CENTRAL OREGON INTERGOVERNMENTAL COUNCIL
BEND, OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2022

Prepared by the Department of Fiscal and Administrative Services
City of Bend, Oregon

Michelle Williams, Deputy Director/Fiscal Manager

MSP CERTIFIED PUBLIC ACCOUNTANTS

Central Oregon Intergovernmental Council
Bend, Oregon
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INTRODUCTORY SECTION

August 1, 2024

Central Oregon Intergovernmental Council Board of Directors:
334 N.E. Hawthorne Avenue
Bend, Oregon 97701

Introduction

We are pleased to present the Comprehensive Annual Financial Report of Central Oregon Intergovernmental Council (COIC) for the fiscal year ended June 30, 2022, together with the opinion thereon of our independent certified public accountant, Molatore, Scroggin, Peterson & Co, LLP. This report, required by Oregon Revised Statutes 297.425, is prepared by the Management of Central Oregon Intergovernmental Council. Also included are Audit Comments and Disclosures required under the Minimum Standards for Audits of Oregon Municipal Corporations Section of the Oregon Administrative Rules.

In addition, COIC is required to have a comprehensive single audit of its Federal Assistance Programs in accordance with the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the provisions of Government Auditing Standards promulgated by the U.S. Comptroller General as they pertain to financial and compliance audits. A report on COIC's compliance with applicable Federal laws and regulations related to the Uniform Guidance is included.

This report is prepared in conformance with the guidelines for financial reporting developed by the Government Finance Officers Association of the United States and Canada and the principles established by the Governmental Accounting Standards Board (GASB). It presents fairly the financial position of the various funds of COIC at June 30, 2022, and the results of operations of such funds for the year then ended in conformity with accounting principles generally accepted in the United States of America (US GAAP). The report consists of management's representations concerning the finances of COIC. Consequently, management assumes full responsibility of the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, COIC management has established a comprehensive internal control framework that is designed both to protect COIC's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of COIC's financial statements. Because the cost of internal controls should not outweigh their benefits, COIC's comprehensive framework of internal controls has been designed to provide reasonable assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

GAAP requires management to provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. COIC's MD&A

is located on page 3 immediately following the independent auditor's opinion.

"Central Oregon Intergovernmental Council supports the region as a trusted leader and partner, helping communities identify and address their unique and common needs through collaboration, shared service delivery, technical assistance, information sharing, and resource development ."

- COIC Mission Statement

Profile of the Organization

The Central Oregon Intergovernmental Council (COIC) was formed in 1972 by the region's cities and counties as a "Council of Governments" under Oregon Revised Statute Section 190, which provides for the establishment of intergovernmental organizations.

COIC initially served as a venue for regional prioritization, comprehensive planning, regional studies, and collaborative problem-solving. COIC's early functions included planning for law enforcement, emergency medical services, affordable housing, senior services, economic development, transportation and workforce development.

In the late 1970's COIC's leadership moved the organization toward the delivery of economic development and workforce development services. COIC was designated as an "Economic Development District" in 1979 by the US Department of Commerce, with a resulting focus on activities that more directly impacted the region's economy. COIC was designated by the counties as a workforce development service provider around that time, providing job training support to Central Oregon job seekers, youth and businesses through the federal Comprehensive Employment and Training Act (CETA).

COIC took on an Economic Development Administration public lending program in the early 1980's. Later, COIC helped form a Community Development Corporation to access Small Business Administration (SBA) 504 loan resources. These public lending programs were established within regionally-based community organizations such as COIC as a means to provide efficient local access to loan resources, particularly in communities struggling economically.

COIC successfully managed the transition from the federal CETA workforce program to the Job Training and Partnership Act (JTPA), and then on to the Workforce Innovation Act (WIA) in 2000. COIC, took on employment and training services in Klamath and Lake counties in 2008 in response to a request from the county members of The Oregon Consortium, primarily due to COIC's outstanding track record in delivering services and managing federal funding resources.

As population growth ramped up in the late 1990's and early 2000's, COIC's regional roles continued to evolve. Over the past 20 years COIC has taken on more functions consistent with its Council of Government origins, including regional telecommunications planning and advocacy, wildfire risk reduction planning, large lot industrial lands coordination, and public transportation services planning. COIC has increasingly become a home for regional stakeholder coordination, planning and problem solving – demonstrating the value and effectiveness of regional collaboration to meet a broad array of economic and social needs.

Regional public transportation needs became a major issue in Central Oregon in the early 2000's, with no general public service available in Central Oregon at that time. In 2006 COIC was asked to take on public

transportation service delivery by Crook County, with the understanding that by centralizing this service, efficiencies could be gained and more services could be provided to the region. COIC then took on client-based senior transportation services regionally, and opened the service to the general public. Cascades East Transit in 2010, formed a regionally integrated transit system with urban scale fixed route services in Bend, general public dial-a-ride services in rural communities, and connector shuttle services linking the region's cities. The system has continued to evolve, adding Warm Springs and recreational services.

COIC continues to strive to meet regional-scale needs in 2022 and beyond through regional collaboration, achieving economy-of-scale efficiencies, and efficient delivery of public services. COIC's current work force exceeds 120 staff members, with 12 office locations across eight cities, three counties, and the Warm Springs community. COIC's board of directors is composed of elected officials from Central Oregon's three counties and eight cities, along with appointment members from the Confederated Tribes of Warm Springs, the private sector, education, and chambers of commerce. Primary program areas are Community and Economic Development, Business Loans, Employment and Training (including education), and Transportation.

Employment and Training

COIC receives grants and contracts that provide training, education and employment services to businesses and residents of Central Oregon. These services help people of all ages and economic levels develop or improve skills so they can become job ready, employed, and self-sufficient. COIC receives funds from federal, state and local sources to administer the following programs:

- Title IB of the Workforce Innovation Opportunity Act (WIOA)
- National Emergency Grants
- Job Opportunities and Basic Skills (JOBS) Program in partnership with DHS
- Alternative Education (through contracts with local school districts)
- Family Support & Connections (FS&C) Program in partnership with DHS
- National Career Readiness Certification Programs

The Workforce Innovation Opportunity Act (WIOA) system is built around several key principles including a strong role for local boards and the private sector, state and local flexibility, universal access, streamlining services, and informed choice. The WIOA strives to increase the employment, retention and earnings of participants by: improving the quality of the workforce, enhancing the productivity and competitiveness of the nation, and reducing public assistance dependency. COIC offers services in a one-stop environment. One-Stop centers are locations where partner agencies provide many services to employers and job seekers at one site. National Emergency Grants are awarded for the purpose of serving specific populations of dislocated workers by providing employment and training activities.

JOBS and FS&C are funded by a combination of state and federal dollars. In Central Oregon, COIC and Oregon Department of Human Services (DHS) share responsibility for the success of these programs. COIC manages specific activities for DHS directed at helping families and individuals who are receiving public assistance enter the workforce and then be successful in retaining employment.

Central Oregon Intergovernmental Council provides a unique alternative education program through contracts with four local school districts for students ages 14-21. The program offers both classroom

education and outdoor work-based education to help students get a high school diploma, a GED, or earn credits and return to school. The program also helps students enter the job market by teaching skills that are transferable to a paying job. COIC is one of the state's largest alternative education programs.

Community and Economic Development

As a regional Council of Governments, COIC provides a means for the region to work together to identify issues and needs which are regional in scope, achieve concurrence for cooperative actions, and achieve goals in areas including community and economic development, human services, natural resources and environmental protection, transportation, education, land use, housing workforce development.

Current region-scale planning and technical assistance projects include:

- Planning and concept design for the proposed Central Oregon Regional Emergency Services Training and Coordination Center.
- Formation of the new Deschutes Basin Water Collaborative which will be developing the region's first water allocation plan to meet the needs of communities, agriculture, as well as increasing river flows for ecosystem health and recreation.
- Staff support for the Central Oregon Area Commission on Transportation, a regional transportation prioritization and coordination group.
- Housing for All – a regional housing consortium focused on delivering services to the dozens of individual organizations working to address the housing crisis in Central Oregon.
- The bi-monthly Regional Administrator's meeting, offering a means for city managers and county administrators to identify mutual needs, share resources, and problem-solve.

COIC is designated by the U.S. Department of Commerce, Economic Development Administration (EDA) as the "Economic Development District" for Central Oregon. Within this role COIC is responsible for identifying priority economic development project needs within the region, articulating regional needs to the EDA, and assisting local governments in applying for grant funding through the EDA. EDA grant categories include: public works infrastructure, technical assistance, economic resilience, planning, and economic adjustment.

As an Economic Development District, COIC is also responsible for creating and maintaining a regional Comprehensive Economic Development Strategy. COIC's 2017Comprehensive Economic Development Strategy (CEDS) for the Central Oregon region includes:

- a priority list of local economic development needs (projects) for which state or federal funding are needed, submitted by cities, counties, tribes, businesses and organizations; and
- an inventory of regional-scale economic development issues and challenges for which multi-jurisdictional collaborative action is necessary.
- a list of ten priority strategies to address the identified issues.

COIC also provides project-specific Community Development-related services for individual communities, government agencies, businesses, and other partner organizations. COIC offers strategic planning and community visioning, neutral facilitation, outreach and engagement, grant writing, grant administration, and project evaluation services to local governments, non-profits, special districts and other entities in Central Oregon. COIC staff has extensive experience administering grants, including Federal Transit Administration,

Department of Labor, USDA, Economic Development Administration grants, and private foundation grants. Current projects include:

- City of Culver Strategic Plan
- City of Metolius Community Vision
- Assisting in forming the Madras and Prineville Downtown Associations and strategic planning and outreach and engagement services
- Sisters Community Vision and Implementation Team
- La Pine Transit and Community Center community outreach, design, and funding
- City of Bend infrastructure projects labor standards monitoring

Within COIC's Natural Resource program area, key projects include the Deschutes Collaborative Forest Project (DCFP) and the Ochoco Forest Restoration Collaborative (OFRC), which promote healthier, safer, and more productive public lands through partnership efforts that reduce wildfire risk, enhance fish and wildlife habitats, and maintain and improve water quality across all lands. The DCFP is providing restoration recommendations for an 112,000 acre landscape in the Deschutes National Forest and the OFRC makes recommendations for the entire Ochoco National Forest. The majority of the landscape is ponderosa pine and dry mixed conifer forest types. The goals of these projects are to restore forest ecosystems and help to achieve a variety of community goals including the creation of new jobs.

Other recent Natural Resource projects include:

- Completion of a Natural Hazards Mitigation Plan for Crook County
- Project development - biomass thermal heating projects at a variety of locations
- Development of the Deschutes Trails Collaborative and the Ochoco Trails Strategy Group – efforts to promote sustainable recreation use on federal forest lands

COIC is also leading the development of a Local Food Sector program in Central Oregon, which is focused on strengthening regional infrastructure and markets for locally produced value-added food products, as a means to strengthen the agricultural sector and create jobs. COIC was instrumental in the formation of the High Desert Food and Farm Alliance, and development of the Central Oregon Regional Food Assessment and the Central Oregon Food Hub Business Plan. Much of COIC's current work has been focused on the development of a regional food hub facility, and convening regional groups active in the local food system to help create a common vision and goals.

Transportation

The overarching purpose of COIC's transportation program is to strengthen regional transportation services and infrastructure through the development and implementation of regionally-based transportation plans, administration, operations, service coordination, and project development. A regional approach to transportation enhances efficiencies among transportation organizations and ensures regional connectivity for Central Oregon's residents, businesses, and visitors.

The core functions of COIC's Transportation services are:

- To identify regional public transportation needs and objectives and develop long-term, coordinated plans

- To develop and administer regional transportation programs and inter-community transit systems, as identified in regional plans on a priority basis;
- To assist communities in the development and operation of intra-city transit;
- To ensure connectivity of intra- and inter-community transportation systems; and
- To provide technical support and project development assistance to local governments, organizations, and federal and state agencies to assist their transportation programs.

COIC administers and manages transportation coordination, planning, and operation projects throughout the region, including the Medicaid Ride Brokerage for Oregon Health Authority for the Central Oregon region. The Brokerage, through contracts with local providers, schedules rides to medical services for Medicaid eligible clients. The Brokerage serves Crook, Deschutes, and Jefferson counties.

In 2006 COIC assumed operation of local senior Dial-a-Ride services for the cities of Madras, Redmond, Sisters and La Pine. COIC created Cascades East Transit (CET), which provides fixed route transit services in Bend and local public demand-response transportation services in La Pine, Madras, Metolius, Culver, Prineville, Redmond, Terrebonne, and Sisters. COIC operates inter-city buses known as the "Community Connectors" connecting all of the Cities of Central Oregon. In 2011, COIC began operating through a public private partnership with Mt. Bachelor, providing transportation service to Mt. Bachelor in the Deschutes National Forest, now known as Mountain Service. In 2016, COIC also began working on connecting Warm Springs into the regional system with a deviated fixed route in Warm Springs and Community Connector service to Madras. Cascade East Transit provided approximately 423,611 rides in fiscal year 2021-2022. As the region continues to recover from the pandemic, COIC's regional transportation services will be instrumental in recovery efforts and connecting employers with employees and our communities. COIC staff also assists with county and tribal public transportation planning processes.

COIC has also provided leadership in local transportation coordination projects. The development of the regional public transit system, known as Cascades East Transit, has provided the opportunity to greater coordinate public transportation options for the Central Oregon area. In 2018, COIC completed the first regional human services transportation coordination plan.

In partnership with the City of Redmond, COIC completed the construction of a transportation maintenance and operations facility in Redmond. The building is an operations and maintenance facility used to service buses as well as house the call center and dispatch functions of the transportation department. COIC has also developed a regional transit hub in Bend, known as Hawthorne Station. This hub serves as a connection for local Bend fixed routes in addition to inter-city routes that provide service across the state. COIC also developed a regional transit hub in Redmond in fiscal year 2018/2019 and is working with La Pine on a future transit hub. Regional planning projects completed recently include the Central Oregon Strategic Transportation options Plan, Regional Park and Ride Lot Plan, and Central Oregon Transit Access Project. Regional planning projects that are currently in progress include the Bend Transportation System Plan and the COIC Regional Master Plan.

Business Development Loans

COIC manages business loan programs throughout Oregon that provide term financing to small businesses for projects that create new jobs or retain existing jobs. Loan funds can be used to purchase or build new facilities, purchase equipment, or provide working capital. All of COIC's loans are designed to participate

with bank loans, but some projects can be wholly financed by COIC. Central Oregon Intergovernmental Council manages, services, or packages for the following loan programs:

- Job Creation loan program
- Title IX Economic Development Administration loan (EDA) program
- USDA Intermediary Relending Program (IRP)
- Jefferson County loan program

As of June 30, 2022, loan funds managed by the COIC Loan Department were $5,213,200 which consists of the following: $3,712,262 in the EDA program, $1,311,471 in the IRP program, and $189,467 in the Job Creation program. The COIC Loan Department continues to support the area's economy by providing financing that would not otherwise be available through traditional bank lending programs.

Job Creation Loan Program

Central Oregon Intergovernmental Council established a locally funded revolving loan fund in January 1986 in anticipation of serving businesses unable to meet standard commercial lending requirements. The initial amount funded was $250,000. Participation has been based upon case-by-case council decisions. To afford maximum flexibility and utilization, no limitations have been established. COIC dedicated $25,000 from this portfolio to match RLF Round 3 recapitalization.

During 1997 the board used a portion of this fund for the match required to acquire funds from the USDA IRP program. In 2010, the board used the remaining balance of the fund to provide an internal loan to facilitate the acquisition of the Hawthorne Station building, which has since been repaid.

EDA Title IX Revolving Loan Fund (RLF)

On July 1, 2016, COIC elected to combine the three EDA Title IX revolving loan funds into one fund with the permission from the EDA. COIC elected to combine these loan funds to consolidate available funds and make funding easier while reducing the administrative burden.

Central Oregon Intergovernmental Council was awarded $300,000 in Department of Commerce, Economic Development Administration funds in 1987 to establish a revolving loan fund. The following conditions were required by EDA.

1) For business located in Crook, Deschutes, Jefferson, Harney, Klamath, and Lake Counties.

2) Local match at $25,000 per county or $100,000.

COIC elected to include an additional $25,000 match to afford Jefferson County the opportunity of participation should it become eligible for Round #1 loans. Jefferson County was declared eligible for Round #1 funding in October 1986. During FY 1992-93, COIC's Board elected to transfer $15,625 of the $25,000 "excess match" to Round #3 to assure correct match within that portfolio. COIC elected to provide the match up front with repayment from Harney and Klamath Counties. Match reimbursement received

from non-Central Oregon counties was transferred to the general fund upon receipt. Thus, beginning cash portfolio amount reflects $300,000 EDA and $109,375 local match for a total of $409,375.

COIC was awarded recapitalization of $450,000 in Department of Commerce, Economic Development Administration funds in 1987. The following conditions were required by EDA.

1) For business located in Crook, Deschutes, Jefferson, Harney, Klamath, and Lake Counties.

2) Local match at $45,000 per county or $225,000.

COIC elected to provide the match up front with repayment from Harney, Lake and Klamath Counties being anticipated. As of 6/30/96, all matches have been received. Beginning cash portfolio amount reflects $450,000 EDA and $225,000 local match for a total of $675,000. Match received from non-Central Oregon counties is transferred to the general fund upon receipt.

COIC was awarded recapitalization of $600,000 in Department of Commerce, Economic Development Administration funds in September 1990. The following conditions were required by EDA.

1) For business located in Crook, Deschutes, Jefferson, Harney, Klamath, and Lake Counties.

2) Local match at $200,000. State Regional Strategies to provide $150,000, Harney County $25,000, and COIC $25,000.

COIC received a waiver from EDA to disburse a $500,000 loan in Klamath County. All cash has been received from EDA and the Oregon Economic Development Department. The transfer from COIC's local job creation portfolio in the amount of $25,000 was completed. Harney County paid $9,375 and COIC transferred $15,625 from Round #1 to complete match requirements of the final $25,000.

USDA IRP Loan Program

In March of 1997, Central Oregon Intergovernmental Council received a $2 million loan from the USDA Rural Development Department. On February 8, 2000, COIC received an additional loan for $572,000. This loan is intended to provide term financing targeted to projects that create new jobs or retain existing jobs in rural communities in Deschutes, Jefferson, Crook, Klamath, Lake, Harney, Malheur, Hood River, Sherman, Wasco, Lane, Douglas, Coos, Curry, Josephine, and Jackson counties. As of June 30, 2001, all available dollars had been borrowed from the USDA against the $2.572 million loan commitment. The Central Oregon Intergovernmental Council pays an annual interest rate of 1% on funds borrowed from the USDA: principal repayments began in 2001. COIC was required to provide match money to secure funds borrowed from USDA. A portion of the Local Job Creation fund was committed to the IRP fund for the match requirement. The amount transferred was $136,218.

Internal Controls

The financial reporting entity, Central Oregon Intergovernmental Council, includes all funds of the Council. The Council provides services in the areas of employment and training, economic development, and transportation.

The management of Central Oregon Intergovernmental Council is responsible for establishing and maintaining effective internal controls to ensure compliance with requirements of laws, regulations, contracts and grants applicable to each program. The locally elected Board of Directors is responsible and accountable for all decisions of management. Control of COIC is vested in its board of directors who are elected officials appointed to the COIC Board by their city or county. Administrative and management functions are delegated to COIC staff that report and are responsible to the Board. In the development and subsequent modifications of COIC's accounting system, consideration has been given to the adequacy of internal accounting controls. The internal control structure is subject to periodic review by management, the Board and funding agencies.

Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding:

- Safeguarding assets against loss from unauthorized use or disposition.
- Reliability of financial records for the preparation of financial statements and accounting for assets.

The concept of reasonable assurance recognizes that:

- The cost of control should not exceed the benefits to be derived; and
- The evaluation of costs and benefits requires management to use estimates and sound judgment.

As a part of Central Oregon Intergovernmental Council's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the government has complied with applicable laws and regulations. The results of the government's single audit for the fiscal year ended June 30, 2022, provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations. We believe that COIC's internal accounting controls adequately safeguard assets. We further believe that the accounting controls provide reasonable assurance of proper recording of transactions. As demonstrated by the statements and schedules included in the financial section of this report, COIC continues to meet its responsibility for sound financial management.

Factors Affecting Financial Condition

Local Economy

COIC primarily serves the Central Oregon region, which covers 7,787 square miles in the geographic heart of the state. The region is comprised of three counties (Crook, Deschutes, and Jefferson) with a combined population of 259,126 (Portland State University, July 1, 2022 estimate). Central Oregon continues to be a leader in the state in population growth rates, paced by a 5.49% growth rate from 2021 to 2022, compared to a state wide 0.43%. With the continued population growth for Central Oregon in 2022, the region normally sees a drop in unemployment rates when compared year-over-year, however due to the pandemic our regions rates in unemployment have increased:

Unemployment Rates, September 2021:	Unemployment Rates, September 2022:
Crook County – 5.2%	Crook County – 5.3%
Deschutes County – 4.0%	Deschutes County – 4.1%
Jefferson County – 4.8%	Jefferson County – 5.6%
Oregon – 4.1%	Oregon – 4.2 %
US – 4.6%	US – 3.5%

Central Oregon generally sustains strong in-migration; therefore, job creation typically lags population growth. Historically Oregon's unemployment rate tracks higher than the national rate. The region is characterized by dynamic small business and entrepreneurial activity. The region boasts strong clusters of software, biosciences, renewable energy, brewing, and recreation equipment. Other important economic sectors include: travel/tourism, retail, and professional services. Median house costs continue to rise across Central Oregon (prices across the region are at their highest point since 2008).

Budgetary Process

The Central Oregon Intergovernmental Council is subject to the provisions of Oregon Revised Statute Chapter 294, Oregon's Budget Law applicable to Councils of Government. Annually, a proposed budget is presented to the budget committee. The budget committee holds public meetings. After the budget committee approves the budget document, it is submitted to the Board of Directors for adoption. COIC maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Directors. Activities of the general and special revenue funds are included in the annual appropriated budget. The legal levels of budgetary control are personnel services, materials and services, capital outlay and debt service. Special revenue and general fund budget versus actual statements of revenues, expenditures, and changes in fund balances are reviewed by management and by the Board monthly at a publicly held meeting. Management also reviews cash flow projections monthly in order to ensure budgetary compliance will be met at year-end.

Long-term financial planning

COIC conducted a strategic planning process that concluded in the spring of 2016. The process included a comprehensive organization assessment that engaged nearly 40 key stakeholders and 100 employees, in addition to the Board of Directors and staff leadership team. Assessment results informed the Board in the creation of new statements of mission, vision and values. The Board focused on and affirmed key goals for the next three years, and provided strategic direction for each goal area. Board driven strategies are as follows:

- Enhance regional collaboration activities.
- Strengthen communications with primary partners: the region's local governments.
- Serve as a clearinghouse for funding opportunities
- Become more visible and better recognized as an important community resource.
- Ensure long-term organizational and program stability with sustainable funding.

As the provider of major consumer services in Central Oregon, including transit and workforce development, COIC positively impacts the lives of the residents of the region. With its expertise in program delivery, along with state and federal funding and contracts management, it is well positioned to impact other communities beyond Crook, Deschutes, and Jefferson Counties. COIC plans to focus on a goal of stable and sustainable funding with the following strategies:

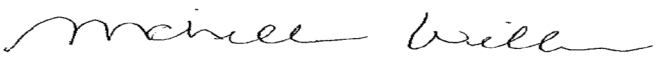
- Continue to secure Workforce Program funding by providing high quality services and developing a quality response to requests for proposal for WIOA and DHS funding.
- Secure dedicated local funding for Cascades East Transit by developing partnership agreements, developing with local support and achieving legislative approval for ORS 190 modification.
- Build operational general fund by increasing member jurisdiction dues.

COIC is currently in the process of updating our strategic planning, mission, vision and values.

<u>Awards and Acknowledgements</u>

The preparation of this was made possible by the dedicated service of the entire staff of the Fiscal and Administrative Services Department and COIC as a whole. I wish to thank the Central Oregon Intergovernmental Council Board of Directors for their commitment to our organization.

Sincerely,



Michelle Williams
Deputy Director/Fiscal Manager

Officials

Name	Board Position	Representative Agency
Anthony Broadman	Chairman	Bend, Oregon
Jay Patrick	Vice Chairman	Redmond, Oregon
Tammy Baney	Executive Director	Bend, Oregon
Michelle Williams	Treasurer	Bend, Oregon
Hannah Bullock	Secretary	Bend, Oregon

Registered Office

Central Oregon Intergovernmental Council
334 N.E. Hawthorne Avenue
Bend, Oregon 97701

COIC Organization Chart

Updated 1.21.21

FINANCIAL SECTION

MSP CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

Board of Directors
Central Oregon Intergovernmental Council
Klamath Falls, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Central Oregon Intergovernmental Council, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Central Oregon Intergovernmental Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Central Oregon Intergovernmental Council's 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 misstatement, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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, each major fund, and the aggregate remaining fund information of Central Oregon Intergovernmental Council, as of June 30, 2022, and the respective changes in financial position 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 other information shown in the table of contents on pages 3 through 8 and 31 through 36 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 as shown in the table of contents 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 the Central Oregon Intergovernmental Council's basic financial statements as a whole. The Introductory Section, Other Supplementary Schedules, and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Schedule of Expenditures of Federal Awards is required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary schedules and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 other supplementary schedules, and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Central Oregon Intergovernmental Council's basic financial statements. The introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards,* we have issued our report dated August 1, 2024, on our consideration of the Central Oregon Intergovernmental Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations,* we have also issued our report dated August 1st, 2024, on our consideration of Central Oregon Intergovernmental Council'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.

Molatore, Scroggin, Peterson & Co. LLP

Gerrin P. DeGroot, Partner

Klamath Falls, Oregon
August 1, 2024

Central Oregon Intergovernmental Council
Management's Discussion and Analysis
For the Year Ended June 30, 2022

As management of Central Oregon Intergovernmental Council (COIC), we offer readers this narrative overview and analysis of the financial activities of COIC for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-x of this report.

Financial Highlights

COIC is primarily a grant-based organization. The vast majority of these grants are cost reimbursement grants with revenues of approximately $13.5 million in federal grants, $4.1 million in state grants and contracts, $2.4 million in local grants and contracts, $977,000 in charges for services, and $103,000 in interest and investment income. These grants only cover costs actually expended, and have no potential to build up any reserves.

As a grant-based organization, we are subject to uncertainties in both the federal and state budgets. When the federal appropriations are not passed and the nation goes on "continued resolution", it makes the timing and amount of grant awards very volatile. When the State of Oregon experiences budget shortfalls, we are negatively impacted in some of our grants and contracts.

Overall, we feel that COIC has been able to effectively manage its resources to meet increased demands felt in our communities. With the ever changing pandemic, COIC continues to strive to be nimble and meet the needs of our region while also continuing to look for new and unique opportunities to work with other agencies and organizations to provide quality programs to better support our communities and region.

At June 30, 2022 COIC reported a net Oregon Public Employees Retirement System pension liability in the amount of $2,393,205 and deferred inflows of resources in the amount of $3,060,446, and a NET OPEB asset in the amount of $56,168 and deferred outflows of resources in the amount $1,613,526.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to COIC's basic financial statements. COIC's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements:

The government-wide financial statements are designed to provide readers with a broad overview of COIC's finances in a manner similar to a private-sector business. These statements provide information about the activities of COIC as a whole and present a longer-term view of COIC's finances.

The government-wide financial statements include all assets and liabilities, using the accrual basis of accounting, which is similar to the method of accounting used by most private-sector business. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report COIC's net position and changes to them. Net position (the difference between assets and liabilities) is one way to measure an organization's financial health. Changes in net position over time provide one indicator of whether financial health is improving or deteriorating.

Fund Financial Statements:

Fund financial statements also may give you some insights into COIC's overall health. Fund financial statements report COIC's operations in more detail than the government-wide financial statements. COIC has only one type of fund - governmental funds. Of the combined ending fund balance of $10.5 million, $0.1 million was non-spendable, $5.2 million was restricted for loan programs, $0.5 million is assigned and $4.7 million is unassigned.

Governmental Funds:

These funds are reported using the modified accrual basis of accounting. The governmental fund statements provide a detailed short-term view of COIC's operations. The relationship (differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds is described in the reconciliation after the fund financial statements on pages 12 and 14 of this report.

Notes to the Financial Statements:

The notes provide additional information that is essential for a full understanding of the information provided in the government-wide and fund financial statements. They are an integral part of the financial statements and should be read in conjunction with them.

Our auditor has provided assurance in the Independent Auditors' Report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly presented. A user of this report should read the Independent Auditors' Report carefully to ascertain the level of assurance being provided for each of the other parts of the Financial Section.

Financial Analysis of COIC

COIC's net position at June 30, 2022 was $15,811,067, an increase of $3,197,839 or 25% from June 30, 2021. The increase in net position was mainly due to a decrease in COIC's PERS Net Pension Liability. (See TABLES A and B) And the Economic Development Grant received to provide EDA Revolving Loans to assist businesses during the pandemic.

TABLE A

Central Oregon Intergovernmental Council's Net Position

	June 30, 2022	June 30, 2021
Current and other assets	$ 16,023,547	$ 12,216,619
Noncurrent assets	2,014,816	763,384
Capital assets, net of depreciation	10,588,265	10,189,465
Total Assets	28,626,628	23,169,468
Deferred outflows of resources	1,613,526	1,960,015
Total Assets and deferred outflows of resources	30,240,154	25,129,483
Current and other liabilities	7,591,575	4,737,675
Noncurrent liabilities	3,777,066	6,977,188
Total Liabilities	11,368,641	11,714,863
Deferred inflows of resources	3,060,446	801,392
Total Liabilities and deferred inflows of resources	14,429,087	12,516,255
Net Position		
Net investment in capital assets	9,639,779	9,179,238
Restricted for loan programs	4,616,570	2,957,931
Assigned for future organization uses	549,545	549,545
Unrestricted	1,005,173	(73,486)
Total Net Position	$ 15,811,067	$ 12,613,228

Restricted, Assigned and Unrestricted Net Position: As a grant-based organization operating primarily under cost reimbursement grants, COIC has very limited potential to build up an unrestricted reserve. Only the general fund balance is truly unrestricted, with virtually all other balances being restricted by grant conditions, or contractual arrangements or assigned for future organizational needs.

Changes in net position: COIC's total revenues increased by .9% percent from $20,762,402 in FY21 to $20,947,274 in FY22. This change was mainly due to a slight increase in grant and contract revenue. Total expenses decreased by 15.3% from $20,947,841 in FY21 to $17,749,435 in FY22. This decrease is mainly due to the decrease in COIC's PERS Net Pension Liability. (See TABLE B) And that the Community Economic Development Department had granted a lot of pandemic small business grants in FY21 and that program didn't carry on in the same capacity in FY22.

TABLE B

Central Oregon Intergovernmental Council's Changes in Net Position

	June 30, 2022	June 30, 2021
Program Revenues		
Charges for service	$ 794,377	$ 753,627
Operating grants and contracts	20,049,142	19,870,831
Total Program Revenues	20,843,519	20,624,458
General Revenues		
Interest and other investment earnings	103,755	137,944
Total General Revenues	103,755	137,944
Total Revenues	20,947,274	20,762,402
Program Expenses		
Employment and Training	4,146,849	4,026,109
Economic Development	4,264,176	7,943,834
Transportation expenses	9,338,410	8,977,898
Total Expenses	17,749,435	20,947,841
Change in Net Position	3,197,839	(185,439)
Net position - beginning of year	12,613,228	12,798,667
Net position, end of year	$ 15,811,067	$ 12,613,228

Changes in Notes Payable

During the year ended June 30, 2022, COIC's Notes Payable decreased by $163,934. The decrease was due to scheduled principal payments paid on notes payable during the year ended June 30, 2022. See pages 21 and 22 for more detailed information on notes payable. No new loans were obtained during the year ended June 30, 2022.

Significant Changes in Fund Balances

The fund balance in the General Fund increased by $616,433 or 13%. The majority of the increase in the fund balance was primarily due to interest and charge for service revenue earned and not needed to support current year expenditures.

The fund balance for the EDA Revolving Loan Fund increased by $1,585,263 or 75%. The reason for the increase is due to COIC receiving a pandemic EDA grant program to grant business loans to help facilitate the economic recovery due to Covid 19.

The fund balance in the Intermediary Relending Program Fund decreased by $103,605 or 7%. The decrease in the fund balance was due to principal payments on long-term debt.

Budgetary Highlights

COIC's Governing Board revised its originally adopted budget in order to address unexpected changes in revenues and expenditures. The original budget was adopted on a very conservative basis with only grants and revenue sources whose award was almost certain were included. Additional changes to the original budget were included in a supplemental budget, as state, federal and local sources became more certain.

Budgeted revenues in the General Fund were increased due to an increase in certain grant and contract revenues that were not originally anticipated which were attributable to the community economic development and employment. Expenditures for personnel services did not change from what was originally budgeted. Expenditures for materials and services increased from what was originally anticipated due to additional pass-through expenditures incurred in connection with the community economic development department's Covid-19 small business grant programs, which was part of the unplanned and unbudgeted for expenditures related to the COVID-19 Pandemic.

For the Economic Development Revolving Loan fund, the amount budgeted for new loans was increase by $300,000 to allow for more business loans related to the Economic Development Administration business loans grant, that was received due to the pandemic.

In analyzing COIC's final budget to actual results on page 33, the main reasons for the significant budgetary variances are as follows; Total resources are under budget by $7.4 million due to the transportation department not being able to purchase all the capital assets budgeted for in FY 21-22, this was caused by supply chain issues and delays due to the Covid-19 pandemic. COIC is also under budget in resources due to the transportation department not being able to expand services offered in our region due to hiring constraints and reduced service needs related to the pandemic. Total personnel services is under budget by $1.5 million, mainly due to the transportation department not being able to hire and expand services during fiscal year 21-22 due to the pandemic, which is noted above. Total materials and services are under budget by $1.5 million, mainly due to the pandemic and COIC not contracting out all the funds budgeted for related to the transportation department. Debt service budgetary variance is not significant. Total capital outlay budgetary variance is explained above. COIC budgets on a very conservative budgetary basis; however some of our major revenue sources are contracts, which are always a little harder to predict.

Capital Asset Administration

Capital assets, net of accumulated depreciation, were $10,588,265 at June 30, 2022. COIC's largest capital asset investment is in transportation activities in the amount of $10,450,970, net of accumulated depreciation. COIC also has capital assets in employment and training activities in the amount of $33,917, and capital assets in economic development activities in the amount of $103,378, net of accumulated depreciation. COIC's capital assets were substantially acquired from expenditures paid by grants. More detailed information on capital assets may be found on page 20 in note 5 of the financial section of this report.

Economic Factors and Next Year's Budgets

Central Oregon will continue to face challenges anchored in supporting high growth. Throughout the pandemic COIC has seen substantial growth and demands on all of our departments to support the region through this tough time. Whether it be needing to support the region with employment and training services through training programs, on the job training programs for employees and employers or resume and skills building to grow and expand our regions employee pools. Or it be the need to provide critically needed transportation services to the region through dial a ride, medical transport or public community connector and fixed route transportation services. Also during the pandemic the department that has seen the most growth is the community economic development department.

One of the most important factors affecting our employment and training services budget is the federal workforce development system budget. During the past few years, this federal budget has decreased, thereby affecting the amount of funds that are passed through to contractors like COIC, to get the work done. However, with the current pandemic, these resources are needed more than ever. COIC will continue to work with the East Cascades Workforce Investment Board and the Department of Human Services to ensure the best and most effective use of these funds, while also remaining nimble enough to assist in servicing the region's needs.

Transportation service is a priority for Central Oregon and greatly affected by growth. There is continual pressure to expand services in a constrained budget environment; however through the new statewide Oregon Transit Tax, COIC will be able to expand transportation services provided to our region through the use of these funds. These funds will allow Cascades East Transit to better fill the needs of the community, while also having the funding to provide the expanded services.

The pandemic has affected our entire region in many ways. While COIC remains focused on our long term goals, this pandemic has shown us how important it is as an organization to remain nimble and have capacity to transition to help fill unforeseen needs in our communities and region during a time of crisis. As we all continue to work through this time of crisis, COIC will continue to focus our efforts on both our short term goals, brought on by the pandemic and our long term goals of supporting the region by

being a trusted leader and partner. Helping our communities identify and address their unique needs and recognize their common needs through collaboration. Continue to provide shared service delivery, technical assistance, and information sharing and resource development.

Through the hard work and dedication of COIC's board members and staff, COIC continues to be a nimble and valuable organization for our region. COIC has budgeted revenue totaling $26.9 million for FY2022-2023.

Requests for Information

This financial report is designed to provide interested parties with a general overview of COIC's finances and to demonstrate COIC's accountability for the funds it receives. If you have questions about this report or need additional financial information, contact Central Oregon Intergovernmental Council, Michelle Williams, Fiscal Manager, 1250 NE Bear Creek Rd., Bend, Oregon 97701.

BASIC FINANCIAL STATEMENTS

Central Oregon Intergovernmental Council
Statement of Net Position
June 30, 2022

ASSETS		
Current assets		
Cash and investments	$	9,870,228
Receivables		
Accounts		4,476
Grants and contracts		5,644,215
Interest		4,367
Notes due within one year		373,250
Prepaid items		127,011
Total current assets		16,023,547
Noncurrent assets		
Notes receivable		1,958,648
Net OPEB asset		56,168
Capital assets, net		10,588,265
Total noncurrent assets		12,603,081
Total assets		28,626,628
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of pension resources		1,613,526
Total deferred outflows of resources		1,613,526
LIABILITIES		
Current liabilities		
Accounts payable		827,086
Accrued payroll and benefits		807,153
Accrued payroll tax		166,342
Accrued interest		1,692
Unearned revenue		5,628,047
Notes payable due within one year		161,255
Total current liabilities		7,591,575
Noncurrent liabilities		
Notes payable		1,383,861
Net pension liability		2,393,205
Total noncurrent liabilities		3,777,066
Total liabilities		11,368,641
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of pension resources		3,060,446
Total deferred inflows of resources		3,060,446
NET POSITION		
Net investment in capital assets		9,639,779
Restricted for loan programs		4,616,570
Assigned for future organization uses		549,545
Unrestricted		1,005,173
Total net position	$	15,811,067

The accompanying notes are an integral part of this statement.

Central Oregon Intergovernmental Council
Statement of Activities
For the Year Ended June 30, 2022

Functions/Program	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contracts	Changes in Net Assets: Total
GOVERNMENTAL ACTIVITIES				
Employment and Training	$ 4,146,849	$ -	$ 4,105,817	$ (41,032)
Economic Development	4,264,176	28,191	5,878,958	1,642,973
Transportation	9,338,410	766,186	10,064,367	1,492,143
Total primary government	$ 17,749,435	$ 794,377	$ 20,049,142	3,094,084
GENERAL REVENUES				
Interest				103,755
CHANGE IN NET POSITION				3,197,839
NET POSITION, *beginning of year*				12,613,228
NET POSITION, *end of year*				$ 15,811,067

The accompanying notes are an integral part of this statement.

Central Oregon Intergovernmental Council
Balance Sheet
Governmental Funds
June 30, 2022

	General	EDA Title IX Revolving Loan Funds	Intermediary Relending Program	Job Creation Program	Totals
ASSETS					
Cash and investments	$ 6,939,391	$ 1,636,154	$ 1,093,336	$ 201,347	$ 9,870,228
Accounts receivable	4,476	-	-	-	4,476
Grants and contracts receivable	5,644,215	-	-	-	5,644,215
Interest receivable	-	3,755	520	92	4,367
Notes receivable	-	2,072,353	219,307	40,238	2,331,898
Prepaid items	127,011	-	-	-	127,011
Total assets	$ 12,715,093	$ 3,712,262	$ 1,313,163	$ 241,677	$ 17,982,195
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	$ 827,086	$ -	$ -	$ -	$ 827,086
Accrued payroll and benefits	807,153	-	-	-	807,153
Accrued payroll taxes	166,342	-	-	-	166,342
Accrued interest	-	-	1,692	-	1,692
Unearned revenue	5,575,837	-	-	52,210	5,628,047
Total liabilities	7,376,418	-	1,692	52,210	7,430,320
Fund balances					
Nonspendable - prepaid items	127,011	-	-	-	127,011
Restricted for loan programs - long-term notes receivable	-	1,731,443	202,323	24,881	1,958,648
Restricted for loan programs - other	-	1,980,819	1,109,148	164,586	3,254,552
Assigned	549,545	-	-	-	549,545
Unassigned	4,662,119	-	-	-	4,662,119
Total fund balances	5,338,675	3,712,262	1,311,471	189,467	10,551,875
Total liabilities and fund balances	$ 12,715,093	$ 3,712,262	$ 1,313,163	$ 241,677	$ 17,982,195

The accompanying notes are an integral part of this statement.

Central Oregon Intergovernmental Council
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2022

Total fund balances of governmental funds	$	10,551,875
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		10,588,265
The Net OPEB asset is related to future periods and, therefore, is not reported in the governmental funds.		56,168
Long-term liabilities are not due and payable in the current year and, therefore, are not reported as liabilities in the governmental funds.		(1,545,116)
The Net pension liability is not considered to be a current financial obligation and, therefore, is not reported as a liability in the governmental funds.		(2,393,205)
Deferred outflows/inflows of resources related to the pensions are applicable to future periods and, therefore, are not reported in the governmental funds.		(1,446,920)
Net position of governmental activities	$	15,811,067

The accompanying notes are an integral part of this statement.

Central Oregon Intergovernmental Council
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

	General	EDA Title IX Revolving Loan Program	Intermediary Relending Program	Job Creation Program	Totals
REVENUES					
Intergovernmental					
Grants and contracts	$ 18,307,235	$ 1,668,903	$ -	$ 73,000	$ 20,049,138
Local					
Charges for services	956,080	20,359	-	1,204	977,643
Interest on revolving loans	-	47,394	26,082	3,535	77,011
Interest on investments	18,657	6,778	137	1,172	26,744
Total revenues	19,281,972	1,743,434	26,219	78,911	21,130,536
EXPENDITURES					
Current					
Employment and training	4,119,858	-	-	-	4,119,858
Economic development	4,254,889	158,171	21,119	4,124	4,438,303
Transportation	8,941,191	-	-	-	8,941,191
Capital Outlay	1,268,879	-	-	-	1,268,879
Debt Service					
Principal	61,737	-	102,194	-	163,931
Interest	18,985	-	6,511	-	25,496
Total expenditures	18,665,539	158,171	129,824	4,124	18,957,658
NET CHANGE IN FUND BALANCES	616,433	1,585,263	(103,605)	74,787	2,172,878
FUND BALANCES, *beginning of year*	4,722,242	2,126,999	1,415,076	114,680	8,378,997
FUND BALANCES, *end of year*	$ 5,338,675	$ 3,712,262	$ 1,311,471	$ 189,467	$ 10,551,875

The accompanying notes are an integral part of this statement.

Central Oregon Intergovernmental Council
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2022

Net change in fund balances - total governmental funds	$	2,172,878
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay of $1,268,879 was offset by depreciation expense in the amount of $870,079		398,800
Repayment of long-term debt principal is an expenditure in governmental funds. However, the repayment reduces long-term debt in the Statement of Net Position.		163,931
The change in the Net OPEB asset is not considered to be a current expenditure and is not recorded in the governmental funds.		32,894
The changes in the Net Pension Asset (Liability) and changes to deferred outflows/inflows related to the pension plan are not considered to be current expenditures and are not recorded in the governmental funds.		429,336
Change in net position of governmental activities	$	3,197,839

The accompanying notes are an integral part of this statement.

Central Oregon Intergovernmental Council
Statement of Fiduciary Net Position
Agency Funds
June 30, 2022

ASSETS	
Current assets	
Cash and investments	$ 55,039
Total current assets	55,039
Noncurrent assets	
Notes receivable	15,766
Total noncurrent assets	15,766
Total assets	70,805
LIABILITIES	
Current liabilities	
Accounts payable	805
Total current liabilities	805
Noncurrent liabilities	
Notes payable	70,000
Total noncurrent liabilities	70,000
Total liabilities	70,805
NET POSITION	
Total net position	$ -

The accompanying notes are an integral part of this statement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Central Oregon Intergovernmental Council (COIC) have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of COIC's accounting policies are described below:

Reporting Entity

COIC was established by Articles of Agreement, entered into on August 21, 1972. COIC was formed under the authority of Oregon Revised Statutes 190.010, 190.030, 190.110, 190.210 and 190.220.

The primary goals of COIC are to improve planning, coordination and cooperation in the Central Oregon area. The functions and activities in which COIC is involved are:

1. To perform the function of an area-wide clearinghouse to review Local, State, and Federal projects affecting the Central Oregon area.
2. To provide a forum for discussion among City and County officials.
3. To provide planning on an area-wide basis.
4. To provide aid to sub-jurisdictions in the form of technical assistance and make available a process of channeling grant funds to local government units.
5. To perform a function of grantsmanship in terms of researching available grants and loans, writing and reviewing grant applications.
6. To administer employment and training, economic development, and transportation programs.
7. To provide grant administration services for other organizations in the Central Oregon area.

Government-wide and Fund Financial Statements

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor have been met.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Governmental fund financial statements are reported using the current financial resource measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Measurable is when the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, COIC considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The revenues susceptible to accrual include intergovernmental revenue, interest revenue and charges for services. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, if measurable.

COIC has determined that each of its governmental funds are major funds and therefore reports the following governmental funds:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

General Fund

The General Fund is used to account for the financial operations of COIC not accounted for in any other fund.

Special Revenue Funds

Special revenue funds are used to report activities of the revolving loan and other programs operated by COIC that are legally restricted to expenditures for specific purposes (not including expendable trusts). COIC reports the following special revenue funds:

The *Local Job Creation Fund* accounts for loans to businesses that will create jobs in the State of Oregon counties of Crook, Deschutes, Jefferson, Harney, Lake and Klamath. Principal sources of revenues are, loan principal and interest payments. Primary expenditures are for loan administration.

*The EDA IX Revolving Loan Fund - A*ccounts for loans to businesses that will create jobs in the State of Oregon counties of Crook, Deschutes, Jefferson, Harney, Lake and Klamath. Principal sources of revenues are Federal and State grants, loan principal and interest payments. Primary expenditures are for loans and loan administration.

The *Intermediary Relending Fund* accounts for loans to businesses that will create jobs or retain existing jobs in the State of Oregon counties of Crook, Deschutes, Jefferson, Harney, Klamath, Lake, Wasco and Sherman. Principal sources of revenues are Federal grants, loan principal and interest payments. Primary expenditures are for loans and loan administration.

Fiduciary Fund

The Agency Fund is used to account for resources held for the lending for the benefit of outside parties in an agent capacity.

Interfund Activity

The effect of interfund activity has been eliminated in the government-wide financial statements, except where necessary to account for the cost of a program.

Cash and Investments

COIC maintains a common cash and investments pool for all COIC funds. COIC's cash and investments consist of cash on hand, demand deposits, time certificates of deposit and investments in the State of Oregon Treasurer's Local Government Investment Pool (LGIP). Investments that have a remaining maturity at the time of purchase of one year or less are stated at amortized cost. All other investments are stated at fair value, or estimated fair value. The LGIP is stated at cost which is 99% of fair value. Fair value of the LGIP is the same as COIC's value in the pool shares. Equity in pooled cash and investments includes amounts in demand deposits and time certificates of deposit as well as amounts in investments pools that have the same general characteristics of demand accounts. Interest earned on the pooled cash and investments is allocated monthly based on each fund's average cash and investments balance as a proportion of COIC's total pooled cash and investments.

The Oregon State Treasury administers the LGIP. It is an open-ended no-load diversified portfolio offered to any agency, political subdivision or public corporation of the State of Oregon that by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. COIC uses the consumption method of accounting for prepaid items.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables

All receivables are considered to be collectible. No allowance for doubtful accounts is therefore considered necessary.

Capital Assets

Capital assets are recorded at original or estimated original cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. COIC defines capital assets as assets with an initial cost of more the $5,000 and an estimated life extending beyond a single reporting period. Interest and other costs incurred during construction are capitalized. Maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Capital assets are depreciated using the straight-line method over four to ten years for equipment and ten to fifty years for buildings and improvements.

Accrued Compensated Absences

Full-time, regular employees are granted vacation benefits in varying amounts depending on tenure with COIC. The estimated liability for accrued compensated absences, if significant, includes salary related payments and is included in accrued payroll and benefits. Accrued compensated absences are reported in the government-wide financial statements. Governmental funds report only matured accrued compensated absences to currently terminating employees.

Unearned Revenue

COIC reports unearned revenue on the balance sheets of the governmental funds. Unearned revenues arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both recognition criteria are met or when COIC has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

Long-Term Obligations

In the government-wide financial statements, long-term debt is reported as a liability in the Statement of Net Assets.

Fund Balances

In the fund financial statements, the fund balance for governmental funds is reported in the 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 non-spendable when resources cannot be spent because they are either legally or contractually required to be maintained intact, or are in a non-spendable form such as inventories, prepaid amounts, and assets held for resale.

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

Assigned are amounts that are to be used for specific purposes, authorized by COIC's executive director.

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

COIC receives resources restricted for specific purposes by grants, contracts, laws and regulations and enabling legislation. Unrestricted resources are available for any COIC purpose. COIC reduces restricted amounts first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned or unassigned) amounts are available.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

COIC reduces committed amounts first, followed by assigned amounts then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

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 certain reported amounts and disclosures. Accordingly, actual results may vary from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

COIC, organized under Oregon Revised Statutes Chapter 190, is subject to budget provisions of Oregon Revised Statutes Sections 294.900 to 294.930. The governing board of COIC adopts appropriations on a budgetary basis at the legal level (personnel services, materials and services, capital outlay, and transfers) for each fund. The board adopted a supplemental budget for the year ended June 30, 2022.

NOTE 3 - CASH AND INVESTMENTS

COIC maintains a common cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed in the Statement of Net Assets as "Cash and investments". The types of investments in which COIC may invest are restricted by Oregon Revised Statutes. Authorized investments include bank demand deposits, general obligations of the United States Government and its agencies, and certain states, certain guaranteed investments issued by banks, and the State of Oregon Local Government Investment Pool. Cash and investments are comprised of the following at June 30. 2022.

Deposits with Financial Institutions

The State of Oregon formed the Oregon Public Funds Collateralization Program which created a state-wide pool of qualified bank depositories for local governments, providing collateralization for bank balances that exceed the limits of the Federal Depository Insurance Corporation (FDIC), and eliminating the need for certificates of participation. As of June 30, 2022, the carrying amount of COIC's deposits in a financial institution was $4,007,038 and the balance per the bank statements was $4,457,253. The bank balance as of June 30, 2022 in the amount of $4,457,253 was covered by the FDIC and collateralized by the OPFCP.

	Security	Primary Government	Agency Fund
Cash on hand	N/A	$ 966	$ -
Demand accounts	FDIC & collateral	4,001,609	5,039
Local Government Investment Pool	N/A	5,867,653	50,000
Total cash and investments		$ 9,870,228	$ 55,039

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates, COIC's investment policy requires that 100% of COIC's investment portfolio have maturities of one year or less. At June 30, 2022, the Local Government Investment Pool had investment maturities of less than one year.

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Credit Risk

Oregon Revised Statutes limit investments in commercial paper and corporate bonds to those rated at least A-1 and AA respectively by a nationally recognized rating agency. COIC has no investment policy that would further limit its investment choices. At June 30, 2022, COIC was in compliance with the above state limitations. The State of Oregon Local Government Investment Pool is unrated.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of failure of counterparty, COIC will not be able to recover the value of its investments that are in the possession of an outside party. At June 30, 2022, COIC does not have investments exposed to custodial credit risk.

NOTE 4 - NOTES RECEIVABLE

Notes receivable at June 30, 2022 in the amount of $2,331,898 are economic development loans made to businesses to create jobs in the State of Oregon. The amount reported as notes receivable as of June 30, 2022 is the amount of original notes, less principal repayments received. Interest received on these loans during the contract period is considered to be program income.

Interest rates on the loans range from 2.50% to 8.50% and are secured by various combinations of personal guarantees, real estate, equipment, inventory and receivables. Notes receivable at June 30, 2022 include approximately $1,958,648 not expected to be collected within one year. COIC considers all loans to be collectible and, therefore, no allowance for doubtful accounts is considered necessary.

NOTE 5 - CAPITAL ASSETS

Capital assets activity for the year was as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Governmental funds				
Capital assets not depreciated:				
Land	$ 2,074,552	$ -	$ -	$ 2,074,552
Capital assets being depreciated:				
Equipment	9,895,081	1,190,450	(339,513)	10,746,018
Buildings and improvements	7,444,750	78,429	-	7,523,179
	19,414,383	1,268,879	(339,513)	20,343,749
Accumulated depreciation				
Equipment	(7,299,699)	(644,399)	339,513	(7,604,585)
Buildings and improvements	(1,925,219)	(225,680)	-	(2,150,899)
	(9,224,918)	(870,079)	339,513	(9,755,484)
Capital assets, net	$ 10,189,465	$ 398,800	$ -	$ 10,588,265

For the year ended June 30, 2022 depreciation expense of $870,079 was directly charged to Employment and Training, Economic Development activities and Transportation in the amounts of $26,946, $2,584, and $840,549, respectively.

NOTE 6 – NOTES PAYABLE

Note payable to the U.S. Department of Agriculture. Payments of $84,900, including interest at 1%, are due annually. The loan is secured by revolving notes receivable and is due March 2027.	$	410,930
Note payable to the Oregon Job Creation Program. Payments of $1,154, including interest at 4%, are due monthly. The loan is due December 2021.		-
Note payable to the U.S. Department of Agriculture. Payments of $24,282, including interest at 1%, are due annually. The loan is secured by revolving notes receivable and is due March 2030.		185,700
Note payable to Wells Fargo Bank. Payments of $6,456, including interest at 6.4%, are due monthly, the loan is secured by land and buildings. The note is due March 2027.		308,830
Note payable to the City of Bend. Payments in the amount $31,982, including effective interest at 4%, are due annually beginning July 31, 2022. The note is secured by land and buildings. The note is due July 2042.		639,656
Primary Government Total	$	1,545,116
Note payable to Deschutes County. $73,000, including effective interest at 2.5%, are due as note receivables are collected. The note is secured by note receivables made to small businesses for COVID-19.		-
Note payable to Jefferson County. $70,000, including effective interest at 2.5%, are due as note receivables are collected. The note is secured by note receivables made to small businesses for COVID-19.		70,000
Agency Fund Total	$	70,000

Notes payable were incurred to fund revolving loan programs and acquire capital assets used for economic development activities and transportation activities. Interest expense in the amount of $25,496 on the above notes payable has been directly allocated to economic development and transportation program expenses in the amount of $6,511 and $18,985, respectively.

NOTE 6 – NOTES PAYABLE (CONTINUED)

Changes in notes payable are as follows:

Governmental activities:	Balances June 30, 2021	Principal Additions	Principal Reductions	Loan Adjustments	Balances June 30, 2022	Due Within One Year
Note payable dated March 6, 1997, original loan $2,000,000	$ 490,921	$ -	$ 79,991	$ -	$ 410,930	$ 80,791
Note payable dated March 1, 2011, original loan $114,000	6,841	-	6,841	-	-	-
Note payable dated March 15, 2000, original loan $572,000	207,903	-	22,203	-	185,700	22,425
Note payable dated May 22, 2012, original loan $739,300	363,729	-	54,899	-	308,830	58,039
Note payable dated May 22, 2012, original loan $639,656	639,656	-	-	-	639,656	-
	$ 1,709,050	$ -	$ 163,934	$ -	$ 1,545,116	$ 161,255

The annual requirements to pay principal and interest on notes payable at June 30, 2022 are as follows:

	Principal	Interest	Total
2023	161,255	22,952	184,207
2024	196,237	18,728	214,965
2025	200,580	14,385	214,965
2026	205,115	9,850	214,965
2027	270,205	8,899	279,104
2028-2032	159,915	-	159,915
2033-2037	159,915	-	159,915
2038-2042	159,915	-	159,915
2042-2046	31,979	-	31,979
	$ 1,545,116	$ 74,813	$ 1,619,930

NOTE 7 - UNEARNED REVENUES

Unearned revenues as of June 30, 2022 consisted of the following:

Grants and contracts	$ 5,628,047

Unearned grant and contract revenue will be recognized as services are provided under the terms of the agreements.

NOTE 8 - PENSION PLAN

Plan Description

The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Comprehensive Annual Financial Report which can be obtained by contacting PERS at the following address: PO BOX 23700 Tigard, OR 97281-3700.

a) PERS Pension (Chapter *238*). The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.

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

ii) Death Benefits. Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following contributions are met:
- member was employed by PERS employer at the time of death,
- member died within 120 days after termination of PERS covered employment,
- member died as a result of injury sustained while employed in a PERS-covered job, or
- member was on an official leave of absence from a PERS-covered job at the time or death.

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

iv) 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 equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The cap on the COLA will vary based on the amount of the annual benefit.

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

i) Pension Benefits. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age: Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

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

A member of the 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.

NOTE 8 - PENSION PLAN (CONTINUED)

ii) 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.

iii) 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.

iv) Benefit Changes after Retirement. Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

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. The funding policy applies to the PERS Defined Benefit Plan and Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation, which became effective July 1, 2021.

The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2022 were $444,903, excluding amounts to fund employer specific liabilities.

Pension Asset or Liability

At June 30, 2022, the net actuarial pension liability from the June 30, 2021 valuation was $2,393,205. COIC reported the net pension liability less contributions in the amount of $444,903 for the year ended June 30, 2022 in the amount of $1,948,302. The pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019 rolled forward to June 30, 2021. COIC's proportion of the net pension liability was based on a projection of COIC's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, COIC's proportion was .020 percent, which was a decrease from its proportion of .025 percent measured as of June 30, 2021.

NOTE 8 - PENSION PLAN (CONTINUED)

	Deferred Outflows of Resources	*Deferred Inflows of Resources*
Difference between expected and actual experience	$ 224,020	$ -
Changes in assumptions	599,091	6,298
Net difference between actual and expected earnings on investments	-	1,771,671
Changes in proportionate share	334,395	1,015,907
Differences between employer contributions and employer's proportionate share of system contributions	11,117	266,570
Employer contributions subsequent to the measurement date	444,903	-
Net Deferred Inflow of resources	$ 1,613,526	$ 3,060,446

Year Ended June 30,	*Amount*
2022	$ (499,325)
2023	(399,924)
2024	(386,094)
2025	(589,147)
2026	(17,333)
Total	$ (1,891,823)

Actuarial Valuations

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated March 12, 2022. Oregon PERS produces an independently audited CAFR which can be found the Oregon PERS website.

The employer contribution rates which became effective July 1, 2021, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer 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 actuarially determined amount for funding a disability benefit component, and (c) 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.

NOTE 8 - PENSION PLAN (CONTINUED)

Actuarial Methods and Assumptions:

Valuation date	December 31, 2019
Measurement Date	June 30, 2021
Experience Study Report	2018, Published July, 2019
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset valuation method	
Inflation rate	2.40 percent
Long-Term Investment expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/.15%) in accordance with Moro decision: blend based on service
Mortality	Healthy retirees and beneficiaries: RP-2014 Healthy annuitant, Sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Active members: RP-2014 Employees, sex distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.

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

Discount Rate- The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the 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:

Asset Class/Strategy	*Target*
Cash	0.0%
Debt Securities	20.0%
Public Equity	30.0%
Private Equity	20.0%
Real Estate	12.5%
Alternative Portfolio	15.0%
Risk Parity*	2.5%
Total	100.0%

*Risk Parity asset class/strategy included within Alternatives Portfolio

NOTE 8 - PENSION PLAN (CONTINUED)

Long-term Expected Rate of Return:

To develop an analytical basis for the selection of long-term expected rate of return assumptions, in June 2021 the PERS board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's investment advisors. The table below show's Milliman's assumptions for each asset class in which the plan was invested at that time based on the target allocation of the asset classes below. Each asset assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. Assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class/Strategy	*Target*	*20 Year Annualized Geometric Mean*
Global Equity	30.62%	5.85%
Core Fixed Income	23.75%	2.73%
Private Equity	25.50%	7.71%
Real Estate (Property)	12.25%	5.66%
Master Limited Partnership	0.75%	5.71%
Hedge Fund of Funds - Multistrategy	1.25%	5.11%
Hedge Fund Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	-2.50%	1.76%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Assumed inflation		2.40%

Sensitivity to COIC's Proportion of the Net Pension Liability to Changes in the Discount Rate

The following is a calculation of COIC's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent compared to a 1% higher and lower discount rate:

1% Lower discount rate – 5.90%	$ 4,699,682
6.90% COIC's rate	$ 2,393,205
1% Higher discount rate – 7.90%	$ 463,521

Changes Subsequent to the Measurement Date

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the measurement date. Any changes to benefit terms that occur after that date are reflected in the amounts reported for the subsequent measurement date. However, 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.

NOTE 8 - PENSION PLAN (CONTINUED)

Individual Account Program

In the 2003 legislative session, the Oregon Legislative Assembly created a successor plan for OPERS. The Oregon Public Service Retirement Plan (OPSRP) is effective for all new employees hired on or after August 29, 2003, and applies to any inactive OPERS members who return to employment following a six month or greater break in service. The new plan consists of the defined benefit pension plans and a defined contribution pension plan (the Individual Account Program or IAP). Beginning January 1, 2004, all OPERS member contributions go into the IAP portion of OPSRP. OPERS members retain their existing OPERS accounts, but any future member contributions are deposited into the member's IAP, not the member's OPERS account. Those employees who had established an OPERS membership prior to the creation of OPSRP will be members of both the OPERS and OPSRP system as long as they remain in covered employment. Members of OPERS and OPSRP are required to contribute six percent of their salary covered under the plan which is invested in the IAP. COIC makes this contribution on behalf of its employees.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Reimbursement claims under federal and state program grants are subject to audit and adjustment by grantor agencies. Any disallowed claims might become a liability of COIC. COIC is aware of no communications from granting agencies regarding the lack of compliance with grant conditions that could result in a liability. There are no asserted or known unasserted claims against COIC that require disclosure or a loss accrual under Financial Accounting Standards Board Statement No. 5.

NOTE 10 - RISK MANAGEMENT

COIC is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

COIC carries commercial insurance for other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 11 – RECONCILIATION OF BUDGETARY BASIS TO GOVERNMENTAL FUND FINANCIAL STATEMENTS

The schedules of Revenues, Expenditures and Changes in Fund Balance -Budgetary Basis as presented in required supplemental information have been prepared using COIC's budgetary basis of accounting, which differs from the Governmental Fund Financial Statements. The following is a reconciliation of the excess of revenues over expenditures – Budgetary Basis to net change in fund balances – Governmental Fund Basis as reported in the Basic Financial Statements:

		Governmental Funds
Excess of revenues over expenditures - budgetary basis	$	1,178,605
Business loan principal payments		(597,404)
Business loans		1,591,677
Net change in fund balances - governmental fund basis	$	2,172,878

The schedules of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis are adjusted for notes receivable balances at year end in order to reconcile with the Governmental Fund Financial Statements basis.

NOTE 12 – SUBSEQUENT EVENTS

Central Oregon Intergovernmental Council has evaluated subsequent events through August 1st, 2024, the date these financial statements were available to be issued, and doesn't have any subsequent events that require disclosure.

NOTE 13 – POST EMPLOYMENT BENEFITS OTHER THAN PENSION

Oregon Public Employees Retirement System (PERS) administers the retirement health insurance health account (RHIA) cost sharing, multiple-employer defined benefit Other Postemployment Benefit (OPEB) plan for units of state and local governments. GASB 75 reporting requirements for this plan became effective for the year ended June 30, 2018. Contributions to the plan are mandatory for each employer that participates in PERS. COIC reported a Net OPEB asset in the amount $56,168. Due to the insignificance of the Net OPEB asset other reported amounts associated in connection with the plan, no other amounts or disclosures have been included in the year ended June 30, 2022 financial statements.

NOTE 14 – FAIR VALUE INPUTS AND METHODOLOGIES AND HIERARCHY

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each fund has the ability to access

Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each fund's own assumptions used in determining the fair value of investments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

NOTE 14 – FAIR VALUE INPUTS AND METHODOLOGIES AND HIERARCHY (CONTINUED)

Cash and investments at June 30, 2022 are classified as follows:

	Not Applicable	Level 1	Level 2	Level 3	Total
Cash on hand	$ 966				$ 966
Demand deposits	4,006,648				4,006,648
Oregon State Treasurer's Investment Pool	-	-	5,917,653	-	5,917,653
	$ 4,007,614	$ -	$ 5,917,653	$ -	$ 9,925,267

NOTE 15 – LEASED LIABILITY AND RIGHT-TO-USE ASSET

Central Oregon Intergovernmental Council entered into multiple facility leases starting September 1, 2019, October 1, 2020, and July 1, 2021 for classroom space facilities. To comply with GASB Statement No. 87, *Leases*, a lease liability was recorded on June 30, 2022 in the amount of $159,180. Monthly fixed payments of $13,148 is required. The lease liability has a discount rate of 3%. The estimated useful life expires at the end of the lease, which is December 31, 2022, June 30, 2023, and June 30, 2024. The value of the right-to-use asset on June 30, 2022, is $159,180, net of accumulated amortization of $153,794. The amounts are included in the capital assets and leases and contracts of the financials.

Lease Liability

A summary of changes in lease liability is as follows:

Principal and Interest Requirements to Maturity For year ended June 30,	Principal Payments	Interest Payments	Total Payments
2023	138,892	4,296	143,188
2024	15,512	480	15,992
2025	-	-	-
Total	$ 154,404	$ 4,776	$ 159,180

A summary of changes in right-to-use asset is as follows:

	Balance at July 1, 2021	Additions	Reductions	Balance at June 30, 2022
Facilities Classroom Facilities	-	$ 312,974	$ 153,794	$ 159,180

Right to use asset	Balance at July 1, 2021	Additions	Reductions	Balance at June 30, 2022
Facilities Classroom Facilities	$ -	$ 312,974	$ -	$ 312,974
Accumulated Amortization		(153,794)		$ (153,794)
Total Lease Assets, Net	$ -	$ 159,180	$ -	$ 159,180

REQUIRED SUPPLEMENTARY INFORMATION

CENTRAL OREGON INTERGOVERNMENTAL COUNCIL
BEND, OREGON

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Fiscal Year Ending June 30,	Employer's proportion of the net pension liability (NPL)	Employer's proportionate share of the net pension liability (NPL)	Employer's covered payroll	NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of total pension
2021	0.020%	$ 2,393,205	$ 5,018,681	47.69%	84.50%
2020	0.025%	5,428,081	5,071,315	107.03%	87.60%
2019	0.021%	3,663,268	5,005,185	73.19%	80.20%
2018	0.024%	3,629,276	5,619,158	64.59%	82.07%
2017	0.031%	4,346,354	5,545,652	78.37%	83.7%
2016	0.032%	4,805,368	5,136,486	93.55%	80.5%
2015	0.036%	2,047,568	4,559,020	44.91%	103.6%

Note: This schedule is presented to illustrate the requirements to show information for ten years. However, until a full ten year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ending June 30,	Statutorily required contribution	Contributions in relation to the statutorily required Contributions	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percentage of covered payroll
2022	$ 444,903	$ 444,903	-	$ 5,395,498	8.25%
2021	300,055	300,055	-	4,789,599	6.26%
2020	355,768	355,768	-	5,018,681	7.09%
2019	305,025	305,025	-	5,071,315	6.01%
2018	343,015	343,015	-	5,005,185	6.85%
2017	344,565	344,565	-	5,619,158	6.13%
2016	476,593	476,593	-	5,545,652	8.59%
2015	482,885	482,885	-	5,136,486	9.40%

Note: This schedule is presented to illustrate the requirements to show information for ten years. However, until a full ten year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

Central Oregon Intergovernmental Council
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budgetary Basis Budget and Actual – General Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Variance with Final Budget Positive (Negative)	Actual
REVENUES				
Intergovernmental				
Workforce Innovation Act	$ 1,427,625	$ 1,427,625	$ 302,772	$ 1,730,397
Department of Transportation	3,835,328	3,835,328	(1,742,600)	2,092,728
Department of Human Services	400,636	400,636	(200,643)	199,993
Economic Development	383,093	383,093	(101,870)	281,223
Oregon Department of Transp.	4,317,495	4,317,495	(1,389,265)	2,928,230
Oregon Department of Forestry	39,000	39,000	(15,372)	23,628
Western Federal Lands Highway Division	-	-	100,000	100,000
Oregon Department of Business Development	121,370	121,370	45,455	166,825
Local government	12,269,585	14,769,585	(5,691,348)	9,078,237
Other revenue	631,407	631,407	1,074,566	1,705,973
Charges for services				
Grant and loan administration	88,032	88,032	101,862	189,894
Transportation revenue	616,109	616,109	150,078	766,187
Other				
Interest on investments	22,938	22,938	(4,281)	18,657
Total revenues	24,152,618	26,652,618	(7,370,646)	19,281,972
EXPENDITURES				
Personnel services				
Salaries	6,089,596	6,089,596	694,098	5,395,498
Taxes and benefits	3,534,293	3,534,293	757,054	2,777,239
	9,623,889	9,623,889	1,451,152	8,172,737
Materials and services				
Occupancy	457,149	457,149	260,465	196,684
Telephone	144,365	144,365	(2,699)	147,064
Utilities	170,025	170,025	1,236	168,789
Office supplies	211,774	211,774	(8,792)	220,566
Fees and dues	394,443	394,443	59,694	334,749
Repairs and maintenance	337,562	337,562	(101,719)	439,281
Insurance	206,642	206,642	62,541	144,101
Professional services	253,644	253,644	9,219	244,425

Central Oregon Intergovernmental Council
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budgetary Basis Budget and Actual – General Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Variance with Final Budget Positive (Negative)	Actual
EXPENDITURES (CONTINUED)				
Materials and services (continued)				
Contracting & Passthrough	4,951,869	7,451,869	1,441,718	6,010,151
Training and travel	93,933	93,933	40,572	53,361
Transportation	563,796	563,796	18,383	545,413
Client training services	283,803	283,803	(233,792)	517,595
	8,069,005	10,569,005	1,546,826	9,022,179
Capital outlay	6,306,274	6,306,274	4,916,373	1,389,901
Debt Service				
Principal	64,000	64,000	2,263	61,737
Interest	24,000	24,000	5,015	18,985
	88,000	88,000	7,278	80,722
Operating contingency	3,209,743	3,209,743	3,209,743	-
Total expenditures	27,296,911	29,796,911	11,131,372	18,665,539
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,144,293)	(3,144,293)	3,760,726	616,433
FUND BALANCE, *budgetary basis - beginning of year*	3,864,269	3,864,269	857,973	4,722,242
FUND BALANCE, *budgetary basis - end of year*	$ 719,977	$ 719,977	$ 4,618,698	$ 5,338,675

Central Oregon Intergovernmental Council
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budgetary Basis Budget and Actual – EDA Title IX – Revolving Loan Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Variance with Final Budget Positive (Negative)	Actual
REVENUES				
Payments on loan principal	$ 96,000	$ 96,000	$ 257,454	$ 353,454
EDA Cares Grant	1,584,442	1,584,442	84,461	1,668,903
Loan fees	250	250	20,109	20,359
Interest on revolving loans	60,000	60,000	(12,606)	47,394
Interest on investments	6,000	6,000	778	6,778
Total revenues	1,746,692	1,746,692	350,196	2,096,888
EXPENDITURES				
Materials and services	129,680	129,680	(28,491)	158,171
Business Loans	2,000,000	2,300,000	708,323	1,591,677
Total expenditures	2,129,680	2,429,680	679,832	1,749,848
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(382,988)	(682,988)	1,030,028	347,040
FUND BALANCE, *budgetary basis - beginning of year*	987,599	987,599	305,270	1,292,869
FUND BALANCE, *budgetary basis - end of year*	$ 604,611	$ 304,611	$ 1,335,298	1,639,909
Adjustment for ending notes receivable				2,072,353
FUND BALANCE, *end of year*				$ 3,712,262

Central Oregon Intergovernmental Council
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budgetary Basis Budget and Actual – Intermediary Relending Program Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Variance with Final Budget Positive (Negative)	Actual
REVENUES				
Payments on loan principal	$ 43,200	$ 43,200	$ 164,488	$ 207,688
Loan fees	250	250	(250)	-
Interest on revolving loans	42,000	42,000	(15,918)	26,082
Interest on investments	125	125	12	137
Total revenues	85,575	85,575	148,332	233,907
EXPENDITURES				
Materials and services	34,252	34,252	13,132	21,120
Debt service				
Principal	102,500	102,500	306	102,194
Interest	6,682	6,682	171	6,511
Business loans	400,000	400,000	400,000	-
Total expenditures	543,434	543,434	413,609	129,825
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(457,859)	(457,859)	561,941	104,082
FUND BALANCE, *budgetary basis - beginning of year*	863,567	863,567	124,515	988,082
FUND BALANCE, *budgetary basis - end of year*	$ 405,708	$ 405,708	$ 686,456	1,092,164
Adjustment for ending notes receivable				219,307
FUND BALANCE, *end of year*				$ 1,311,471

Central Oregon Intergovernmental Council
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budgetary Basis Budget and Actual – Job Creation Program Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Variance with Final Budget Positive (Negative)	Actual
REVENUES				
Payments on loan principal	$ 13,800	$ 13,800	$ 22,463	$ 36,263
Interest on revolving loans	500	500	2,943	3,443
County and Local Government	-	-	73,000	73,000
Interest on investments	1,000	1,000	1,468	2,468
Total revenues	15,300	15,300	99,874	115,174
EXPENDITURES				
Materials and services	12,452	12,452	8,328	4,124
Business Loans	50,000	50,000	50,000	-
Total expenditures	62,452	62,452	58,328	4,124
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(47,152)	(47,152)	158,202	111,050
FUND BALANCE, *budgetary basis - beginning of year*	214,519	214,519	(176,340)	38,179
FUND BALANCE, *budgetary basis - end of year*	$ 167,367	$ 167,367	$ (18,138)	149,229
Adjustment for ending notes receivable				40,238
FUND BALANCE, *end of year*				$ 189,467

OTHER SUPPLEMENTARY INFORMATION

Central Oregon Intergovernmental Council
Schedule of Capital Assets by Source
June 30,

	2022	2021
Capital assets		
Land	$ 2,074,552	$ 2,074,552
Equipment	10,746,018	9,895,081
Buildings and improvements	7,523,179	7,444,750
Total capital assets	$ 20,343,749	$ 17,887,242
Capital assets by source		
Intergovernmental		
Federal and other	$ 20,343,749	$ 17,887,242

Central Oregon Intergovernmental Council
Schedule of Capital Assets by Function and Activity
June 30, 2022

	Land	Equipment	Buildings and Improvements	Total
Employment and training	$	$ 190,616	$ 136,139	$ 326,755
Economic development		10,626	129,218	139,844
Transportation	2,074,552	10,544,776	7,257,822	19,877,150
	$ 2,074,552	$ 10,746,018	$ 7,523,179	$ 20,343,749

Central Oregon Intergovernmental Council
Schedule of Changes in Capital Assets by Function and Activity
For the Year Ended June 30, 2022

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
Employment and training				
Cost	$ 326,755	$ -	$ -	$ 326,755
Accumulated depreciation	(265,892)	(26,946)	-	(292,838)
	60,863	(26,946)	-	33,917
Economic development				
Cost	139,844	-	-	139,844
Accumulated depreciation	(33,882)	(2,584)	-	(36,466)
	105,962	(2,584)		103,378
Transportation				
Cost	18,947,784	1,268,879	339,513	19,877,150
Accumulated depreciation	(8,925,144)	(840,550)	(339,513)	(9,426,180)
	10,022,640	428,329	-	10,450,970
Capital Assets, Net	$ 10,189,465	$ 398,799	$ -	$ 10,588,265

STATISTICAL SECTION

STATISTICAL SECTION CONTENTS

This part of Central Oregon Intergovernmental Council's statistical comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about COIC's overall health.

FINANCIAL TRENDS 40-45

These schedules contain trend information to help the reader understand how COIC's financial Performance and well being have changed over time.

REVENUE CAPACITY 46-47

These schedules contain information to help the reader assess COIC's significant sources of revenue.

DEBT CAPACITY 48

These schedules present information to help the reader assess the affordability of COIC's Current levels of outstanding debt.

DEMOGRAPHIC AND ECONOMIC INFORMATION 49-50

These schedules offer demographic and economic indicators to help the reader understand The environment within which COIC's financial activities take place.

OPERATING INFORMATION 51-53

These schedules contain service data to help the reader understand how the information in COIC's financial report relates to the services COIC provides and the activities it performs.

SOURCES: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Central Oregon Intergovernmental Council
Schedule of Net Position by Component Last Ten Fiscal Years
Governmental Activities Primary Government

	Year Ended				
	2013	2014	2015	2016	2017
GOVERNMENTAL ACTIVITIES					
Net investment in capital assets	$ 6,990,087	$ 6,386,413	$ 6,094,131	$ 7,381,601	$ 7,879,766
Restricted for loan programs	3,093,754	2,768,353	2,790,033	2,820,425	2,840,471
Assigned for future organization uses	-	-	-	-	-
Unrestricted	863,245	1,419,928	1,358,898	(499,403)	1,464,229
Total governmental activities net position	$ 10,947,086	$ 10,574,694	$ 10,243,062	$ 9,702,623	$ 12,184,466

	2018	2019	2020	2021	2022
GOVERNMENTAL ACTIVITIES					
Net investment in capital assets	$ 10,014,925	$ 8,990,819	$ 8,624,738	$ 9,179,238	$ 9,639,779
Restricted for loan programs	2,862,441	2,828,526	3,058,977	2,957,931	4,616,570
Assigned for future organization uses	-	-	612,438	549,545	549,545
Unrestricted	1,136,393	467,949	502,514	(73,486)	1,005,173
Total governmental activities net position	$ 14,013,759	$ 12,287,294	$ 12,798,667	$ 12,613,228	$ 15,811,067

Source: Central Oregon Intergovernmental Council Department of Fiscal & Administrative Services

Central Oregon Intergovernmental Council
Schedule of Activities Last Ten Fiscal Years
Governmental Activities Primary Government

	Year Ended				
	2013	2014	2015	2016	2017
EXPENSES					
Employment and training	$ 5,297,102	$ 5,354,724	$ 5,693,370	$ 6,683,119	$ 5,380,335
Economic development	9,904,263	9,905,343	9,869,462	1,350,834	1,289,756
Transportation				12,047,189	12,108,996
Total expenses	15,201,365	15,260,067	15,562,832	20,081,142	18,779,087
PROGRAM REVENUES					
Charges for services	1,324,729	1,360,049	1,385,351	1,843,457	2,410,208
Operating grants					
Employment and training	5,171,689	5,407,578	5,872,171	5,685,251	5,244,813
Economic development	8,082,649	7,934,932	8,628,986	667,674	777,806
Transportation				11,128,933	12,677,944
Total program revenues	14,579,067	14,702,559	15,886,508	19,325,315	21,110,771
NET (EXPENSE)/REVENUE	(622,298)	(557,508)	323,676	(755,827)	2,331,684
GENERAL REVENUES					
Interest	192,699	185,116	202,544	215,388	221,400
CHANGE IN NET POSITION	$ (429,599)	$ (372,392)	$ 526,220	$ (540,439)	$ 2,553,084

Source: Central Oregon Intergovernmental Council Department of Fiscal & Administrative Services

Central Oregon Intergovernmental Council
Schedule of Activities Last Ten Fiscal Years
Governmental Activities Primary Government

	Year Ended				
	2018	2019	2020	2021	2022
EXPENSES					
Employment and training	$ 3,633,465	$ 3,466,879	$ 3,575,818	$ 4,026,109	$ 4,146,849
Economic development	1,338,217	1,338,280	1,026,807	7,943,834	4,264,176
Transportation	13,483,562	14,660,181	13,308,748	8,977,898	9,338,410
Total expenses	18,455,244	19,465,340	17,911,373	20,947,841	17,749,435
PROGRAM REVENUES					
Charges for services	1,863,524	1,338,951	927,125	753,627	794,377
Operating grants					
Employment and training	3,351,326	3,370,653	3,577,530	4,010,029	4,105,817
Economic development	738,289	810,145	918,298	7,914,460	5,878,958
Transportation	14,172,228	12,023,690	12,785,489	7,946,342	10,064,367
Total program revenues	20,125,367	17,543,439	18,208,442	20,624,458	20,843,519
NET (EXPENSE)/REVENUE	1,670,123	(1,921,901)	297,069	(323,383)	3,094,084
GENERAL REVENUES					
Interest	230,411	266,677	214,304	137,944	103,755
CHANGE IN NET POSITION	$ 1,900,534	$ (1,655,224)	$ 511,373	$ (185,439)	$ 3,197,839

Source: Central Oregon Intergovernmental Council Department of Fiscal & Administrative Services

Central Oregon Intergovernmental Council
Schedule of Fund Balances Last Ten Fiscal Years
Governmental Activities Primary Government

	Year Ended				
	2013	2014	2015	2016	2017
GENERAL FUND					
Nonspendable -prepaid items	$ 61,476	$ 56,121	$ 44,131	$ 134,841	$ 149,081
Assigned	-	-	-	-	-
Unassigned	801,769	1,363,807	1,732,650	1,647,008	3,676,693
Total general fund	$ 863,245	$ 1,419,928	$ 1,776,781	$ 1,781,849	$ 3,825,774
ALL OTHER GOVERNMENTAL FUNDS					
Restricted for loan programs - long-term notes receivable	$ 2,052,398	$ 2,395,218	$ 2,149,410	$ 2,605,736	$ 2,615,800
Restricted for loan programs	2,522,142	1,759,476	1,931,636	1,409,395	1,322,263
Total all other governmental funds	$ 4,574,540	$ 4,154,694	$ 4,081,046	$ 4,015,131	$ 3,938,063

	2018	2019	2020	2021	2022
GENERAL FUND					
Nonspendable -prepaid items	$ 147,572	$ 171,927	$ 165,330	$ 135,768	$ 127,011
Assigned	-	-	612,438	549,545	549,545
Unassigned	3,837,830	3,692,347	3,891,530	4,036,929	4,662,119
Total general fund	$ 3,985,402	$ 3,864,274	$ 4,669,298	$ 4,722,242	$ 5,338,675
ALL OTHER GOVERNMENTAL FUNDS					
Restricted for loan programs - long-term notes receivable	$ 2,455,878	$ 2,000,897	$ 1,865,853	$ 740,110	$ 1,958,648
Restricted for loan programs	1,405,948	1,727,814	1,850,132	2,916,645	3,254,552
Total all other governmental funds	$ 3,861,826	$ 3,728,711	$ 3,715,985	$ 3,656,755	$ 5,213,200

Source: Central Oregon Intergovernmental Council Department of Fiscal & Administrative Services

Central Oregon Intergovernmental Council
Schedule of Changes in Fund Balances Last Ten Fiscal Years
Governmental Funds Primary Government

	Year Ended				
	2013	2014	2015	2016	2017
REVENUES					
Interest	$ 192,699	$ 185,116	$ 202,544	$ 215,388	$ 221,400
Intergovernmental	13,254,338	13,342,510	14,501,157	17,481,858	18,700,563
Charges for services	1,324,729	1,360,049	1,385,351	1,843,457	2,410,208
Total revenues	14,771,766	14,887,675	16,089,052	19,540,703	21,332,171
EXPENDITURES					
Employment and training	5,172,020	5,302,898	5,872,328	5,791,328	5,330,454
Economic development	8,996,166	9,052,241	9,282,167	1,186,411	1,266,182
Transportation				10,413,763	11,234,666
Debt service					
Principal	168,785	173,737	178,701	185,405	191,061
Interest	79,996	75,138	70,105	63,697	61,453
Capital outlay	472,617	146,824	402,546	1,960,946	1,281,498
Total expenditures	14,889,584	14,750,838	15,805,847	19,601,550	19,365,314
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(117,818)	136,837	283,205	(60,847)	1,966,857
OTHER FINANCING SOURCES					
Issuance of long-term debt	-	-	-	-	-
NET CHANGE IN FUND BALANCES	$ (117,818)	$ 136,837	$ 283,205	$ (60,847)	$ 1,966,857
DEBT SERVICE AS A PERCENTAGE OF NON-CAPITAL EXPENDITURES	1.8%	1.7%	1.6%	1.4%	1.4%

Source: Central Oregon Intergovernmental Council Department of Fiscal & Administrative Services

Central Oregon Intergovernmental Council
Schedule of Changes in Fund Balances Last Ten Fiscal Years
Governmental Funds Primary Government

	2018	2019	2020	2021	2022
REVENUES					
Interest	$ 230,411	$ 266,677	$ 214,303	$ 137,944	$ 103,755
Intergovernmental	18,261,843	16,122,478	17,197,697	19,870,831	20,049,138
Charges for services	1,863,524	1,338,951	1,094,362	872,343	977,643
Total revenues	20,355,778	17,728,106	18,506,362	20,881,118	21,130,536
EXPENDITURES					
Employment and training	3,510,547	3,336,949	3,548,872	3,999,163	4,119,859
Economic development	1,289,621	1,286,320	1,099,313	8,052,120	4,438,304
Transportation	12,367,725	13,111,319	12,181,511	7,258,894	8,820,169
Debt service					
Principal	196,717	198,639	162,013	166,379	163,931
Interest	48,753	42,258	35,615	29,030	25,496
Capital outlay	2,859,024	6,864	686,740	1,381,818	1,389,901
Total expenditures	20,272,387	17,982,349	17,714,064	20,887,404	18,957,660
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	83,391	(254,243)	792,298	(6,286)	2,172,876
OTHER FINANCING SOURCES					
Issuance of long-term debt	-	-	-	-	-
NET CHANGE IN FUND BALANCES	$ 83,391	$ (254,243)	$ 792,298	$ (6,286)	$ 2,172,876
DEBT SERVICE AS A PERCENTAGE OF NON-CAPITAL EXPENDITURES	1.4%	1.4%	1.2%	1.0%	1.1%

Source: Central Oregon Intergovernmental Council Department of Fiscal & Administrative Services

Central Oregon Intergovernmental Council
Schedule of General Governmental Revenues by Source Last Ten Fiscal Years
Governmental Funds Primary Government

Fiscal Year Ending June 30,	Intergovernmental			Charges For Services	Interest	Totals
	Federal	State	Local			
2013	$ 6,689,210	$ 3,282,454	$ 3,282,674	$ 1,324,729	$ 192,699	$ 14,771,766
2014	5,754,443	3,474,958	4,113,109	1,360,049	185,116	14,887,675
2015	6,422,662	5,273,341	2,805,154	1,385,351	202,544	16,089,052
2016	6,896,643	6,544,857	4,040,358	1,843,457	215,388	19,540,703
2017	7,998,050	5,103,289	5,599,224	2,410,208	221,400	21,332,171
2018	7,747,638	6,224,416	4,289,789	1,863,524	230,411	20,355,778
2019	6,310,124	4,662,895	5,149,459	1,338,951	266,677	17,728,106
2020	7,760,365	4,050,594	5,386,738	1,094,362	214,303	18,506,362
2021	14,969,011	3,638,410	1,263,410	872,343	137,944	20,881,118
2022	13,501,966	4,113,482	2,433,690	977,643	103,755	21,130,536

Source: Central Oregon Intergovernmental Council Department of Fiscal & Administrative Services

Central Oregon Intergovernmental Council
Schedule of Charges for Services by Largest Customer Last Ten Fiscal Years
Governmental Activities Primary Government

	For Year ended				
	2013	2014	2015	2016	2017
Oregon Business Development	$ 244,660	$ 212,429	$ 199,085	$ 189,121	$ 204,653
Transportation	-	-	-	1,483,033	2,030,003
All Others	1,080,069	1,147,620	1,186,266	171,303	175,552
Total	$ 1,324,729	$ 1,360,049	$1,385,351	$ 1,843,457	$ 2,410,208

	2018	2019	2020	2021	2022
Oregon Business Development	$ 174,979	$ 207,666	$ 63,609	$ -	$ -
Transportation	1,514,830	935,423	858,408	747,475	766,187
All Others	173,715	195,862	172,345	124,868	211,456
Total	$ 1,863,524	$ 1,338,951	$ 1,094,362	$ 872,343	$ 977,643

Source: Central Oregon Intergovernmental Council Department of Fiscal & Administrative Services

Central Oregon Intergovernmental Council
Schedule of Outstanding Debt Last Ten Fiscal Years
Governmental Activities Primary Government

Fiscal Year Ending June 30,	Total Debt	Central Oregon Personal Income	Total Debt to Personal Income	Central Oregon Population	Total Debt Per Capita
2013	$ 3,243,708	$ 7,265,289,000	0.0446%	205,255	$ 16
2014	3,069,971	7,389,103,000	0.0415%	204,367	15
2015	2,891,270	9,299,391,000	0.0311%	219,564	13
2016	2,705,865	9,980,933,000	0.0271%	221,005	12
2017	2,514,804	11,159,000,000	0.0225%	238,225	11
2018	2,318,087	12,361,877,000	0.0188%	235,250	10
2019	2,037,438	13,065,283,000	0.0156%	240,280	8
2020	1,875,426	12,966,486,000	0.0145%	244,560	8
2021	1,709,050	14,493,822,000	0.0118%	253,761	7
2022	1,545,116	16,483,483,000	0.0094%	259,126	6

N/A - Not available

Source: Deschutes County, Economic Development for Central Oregon.

Central Oregon Intergovernmental Council
Schedule of Demographic Statistics Last Ten Fiscal Years

Fiscal Year Ending June 30,	Central (1a) Oregon Population	Central (1b) Oregon Per Capita Income	Central (1b) Oregon Total Personal Income	Unemployment (1c) Percentage Rate
2013	205,255	$ 35,396	$ 7,265,289,000	8.9%
2014	204,367	36,156	7,389,103,000	6.3%
2015	219,564	42,354	9,299,391,000	6.5%
2016	221,005	45,162	9,980,933,000	3.8%
2017	238,225	46,842	11,159,000,000	4.0%
2018	235,250	52,548	12,361,877,000	4.30%
2019	240,280	54,375	13,065,283,000	6.90%
2020	244,560	53,020	12,966,486,000	10.80%
2021	253,761	57,116	14,493,822,000	5.20%
2022	259,126	63,612	16,483,483,000	3.65%

N/A - Not available
Source 1a: 2021 Portland State University Certified Population Estimates July 1, 2022
Source: 1b Bureau of Economic Analysis
Source: 1c Oregon Employment Department

Central Oregon Intergovernmental Council
Schedule of Principal Employers
Current Year and 9 Years Ago

	2022			2013		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
St. Charles Medical Center	4,509	1	4.00%	2,627	1	4.08%
Bend/La Pine School District	2,409	2	2.38%	1,686	2	2.62%
Deschutes County	1,043	3	1.03%	1,057	3	1.64%
Bright Wood Corporation Regional	1,030	4	1.03%			
Sunriver Resort	1,000	5	0.99%	900	4	1.40%
Walmart				787	5	1.22%
Redmond School District	987	6	0.97%	742	7	1.15%
Les Schwab Regional	916	7	0.95%			
Mt. Bachelor	894	8	0.88%	743	6	1.15%
City of Bend	702	9	0.69%			
IBEX				650	8	1.01%
Central Oregon Community College	653	10	0.64%	628	9	0.98%
Bend Memorial Clinic				583	10	0.90%
	14,143		13.56%	10,403		16.15%

Total area employment was 104,171

Sources: Economic Development for Central Oregon, 2022 Central Oregon Economic Profile, State of Oregon Employment Division and Deschutes County.

Central Oregon Intergovernmental Council
Schedule of Full-Time Equivalent Employees by Function/Program
Last Ten Fiscal Years

	Full-time Equivalent Employees for the year ended June 30				
	2013	2014	2015	2016	2017
FUNCTION/PROGRAM					
Employment and training	46	43	49	41	42
Economic development	61	63	68	25	11
Transportation				53	59
Total	107	106	117	119	112

	Full-time Equivalent Employees for the year ended June 30				
	2018	2019	2020	2021	2022
FUNCTION/PROGRAM					
Employment and training	29	24	30	30	33
Economic development	7	7	4	7	8
Transportation	83	83	50	44	52
Total	119	114	84	81	93

Source: Central Oregon Intergovernmental Council Department of Fiscal & Administrative Services

Central Oregon Intergovernmental Council
Schedule of Program Participants by Function/Program
Last Ten Fiscal Years

	Program participants for the year ended June 30				
	2013	2014	2015	2016	2017
FUNCTION/PROGRAM					
Employment and training					
Participants	23,943	36,034	21,537	19,653	19,851
Economic development					
Participants	N/A	N/A	N/A	N/A	N/A
Transportation					
Participants	N/A	N/A	N/A	673,000	693,000
Total	23,943	36,034	21,537	692,653	712,851

	Program participants for the year ended June 30				
	2018	2019	2020	2021	2022
FUNCTION/PROGRAM					
Employment and training			*	*	
Participants	20,172	13,597	7,971	4,126	8,639
Economic development					
Participants	N/A	N/A	N/A	N/A	N/A
Transportation			**	**	
Participants	733,002	742,567	329,808	330,110	425,073
Total	753,174	756,164	337,779	334,236	433,712

N/A – Not Available

*Offices were closed to walk in traffic due to COVID-19 reducing the number of Employment and training participants.
**Ridership was down in 20-21 due to the COVID-19 Pandemic, cancellation of all summer recreation service in 2020 and limited Mountain Services.

Source: Central Oregon Intergovernmental Council Department of Fiscal & Administrative Services

Central Oregon Intergovernmental Council
Schedule of Capital Assets by Function/Program
Last Ten Fiscal Years

	Program facilities for the year ended June 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
FUNCTION/PROGRAM										
Employment and training	1	1	1	1	1	1	1	1	1	1
Economic development	1	1	1	1	1	1	1	1	1	1
Transportation	3	3	3	3	3	4	4	4	4	4

Source: Central Oregon Intergovernmental Council Department of Fiscal & Administrative Services

GOVERNMENT AUDITING STANDARDS AND UNIFORM GUIDANCE SECTION

MSP CERTIFIED PUBLIC ACCOUNTANTS

Report on Compliance and on Internal Control over Financial Reporting based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors
Central Oregon Intergovernmental Council

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Central Oregon Intergovernmental Council as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise Central Oregon Intergovernmental Council's basic financial statements, and have issued our report thereon dated August 1, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Central Oregon Intergovernmental Council's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Central Oregon Intergovernmental Council's internal control. Accordingly, we do not express an opinion on the effectiveness of Central Oregon Intergovernmental Council's internal control.

A *deficiency in internal* control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Central Oregon Intergovernmental Council's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards.*

We noted certain matters that we have reported to management of the Central Oregon Intergovernmental Council, in a separate letter dated August 1, 2024.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Molatore, Scroggin, Peterson & Co. LLP

Gerrin P. DeGroot, Partner

Klamath Falls, Oregon
August 1, 2024

MSP CERTIFIED PUBLIC ACCOUNTANTS

Report on Compliance for Each Major Program
Report on Internal Control Over Compliance
Report on Schedule of Federal Awards Required by the Uniform Guidance

Board of Directors
Central Oregon Intergovernmental Council

Report on Compliance for Each Major Federal Program

We have audited Central Oregon Intergovernmental Council's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022. The Central Oregon Intergovernmental Council's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility
Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility
Our responsibility is to express an opinion on compliance each of Central Oregon Intergovernmental Council's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Central Oregon Intergovernmental Council's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major program. However, our audit does not provide a legal determination on Central Oregon Intergovernmental Council's compliance.

Opinion on Each Major Federal Program
In our opinion, Central Oregon Intergovernmental Council complied, in all material respects, with the types of requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Report on Internal Control over Compliance

The management of Central Oregon Intergovernmental Council is responsible for establishing and maintaining effective internal control over compliance with requirements referred to above. In planning and performing our audit, we considered the Central Oregon Intergovernmental Council's internal control over compliance with requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Central Oregon Intergovernmental Council's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weakness may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements the governmental activities, each major fund, and the aggregate remaining fund information of Central Oregon Intergovernmental Council as of and for the year ended June 30, 2022, and have issued our report thereon dated August 1, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by the Uniform Guidance and is not a required part of the 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 information has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Restricted Use
This report is intended solely for the information and use of management, board of directors, others within the entity, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Molatore, Scroggin, Peterson & Co. LLP

Gerrin P. DeGroot, Partner

Klamath Falls, Oregon
August 1, 2024

Central Oregon Intergovernmental Council
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section I: Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Are any material weaknesses identified?	____ Yes	✓ No
Are any significant deficiencies identified not considered to be material weaknesses?	____ Yes	✓ None Reported
Is any noncompliance material to financial statements noted?	____ Yes	✓ No

Federal Awards

Type of auditor's report issued on compliance for major programs: Unmodified

Internal control over major program compliance:

Are any material weaknesses identified?	____ Yes	✓ No
Are any significant deficiencies identified not considered to be material weaknesses?	____ Yes	✓ None Reported
Are any audit findings disclosed that are required to be reported in accordance with section 200.516(a) of the Uniform Guidance)?	____ Yes	✓ No

Identification of major programs:

Assistance Listings Number(s)	and Assistance Listings Program Title
10.767	Intermediary Relending Program
11.307	Economic Development Grant
21.027	American Rescue Plan

Enter the dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000	
Is the auditee qualified as a low-risk auditee?	____ Yes	✓ No

Section II: Financial Statement Findings

No material weaknesses relating to the audit of the basic financial statements were noted.

Section III: Federal Awards Findings

No findings for 2022.

Central Oregon Intergovernmental Council
Schedule of Expenditures of Federal Awards
For Year Ended June 30, 2022

Federal Grantor/ Pass-Through Grantor/ Assistance Listings Program Title	Assistance Listings Number	Grantor/ Pass-Through Entity Number	Expenditures
U.S. Department of Labor			
Passed Through The East Cascades Workforce Investment Board:			
Workforce Innovation and Opportunity Act - WIOA			
WIOA Title 1B Adult	17.258	PY21	$ 534,808
WIOA Adult Formula, Future Ready Warm Springs	17.258	PY21	11,542
WIOA Title 1B Youth	17.259	PY21	614,261
WIOA National Dislocated Worker Grants	17.277	PY21	38,291
WIOA Title 1B Dislocated Worker	17.278	PY21	487,391
Rapid Response Grants	17.278	PY21	44,105
Total WIOA Program Cluster - U.S. Department of Labor			1,730,397
U.S. Department of Treasury			
Passed Through Deschutes County:			
Coronavirus Relief Fund	21.019	N/A	73,000
American Rescue Plan (1)	21.027	N/A	2,537,601
American Rescue Plan (1)	21.027	N/A	20,529
Passed Through Crook County:			
Coronavirus Relief Fund	21.019	N/A	4,073
Total U.S. Department of Treasury			2,635,203
U.S. Department of Agriculture			
Intermediary Relending Program (1)	10.767	N/A	617,676
Total U.S. Department of Agriculture			617,676
U.S. Department of Commerce			
Economic Development Planning Grant	11.302	N/A	72,728
Economic Development Technical Asst. Grant	11.303	N/A	4,025
Economic Development Adjustment Assistance Grant (1)	11.307	N/A	204,470
Economic Adjustment Assistance Grant (1)	11.307	N/A	1,700,018
Economic Development Revolving			
Loan Programs (1)	11.307	N/A	1,574,921
Total U.S. Department of Commerce			3,556,162
U.S. Department of Transportation			
Formula grant - Federal Transit Cluster	20.507	N/A	2,092,728
FHWA - Federal Lands Access Program	20.224	N/A	100,000
Passed Through the State of Oregon			
Department of Transportation:			
Formula grant - rural areas	20.509	N/A	1,726,987
Bus and Bus Facilities - Federal Transit Cluster	20.526	N/A	396,699
Total Federal Transit Cluster from all sources			2,489,427
Enhanced mobility - Transit Services Programs Cluster	20.513	N/A	646,114
Total U.S. Department of Transportation			4,962,528
Total Expenditures of Federal Awards			$ 13,501,966

(1) - Major programs

Central Oregon Intergovernmental Council
Notes to the Schedule of Expenditures of Federal Awards
For Year Ended June 30, 2022

Note 1 - Summary of Significant Accounting Policies

Basis of accounting

The accompanying schedule of expenditures of federal awards is a supplementary schedule to COIC's financial statements and is presented for the purpose of additional analysis. Because the schedule presents only a selected portion of the activities of COIC, it is not intended to and does not present either the financial position, changes in fund balances, or the operating funds' revenues and expenditures.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

COIC elected to use the 10 percent de minimis indirect cost rate.

Federal Financial Assistance

Pursuant to the Uniform Guidance, federal financial assistance is defined as assistance provided by federal agency, either directly or indirectly, in the form of grants, contracts cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriations. Accordingly, nonmonetary federal assistance, including surplus property, is included in federal financial assistance and, therefore, is reported on the schedule, if applicable. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the state and federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

Major Programs

The Uniform Guidance establishes criteria to be used in defining major federal financial assistance programs. Major programs for COIC are those programs selected for testing by the auditor using a risk-assessment model, as well as certain minimum expenditure requirements, as outlined in the Uniform Guidance. Programs with similar requirements may be grouped into a cluster for testing purposes.

Reporting Entity

The reporting entity is fully described in notes to the financial statements. Additionally, the schedule includes all federal programs administered by COIC for the year ended June 30, 2022.

Revenue and Expenditure Recognition

The receipt and expenditure of federal awards are accounted for under the modified accrual basis of accounting. Revenues are recorded as received in cash or on the accrual basis where measurable and available. Expenditures are recorded when the liability is incurred.

Note 2 – Loan Programs

The calculations of expenditures for loan programs are presented below:

Note 2 – Loan Programs (Continued)

US Department of Agriculture, Intermediate Relending Program

1. Value of new loans made or received during the fiscal year (OMB circular a-133 sections ___.205 (b) (1))		
New loans received:	$	-
New loans made:		-
2. Balance of loans from PY's for which the Federal Gov't imposes continuing compliance requirements (OMB circular a-133 section ___.205 (b) (3))		
Balance of loans at July 1, 2021:		727,352
3. Any interest subsidy, cash, or administrative cost allowance received (OMB circular a-133 section ___ .205 (b) (3))		
Interest and fees earned during the year:		25,562
Cash on Hand:		1,093,336
Due (to)/Due from:		(5,010)
Admin Costs:		(21,046)
Interest paid:		(6,988)
Principle paid:		(102,194)
		(109,676)
Total federal awards expanded:	$	617,676

US Department of Commerce, Economic Development Revolving Loan

1. Balance of Revolving Loan Fund loans outstanding at June 30, 2022:		
Balance of loans in EDA Revolving Loan Fund	$	514,300
		514,300
2. Cash and investment balance in the Revolving Loan Fund at YE:		
Cash on Hand:		1,641,348
Receivable:		2,400
		1,643,748
3. Administrative expenses paid for the year ended June 30, 2022:		29,344
Administrative expenses in the EDA Revolving Loan Fund		29,344
4. Unpaid principle of loans written off for the year ended June 30, 2022:		
Write offs in the current year:		-
Total Financial Assistance		2,187,392
Multiplied by Federal share per grant document		72%
Total federal awards expanded	$	1,574,921

AUDIT COMMENTS REQUIRED BY STATE REGULATION

MSP CERTIFIED PUBLIC ACCOUNTANTS

Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Oregon Minimum Standards*

Board of Directors
Central Oregon Intergovernmental Council
Klamath Falls, OR

We have audited the basic financial statements of the Central Oregon Intergovernmental Council as of and for the year ended June 30, 2022, and have issued our report thereon dated August 1, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Central Oregon Intergovernmental Council's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over. Accordingly, we do not express an opinion on the effectiveness of the Central Oregon Intergovernmental Council's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's basic financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-0000 to 162-10-0330, as set forth below, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

- The accounting records and related internal control structure.
- The use of various depositories to secure the deposit of public funds.
- The requirements relating to debt.
- The requirements relating to insurance and fidelity bond coverage.
- The appropriate laws, rules and regulations pertaining to programs funded wholly or partially by other government agencies.
- The requirements pertaining to the investment of public funds.

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. The results of our tests disclosed no instances of noncompliance that are required to be reported under Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State.

We noted certain other matters that we reported to management of the Central Oregon Intergovernmental Council, in a separate letter dated August 1, 2024.

Restriction on Use

This report is intended solely for the information of management, board of directors, and the Secretary of State, Audits Division and is not intended to be and should not be used by anyone other than those specified parties.

Molatore, Scroggin, Peterson & Co. LLP

Gerrin P. DeGroot, Partner

Klamath Falls, Oregon
August 1, 2024