows, deferred outflows, and liabilities, and the resulting net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. Evaluation of the overall economic health of the Town would extend to other non-financial factors such as the condition of buildings, and water and sewer systems facilities.

The second government-wide statement is the *Statement of Activities* which reports how the Town's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the *Statement of Activities* is to show the financial reliance of the Town's distinct activities or functions of the Town that are principally supported by user fee revenues, intergovernmental revenues from grants, and property tax revenues. The governmental activities of the Town include general government activities, street construction and maintenance, police services, and providing resources for library, culture and recreation. The proprietary activities of the Town include water and sewer utilities.

**TOWN OF LAKEVIEW**  
**Management's Discussion and Analysis (MD&A)**  
**For the Fiscal Year Ended June 30, 2019**

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*Fund Financial Statements*

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, Fund Financial Statements focus on the Town's most significant funds rather than the Town as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining and individual fund statements in a later section of this report. The Town reports two types of funds:

*Governmental funds*, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. Unlike the government-wide financial statements, these statements report short-term fiscal accountability focusing on use of spendable resources during the year and balances of spendable resources available at the end of the fiscal year.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to government-wide statements to assist in understanding the differences between these two perspectives.

*Proprietary funds* are used to report the functions presented as business-type activities in the government-wide financial statements, only in more detail. The Town maintains one type of proprietary fund - enterprise funds. The Town uses enterprise funds to account for water and sewer operations. The proprietary fund financial statements provide separate information for the Water Fund, the Sewer Fund and two Geothermal Project Funds. Prior to the 2018-2019 fiscal year, the Water and Sewer Fund were reported as the Utility Fund. Estimates were made to separate the balances from the past into the two funds.

*Notes to the Financial Statements*

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin immediately following the basic financial statements.

*Other Information*

In addition to the basic financial statements, budgetary comparison schedules are included as Required Supplementary Information for the General Fund and the 9-1-1 Fund. The Required Supplementary Information section immediately follows the Notes to the Financial Statements.

Budgetary comparison schedules for the Town's funds that are not included in the Required Supplementary Information section can be found in the Other Supplementary Information section along with combining statements, and additional supporting schedules. These statements and schedules immediately follow the Required Supplementary Information section of this report.

The budgetary comparison schedules demonstrate compliance with the Town's adopted and final revised budget.

**TOWN OF LAKEVIEW**  
**Management's Discussion and Analysis (MD&A)**  
**For the Fiscal Year Ended June 30, 2019**

**FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE**

Recall that the Statement of Net Position provides the perspective of the Town as a whole. Net position may serve over time as a useful indicator of a government's financial position.

The Town's net position at fiscal year-end is \$20,152,912 compared to \$20,929,447 at the prior year end. This is a decrease of \$776,535 or 3.7%.

More than 93% of the Town's net position is in reflected in its net investment in capital assets (e.g., land and improvements, buildings and improvements, improvements other than buildings, vehicles, and machinery and equipment); less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending.

Although the Town's investment in its 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.

The Town's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following table provides a summary of the Town's net position for the current and prior year.

**Summary of Net Position**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Assets</b>						
Current and Other Assets	\$ 1,090,404	\$ 1,083,909	\$ 1,565,478	\$ 2,378,553	\$ 2,655,882	\$ 3,462,462
Non-Current Assets	-	-	297,353	257,551	297,353	257,551
Capital Assets	6,176,035	6,711,324	15,768,586	15,279,394	21,944,621	21,990,718
Total Assets	7,266,439	7,795,233	17,631,417	17,915,498	24,897,856	25,710,731
<b>Deferred Outflows of Resources</b>	287,678	309,587	77,851	106,057	365,529	415,644
<b>Liabilities</b>						
Current Liabilities	416,646	487,758	209,665	310,370	626,311	798,128
Long-Term Liabilities	1,092,182	886,880	3,185,787	3,354,218	4,277,969	4,241,098
Total Liabilities	1,508,828	1,374,638	3,395,452	3,664,588	4,904,280	5,039,226
<b>Deferred Inflows of Resources</b>	162,278	117,642	43,915	40,060	206,193	157,702
<b>Net Position</b>						
Net Investment in Capital Assets	6,176,035	6,576,324	12,720,549	11,981,453	18,896,584	18,557,777
Restricted	270,563	137,997	297,353	257,551	567,916	395,548
Unrestricted	(563,587)	(101,781)	1,251,999	2,077,903	688,412	1,976,122
Total Net Position	\$ 5,883,011	\$ 6,612,540	\$ 14,269,901	\$ 14,316,907	\$ 20,152,912	\$ 20,929,447

**TOWN OF LAKEVIEW**  
**Management's Discussion and Analysis (MD&A)**  
**For the Fiscal Year Ended June 30, 2019**

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See the table below to gain an understanding of the Town's actual financial position and how each component relates to the activities performed.

**Governmental Activities**

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	Total Cost of Services		Net (Cost) Profit of Services	
	2018-19	2017-18	2018-19	2017-18
General Government	\$ 565,506	\$ 489,785	\$ (563,018)	\$ (411,924)
Public Safety	1,486,738	1,279,903	(1,486,738)	(1,256,903)
Highway and Streets	670,154	329,956	(670,154)	(329,956)
Tourism	2,045	-	(2,045)	-
Culture and Recreation	101,478	152,580	(71,464)	(105,871)
Health & Welfare	10,029	8,252	(10,029)	(8,252)
Community Development	12,779	-	(12,779)	-
Total Program Expenses	<u>\$2,848,729</u>	<u>\$ 895,244</u>	<u>\$ (2,816,227)</u>	<u>\$ (2,112,906)</u>

**Business-Type Activities**

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	Total Cost of Services		Net (Cost) Profit of Services	
	2018-19	2017-18	2018-19	2017-18
<b>Utility Services</b>				
Water Utilities	\$ 714,782	\$ 630,471	\$ (46,378)	\$ (111,299)
Sewer Utilities	491,306	661,839	176,050	235,973
Geothermal - Barry	86,319	222,559	131,942	(26,327)
Geothermal - Department of Corrections	192,805	50,326	(145,293)	(25,627)
Total Program Expenses	<u>\$1,485,212</u>	<u>\$ 1,565,195</u>	<u>\$ 116,321</u>	<u>\$ 72,720</u>

**TOWN OF LAKEVIEW**  
**Management's Discussion and Analysis (MD&A)**  
**For the Fiscal Year Ended June 30, 2019**

**Changes in net position** - The Town's total revenues for the fiscal year ended June 30, 2019 were \$3,558,879. The total cost of all programs and services was \$4,333,941. The following table shows a comparative analysis of government-wide revenues, expenses and changes in net position.

**Summary of Changes in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 32,502	\$ 71,921	\$ 1,601,533	\$ 1,565,195	\$ 1,634,035	\$ 1,637,116
Operating Grants and Contributions	-	15,000	-	-	-	15,000
Capital Grants and Contributions	-	60,649	-	-	-	60,649
Total Program Revenues	<u>32,502</u>	<u>147,570</u>	<u>1,601,533</u>	<u>1,565,195</u>	<u>1,634,035</u>	<u>1,712,765</u>
General Revenues						
Local Sources						
Property Taxes	1,135,441	829,126	-	-	1,135,441	829,126
Transient Room Tax	125,965	-	-	-	125,965	-
Intergovernmental	258,628	496,467	-	-	258,628	496,467
SDC Revenue	-	-	-	-	-	-
Franchise Taxes	227,125	227,279	-	-	227,125	227,279
Interest & Investment Earnings	12,531	14,625	35,074	36,400	47,605	51,025
Other Revenues	104,508	57,794	25,572	25,816	130,080	83,610
Total General Revenues	<u>1,864,198</u>	<u>1,625,291</u>	<u>60,646</u>	<u>62,216</u>	<u>1,924,844</u>	<u>1,687,507</u>
Total Revenues	<u>1,896,700</u>	<u>1,772,861</u>	<u>1,662,179</u>	<u>1,627,411</u>	<u>3,558,879</u>	<u>3,400,272</u>
<b>Program Expenses</b>						
General Government	565,506	489,785	-	-	565,506	489,785
Public Safety	1,486,738	1,279,903	-	-	1,486,738	1,279,903
Highway and Streets	670,154	329,956	-	-	670,154	329,956
Tourism	2,045	-	-	-	2,045	-
Culture and Recreation	101,478	152,580	-	-	101,478	152,580
Health & Welfare	10,029	8,252	-	-	10,029	8,252
Community Development	12,779	-	-	-	12,779	-
<b>Utility Services</b>						
Water Utilities	-	-	714,782	630,471	714,782	630,471
Sewer Utilities	-	-	491,306	661,839	491,306	661,839
Geothermal - Barry	-	-	86,319	222,559	86,319	222,559
Geothermal - Department of Corrections	-	-	192,805	50,326	192,805	50,326
Total Program Expenses	<u>2,848,729</u>	<u>2,260,476</u>	<u>1,485,212</u>	<u>1,565,195</u>	<u>4,333,941</u>	<u>3,825,671</u>
<b>Transfers</b>	222,500	197,200	(222,500)	(197,200)	-	-
<b>Special Item -Loan Fees and Bond Issuance Costs</b>	-	-	(1,472)	-	(1,472)	-
<b>Special Item -Gain/Loss on Sale/Disposal of Equipment</b>	-	3,750	-	-	-	3,750
<b>Special Item -Transfer of Capital Assets</b>	-	(1,802,493)	-	-	-	(1,802,493)
<b>Change in Net Position</b>	<u>\$ (729,529)</u>	<u>\$ (2,089,158)</u>	<u>\$ (47,005)</u>	<u>\$ (134,984)</u>	<u>\$ (776,534)</u>	<u>\$ (2,224,142)</u>

**TOWN OF LAKEVIEW**  
**Management's Discussion and Analysis (MD&A)**  
**For the Fiscal Year Ended June 30, 2019**

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The Statement of Activities shows the cost of program services and the charges for services, grants, and contributions offsetting those services. The following table shows, for governmental activity, the total cost of the four major functional activities of the Town. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.

Business type activities decreased the Town's net position by approximately \$47,007. Of the business-type activities, the Water and Sewer funds each accounted for approximately 48% of expenses.

**FINANCIAL ANALYSIS OF THE TOWN'S FUNDS**

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the Town's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year.

***Governmental Funds***

As the Town completed the year, its governmental funds reported a combined fund balance of \$527,833, a decrease of \$14,501, from prior year. The fund balance constitutes restricted, committed, and unassigned amounts. Of the current fund balances a total of \$270,563 is restricted funds including, \$30,829 for Highways and Streets, \$20,976 for Culture & Recreation, \$86,357 for Tourism and \$132,401 for Debt Service. Of the remaining current fund balances, a total of \$200,749 is committed for various programs and \$56,521 is unassigned.

The General Fund is the principal operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$320,312.

The 9-1-1 Fund accounts for the activities of operating the emergency dispatch center for Lake County. Resources include State 9-1-1 funding and changes to Lake County and other local governments for the dispatch services. The 9-1-1 Fund's ending unassigned fund balance is \$(119,769), a decrease of \$33,392 from the prior year.

***Proprietary Funds***

The Town's enterprise funds reported total net position of \$14,269,901 a decrease of \$47,007. The enterprise funds report \$297,353 in restricted net position for debt service. Capital assets net of related debt was \$12,720,549.

**Budgetary Highlights**

General Fund revenues were budgeted and anticipated to be collected in the amount of \$1,125,270 during the fiscal year. Actual revenues of \$1,144,915 were available which was \$19,645 more than budgeted. General Fund expenditures of \$1,266,464 were less than budgeted by \$198,266 or 14%. The ending fund balance was more than what was budgeted by \$320,312 and greater than the prior year by \$214,549.

The 9-1-1 Fund revenues were under-budget by \$36,068 while expenditures exceeded budgeted amounts by \$23,824. The fund began the fiscal year with a deficit fund balance of \$86,377 and ended the fiscal year with a deficit fund balance of \$119,769.

**TOWN OF LAKEVIEW**  
**Management's Discussion and Analysis (MD&A)**  
**For the Fiscal Year Ended June 30, 2019**

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**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

As of June 30, 2019, the Town had invested, before net reduction for accumulated depreciation, \$45,235,609 in capital assets, including buildings, land, vehicles, water and sewer utility systems, construction in progress and other equipment. This amount represents an increase of \$958,353 from the prior year due to the additions of capital assets during the fiscal year by the Water Fund.

Total depreciation expense for the year was \$1,004,590; of which \$535,290 is associated with governmental activities with the remainder of \$469,300 associated with the business-type funds. Additional information on the Town's capital assets can be found in the Capital Asset Note of the Notes to the Basic Financial Statements section of this report.

**Long-Term Debt**

At June 30, 2019, the Town had total long-term debt outstanding of \$3,048,037 compared to \$3,432,965 in the prior year - a reduction of \$384,928. Additional information on the Town's long-term debt can be found in the Long-Term Debt Note of the Notes to the Basic Financial Statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

Town's officials considered the long-term impacts of the local economy and a variety of operational decisions during the process of developing the fiscal year 2019-20 budget. The Town's budget for the fiscal year ending June 30, 2020 represents an overall decrease of 4 percent when compared with the fiscal year ending June 30, 2019.

The Town of Lakeview adopted the 2019-20 budget is less than the prior year, although most funds budgets increased by small amounts. The Debt Service Fund budget was zero for 2019-20 since the general obligation bonds were fully retired during the 2018-19 fiscal year. The budget for the Water Fund was roughly \$920,000 less, because the capital expenditures budgeted in 2018-19 completed a project and no large capital expenditures were budgeted for 2019-20.

**CONTACTING THE TOWN'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the resources it receives.

If you have any questions about this report or need additional information, contact the Town of Lakeview at (541) 947-2029. The office is located at 525 North First Street Lakeview, OR 97630.

**BASIC FINANCIAL**  
**STATEMENTS**

**Government -Wide**  
**Financial Statements**



**TOWN OF LAKEVIEW**  
**STATEMENT OF NET POSITION**  
**June 30, 2019**

	Governmental Activities	Business-Type Activities	Total
<b><u>ASSETS:</u></b>			
Current Assets:			
Cash and Investments	\$ 740,580	\$ 886,806	\$ 1,627,386
Account Receivables - Net	148,051	275,612	423,663
Property Taxes Receivable	105,182	-	105,182
Assessments Receivable	-	18,814	18,814
Contracts Receivable	96,591	-	96,591
Due From Other Funds	-	327,488	327,488
Inventory	-	56,758	56,758
Total Current Assets	<u>1,090,404</u>	<u>1,565,478</u>	<u>2,655,882</u>
Non-Current Assets:			
Restricted Cash	-	297,353	297,353
Capital Assets:			
Depreciable Assets, Net	5,541,832	331,793	5,873,626
Non-Depreciable Assets	634,202	15,436,793	16,070,995
Total Capital Assets, Net of Depreciation	<u>6,176,035</u>	<u>15,768,586</u>	<u>21,944,621</u>
Total Assets	<u>7,266,439</u>	<u>17,631,417</u>	<u>24,897,856</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES:</u></b>			
Pension Related	287,678	77,851	365,529
Total Deferred Outflows of Resources	<u>287,678</u>	<u>77,851</u>	<u>365,529</u>
<b><u>LIABILITIES:</u></b>			
Current Liabilities:			
Accounts Payable	4,568	3,706	8,274
Payroll Liabilities	34,141	15,594	49,735
Interest Payable	-	15,833	15,833
Due to Other Funds	327,488	-	327,488
Accrued Compensated Absences	50,449	16,716	67,165
Current Portion of Long-Term Liabilities	-	157,816	157,816
Total Current Liabilities	<u>416,646</u>	<u>209,665</u>	<u>626,311</u>
Long-Term Liabilities:			
Noncurrent Portion of Long-Term Liabilities	-	2,890,221	2,890,221
Net Pension Liability	1,092,182	295,566	1,387,748
Total Long-Term Liabilities	<u>1,092,182</u>	<u>3,185,787</u>	<u>4,277,969</u>
Total Liabilities	<u>1,508,828</u>	<u>3,395,452</u>	<u>4,904,280</u>
<b><u>DEFERRED INFLOW OF RESOURCES:</u></b>			
Pension Related	162,278	43,915	206,193
Total Deferred Inflows of Resources	<u>162,278</u>	<u>43,915</u>	<u>206,193</u>
<b><u>NET POSITION:</u></b>			
Net Investment in Capital Assets	6,176,035	12,720,549	18,896,584
Restricted for:			
Highways & Streets	30,829	-	30,829
Culture and Recreation	20,976	-	20,976
Tourism	86,357	-	86,357
Debt Service	132,401	297,353	429,754
Unrestricted	(563,587)	1,251,999	688,412
Total Net Position	<u>\$ 5,883,011</u>	<u>\$ 14,269,901</u>	<u>\$ 20,152,912</u>

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

**TOWN OF LAKEVIEW**

**STATEMENT OF ACTIVITIES**

**For the Fiscal Year Ended June 30, 2019**

	(Expenses)	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b><u>GOVERNMENTAL ACTIVITIES:</u></b>					
General Government	\$ 565,506	\$ 2,488	\$ -	\$ -	\$ (563,018)
Public Safety	1,486,738	-	-	-	(1,486,738)
Highway and Streets	670,154	-	-	-	(670,154)
Tourism	2,045	-	-	-	(2,045)
Culture and Recreation	101,478	30,014	-	-	(71,464)
Health & Welfare	10,029	-	-	-	(10,029)
Community Development	12,779	-	-	-	(12,779)
Total Governmental Activities	<u>2,848,729</u>	<u>32,502</u>	<u>-</u>	<u>-</u>	<u>(2,816,227)</u>
<b><u>BUSINESS-TYPE ACTIVITIES:</u></b>					
Water Utilities	697,864	668,404	-	-	(29,460)
Sewer Utilities	477,442	667,356	-	-	189,914
Geothermal - Barry	85,103	218,261	-	-	133,158
Geothermal - Department of Corrections	104,167	47,512	-	-	(56,655)
Interest on Long-Term Debt	120,636	-	-	-	(120,636)
Total Business-type Activities	<u>1,485,212</u>	<u>1,601,533</u>	<u>-</u>	<u>-</u>	<u>116,321</u>
Total Primary Government	<u>\$ 4,333,941</u>	<u>\$ 1,634,035</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,699,906)</u>
			Governmental Activities	Business-type Activities	Total
<b><u>CHANGES IN NET POSITION:</u></b>					
Net (expense) revenue			\$ (2,816,227)	\$ 116,321	\$ (2,699,906)
<b>General Revenues:</b>					
Property Taxes, Levied for General Purposes			1,135,441	-	1,135,441
Transient Room Tax			125,965	-	125,965
Intergovernmental Tax Turnovers			258,628	-	258,628
Franchise Taxes			227,125	-	227,125
Interest and Investment Earnings			12,531	35,074	47,605
Other Revenue			104,508	25,572	130,080
Special Item - Loan Fees and Bond Issuance Costs			-	(1,472)	(1,472)
Interfund Transfers			222,500	(222,500)	-
Total General Revenues and Transfers			<u>2,086,698</u>	<u>(163,326)</u>	<u>1,923,372</u>
Change in Net Position			(729,529)	(47,005)	(776,534)
Net Position, July 1, 2018			6,612,540	14,316,906	20,929,446
Net Position, June 30, 2019			<u>\$ 5,883,011</u>	<u>\$ 14,269,901</u>	<u>\$ 20,152,912</u>

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

**BASIC FINANCIAL**  
**STATEMENTS**

**Governmental Fund**  
**Financial Statements**

# **TOWN OF LAKEVIEW**

## **BALANCE SHEET GOVERNMENTAL FUNDS**

**June 30, 2019**

	<u>General Fund</u>	<u>9-1-1 Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS:</u></b>				
Cash and Investments	\$ 294,572	\$ -	446,008	\$ 740,580
Receivables:				
Accounts	38,138	70,317	39,596	148,051
Property Tax	94,121	-	11,061	105,182
Contracts	44,063	-	52,528	96,591
Total Assets	<u>\$ 470,894</u>	<u>\$ 70,317</u>	<u>\$ 549,193</u>	<u>\$ 1,090,404</u>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</u></b>				
Liabilities:				
Accounts Payable	\$ -	\$ 630	\$ 3,938	\$ 4,568
Payroll Payable	24,246	13,580	3,690	41,516
Due To Other Funds	-	175,876	151,612	327,488
Total Liabilities	<u>24,246</u>	<u>190,086</u>	<u>159,240</u>	<u>373,572</u>
Deferred Inflows of Resources:				
Delinquent Property Tax Revenue Not Available	81,567	-	10,136	91,703
Other Revenues Not Available	44,769	-	52,528	97,297
Total Deferred Inflows of Resources	<u>126,336</u>	<u>-</u>	<u>62,664</u>	<u>189,000</u>
Fund Balances:				
Restricted for:				
Highways and Streets	-	-	30,829	30,829
Culture and Recreation	-	-	20,976	20,976
Tourism	-	-	86,357	86,357
Debt Service	-	-	132,401	132,401
Committed for:				
Health & Welfare	-	-	35,588	35,588
Capital Projects	-	-	165,161	165,161
Unassigned	320,312	(119,769)	(144,022)	56,521
Total Fund Balances	<u>320,312</u>	<u>(119,769)</u>	<u>327,290</u>	<u>527,833</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 470,894</u>	<u>\$ 70,317</u>	<u>\$ 549,194</u>	<u>\$ 1,090,405</u>

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

**TOWN OF LAKEVIEW**

**Reconciliation of the Balance Sheet to  
the Statement of Net Position - Governmental Funds  
June 30, 2019**

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Total Fund Balances - Governmental Funds \$ 527,833

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

The cost of the assets is -	\$ 22,653,710	
The accumulated depreciation is -	<u>(16,477,676)</u>	
Net Value of Assets		6,176,034

Net pension assets reported in governmental activities are not financial resources and therefore are not reported in the governmental funds. 287,678

Certain receivables that will not be available to pay for current-period expenditures are deferred in the governmental funds:

Property Taxes	91,703	
Contracts	97,297	
		189,000

Deferred inflows and outflows of pension and opeb contributions and earnings are not reported in the governmental funds

Pension Related Deferrals	(162,278)
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Accrued Compensated Absences are not recorded in the governmental funds: (43,074)

Long-term liabilities, including notes payable and net pension liability, are not due and payable in the current period and therefore are not reported in the governmental funds. (1,092,182)

Net Position of Governmental Activities \$ 5,883,011

## TOWN OF LAKEVIEW

### Statement of Revenues, Expenditures, and Changes in Fund Balances

#### GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2019

	General Fund	9-1-1 Fund	Other Governmental Funds	Total Governmental Funds
<b><u>REVENUES:</u></b>				
Taxes and Assessments	\$ 673,791	\$ 292,107	\$ 167,582	\$ 1,133,480
Intergovernmental	89,923		168,705	258,628
Franchise Taxes	227,125	-	-	227,125
Licenses & Permits	2,488	-	-	2,488
Transient Room Tax	38,274	-	87,691	125,965
Charges for Service	-	-	30,014	30,014
Investment Revenue	6,324	-	6,207	12,531
Miscellaneous and Other Revenue	106,990	75	23,784	130,849
Total Revenues	<u>1,144,915</u>	<u>292,182</u>	<u>483,983</u>	<u>1,921,080</u>
<b><u>EXPENDITURES:</u></b>				
Current Operating:				
General Government	450,649	-	-	450,649
Public Safety	793,230	417,074	-	1,210,304
Highway and Streets	-	-	245,070	245,070
Tourism	-	-	2,045	2,045
Culture and Recreation	-	-	89,154	89,154
Health & Welfare	9,942	-	-	9,942
Community Development	12,643	-	-	12,643
Debt Service	-	-	138,274	138,274
Total Expenditures	<u>1,266,464</u>	<u>417,074</u>	<u>474,543</u>	<u>2,158,081</u>
Excess (Deficiency) of Revenues Over Expenditures	(121,549)	(124,892)	9,440	(237,001)
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Interfund Transfers In	155,000	91,500	145,000	391,500
Interfund Transfers (Out)	-	-	(169,000)	(169,000)
Equity Transfer (Out)	(4,362)		4,362	-
Total Other Financing Sources/(Uses)	<u>150,638</u>	<u>91,500</u>	<u>(19,638)</u>	<u>222,500</u>
Net Change in Fund Balances	29,089	(33,392)	(10,198)	(14,501)
Fund Balances, July 1, 2018	<u>291,223</u>	<u>(86,377)</u>	<u>337,488</u>	<u>542,334</u>
Fund Balances, June 30, 2019	<u>\$ 320,312</u>	<u>\$ (119,769)</u>	<u>\$ 327,290</u>	<u>\$ 527,833</u>

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

**TOWN OF LAKEVIEW**

**Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances  
Governmental Funds to the Statement of Activities**

**For the Fiscal Year Ended June 30, 2019**

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Net Changes in Fund Balances - Total Governmental Funds \$ (14,501)

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

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense.

Less current year depreciation	<u>\$ (535,290)</u>	(535,290)
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Some revenues will not be collected for several months after the City's fiscal year end and are therefore not considered "available" revenues in the governmental funds, instead these funds are shown as deferred revenue. However, these funds are recorded as revenue in the Statement of Activities.

The changes in amounts deferred are as follows:

Property Taxes	1,961	
Contracts	<u>(26,341)</u>	(24,380)

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The net change in those payables is reconciled here.

Compensated Absences	(16,489)	
Interest payable	<u>3,274</u>	(13,215)

Repayment of long-term debt principal amounts are expenditures in the governmental funds, but the repayment reduces long-term debt liabilities in the Statement of Net Position.

Retirement of debt principal		<u>135,000</u>
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Change in Net Position of Governmental Activities		<u><u>\$ (452,386)</u></u>
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**BASIC FINANCIAL**  
**STATEMENTS**

**Proprietary Fund**  
**Financial Statements**



**TOWN OF LAKEVIEW**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**June 30, 2019**

	Water Fund	Sewer Fund	Geothermal Project-DOC Fund	Geothermal Project-Barry Fund	Total Proprietary Funds
<b><u>ASSETS:</u></b>					
Current Assets:					
Cash and Investments	\$ 78,775	\$ 656,139	\$ -	\$ 151,892	\$ 886,806
Accounts Receivable - Net	80,461	195,151	-	-	275,612
Assessments Receivable	18,814	-	-	-	18,814
Inventory	56,758	-	-	-	56,758
Interfund Loan Receivable	40,017	-	-	-	40,017
Due From Other Funds	-	379,513	-	-	379,513
Total Current Assets	<u>274,825</u>	<u>1,230,803</u>	<u>-</u>	<u>151,892</u>	<u>1,657,520</u>
Non-Current Assets:					
Restricted Cash - Loan Reserves	19,175	203,268	-	74,910	297,353
Capital Assets:					
Nondepreciable Capital Assets	244,314	25,894	61,586	-	331,793
Depreciable Capital Assets, Net	<u>7,065,829</u>	<u>4,221,638</u>	<u>1,203,724</u>	<u>2,945,603</u>	<u>15,436,793</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>7,310,143</u>	<u>4,247,531</u>	<u>1,265,309</u>	<u>2,945,603</u>	<u>15,768,586</u>
Total Assets	<u>7,604,143</u>	<u>5,681,602</u>	<u>1,265,309</u>	<u>3,172,405</u>	<u>17,723,459</u>
<b><u>DEFERRED OUTFLOW OF RESOURCES:</u></b>					
Pension Related	39,350	35,372	3,129	-	77,851
Total Deferred Outflows of Resources	<u>39,350</u>	<u>35,372</u>	<u>3,129</u>	<u>-</u>	<u>77,851</u>
<b><u>LIABILITIES:</u></b>					
Current Liabilities:					
Accounts Payable	3,281	-	425	-	3,706
Interest Payable	11,810	3,065	-	958	15,833
Payroll Liabilities	7,270	7,268	17	1,039	15,594
Accrued Compensated Absences	8,358	8,358	-	-	16,716
Due to Other Funds	-	-	52,024	-	52,024
Current Portion of Long-Term Obligations	13,320	107,040	-	37,456	157,816
Total Current Liabilities	<u>44,039</u>	<u>125,731</u>	<u>52,466</u>	<u>39,453</u>	<u>261,689</u>
Long-Term Liabilities					
Interfund Loan Payable	-	-	40,017	-	40,017
Bonds Payable - Long Term Portion	287,956	-	-	2,459,265	2,747,221
Notes Payable - Long Term Portion	71,500	71,500	-	-	143,000
Net Pension Liability	149,396	134,291	11,879	-	295,566
Total Long-Term Liabilities	<u>508,852</u>	<u>205,791</u>	<u>51,896</u>	<u>2,459,265</u>	<u>3,225,804</u>
Total Liabilities	<u>552,891</u>	<u>331,522</u>	<u>104,362</u>	<u>2,498,718</u>	<u>3,487,493</u>
<b><u>DEFERRED INFLOW OF RESOURCES:</u></b>					
Pension Related	22,197	19,953	1,765	-	43,915
Total Deferred Inflows of Resources	<u>22,197</u>	<u>19,953</u>	<u>1,765</u>	<u>-</u>	<u>43,915</u>
<b><u>NET POSITION:</u></b>					
Net Investment in Capital Assets	6,937,367	4,068,991	1,265,309	448,882	12,720,549
Restricted for:					
Debt Service	19,175	203,268	-	74,910	297,353
Unrestricted	<u>111,863</u>	<u>1,093,239</u>	<u>(102,998)</u>	<u>149,895</u>	<u>1,251,999</u>
Total Net Position	<u>\$ 7,068,405</u>	<u>\$ 5,365,498</u>	<u>\$ 1,162,311</u>	<u>\$ 673,687</u>	<u>\$ 14,269,901</u>

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

## TOWN OF LAKEVIEW

### Statement of Revenues, Expenses, and Changes in Net Position

#### PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2019

	Water Fund	Sewer Fund	Geothermal Project-DOC Fund	Geothermal Project-Barry Fund	Total Proprietary Funds
<u>OPERATING REVENUES:</u>					
Charges for Services & Fees	\$ 668,404	\$ 667,356	\$ 47,512	\$ 218,261	\$ 1,601,533
Micellaneous & Other Income	25,572	-	-	-	25,572
Total Revenues	693,976	667,356	47,512	218,261	1,627,105
<u>OPERATING EXPENSES:</u>					
Personnel Services	197,633	220,991	25,894	-	444,518
Materials and Supplies	233,583	165,004	33,401	18,910	450,898
Depreciation Expense	266,648	91,447	44,872	66,193	469,160
Total Operating Expenses	697,864	477,442	104,167	85,103	1,364,576
Income (Loss) from Operations	(3,888)	189,914	(56,655)	133,158	262,529
<u>NON-OPERATING REVENUES (EXPENSES):</u>					
Investment Revenue	13,125	17,863	-	4,086	35,074
Interest Expense	(16,918)	(13,864)	(1,216)	(88,638)	(120,636)
Loan fees and Bond Issuance Costs	-	(1,472)	-	-	(1,472)
Total Non-Operating Rev. (Exp.)	(3,793)	2,527	(1,216)	(84,552)	(87,034)
Income before Transfers	(7,681)	192,441	(57,871)	48,606	175,495
<u>TRANSFERS:</u>					
Transfers from Other Funds	40,000	-	-	-	40,000
Transfers to Other Funds	(65,000)	(132,500)	(3,000)	(62,000)	(262,500)
Changes in Net Position	(32,681)	59,941	(60,871)	(13,394)	(47,005)
Net Position, July 1, 2018	7,101,086	5,305,557	1,223,182	687,081	14,316,906
Net Position, June 30, 2019	<u>\$ 7,068,405</u>	<u>\$ 5,365,498</u>	<u>\$ 1,162,311</u>	<u>\$ 673,687</u>	<u>\$ 14,269,901</u>

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

**TOWN OF LAKEVIEW**

**STATEMENT OF CASH FLOWS**

**PROPRIETARY FUNDS**

**For the Fiscal Year Ended June 30, 2019**

	Water Fund	Sewer Fund	Geothermal Project-DOC Fund	Geothermal Project-Barry Fund	Total Proprietary Funds
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>					
Cash Received from User Charges	\$ 723,515	\$ 701,458	\$ 51,821	\$ 239,389	\$ 1,716,183
Cash Payments for Employee Services	(174,874)	(209,077)	(15,362)	(21,300)	(420,613)
Cash Payments to Suppliers	(233,802)	(168,497)	(34,129)	(21,039)	(457,467)
Net Cash Provided (Used) by Operating Activities	<u>314,839</u>	<u>323,884</u>	<u>2,330</u>	<u>197,050</u>	<u>838,103</u>
<b><u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</u></b>					
Transfer from Other Funds	40,000	-	-	-	40,000
Interfund Loan Receipts/(Payments)	20,784	-	(20,784)	-	-
Short Term (Lending to)/Repayment from Other Funds	-	(100,309)	-	-	(100,309)
Short Term Borrowing from/(Repayment to) Other Funds	-	(3,495)	22,670	-	19,175
Transfer to Other Funds	(65,000)	(132,500)	(3,000)	(62,000)	(262,500)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(4,216)</u>	<u>(236,304)</u>	<u>(1,114)</u>	<u>(62,000)</u>	<u>(303,634)</u>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u></b>					
Acquisition of Capital Assets	(958,353)	-	-	-	(958,353)
Loan fees and Bond Issuance Costs	-	(1,472)	-	-	(1,472)
Principal Paid on Long Term Debt	(12,700)	(201,039)	-	(36,188)	(249,927)
Interest Paid on Long Term Debt	(17,519)	(14,241)	(1,216)	(88,652)	(121,628)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(988,572)</u>	<u>(216,752)</u>	<u>(1,216)</u>	<u>(124,840)</u>	<u>(1,331,380)</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>					
Investment Income	13,125	17,863	-	4,086	35,074
Net Cash Provided (Used) by Investing Activities	13,125	17,863	-	4,086	35,074
Cash and Cash Equivalents at July 1, 2018	762,774	970,716	-	212,506	1,945,996
Cash and Cash Equivalents at June 30, 2019	<u>\$ 97,950</u>	<u>\$ 859,407</u>	<u>\$ -</u>	<u>\$ 226,802</u>	<u>\$ 1,184,159</u>
<b><u>RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u></b>					
Income from operations	\$ (3,888)	\$ 189,914	\$ (56,655)	\$ 133,158	\$ 262,529
Adjustments to reconcile income from operations to net cash provided by operating activities:					
Depreciation	266,648	91,447	44,872	66,193	469,160
Change in assets and liabilities:					
Decrease (increase) in accounts receivable	29,539	34,102	4,309	21,128	89,078
Increase (decrease) in deferred inflows	2,697	2,746	1,765	(3,353)	3,855
(Increase) decrease in deferred outflows	10,650	11,808	(3,129)	8,877	28,206
Increase (decrease) in payables	9,193	(6,133)	11,168	(28,953)	(14,725)
Net cash provided (used) by operating activities	<u>\$ 314,839</u>	<u>\$ 323,884</u>	<u>\$ 2,330</u>	<u>\$ 197,050</u>	<u>\$ 838,103</u>

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

**BASIC FINANCIAL**  
**STATEMENTS**

**Notes to the Basic**  
**Financial Statements**

**TOWN OF LAKEVIEW**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The Town of Lakeview, Oregon (Town) is a municipal corporation incorporated under the laws of the State of Oregon. The Town is governed by an elected Mayor and an elected four-member council. Administration officials are appointed by the council and are responsible for the day-to-day operations of the Town.

The financial statements of the Town have been prepared in accordance with Generally Accepted Accounting Principles (GAAP). GAAP Statements include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The following is a summary of the more significant policies of the Town:

**Reporting Entity**

In determining the financial reporting entity, the Town of Lakeview complies with Governmental Accounting Standards Board Statement 14 as amended, "The Financial Reporting Entity." The criteria for including organizations as component units within the Town's reporting entity, include whether 1) the organization is legally separate (can sue and be sued in their own name); 2) the Town holds the corporate powers of the organization; 3) the Town appoints a voting majority of the organization's council; 4) the Town is able to impose its will on the organization; 5) the organization has the potential to impose a financial benefit/burden on the Town; and 6) there is fiscal dependency by the organization on the Town. Based on the aforementioned criteria, the Town of Lakeview has no component units.

**Basis of Presentation**

*Government-wide Statements:* The statement of net position and the statement of activities display information about the Town as a whole. These statements include the financial activities of the overall Town. Eliminations have been made to minimize the double counting of internal activities. Governmental activities, which normally are 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. Direct expenses are those that are specifically associated with a program of function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Town.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

**TOWN OF LAKEVIEW**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):**

**Basis of Presentation (Cont.)**

*Fund Financial Statements:* The fund financial statements provide information about the Town's funds including those of a fiduciary nature, if applicable. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as other governmental funds.

**Governmental Funds** are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The Town reports the following major governmental funds:

General Fund - The General Fund is the main operating fund of the Town. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

9-1-1 Fund - This fund is a special revenue fund that is used to account for and report resources related to 9-1-1 activities. The primary sources of revenue are charges for services and funding from State revenues.

**Proprietary Funds** are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. All assets and liabilities are included on the Statement of Net Position. The Town has presented the following major proprietary funds:

Water Utility Fund - The Water Utility Fund is used to account for the activities related to provision of water to the residents of the Town. Revenues are primarily from sale of water. Grant and loan proceeds related to water services may also be accounted for in this fund. Expenditures include administration, operations and maintenance of the water system, debt service costs and capital improvements for the treatment and distribution of water.

Sewer Utility Fund – The Sewer Utility Fund is used to account for the activities related to provision of sewer services to the residents of the Town. Revenues are primarily from charges for sewer services. Grant and loan proceeds related to sewer services may also be accounted for in this fund. Expenditures include administration, operations and maintenance of the sewer system, debt service costs and capital improvements for the collection and treatment of sewage.

Geothermal Project Fund - DOC - The Geothermal Project Fund is used to account for the provision of geothermal services to the Department of Corrections.

Geothermal Project Fund - Barry - The Geothermal Project Fund is used to account for the provision of geothermal services to the Lake District Hospital and Lake County School District #7.

**TOWN OF LAKEVIEW**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):**

**Basis of Presentation (Cont.)**

Proprietary funds distinguish operating revenues and expenses from non-operating 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. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Fiduciary Funds** are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organization, other governmental units or other funds. Fiduciary funds are custodial in nature and do not involve measurement of the results of operations.

**Agency Fund** – This fund is for monies held by the Town in a purely custodial capacity for other parties, including governments.

**Measurement Focus/Basis of Accounting**

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Town receives value without giving equal value in exchange, include property taxes, grants, entitlements and donations. On the accrual basis of accounting revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Under terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (when they are measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The Town considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt, which is recognized when the obligations are expected to be liquidated with expendable available financial resources. Property taxes, interest and special assessments are susceptible to accrual. Other receipts and taxes become measurable and available when the cash is received by the government and are recognized as revenue at that time. Entitlements and shared revenues are recorded at the time of receipt or earlier if the "susceptible to accrual" criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

**TOWN OF LAKEVIEW**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):**

Measurement Focus/Basis of Accounting (Cont.)

Proprietary funds distinguish operating revenues and expenses from non-operating 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 principal operating revenues of the Town's Sewer and Water Funds are charges to customers for sales and services. These funds also recognize fees intended to recover the cost of connecting new customers to the Town's utility systems as operating revenue. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Budgeting

A budget is prepared for each Town fund in accordance with the modified accrual basis of accounting and legal requirements set forth in the Oregon local budget law. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total personnel services, materials and services, capital outlay, interfund transfers, contingencies, and debt service by fund are the levels of control. The detail budget document, however, is required to contain more specific, detailed information for the above-mentioned expenditure categories. Appropriations lapse at June 30. Unexpected additional resources may be added to the budget by a supplemental budget and appropriations resolution. A supplemental budget may require hearings before the public, publications in newspapers, and approval by the Town council. Original and supplemental budgets may be modified by using appropriations transfers between the levels of control. Such transfers require approval by the Town council. The Town does not utilize encumbrance accounting for budgeted funds.

Cash and Investments

For purposes of the statement of cash flows, cash and cash equivalents include cash on hand, checking, savings and money market accounts and any short-term, highly liquid investments with initial maturity dates of three months or less.

The Town has adopted an investment policy requiring compliance with Oregon statutes, which authorizes the Town to invest in obligations of the United States, the agencies and instrumentalities of the United States and the State of Oregon, and numerous other investment instruments.

The Town's investments may consist of time certificates of deposit, banker's acceptances, commercial paper, U.S. Government Agency securities, and the State of Oregon Treasurer's Local Government Investment Pool (LGIP). The Town's investments are reported at fair value at year-end. Changes in the fair value of investments are recorded as investment earnings. The LGIP is stated at cost, which approximates fair value. Fair value of the LGIP is the same as the Town's value in the pool shares.

The Oregon State Treasury administers the LGIP. It is an open-ended, non-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 included in the Oregon Short Term Fund (OSTF) which was established by the State Treasurer.

In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP.



**TOWN OF LAKEVIEW**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):**

Accumulated Compensated Absences

Under terms of Civil Service regulations, labor contracts and the Town's employee policy, full-time employees are granted vacation and sick leave. Vacation time accrues at eight hours per month, with various maximums that can be taken or be paid upon termination of employment. Sick leave accrues at eight hours a month and is not payable upon termination. No liability is recorded for sick leave. Accumulated vacation is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Receivables

Amounts due from individuals, organizations or other governmental units are recorded as receivables at year-end. These amounts include charges for services rendered, or for goods and material provided by the Town. All receivables are expected to be collected. Accordingly, receivables are reported at the gross amount without an allowance for uncollectible accounts.

Receivables are also recognized for property taxes and intergovernmental grants. Property taxes receivable consist of uncollected taxes levied and payable at the end of the fiscal year. All taxes are considered collectible. Consequently, no allowance for uncollectible taxes has been established. In the governmental fund financial statements, property taxes not collected within sixty days of the end of the fiscal year are reported as a deferred inflow or resources. (See the note Restricted Assets and Liabilities in the Summary of Significant Accounting Policies)

Deferred Inflows/Outflows of Resources:

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the Town has only one item that qualifies for reporting in this category, deferred pension contributions.

In addition to liabilities, the statement of financial position 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 that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has only one type of item that qualifies for reporting in this category, deferred earnings on pension assets. In the governmental funds balance sheet, a different category of deferred inflow of resources, delinquent property tax revenue not available, is reported. Property taxes levied and considered receivable at the end of the fiscal year, but not collected within sixty days of the end of the fiscal year are reported in this category. These amounts are recognized as an inflow of resources (revenue) in the period that the amounts become available.

Inventory

Inventories are valued at cost, which approximates market value, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when purchased. The costs of proprietary fund type inventories are recorded as expenditures when consumed rather than when purchased.

**TOWN OF LAKEVIEW**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):**

**Restricted Assets and Liabilities**

The Town has set aside certain resources for the repayment of Water Fund, Sewer Fund and Geothermal Project Barry Fund notes and revenue bonds. These resources are classified as restricted assets on the Statement of Net Position because their use is limited by note and bond covenants.

**Long-Term Debt**

All bonds and capital leases to be paid from governmental and business-type resources are reported as liabilities in the government-wide financial statements. Amounts of the long-term debt due within the following fiscal year are included in the current liabilities section of the Statement of Net Position.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principle and interest reported as expenditures. The accounting for proprietary funds is the same in the fund financial statements as it is in the government-wide statements.

**Capital Assets**

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Purchased or constructed capital assets are reported at cost, or estimated cost when original cost is not available. Donated capital assets are valued at their estimated fair market value on the date received. Maintenance and repairs of capital assets that do not significantly extend the useful life of an asset are not capitalized, but rather are charged to expenditures in the funds.

Assets capitalized have an original cost of \$2,500 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method.

The estimated useful lives are as follows:

Dams	100-150 years
Buildings	25-50 years
Machinery and Equipment	5-15 years
Water, Sewer, & Geothermal Systems	25-100 years
Infrastructure	20-50 years

**Use of Estimates**

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as well as disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**TOWN OF LAKEVIEW**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):**

Equity Classifications:

*Government-wide Statements and Proprietary Fund Financial Statements*

Equity is classified as net position, which represents the difference between assets and liabilities, and deferred accounts. Net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantor, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The Town’s policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

*Governmental Fund Financial Statements*

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. The Town did not have any nonspendable resources as of June 30, 2018.
- Restricted: This classification includes fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The Town has restricted funds for public works projects, capital projects, urban renewal projects and debt service.
- Committed: This classification includes fund balance amounts that are constrained for specific purpose that are internally imposed by the government through resolution of the highest level of decision-making authority, the Town Council, and does not lapse at year-end. The Town has committed resources as of June 30, 2019.
- Assigned: This classification includes fund balance amounts that are intended to be used for specific purposes that are neither restricted nor committed. This intent can be expressed by the Town Council or through the Town Council delegating this responsibility to selected staff members or through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned: This classification includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories, and negative fund balances of other governmental funds.

The Town’s policy is to use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of the constrained fund balances.

**TOWN OF LAKEVIEW**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):**

**Property Taxes**

The assessment date for the tax year is July 1. Personal and real property taxes are a lien on July 1. Total personal property tax becomes due and is delinquent when any installment is not paid by its due date. Real property tax is due and payable on November 15. However, a taxpayer may pay real property taxes in three equal installments, due the 15th day of November, February and May. Real property taxes become delinquent if not paid by May 15.

**Inter-Fund Transactions**

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers in the fund financial statements. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement Fund (OPERF) and the Oregon Public Service Retirement Plan (OPSRP) and additions to/deductions from OPERF's and OPSRP's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**CASH AND INVESTMENTS:**

For discussion of deposit and investment policies and other related information, see the Cash and Investments note in the Summary of Significant Accounting Policies.

The Town follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Various restrictions on deposits and investments are imposed by state statutes. These restrictions are summarized in the Cash and Investments note in the Summary of Significant Accounting Policies.

Investments, including amounts held in pool cash and investments are stated at fair value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, 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 prices, 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.

**TOWN OF LAKEVIEW**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

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**CASH AND INVESTMENTS (Cont.):**

Deposits - All cash is deposited in compliance with Oregon statutes. The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. FDIC insurance of \$250,000 applies to the deposits in each depository. ORS 295 governs the collateralization of Oregon public funds and provides the statutory requirements for the Oregon Public Funds Collateralization Program (PFCP). Where balances continually exceed \$250,000, ORS 295 requires the depositor to verify that deposit accounts are only maintained at financial institutions on the list of qualified depositories found on the state treasurer's website.

Custodial Credit Risk for Deposits - Custodial credit risk for deposits exists when, in the event of a depository failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk.

As of June 30, 2019, the reported amount of the Town's deposits was \$881,615 the bank balance was \$703,065 and \$200 in petty cash. Of the bank balance, the entire amount was insured by the FDIC or covered by the collateral held in a multiple financial institutions collateral pool administered by the Oregon State Treasurer.

Investments - Oregon statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. agencies, banker's 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 Governmental Investment Pool. The Town has no credit risk policy or investment policy that would further limit its investment choices

Credit Risk - Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. As of June 30, 2019, the Town's investment in the Oregon State Treasurer's Local Government Investment Pool (LGIP) was unrated.

At June 30, 2019, the Town's investments in financial institutions are as follows:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Local Government Investment Pool	<u>\$ 1,037,556</u>	N/A
Total Investments	<u><u>\$ 1,037,556</u></u>	

Investments in the LGIP and federal agency notes do not require disclosure credit rating quality.

Concentration of Credit Risk - An increased risk of loss occurs as more investments are acquired from one issuer. This results in a concentration of credit risk. The Town places no limit on the amount that may be invested in any one issuer. More than 5 percent of the Town's investments are in the Oregon State Treasurer's Local Government Investment Pool (LGIP). This investment is 100% of the Town's total investments.

**TOWN OF LAKEVIEW**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

**CAPITAL ASSETS:**

The following is a summary of capital asset activity for the fiscal year ended June 30, 2019:

<b>Governmental Activities</b>	<u>Beginning Balances</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balances</u>
<b>Assets not being depreciated:</b>				
Land	\$ 634,202	\$ -	\$ -	\$ 634,202
Total	634,202	-	-	634,202
<b>Assets being depreciated:</b>				
Building and Building Improvement	1,801,893	-	-	1,801,893
Machinery and Equipment	2,011,971	-	-	2,011,971
Infrastructure	18,205,644	-	-	18,205,644
Total Depreciable Assets	22,019,508	-	-	22,019,508
<b>Less: Accumulated Depreciation</b>				
Building and Building Improvement	752,762	55,315	-	808,077
Machinery and Equipment	1,648,164	92,170	-	1,740,333
Infrastructure	13,541,460	387,806	-	13,929,266
Total Accumulated Depreciation	15,942,386	535,290	-	16,477,676
Net Value of Capital Assets Being Depreciated	<u>6,077,122</u>	<u>(535,290)</u>	<u>-</u>	<u>5,541,832</u>
Total Governmental Activities -- Net Value of Capital Assets	<u>\$ 6,711,325</u>	<u>\$ (535,290)</u>	<u>\$ -</u>	<u>\$ 6,176,035</u>

**Depreciation expense was charged to the functions of governmental activities as follows:**

General Government	\$ 65,652
Public Safety	65,388
Highway and Streets	403,289
Culture and Recreation	960
Total Depreciation Expense	<u>\$ 535,290</u>

**TOWN OF LAKEVIEW**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

**CAPITAL ASSETS (Cont.):**

<b>Business-Type Activities</b>	<u>Beginning Balances</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balances</u>
<b>Assets not being depreciated:</b>				
Land	\$ 331,793	\$ -	\$ -	\$ 331,793
Total	331,793	-	-	331,793
<b>Assets being depreciated:</b>				
Utility Systems	20,479,102	958,353	-	21,437,455
Building and Building Improvement	339,271	-	-	339,271
Machinery and Equipment	473,378	-	-	473,378
Total Depreciable Assets	21,291,752	958,353	-	22,250,105
<b>Less: Accumulated Depreciation</b>				
Utility Systems	5,944,273	424,580	-	6,368,853
Building and Building Improvement	81,628	6,786	-	88,414
Machinery and Equipment	318,250	37,794	-	356,045
Total Accumulated Depreciation	6,344,152	469,160	-	6,813,312
Net Value of Capital Assets Being Depreciated	<u>14,947,600</u>	<u>489,193</u>	<u>-</u>	<u>15,436,793</u>
Total Business-Type Activities -- Net Value of Capital Assets	<u>\$ 15,279,394</u>	<u>\$ 489,193</u>	<u>\$ -</u>	<u>\$ 15,768,586</u>
Total Net Value of Capital Assets of Primary Government	<u>\$ 21,990,718</u>	<u>\$ (46,097)</u>	<u>\$ -</u>	<u>\$ 21,944,621</u>

**Depreciation expense was charged to the functions of business-type activities as follows:**

Water	\$ 266,788
Sewer	91,447
Geothermal - Barry	66,193
Geothermal - DOC	44,872
Total Depreciation Expense	<u>\$ 469,300</u>

**TOWN OF LAKEVIEW**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

**LONG-TERM DEBT:**

Long-term debt information, presented separately with respect to governmental and business-type activities, is as follows.

**Governmental Activities**

May 1, 1999, the Town issued General Obligation Bonds in the amount of \$1,750,000. The bonds carry an interest rate between 4.0 and 4.85%. Payments are due the first of January and July with the January payment being interest only. Final payment is due July 1, 2018.

**Business- Type Activities**

On October 07, 2004, the Town issued Revenue Bonds in the amount of \$359,200. The bonds are held by USDA and carry an interest rate of 4.375% per annum. Proceeds from the bond provided financing for the purchase of the Suburban Water District's system. Annual payments are due October 7 with the final payment due October 14, 2045.

On June 2, 1997, the Town entered into a loan agreement with Oregon Department of Environmental Quality Clean Water State Revolving Fund for the amount of \$2,771,333. The purpose of the loan was to finance improvements to the sewer treatment plant in 1997. The loan requires a reserve of \$203,268. The loan carries an interest rate of 3.87% for 20 years. Payments are due the first of May and November of each year with the final payment due November 1, 2019.

On April 21, 2003, the Town entered into a loan agreement with IFA Business Oregon for Infrastructure Capacity Building. The original balance of the loan is \$305,456 with an annual interest rate of 5.35%. The loan is for the term of 25 years. Payments are due December 1st of each year with the final payment due December 1, 2027.

On July 23, 2014, the Town entered into a bond agreement with the USDA Rural Development to finance the construction of the Barry Geothermal System. The original balance of the loan is \$2,665,839 and carries an interest rate of 3.50% per annum. Annual payments of \$124,842 are required and a debt service reserve fund must be funded equal to 10% of the annual payment (\$12,485) each year over the life of the loan until the Town accumulates an amount equal to one annual installment. Rural Development also requires that the Town fund a depreciation reserve for short-lived assets by depositing a sum of \$6,500 annually into a short-lived asset reserve account. The life of the loan is 40 years. The Town has pledged the unobligated net revenues of the Barry geothermal system, franchise fees and privilege taxes for repayment of the loan.

The following tables present current year changes in those debt obligations and the current portions due for each debt.

<b><u>Governmental Long-Term Debt</u></b>	<u>Outstanding Balance July 1, 2018</u>	<u>New Issues</u>	<u>Principal Paid</u>	<u>Interest Paid</u>	<u>Outstanding Balance June 30, 2019</u>	<u>Due Within One Year</u>
<b>Bonds Payable:</b>						
General Obligation Bonds, Series 1999	135,000	-	135,000	3,274	-	-
<b>Total Bonds Payable</b>	<b>135,000</b>	<b>-</b>	<b>135,000</b>	<b>3,274</b>	<b>-</b>	<b>-</b>
<b>Total Governmental Long-Term Debt</b>	<b>\$ 135,000</b>	<b>\$ -</b>	<b>\$ 135,000</b>	<b>\$ 3,274</b>	<b>\$ -</b>	<b>\$ -</b>



**TOWN OF LAKEVIEW**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

**LONG-TERM DEBT (Cont.):**

<b><u>Business-Type Long-Term Debt</u></b>	Outstanding		Principal	Interest	Outstanding	
	Balance	New Issues			Balance	Due
	July 1, 2018		Paid	Paid	June 30, 2019	Within
						One Year
<b>Bonds Payable:</b>						
Revenue Bonds, Series 2004	\$ 300,294	\$ -	6,037	\$ 13,138	\$ 294,257	\$ 6,301
USDA Revenue Bonds Barry Geothermal System	2,532,911	-	36,190	88,652	2,496,721	37,456
<b>Total Bonds Payable</b>	<b>2,833,205</b>	<b>-</b>	<b>42,227</b>	<b>101,790</b>	<b>2,790,978</b>	<b>43,757</b>
<b>Notes from Direct Borrowings:</b>						
Clean Water State Revolving Fund	294,397	-	194,376	10,980	100,021	100,021
IFA Special Public Works Fund Loan #L02003	170,363	-	13,325	9,114	157,038	14,038
<b>Total Notes from Direct Borrowings</b>	<b>464,760</b>	<b>-</b>	<b>207,701</b>	<b>20,094</b>	<b>257,059</b>	<b>114,059</b>
<b>Total Business-Type Long-Term Debt</b>	<b>\$ 3,297,965</b>	<b>\$ -</b>	<b>\$ 249,928</b>	<b>\$ 121,884</b>	<b>\$ 3,048,037</b>	<b>\$ 157,816</b>

The debt service requirements on the above debt is as follows:

**General Obligation and Revenue Bonds**

Due Fiscal Year			
Ending June 30,	Principal	Interest	Total
2020	\$ 43,757	\$ 100,259	\$ 144,016
2021	45,344	98,672	144,016
2022	46,989	97,027	144,016
2023	48,694	95,323	144,017
2024	50,460	93,557	144,017
2025 - 2029	281,155	438,929	720,084
2030 - 2034	336,097	383,985	720,082
2035 - 2039	401,873	318,211	720,084
2040 - 2044	480,635	239,449	720,084
2045 - 2049	492,855	150,324	643,179
2050 - 2055	563,119	60,438	623,557
<b>Total</b>	<b>\$ 2,790,978</b>	<b>\$ 2,076,174</b>	<b>\$ 4,867,152</b>

**Note from Direct Borrowings**

Due Fiscal Year			
Ending June 30,	Principal	Interest	Total
2020	\$ 114,059	\$ 10,837	\$ 124,896
2021	14,789	7,651	22,440
2022	15,580	6,859	22,439
2023	16,413	6,026	22,439
2024	17,292	5,148	22,440
2025 - 2029	78,926	10,832	89,758
<b>Total</b>	<b>\$ 257,059</b>	<b>\$ 47,353</b>	<b>\$ 304,412</b>

For further detail on debt service, see the 'Schedule of Long-Term Debt Transactions' in the Other Supplementary Information section of this report.

**TOWN OF LAKEVIEW**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

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**PENSION PLAN:**

Name of Pension Plan

The Oregon Public Employees Retirement System (PERS) consists of a cost-sharing multiple-employer defined benefit pension plan.

Description of Benefit Terms

*Plan Benefits*

All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A.

**1. Tier One/Tier Two Retirement Benefit (Chapter 238).** Tier One/Tier Two Retirement Benefit plan is closed to new members hired on or after August 29, 2003.

*Pension Benefits*

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

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

*Death Benefits*

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

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

*Disability Benefits*

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

**TOWN OF LAKEVIEW**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

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**PENSION PLAN (Cont.):**

*Benefit Changes After Retirement*

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2019 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

**2. OPSRP Defined Benefit Pension Program (OPSRP DB).** The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003.

*Pension Benefits*

This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

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

General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

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

*Death Benefits*

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

*Disability Benefits*

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

*Benefit Changes After Retirement*

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2019 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

**3. IAP Plan Description:**

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

*Pension Benefits*

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

**TOWN OF LAKEVIEW**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

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**PENSION PLAN (Cont.):**

*Death Benefits*

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

*Recordkeeping*

PERS contracts with VOYA Financial to maintain IAP participant records.

Contributions

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

Employer contribution rates during the period were based on the December 31, 2015 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2019. The state of Oregon and certain schools, community colleges, and political subdivisions have made lump sum payments to establish side accounts, and their rates have been reduced.

Employer contributions for the year ended June 30, 2019 were \$120,457 excluding amounts to fund employer specific liabilities.

Pension Plan CAFR

Oregon PERS produces an independently audited CAFR which can be found at:  
[http://www.oregon.gov/pers/Pages/section/financial\\_reports/financials.aspx](http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx)

Actuarial Valuations

The employer contribution rates effective July 1, 2019, through June 30, 2019, were set using the projected unit credit 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), (2) 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 20 years. For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

**TOWN OF LAKEVIEW**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

**PENSION PLAN (Cont.):**

Actuarial Methods and Assumptions Used in Developing Total Pension Liability

Valuation Date	December 31, 2016
Measurement Date	June 30, 2018
Experience Study	2016, published July 26, 2017
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.50 percent
Long-term expected rate of return	7.50 percent
Discount rate	7.20 percent
Projected salary increases	3.50 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision; blend based on service.
Mortality	<p>Healthy retirees and beneficiaries:  RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Active members:  RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees:  RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.</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 2016 Experience Study which reviewed experience for the four-year period ending on July 26, 2016.

*Discount Rate*

The discount rate used to measure the total pension liability was 7.20 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**TOWN OF LAKEVIEW**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

**PENSION PLAN (Cont.):**

*Depletion Date Projection*

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

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

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate 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 which might impact the plan's funded position.

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

*Assumed Asset Allocation*

<u>Asset Class/Strategy</u>	<u>OIC Policy Range</u>	<u>OIC Target Allocation</u>	<u>Asset Class/Strategy</u>	<u>Actual Allocation</u>
Cash	0.0% - 3.0%	0.0%	Cash	5.2%
Debt Securities	15.0% - 25.0%	20.0%	Debt Securities	18.9%
Public Equity	32.5% - 42.5%	37.5%	Public Equity	36.7%
Real estate	9.5% - 15.5%	12.5%	Real estate	10.1%
Private Equity	13.5% - 21.5%	17.5%	Private Equity	19.7%
Alternative Equity	0.0% - 12.5%	12.5%	Alternative Equity	7.3%
Opportunity Portfolio	0.0% - 3.0%	0.0%	Opportunity Portfolio	2.1%
Total		<u>100%</u>	Total	<u>100%</u>

**TOWN OF LAKEVIEW**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

**PENSION PLAN (Cont.):**

*Long-Term Expected Rate of Return*

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below.

Asset Class	Target Allocation*	Annual Arithmetic Mean	Compound Annual (Geometric) Return	Annual Standard Deviation
Core Fixed Income	8.00%	3.59%	3.49%	4.55%
Short-Term Bonds	8.00%	3.42%	3.38%	2.70%
Bank/Leveraged Loans	3.00%	5.34%	5.09%	7.50%
High Yield Bonds	1.00%	6.90%	6.45%	10.00%
Large/Mid Cap US Equities	15.75%	7.45%	6.30%	16.25%
Small Cap US Equities	1.31%	8.49%	6.69%	20.55%
Micro Cap US Equities	1.31%	9.01%	6.80%	22.90%
Developed Foreign Equities	13.13%	8.21%	6.71%	18.70%
Emerging Foreign Equities	4.13%	10.53%	7.45%	27.35%
Non-US Small Cap Equities	1.88%	8.67%	7.01%	19.75%
Private Equity	17.50%	11.45%	7.82%	30.00%
Real Estate (Property)	10.00%	6.15%	5.51%	12.00%
Real Estate (REITS)	2.50%	8.26%	6.37%	21.00%
Hedge Fund of Funds - Diversified	2.50%	4.36%	4.09%	7.80%
Hedge Fund - Event-driven	0.63%	6.21%	5.86%	8.90%
Timber	1.88%	6.37%	5.62%	13.00%
Farmland	1.88%	6.90%	6.15%	13.00%
Infrastructure	3.75%	7.54%	6.60%	14.65%
Commodities	1.88%	5.43%	3.84%	18.95%
<b>Assumed Inflation - Mean</b>			<b>2.50%</b>	<b>1.85%</b>

\* Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, revised as of June 7, 2017.

**TOWN OF LAKEVIEW**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

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**PENSION PLAN (Cont.):**

Sensitivity Analysis

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

	1% Decrease	Discount Rate	1% Increase
	6.20%	7.20%	8.20%
Employer's proportionate share of the net pension liability	\$ 2,319,189	\$ 1,387,748	\$ 618,920

Changes in Assumptions

A summary of key changes implemented since the December 31, 2016 valuation are described briefly below. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2016 Experience Study for the System, which was published on July 26, 2016 and can be found at:

<https://www.oregon.gov/pers/Documents/2016-Exp-Study.pdf>

*Changes in Actuarial Methods and Allocation Procedures*

There were no changes to actuarial methods and procedures since the December 31, 2016 valuation.

*Changes in Economic Assumptions*

There were no changes to economic assumptions since the December 31, 2016 valuation.

*Changes in Demographic Assumptions*

There were no changes to demographic assumptions since the December 31, 2016 valuation.

*Changes in Benefit Terms and Assumptions*

**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 the 2013 Oregon Legislature made to future System Cost of Living Adjustments (COLA) through Senate Bills 822 and 861. This reversal increased the total pension liability as of June 30, 2015 compared to June 30, 2014 total pension liability.

**Assumptions:** The PERS Board adopted assumption changes that were used to measure the June 30, 2016 total pension liability. The changes included the lowering of the long-term expected rate of return to 7.50 percent and lowering of the assumed inflation to 2.50 percent. For June 30, 2018, the long-term expected rate of return was lowered to 7.20 percent. 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 were updated.



**TOWN OF LAKEVIEW**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

**PENSION PLAN (Cont.):**

Mortality Rates

A summary of the current assumed mortality rates and recommended changes is shown below:

Assumption	December 31, 2015 Valuation	Recommended December 31, 2016 and 2017 Valuations
<b>Healthy Annuitant Mortality</b>	<b>RP-2000 Generational with Scale BB, Combined Active/Healthy Annuitant, Sex Distinct</b>	<b>RP-2014 Healthy Annuitant, Sex Distinct, Generational Projection Unisex Social Security Data Scale</b>
School District male	No collar, set back 24 months	White collar, set back 12 months
Other General Service male (and male beneficiary)	Blended 25% blue collar/75% white collar, set back 12 months	Blended 50% blue collar/50% white collar, set back 12 months
Police & Fire male	Blended 25% blue collar/75% white collar, set back 12 months	Blended 50% blue collar/50% white collar, set back 12 months
School District female	No collar, set back 24 months	White collar, set back 12 months
Other female (and female beneficiary)	Blended 25% blue collar/75% white collar, no set back	Blended 50% blue collar/50% white collar, no set back
<b>Disabled Retiree Mortality</b>	<b>RP-2000 Generational with Scale BB, Disabled, No Collar, Sex distinct</b>	<b>RP-2014 Disabled Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale</b>
Male	70% of Disabled table, but not less than corresponding healthy annuitant rates	No collar adjustment, no set back
Female	95% of Disabled table, but not less than corresponding healthy annuitant rates	No collar adjustment, no set back
<b>Non-Annuitant Mortality</b>	<b>Fixed Percentage of Healthy Annuitant Mortality</b>	<b>RP-2014 Employee, Sex Distinct, Generational Projection with Unisex Social Security Data Scale</b>
School District male	60%	Same collar and set back as Healthy Annuitant assumption
Other General Service male	75%	Same collar and set back as Healthy Annuitant assumption
Police & Fire male	75%	Same collar and set back as Healthy Annuitant assumption
School District female	55%	Same collar and set back as Healthy Annuitant assumption
Other female	60%	Same collar and set back as Healthy Annuitant assumption

**TOWN OF LAKEVIEW**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

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**PENSION PLAN (Cont.):**

Changes Subsequent to the Measurement Date

There were no changes subsequent to the measurement date that we are aware of.

*Deferred Items*

Deferred items are calculated at the system-wide level and are allocated to employers based on their proportionate share. For the measurement period ending June 30, 2018, employers will report the following deferred items:

- A difference between expected and actual experience, which is being amortized over 5.4 years, the remaining service lives of all plan participants, including retirees. One year of this amortization is included in the employer's total pension expense for the measurement period.
- Changes in employer proportion since the prior measurement date, which is being amortized over 5.4 years, the remaining service lives of all plan participants, including retirees. One year of this amortization is included in the employer's total pension expense for the measurement period.
- A Net difference between projected and actual earnings which is being amortized over a closed five-year period. One year's amortization is being recognized in the employer's total pension expense for the measurement period.

Employer Contributions

PERS includes accrued contributions when due pursuant to legal requirements, as of June 30 in its Statement of Changes in Fiduciary Net Position. These are normally included in the employer statements cut off as of the fifth of the following month. PERS does not try to accrue contributions based on pay date.

Beginning with fiscal year 2016, PERS will be able to report cash contributions and UAL side account amortization by employer and will publish this information on the PERS Website. Prior to fiscal year 2016, contributions to the OPSRP Defined Benefit plan were not accounted for by employer, as all employers were pooled for actuarial purposes.

Elements of Changes in Net Position

This information can be found in the Schedule of Changes in Net Pension Liability found on page 74, of the June 30, 2018 PERS CAFR.

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

At June 30, 2019, the employer reported a liability of \$1,387,748 for its proportionate share of the net pension liability. The net pension liability/(asset) was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on a projection of the employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

**TOWN OF LAKEVIEW**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

**PENSION PLAN (Cont.):**

At June 30, 2018, the employer's proportion was 0.00916085%.

For the year ended June 30, 2019, the employer recognized pension expense of \$234,954. At June 30, 2019, the employer 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	\$ 47,207	\$ -
Changes of assumptions	322,649	-
Net difference between projected and actual earnings on investements	-	61,624
Changes in proportionate share	62,863	43,439
Differences between employer contributions and employer's proportionate share of system contributions	-	101,131
Total Deferred Outflows/Inflows	\$ 432,719	\$ 206,194
Post-measurement date contributions	67,190	N/A
Total Deferred Outflow/(Inflow) of Resources	\$ 365,529	\$ 206,194
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		226,525

Contributions of \$67,190 were made subsequent to the measurement date, but prior to the end of the Town's reporting period. These contributions, which are reported as deferred outflows of resources related to Pensions, will be included as reduction of the net pension liability in fiscal year ending in June 30, 2019.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
1st Fiscal Year	\$ 142,395
2nd Fiscal Year	101,231
3rd Fiscal Year	(34,667)
4th Fiscal Year	9,636
5th Fiscal Year	7,929
Thereafter	-
Total	\$ 226,524

**TOWN OF LAKEVIEW**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

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**OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA:**

*Oregon Public Employees Retirement Systems' (OPERS) Retiree Health Insurance Account (RHIA)*

**Plan Description**

The District contributes to the Oregon Public Employees Retirement Systems' (OPERS) Retiree Health Insurance Account (RHIA), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the Oregon Public Employees Retirement Board (OPERB). The plan, which was established under Oregon Revised Statutes 238.420, provides a payment of up to \$60 per month towards the costs of health insurance for eligible PERS retirees. RHIA post-employment benefits are set by state statute. The plan was closed to new entrants hired on or after August 29, 2003.

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.

A comprehensive annual financial report of the funds administered by the OPERB may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700, by calling (503) 598-7377, or by accessing the PERS web site at <http://oregon.gov/PERS/>.

**Funding Policy**

Participating employers are contractually required to contribute at a rate assessed bi-annually by the OPERB, currently 0.50% of annual covered PERS payroll and 0.43% for OPSRP payroll. The OPERB sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 75. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years.

**Contributions**

The District's contributions to PERS' RHIA for the years ended June 30, 2019, 2018, and 2017 were \$4,054, \$4,631, and \$4,440 respectively which equaled the required contributions for the year.

The amount of net OPEB liability (asset) for RHIA is below the threshold for materiality for all opinion units and therefore, will not be reported on the Statement of Net Position.

**TOWN OF LAKEVIEW**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

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**DEFERRED COMPENSATION PLAN:**

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Town employees, permits them to defer a portion of their salary into future years. Participation in the plan is optional.

**COMMITMENTS AND CONTINGENCIES:**

The Town is a defendant in various lawsuits arising in the ordinary course of business. In the opinion of management, the ultimate outcome of the lawsuits, most of which are covered by insurance, will not have a material effect on the Town's financial position.

The Town receives significant financial assistance from various federal, state and local governmental agencies. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. The amount, if any, which may be disallowed by the granting agencies cannot be determined at this time although management expects such amounts to be immaterial.

**RISK MANAGEMENT:**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town carries commercial insurance for all risks, including workers' compensation and employee health and accident insurance. Settled claims resulting for these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**SUBSEQUENT EVENT:**

On March 19, 2019, the Town Council entered into an intergovernmental agreement with the Lake County Sheriff's department to provide contracted police staffing for the Town of Lakeview. Instead of employing police personnel directly, the Town will now pay a contracted fee to Lake County for police protection services within the Town.

**TOWN OF LAKEVIEW**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

**INTERFUND RECEIVABLES AND PAYABLES:**

Interfund receivables and payables for the year ended June 30, 2019 were as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
9-1-1 Fund	\$ -	\$ 175,876
Street Fund	-	83,291
Park Fund	-	51,972
Bullard Canyon Fund	-	16,349
Sewer Utility Fund	379,513	-
Geothermal Project - DOC Fund	-	52,024
Total	<u>\$ 379,513</u>	<u>\$ 379,513</u>

**INTERFUND TRANSFERS:**

Interfund transfers for the year ended June 30, 2019 were as follows:

	<u>Transfers Out</u>	<u>Transfers In</u>
General Fund	\$ -	\$ 150,638
Emergency 9-1-1 Fund	-	91,500
Park Fund	-	67,500
Headstart Fund	(4,362)	-
Snow/Flood Control Fund	10,000	-
Program/Project Fund	159,000	67,500
Bullard Canyon Fund	-	10,000
Utility Water Fund	65,000	-
Utility Sewer Fund	132,500	-
Geothermal Project - DOC Fund	25,000	-
Total	<u>\$ 387,138</u>	<u>\$ 387,138</u>

The Town makes various interfund transfers to move resources between funds to provide resources for expenditures that are not supported by other revenues. The transfers are part of the Town's budget preparation and adoption.

**TOWN OF LAKEVIEW**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

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**OVER-EXPENDITURE OF APPROPRIATIONS:**

Expenditures in excess of appropriation in individual funds for the year ended June 30, 2019 occurred as follows:

<u>Fund / Category</u>	<u>Appropriation</u>	<u>Expenditure</u>	<u>Variance</u>
9-1-1 Fund / Personnel Services	365,100	355,944	17,344
9-1-1 Fund / Capital Outlay	14,000	24,057	10,057
Street Fund / Materials & Services	72,050	88,214	16,164
Transient Lodging Fund / Materials & Services	-	2,045	2,045
Water Utility Fund / Materials & Services	218,400	233,583	15,183
Sewer Utility Fund / Personnel Services	163,600	173,859	10,259
Sewer Utility Fund / Materials & Services	138,027	155,232	17,205
Geothermal Doc Fund / Personnel Services	-	15,379	15,379
Geothermal Doc Fund / Materials & Services	22,000	31,401	9,401

**NEGATIVE ENDING FUND BALANCES:**

The following funds ended the year with a negative fund balance:

<u>Fund</u>	<u>Fund Balance</u>
9-1-1 Fund	\$ (119,769)
Street Fund	(73,798)
Park Fund	(53,875)
Bullard Canyon Fund	(16,349)
Geothermal Project - DOC Fund	(113,268)

**REQUIRED**

**SUPPLEMENTARY**

**INFORMATION**



# TOWN OF LAKEVIEW

## Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

### GENERAL FUND #10

For the Fiscal Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>(Under)</u>
<b><u>REVENUES:</u></b>				
Property Taxes and Assessments	\$ 710,260	\$ 710,260	\$ 673,791	\$ (36,469)
Intergovernmental Revenue	91,800	91,800	89,923	(1,877)
Franchise Taxes	221,300	221,300	227,125	5,825
Licenses, Permits and Fees	5,050	5,050	2,488	(2,562)
Investment Revenue	1,400	1,400	6,324	4,924
HUD Collections	60	60	20,563	20,503
Transient Room Tax	30,000	30,000	38,274	8,274
Miscellaneous Revenue	65,400	65,400	86,427	21,027
Total Revenues	<u>1,125,270</u>	<u>1,125,270</u>	<u>1,144,915</u>	<u>19,645</u>
<b><u>EXPENDITURES:</u></b>				
Current Operating:				
General Government	463,783	416,783	373,046	(43,737)
Legal Services	38,500	88,500	77,603	(10,897)
Police Services	605,762	602,762	530,563	(72,199)
Fire Department	324,890	324,890	262,667	(62,223)
Air Quality	15,000	15,000	9,942	(5,058)
Planning Department	16,275	16,275	12,643	(3,632)
Contingency	520	520	-	(520)
Total Expenditures	<u>1,464,730</u>	<u>1,464,730</u>	<u>1,266,464</u>	<u>(198,266)</u>
Excess (Deficiency) of Revenues Over Expenditures	(339,460)	(339,460)	(121,549)	217,911
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Operating Transfer In	154,000	154,000	155,000	1,000
Equity Transfer In	-	-	(4,362)	(4,362)
Total Other Financing Sources (Uses)	<u>154,000</u>	<u>154,000</u>	<u>150,638</u>	<u>(3,362)</u>
Net Change in Fund Balance	(185,460)	(185,460)	29,089	214,549
Fund Balance - July 1, 2018	<u>185,460</u>	<u>185,460</u>	<u>291,223</u>	<u>105,763</u>
Fund Balance - June 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 320,312</u>	<u>\$ 320,312</u>

# TOWN OF LAKEVIEW

## Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

### EMERGENCY 9-1-1 FUND #19

For the Fiscal Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with</u>
				<u>Final Budget</u>
				<u>Over</u>
				<u>(Under)</u>
<b><u>REVENUES:</u></b>				
Investment Earnings	\$ 500	\$ 500	\$ -	\$ (500)
Taxes and Assessments	316,750	316,750	292,107	(24,643)
Miscellaneous Revenue	11,000	11,000	75	(10,925)
Total Revenues	<u>328,250</u>	<u>328,250</u>	<u>292,182</u>	<u>(36,068)</u>
<b><u>EXPENDITURES:</u></b>				
Personnel Services	338,600	365,100	355,944	17,344
Materials & Services	40,650	40,650	37,073	(3,577)
Capital Outlay	14,000	14,000	24,057	10,057
Total Expenditures	<u>393,250</u>	<u>419,750</u>	<u>417,074</u>	<u>23,824</u>
Excess (Deficiency) of Revenues Over Expenditures	(65,000)	(91,500)	(124,892)	(59,892)
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Operating Transfer In	65,000	91,500	91,500	26,500
Total Other Financing Sources (Uses)	<u>65,000</u>	<u>91,500</u>	<u>91,500</u>	<u>26,500</u>
Net Change In Fund Balance	-	-	(33,392)	(33,392)
Fund Balance - July 1, 2018	-	-	(86,377)	(86,377)
Fund Balance - June 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (119,769)</u>	<u>\$ (119,769)</u>

**TOWN OF LAKEVIEW**

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

**PERS**

**Last 10 Fiscal Years\***

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	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Employer's proportion of the net pension liability (asset)	0.00916085%	0.00878737%	0.00962310%	0.00860316%	0.00812214%	0.00812214%
Employer's proportionate share of the net pension liability (asset)	\$ 1,387,748	\$ 1,184,541	\$ 1,444,651	\$ 493,947	\$ (184,106)	\$ 414,485
Employer's covered - employee payroll	887,783	1,107,814	917,583	987,930	1,047,016	1,014,954
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered - employee payroll	156.32%	106.93%	157.44%	50.00%	-17.58%	40.84%
Plan fiduciary net position as a percentage of the total pension liability	82.1%	83.1%	80.5%	91.9%	103.6%	92.0%

\*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

**TOWN OF LAKEVIEW**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**PERS**  
**Last 10 Fiscal Years\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 120,457	\$ 122,255	\$ 106,626	\$ 113,377	\$ 103,304	\$ 102,452
Contributions in relation to the contractually required contribution	<u>120,457</u>	<u>122,255</u>	<u>106,626</u>	<u>113,377</u>	<u>103,304</u>	<u>102,452</u>
Contribution deficiency (excess)	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Employer's covered - employee payroll	\$ 887,783	\$ 1,107,814	\$ 917,583	\$ 987,930	\$ 1,047,016	\$ 1,014,954
Contributions as a percentage of covered - employee payroll	13.57%	11.04%	11.62%	11.48%	9.87%	10.09%

\*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

**OTHER**  
**SUPPLEMENTARY**  
**INFORMATION**

**Non-Major Governmental Funds**

**TOWN OF LAKEVIEW**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**

**June 30, 2019**

	Combined Non-Major Special Revenue Funds	Combined Non-Major Capital Projects Funds	Non-Major Debt Service Fund	Total
<b><u>ASSETS:</u></b>				
Cash & Investments	\$ 149,372	\$ 165,161	\$ 131,475	\$ 446,008
Accounts Receivable	39,596	-	-	39,596
Contracts Receivable	52,528	-	-	52,528
Property Tax Receivable	-	-	11,061	11,061
Total Assets	<u>\$ 241,496</u>	<u>\$ 165,161</u>	<u>\$ 142,536</u>	<u>\$ 549,193</u>
<b><u>LIABILITIES:</u></b>				
Accounts Payable	\$ 3,938	\$ -	\$ -	\$ 3,938
Accrued Payroll	3,690	-	-	3,690
Due To Other Funds	135,263	16,349	-	151,612
Total Liabilities	<u>142,891</u>	<u>16,349</u>	<u>-</u>	<u>159,240</u>
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>				
Unavailable Revenue	52,528	-	10,136	62,664
Total Deferred Inflows of Resources	<u>52,528</u>	<u>-</u>	<u>10,136</u>	<u>62,664</u>
<b><u>FUND BALANCES:</u></b>				
Restricted for:				
Highways & Streets	30,829	-	-	30,829
Culture and Recreation	20,976	-	-	20,976
Tourism	86,357	-	-	86,357
Debt Service	-	-	132,401	132,401
Committed for:				
Health & Welfare	35,588	-	-	35,588
Capital Projects	-	165,161	-	165,161
Unassigned	(127,673)	(16,349)	-	(144,022)
Total Fund Balances	<u>46,077</u>	<u>148,812</u>	<u>132,401</u>	<u>327,290</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 241,496</u>	<u>\$ 165,161</u>	<u>\$ 142,537</u>	<u>\$ 549,194</u>

# TOWN OF LAKEVIEW

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

### NON-MAJOR GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2019

	Combined Non-Major Special Revenue Funds	Combined Non-Major Capital Projects Funds	Non-Major Debt Service Fund	Total
<b>REVENUES:</b>				
Taxes and Assessments	\$ -	\$ -	\$ 167,582	\$ 167,582
Intergovernmental	168,705	-	-	168,705
Transient Room Tax	87,691	-	-	87,691
Charges for Services	30,014	-	-	30,014
Investment Revenue	2,092	3,148	967	6,207
Other Revenue	23,784	-	-	23,784
Total Revenues	<u>312,286</u>	<u>3,148</u>	<u>168,549</u>	<u>483,983</u>
<b>EXPENDITURES:</b>				
Current Operating:				
Highways & Streets	245,070	-	-	245,070
Tourism	2,045	-	-	2,045
Culture and Recreation	82,969	6,185	-	89,154
Debt Service	-	-	138,274	138,274
Total Expenditures	<u>330,084</u>	<u>6,185</u>	<u>138,274</u>	<u>474,543</u>
Excess of Revenues Over (Under) Expenditures	(17,798)	(3,037)	30,275	483,983
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In	67,500	77,500	-	145,000
Operating Transfers Out	(10,000)	(159,000)	-	(169,000)
Equity Transfer (Out)	4,362	-	-	4,362
Total Other Financing Sources (Uses)	<u>61,862</u>	<u>(81,500)</u>	<u>-</u>	<u>(19,638)</u>
Net Change In Fund Balances	44,064	(84,537)	30,275	464,345
Fund Balances - July 1, 2018	2,013	233,349	102,126	337,488
Fund Balances - June 30, 2019	<u>\$ 46,077</u>	<u>\$ 148,812</u>	<u>\$ 132,401</u>	<u>\$ 801,833</u>

**OTHER**  
**SUPPLEMENTARY**  
**INFORMATION**

**Special Revenue Funds**



**TOWN OF LAKEVIEW**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**June 30, 2019**

	Street Fund	Park Fund	Head Start CDBG Fund	Snow Flood Control Fund	Wood- stove Replace- ment Fund	Bicycle Path Fund	Transient Lodge Fund	Total
<b><u>ASSETS:</u></b>								
Cash & Investments	\$ -	\$ -	\$ -	\$ 27,594	\$ 35,588	\$ 20,822	\$ 65,368	\$ 149,372
Accounts Receivable	15,218	-	-	3,235	-	154	20,989	39,596
Contracts Receivable	1,161	-	-	-	51,367	-	-	52,528
Total Assets	<u>\$ 16,379</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,829</u>	<u>\$ 86,955</u>	<u>\$ 20,976</u>	<u>\$ 86,357</u>	<u>\$ 241,496</u>
<b><u>LIABILITIES:</u></b>								
Accounts Payable	\$ 3,296	\$ 642	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,938
Accrued Payroll	2,429	1,261	-	-	-	-	-	3,690
Due To Other Funds	83,291	51,972	-	-	-	-	-	135,263
Total Liabilities	<u>89,016</u>	<u>53,875</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>142,891</u>
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>								
Unavailable Revenue	1,161	-	-	-	51,367	-	-	52,528
Total Deferred Inflows of Resources	<u>1,161</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,367</u>	<u>-</u>	<u>-</u>	<u>52,528</u>
<b><u>FUND BALANCES:</u></b>								
Restricted for:								
Culture and Recreation	-	-	-	-	-	20,976	-	20,976
Tourism	-	-	-	-	-	-	86,357	86,357
Committed for:								
Highways & Streets	-	-	-	30,829	-	-	-	30,829
Health & Welfare	-	-	-	-	35,588	-	-	35,588
Unassigned	<u>(73,798)</u>	<u>(53,875)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(127,673)</u>
Total Fund Balances	<u>(73,798)</u>	<u>(53,875)</u>	<u>-</u>	<u>30,829</u>	<u>35,588</u>	<u>20,976</u>	<u>86,357</u>	<u>46,077</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 16,379</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,829</u>	<u>\$ 86,955</u>	<u>\$ 20,976</u>	<u>\$ 86,357</u>	<u>\$ 241,496</u>

## TOWN OF LAKEVIEW

### Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

#### NON-MAJOR SPECIAL REVENUE FUNDS

For the Fiscal Year Ended June 30, 2019

	Street Fund	Park Fund	Head Start CDBG Fund	Snow Flood Control Fund	Wood- stove Replace- ment	Bicycle Path Fund	Transient Lodge Fund	Total
<b>REVENUES:</b>								
Intergovernmental	\$167,018	\$ -	\$ -	\$ -	\$ -	\$ 1,687	\$ -	\$ 168,705
Transient Room Tax	-	-	-	-	-	-	87,691	87,691
Charges for Services	-	30,014	-	-	-	-	-	30,014
Investment Revenue	-	-	-	479	518	384	711	2,092
Other Revenue	1,201	-	-	16,098	6,485	-	-	23,784
Total Revenues	168,219	30,014	-	16,577	7,003	2,071	88,402	312,286
<b>EXPENDITURES:</b>								
Current Operating:								
Highways & Streets	233,120	-	-	11,950	-	-	-	245,070
Tourism	-	-	-	-	-	-	2,045	2,045
Culture and Recreation	-	77,819	-	-	-	5,150	-	82,969
Total Expenditures	233,120	77,819	-	11,950	-	5,150	2,045	330,084
Excess (Deficiency) of Revenues Over Expenditures	(64,901)	(47,805)	-	4,627	7,003	(3,079)	86,357	(17,798)
<b>OTHER FINANCING SOURCES (USES):</b>								
Operating Transfers In	-	67,500	-	-	-	-	-	67,500
Operating Transfers (Out)	-	-	-	(10,000)	-	-	-	(10,000)
Equity Transfer (Out)	-	-	4,362	-	-	-	-	4,362
Total Other Financing Sources (Uses)	-	67,500	4,362	(10,000)	-	-	-	61,862
Net Change In Fund Balances	(64,901)	19,695	4,362	(5,373)	7,003	(3,079)	86,357	44,064
Fund Balances - July 1, 2018	(8,897)	(73,570)	(4,362)	36,202	28,585	24,055	-	2,013
Fund Balances - June 30, 2019	<u>\$ (73,798)</u>	<u>\$ (53,875)</u>	<u>\$ -</u>	<u>\$ 30,829</u>	<u>\$ 35,588</u>	<u>\$ 20,976</u>	<u>\$ 86,357</u>	<u>\$ 46,077</u>

# TOWN OF LAKEVIEW

## Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

### STREET FUND #20

For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<u>REVENUES:</u>				
Intergovernmental Revenue	\$ 447,000	\$ 447,000	\$ 167,018	\$ -
Miscellaneous Income	600	600	1,201	601
Total Revenues	<u>447,600</u>	<u>447,600</u>	<u>168,219</u>	<u>601</u>
<u>EXPENDITURES:</u>				
Personnel Services	106,550	106,550	94,906	(11,644)
Materials and Services	72,050	72,050	88,214	16,164
Capital Outlay	<u>305,000</u>	<u>305,000</u>	<u>50,000</u>	<u>(255,000)</u>
Total Expenditures	<u>483,600</u>	<u>483,600</u>	<u>233,120</u>	<u>(250,480)</u>
Net Change In Fund Balance	(36,000)	(36,000)	(64,901)	251,081
Fund Balance - July 1, 2018	<u>36,000</u>	<u>36,000</u>	<u>(8,897)</u>	<u>(44,897)</u>
Fund Balance - June 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (73,798)</u>	<u>\$ 206,184</u>

**TOWN OF LAKEVIEW**

**Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual**

**PARK FUND #22**

**For the Fiscal Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with</u>
				<u>Final Budget</u>
				<u>Over</u>
				<u>(Under)</u>
<b><u>REVENUES:</u></b>				
Charges for Services - Pool	\$ 26,000	\$ 26,000	\$ 30,014	\$ 4,014
Grants/Donations	251,000	251,000	-	(251,000)
Total Revenues	<u>277,000</u>	<u>277,000</u>	<u>30,014</u>	<u>(246,986)</u>
<b><u>EXPENDITURES:</u></b>				
Personnel Services	56,120	56,120	53,736	(2,384)
Materials & Services	33,380	33,380	24,083	(9,297)
Capital Outlay	250,000	250,000	-	(250,000)
Contingency	5,000	5,000	-	(5,000)
Total Expenditures	<u>344,500</u>	<u>344,500</u>	<u>77,819</u>	<u>(266,681)</u>
Excess (Deficiency) of Revenues				
Over Expenditures	(67,500)	(67,500)	(47,805)	19,695
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Operating Transfer In	67,500	67,500	67,500	-
Total Other Financing Sources (Uses)	<u>67,500</u>	<u>67,500</u>	<u>67,500</u>	<u>-</u>
Net Change In Fund Balance	-	-	19,695	19,695
Fund Balance - July 1, 2018	-	-	<u>(73,570)</u>	<u>(73,570)</u>
Fund Balance - June 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (53,875)</u>	<u>\$ (53,875)</u>

**TOWN OF LAKEVIEW**

**Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual**

**HEAD START CDBG #23**

**For the Fiscal Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Grants	<u>\$ 26,183</u>	<u>\$ 26,183</u>	<u>\$ -</u>	<u>\$ (26,183)</u>
Total Revenues	<u>26,183</u>	<u>26,183</u>	<u>-</u>	<u>(26,183)</u>
<b><u>EXPENDITURES:</u></b>				
Materials & Services	<u>26,183</u>	<u>26,183</u>	<u>-</u>	<u>(26,183)</u>
Total Expenditures	<u>26,183</u>	<u>26,183</u>	<u>-</u>	<u>(26,183)</u>
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Equity Transfer (Out)	<u>-</u>	<u>-</u>	<u>4,362</u>	<u>4,362</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>4,362</u>	<u>4,362</u>
Net Change In Fund Balance	<u>-</u>	<u>-</u>	<u>4,362</u>	<u>4,362</u>
Fund Balance - July 1, 2018	<u>-</u>	<u>-</u>	<u>(4,362)</u>	<u>(4,362)</u>
<b>Fund Balance - June 30, 2019</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**TOWN OF LAKEVIEW**

**Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual**

**SNOW/FLOOD CONTROL FUND #25**

**For the Fiscal Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with</u>
				<u>Final Budget</u>
				<u>Over</u>
				<u>(Under)</u>
<b><u>REVENUES:</u></b>				
Investment Earnings	\$ 250	\$ 250	\$ 479	\$ 229
Snow Flood Control Fees	15,000	15,000	16,098	1,098
Total Revenues	15,250	15,250	16,577	1,327
<b><u>EXPENDITURES:</u></b>				
Materials & Services	18,000	18,000	11,950	(6,050)
Contingency	22,250	22,250	-	(22,250)
Total Expenditures	40,250	40,250	11,950	(28,300)
Excess (Deficiency) of Revenues Over Expenditures	(25,000)	(25,000)	4,627	29,627
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Operating Transfer (Out)	(10,000)	(10,000)	(10,000)	-
Total Other Financing Sources (Uses)	(10,000)	(10,000)	(10,000)	-
Net Change In Fund Balance	(35,000)	(35,000)	(5,373)	29,627
Fund Balance - July 1, 2018	35,000	35,000	36,202	1,202
Fund Balance - June 30, 2019	\$ -	\$ -	\$ 30,829	\$ 30,829

**TOWN OF LAKEVIEW**

**Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual**

**WOODSTOVE REPLACEMENT FUND #26**

**For the Fiscal Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with</u>
				<u>Final Budget</u>
				<u>Over</u>
				<u>(Under)</u>
<b><u>REVENUES:</u></b>				
Investment Earnings	\$ 200	\$ 200	\$ 518	\$ 318
Program Income	<u>500</u>	<u>500</u>	<u>6,485</u>	<u>5,985</u>
Total Revenues	<u>700</u>	<u>700</u>	<u>7,003</u>	<u>6,303</u>
<b><u>EXPENDITURES:</u></b>				
Materials and Services	<u>29,200</u>	<u>29,200</u>	<u>-</u>	<u>(29,200)</u>
Total Expenditures	<u>29,200</u>	<u>29,200</u>	<u>-</u>	<u>(29,200)</u>
Net Change in Fund Balance	(28,500)	(28,500)	7,003	35,503
Fund Balance - July 1, 2018	<u>28,500</u>	<u>28,500</u>	<u>28,585</u>	<u>85</u>
Fund Balance - June 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,588</u>	<u>\$ 35,588</u>

**TOWN OF LAKEVIEW**

**Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual**

**BIKE PATH/TRAILS FUND #28**

**For the Fiscal Year Ended June 30, 2019**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b><u>REVENUES:</u></b>				
Interest Income	\$ 200	\$ 200	\$ 384	\$ 184
Intergovernmental	1,400	1,400	1,687	287
Total Revenues	1,600	1,600	2,071	471
<b><u>EXPENDITURES:</u></b>				
Materials & Services	25,000	25,000	5,150	(19,850)
Total Expenditures	25,000	25,000	5,150	(19,850)
Net Change In Fund Balance	(23,400)	(23,400)	(3,079)	20,321
Fund Balance - July 1, 2018	23,400	23,400	24,055	655
Fund Balance - June 30, 2019	\$ -	\$ -	\$ 20,976	\$ 20,976



**TOWN OF LAKEVIEW**

**Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual**

**TRANSIENT LODGING TAX FUND #32**

**For the Fiscal Year Ended June 30, 2019**

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	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		<u>(Under)</u>
<b><u>REVENUES:</u></b>				
Investment Interest	\$ -	\$ -	\$ 711	\$ 711
Lodging Tax	<u>70,000</u>	<u>70,000</u>	<u>87,691</u>	<u>17,691</u>
Total Revenues	<u>70,000</u>	<u>70,000</u>	<u>88,402</u>	<u>18,402</u>
<b><u>EXPENDITURES:</u></b>				
Materials & Services	-	-	2,045	2,045
Contingency	<u>70,000</u>	<u>70,000</u>	<u>-</u>	<u>(70,000)</u>
Total Expenditures	<u>70,000</u>	<u>70,000</u>	<u>2,045</u>	<u>(67,955)</u>
Net Change In Fund Balance	-	-	86,357	86,357
Fund Balance - July 1, 2018	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - June 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 86,357</u>	<u>\$ 86,357</u>

**OTHER**  
**SUPPLEMENTARY**  
**INFORMATION**

**Debt Service Funds**

**TOWN OF LAKEVIEW**

**Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual**

**DEBT SERVICE FUND #60**

**For the Fiscal Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Investment Interest	\$ 400	\$ 400	\$ 967	\$ 567
Property Taxes	131,000	131,000	167,582	36,582
Total Revenues	<u>131,400</u>	<u>131,400</u>	<u>168,549</u>	<u>37,149</u>
<u>EXPENDITURES:</u>				
Debt Service				
Principal	135,000	135,000	135,000	-
Interest	<u>3,274</u>	<u>3,274</u>	<u>3,274</u>	<u>-</u>
Total Expenditures	<u>138,274</u>	<u>138,274</u>	<u>138,274</u>	<u>-</u>
Net Change In Fund Balance	(6,874)	(6,874)	30,275	37,149
Fund Balance - July 1, 2018	<u>6,874</u>	<u>6,874</u>	<u>102,126</u>	<u>95,252</u>
Fund Balance - June 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 132,401</u>	<u>\$ 132,401</u>

**OTHER**  
**SUPPLEMENTARY**  
**INFORMATION**

**Non-Major Capital Projects Funds**

**TOWN OF LAKEVIEW**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**

**June 30, 2019**

	Program / Project Support Fund	Building Fund	Fire Truck Replace- ment Fund	System Development Fund	Bullard Canyon Fund	Total
<b><u>ASSETS:</u></b>						
Cash & Investments	\$ 118,175	\$ 4,199	\$ 6,502	\$ 36,285	\$ -	\$ 165,161
Total Assets	<u>\$ 118,175</u>	<u>\$ 4,199</u>	<u>\$ 6,502</u>	<u>\$ 36,285</u>	<u>\$ -</u>	<u>\$ 165,161</u>
<b><u>LIABILITIES:</u></b>						
Due To Other Funds	\$ -	\$ -	\$ -	\$ -	\$ 16,349	\$ 16,349
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,349</u>	<u>16,349</u>
<b><u>FUND BALANCES:</u></b>						
Committed for:						
Capital Projects	118,175	4,199	6,502	36,285	-	165,161
Unassigned	-	-	-	-	(16,349)	(16,349)
Total Fund Balances	<u>118,175</u>	<u>4,199</u>	<u>6,502</u>	<u>36,285</u>	<u>(16,349)</u>	<u>148,812</u>
Total Liabilities and Fund Balances	<u>\$ 118,175</u>	<u>\$ 4,199</u>	<u>\$ 6,502</u>	<u>\$ 36,285</u>	<u>\$ -</u>	<u>\$ 165,161</u>

**TOWN OF LAKEVIEW**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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	Program / Project Support Fund	Building Fund	Fire Truck Replace- ment Fund	System Development Fund	Bullard Canyon Fund	Total
<b><u>REVENUES:</u></b>						
Investment Revenues	\$ 2,389	\$ 67	\$ 105	\$ 587	\$ -	\$ 3,148
Total Revenues	<u>2,389</u>	<u>67</u>	<u>105</u>	<u>587</u>	<u>-</u>	<u>3,148</u>
<b><u>EXPENDITURES:</u></b>						
Culture and Recreation	-	-	-	-	6,185	6,185
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,185</u>	<u>6,185</u>
Excess (Deficiency) of Revenues Over Expenditures	2,389	67	105	587	(6,185)	(3,037)
<b><u>OTHER FINANCING SOURCES (USES):</u></b>						
Operating Transfers In	67,500	-	-	-	10,000	77,500
Operating Transfers (Out)	<u>(159,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(159,000)</u>
Total Other Financing Sources (Uses)	<u>(91,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>(81,500)</u>
Net Change in Fund Balances	(89,111)	67	105	587	3,815	(84,537)
Fund Balances, July 1, 2018	<u>207,286</u>	<u>4,132</u>	<u>6,397</u>	<u>35,698</u>	<u>(20,164)</u>	<u>233,349</u>
Fund Balances, June 30, 2019	<u>\$ 118,175</u>	<u>\$ 4,199</u>	<u>\$ 6,502</u>	<u>\$ 36,285</u>	<u>\$ (16,349)</u>	<u>\$ 148,812</u>

**TOWN OF LAKEVIEW**

**Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual**

**PROGRAM/PROJECT FUND #29**

**For the Fiscal Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with</u>
				<u>Final Budget</u>
				<u>Over</u>
				<u>(Under)</u>
<b><u>REVENUES:</u></b>				
Investment Earnings	\$ 1,500	\$ 1,500	\$ 2,389	\$ 889
Total Revenues	<u>1,500</u>	<u>1,500</u>	<u>2,389</u>	<u>889</u>
<b><u>EXPENDITURES:</u></b>				
Contingency	<u>143,000</u>	<u>116,500</u>	<u>-</u>	<u>(116,500)</u>
Total Expenditures	<u>143,000</u>	<u>116,500</u>	<u>-</u>	<u>(116,500)</u>
Excess (Deficiency) of Revenues Over Expenditures	(141,500)	(115,000)	2,389	117,389
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Operating Transfer In	67,500	67,500	67,500	-
Operating Transfer (Out)	<u>(132,500)</u>	<u>(159,000)</u>	<u>(159,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(65,000)</u>	<u>(91,500)</u>	<u>(91,500)</u>	<u>-</u>
Net Change in Fund Balance	(206,500)	(206,500)	(89,111)	117,389
Fund Balance - July 1, 2018	<u>206,500</u>	<u>206,500</u>	<u>207,286</u>	<u>786</u>
Fund Balance - June 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118,175</u>	<u>\$ 118,175</u>

**TOWN OF LAKEVIEW**

**Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual**

**BUILDING FUND #30**

**For the Fiscal Year Ended June 30, 2019**

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	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with</u>
				<u>Final Budget</u>
				<u>Over</u>
				<u>(Under)</u>
<u>REVENUES:</u>				
Investment Interest	\$ 30	\$ 30	\$ 67	\$ 37
Total Revenues	<u>30</u>	<u>30</u>	<u>67</u>	<u>37</u>
<u>EXPENDITURES:</u>				
Materials & Services	<u>4,110</u>	<u>4,110</u>	<u>-</u>	<u>(4,110)</u>
Total Expenditures	<u>4,110</u>	<u>4,110</u>	<u>-</u>	<u>(4,110)</u>
Net Change In Fund Balance	(4,080)	(4,080)	67	4,147
Fund Balance - July 1, 2018	<u>4,080</u>	<u>4,080</u>	<u>4,132</u>	<u>52</u>
Fund Balance - June 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,199</u>	<u>\$ 4,199</u>



**TOWN OF LAKEVIEW**

**Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual**

**FIRE TRUCK FUND #31**

**For the Fiscal Year Ended June 30, 2019**

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	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Investment Interest	\$ 50	\$ 50	\$ 105	\$ 55
Total Revenues	<u>50</u>	<u>50</u>	<u>105</u>	<u>55</u>
<b><u>EXPENDITURES:</u></b>				
Fire Truck Reserve	<u>6,420</u>	<u>6,420</u>	<u>-</u>	<u>(6,420)</u>
Total Expenditures	<u>6,420</u>	<u>6,420</u>	<u>-</u>	<u>(6,420)</u>
Net Change In Fund Balance	(6,370)	(6,370)	105	6,475
Fund Balance - July 1, 2018	<u>6,370</u>	<u>6,370</u>	<u>6,397</u>	<u>27</u>
Fund Balance - June 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,502</u>	<u>\$ 6,502</u>

**TOWN OF LAKEVIEW**

**Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual**

**SYSTEM DEVELOPMENT FUND #41**

**For the Fiscal Year Ended June 30, 2019**

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	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	with
				Final Budget
				Over
				(Under)
<b><u>REVENUES:</u></b>				
Interest Income	\$ 250	\$ 250	\$ 587	\$ 337
Water - SDC	177	177	-	(177)
Sewer - SDC	578	578	-	(578)
Streets - SDC	39	39	-	(39)
Parks - SDC	25	25	-	(25)
Total Revenues	<u>1,069</u>	<u>1,069</u>	<u>587</u>	<u>(482)</u>
<b><u>EXPENDITURES:</u></b>				
Materials & Services	<u>36,609</u>	<u>36,609</u>	<u>-</u>	<u>(36,609)</u>
Total Expenditures	<u>36,609</u>	<u>36,609</u>	<u>-</u>	<u>(36,609)</u>
Net Change In Fund Balance	(35,540)	(35,540)	587	36,127
Fund Balance - July 1, 2018	<u>35,540</u>	<u>35,540</u>	<u>35,698</u>	<u>158</u>
Fund Balance - June 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,285</u>	<u>\$ 36,285</u>

**TOWN OF LAKEVIEW**

**Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual**

**BULLARD CANYON #44**

**For the Fiscal Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with</u>
				<u>Final Budget</u>
				<u>Over</u>
				<u>(Under)</u>
<b><u>REVENUES:</u></b>				
Investment Interest	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
<b><u>EXPENDITURES:</u></b>				
Materials & Services	10,000	10,000	6,185	(3,815)
Total Expenditures	10,000	10,000	6,185	(3,815)
Excess (Deficiency) of Revenues Over Expenditures	(10,000)	(10,000)	(6,185)	3,815
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Operating Transfer In	10,000	10,000	10,000	-
Total Other Financing Sources (Uses):	10,000	10,000	10,000	-
Net Change In Fund Balance	-	-	3,815	3,815
Fund Balance - July 1, 2018	-	-	(20,164)	(20,164)
Fund Balance - June 30, 2019	\$ -	\$ -	\$ (16,349)	\$ (16,349)

**OTHER**  
**SUPPLEMENTARY**  
**INFORMATION**

**Proprietary Funds**

# TOWN OF LAKEVIEW

## Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

### WATER UTILITY FUND #50

For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>REVENUES:</b>				
Investment Revenue	\$ 19,500	\$ 19,500	\$ 11,909	\$ (7,591)
Charges & Fees for Services	705,000	705,000	571,404	(133,596)
Loan Repayment	22,000	22,000	22,000	-
Grants	155,000	155,000	-	(155,000)
SPWF/RR Project Receipts	100,000	100,000	97,000	(3,000)
Master Plan Update	10,000	10,000	-	(10,000)
Other Revenue	3,000	3,000	25,572	22,572
Total Revenues	<u>1,014,500</u>	<u>1,014,500</u>	<u>727,885</u>	<u>(286,615)</u>
<b>EXPENDITURES:</b>				
Personnel Services	299,555	299,555	193,414	(106,141)
Materials & Services	218,400	218,400	233,583	15,183
Capital Outlay	1,119,500	1,119,500	958,353	(161,147)
Debt Service	30,395	30,395	30,395	-
Contingency	110,000	110,000	-	(110,000)
Total Expenditures	<u>1,777,850</u>	<u>1,777,850</u>	<u>1,415,745</u>	<u>(362,105)</u>
Excess (Deficiency) of Revenues Over Expenditures	(763,350)	(763,350)	(687,860)	75,490
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfer In	40,000	40,000	40,000	-
Operating Transfer (Out)	(65,000)	(65,000)	(65,000)	-
Total Other Financing Sources (Uses)	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Net Change In Fund Balance	(788,350)	(788,350)	(712,860)	75,490
Fund Balance - July 1, 2018	<u>827,925</u>	<u>827,925</u>	<u>1,017,092</u>	<u>189,167</u>
Fund Balance - June 30, 2019	<u>\$ 39,575</u>	<u>\$ 39,575</u>	<u>\$ 304,232</u>	<u>\$ 264,657</u>

Reconciliation to generally accepted accounting principles basis

Net Change in Fund Balance	(712,860)
Acquisition of Capital Assets	958,353
Debt Repayment - Principal	12,700
Interfund Loan Receipt	(20,784)
Depreciation Expense	(266,648)
Change in Interest Payable	777
Change in Vacation Payable	(8,358)
Pension Related Accruals	4,139

Change in Net Position as Reported in Proprietary Funds Statement  
of Revenues, Expenses, and Changes in Net Position

\$ (32,681)

## TOWN OF LAKEVIEW

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

#### SEWER UTILITY FUND #50

For the Fiscal Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Investment Revenue	\$ -	\$ -	\$ 17,863	\$ 17,863
Charges & Fees for Services	669,300	669,300	667,356	(1,944)
Total Revenues	<u>669,300</u>	<u>669,300</u>	<u>685,219</u>	<u>15,919</u>
<u>EXPENDITURES:</u>				
Personnel Services	163,600	163,600	173,859	10,259
Materials & Services	138,027	138,027	155,232	17,205
Capital Outlay	210,500	210,500	9,750	(200,750)
Debt Service	238,323	238,323	216,575	(21,748)
Contingency	100,000	100,000	-	(100,000)
Total Expenditures	<u>850,450</u>	<u>850,450</u>	<u>555,416</u>	<u>(295,034)</u>
Excess (Deficiency) of Revenues Over Expenditures	(181,150)	(181,150)	129,803	310,953
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating Transfer (Out)	(132,500)	(132,500)	(132,500)	-
Total Other Financing Sources (Uses)	<u>(132,500)</u>	<u>(132,500)</u>	<u>(132,500)</u>	<u>-</u>
Net Change In Fund Balance	(313,650)	(313,650)	(2,697)	310,953
Fund Balance - July 1, 2018	353,225	353,225	1,429,498	1,076,273
Fund Balance - June 30, 2019	<u>\$ 39,575</u>	<u>\$ 39,575</u>	<u>\$ 1,426,801</u>	<u>\$ 1,387,226</u>

Reconciliation to generally accepted accounting principles basis

Net Change in Fund Balance	(2,697)
Debt Repayment - Principal	201,039
Depreciation Expense	(91,447)
Change in Interest Payable	201
Change in Vacation Payable	(8,380)
Pension Related Accruals	(38,774)

Change in Net Position as Reported in Proprietary Funds Statement  
of Revenues, Expenses, and Changes in Net Position

\$ 59,942

**TOWN OF LAKEVIEW**

**Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
GEOTHERMAL PROJECT - DOC FUND #53  
For the Fiscal Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with</u>
				<u>Final Budget</u>
				<u>Over</u>
				<u>(Under)</u>
<b><u>REVENUES:</u></b>				
Fees & Services	\$ 52,000	\$ 52,000	\$ 47,512	\$ (4,488)
Total Revenues	52,000	52,000	47,512	(4,488)
<b><u>EXPENDITURES:</u></b>				
Not Allocated to Organizational Unit or Program:				
Personnel Services	-	-	15,379	15,379
Materials & Services	22,000	22,000	31,401	9,401
Capital Outlay	3,000	3,000	-	(3,000)
Debt Service	2,000	2,000	2,000	-
Total Expenditures	27,000	27,000	48,780	21,780
Excess (Deficiency) of Revenues Over Expenditures	25,000	25,000	(1,268)	(26,268)
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Operating Transfer (Out)	(25,000)	(25,000)	(25,000)	-
Total Other Financing Sources (Uses):	(25,000)	(25,000)	(25,000)	-
Net Change In Fund Balance	-	-	(26,268)	(26,268)
Fund Balance - July 1, 2018	-	-	(87,000)	(87,000)
Fund Balance - June 30, 2019	\$ -	\$ -	\$ (113,268)	\$ (113,268)

Reconciliation to generally accepted accounting principles basis

Net Change in Fund Balance	\$ (26,268)
Interfund Loan Repayment - Principal	20,784
Depreciation Expense	(44,872)
Pension Related Accruals	(10,515)
Change in Net Position as Reported in Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position	<u>\$ (60,871)</u>

**TOWN OF LAKEVIEW**

**Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
GEOTHERMAL - BARRY WELL FUND #54  
For the Fiscal Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Investment Interest	\$ 4,500	\$ 4,500	\$ 4,086	\$ (414)
Fees & Services	254,500	254,500	218,261	(36,239)
Total Revenues	<u>259,000</u>	<u>259,000</u>	<u>222,347</u>	<u>(36,653)</u>
<b><u>EXPENDITURES:</u></b>				
Not Allocated to Organizational Unit or Program:				
Materials & Services	77,000	77,000	38,684	(38,316)
Debt Service	149,842	149,842	124,842	(25,000)
Capital Outlay	215,000	215,000	-	(215,000)
Contingency	5,158	5,158	-	(5,158)
Total Expenditures	<u>447,000</u>	<u>447,000</u>	<u>163,526</u>	<u>(283,474)</u>
Excess (Deficiency) of Revenues Over Expenditures	(188,000)	(188,000)	58,821	246,821
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Operating Transfer (Out)	<u>(62,000)</u>	<u>(62,000)</u>	<u>(62,000)</u>	<u>-</u>
Total Other Financing Sources (Uses):	<u>(62,000)</u>	<u>(62,000)</u>	<u>(62,000)</u>	<u>-</u>
Net Change In Fund Balance	(250,000)	(250,000)	(3,179)	246,821
Fund Balance - July 1, 2018	<u>250,000</u>	<u>250,000</u>	<u>208,195</u>	<u>(41,805)</u>
Fund Balance - June 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 205,016</u>	<u>\$ 205,016</u>
Reconciliation to generally accepted accounting principles basis				
Net Change in Fund Balance			\$ (3,179)	
Depreciation Expense			(66,193)	
Debt Repayment - Principal			36,190	
Pension Related Accruals			19,774	
Change in Interest Payable			14	
Change in Net Position as Reported in Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position			<u>\$ (13,394)</u>	



**OTHER**  
**SUPPLEMENTARY**  
**INFORMATION**

**Additional**  
**Supporting Schedules**

**TOWN OF LAKEVIEW**  
**SCHEDULE OF LONG-TERM DEBT TRANSACTIONS**  
**For the Fiscal Year Ended June 30, 2019**

**BUSINESS-TYPE ACTIVITIES**

**Revenue Bonds, Series 2004**

On October 07, 2004, the Town issued Revenue Bonds in the amount of \$359,200. The bonds are held by USDA and carry an interest rate of 4.375% per annum. Proceeds from the bond provided financing for the purchase of the Suburban Water District's system. Annual payments of \$19,175 are due October 7 with the final payment due October 14, 2045. Payments are electronically withdrawn from the City's bank account on the day the payment is due. A reserve account is to be accumulated at a minimum rate of \$1,918 per year until there is a minimum of \$19,175 in the account.

**Current Year Activity:**

	Outstanding Balance July 1, 2018	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2019	Due Within One Year
Principal	\$ 300,294	\$ -	\$ 6,037	\$ 294,257	\$ 6,301
Interest	-	13,138	13,138	-	12,874
<b>Total</b>	<b>\$ 300,294</b>	<b>\$ 13,138</b>	<b>\$ 19,175</b>	<b>\$ 294,257</b>	<b>\$ 19,175</b>

**Future Requirements:**

Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
2020	\$ 6,301	\$ 12,874	\$ 19,175	4.375%
2021	6,577	12,598	19,175	4.375%
2022	6,865	12,310	19,175	4.375%
2023	7,165	12,010	19,175	4.375%
2024	7,478	11,697	19,175	4.375%
2025	7,806	11,369	19,175	4.375%
2026	8,147	11,028	19,175	4.375%
2027	8,504	10,671	19,175	4.375%
2028	8,876	10,299	19,175	4.375%
2029	9,264	9,911	19,175	4.375%
2030	9,669	9,506	19,175	4.375%
2031	10,092	9,083	19,175	4.375%
2032	10,534	8,641	19,175	4.375%
2033	10,995	8,180	19,175	4.375%
2034	11,476	7,699	19,175	4.375%
2035	11,978	7,197	19,175	4.375%
2036	12,502	6,673	19,175	4.375%
2037	13,049	6,126	19,175	4.375%
2038	13,620	5,555	19,175	4.375%
2039	14,215	4,960	19,175	4.375%
2040	14,837	4,338	19,175	4.375%
2041	15,487	3,689	19,176	4.375%
2042	16,164	3,011	19,175	4.375%
2043	16,871	2,304	19,175	4.375%
2044	17,609	1,566	19,175	4.375%
2045	18,176	795	18,971	4.375%
<b>Total</b>	<b>\$ 294,257</b>	<b>\$ 204,090</b>	<b>\$ 498,347</b>	

**TOWN OF LAKEVIEW**  
**SCHEDULE OF LONG-TERM DEBT TRANSACTIONS**  
**For the Fiscal Year Ended June 30, 2019**

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**GOVERNMENTAL ACTIVITIES**

**General Obligation Bonds, Series 1999**

May 1, 1999, the Town issued General Obligation Bonds in the amount of \$1,750,000. The bonds are held by US Bank and carry an interest rate between 4.0 and 4.85%. Payments are due the first of January and July with the January payment being interest only. Final payment is due July 1, 2018.

**Current Year Activity:**

	Outstanding Balance July 1, 2018	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2019	Due Within One Year
Principal	\$ 135,000	\$ -	\$ 135,000	\$ -	\$ -
Interest	-	3,274	3,274	-	-
<b>Total</b>	<b>\$ 135,000</b>	<b>\$ 3,274</b>	<b>\$ 138,274</b>	<b>\$ -</b>	<b>\$ -</b>

**TOWN OF LAKEVIEW**  
**SCHEDULE OF LONG-TERM DEBT TRANSACTIONS**  
**For the Fiscal Year Ended June 30, 2019**

**BUSINESS-TYPE ACTIVITIES**

**Clean Water State Revolving Fund**

On June 2, 1997, the Town entered into a loan agreement with Oregon Department of Environmental Quality's Clean Water State Revolving Fund for the amount of \$2,771,333. The purpose of the loan was to finance improvements to the sewer treatment plant in 1997. The loan requires a reserve of \$203,268. The loan carries an interest rate of 3.87% for 20 years. Payments are due the first of May and November of each year with the final payment due November 1, 2019.

**Current Year Activity:**

	Outstanding Balance <u>July 1, 2018</u>	New Issues and Interest <u>Matured</u>	Principal and Interest <u>Retired</u>	Outstanding Balance <u>June 30, 2019</u>	Due Within <u>One Year</u>
Principal	\$ 294,397	\$ -	\$ 194,376	\$ 100,021	\$ 100,021
Interest	-	10,980	10,980	-	2,435
Total	<u>\$ 294,397</u>	<u>\$ 10,980</u>	<u>\$ 205,356</u>	<u>\$ 100,021</u>	<u>\$ 102,456</u>

**Future Requirements:**

	Fiscal Year Ended June <u>30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Interest Rate</u>
	2020	\$ 100,021	\$ 2,435	\$ 102,456	0.00%
Total		<u>\$ 100,021</u>	<u>\$ 2,435</u>	<u>\$ 102,456</u>	

**TOWN OF LAKEVIEW**  
**SCHEDULE OF LONG-TERM DEBT TRANSACTIONS**  
**For the Fiscal Year Ended June 30, 2019**

**BUSINESS-TYPE ACTIVITIES**

**IFA Special Public Works Fund Loan #L02003**

On April 21, 2003, the Town entered into a loan agreement with IFA Business Oregon for Infrastructure Capacity Building. The original balance of the loan is \$305,456 with an annual interest rate of 5.35%. The loan is for the term of 25 years. Payments are due December 1st of each year with the final payment due December 1, 2027.

**Current Year Activity:**

	Outstanding Balance July 1, 2018	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2019	Due Within One Year
Principal	\$ 170,363	\$ -	\$ 13,325	\$ 157,038	\$ 14,038
Interest	-	9,114	9,114	-	8,402
<b>Total</b>	<b>\$ 170,363</b>	<b>\$ 9,114</b>	<b>\$ 22,439</b>	<b>\$ 157,038</b>	<b>\$ 22,440</b>

**Future Requirements:**

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2020	\$ 14,038	\$ 8,402	\$ 22,440	5.35%
	2021	14,789	7,651	22,440	5.35%
	2022	15,580	6,859	22,439	5.35%
	2023	16,413	6,026	22,439	5.35%
	2024	17,292	5,148	22,440	5.35%
	2025	18,217	4,223	22,440	5.35%
	2026	19,191	3,248	22,439	5.35%
	2027	20,218	2,221	22,439	5.35%
	2028	21,300	1,140	22,440	5.35%
<b>Total</b>		<b>\$ 157,038</b>	<b>\$ 44,918</b>	<b>\$ 201,956</b>	

**TOWN OF LAKEVIEW**  
**SCHEDULE OF LONG-TERM DEBT TRANSACTIONS**  
**For the Fiscal Year Ended June 30, 2019**

**BUSINESS-TYPE ACTIVITIES**

**USDA Revenue Bonds Barry Geothermal System**

On July 23, 2014, the Town entered into an agreement with the USDA Rural Development to finance the construction of the Barry Geothermal System. The original balance of the loan is \$2,665,839 and carries an interest rate of 3.50% per annum. Annual payments of \$124,842 are required and a debt service reserve fund must be funded equal to 10% of the annual payment (\$12,485) each year over the life of the loan until the Town accumulates an amount equal to one annual installment. Rural Development also requires that the Town fund a depreciation reserve for short-lived assets by depositing a sum of \$6,500 annually into a short lived asset reserve account. The life of the loan is 40 years. The Town has pledged the unobligated net revenues of the Barry geothermal system, franchise fees and privilege taxes for repayment of the loan.

**Current Year Activity:**

	Outstanding Balance July 1, 2018	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2019	Due Within One Year
Principal	\$ 2,532,911	\$ -	\$ 36,190	\$ 2,496,721	\$ 37,456
Interest	-	88,652	88,652	-	87,385
<b>Total</b>	<b>\$ 2,532,911</b>	<b>\$ 88,652</b>	<b>\$ 124,842</b>	<b>\$ 2,496,721</b>	<b>\$ 124,841</b>

**Future Requirements:**

Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
2020	\$ 37,456	\$ 87,385	\$ 124,841	0.00%
2021	38,767	86,074	124,841	0.00%
2022	40,124	84,717	124,841	0.00%
2023	41,529	83,313	124,842	0.00%
2024	42,982	81,860	124,842	0.00%
2025	44,487	80,355	124,842	0.00%
2026	46,044	78,798	124,842	0.00%
2027	47,655	77,187	124,842	0.00%
2028	49,323	75,519	124,842	0.00%
2029	51,049	73,792	124,841	0.00%
2030	52,836	72,006	124,842	0.00%
2031	54,685	70,156	124,841	0.00%
2032	56,599	68,242	124,841	0.00%
2033	58,580	66,261	124,841	0.00%
2034	60,631	64,211	124,842	0.00%
2035	62,753	62,089	124,842	0.00%
2036	64,949	59,893	124,842	0.00%
2037	67,222	57,619	124,841	0.00%
2038	69,575	55,267	124,842	0.00%
2039	72,010	52,832	124,842	0.00%
2040	74,531	50,311	124,842	0.00%
2041	77,139	47,703	124,842	0.00%
2042	79,839	45,003	124,842	0.00%
2043	82,633	42,208	124,841	0.00%
2044	85,525	39,316	124,841	0.00%
2045	88,519	36,323	124,842	0.00%
2046	91,617	33,225	124,842	0.00%
2047	94,824	30,018	124,842	0.00%
2048	98,142	26,699	124,841	0.00%
2049	101,577	23,264	124,841	0.00%
2050	105,133	19,709	124,842	0.00%
2051	108,812	16,029	124,841	0.00%
2052	112,621	12,221	124,842	0.00%
2053	116,562	8,279	124,841	0.00%
2054	119,991	4,200	124,191	0.00%
<b>Total</b>	<b>\$ 2,496,721</b>	<b>\$ 1,872,084</b>	<b>\$ 4,368,805</b>	

**ACCOMPANYING**  
**INFORMATION**

**TOWN OF LAKEVIEW**  
**INDEPENDENT AUDITOR'S REPORT**  
**REQUIRED BY OREGON STATE REGULATIONS**

**As of June 30, 2019**

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To the Governing Body of the Town of Lakeview  
Lakeview, Oregon

I have audited the basic financial statements of the Town of Lakeview as of and for the year ended June 30, 2019 and have issued my report thereon dated May 12, 2020. I conducted my audit in accordance with auditing standards generally accepted in the United States of America.

**Compliance**

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

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

- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Highway revenues used for public highways and roads (ORS Chapters 294, 368 & 373).**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

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

- For the fiscal year ended June 30, 2019, over-expenditure of appropriations occurred in six funds, as noted on page 44 of the audit report.
- Negative ending fund balances as noted on page 44 of the audit report.

**OAR 162-10-0230 Internal Control**

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

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



Steven L. Tuhscherer, CPA  
Umpqua Valley Financial  
Roseburg, Oregon  
May 12, 2020