



**UMATILLA COUNTY  
SPECIAL LIBRARY  
DISTRICT**

Strengthening our community libraries

PO Box 1689  
425 South Main Street  
Pendleton, OR 97801

Phone (541) 276-6449

Umatilla Special Library District Board

Regular Meeting of the Board of Directors  
Thursday, December 16, 2021, 5:30pm  
UCSLD Office at 425 South Main Street, Pendleton, OR &  
Zoom Meeting:

<https://us02web.zoom.us/j/81703124385?pwd=U2dHQ3pGdm5XVWpoRVhMK3J5VmNrZz09>

Meeting ID: 817 0312 4385 Passcode: 068759

Audio Only: +19712471195,,81703124385#,,,,\*068759# US (Portland)

Agenda	
Call to order- Regular Meeting	President
Call the Roll & Establish Quorum	Secretary to the Board
Approval of the Agenda	President

Topic	Lead	Purpose Outcome
Public Comment - Limited to Two Minutes Per Person  Limited to 30 Minutes Total Anyone may come forward at this time. Comment on any topic not on Agenda. Public comment will be invited on Agenda items at time of consideration. Only those who sign up will be heard at that time. Only Board directed general discussion permitted	President	Please sign up
Minutes - Board Meeting - November 18, 2021	President	Approval
Calendar Update	Director	See New Business
Correspondence	Director	
Reports <ul style="list-style-type: none"> <li>• Financial Statements               <ul style="list-style-type: none"> <li>○ Accountants' Report - November 2021</li> <li>○ Banks &amp; Pool Balances</li> </ul> </li> <li>• Staff Monthly Reports</li> </ul>	Director	Acceptance  Information

Topic	Lead	Purpose Outcome
Board Training	Everyone	Tax Revenue Information - Assessor, Rachael Reynolds
Old Business		
• City-District Agreements	Director	Update
• Community Needs Assessment	Director	Update
New Business		
• Audit Draft - Corrective Action	Director	Information & Approval
• Policy Review: District Patrons Who Move Within the County	Director	Discussion & Approval
• Calendar updates: <ul style="list-style-type: none"> <li>○ Board Retreats - January and April</li> <li>○ Budget Committee Meeting</li> <li>○ Budget Hearing Meeting</li> </ul>	Director	Updates to the UCSLD Calendar
Good of the order	Everyone	
Next District Board Meeting - January 27, 2022	President	Information
Adjourn	President	Motion

Sign language interpretation will be provided for the public if requested 48 hours before the meeting; notice 72 hours before the meeting is preferred. Requests may be made to Erin McCusker at 541-276-6449.



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Minutes  
Board of Directors Meeting  
November 18, 2021, at 5:30 pm  
District Office (425 S. Main St., Pendleton Oregon) & via Zoom

**ATTENDANCE BOARD**

Jubilee Barron (via Zoom)  
Caty Clifton (via Zoom)  
Sharone McCann (via Zoom)  
Nick Nash, President  
John Thomas, Vice President

**ATTENDANCE STAFF**

Erin McCusker, District Director  
Dea Nowell, Technical Services Manager (via Zoom)

**ATTENDANCE - VISITORS**

None

**CALL TO ORDER**

Board President Nick Nash called the Board Meeting to order at 5:31 pm.

**CALL THE ROLL & ESTABLISH QUORUM**

Erin McCusker called the roll and stated Caty Clifton, Jubilee Barron, & Sharone McCann were present on Zoom; John Thomas and Nick Nash were present in the office and thus there was a quorum, with all the Board members present.

**APPROVAL OF THE AGENDA**

Erin McCusker noted that the surplus declaration would be via a simple resolution rather than via a motion.

**PUBLIC COMMENT**

None.

**MINUTES**

Board Meeting: October 28, 2021, and ALSR Work Sessions: October 26, 2021 -  
Caty Clifton moved to approve both sets of minutes as documented. Jubilee Barron seconded the motion. The motion passed unanimously.

**CALENDAR UPDATE**

No changes.

**CORRESPONDENCE**

Erin McCusker shared that we received a letter announcing that Columbia Bank merged with Umpqua Bank October 11, 2021, and that the local bank will be closing in mid-2022. Erin noted that later she would like to bring to the Board that we move the Capital Reserve fund money to Banner Bank.

Nick Nash noted that he also received a letter from Columbia Bank regarding the merger. Jubilee Barron stated that she received a similar letter as well.

Erin also shared that Kari Keen from Ukiah has taken a different position in the school; they have interviewed for the library director position and offered the position to Dustin Schock. And the Ukiah superintendent informed Erin that they had a windstorm and a tree limb fell recently and that the library will be closed till an engineer can look at the roof of the library and deem it safe.

## REPORTS

### FINANCIAL STATEMENTS - October 2021

Erin McCusker commented on a couple of areas of the financial statement, however noted it was a pretty normal month. John Thomas moved to approve the financial statement for October 2021 pending audit. Sharone McCann seconded the motion. The motion passed unanimously.

### STAFF MONTHLY REPORTS

Erin McCusker noted that Monica Hoffman's report included her monthly schedule, which is a bit more normal than during earlier days of the pandemic. Erin also noted that Monica is getting free books out throughout the year now rather than all at the end of the year. Erin noted that Dea Nowell has been doing site visits this month, which you will see listed in next month's report. Erin additionally noted that Dea keeps busy with day-to-day work, tech support, and meetings. Erin stated that her report shows getting ready for in-service, for which she has gotten good feedback. She was out of the office some, but still working for the most part. The vehicle purchase documents were sent to the auditor, though she hasn't heard anything back regarding the audit - she is expecting to hear shortly. Erin noted that once the agreements are out, she will be moving into the needs assessment. Erin shared a bit about in-service and shared a few comments from the evaluations she had received prior to the meeting.

Nick Nash offered some comments: thanks to Monica for her schedule overview, noted that Erin is doing a fantastic job and said thanks for pushing people across the District to keep growing and changing. He noted that he appreciates the idea to keep a digital element when we can resume meeting in person for in-service. He offered thanks to Erin and the committee for organizing the in-service. Caty Clifton said thanks for the reports and documentation. She noted that she appreciated Dr. Lenstra's talk and information, and how he brought home the important community function of libraries. She also stated, "good work - thank you." Sharonne McCann asked if the first speaker was recorded. Erin noted it was not. Dea mentioned that Dr. Lenstra was a presenter at a WebJunction webinar the week prior on a similar topic and he used some of his slide information from that webinar in the in-service.

### BOARD TRAINING: POLICY REVIEW CHECK-IN

Erin McCusker ran through what we've done reviewing policies in the last few months. She noted that we had to set this process aside due to other things recently. She ran through the updated plan for policy reviews, noting that we would be putting on hold the Sage Standardized Loan Rules because the Sage Circulation Committee is currently working on this policy. Next month we will look at the Patron Card Moving policy and Cataloging Authority, as well as the Collection Development policy and Request for Reconsideration. Erin noted that at the monthly staff/safety meeting this week we began work on the checklist to implement the cybersecurity policy.

## OLD BUSINESS

## CITY-DISTRICT AGREEMENTS

Erin McCusker stated she had spoken to Eileen Eakins, who had reviewed all the documents. Erin asked about the Hermiston amount adjustment, and Eileen said it doesn't need to be in the agreement, however, suggests it be in the cover letter and notated this is one time only [and will be coming at the end of the fiscal year]. Erin shared her idea of how to determine the correct amount but waiting till the end of the 2022-23 to look note the half difference and have a check cut during FY2022-23, which is the year of the new funding model, to Hermiston. Nick Nash commented we need to make sure we are very clear that this is from District funds and not coming from any other library's funds. Erin will draft the letter for review at next month's Board meeting and then send packets out right after the meeting. Katy Clifton noted she was good with all the changes. John Thomas asked about having an attorney review before sending out the letters. Erin stated she was sure that Eileen would be willing to review the letter. Katy noted she was concerned about the Hermiston agreement including reference to School District. Erin stated she would be sure to remove the rest of those. Erin commented that Eileen made some significant suggested changes to Appendix A. John Thomas moved to finalize the new City-District agreements with letters to be sen out in December. Jubilee Barron seconded the motion. The motion passed unanimously.

## NEW BUSINESS

### HONDA FIT 2008 DECLARED SURPLUS

Erin McCusker noted that she went back to the Surplus Property Disposal Policy, reviewed/updated March 2018, and if we have property valued at more than \$500 to declare surplus it needs be through resolution and disposed of appropriately. We will be auctioning the car through a group that were at the SDAO Conference. Nick Nash read Resolution 2021-2022-01 declaring 2008 Honda Fit surplus for disposal. Katy Clifton moved to accept Resolution 2021-2022-01 as read. John Thomas seconded the motion. The motion passed unanimously. Erin noted that the funds from the surplus sale could go back into the Capital Reserve fund if the Board so chose.

### CITY LIBRARY STATISTICAL REPORT

Erin McCusker commented that this year's State Library of Oregon's statistical reports are very different and shared what they looked like. She noted that we haven't received all of them yet. Erin noted that the statistical reports don't include the circulation information, however she has received that from Ross Fuqua at the State Library. We will work to extrapolate the information we need from the two documents and put into one format. Erin asked if there were any questions. Katy Clifton stated there are a lot of red flags raised in her mind in terms of quality control and reporting information similarly across the County. Katy also mentioned she was not seeing the same amounts listed for city contributions between the statistical reports and what budgets state. John Thomas stated he was also curious about the same specifics of how to define areas, etc. Dea Nowell noted that the State Library does flag things and contact libraries if there are areas that look to be significantly different than in previous year(s). Erin noted she is asking that the Board formally accept the reports that have been sent (6 received), not approving from a content level, and send out an email/letter to hold distribution checks from the libraries until the reports are received from the other 6 libraries.

John Thomas moved to accept submission of the submitted statistical reports and empower Erin to send letters to the libraries that have not submitted their reports that we will be holding distribution checks till the reports are received. Katy Clifton seconded the motion. The motion passed unanimously.

GOOD OF THE ORDER

Nick Nash stated that BMCC will be getting a new librarian and is in the process of hiring. He was assured that it will be someone with an MLS, as he was told they need two things for accreditation: a librarian and a financial aid person.

Erin McCusker stated that the Library District office will be closed Thursday and Friday for Thanksgiving. She also noted that the staff chose to take the 2-day Christmas holiday on Thursday December 23<sup>rd</sup> and Friday December 24<sup>th</sup>.

NEXT DISTRICT BOARD MEETING

The next Board Meeting will be December 16, 2021, at 5:30 pm in person at the District office and via Zoom connection.

ADJOURN

John Thomas moved to adjourn the meeting. Jubilee Barron seconded the motion. The motion passed unanimously. The meeting was adjourned at 6:52 pm by Board President Nick Nash.

Respectfully submitted by Dea Nowell

DRAFT



Date:	December 7, 2021
Staff Name:	Monica Hoffman
Time Period Report Covers:	November 2021

1. Position Purpose Statement:

The Program Manager creates and implements outreach services to childcare, preschool and public library sites throughout the county, fostering a love of reading and promoting kindergarten readiness through the development of early literacy skills targeting children ages birth to six.

2. Statistics:

Attendances at Library Storytime's are kept separately as Take Off! does not count those numbers for the statistical report, to not count attendance the libraries have counted.

Book Box Statistics	Boxes	Books
To Sites with Storytime	66	1320
To Sites without Storytime	33	627
Total	99	1947
Storytime Statistics	Library Storytimes	Childcare Storytimes
Storytimes Provided	1 scheduled	42
Adults in Attendance	0	91
Children in Attendance	0	415
Total Attendance	0	506

3. Meetings and Site Visits-represented above:

*Tuesday November 2, 2021*

11:30am Storytime at Umatilla Morrow Head Start Olivia's class Pilot Rock

*Wednesday November 3, 2021*

9am Storytime at Umatilla Morrow Head Start Victory Square Red class Hermiston

9:30am Storytime at Umatilla Morrow Head Start Victory Square Yellow class Hermiston

10am Storytime at Umatilla Morrow Head Start Victory Square Blue am class Hermiston

10:45am Storytime at Umatilla Morrow Head Start Child Development Center Ruby's class Hermiston

11:15am Storytime at Umatilla Morrow Head Start Child Development Center Katy's class Hermiston

1pm Storytime at Umatilla Morrow Head Start Victory Square Blue pm class Hermiston

*Friday November 5, 2021*

UCSLD In-Service

*Monday November 8, 2021*

9:15am Storytime at Umatilla Morrow Head Start Airport Way Becky's Class Hermiston

9:45am Storytime at Umatilla Morrow Head Start Airport Way Jose's Class Hermiston

10:15am Storytime at Umatilla Morrow Head Start Airport Way Michelle's Class Hermiston

11:30am Storytime at Umatilla Morrow Head Start Rocky Heights Hermiston

*Tuesday November 9, 2021*

9:15am Storytime at ABC Children's Ministries Preschool class 1 Athena

9:45am Storytime at ABC Children's Ministries Preschool class 2 Athena

10:30am Helix Library Storytime- No attendees

*Wednesday November 10, 2021*

9am Storytime at Intermountain Education Service District Punkin Center Crystal's am class Hermiston

9:30am Storytime at Intermountain Education Service District Punkin Avery's am class Hermiston

10am Storytime at Intermountain Education Service District Punkin Becka's pm class Hermiston

10:30am Storytime at Intermountain Education Service District Punkin Erika's class Hermiston

12:30pm Storytime at Intermountain Education Service District Punkin Center Crystal's pm class Hermiston

1pm Storytime at Intermountain Education Service District Punkin Avery's pm class Hermiston

1:30pm Storytime at Intermountain Education Service District Punkin Becka's pm class Hermiston

*Monday November 15, 2021*

9am Playtime Education in-home preschool Pendleton

9:30am Storytime at Umatilla Morrow Head Start P-Wees Pendleton

10am Intermountain Education Service District Stillman Center Hannah's am class Pendleton

1pm Intermountain Education Service District Stillman Center Hannah's pm class Pendleton

*Tuesday November 16, 2021*

9:30am Storytime at Jen's in-home childcare Pendleton

10am Storytime at Mindy's in-home childcare Pendleton

10:30am Elsie in-home childcare Pendleton

11am Lil Angels Preschool and Childcare Pendleton

12:45pm Umatilla Morrow Head Start at Pendleton Early Learning Center Jake's class Pendleton

*Wednesday November 17, 2021*

UCSLD Staff Meeting

9:30am Storytime at Lily's Kids in home preschool Milton Freewater

10am Storytime at Lil Ardo's in home preschool Milton Freewater

10:30am Oregon Child Development Center Milton Freewater

*Thursday November 18, 2021*

9:15am Storytime at Intermountain Education Service District Freewater Sherry's am class Milton Freewater

9:45am Storytime at Walla Walla YMCA at Freewater Kim's class Milton Freewater

10:30am Storytime at Umatilla Morrow Head Start Kallen's class Milton Freewater

12:30pm Storytime at Intermountain Education Service District Freewater Sherry's pm class Milton Freewater

1:15pm Storytime at Umatilla Morrow Head Start Linda's class Milton Freewater

*Monday November 22, 2021*

9am Storytime at Intermountain Education Service District Early Learning Center Corrine am class Pendleton

10am Storytime at Room to Bloom Preschool and childcare toddler class Pendleton

10:30am Storytime at Room to Bloom Preschool and childcare preschool class Pendleton

11am Storytime at Pioneer Relief Nursery Pendleton

1pm Storytime at Intermountain Education Service District Early Learning Center Corrine pm class Pendleton

*Tuesday November 23, 2021*

9:15am Storytime at Intermountain Education Service District Deb's am class McNary

10:15am Storytime at Umatilla Morrow Head Start Favi's class Umatilla

10:45am Storytime at Umatilla Morrow Head Start Ashley's class Umatilla



12:15pm Bethlehem Lutheran Preschool Hermiston  
12:45pm Storytime at Umatilla Morrow Head Start Crystal's class Umatilla  
1pm Storytime at Intermountain Education Service District Deb's pm class McNary  
*Monday November 29, 2021*  
Car shuffling for maintenance and winter tires  
*Tuesday November 30, 2021*  
9am Oregon Child Development Center Hermiston  
10am Misty's in-home childcare Hermiston  
10:15am Tia's in-home childcare Hermiston  
10:30am Storytime at Good Shepherd toddler class Hermiston  
11am Storytime at Good Shepherd preschool class Hermiston  
11:30am Cornerstone office of Intermountain Education Service District Hermiston

4. Projects and Progress

- Collection development/box revisions- ongoing
- Continually adding books to *Handy Library Manager*

5. Accomplishments

- Distributed 110 gift books to children of Umatilla County.
- Storytimes resumed!

6. Upcoming Events - Activities

- Family Night December 15<sup>th</sup> at Umatilla Morrow Head Start Milton Freewater
- More Storytimes!



## Monthly Report

Date:	December 16, 2021, Board Meeting
Staff Name:	Dea Nowell
Time Period Report Covers:	November 2021

### 1. Position Purpose Statement

The purpose of this position is to support the UCSLD member libraries' abilities to provide services and participate in consortia activities through cataloging (maintaining the integrity of the bibliographic database and authority control) and technical support. Additionally, this position also administratively & technologically supports the UCSLD Board of Directors and staff.

### 2. Statistics

#### cataloging statistics:

	* <i>Item additions to Sage</i>	* <i>Item deletions from Sage</i>	* <i>Item corrections in Sage</i>	<i>Temporary bibs upgraded</i>	*** <i>Sage bib fixes</i>	*** <i>Sage bib merges</i>	*** <i>Sage bib deletes</i>	*** <i>Sage bib overlays</i>
Nov. 2021	124	459	563	10	150	15	2	7
* for the most part all libraries in District: except Hermiston, Milton-Freewater, Pendleton, & Umatilla [though I do add a few bibs to Sage for Umatilla, counted in here, but not items]								
*** looking strictly at bibliographic records, not necessarily all are related to District libraries' holdings								

#### reports run:

regular monthly:	item stats: all 12 pub. lib.	OCLC CatExpress stats (added & deleted)	circulation related: Adams PL - 1 Echo PL - 6, Pilot Rock PL - 1, Stanfield PL - 8, Milton-Freewater - 3	pre-cataloged items: Milton-Freewater PL-1  in process items: Milton-Freewater PL-1
additionally:	all libraries, except Milton-Freewater (run monthly) - 2 reports: Pre-Cataloged items & items with status = "in process"			
	Echo PL weeding report: Juvenile Easy		Stanfield PL weeding report: DVD, Blu-ray, YA	
	Stanfield PL YA Fic. shelving location (2)		Milton-Freewater PL video parts project	

### 3. Meetings and Site Visits

- Sage Cataloging Mentor meeting [via GoToMeeting]: 0 [moved to Dec. 1st]
- Sage User Council meeting(s) [via GoToMeeting]: 1 (11/16)
- Sage RDA subcommittee meeting [via Zoom]: 1 (11/30)
- UCSLD Board meetings [generally via Zoom]: 1 (11/18)
- Staff/Safety meetings [generally via MS Teams]: 1 (11/17)
- UCSLD In-Service [via Zoom]: 1 (11/5)
- webinars/trainings attended [virtual]:
  - SafePersonnel: Workplace Violence (11/2)

- InfoPeople webinar: Rekindling from Burnout: Lessons & Strategies for Public Library Workers (11/18)
- Cascade Centers (EAP): Caregiver Support (recorded - 11/24)
- meet weekly, Monday mornings, with Erin [via MS Teams]: 4 (11/1, 11/8, 11/22, 11/29)

#### visits to/with District Libraries:

- all 12 libraries - 1 [email]
  - emailed updated City Library Hours spreadsheet to libraries
- Adams PL - 4 [email, Zoom]
  - email Zoom link, pre-cat & in process reports
  - Zoom - site visit with director
  - fwd 541Vets training & employment resources for veterans email from Libs-OR
  - email info. about Libs-OR email list - subscribing, etc.
- Athena PL - 2 [email, Zoom]
  - email Zoom link & pre-cat report
  - Zoom - site visit with director
- Echo PL - 5 [email, Zoom, phone]
  - email reply to request - pull weeding report, flooded children's area & pulled books (2)
  - email Zoom link, pre-cat & in process reports
  - Zoom - site visit with library clerk
  - call w/ city clerk (backup to library clerk) assisting w/ fixing catalog workstation sign-in [trying to use a browser that workstation was not designed for... & caused issues]
- Helix PL - 5 [email, phone]
  - email Zoom link & in process report
  - phone - site visit with director & assistant
  - emailed number of deletions made since becoming director (Jan. 2017)
  - email [cc Pilot Rock PL] re. a book that was being requested sent to Pilot Rock PL
  - email re. above book
- Hermiston PL - 2 [email, Zoom]
  - email Zoom link, in process report, & handouts to cataloger
  - phone - site visit with cataloger
- Milton-Freewater PL - 7 [email, Zoom]
  - email back & forth re. scheduling site visit (3)
  - email Zoom link, & handouts to cataloger
  - Zoom - site visit with cataloger
  - fwd. Beth Ross's response to cataloger about my request for 2 CAT3 logins set up
  - emailed cataloger video project report
- Pendleton PL - 6 [email, Zoom]
  - email Zoom link, pre-cat & in process reports, & handouts to each of the catalogers
  - Zoom - site visit with catalogers (together and individually)
  - email a cataloger reply to question about cataloging training taken some time ago (2)
  - email a cataloger reply to ? re. temporary bib record & changes, etc., to be made
  - email a cataloger thanks re. RDA video she had found helpful
- Pilot Rock PL - 3 [email, Zoom] (fwd. emails)
  - fwd. 11 Sage-Lib emails
  - email Zoom link, pre-cat & in process reports
  - Zoom - site visit with director
  - [cc email to Helix re. book being requested sent to Pilot Rock PL]
- Stanfield PL - 9 [email, Zoom, phone]
  - email response to request for weeding report (DVD, Blu-ray, YA)
  - called to double check video shelving, for sorting weeding report
  - rec'd call re. ? about young Disney graphic novels & whether others were adding such
  - emailed weeding reports
  - email Zoom link, pre-cat & in process reports

- call reminder of site visit (2)
- Zoom - site visit with director
- rec'd call with ?/clarification about wifi hotspots & whether holdable or staff able to place holds, so would be returned <> conversation reminder of having service shut off
- Ukiah Lib. - 5 [email, Zoom]
  - email Kari Keen re. scheduled site visit [rec'd. word back that only lib. dir. thru 1<sup>st</sup> week]
  - email of welcome to new library director (Dustin Schock)
  - email reply reiterating contacting Beth Ross for circulation training & sent a link to Sage Standardized Loan Rules with local discretionary rules (from District website) & requests for library open hours
  - email reply of thanks for hours
  - Zoom with library director & Erin McCusker (for a short time of introduction, etc.)
- Umatilla PL - 4 [email, Zoom]
  - email reply to ? about a possible publisher/imprint situation
  - email Zoom link, pre-cat & in process reports
  - Zoom - site visit with director & library aide
  - fwd 541Vets training & employment resources for veterans email from Libs-OR
- Weston PL - 2 [email, Zoom]
  - email Zoom link & in process report
  - Zoom - site visit with director
- Beth Ross [Sage Library System - Systems Administrator] - 3 [email]
  - emailed request for 2 CAT3 (basic) logins for Milton-Freewater PL staff & thank you (2)
  - emailed thanks for getting on top of issues quickly, my searches bringing results now
- Jon Georg [Sage Library System Specialist] - 1 [email]
  - emailed thanks for getting on top of issues quickly, my searches bringing results now
- Jeff McDonald [EOU Library, Interlibrary Loan/Summit Supervisor] - 1 [email]
  - email reply re. Umatilla & Morrow Co. PL's open & courier running at least a couple of times during Christmas holiday break

#### 4. Projects and Progress

- Shifted Stanfield PL young adult fiction items to own shelving location (previously put under juvenile fiction) in catalog.
- Completed site visits with 11 of the 12 libraries (Ukiah was between library directors, will be working with some training in near future).

#### 5. Accomplishments

- Pretty much stayed on top of things while doing site visits during the month (cataloging, questions, meetings, reviewing new bibs, etc.)
- website work:
  - Board agenda, packet, financial statement, & minutes posted
  - Annual Library Service Plan Reports & In-Service info. posted
  - posted Erin's EO Go! column
  - changed library hours: Athena, Pendleton, Ukiah, & Umatilla; & updated lib. director name & email: Ukiah
- Sage Cataloging Mentor:
  - 3 emails with cataloger from another library re. parts management & instructions re.
  - response to query about interest in continuing to be on Sage RDA Subcommittee
  - summarized Apr.-Oct. Sage Cataloging Committee mtg. info. for site visits w/ catalogers
  - email to Sage Cataloging Committee Chair regarding meeting agenda items (2)
  - clean-up of a library's bib records where they were using a login with permissions not granted them - this is being corrected
  - review of October new bibs (215 bibs)

- Sage RDA subcommittee information review/prep for 1<sup>st</sup> (restarting) meeting
- pulled titles for a clean-up project I volunteered to do

#### Feedback received:

- 11/1/21 - rec'd an email from Kari Keen (Ukiah) letting me know she wouldn't be attending the Zoom site visit we'd scheduled and added: "Thank you for EVERYTHING that you have done for me I greatly appreciate it. Hopefully one day you will be able to come up to Ukiah and I can meet in you Person."
- 11/2/21 - rec'd an email reply from Lil Schmidt (Milton-Freewater PL director) following my sending out their monthly statistics: "Thank you so much, as always! I appreciate you!"
- 11/2/21 - rec'd an email request for a weeding report from Anna Lemmon (Echo PL clerk) and she closed with "Thanks for all you do"
- 11/24/21 - rec'd an email from Dustin Schock (new Ukiah Public/School Library director) after I sent an email welcoming him and introducing myself in which he closed with "Thank you for all your help."

#### 6. Upcoming Events - Activities

- Sage Cataloging Mentor meeting - 12/1
- Sage Cataloging Committee meeting - 12/6
- Staff/Safety meeting - 12/15
- UCSLD Board meeting - 12/16
- Christmas holiday observed - 12/23-26
- vacation - 12/27-30
- New Year's Day holiday observed - 12/31



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**Monthly District Director Report**

<b>Date:</b>	December 16, 2021 Board Meeting
<b>Staff Name:</b>	Erin McCusker
<b>Time Period Report Covers:</b>	November 10 – December 10, 2021

**1. Position Purpose Statement**

The mission of this position is to manage the operations of the UCSLD and support and strengthen the development of excellent library services in Umatilla County by working in partnership with the independent libraries.

**2. Meetings and Site Visits**

<b>Date</b>	<b>Meeting/ Site Visits/ Activity</b>	<b>Method</b>	<b>What happened</b>
11/12/2021	LEO EDI Cohorts meeting	Zoom	Catch up meeting from the first meeting
11/15/2021	Meeting with Eileen Eakin	Phone	Discussion of Appendices
11/17/2021	Article to the <i>East Oregonian</i>		Libraries Provide Countywide
11/17/2021	UCSLD Safety & Staff Meeting	Teams	Workplace Violence – Safety Topic
11/18/2021	UCSLD November Board Meeting	In-person and Zoom	
11/22/2021	Meeting with Stephanie Chase, Executive Director of LEO	In-person	Review of EDI planning, state of LEO
11/25 – 26/2021	Thanksgiving Holiday	Out of Office	
11/29/2021	Weekly Check-in Meeting with Dea	Teams	Check in on what’s happening and what’s coming up
11/29/2021	2010 Honda Fit Tune-Up	In-person	Dropped off the courier car in the morning

<b>Date</b>	<b>Meeting/ Site Visits/ Activity</b>	<b>Method</b>	<b>What happened</b>
11/30/2021	Conducting Effective Needs Assessment 101	Webinar	Training on needs assessments
11/30/2021	PERS report submission	Online	
11/30/2021	Meeting with Dustin Schock, Ukiah Public Library	Zoom	Orientation
12/1/2021	Day 2 of Conducting Effective Needs Assessment 101	Webinar	Training on needs assessments
12/1/2021	Meeting with Monica Hoffman	In-person	Work Plan check in
12/6/2021	Weekly Check-in Meeting with Dea	Teams	Check in on what's happening and what's coming up
12/6/2021	Helix School District	Zoom	Training on OSLIS and Databases
12/8/2021	Meeting with Christy Lieuallan of United Way of the Blue Mountains	Zoom	Moving Dolly Parton Imagination Library finances to UW and opening it up to the full county
12/9/2021	Meeting with Scott Mamlock of GovDeals.com	Teams	Overview of using GovDeals.com to surplus the UCSLD 2008 Honda Fit
12/10/2021	Meeting with Betsy Minnich of PolicyMap	Zoom	Overview of using PolicyMap for data

### 3. Projects and Progress

<b>Project</b>	<b>Status</b>	<b>% Complete</b>
Policy Review	Moving on with list -	ongoing
Audit	Almost complete – draft received	90%
ALSP Review Meetings	Complete	100%
City-District Agreements	Letters being written to go out with Agreements	80%
Public Records Management	The records are about 45% complete – procedures are being written and the retention schedule is being updated	45%
Performance Appraisals	All are complete and staff are working on their work plans	100%
Strategic Planning – New	Board developed Values to guide the process.	25%
Succession Planning	In the initial stages of this process	10%
Disaster Planning	In the initial stages of working on this planning	10%

Marketing Plan	Ongoing EO column, plan will be part of strategic planning process	45%
Office 365	Investigating online bill pay processes to ensure local controls	Ongoing
COVID-19	Oregon Health Authority has implemented a return to indoor masking	Ongoing
Best Practices for SDAO	Report submitted and 10% discount attained	100%
Safety & Staff Meetings	Worked on workplace violence this month	ongoing
In-Service Training	Evaluations complete and Arianna Strong of Umatilla won the \$25 gift certificate	100%

#### 4. Feedback & Accomplishments

- “Really appreciate your quick and clear presentation to the Helix School about OSLIS. Also appreciate Annette being able to attend, because students now have another resources for help when researching.” Sue Fisher-Alexander, Librarian Contractor to the Helix School District on the OSLIS and database over presentation on 12/6/2021.
- “Thanks again for helping spread the word about OSLIS and the Gale databases” Jen Maurer, State Library of Oregon.

#### 5. Upcoming Events – Activities

- My schedule will generally be: 7:15 until 4:15 Monday – Thursday, 8:30 until 3:00 Friday. Changes will be made for evening meetings, etc.
- Office closed on 12/23 and 12/24 for the Christmas Holiday and Friday, 12/31 for the New Year’s Holiday
- Erin out of the office from 12/20-12/22 for vacation
- 12/27-12/30 – Courier deliveries





UMATILLA COUNTY  
SPECIAL LIBRARY  
DISTRICT

Strengthening our community libraries

PO Box 1689  
425 S Main Street  
Pendleton, OR 97801

Phone (541) 276-6449

December 17, 2021

Hermiston Public Library  
235 East Gladys Avenue  
Hermiston, OR 97838

Attention: Mark Rose, Director

Dear Mark:

As you know, the Umatilla County Special Library District (UCSLD) is moving to a new funding model beginning in the 2022-23 fiscal year. The new funding model is described in the exhibit attached to the new City-District Agreement, a copy of which is provided with this letter.

Currently the cost changes in the described funding model are estimates only. We will know the actual amounts to be distributed to Hermiston Public Library at the end of FY2022-23. We currently estimate that the new formula may result in a 20-25 percent reduction in the distribution amount from FY21-22. To allow the City time to prepare for this reduction, the UCSLD Board of Directors has agreed to phase the change in over a one-year period using the following process:

- At the end of FY21-22, note the total actual distribution to the City using the current percentage. Example: \$150,000
- At the end of FY22-23, note the total actual distribution to the City using the new funding formula percentages. Example: \$120,000
- Once the actual difference between the distribution amounts is determined at the close of FY22-23, the UCSLD will send a check to the City for half of the difference. Example:  $\frac{1}{2}$  of \$30,000 = \$15,000. The funds for this check will be paid out of the UCSLD portion of tax revenue.

The phased-in distribution process will apply only to the first year of the new City-District agreement. For the remaining two years of the agreement, the revised formula proposed in the new agreement will apply and no additional funds will be provided.

Signing of the new City-District Agreement will constitute agreement to this one-time, phased-in distribution process.

Sincerely,

Erin McCusker

District Director



**UMATILLA COUNTY  
SPECIAL LIBRARY  
DISTRICT**

Strengthening our community libraries

PO Box 1689  
425 S Main Street  
Pendleton, OR 97801

Phone (541) 276-6449

December 3, 2021

Barnett & Moro, P.C.  
Certified Public Accountants  
495 E. Main  
Hermiston, OR 97838

This representation letter is provided in connection with your audit of the financial statements of Umatilla County Special Library District, which comprise the respective financial position of the governmental activities and each major fund as of June 30, 2021, and the respective changes in financial position for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of December 3, 2021, the following representations made to you during your audit.

**Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 15, 2021, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
3. We acknowledge our responsibility 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates are reasonable.
6. There are no material related party transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties that should

be accounted for or disclosed in the financial statements in accordance with U.S. GAAP.

7. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the financial statements.
8. There are no uncorrected misstatements that are material, both individually and in the aggregate, to the financial statements for each opinion unit.
9. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.
10. Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

#### **Information Provided**

11. We have provided you with:
  - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
  - d. Minutes of the meetings of the Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
12. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
13. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
14. We have no knowledge of any fraud or suspected fraud that affects the District and involves:
  - Management
  - Employees who have significant roles in internal control, or
  - Others where the fraud could have a material effect on the financial statements.
15. We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.
16. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

17. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.
18. We have disclosed to you the identity of the District's related parties, if any, and all the related party relationships and transactions of which we are aware.

**Government – Specific**

19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
20. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
21. The District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, or fund balance or net position.
22. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
23. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
24. We have identified and disclosed to you all instance, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
25. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
26. As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
27. The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
28. The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

29. The District does not control any component units or joint ventures or any other related organizations.
30. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34, as amended. The District has not early implemented GASBS No. 84.
31. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
32. Components of net position (net investment in capital assets; restricted; and unrestricted) and classification of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
33. Investments are properly valued.
34. Accounts and taxes receivable, net of any provision for uncollectible receivables, have been properly identified and recorded in the financial statements.
35. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
36. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, and restricted revenues (if any).
37. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
38. Deposits and investments are properly classified as to risk, and are properly disclosed.
39. Capital assets, are properly capitalized, reported, and, if applicable, depreciated.
40. We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
41. We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
42. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
43. With respect to the supplementary information and other financial schedules on which an in-relation-to opinion is issued.
  - a) We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles

generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

- b) If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

44. FEDERAL OMB A-133 - SINGLE AUDIT REQUIREMENTS:

The District has received and expended less than \$750,000 federal financial assistance during the year. We are not required to have a federal single audit under OMB A-133.

- 45. There are no instances where any officer or employee of the District has an interest in a company with which the District does business which would be considered a "conflict of interest." Such an interest would be contrary to District policy.

- 46. We have not retained an attorney for any pending or threatened claims or litigation during the year ended June 30, 2021, or since that time.

47. ADJUSTING JOURNAL ENTRIES:

All material transactions have been properly recorded in the accounting records underlying the aforementioned financial statements. The adjusting journal entries (if any) for the year ended June 30, 2021, which have been proposed by you, are approved by us and will be recorded in the general ledger of the District.

48. OTHER MATTERS:

We have reviewed insurance coverage requirements with our insurance providers. Our insurance coverage is adequate to protect the District.

Allocation of administrative and other general expenses between departments and grants are based upon time records, usage, and other reasonable methods.

The capital assets at June 30, 2021 do not include any obsolete or junk items. We did not dispose of any significant capital assets during the year that have not been reported to you.

The District does not provide any post-employment or termination benefits to its employees.

We understand that you prepared the trial balance for use during the audit and that your preparation was limited to formatting the information in our general ledger into a working trial balance.

We confirm that the District's accounting principles and the practices and methods followed in applying them are as described in the financial statements. We also confirm that there have been no changes during the year in the District's accounting policies or practices.

- 49. The District's fund balances were as follows as of June 30, 2021:

Barnett & Moro, PC

December 3, 2021

Page 6

General Fund	\$297,887
Resource Sharing Fund	\$24,484
Outreach Fund	\$23,710
Capital Improvements Fund	\$19,040

Sincerely,

Umatilla County Special Library District

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Erin McCusker, District Director

---

A Board Member



**UMATILLA COUNTY SPECIAL  
LIBRARY DISTRICT**

**Financial Statements and  
Independent Auditors' Report**

**June 30, 2021**

**UMATILLA COUNTY SPECIAL LIBRARY DISTRICT**

**Board of Directors**

<b><u>Name</u></b>	<b><u>Term Expires</u></b>
Nick Nash, President	June 30, 2023
John Thomas, Vice President	June 30, 2025
Jubilee Barron	June 30, 2023
Sharone Pettus McCann	June 30, 2025
Caty Clifton	June 30, 2023

**Registered Agent and Office**

Erin McCusker, District Director  
P.O. Box 1689  
Pendleton, OR 97801  
Telephone: (541) 276-6449

**UMATILLA COUNTY SPECIAL LIBRARY DISTRICT**

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## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Umatilla County Special Library District  
Pendleton, Oregon

We have audited the accompanying financial statements of the governmental activities, and each major fund of the Umatilla County Special Library District, as of and for the year ended June 30, 2021, the respective budgetary comparison for the General Fund and the Major Special Revenue Funds and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the Umatilla County Special Library District as of June 30, 2021, and the respective changes in financial position and the respective budgetary comparison for the General Fund and the Major Special Revenue Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the pension disclosures on pages 6 through 11 and 37 through 41 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Umatilla County Special Library District's basic financial statements. The schedule of actual expenditures is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of actual expenditures 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 additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statement of actual expenditures is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of Directors  
Umatilla County Special Library District  
Page three

*Other Reporting Required by Oregon Minimum Standards*

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 3, 2021, on our consideration of Umatilla County Special Library District's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Barnett & Moro, P.C.

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Kristie L. Shasteen, Shareholder  
December 3, 2021

## UMATILLA COUNTY SPECIAL LIBRARY DISTRICT

### MANAGEMENT DISCUSSION AND ANALYSIS

June 30, 2021

The management of Umatilla County Special Library District (the District) offers readers of the District's financial statements this narrative overview and analysis of the financial activities of the Umatilla County Special Library District for the fiscal year ended June 30, 2021.

The Umatilla County Special Library District has intergovernmental agreements they use with eleven cities and one school district located in Umatilla County. Through this agreement, the District supports the operations of the public libraries in Umatilla County. Eleven of the libraries are within the library district boundaries and are considered member libraries: Adams, Athena, Echo, Helix, Milton-Freewater, Pendleton, Pilot Rock, Stanfield, Ukiah, Umatilla and Weston. One library's city, Hermiston, is not within the District boundaries, however, an agreement with the City of Hermiston provides funds to a partner library - Hermiston Public Library - in order that the residents outside of the Hermiston city boundaries, but within the District boundaries, will be served by their closest library, the Hermiston Public Library.

#### **Financial Highlights**

- The fund balance in the general fund increased by \$50,584 from the prior year. Increases in property tax revenue were offset by increases in distribution of property tax revenue to other municipalities.
- For fiscal year 2021, the general fund of the District recognized \$1,982,746 in property taxes - \$1,921,284 were from the current year and \$61,462 were previously levied. The District's property tax rate is .3682 per \$1,000 of assessed value for FY2020-2021.
- Total income from Community Service Fees was \$72,229, an increase of 1.46% from last year.
- Total expenses in the government-wide financials increased by \$173,152, or approximately 8.98% from the prior year due to increased property tax and community service fee distributions.
- As of the close of the current fiscal year, Umatilla County Special Library District's governmental funds reported combined ending fund balance of \$365,121, of which \$67,234 is held in special revenue funds (Resource Sharing, Outreach (formerly Take Off!), Capital Improvement Reserve Fund) and \$297,887 is in the General Fund. The combined ending fund balance at the end of the previous fiscal year was \$337,012.

# UMATILLA COUNTY SPECIAL LIBRARY DISTRICT

## MANAGEMENT DISCUSSION AND ANALYSIS

June 30, 2021

### **Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to Umatilla County Special Library District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

**Government-wide financial statements.** These statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business. These statements include:

*The Statement of Net Position.* The *statement of net position* presents information on all of Umatilla County Special Library District's assets and liabilities. Net position is what remains after the liabilities have been paid off or otherwise satisfied and after all deferred inflows and outflows have been recognized. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

*The Statement of Activities.* The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

In the government-wide financial statements, the District's activities are shown as governmental activities. All District functions are shown here. These activities are primarily financed through property taxes. Grants and contributions, interest income and miscellaneous revenues represent the final part of District revenues.

The main expenditure of the District is the special payments to public libraries in Umatilla County for the provision of library services to the general public. The District purchases membership in an integrated library system, courier service and an electronic book service for 11 member libraries and the rural population for the one participating library. The District, through its Take Off! Early Literacy program, provides print materials, educational programming activities and parent and service provider training, to the general public.

**Fund financial statements.** The *fund financial statements* provide more detailed information about the District's funds, focusing on 'major funds' – not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year.

The District maintains four individual funds: General Fund, Resource Sharing Fund, Outreach Fund and the Capital Improvement Reserve Fund. The District adopts an annual appropriated budget for each of its funds.



**UMATILLA COUNTY SPECIAL LIBRARY DISTRICT**

**MANAGEMENT DISCUSSION AND ANALYSIS**

**June 30, 2021**

**Government-wide financial analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$207,741 at the close of the fiscal year. The following statements summarize the District's net position at June 30, 2021 and for the previous fiscal year ending June 30, 2020.

A portion of the District's net position reflects its investment in capital assets. The District does not have any outstanding debt related to these assets. The remaining balance of net position of \$179,953 may be used to meet the governments ongoing obligations to citizens and creditors.

**UMATILLA COUNTY SPECIAL LIBRARY DISTRICT  
NET POSITION**

	<b>June 30,</b>		<b>Increase (Decrease) from prior Fiscal Year</b>
	<b>2021</b>	<b>2020</b>	
Current and other assets	\$ 462,922	\$ 453,550	\$ 9,372
Capital assets	27,788	-	\$ 27,788
Total assets	<u>490,710</u>	<u>453,550</u>	<u>37,160</u>
Deferred outflows	<u>176,883</u>	<u>49,234</u>	<u>127,649</u>
Current liabilities	80,939	94,620	(13,681)
Non current liabilities	269,958	73,096	196,862
Total liabilities	<u>350,897</u>	<u>167,716</u>	<u>183,181</u>
Deferred inflows	<u>108,955</u>	<u>122,408</u>	<u>(13,453)</u>
Net position:			
Net investment in capital assets	27,788	-	27,788
Unrestricted	179,953	212,660	(32,707)
Total net position	<u>\$ 207,741</u>	<u>\$ 212,660</u>	<u>\$ (4,919)</u>

**UMATILLA COUNTY SPECIAL LIBRARY DISTRICT**

**MANAGEMENT DISCUSSION AND ANALYSIS**

**June 30, 2021**

During the current fiscal year, the District's net position decreased by \$4,919. Increases in property tax revenues were offset by an increase in materials and services expenditures, as well as an increase in personal services expenditures due to PERS rates increasing.

**Statement of Activities.** The key elements of the change in the District's net position for the year ended June 30, 2021 are as follows:

	<b>Changes in Net Position</b>		<b>Increase (Decrease) From Prior Year</b>
	<b>(in thousands)</b>		
	<b>Governmental Activities</b>		
	<b>Year ended June 30,</b>		
	<b>2021</b>	<b>2020</b>	<b>Year</b>
<b>Revenues:</b>			
Program revenues:			
Operating grants and contributions	\$ 14,938	\$ 16,966	\$ (2,028)
General revenues:			
Property taxes	1,978,013	1,874,684	103,329
Community service fees	72,229	71,187	1,042
Interest earnings	2,844	6,841	(3,997)
Other income	28,692	24,117	4,575
Total Revenues	<u>2,096,716</u>	<u>1,993,795</u>	<u>102,921</u>
<b>Expenses:</b>			
Personal services	280,556	210,609	69,947
Materials and services	1,819,430	1,717,003	102,427
Capital outlay	1,178	400	778
Depreciation	471	-	471
Total Expenses	<u>2,101,635</u>	<u>1,928,012</u>	<u>173,623</u>
Increase (decrease) in net position	(4,919)	65,783	(70,702)
Beginning net position	212,660	146,877	65,783
Ending net position	<u>\$ 207,741</u>	<u>\$ 212,660</u>	<u>\$ (4,919)</u>

**UMATILLA COUNTY SPECIAL LIBRARY DISTRICT**

**MANAGEMENT DISCUSSION AND ANALYSIS**

**June 30, 2021**

**Capital Assets.** The District's investment in capital asset includes equipment and vehicles. As of June 30, 2021 the District had \$67,503 in capital assets, and reported net of accumulated depreciation of \$39,715 in the statement of net position.

The District purchased a new vehicle for the Take-Off program out of the Capital Reserve Fund in May of 2021. The Capital Reserve Fund was established for this type of purchase.

**Debts.** The District had no outstanding debts at the close of fiscal year ended June 30, 2021.

The Umatilla County Special Library District Board of Directors and District Director have implemented and follow controls with their accounting service to ensure that spending of District funds is in line with appropriate accounting processes. They review the financial statements and bank statements of the District each month. Questions are asked when they arise and resolved.

**Budgetary Highlights**

The District adopted a budget for its General Fund in accordance with Oregon budget law and prior to the start of the fiscal year. There were several budget resolutions adopted during the fiscal year. In February 2021, a supplemental budget was adopted as the District had received more tax income and community service fees than anticipated. Because of the IGAs with the 11 cities and one school district the District has to distribute 80% of the tax revenue immediately. The supplemental budget provided authority for the extra distribution payments.

**Economic Factors and Next Year's Budget.**

The District maintains its intergovernmental agreements (IGA) with 11 cities and one school district to ensure excellent library services to all in the District. Through the IGA, the District distributes 80% of the property tax income, the previously levied taxes and windmill/community service fees to the member and participating libraries. The IGA was reviewed by all of the entities and was renewed effective July 1, 2019 for three years.

The Umatilla County Special Library District has adopted a total budget for FY2021-22 of \$2,67,021. This is an increase of \$279,591 (11.6621%) over the previous year's budget. Income is estimated to increase with property tax income and grant income. Because of the unknown effects of the global pandemic, the District budgeted very conservatively for the FY21-22. While the Windmill portion of the community service fees will continue to reduce each year, the new strategic investment agreements will stay consistent each year.

The FY2021-22 budget is comprised of the General Fund for general operations, including Personnel Services of the District, the Resource Sharing Fund for expenditures for the 12 member and participating libraries and the Outreach Fund (formerly the Take Off Fund) for expenditures that directly benefit the people of the District. Additionally, the District will be adding funds to the Capital Reserve Fund to rebuild what was used for the vehicle purchase.

**UMATILLA COUNTY SPECIAL LIBRARY DISTRICT**

**MANAGEMENT DISCUSSION AND ANALYSIS**

**June 30, 2021**

The District passed a resolution in February of 2021. This resolution provides the framework for future tax revenue distribution to the 11 cities and one school district to provide library services.

**Requests for Information.** This financial report is designed to provide a general overview of Umatilla County Special Library District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to District Director, Umatilla County Special Library District, P.O. Box 1689, 425 South Main Street, Pendleton, Oregon 97801.

**UMATILLA COUNTY SPECIAL LIBRARY DISTRICT**  
**Governmental Funds Balance Sheet / Statement of Net Position**  
**June 30, 2021**

	General Fund	Resource Sharing Fund	Outreach Fund	Capital Improvements Reserve Fund	Total	Adjustments (Note 7)	Statement of Net Position
<b>ASSETS:</b>							
Cash and investments	\$ 315,574	\$ 24,484	\$ 23,710	\$ 19,040	\$ 382,808	\$ -	\$ 382,808
Property taxes receivable	73,101	-	-	-	73,101	-	73,101
Prepaid Expenses	4,771	-	-	-	4,771	-	4,771
Capital assets, net of accumulated depreciation	-	-	-	-	-	27,788	27,788
Net OPEB asset	-	-	-	-	-	2,242	2,242
Total assets	393,446	24,484	23,710	19,040	460,680	30,030	490,710
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>							
Pension deferrals	-	-	-	-	-	176,883	176,883
Total assets and deferred outflows of resources	393,446	24,484	23,710	19,040	460,680	206,913	667,593
<b>LIABILITIES:</b>							
Accounts payable and accrued liabilities	10,254	-	-	-	10,254	-	10,254
Unearned revenue and taxes payable to other governments	70,685	-	-	-	70,685	-	70,685
Net pension liability	-	-	-	-	-	269,958	269,958
Total liabilities	80,939	-	-	-	80,939	269,958	350,897
<b>DEFERRED INFLOWS OF RESOURCES:</b>							
Unavailable property tax revenue	14,620	-	-	-	14,620	(14,620)	-
Pension deferrals	-	-	-	-	-	108,955	108,955
Total deferred inflows of resources	14,620	-	-	-	14,620	94,335	108,955
<b>FUND BALANCES:</b>							
Nonspendable	4,771	-	-	-	4,771	(4,771)	-
Committed for grant funded programs	-	24,484	23,710	-	48,194	(48,194)	-
Committed for capital projects	-	-	-	19,040	19,040	(19,040)	-
Unassigned	293,116	-	-	-	293,116	(293,116)	-
Total fund balances	297,887	24,484	23,710	19,040	365,121	-	-
Total liabilities, deferred inflows of resources and fund balance	\$ 393,446	\$ 24,484	\$ 23,710	\$ 19,040	\$ 460,680		
<b>NET POSITION:</b>							
Investment in capital assets	-	-	-	-	-	27,788	27,788
Unrestricted	-	-	-	-	-	179,953	179,953
Total net position	-	-	-	-	-	\$ (157,380)	\$ 207,741

See accompanying independent auditors' report and notes to the financial statements.

**UMATILLA COUNTY SPECIAL LIBRARY DISTRICT**

**Statement of Governmental Funds Revenues, Expenditures, and Changes  
in Fund Balances / Statement of Activities  
Year Ended June 30, 2021**

	General Fund	Resource Sharing Fund	Outreach Fund	Capital Improvements Reserve Fund	Total	Adjustments (Note 8)	Statement of Activities
<b>EXPENDITURES/EXPENSES:</b>							
Library services:							
Personal services	\$ 224,473	\$ -	\$ -	\$ -	\$ 224,473	\$ 56,083	\$ 280,556
Materials and services	1,691,472	117,466	10,492	-	1,819,430	-	1,819,430
Capital outlay	1,178	-	-	28,259	29,437	(28,259)	1,178
Depreciation	-	-	-	-	-	471	471
Total expenditures/expenses	1,917,123	117,466	10,492	28,259	2,073,340	28,295	2,101,635
<b>PROGRAM REVENUES:</b>							
Operating grants and contributions	-	5,596	9,342	-	14,938	-	14,938
Net program expense	1,917,123	111,870	1,150	28,259	2,058,402	28,295	2,086,697
<b>GENERAL REVENUES:</b>							
Property taxes	1,982,746	-	-	-	1,982,746	(4,733)	1,978,013
Community service fees	72,229	-	-	-	72,229	-	72,229
Interest	2,844	-	-	-	2,844	-	2,844
Other	158	28,534	-	-	28,692	-	28,692
Total general revenues	2,057,977	28,534	-	-	2,086,511	(4,733)	2,081,778
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>							
	140,854	(83,336)	(1,150)	(28,259)	28,109	(33,028)	(4,919)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In/(Out) - Internal Activities	(90,000)	90,000	-	-	-	-	-
<b>CHANGE IN FUND BALANCE/NET POSITION</b>							
	50,854	6,664	(1,150)	(28,259)	28,109	(33,028)	(4,919)
<b>FUND BALANCE/NET POSITION:</b>							
Beginning of the year	247,033	17,820	24,860	47,299	337,012	(124,352)	212,660
End of the year	\$ 297,887	\$ 24,484	\$ 23,710	\$ 19,040	\$ 365,121	\$ (157,380)	\$ 207,741

See accompanying independent auditors' report and notes to the financial statements.

**UMATILLA COUNTY SPECIAL LIBRARY DISTRICT**

**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget to Actual - General Fund**  
**Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>REVENUES:</u></b>				
Property taxes:				
Current year	\$ 1,816,735	\$ 1,966,735	\$ 1,921,284	\$ (45,451)
Prior years	55,000	55,000	61,462	6,462
Community Service Fees	69,480	72,229	72,229	-
Interest	4,500	4,500	2,844	(1,656)
Other	300	300	158	(142)
Total revenues	<u>1,946,015</u>	<u>2,098,764</u>	<u>2,057,977</u>	<u>(40,787)</u>
<b><u>EXPENDITURES:</u></b>				
Library services:				
Personal services	254,500	254,500	224,473	30,027
Materials and services	1,617,022	1,751,221	1,691,472	59,749
Capital outlay	2,500	4,000	1,178	2,822
Operating contingency	80,000	97,050	-	97,050
Total expenditures	<u>1,954,022</u>	<u>2,106,771</u>	<u>1,917,123</u>	<u>189,648</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	<u>(8,007)</u>	<u>(8,007)</u>	<u>140,854</u>	<u>148,861</u>
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Transfer to Resource sharing fund	<u>(105,400)</u>	<u>(105,400)</u>	<u>(90,000)</u>	<u>15,400</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u></b>	<u>(113,407)</u>	<u>(113,407)</u>	<u>50,854</u>	<u>164,261</u>
<b><u>FUND BALANCE, BEGINNING OF YEAR</u></b>	<u>220,500</u>	<u>220,500</u>	<u>247,033</u>	<u>26,533</u>
<b><u>FUND BALANCE, END OF YEAR</u></b>	<u>\$ 107,093</u>	<u>\$ 107,093</u>	<u>\$ 297,887</u>	<u>\$ 190,794</u>

See accompanying independent auditors' report  
and notes to the financial statements.

**UMATILLA COUNTY SPECIAL LIBRARY DISTRICT**

**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget to Actual - Resource Sharing Fund**  
**Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>REVENUES:</u></b>				
Operating grants, contributions, and other	\$ 27,650	\$ 27,650	\$ 34,130	\$ 6,480
<b><u>EXPENDITURES:</u></b>				
Sage library system	62,000	62,000	60,642	1,358
Cataloging utilities	750	750	290	460
Couriers	31,000	31,000	30,475	525
Training and travel	10,000	10,000	7,443	2,557
Libraries2Go	13,000	13,000	11,090	1,910
Cooperative programs & activities	6,000	6,000	5,900	100
Grant expenses	2,500	2,500	1,626	874
Marketing	1,500	1,500	-	1,500
Contingency	25,000	25,000	-	25,000
Total expenditures	<u>151,750</u>	<u>151,750</u>	<u>117,466</u>	<u>34,284</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(124,100)	(124,100)	(83,336)	40,764
<b><u>OTHER FINANCING SOURCES:</u></b>				
Transfers from general fund	<u>105,400</u>	<u>105,400</u>	<u>90,000</u>	<u>(15,400)</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u></b>				
	(18,700)	(18,700)	6,664	25,364
<b><u>FUND BALANCE, BEGINNING OF YEAR</u></b>				
	<u>18,700</u>	<u>18,700</u>	<u>17,820</u>	<u>(880)</u>
<b><u>FUND BALANCE, END OF YEAR</u></b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,484</u>	<u>\$ 24,484</u>

See accompanying independent auditors' report  
and notes to the financial statements.



**UMATILLA COUNTY SPECIAL LIBRARY DISTRICT**

**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget to Actual - Outreach Fund**  
**Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>REVENUES:</u></b>				
Operating grants, contributions, and other	\$ 9,366	\$ 9,366	\$ 9,342	\$ (24)
<b><u>EXPENDITURES:</u></b>				
Materials and services	25,866	25,866	10,492	15,374
Operating contingency	6,000	6,000	-	6,000
Total expenditures	31,866	31,866	10,492	21,374
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	(22,500)	(22,500)	(1,150)	21,350
<b><u>FUND BALANCE, BEGINNING OF YEAR</u></b>	22,500	22,500	24,860	2,360
<b><u>FUND BALANCE, END OF YEAR</u></b>	\$ -	\$ -	\$ 23,710	\$ 23,710

See accompanying independent auditors' report  
and notes to the financial statements.

**UMATILLA COUNTY SPECIAL LIBRARY DISTRICT**

**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget to Actual - Capital Improvements Reserve Fund**  
**Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>REVENUES</u></b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>EXPENDITURES:</u></b>				
Capital outlay	<u>40,000</u>	<u>40,000</u>	<u>28,259</u>	<u>11,741</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	<u>(40,000)</u>	<u>(40,000)</u>	<u>(28,259)</u>	<u>11,741</u>
<b><u>FUND BALANCE, BEGINNING OF YEAR</u></b>	<u>47,299</u>	<u>47,299</u>	<u>47,299</u>	<u>-</u>
<b><u>FUND BALANCE, END OF YEAR</u></b>	<u>\$ 7,299</u>	<u>\$ 7,299</u>	<u>\$ 19,040</u>	<u>\$ 11,741</u>

See accompanying independent auditors' report  
and notes to the financial statements.

# UMATILLA COUNTY SPECIAL LIBRARY DISTRICT

## Notes to Financial Statements

June 30, 2021

### NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

#### Reporting entity:

Umatilla County Special Library District was organized under the laws of the State of Oregon relating to Library Districts. The District was formed by an election held November 4, 1986.

The District is governed by a board of five directors. Directors are locally elected officials who serve without pay. Directors are elected by nonpartisan ballot at the general election, for four year, staggered terms. Directors are required to reside within the boundaries of the District.

The purpose of the District is to provide assistance and funds to libraries in communities throughout Umatilla County, Oregon. Approximately 80% of property taxes collected by the District are distributed to other municipal governments for the operation of local community libraries.

The District has developed criteria to determine whether outside agencies with activities which benefit the citizens of the District should be included within its financial reporting entity. The District has determined that no other outside agency is required to be included as a component unit in the District's financial statements.

#### Measurement focus, basis of accounting, and financial statement presentation:

The government-wide financial statements (the statement of net position and the statement of activities) are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements (the fund balance sheets and the statement of revenues, expenditures, and changes in fund balances) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District only uses governmental funds.

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Governmental assets plus deferred outflows of resources, minus liabilities and deferred inflows of resources, is reported as fund balance.

**UMATILLA COUNTY SPECIAL LIBRARY DISTRICT**

**Notes to Financial Statements**

**June 30, 2021**

**NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

**Measurement focus, basis of accounting, and financial statement presentation (continued):**

The District reports the following major governmental funds:

**General Fund:**

This fund is used to finance the general operations of the District and, subject to restrictions of the Local Budget Law, its assets may be transferred to another fund for any authorized purpose. The principal revenue source is a property tax levy.

**Resource Sharing Fund:**

This special revenue fund accounts for receipts and expenditures to finance the needs of the District's Resource Sharing Program.

**Outreach Fund:**

This special revenue fund accounts for receipts and expenditures to finance the District's county wide early childhood literacy program.

**Capital Improvements Fund:**

This special revenue fund was created to finance the District's capital improvements.

**Interfund transfers:**

**Transfer out:**

General

	<u>Transfers in:</u>		
	<u>Resource Sharing</u>	<u>Outreach</u>	<u>Total</u>
	<u>\$ 90,000</u>	<u>\$ -</u>	<u>\$ 90,000</u>

The District makes budgeted transfers between funds to allocate resources where they can best meet the District's needs.

**Accounting 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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**UMATILLA COUNTY SPECIAL LIBRARY DISTRICT**

**Notes to Financial Statements**

**June 30, 2021**

**NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

**Property taxes receivable:**

The District's portion of property taxes receivable is estimated to be collectible during the sixty days subsequent to June 30 and is not material. Accordingly, property taxes are not recorded as revenue until collected.

**Budget procedures:**

A budget is prepared for each fund in accordance with the modified accrual basis of accounting and legal requirements set forth in the Oregon Local Budget Law. Budget amounts shown in the financial statements include the original and supplemental budget amounts and all appropriation transfers approved by the Board of Directors.

The District employs the following procedures in establishing the budgetary data reflected in the financial statements.

The appointed budget officer develops a proposed budget for submission to the budget committee appointed by the Board of Directors. The operating budget includes proposed expenditures and the means for financing them for the upcoming year, along with estimates for the current year and actual data for the two preceding years.

After the proposed budget is prepared, the budget officer publishes a "Notice of Budget Committee Meeting" in at least one newspaper of general circulation. At the budget committee meeting, the budget message is delivered explaining the proposed budget and any significant changes in the District's financial position. The budget committee meets thereafter as many times as necessary until the budget document is completed.

After approval by the budget committee and the required public hearing, and prior to July 1, the budget is adopted by the Board of Directors, and appropriations are enacted by resolution. Appropriations control expenditures in broad categories as required by Oregon Local Budget Law; these categories are: personal services, materials and services, capital outlay, interest, and operating contingency. More detailed classifications or budgeted expenditures are adopted for administrative control purposes. Budget appropriations lapse at year end.

The District is not allowed to modify the budget without action by the governing body. The governing body is authorized to modify the original budget appropriation ordinance in the following ways:

- a. Transfer of budget appropriations within a fund are authorized by resolution of the governing body.
- b. Budget revisions that increase total expenditures in any fund require a supplemental budget to be adopted. If a supplemental budget increases a fund's expenditures by less than 10%, the District can adopt it by resolution at a regularly scheduled meeting. If a supplemental budget increases a fund's expenditures by more than 10%, the District can adopt it by publishing a notice 5-30 days before a meeting is held to pass the adopted resolution.
- c. The budget can be increased by resolution of the governing body for any unexpected specific purpose grants.

**UMATILLA COUNTY SPECIAL LIBRARY DISTRICT**

**Notes to Financial Statements**

**June 30, 2021**

**NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

**Budget procedures (continued):**

The District adopted one supplemental budget for the year ended June 30, 2021.

The adopted supplemental budget increased the Tax Distributions to Cities by \$120,000, Community Service Fees Distributed by \$2,199, General Fund Materials and Services by \$12,000, General Fund Capital Outlay by \$1,500, and General Fund Contingency by \$17,050.

Expenditures may not legally exceed budget appropriations at the legal level of control as stated in the budget resolution adopted by the District. Appropriations are made at the same level of control shown on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual for each fund.

**Capital Assets:**

Capital assets result from expenditures in the governmental funds. These assets are reported as assets on the statement of net position but are not reported in the fund financial statements. The District capitalizes assets purchased or constructed with an individual cost of more than \$2,500 and an estimated useful life in excess of one year. Donated assets are valued at estimated fair market value on the date received. Improvements are capitalized, however normal maintenance and repairs are not capitalized. The District has not incurred any interest expense in the acquisition of capital assets.

**Investments:**

District monies are invested as allowed by Oregon Statute. Investments consist of interest bearing bank deposits and deposits in the Local Government Investment Pool (LGIP).

The Oregon Short Term Fund (OSTF) is the LGIP for local governments and was established by the State Treasurer. OSTF investments are regulated by the Oregon Short Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). The fair value of the District's position in the pool is the same as the value of its pool shares.

The market value of investments is approximately the same as cost.

**Prepaid expenses:**

Certain payments to vendors reflect costs applicable to future accounting periods and are reflected as prepaid items. Prepaid items are charged as expenditures at the time of consumption.

**Property taxes:**

Umatilla County assesses and collects taxes for the District. Property taxes are billed in October of each year. Unpaid personal and real property taxes become liens against the property on January 1 and July 1, respectively. Property taxes are payable in three installments due November 15, February 15, and May 15. A 3% discount is allowed for full payment by November 15. Interest at 16% annually is charged for late payments.

The 2020-21 tax levy of .3682 per \$1,000 of assessed value was adopted June 3, 2020. Actual levy extended by the assessor's office was \$2,041,881.

# UMATILLA COUNTY SPECIAL LIBRARY DISTRICT

## Notes to Financial Statements

June 30, 2021

### NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

#### Accrued vacations:

Accrued vacations are not material to the financial statements and are not recorded until paid.

#### Income taxes:

The District is exempt from federal and state income taxes.

#### Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Net position:

Net position presents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources, in the statement of net position. Net investment in capital assets is reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed on their use by laws or regulations. When the option is available to use restricted or unrestricted resources for any purpose, the District will expend restricted resources first.

#### Fund balance:

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash and include inventories and prepaid amounts.

Fund balance is reported as restricted when the constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Fund balance is reported as committed when the District board passes a resolution that places specific constraints on how the resources may be used. The District board can modify or rescind the resolution at any time through passage of an additional resolution.

Fund balance is reported as assigned when resources are constrained by the government's intent to use them for a specific purpose, but are neither restricted nor committed. Intent is expressed when the District board approves which resources should be assigned to expenditure for particular purposes during the adoption of the annual budget.

**UMATILLA COUNTY SPECIAL LIBRARY DISTRICT**

**Notes to Financial Statements**

**June 30, 2021**

**NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):**

**Fund balance (continued):**

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned.

When the option is available to use restricted or unrestricted resources for any purpose, the District expends restricted resources first. When the option is available to use committed, assigned, or unassigned resources for any purpose, the District expends committed resources before assigned resources, and assigned resources before unassigned resources.

**NOTE 2--CASH AND INVESTMENTS:**

Cash and investments consisted of the following:

Demand deposits, Banner Bank	\$ 19,111
Columbia Bank, Reserve	344,617
Local Government Investment Pool (LGIP)	19,080
Total cash and investments, June 30, 2021	<u>\$ 382,808</u>

**Custodial Credit Risk - Deposits**

In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned. ORS Chapter 295 governs the collateralization of Oregon public funds and provides the statutory requirements for the Public Funds Collateralization Program. The Public Funds Collateralization Program was created by the Office of the State Treasurer to facilitate bank depository, custodian and public official compliance with ORS 295. Public officials verify that deposit amounts in excess of deposit insurance limits are only maintained at qualified depositories. ORS 295 requires the qualified depository to pledge collateral against any public funds deposits in excess of deposit insurance amounts. The District maintains its funds at a financial institution deemed to be a qualified depository by the Office of the State Treasurer.

None of the District's bank balances were exposed to custodial credit risk at June 30, 2021.

**Credit Risk - Investments**

The Local Government Investment Pool's credit risk is not rated.

**Custodial Credit Risk - Investments**

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments. All of the District's investments are held by a third party not in the District's name. The District has not adopted an investment policy addressing this risk.

The Local Government Investment Pool is not subject to custodial credit risk because it is not evidenced by securities that exist in physical or book entry form.

**Fair Value Measurements**

The Local Government Investment Pool is not subject to custodial credit risk because it is not evidenced by securities that exist in physical or book entry form. The pool is not required to be categorized within the fair value hierarchy required for other investments.



**UMATILLA COUNTY SPECIAL LIBRARY DISTRICT**

**Notes to Financial Statements**  
**June 30, 2021**

**NOTE 3--CAPITAL ASSETS:**

Capital assets and related changes therein consisted of the following:

	<u>Equipment, Vehicles and Software</u>
Capital assets	
Balance June 30, 2020	\$ 39,244
Increases	28,259
Decreases	-
Balance June 30, 2021	<u>67,503</u>
Accumulated depreciation	
Balance June 30, 2020	39,244
Increases	471
Decreases	-
Balance June 30, 2021	<u>39,715</u>
Capital assets, net	<u><u>\$ 27,788</u></u>

**NOTE 4--PENSION PLAN:**

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

**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. The basic benefit is based on years of service and final average salary. Generally, 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.

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 Two members are eligible for full benefits at age 60.

**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, if certain conditions are met.

## UMATILLA COUNTY SPECIAL LIBRARY DISTRICT

### Notes to Financial Statements

June 30, 2021

#### NOTE 4--PENSION PLAN (continued):

##### **Disability Benefits**

Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

##### **Benefit Changes After Retirement**

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

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA is 2.0 percent.

##### **OPSRP Pension Program (ORS Chapter 238A)**

##### **Pension Benefits**

The Pension Program provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are based on years of service and final average salary.

For 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 member, is age 60 or age 53 with 25 years of retirement credit.

For 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.

**UMATILLA COUNTY SPECIAL LIBRARY DISTRICT**

**Notes to Financial Statements**

**June 30, 2021**

**NOTE 4--PENSION PLAN (continued):**

**Benefit Changes After Retirement**

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

**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.

**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. Employer contribution rates during the period were based on the December 31, 2018 actuarial valuation. Covered employees are required to contribute 6.00% of wages and the employer is required to contribute 9.42% of wages for Tier1/Tier2 and .59% of wages for general service. Employer contributions for the year ended June 30, 2021 were \$5,202, excluding amounts to fund employer specific liabilities.

**UMATILLA COUNTY SPECIAL LIBRARY DISTRICT**

**Notes to Financial Statements**

**June 30, 2021**

**NOTE 4--PENSION PLAN (continued):**

The employer contribution rates effective July 1, 2019, through June 30, 2021, 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.

**Pension Liabilities, Pension Expense, and Deferred Inflows and Outflows of Resources:**

At June 30, 2021, the District reported a liability of \$269,958 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. At June 30, 2020, the District's proportion was .00123701%, compared to its proportion of 0.00042258% as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$56,378 and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 11,881	\$ -
Changes of assumptions	14,488	508
Net differences between projected and actual earnings on investments	31,744	-
Changes in proportionate share	108,409	84,148
Differences between employer contributions and proportionate share of contributions	4,728	23,877
Contributions subsequent to the measurement date	5,111	-
	<u>\$ 176,361</u>	<u>\$ 108,533</u>
Net deferred Outflow / (Inflow) of resources		<u>\$ 67,828</u>

Deferred outflows of resources will be expensed in the year ended June 30, 2021. Amounts reported as deferred inflow of resources will be recognized in pension expense/(income) in the following years:

	<u>Year</u>	<u>Amount</u>
	2022	12,762
	2023	10,631
	2024	9,346
	2025	24,346
	2026	5,632
		<u>62,717</u>
Contributions subsequent to the measurement date		5,111
Net deferred Outflow / (Inflow) of resources		<u>\$ 67,828</u>

**UMATILLA COUNTY SPECIAL LIBRARY DISTRICT**

**Notes to Financial Statements**

**June 30, 2021**

**NOTE 4--PENSION PLAN (continued):**

**Actuarial Valuations:**

The employer contribution rates effective July 1, 2019, through June 30, 2021, 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.

**Actuarial Valuations (Continued):**

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.

**Actuarial Methods and Assumptions Used in Developing Total Pension Liability:**

Valuation Date	December 31, 2018
Measurement Date	June 30, 2020
Experience Study Report	2018, published July, 2019
Actuarial cost method	Entry Age Normal
Amortization method	SB 1049 signed into law in June 2019 requires a one-time re-amortization of Tier 1/Tier 2 UAL over a closed period of 22 years. OPSRP pension UAL is amortized over a closed period of
Asset valuation method	Market value of assets, excluding reserves

**Actuarial assumptions:**

Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Projected salary increases	3.5 percent

**Mortality**

**Healthy retirees and beneficiaries:**

Pub-2010 Healthy retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

**Active members:**

Pub-2010 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

**UMATILLA COUNTY SPECIAL LIBRARY DISTRICT**

**Notes to Financial Statements**

**June 30, 2021**

**NOTE 4--PENSION PLAN (continued):**

Mortality (continued)

Disabled retirees:

Pub-2010 Disabled retirees, sex-distinct, generational with Unisex, Social Security Date Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far in to the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2018 Experience Study which reviewed experience for the four-year period ending on December 31, 2018.

**Discount Rate:**

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

**Assumed Asset Allocation:**

<b>Asset Class/Strategy:</b>	<u>Low Range</u>	<u>High Range</u>	<u>OIC Target</u>
Debt Securities	15.0 %	25.0 %	20.0 %
Public Equity	27.5	37.5	32.5
Private Equity	14.0	21.0	17.5
Real Estate	9.5	15.5	12.5
Alternative Equity	7.5	17.5	15.0
Opportunity Portfolio	-	3.0	-
Risk Parity	-	2.5	2.5
Total			100.0 %

**UMATILLA COUNTY SPECIAL LIBRARY DISTRICT**

**Notes to Financial Statements**

**June 30, 2021**

**NOTE 4--PENSION PLAN (continued):**

**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. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at the time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<b>Asset Class</b>	<b><u>Target</u></b>	<b><u>Compound Annual Return (Geometric)</u></b>
Core Fixed Income	9.60 %	4.07 %
Short-Term Bonds	9.60	3.67
Bank/Leveraged Loans	3.60	5.19
High Yield Bonds	1.20	5.74
Large Cap/Mid Cap US Equities	16.17	6.30
Small Cap US Equities	1.35	6.68
Micro Cap US Equities	1.35	6.79
Developed Foreign Equities	13.48	6.91
Emerging Foreign Equities	4.24	7.69
Non-US Small Cap Equities	1.93	7.25
Private Equity	17.50	8.33
Real Estate (Property)	10.00	5.55
Real Estate (REITS)	2.50	6.69
Hedge Fund of Funds - Diversified	1.50	4.06
Hedge Fund - Event-driven	0.38	5.59
Timber	1.13	5.61
Farmland	1.13	6.12
Infrastructure	2.25	6.67
Commodities	1.13	3.79
Assumed Inflation - Mean		2.50

**UMATILLA COUNTY SPECIAL LIBRARY DISTRICT**

**Notes to Financial Statements**

**June 30, 2021**

**NOTE 4--PENSION PLAN (continued):**

**Sensitivity Analysis:**

	<b>1% Decrease (6.20%)</b>	<b>Current Discount Rate</b>	<b>1% Increase (8.20%)</b>
<b>Employers' Net Pension Liability</b>			
<b>Defined Benefit Pension Plan:</b>	400,866	269,958	160,186

Oregon PERS produces an independently audited CAFR which can be found at: <http://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf>.

**Changes in Plan Provisions:**

GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer's reporting date that are expected to have a significant effect on the employer's share of the collective Net Pension Liability, along with an estimate of the resulting change, if available.

We are not aware of any changes that meet this disclosure requirement.

**NOTE 5--POSTEMPLOYMENT HEALTH INSURANCE PLAN:**

**Plan description:**

ORS 238.420 established the Retirement Health Insurance Account (RHIA) and authorizes a payment of up to \$60 from RHIA toward the monthly cost of health insurance for eligible PERS members. RHIA is a cost-sharing multiple-employer Other Postemployment Benefit (OPEB) plan. 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.

**Contributions:**

PERS employers contributed 0.06 percent of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA benefits.

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At June 30, 2021, the District reported an asset of \$2,242 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2020. The total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2018 and rolled forward to the measurement date of June 30, 2020. The basis for the employer's proportion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actuarial contributions in the fiscal year of all employers. At June 30, 2020, the District's proportion was 0.00110007% compared to its proportion of 0.00132725% measured as of June 30, 2019.



**UMATILLA COUNTY SPECIAL LIBRARY DISTRICT**

**Notes to Financial Statements**  
**June 30, 2021**

**NOTE 5--POSTEMPLOYMENT HEALTH INSURANCE PLAN (continued):**

For the year ended June 30, 2020, the District recognized OPEB income of \$295. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 229
Changes of assumptions	-	119
Net differences between projected and actual earnings on investments	249	74
Changes in proportionate share	244	-
Contributions subsequent to the measurement date	29	-
	<u>\$ 522</u>	<u>\$ 422</u>
Net deferred Outflow / (Inflow) of resources		<u>\$ 100</u>

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

	<u>Year</u>	<u>Amount</u>
	2022	\$ (157)
	2023	57
	2024	92
	2025	79
	2026	-
Contributions subsequent to the measurement date		<u>71</u>
Net deferred Outflow / (Inflow) of resources		<u>\$ 100</u>

**Actuarial assumptions:**

Experience studies are performed as of December 31 of even numbered years. The methods and assumptions are based on the 2018 experience study, which reviewed the experience for the four-year period ended on December 31, 2018. The Retirement Health Insurance Account is a benefit of the Oregon Public Employees Retirement System. Actuarial methods and assumptions, including the long-term expected rate of return, are the same as reported for the District's pension plan.

**UMATILLA COUNTY SPECIAL LIBRARY DISTRICT**

**Notes to Financial Statements**

**June 30, 2021**

**NOTE 5 -- POSTEMPLOYMENT HEALTH INSURANCE PLAN (continued):**

**Discount rate:**

The discount rate used to measure the total OPEB liability was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made at contractually required rates, actuarially determined. Based on this assumption, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate:**

The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.2 percent) or 1-percentage-point higher (8.2 percent) than the current discount rate:

	<b>1% Decrease (6.20%)</b>	<b>Current Discount Rate</b>	<b>1% Increase (8.20%)</b>
<b>Employers' Net OPEB Liability (Asset)</b>			
<b>Defined Benefit Pension Plan:</b>	\$ (1,810)	\$ (2,242)	\$ (2,611)

Oregon PERS produces an independently audited CAFR which can be found at:  
<http://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf>.

**NOTE 6 -- PENSION DEFERRALS:**

Pension deferrals result from pension and OPEB deferrals described in Notes 4 and 5 as follows:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Pension deferrals	\$ 176,361	\$ 108,533
Other postemployment benefit deferrals	522	422
<b>Total</b>	<b>\$ 176,883</b>	<b>\$ 108,955</b>

**UMATILLA COUNTY SPECIAL LIBRARY DISTRICT**

**Notes to Financial Statements**

**June 30, 2021**

**NOTE 7--RECONCILIATION OF TOTAL GOVERNMENT FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES:**

Total governmental fund balances		\$365,121
Deferred outflows of resources are not current financial resources in governmental funds, so are instead reported in the Statement of Net Position:		
Capital assets, net of depreciation	27,788	
Net OPEB asset	2,242	
Deferred outflows of resources related to pensions and OPEB	<u>176,883</u>	206,913
Property tax and other revenue is reported as unavailable in the governmental fund statements until collected. However, the revenue is earned when levied in the governmental activities.		14,620
Certain liabilities and deferred inflows of resources related to pensions are not due and payable in the current period, so they are not recorded in the governmental funds.		
Net pension liability	(269,958)	
Deferred inflows of resources related to pensions and OPEB	<u>(108,955)</u>	<u>(378,913)</u>
Net position of governmental activities		<u><u>\$207,741</u></u>

**NOTE 8--RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES:**

Net change in governmental fund balances		\$ 28,109
Governmental funds report capital outlay as expenditures. However in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.		28,259
Current year depreciation		(471)
Governmental funds defer revenues that do not provide current financial resources. However, the statement of activities recognizes such revenues at their net realizable value when earned, regardless of when collected.		(4,733)
Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense/income.		<u>(56,083)</u>
Change in net position of governmental activities		<u><u>\$ (4,919)</u></u>

**UMATILLA COUNTY SPECIAL LIBRARY DISTRICT**

**Notes to Financial Statements**

**June 30, 2021**

**NOTE 9--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; and natural disasters. These risks are covered by commercial insurance purchases from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance coverage from coverage in the prior year.

**NOTE 10--SUBSEQUENT EVENTS:**

The District has evaluated subsequent events through the date of this report, which is the date the financial statements were available to be issued, and is not aware of any subsequent events that would materially effect the financial statements.

**NOTE 11--TAX ABATEMENTS:**

The District is subject to tax abatements granted by Umatilla County. Umatilla County grants exemptions from property taxes within enterprise zones and under the strategic investment program as authorized in ORS 285C.

District property tax revenues were reduced as follows:

Enterprise Zones	\$ 155,024
Strategic Investment Program	340,750
	<u>\$ 495,774</u>

The District received \$72,229 from Umatilla County related to these agreements.

**REQUIRED SUPPLEMENTARY INFORMATION**

draft

**UMATILLA COUNTY SPECIAL LIBRARY DISTRICT**

**Schedule of Proportionate Share of the Net Pension Liability**

	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (asset)	0.001237%	0.000423%	0.001543%	0.001610%	0.099812%	0.095880%
Proportionate share of the net pension liability (asset)	\$ 269,958	\$ 73,096	\$ 233,684	\$ 217,056	\$ 149,841	\$ 55,049
Covered payroll	\$ 157,016	\$ 146,322	\$ 150,400	\$ 161,095	\$ 160,267	\$ 126,002
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	171.93%	49.96%	155.38%	134.74%	93.01%	43.69%
	75.80%	80.20%	82.07%	83.12%	80.53%	91.88%

**Note:**

The District implemented GASB 68, which requires that ten years of comparative information be presented, in 2015. Over time, ten years of information will be presented.

See accompanying independent auditors' report.

UMATILLA COUNTY SPECIAL LIBRARY DISTRICT

Schedule of Pension Contributions

	2021	2020	2019	2018	2017	2016
Contractually required contributions	\$ 5,111	\$ 5,005	\$ 14,557	\$ 12,138	\$ 10,724	\$ 12,580
Contributions in relation to contractually required contributions	<u>(5,111)</u>	<u>(5,005)</u>	<u>(14,557)</u>	<u>(12,138)</u>	<u>(10,724)</u>	<u>(12,580)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$157,016	\$152,829	\$146,322	\$150,400	\$161,095	\$160,267
Contributions as a percentage of covered payroll	3.26%	3.27%	9.95%	8.07%	6.66%	7.85%

Note:  
The District implemented GASB 68, which requires that ten years of comparative information be presented, in 2015. Over time, ten years of information will be presented.

See accompanying independent auditors' report.

UMATILLA COUNTY SPECIAL LIBRARY DISTRICT

Schedule of Proportionate Share of the Net OPEB Liability (Asset)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Proportion of the net OPEB liability (asset)	0.000000%	0.001327%	0.001070%	0.001605%
Proportionate share of the net pension OPEB liability (asset)	\$ (2,242)	\$ (2,565)	\$ (1,195)	\$ (670)
Covered payroll	\$ 157,016	\$ 146,322	\$ 150,400	\$ 161,095
Proportionate share of the net pension OPEB liability (asset) as a percentage of its covered payroll	-1.43%	-1.75%	-0.79%	-0.42%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	150.10%	144.40%	124.00%	108.90%

Note:

The District implemented GASB 68, which requires that ten years of comparative information be presented, in 2015. Over time, ten years of information will be presented.

See accompanying independent auditors' report.



**UMATILLA COUNTY SPECIAL LIBRARY DISTRICT**

**Schedule of OPEB Contributions**

	2021	2020	2019	2018
Contractually required contributions	\$ 70	\$ 92	\$ 658	\$ 670
Contributions in relation to contractually required contributions	<u>(70)</u>	<u>(92)</u>	<u>(658)</u>	<u>(670)</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$157,016	\$152,829	\$146,322	\$150,400
Contributions as a percentage of covered employee payroll	0.04%	0.06%	0.45%	0.45%

**Note:**

The District implemented GASB 75, which requires that ten years of comparative information be presented, in 2018. Over time, ten years of information will be presented.

See accompanying independent auditors' report.

**UMATILLA COUNTY SPECIAL LIBRARY DISTRICT**

**Notes to Required Supplemental Information**

**June 30, 2021**

**Change in Benefit Terms:**

GASB 68 and 75 requires employers to briefly describe any changes between the Measurement Date and the employer's reporting date that are expected to have a significant effect on the employer's share of the collective Net Pension Liability, along with an estimate of the resulting change, if available.

We are not aware of any changes that meet this disclosure requirement.

**SUPPLEMENTARY INFORMATION**

**UMATILLA COUNTY SPECIAL LIBRARY DISTRICT**

**General Fund**  
**Schedule of Actual Expenditures**  
**Year Ended June 30, 2021**

**Personal services:**

Salaries	\$ 157,066
Payroll taxes and employee benefits	67,407
	<u>224,473</u>

**Materials and services:**

Distribution to other municipal governments	1,643,981
Programs and training	1,826
Travel and meetings	381
Contractual services and fiscal management	16,275
Rent	8,880
Supplies and other	5,015
Telephone and internet	3,728
Advertising	1,053
Insurance	3,684
Election	6,649
	<u>1,691,472</u>

**Capital outlay:**

	<u>1,178</u>
Total expenditures	<u><u>\$ 1,917,123</u></u>

See accompanying independent auditors' report.

**INDEPENDENT AUDITORS' REPORT**  
**REQUIRED BY OREGON STATE REGULATIONS**

Board of Directors  
Umatilla County Special Library District  
Pendleton, Oregon

We have audited the basic financial statements of the Umatilla County Special Library District as of and for the year ended June 30, 2021, and have issued our report thereon dated December 3, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

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

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

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).

Board of Directors  
Umatilla County Special Library District  
Pendleton, Oregon

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

- Bidding requirements for intermediate purchases were not met.

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

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

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

Barnett & Moro, P.C.

By: \_\_\_\_\_  
Kristie L. Shasteen, Shareholder  
December 3, 2021



**UMATILLA COUNTY  
SPECIAL LIBRARY  
DISTRICT**

Strengthening our community libraries

PO Box 1689  
425 S Main Street  
Pendleton, OR 97801

Phone (541) 276-6449

December 3, 2021

Oregon Secretary of State

Re: Corrective Action Plan

To Whom it may concern,

Deficiency noted in June 30, 2021 audit report: not in compliance with bidding requirements.

Corrective action plan: The District will ensure that future purchases requiring bids will have documented quotes received from prospective suppliers.

Sincerely,

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Erin McCusker, District Director

Approved:

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Board Member - Print Name

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Board Member - Signature

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Date

## District Library Patrons Who Move Within the County

Umatilla County patrons moving to a new city within the county will normally be issued a new home library card from the new city library after clearing any prior blocks or holds. When a new card is issued the new home library shall promptly notify the former home library to delete the old patron record.

There may be circumstances (i.e. patron move is very short term) at the discretion of the patron's new home library to allow a patron to keep their current card longer perhaps until the expiration date. If allowed the new home library will update the current patron record to include a note of the circumstances and notify their former home library.