

REGIONAL FIBER CONSORTIUM

Annual Financial Statements

For the Years Ended
June 30, 2021 and 2020



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REGIONAL FIBER CONSORTIUM

ANNUAL FINANCIAL STATEMENTS

For the Years Ended June 30, 2021 and 2020

Prepared by:

City of Springfield
Finance Department

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REGIONAL FIBER CONSORTIUM

FINANCIAL STATEMENTS

For the Years Ended June 30, 2021 and 2020

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Board of Directors	9
FINANCIAL SECTION	
Independent Accountant's Review Report	15-16
Management's Discussion & Analysis	19-23
Basic Financial Statements:	
Comparative Statements of Net Position	27
Comparative Statements of Revenues, Expenses and Changes in Net Position	28
Comparative Statements of Cash Flows	29
Notes to Financial Statements	30-32
Supplemental Information:	
Schedule of Revenues, Expenses and Changes in Fund Net Position (Non GAAP Budgetary Basis) - Budget and Actual	35
COMPLIANCE SECTION	
Management Representation of Fiscal Affairs	39

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Introductory Section

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REGIONAL FIBER CONSORTIUM BOARD OF DIRECTORS

Richard Meyers	Chair	City of Cottage Grove 400 East Main Street Cottage Grove, OR 97424
Kelli Weese	Vice Chair	City of Florence 250 Highway 101 Florence, OR 97439
Jarrold Flanagan	Executive Committee	City of Eugene 61 W. 8 th Avenue Eugene, OR 97401
Matt Michel	Executive Committee	City of Veneta 88184 8 th Street Veneta, OR 97487
Nathan Bell	Executive Committee	City of Springfield 225 Fifth Street Springfield, OR 97477
Nathan Cherpeski	Executive Committee	City of Klamath Falls 500 Klamath Avenue Klamath Falls, OR 97601
Steve Dahl	Executive Committee	City of Drain 129 West "C" Avenue Drain, OR 97435
Austin Ramirez	Executive Committee	Lane County 125 East Eighth Ave Eugene, OR 97401
Anne Heath	Executive Committee	City of Coburg 91136 N. Willamette St Coburg, OR 97408

ADMINISTRATION

Fiscal:

Nathan Bell
Finance Director
City of Springfield

Neil Obringer
Budget Officer
City of Springfield

Samuel Kelly-Quattrocchi
Finance Management Analyst
City of Springfield

Operational:

Jacob Callister
Fiber Lead / Senior Planner
Lane Council of
Governments

Anne Davies
Principal Attorney
Lane Council of
Governments

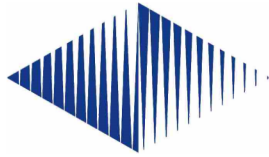
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Financial Section

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Independent Accountant's Review Report

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GROVE, MUELLER & SWANK, P.C.

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors
Regional Fiber Consortium
225 Fifth Street
Springfield, Oregon 97477

We have reviewed the accompanying business-type financial statements of the Regional Fiber Consortium (the Consortium), as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Consortium's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.


Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, as listed in the table of contents, 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information was not audited, reviewed, or compiled by us and we do not express an opinion, a conclusion, nor provide any assurance on it.

Supplemental Information

The accompanying supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplemental information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplemental information. We have not audited the supplemental information and do not express an opinion on such information.

GROVE, MUELLER & SWANK, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

By: 
Ryan T. Pasquarella, CPA
December 14, 2021

Management's Discussion and Analysis

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Regional Fiber Consortium
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021

The Regional Fiber Consortium (Consortium) was established on August 1, 1999 through an intergovernmental agreement among a group of Oregon cities and counties and the agreement was subsequently amended as cities and counties joined or left the consortium. As of June 30, 2021, the current membership includes the Cities of Springfield, Lowell, Coburg, Westfir, Oakridge, Klamath Falls, Merrill, Bandon, Coquille, Coos Bay, North Bend, Roseburg, Sutherlin, Eugene, Florence, Cottage Grove, Drain, Yoncalla, Veneta, Creswell, Lane County, Coos County and Douglas County.

Our discussion and analysis of the financial performance of the Consortium provides an overview of the Consortium's financial activities for the fiscal year ended June 30, 2021. Please read it in conjunction with the Consortium's financial statements, which begin on Page 27.

Mission

The Consortium was formed for the purpose of taking control of and managing certain fiber optic cable transferred to the Consortium by a number of fiber providers in consideration of right-of-way user fees payable to the cities who are members of the Consortium. It is the intention of the Consortium to develop an appropriate level of communication services for the citizens of the member jurisdictions and to serve the public interest by stimulating economic development in the communities through which the fiber optic cable passes. In February of 2010, the Lane Council of Governments (LCOG) was awarded \$8.4 million in American Recovery and Reinvestment Act funding as part of the national broadband stimulus program sponsored by the National Telecommunications and Information Administration (NTIA). The Consortium played a key role in this stimulus program by providing the bulk of the required \$2.2 million match. That funding has been used to provide "middle mile" connectivity between the Consortium's fiber and local facilities of telecommunications providers, greatly simplifying the task of energizing the network. That project has been completed and over one-hundred anchor institutions have gained connectivity. In the Springfield area, the project financed the construction of fiber to the City's Operations and Emergency Management facility, as well as providing connectivity to the Volunteers in Medicine facility, the Homes for Good (previously HACSA) low income housing facility, and to the Walterville School. In the three counties served by the project, thirty-one medical facilities, including two hospitals, were connected, giving them access to the already connected McKenzie-Willamette and PeaceHealth hospitals. In addition, thirty-nine school buildings were connected in ten different school districts, twenty-six police and fire stations, ten libraries, and thirty-three government buildings, including nine city halls. The fiber constructed during the Broadband Technology Opportunities Program (BTOP) project has led to development of a call center in Veneta and expansion of a call center and other businesses in Cottage Grove.

Responsibility and Controls

The Lane Council of Governments (LCOG) provides general staffing for the Consortium, including scheduling and staffing meetings, managing and negotiating the leases, and recordkeeping. The City of Springfield performs all financial administrative duties for the Consortium in accordance with the provisions of an intergovernmental agreement between the City of Springfield and Regional Fiber Consortium.

The Intergovernmental Agreement between the City of Springfield and the Consortium provides that the City of Springfield may charge a reasonable administrative fee for budgeting and administrative services. For the years ended June 30, 2021 and June 30, 2020, the cost of such services was \$12,000 for each year.

Financial Highlights

- The Consortium's total assets at June 30, 2021 increased \$71,316 from \$444,369 to \$515,685, or 16.0% from the prior year. This increase in total assets was primarily due to an increase in cash and investments of \$117,570 and a decrease in accounts receivables of \$46,207.
- The Consortium's total liabilities increased by \$13,279 from \$24,746 to \$38,025. This increase was due to an increase in accounts payable.
- The net position of the Consortium (assets less liabilities) at June 30, 2021 increased \$58,037 from \$419,623 to \$477,660, or 13.8% from the prior year.
- The Consortium's total operating revenues increased \$8,853 over the prior year from \$170,337 to \$179,190. This increase in revenue was due to increases in the fiber lease rates for some customers.
- The Consortium's total operating expenses increased \$23,402 over the prior year from \$100,257 to \$123,659. The net increase was due to a \$23,132 increase in contractual service payments to Lane Council of Governments and a \$10,644 increase for the new annual ISP payment to Lumen (fka CenturyLink). The overall increase was offset by a \$4,550 decrease in the annual premium for the general liability policy and a \$5,824 decrease in travel and meeting expenses. The \$23,132 increase in contractual service payments to Lane Council of Governments was due to higher administration costs related to the negotiation and renewal of existing subleases. The \$10,644 increase in operating expenses is a result of the new annual payment liability due to Lumen (fka CenturyLink), effective 1/1/2021. Lastly, a decrease of \$4,550 in operating expenses occurred as the premium cost for the general liability policy decreased, as well as a decrease of \$5,824 in travel and meeting expense, as events and meetings were held virtually, as a result of the COVID-19 pandemic.

Overview of Annual Financial Report

Management's Discussion and Analysis (MD&A) serves as an introduction to the basic financial statements and supplementary information. The MD&A represents management's examination and analysis of the Consortium's condition and performance.

The financial statements report information about the Consortium using the accrual basis of accounting. As such, revenues are recognized when they are earned and expenses are recognized when they are incurred.

The financial statements include a comparative statement of net position, a comparative statement of revenues, expenses, and changes in net position and a comparative statement of cash flows. The statement of net position presents the financial position on a full accrual basis and provides information about the nature and amount of resources and obligations at year-end; the statement of revenues, expenses, and changes in net position presents the results of the business activities over the course of the fiscal year and information as to how the net position changed during the year; the statement of cash flows presents the increases and/or decreases to cash during the fiscal year from operating activities and investing activities.

The financial statements were prepared by the City of Springfield's staff from the detailed books and records of the Consortium. The financial statements were reviewed by independent accountants as required by the State of Oregon.

Financial Analysis

The Consortium's overall financial position increased in fiscal year 2021 as compared to 2020. While revenues increased related to annual fiber lease increases, expenditures also increased due to increased payments to Lane Council of Governments for contractual services related to the additional time spent negotiating and executing the renewal of existing subleases.

Regional Fiber Consortium Net Position

	June 30,		
	2021	2020	2019
Current assets	\$ 515,685	\$ 444,369	\$ 385,380
Current liabilities	38,025	24,746	42,812
Net position:			
Unrestricted	<u>\$ 477,660</u>	<u>\$ 419,623</u>	<u>\$ 342,568</u>

As of June 30, 2021, unrestricted net position was \$477,660, an increase of \$58,037 (13.8%) from the prior year, as compared to an unrestricted net position of \$419,623 as of June 30, 2020, and an increase of \$77,055 (22.5%) from fiscal year 2019. The increase in 2021 can be primarily attributed to the increase in cash and investments, and a decrease in accounts receivables as explained earlier.

Regional Fiber Consortium Change in Net Position

	Year Ended June 30,		
	2021	2020	2019
Operating revenues	\$ 179,190	\$ 170,337	\$ 163,493
Operating expenses	123,659	100,257	133,347
Operating income	55,531	70,080	30,146
Non-operating revenues	2,506	6,975	7,317
Change in net position	58,037	77,055	37,463
Net position, beginning of year	419,623	342,568	305,105
Net position, end of year	<u>\$ 477,660</u>	<u>\$ 419,623</u>	<u>\$ 342,568</u>

Overall, lease revenues increased by \$8,853 or 5.2% from fiscal 2020 to 2021 as compared to an increase of \$6,844 or 4.2% from fiscal 2019 to 2020. Both years experienced modest increases resulting from increases to the fiber lease rates for some customers. In 2021 Consortium expenses were \$123,659 as compared to \$100,257 in 2020 and \$133,347 in 2019. In 2021 there was an increase in contractual services due to higher administration costs related to the negotiation and renewal of existing subleases. In 2020 there was a decrease in contractual services, as the Lumen (fka CenturyLink) negotiations that began in 2019 neared completion in 2020, and there were no connectivity grants awarded.

Budgetary Highlights

The original budget was not amended in 2021. The differences between the original budget and the actual budget basis revenues and expenditures can be summarized as follows:

- Revenues were over budget by \$47,727 (25.5%).

- Expenditures were under budget by \$81,790 (39.8%).

Economic Factors and Next Year's Budget and Rates

As explained above, the Consortium was formed for the purpose of taking control of and managing certain fiber optic cable transferred to the Consortium by a number of fiber providers, including Level 3 Communications and Williams Communications, in consideration of right-of-way user fees payable to the cities who are members of the Consortium. Both Level 3 and Williams have since been purchased or absorbed by Lumen (fka CenturyLink). The Consortium negotiated new 20-year Indefeasible Rights of Use (IRUs) with Lumen for continued rights to the original fibers. The renewal will increase expenditures to include some form of payment to Lumen for the use of the fiber. The payment is anticipated to be small, however, and with a concurrent increase (20%) in Consortium rates for sublessees of the fiber, there will not be a major negative financial impact to the Consortium. The Consortium was able to renegotiate leases with nearly all of its current lessees. Some of the leases are different than they were historically. One significant lessee has indicated that they may not require the leases they currently have. Loss of this lessee would result in a significant impact to annual revenues. It would free up fibers for lease, but would require that a lessee use the strands for government purpose only. This constraint makes such a lease harder to secure. The Consortium is working with the lessee to minimize impacts and transition strategically.

The Consortium may be able to offset anticipated loss of revenues in several ways. In fiscal year 2015, the Consortium started an annual grant program to provide members with funds to improve broadband services in their communities. If necessary, this grant program can be terminated or suspended, or the Consortium could reduce the frequency of grant expenditures. It was decided that the fiscal year 2021-2022 budget could allow for a \$50,000 budget for grants, and the decision was unanimously approved. Continuation of the COVID-19 pandemic, and discovery of uncertainty around future leases created continuing uncertainty around revenues for the Consortium and no grant awards were pursued in fiscal year 2020-2021. Consortium staff will bring the grant question back to the Consortium in early 2022. Despite longer term uncertainty, both expenditures and revenues are anticipated to increase, and the previous general health of the Consortium budget following completion of negotiations with Lumen will be maintained. As described above, the Consortium has means for maintaining budget health going forward in any reasonably conceivable scenario. The Consortium will pay the City of Springfield \$12,000 for administrative services in the coming year.

Requests for Information

This financial report is designed to provide our citizens and taxpayers with a general overview of the finances for those funds maintained by the Regional Fiber Consortium and to show the Consortium's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Springfield, Accounting Manager, 225 Fifth Street, Springfield, Oregon 97477.

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Basic Financial Statements

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Regional Fiber Consortium

COMPARATIVE STATEMENTS OF NET POSITION

	June 30,	
	2021	2020
ASSETS		
Current assets:		
Cash and investments	\$ 487,187	\$ 369,617
Receivables:		
Accounts receivable	27,817	74,024
Accrued interest	681	728
Total current assets	515,685	444,369
LIABILITIES		
Current liabilities:		
Accounts payable	38,025	24,746
NET POSITION		
Unrestricted	\$ 477,660	\$ 419,623

The independent accountant's review report and accompanying notes are an integral part of these statements.

Regional Fiber Consortium

COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Year Ended June 30,	
	2021	2020
Operating revenues:		
Lease revenue	\$ 179,190	\$ 170,337
Operating expenses:		
Materials and services	123,659	100,257
Operating income	55,531	70,080
Non-operating revenues:		
Interest on investments	2,506	6,975
Change in net position	58,037	77,055
Net position, beginning of year	419,623	342,568
Net position, end of year	\$ 477,660	\$ 419,623

The independent accountant's review report and accompanying notes are an integral part of these statements.

Regional Fiber Consortium
COMPARATIVE STATEMENTS OF CASH FLOWS

	Year Ended June 30,	
	2021	2020
Cash flows from operating activities:		
Operating receipts	\$ 225,397	\$ 211,621
Cash paid to suppliers for goods and services	<u>(110,380)</u>	<u>(118,323)</u>
Net cash provided by operating activities	115,017	93,298
Cash flows from investing activities:		
Interest received	<u>2,553</u>	<u>7,146</u>
Net change in cash and investments	117,570	100,444
Cash and investments, beginning of year	<u>369,617</u>	<u>269,173</u>
Cash and investments, end of year	<u><u>\$ 487,187</u></u>	<u><u>\$ 369,617</u></u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 55,531	\$ 70,080
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:		
Changes in assets and liabilities:		
Accounts receivable	46,207	41,284
Accounts payable	<u>13,279</u>	<u>(18,066)</u>
Net cash provided by operating activities	<u><u>\$ 115,017</u></u>	<u><u>\$ 93,298</u></u>

The independent accountant's review report and accompanying notes are an integral part of these statements.

Regional Fiber Consortium

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Regional Fiber Consortium (Consortium) was established on August 1, 1999 through an intergovernmental agreement among a group of Oregon cities and counties and the agreement was subsequently amended as cities and counties joined or left the Consortium. The Consortium was initially formed for the purpose of taking control of and managing certain fiber optic cable transferred to the Consortium in the form of a 20-year indefeasible right of use (IRU) by Pacific Fiber Link, LLC, in exchange for a waiver of payment for the right of way use fees that Pacific Fiber Link, LLC would otherwise owe to the cities that were members of the Regional Fiber Consortium. Pacific Fiber Link, LLC later became known as 360° Networks, and was subsequently, acquired by Zayo Group, LLC. Another Consortium, Fiber South Consortium, was later formed for a similar arrangement with Williams Communications, Inc., now known as WilTel Communications, LLC, and Level 3 Communications, LLC. The two Consortia were ultimately consolidated into what is now known as the Regional Fiber Consortium. As of June 30, 2021, the current membership includes the Cities of Springfield, Lowell, Coburg, Westfir, Oakridge, Klamath Falls, Merrill, Bandon, Coquille, Coos Bay, North Bend, Roseburg, Sutherlin, Eugene, Florence, Cottage Grove, Drain, Yoncalla, Veneta, Creswell, Lane County, Coos County and Douglas County.

It is the purpose of the Consortium to develop an appropriate level of communication services to citizens of the member jurisdictions to serve the public interest by stimulating economic development in the communities through which the fiber optic cable passes.

The financial operations of the Consortium are reported using enterprise fund accounting. It is the intent of the Consortium that the costs of providing fiber access to users on a continuing basis will be financed or recovered primarily through an equitable fee levied on all users.

The City of Springfield performs all administrative duties for the Consortium in accordance with the provisions of an intergovernmental agreement between the City of Springfield and the Regional Fiber Consortium.

1. Reporting Entity

The Regional Fiber Consortium, under the criteria established by GASB, is considered a primary government and is not a component unit of another entity nor is there any component units for which the Consortium is financially accountable.

Regional Fiber Consortium

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

2. Basis of Accounting

The financial operations of the Regional Fiber Consortium are accounted for using the full accrual basis of accounting. As such, revenues are recognized when they are earned and expenses are recognized when they are incurred.

All activities of the Consortium are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to a private business enterprise where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The accounting and financial reporting treatment applied to the Consortium is determined by its measurement focus. The transactions of the Consortium are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the statement of net position. Net position (i.e., total assets net of total liabilities) is segregated into two categories: restricted and unrestricted. Currently there is no restricted net position.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, and reported amounts of revenues and expenses during the reporting period. Actual results may differ from such estimates.

3. Budgetary Accounting

The Consortium adopts an annual budget. The budget is adopted on the modified accrual basis of accounting. All unexpended and unencumbered appropriations in the budget remaining at the end of the fiscal year, lapse. During the year, management is authorized to transfer budgeted amounts between line items within the operating budget.

Regional Fiber Consortium

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

4. Cash and Investments

The Consortium participates in a cash and investment pool maintained by the City of Springfield for all funds under the City's administrative control. The amount reported as cash and investments is the Consortium share of the total City of Springfield cash and investment pool. The Consortium does not maintain bank accounts or investments separate from the City's investment pool. The bank deposits are collateralized pursuant to Oregon Revised Statutes, Chapter 295. The investment in the Oregon State Treasurer's Investment Pool is not required to be categorized by level of risk because this investment is not evidenced by securities.

State statutes authorize the City to invest in obligations of the U. S. Treasury and its agencies, bankers' acceptances, high grade commercial paper, the State of Oregon Local Government Investment Pool and repurchase agreements. Investments are stated at fair value.

For purpose of the statement of cash flows, cash and investments in the City-wide investment pool (including restricted cash and investments) are considered cash and cash equivalents. The pool has the general characteristics of a demand deposit account for the Consortium in that the Consortium may deposit additional cash at any time and may withdraw cash at any time without prior notice or penalty.

5. Accounts Receivable

Accounts receivable consist of lease payments receivable of \$27,817 and \$74,024, respectively, as of June 30, 2021 and June 30, 2020. No allowance for doubtful accounts is considered necessary.

6. Risk Management

The Consortium is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets. The Consortium carries commercial insurance for such risks of loss. There have been no claims resulting from these risks.

NOTE B – INTERGOVERNMENTAL AGREEMENTS

The Intergovernmental Agreement between the City of Springfield and the Consortium provides that the City of Springfield may charge a reasonable administrative fee for budgeting and accounting services. For the years ended June 30, 2021 and June 30, 2020, the cost of such services was \$12,000 per year.

See Independent Accountant's Review Report

Supplemental Information

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Regional Fiber Consortium
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
(NON GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2021

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 185,237	\$ 185,237	\$ 232,545	\$ 47,308	\$ (53,355)	\$ 179,190
Interest on investments	<u>2,000</u>	<u>2,000</u>	<u>2,419</u>	<u>419</u>	<u>87</u>	<u>2,506</u>
Total revenues	<u>187,237</u>	<u>187,237</u>	<u>234,964</u>	<u>47,727</u>	<u>(53,268)</u>	<u>181,696</u>
Expenditures/Expenses:						
Current operating:						
Finance	<u>205,449</u>	<u>205,449</u>	<u>123,659</u>	<u>81,790</u>	<u>-</u>	<u>123,659</u>
Change in net position	(18,212)	(18,212)	111,305	129,517	(53,268)	58,037
Net position, beginning of year	<u>361,295</u>	<u>356,977</u>	<u>356,977</u>	<u>-</u>	<u>62,646</u>	<u>419,623</u>
Net position, end of year	<u>\$ 343,083</u>	<u>\$ 338,765</u>	<u>\$ 468,282</u>	<u>\$ 129,517</u>	<u>\$ 9,378</u>	<u>\$ 477,660</u>

The independent accountant's review report and accompanying notes are an integral part of these statements.

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Compliance Section

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CITY OF SPRINGFIELD, OREGON

FINANCE DEPARTMENT

ACCOUNTING / REPORTING
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PAYROLL
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Management Representation of Fiscal Affairs Required by Oregon Regulation For the Year Ended June 30, 2021

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

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

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

Nathan Bell, Finance Director

12-14-21

Date