

**CLATSKANIE LIBRARY DISTRICT**  
**ANNUAL FINANCIAL REPORT**  
**For the Year Ended June 30, 2023**

CLATSKANIE LIBRARY DISTRICT  
June 30, 2023

ELECTED BOARD OF DIRECTORS

<u>Name and Address</u>	<u>Position</u>	<u>Term Expires</u>
James W. Gibson PO Box 1540 Clatskanie, Oregon 97016	Chairman	June 30, 2023
Joan McDowell PO Box 1265 Clatskanie, Oregon 97016	Director	June 30, 2023
Becki Horness PO Box 1422 Clatskanie, Oregon 97016	Vice-Chairman	June 30, 2023
Nikole Young 24529 Cox Rd. Rainier, Oregon 97016	Secretary	June 30, 2025
Ellyn Bell 667 Spring St. Clatskanie, Oregon 97016	Director	June 30, 2025

APPOINTED OFFICIALS

Maryanne Hirning, Executive Director  
19245 Kallio Road  
Clatskanie, Oregon 97016

CLATSKANIE LIBRARY DISTRICT  
Financial Statements  
For the Year Ended June 30, 2023

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**William D. Cote, CPA, PC**  
**Certified Public Accountant**  
2647 Highway 101 N., PO Box 2345  
Gearhart, Oregon 97138

Board of Directors  
Clatskanie Library District  
PO Box 577  
Clatskanie, Oregon 97016

**INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

I have reviewed the accompanying modified cash basis financial statements of the governmental activities and each major fund of Clatskanie Library District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the District's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for 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.

***Accountant's Responsibility***

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. I believe that the results of my procedures provide a reasonable basis for my conclusion.

I am required to be independent of Clatskanie Library District and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my review.

***Accountant's Conclusion***

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the modified cash basis of accounting.

***Basis of Accounting***

I draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. My conclusion is not modified with respect to this matter.

***Supplementary Information***

The accompanying supplementary information on pages 19 and 20 (the budgetary comparison schedules) is presented for purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. This supplementary information has been subjected to the review procedures applied in my review of the basic financial statements. I am not aware of any material modifications that should be made to this supplementary information. I have not audited the budgetary comparison schedule and, accordingly do not express an opinion on such information.

**Management Representation of Fiscal Affairs Required by Oregon Regulation**

The Management Representation of Fiscal Affairs Required by Oregon Regulation on page 21 is presented for purpose of additional analysis and is not a required part of the basic financial statements. Such information is the representation of management. I have not audited or reviewed such information, and accordingly, I do not express an opinion, a conclusion, nor provide any assurance on it.



William D. Cote, CPA

November 10, 2023

**BASIC FINANCIAL STATEMENTS**

CLATSKANIE LIBRARY DISTRICT  
Statement of Net Position - Modified Cash Basis  
Governmental Activities  
June 30, 2023

ASSETS

Cash and investments	\$236,855
Land	22,000
Depreciable capital assets, net of depreciation	105,901
	-----
Total Assets	\$364,756
	=====

LIABILITIES

Payroll withholdings	\$2,882
----------------------	---------

NET POSITION

Net investment in capital assets	\$127,901
Restricted for building expansion	4,615
Unrestricted	229,358
	-----
Total Net Position	361,874
	-----
Total Liabilities and Net Position	364,756
	=====

CLATSKANIE LIBRARY DISTRICT  
Statement of Activities - Modified Cash Basis  
For the Year Ended June 30, 2023

General Government Disbursements:	
Personal services	(\$152,916)
Materials and services	(141,932)
Depreciation	(16,302)
	-----
Total Governmental Disbursements	(311,150)
Program Receipts:	
Charges for services	1,849
Grants and contributions	32,867
	-----
Total Program Receipts	34,716
	-----
Disbursements, Net of Program Receipts	(276,434)
General Receipts:	
Current year taxes	275,304
Prior year taxes	7,606
Strategic investment program	26,070
Interest income	7,471
Other income	8,923
	-----
Total General Receipts	325,374
	-----
Increase in Net Position	48,940
Net Position - June 30, 2022	312,934
	-----
Net Position - June 30, 2023	\$361,874
	=====



CLATSKANIE LIBRARY DISTRICT  
Balance Sheet - Modified Cash Basis  
Governmental Funds  
June 30, 2023

	General Fund	Building Expansion Fund	Total Governmental Funds
	-----	-----	-----
<b>ASSETS</b>			
Cash and investments	\$153,358	\$83,497	\$236,855
	-----	-----	-----
Total Assets	\$153,358	\$83,497	\$236,855
	-----	-----	-----
<b>LIABILITIES</b>			
Payroll withholdings	\$2,882	\$ --	\$2,882
<b>FUND BALANCE</b>			
Restricted for building expansion	\$ --	\$4,615	\$4,615
Unrestricted Fund balance			
Committed	--	78,882	78,882
Assigned	150,476	--	150,476
Unassigned	--	--	--
	-----	-----	-----
Total Unrestricted Fund Balance	150,476	78,882	229,358
	-----	-----	-----
Total Fund Balance	150,476	83,497	233,973
	-----	-----	-----
Total Liabilities and Fund Balance	\$153,358	\$83,497	\$236,855
	=====	=====	=====

Reconciliation of Fund Balances to Net Position:

Total Fund Balance as shown above \$233,973

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

Capital assets of \$728,858, net of accumulated depreciation of \$600,957  
are not financial resources and, therefore not reported in the funds. 127,901

Net Position reported in the Statement of Net Position \$361,874

CLATSKANIE LIBRARY DISTRICT  
Statement of Receipts, Disbursements and  
Changes in Fund Balances - Modified Cash Basis  
Governmental Funds  
For the Year Ended June 30, 2023

	General Fund -----	Building Expansion Fund -----	Total Governmental Funds -----
<b>RECEIPTS:</b>			
Current year taxes	\$275,304	\$ --	\$275,304
Prior years taxes	7,606	--	7,606
Interest income	6,238	1,233	7,471
Grants and contributions	32,867	--	32,867
Fees, fines and charges for services	1,849	--	1,849
Strategic investment program	26,070	--	26,070
Other income	8,923	--	8,923
	-----	-----	-----
TOTAL RECEIPTS	358,857	1,233	360,090
	-----	-----	-----
<b>DISBURSEMENTS:</b>			
Current:			
Personal services	152,916	--	152,916
Materials and services	141,932	--	141,932
Capital outlay	42,658	--	42,658
	-----	-----	-----
TOTAL DISBURSEMENTS	337,506	--	337,506
	-----	-----	-----
Receipts Over (Under) Disbursements	21,351	1,233	22,584
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers in	--	27,200	27,200
Operating transfers out	(27,200)	--	(27,200)
	-----	-----	-----
TOTAL OTHER FINANCING SOURCES (USES)	(27,200)	27,200	--
	-----	-----	-----
Receipts and other sources Over (Under) Disbursements and Other Uses	(5,849)	28,433	22,584
Fund Balance, June 30, 2022	156,325	55,064	211,389
	-----	-----	-----
Fund Balance, June 30, 2023	\$150,476	\$83,497	\$233,973
	=====	=====	=====
<b>Reconciliation of the Governmental Funds Change in Fund Balances to the Change in Net Position:</b>			
Net Increase in Fund Balances as shown above			\$22,584
Additions to Capital Assets on the Statement of Net Position			42,658
Depreciation Expense Reported in the Statement of Activities			(16,302)
			-----
Increase in Net Position			\$48,940
			=====

CLATSKANIE LIBRARY DISTRICT  
Notes to the Financial Statements  
Fiscal Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ORGANIZATION

The Clatskanie Library District is a municipal corporation organized in 1985 under provisions of Oregon Revised Statutes Chapter 357 for the purpose of operating a library. The District is governed by a five-member elected Board of Directors. Day to day operations are delegated to a library director who is responsible to the Board.

Component units, as established by GASB Statement No. 14, are separate organizations that are included in the District's reporting entity because of the significance of their operational or financial relationship with the District. The District has no component units as defined in GASB Statement No. 14. The District also has no related organization, joint ventures, or jointly governed organizations as defined in the Statement.

B. BASIS OF PRESENTATION

Government-Wide Financial Statements

The Statement of Net Position – Modified Cash Basis and Statement of Activities – Modified Cash Basis display information about the District as a whole. They include all funds of the District except for fiduciary funds. The District has governmental activities only. Governmental activities of the District are financed through taxes, intergovernmental revenues, and user fees. All interfund activities such as transfers in/out and interfund receivables/payables are eliminated in the government wide financial statements. Program revenues included in the Statement of Activities include charges for fines, copies and other charges to library patrons and capital and operating grants.

Fund Financial Statements

The Balance Sheet – Modified Cash Basis and the Statement of Receipts, Disbursements and Changes in Fund Balances – Modified Cash Basis display information about the District's separate funds.

Governmental Fund Types

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, receipts, and disbursements. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

CLATSKANIE LIBRARY DISTRICT  
Notes to the Financial Statements  
Fiscal Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Cont.)

B. BASIS OF PRESENTATION, (Cont.)

Governmental Fund Types, (Cont.)

The reporting emphasis of fund financial statements is on major governmental funds, each of which is displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds. A fund is considered major if it is the primary operating fund or if its total assets, liabilities, revenues or expenditures are at least 10 percent of the corresponding total for all governmental funds combined. The funds used to account for the District's activities are as follows:

General Fund

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The principal revenue sources are property taxes and charges for services.

Building Expansion Fund

The Building Expansion Fund is a capital projects fund used to account for the accumulation of funds for the specific purpose of providing appropriate facilities to meet the needs of the library. This fund is also used to accumulate funds for disaster recovery. This is a major fund. The principal revenue source is interest on investments.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "how" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

MEASUREMENT FOCUS

In the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the "economic resources" measurement focus, within the limitations of the modified cash basis of accounting as defined below. Therefore, capital assets acquired from cash transactions and related depreciation expense is reported on these government-wide financial statements.

In the fund financial statements, the "current financial resources" measurement focus as applied to the modified cash basis of accounting is used. Therefore, only current resources and obligations are reported in these financial statements.

CLATSKANIE LIBRARY DISTRICT  
Notes to the Financial Statements  
Fiscal Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Cont.)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING, (Cont.)

BASIS OF ACCOUNTING

The District's financial statements are presented on the modified cash basis of accounting. Under this basis, revenues are recorded when received for both the fund and government-wide financial statements. Expenditures are recorded when cash is disbursed, with the exception of payroll withholdings which are expensed when paychecks are issued rather than when the withholding is paid.

This modified cash basis of accounting is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The modified cash basis conforms to the provisions of Oregon Local Budget Law.

D. CASH AND INVESTMENTS

The District's cash and investments consist of deposits in a checking account and deposits in the State of Oregon Local Government Investment Pool. The investments with the State Treasurer's Local Government Investment Pool are stated at fair value which approximates cost. The Local Government Investment Pool operates as a demand deposit account and therefore these deposits are reported as cash in the financial statements.

The District maintains cash and investments in a common pool that is available for use by all funds. Each funds portion of this pooled cash is displayed on the modified cash basis Balance Sheet.

E. PROPERTY TAXES

Real and personal property taxes become a lien against the property as of July 1 each year. Property taxes are payable in three installments, following the lien date, on November 15, February 15, and May 15. Property tax collections are distributed by the County monthly except for the month of November, when such distributions are made weekly. Taxes unpaid on May 16 are considered delinquent. As of June 30, 2023 the District has \$9,768 of uncollected property taxes. Columbia County can enforce tax liens through sale of the property, if taxes remain unpaid. All property taxes receivable are due from owners of property within the District.

CLATSKANIE LIBRARY DISTRICT  
Notes to the Financial Statements  
Fiscal Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Cont.)

F. CAPITAL ASSETS

Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. The District's policy is to capitalize all capital additions having a useful life greater than one year. Further, it is the District's policy to capitalize all individual items of equipment with a cost of \$5,000 or greater, land improvements with a cost of \$10,000 or greater, and buildings and building improvements with a cost of \$25,000 or greater. All books are capitalized regardless of cost. Improvements and other capital outlay that significantly extend the useful life of an asset are capitalized. Costs incurred for ordinary repairs and maintenance are expensed as incurred and are not capitalized.

Depreciation is recorded using the straight-line method over the following estimated useful lives:

Machinery and equipment	5 to 15 years
Buildings and improvements	20 to 75 years
Books	10 years

G. USE OF RESTRICTED RESOURCES

It is the District's policy to use restricted resources first, and then unrestricted resources as they are needed when an expense is incurred for purposes for which both restricted and unrestricted net position are available for use.

H. NET POSITION

Net position represent the difference between assets and liabilities in the government-wide financial statements. Net position is reported in the following categories:

- a) Net investment in capital assets – this consists of the cost of capital assets, net of accumulated depreciation.
- b) Restricted Net Position – consists of net position with restrictions placed on its use either by external groups such as grantors, donors, creditors or other governments, or that are restricted by enabling legislation.
- c) Unrestricted Net Position – this consists of all other net position that does not meet the definition of "restricted" or "invested in capital assets".

CLATSKANIE LIBRARY DISTRICT  
Notes to the Financial Statements  
Fiscal Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Cont.)

I. FUND BALANCE

Fund balance represents the difference between assets and liabilities in the fund financial statements. Fund balances are classified as follows:

- a) Nonspendable fund balance – consists of fund balance legally required to be maintained intact.
- b) Restricted fund balance – consists of fund balance with restrictions placed on the use either by external groups such as grantors, donors, creditors or other governments; or that are restricted by enabling legislation.
- c) Committed fund balance – consists of unrestricted fund balance with constraints imposed by the District’s Board of Directors. The District commits fund balance by the creation of a separate fund to account for committed amounts or thru the adoption of a resolution. Committed amounts cannot be used for any other purpose unless the District’s Board of Directors takes the same action to remove or change this constraint. The District’s committed fund balance at June 30, 2023 represents amounts set aside in the building expansion fund for building construction and improvements.
- d) Assigned fund balance – consists of unrestricted fund balance that is intended to be used for a specific purpose. The District’s Board of Directors has the authority to assign amounts for a specific purpose. The District’s assigned fund balance at June 30, 2023 represents the amount that is intended to fund appropriations in the following year.
- e) Unassigned fund balance – consists of unrestricted fund balance that is available for any purpose.

When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, the District considers committed amounts to be reduced first, followed by assigned amounts, and then unassigned amounts.

J. ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CLATSKANIE LIBRARY DISTRICT  
Notes to the Financial Statements  
Fiscal Year Ended June 30, 2023

2. CASH AND INVESTMENTS

Cash and investments, recorded at fair value, consist of the following at June 30, 2023:

<b>Cash</b>	
Cash on hand	\$ 40
Checking – Wauna Credit Union	2,552
Checking – Umpqua Bank	21,490
<b>Investments</b>	
Oregon Local Government Investment Pool	<u>212,773</u>
Total	<u>\$ 236,855</u>

Deposits

Deposits with financial institutions are comprised of bank demand deposits. Deposits are secured by federal deposit insurance. Deposits in excess of federal depository insurance, if any, are covered by the Public Funds Collateralization Program (PFCP) administered by the Oregon Office of the Treasurer. The PFCP is a shared liability structure for participating bank depositories. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer.

Credit Risk - Investments

The District has no investment policy for credit risk, but Oregon Revised Statutes governing cash management are followed. These statutes authorize the District to invest in banker's acceptances, time certificates of deposit, repurchase agreements, obligations of the United State Government and its agencies and instrumentalities, and the Oregon State Treasurer's Local Government Investment Pool. The State Treasurer's Local Government Investment Pool is not registered with the U.S. Securities and Exchange Commission as an investment company and is unrated. Oregon Statutes and the Oregon Investment Council govern the Pool's investment policies. The State Treasurer is the investment officer for the Pool and is responsible for all funds in the Pool. These funds must be invested and managed as a prudent investor would, exercising reasonable care, skill and caution. Investments in the Pool are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The Oregon Audits Division of the Secretary of State's Office audits the Pool annually. The financial statements are available at [www.ost.state.or.us](http://www.ost.state.or.us).



CLATSKANIE LIBRARY DISTRICT  
Notes to the Financial Statements  
Fiscal Year Ended June 30, 2023

2. CASH AND INVESTMENTS, (Cont.)

Custodial Credit Risk

Custodial Credit Risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities. All of the District's demand deposits were covered by FDIC and NCUA insurance for the year ending June 30, 2023.

Interest Rate Risk

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the Oregon Short-Term Fund Board. The District has not adopted a formal investment policy that explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates. At June 30, 2023 the District held no investments that have a maturity date.

Concentrations of Credit Risk

The District has a concentration of investments consisting of amounts invested in the Local Government Investment Pool.

3. CAPITAL ASSETS

The changes in Capital Assets for the year ended June 30, 2023 is as follows:

	<u>Balances</u> <u>06/30/22</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>06/30/23</u>
<b><u>Nondepreciable</u></b>				
Land	\$ 22,000	--	--	\$ 22,000
<b><u>Depreciable</u></b>				
Buildings & improvements	164,594	--	--	164,594
Equipment	137,125	--	--	137,125
Books	<u>362,481</u>	<u>42,658</u>	--	<u>405,139</u>
Total Depreciable Assets	664,200	42,658	--	706,858
<b><u>Less Accumulated Depr. For:</u></b>				
Buildings & improvements	(151,965)	( 3,327)	--	(155,292)
Equipment	(128,942)	( 1,664)	--	(130,606)
Books	<u>(303,748)</u>	<u>(11,311)</u>	--	<u>(315,059)</u>
Total Accumulated Depr.	<u>(584,655)</u>	<u>(16,302)</u>	--	<u>(600,957)</u>
<b>Net Capital Assets</b>	<b><u>\$101,545</u></b>	<b><u>\$ 26,356</u></b>	<b><u>\$ --</u></b>	<b><u>\$127,901</u></b>

The District's depreciation expense for the year ending June 30, 2023 was \$16,302.

CLATSKANIE LIBRARY DISTRICT  
Notes to the Financial Statements  
Fiscal Year Ended June 30, 2023

**4. PENSION PLAN**

The District contributes to the Oregon Public Employees Retirement Fund (OPERF), a cost-sharing multi-employer define benefit pension plan administrated by the Oregon Public Employee Retirement System, (PERS), and Oregon Public Service Retirement Plan (OPSRP), a hybrid pension plan with two components: the Pension Program(defined benefit) and the Individual Account Program (defined contribution). OPSRP is administered by PERS, the agency. Public employees hired on or after August 20, 2003 became part of OPSRP, unless membership was previously established in PERS. PERS provide retirement and disability benefits, post-employment healthcare benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. All full-time employees are covered by the plan after six months of employment. Benefits generally vest after five years of service. Retirement is allowed at age 58 with unreduced benefits, but retirement is generally allowed at age 55 with reduce benefits. Retirement benefits are based on salary and length of service calculated using a formula and are payable in a lump sum or monthly using several payment options. PERS is administered under Oregon Revised Statue Chapter 238. ORS Chapter 238.620 establishes the Public Employees Retirement Board as the governing body of PERS. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to PERS, P.O. Box 23700, Tigard, OR 97281-3700 or by calling 888-320-7377.

**FUNDING POLICY**

The rate for employee contribution is established by law at 6% of employee compensation. The rate of employer contribution is set by the Public Employees Retirement Board, base upon actuarial valuations. The rates shown below are based on the actuarial valuation of the system as of December 31, 2019, and are subject to change as a result of subsequent valuations or legislative amendments.

Beginning January 1, 2004, PERS member contribution will go into the Individual Account Program (IAP) portion of OPSRP. PERS members retain their existing PERS accounts, but any future member contributions will be deposited in the member's IAP, not into the member's PERS account.

Employer contributions rates as a percentage of covered payroll effective July 1, 2019 through June 30, 2023 is as follows:

Tier1/Tier2	27.51%
OPSRP General Service	21.21%

The District's contribution to the PERS pension program for the year ended June 30, 2023 was \$19,723 on covered payroll of \$92,987.

The District has elected to make the 6% contribution to the individual account program on behalf of covered employees. The District's contribution to the individual account program for the year ended June 30, 2023 was \$5,579 on covered payroll of \$92,987.

CLATSKANIE LIBRARY DISTRICT  
Notes to the Financial Statements  
Fiscal Year Ended June 30, 2023

4. PENSION PLAN (cont.)

ANNUAL PENSION COST

Employer contributions are calculated in conformance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as a percentage of covered payrolls. Therefore, the contributions transmitted to the System are equal to Annual Required Contribution (ARC), and there is no Net Pension Obligation (NPO) necessary to amortize any unmade contributions. The required contribution was determined as part of December 31, 2019 actuarial valuation using the Entry Age Normal cost method. Significant assumptions include (a) a rate of return on the investment of present and future assets of 7.20% per year, (b) projected salary increases of 3.50% per year attributable to general wage adjustments, with additional increase for promotion and longevity that vary by age and service, (c) projected inflation rate of 2.5% per year, (d) healthcare cost increases scaling down from 5.8% in 2020 to 4.1% in 2094, and (e) demographic assumptions that were chosen to reflect the best estimate of emerging experiences of the members of the System.

STATE AND LOCAL GOVERNMENT RATE POOL

The District joined the State and Local Government Pool (SLGRP) with other independent Oregon Employers. Accordingly, information base on actuarial valuation report is not available for individual districts. The unfunded actuarial liability allocated to the District from the pooled SGLRP as of December 31, 2021, the date of the most recent actuarial valuation, is \$184,668. This allocation was based on the proportion of the District's covered payroll to the covered payroll of the SGLRP. The actuarial valuation was made using the Entry Age Normal cost method. Significant assumptions include (a) a rate of return on the investment of present and future assets of 6.90% per year, (b) projected salary increases of 3.40% per year attributable to general wage adjustments, with additional increase for promotion and longevity that vary by age and service, (c) projected inflation rate of 2.4% per year, (d) healthcare cost increases scaling down from 5.5% in 2023 to 3.9% in 2074, and (e) demographic assumptions that were chosen to reflect the best estimate of emerging experience of the members of the System.

PERS RETIREMENT HEALTH INSURANCE ACCOUNT

PLAN DESCRIPTION

The District contributes to the PERS Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefits other postemployment benefit plan administered by PERS. RHIA pays monthly contribution towards the cost of Medicare companion health insurance premiums of eligible retirees. ORS 238.420 establishes this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature.

CLATSKANIE LIBRARY DISTRICT  
Notes to the Financial Statements  
Fiscal Year Ended June 30, 2023

5. RISK MANAGEMENT

The District 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 District carries commercial insurance to cover the risk of loss including workers' compensation, property damage, general liability, automobile liability and employee dishonesty coverage. There has been no reduction in commercial insurance coverage from fiscal year 2022 to 2023. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

6. BUDGETS AND BUDGETARY ACCOUNTING

The District is required by state law to budget all governmental funds. A budget is prepared for each governmental fund in accordance with the modified cash basis of accounting and with legal requirements as set forth in the Oregon Local Budget Law.

On or before June 30 of each year, the District enacts a resolution adopting the budget, making appropriations and levying property taxes for the ensuing fiscal year. Prior to enacting this resolution, the proposed budget is presented to a budget committee consisting of members of the District's Board of Directors and an equal number of citizens residing within the District. The budget committee presents the budget to the Board of Directors for budget hearings prior to enactment of the resolution. The Board of Director's final resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations.

The legal level of control at which expenditures may not legally exceed appropriations is the District's library services program. The library services program consists of the sum of the following object categories: personal services, materials and services and capital outlay. The original budget document contains more specific, detailed information for these expenditure categories.

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriations resolution. A supplemental budget for additional appropriations that are no more than 10% of the fund's original appropriations may be adopted by the District's Board of Directors. A supplemental budget for additional appropriations in excess of 10% of the fund's original appropriations requires hearings before the public, publications in newspapers, and approval by the District's Board of Directors. Appropriations lapse as of year-end.

Original and supplemental budgets may be modified by the use of appropriation transfers between object categories. Such transfers require approval by the District's Governing Board. The District did not make any budget modifications during the year ending June 30, 2023. Consequently, the original and final budget amounts are the same.

The District did not over-expend any budgeted appropriations during the fiscal year ended June 30, 2023.

**OTHER SUPPLEMENTARY INFORMATION**

CLATSKANIE LIBRARY DISTRICT  
 Budgetary Comparison Schedule - Modified Cash Basis  
 General Fund  
 For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Over (Under)
<b>RECEIPTS:</b>				
Current year taxes	\$263,350	\$263,350	\$275,304	\$11,954
Prior years taxes	11,500	11,500	7,606	(3,894)
Interest income	650	650	6,238	5,588
Grants	40,000	41,198	29,198	(12,000)
Contributions	1,000	1,000	3,669	2,669
Fees and fines	2,300	2,300	1,849	(451)
Anticipated SIP	27,000	27,000	26,070	(930)
Other income	2,750	9,950	8,923	(1,027)
<b>TOTAL RECEIPTS</b>	<b>348,550</b>	<b>356,948</b>	<b>358,857</b>	<b>1,909</b>
<b>DISBURSEMENTS:</b>				
<b>Current:</b>				
<b>Personal services</b>				
Wages and payroll taxes	135,000	135,000	119,479	(15,521)
Medical insurance	9,000	9,000	7,200	(1,800)
PERS	40,000	40,000	25,317	(14,683)
Workmen's Comp/Unemployment tax	1,000	1,000	920	(80)
<b>Total personal services</b>	<b>185,000</b>	<b>185,000</b>	<b>152,916</b>	<b>(32,084)</b>
<b>Materials and services</b>				
Contract & professional services	35,000	35,000	17,986	(17,014)
Safety & security	3,000	3,000	2,736	(264)
Buildings and ground maintenance	20,000	27,200	28,709	1,509
Computer software	8,000	8,000	1,736	(6,264)
Election	1,500	1,500	496	(1,004)
Insurance	4,000	4,000	3,919	(81)
Supplies	18,000	18,000	18,435	435
Janitorial service & supplies	4,000	4,000	3,287	(713)
Programming	35,000	36,198	38,031	1,833
Postage	500	500	1,749	1,249
Telephone & utilities	10,000	10,000	7,249	(2,751)
Equipment maintenance	5,000	5,000	1,257	(3,743)
Office supplies	6,000	6,000	10,864	4,864
Professional development	5,000	5,000	5,310	310
Banking	300	300	168	(132)
<b>Total materials and services</b>	<b>155,300</b>	<b>163,698</b>	<b>141,932</b>	<b>(21,766)</b>
<b>Capital outlay:</b>				
Buildings improvements	75,000	75,000	--	(75,000)
Reading materials	30,000	30,000	42,658	12,658
<b>Total capital outlay</b>	<b>105,000</b>	<b>105,000</b>	<b>42,658</b>	<b>(62,342)</b>
<b>TOTAL LIBRARY SERVICES</b>	<b>445,300</b>	<b>453,698</b>	<b>337,506</b>	<b>(116,192)</b>
Operating contingency	23,550	23,550	--	(23,550)
<b>TOTAL DISBURSEMENTS</b>	<b>468,850</b>	<b>477,248</b>	<b>337,506</b>	<b>(139,742)</b>
Receipts over (under) disbursements	(120,300)	(120,300)	21,351	141,651
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(27,200)	(27,200)	(27,200)	--
Increase (decrease) in fund balance	(147,500)	(147,500)	(5,849)	141,651
<b>FUND BALANCE, June 30, 2022</b>	<b>150,000</b>	<b>150,000</b>	<b>156,325</b>	<b>6,325</b>
<b>FUND BALANCE, June 30, 2023</b>	<b>\$2,500</b>	<b>\$2,500</b>	<b>\$150,476</b>	<b>\$147,976</b>

CLATSKANIE LIBRARY DISTRICT  
 Budgetary Comparison Schedule - Cash Basis  
 Building Expansion Fund  
 For the Year Ended June 30, 2023

	Original Budget -----	Final Budget -----	Actual -----	Variance with Final Budget - Over (Under) -----
<b>RECEIPTS:</b>				
Interest income	\$250	\$250	\$1,233	\$983
 <b>DISBURSEMENTS:</b>				
Capital outlay	82,450	82,450	--	(82,450)
Receipts Over (Under) Disbursements	(82,200)	(82,200)	1,233	83,433
 <b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	27,200	27,200	27,200	--
Increase (decrease) in fund balance	(55,000)	(55,000)	28,433	83,433
Fund Balance, June 30, 2022	55,000	55,000	55,064	64
Fund Balance, June 30, 2023	\$ --	\$ --	\$83,497	\$83,497
	=====	=====	=====	=====

**CLATSKANIE LIBRARY DISTRICT  
P.O. Box 577  
Clatskanie, OR 97016  
503-728-3732**

**MANAGEMENT REPRESENTATION OF FISCAL AFFAIRS  
REQUIRED BY OREGON STATE REGULATIONS**

**Fiscal Year Ended June 30, 2023**

The Clatskanie Library District is subject to, and responsible for, compliance with various laws, rules, and regulations relating to its operation and finances. Among such laws, rules, and regulations are the requirements prescribed in Municipal Audit Law (ORS Chapter 297) and the Minimum Standards for Review of Oregon Municipal Corporations (OAR 162, division 40) including, but not limited to:

- (a) Deposit of public funds with financial institutions (ORS Chapter 295).
- (b) Indebtedness limitations, restrictions, and repayment.
- (c) Budgets legally required (ORS Chapter 294).
- (d) Insurance and fidelity bonds in force or required by law.
- (e) Programs funded from outside sources.
- (f) Authorized investment of surplus funds (ORS Chapter 294)
- (g) Public contracts, purchasing, and improvements (ORS Chapters 279A, 279B, and 279C).

The management of the Clatskanie Library District is aware of the requirements of Oregon laws and administrative rules concerning each of the above requirements and has complied, in all material respects, with such requirements. Further, we are not aware of any violations or possible violations of laws, rules, or regulations, whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.

The Board Members and the Clatskanie Library District were covered the entire year ended June 30, 2023 by a \$25,000 bond.

  
James W. Gibson, Board Chairman

November 10, 2023