

**CITY OF PENDLETON, OREGON**

**ANNUAL FINANCIAL REPORT**

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





**CITY OF PENDLETON, OREGON**  
**ANNUAL FINANCIAL REPORT**  
For the fiscal year ended June 30, 2019

**TABLE OF CONTENTS**

	<u>Page</u>
<b>OFFICIALS OF THE CITY</b>	1
<b><u>FINANCIAL SECTION</u></b>	
<b>INDEPENDENT AUDITOR’S REPORT</b>	2-4
<b>MANAGEMENT’S DISCUSSION AND ANALYSIS</b>	5-20
<b>BASIC FINANCIAL STATEMENTS:</b>	
Government – Wide Financial Statements:	
Statement of Net Position	21
Statement of Activities	22
Fund Financial Statements:	
Balance Sheet – Governmental Funds	24
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	25
Statement of Revenues, Expenditures, and Changes In Fund Balance – Governmental Funds	26
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	27
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) – General Fund	28
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Street Fund	29
Statement of Net Position – Proprietary Funds	31
Reconciliation of the Proprietary Funds Statement of Net Position to the Statement of Net Position	32
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	33
Reconciliation of the Statement of Revenues, Expenses, and Changes In Fund Net Position of Enterprise Funds to the Statement of Activities	34
Statement of Cash Flows – Proprietary Funds	35-36
Statement of Fiduciary Net Position – Fiduciary Funds	38
Notes to the Basic Financial Statements	39-78
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of City’s Proportionate Share of the Net Pension Liability (Asset)	79
Schedule of City’s Contributions to the Oregon Public Employee Retirement System	79
Schedule of City’s Proportionate Share of Net OPEB Liability (Asset) OPERS Retirement Health Insurance Account	80
Schedule of Contributions OPERS Retirement Health Insurance Account	80
Schedule of Changes in City’s OPEB Liability and Related Ratios	81
Notes to Required Supplementary Information	82
<b>SUPPLEMENTAL INFORMATION</b>	
Combining and Individual Fund Statements and Schedules	
Combining Balance Sheet – Non-Major Governmental Funds	85
Sub-Combining Balance Sheet:	
Non-Major Special Revenue Funds	86-87
Non-Major Capital Projects Funds	88
Non-Major Debt Service Funds	89
Non-Major Permanent Trust Funds	90

	<u>Page</u>
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Non-Major Governmental Funds	91
Sub-Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance:	
Non-Major Special Revenue Funds	92-93
Non-Major Capital Projects Funds	94
Non-Major Debt Service Funds	95
Non-Major Permanent Trust Funds	96
Combining Balance Sheet – Combined General Fund	97
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Combined General Fund	98
Combining Balance Sheet – Internal Service Funds	100
Combining Schedule of Revenues, Expenses, and Changes in Net Position – Internal Service Funds	101
Combining Schedule of Cash Flows – Internal Service Funds	102-103
Combining Schedule of Fiduciary Net Position – Agency Funds	105
Schedule of Expenditures and Transfers – Budget and Actual (Non-GAAP Budgetary Basis), by Department – General Fund	107
Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	
Governmental Funds:	
Special Revenue Funds:	
Bike Fund	109
Library Fund	110
Library Trust Fund	111
Transportation Services Fund	112
Community Development Block Grant Fund	113
Community Rehabilitation Fund	114
Sidewalk Repair Loan Fund	115
Pendleton Convention Center Fund	116
PCC TPAC Fund	117
Police Interagency Special Revolving Fund	118
Parks Trust Fund	119
City / County Public Safety Fund	120
Horne Trust Fund	121
Urban Renewal District Operating Fund	122
Debt Service Fund:	
Debt Service Fund	123
Urban Renewal District Debt Service Fund	124
Permanent Trust Funds:	
Library Permanent Trust Fund	125
Cemetery Perpetual Care Trust Fund	126
Capital Projects Funds:	
System Development Fees Fund	127
Parks Capital Reserve Fund	128
Public Safety Capital Reserve Fund	129
L.I.D. Construction Fund	130
Street HB2001 Fund	131
Fire Bond Capital Construction Fund	132
Proprietary Funds:	
Enterprise Funds:	
Water Fund	134
Water Capital Reserve Fund	135
Reconciliation to Generally Accepted Accounting Principles	136

	<u>Page</u>
All Sewer Funds:	
Sewer Fund	137
Sewer Capital Reserve Fund	138
Wastewater Rate Reserve Fund	139
Wastewater Rate Stabilization Fund	140
Reconciliation to Generally Accepted Accounting Principles	141
Airport Fund	142
Internal Service Funds:	
PW Administration and Fleet Fund	143
Central Services Fund	144
Schedule of Expenditures and Transfers – Budget and Actual (Non-GAAP Budgetary Basis) – Central Services Fund	145
Fiduciary Funds:	
Agency Funds:	
Pendleton Foundation Trust	147
Other Financial Schedules:	
Schedule of Changes in Assets and Liabilities – All Agency Funds	148
Schedule of Outstanding Debt Principal and Interest Transactions	149
Schedule of Future Limited Tax Pension Bonded Debt Requirements – Governmental Funds	150
Schedule of Future Urban Renewal Bonded Debt Requirements – Governmental Funds	151
Schedule of Future Note Payable Debt Requirements – Governmental Funds	152
Water Fund	153
Sewer Fund	154
Airport Fund	155
<b>STATISTICAL SECTION</b>	
Major Wastewater Accounts FY19	156
Coverage Table – Historical and Projected Operating Results	157
Sewer Fund Projected Debt Service Requirements	158
Taxable Property Values and GO Debt Capacity	159
Representative Levy Rates	160-162
Debt Ratios	163-164
Major Taxpayers	165-167
Tax Collections	168
Debt Obligation – General Government	169
<b>ACCOMPANYING INFORMATION</b>	
Independent Auditor’s Comments Required by Oregon State Regulations	171-172
Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	173-174
Report on Compliance for Each Major Program and Passenger Facility Charge Program and on Internal Control Over Compliance Required by the Uniform Guidance and Passenger Facility Charge Audit Guide for Public Agencies	175-177
Notes to Schedule of Expenditures of Federal Awards	178
Schedule of Expenditures of Federal Awards	179
Schedule of Expenditures of Passenger Facility Charges	180
Schedule of Prior Year Audit Findings	181-183
Schedule of Findings and Questioned Costs	184-187



**CITY OF PENDLETON, OREGON  
OFFICIALS OF THE CITY  
AS OF JUNE 30, 2019**

**MAYOR AND CITY COUNCIL**

<u>Name and Address</u>	<u>Term Expires December 31,</u>
John Turner, Mayor 701 NW 23 <sup>rd</sup> Street Pendleton, OR 97801	2020
Becky Marks, Council Member 212 NW Despain Ave. Pendleton, OR 97801	2020
Linda Neuman, Council Member 2216 SW Perkins Avenue Pendleton, OR 97801	2022
Scott Farley, Council Member 115 NW 7 <sup>th</sup> Street Pendleton, OR 97801	2020
McKennon McDonald, Council Member 806 NW 8 <sup>th</sup> Street Pendleton, OR 97801	2022
Carol Ines, Council President 222 ½ NW Despain Ave Pendleton, OR 97801	2022
Dale Primmer, Council Member 101 SW Quinney Place Pendleton, OR 97801	2020
Paul Chalmers, Council Member (At Large) 330 SW Tahoe Ave. Pendleton, OR 97801	2020
Jacob Cambier, Council Member (At Large) 1324 NW King Pendleton, OR 97801	2022

**CITY STAFF**

<u>Name</u>	<u>Position</u>
Robb Corbett	City Manager
Linda Carter	Finance Director
Nancy Kerns	City Attorney
Stuart Roberts	Police Chief
Bob Patterson	Public Works Director
Steve Chrisman	Airport and Economic Development Director
Tim Simmons	Community Development Director
Liam Hughes	Parks and Recreation Director
Andrea Denton	City Recorder

**CITY ADDRESS**

Administrative Offices  
500 SW Dorion Avenue  
Pendleton, Oregon 97801





## **FINANCIAL SECTION**

---

---



**Dickey and Tremper, LLP**  
Certified Public Accountants and Business Advisors

110 SE First Street  
P.O. Box 1533  
Pendleton, OR 97801  
Phone: (541) 276-6862  
Toll Free: 1-800-332-6862  
Fax: (541) 276-9040  
Web: [www.dickeyandtremper.com](http://www.dickeyandtremper.com)

## **INDEPENDENT AUDITOR'S REPORT**

To the Honorable Mayor and City Council  
City of Pendleton, Oregon

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pendleton, Oregon, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk 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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pendleton, Oregon, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General and Street Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedules of the City's Proportionate Share of the Net Pension Liability (Asset) and the City's Contributions to the Oregon Public Employees Retirement System, Schedule of Proportionate Share of Net OPEB Liability (Asset), Schedule of Contributions OPERS Retirement Health Insurance Account, and the Schedule of Changes in the City's OPEB Liability and Related Ratios, and Notes to Required Supplementary Information, as listed on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Pendleton, Oregon's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, other financial schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title two U.S. Code of Federal Regulations Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The accompanying schedule of expenditures of passenger facility charges is presented for purposes of additional analysis as specified in the *Passenger Facility Charge Guide for Public Agencies*, issued by the Federal Aviation Administration, and is also not a required part of the financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules, other financial schedules, the schedule of expenditures of federal awards, and the schedule of expenditures of passenger facility charges are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures,

including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules, other financial schedules, the schedule of expenditures of federal awards, and the schedule of expenditures of passenger facility charges are fairly stated in all material respects in relation to the basic financial statements as a whole.

The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2020, on our consideration of the City of Pendleton, Oregon's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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* in considering City of Pendleton, Oregon's internal control over financial reporting and compliance.

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

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated January 24, 2020, on our consideration of the City of Pendleton's internal control over financial reporting and on tests of its compliance with the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-000 to 162-10-320. 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.

*Dickey and Tremper, LLP*

**Dickey and Tremper, LLP**  
**Certified Public Accountants**

**Pendleton, OR**  
**January 24, 2020**

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

---

---

## MANAGEMENTS DISCUSSION AND ANALYSIS

As management of the City of Pendleton, we offer readers of the City's Annual Financial Report, this narrative overview and analysis of the financial activities of the City of the fiscal year ended June 30, 2019. This Management's Discussion and Analysis (MD&A) is based on currently know facts, decisions, and conditions that existed as of the date of the independent auditor's report. Please read it in conjunction with the City's basic financial statements (beginning on page 21).

### Financial Highlights

- Governmental activities revenue increased by \$330,124 or two percent. Property taxes increased by 6 %, 5% was from the general purpose property tax. Capital grants and contributions decreased by over \$810,000. The contributions from Umatilla County for 8<sup>th</sup> Street bridge and the HB2001 road construction bill ended in FY18.
- Business-type activities revenue increased by \$1,938,333. Charges for Services increased by \$1,243,036 due to the utility rate increases and increased UAS rents. Capital Grants and Contributions went up at the Airport as FAA Airport Improvement projects and UAS projects began. Expenditures increased overall by a total of \$104,663, one percent for the year. Water and Airport funds showed an increase in expenditures.
- The unassigned fund balance for the combined General Fund was \$939,718 and the total fund balance was \$1,788,875 or approximately 12% of total general fund expenditures & transfers out. The ending fund balance decreased by 39% from the previous year.
- The City's governmental activities total debt decreased by \$987,753 or 5% over FY2017-18. The largest governmental debt is the general obligation bond issue for the construction of a new fire station for just over \$9 million, approved in 2017. The PERS limited tax pension obligation bonds remain with \$4.9 million left.
- Enterprise fund debt increased to a total of \$17.51 million. The City had entered into two loans with the State of Oregon for water and sewer infrastructure. Drawdowns on the State debt in FY19 totaled approximately \$2.91 million.
- The Sewer fund provided funding for the investment in utility infrastructure for the sewerline replacement on NW 5<sup>th</sup> for \$66,247 along with the sewer line replacement for 8<sup>th</sup> Street Bridge for \$152,059. Water Fund also contributed for 8<sup>th</sup> Street bridge waterline for \$127,055.
- The Airport fund purchased two hangers and remodel Hanger B17 with bathrooms and a roof. Total building outlay in FY 19 for the Airport Fund was \$385,394.

### Overview of Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: A) government-wide financial statements, B) fund financial statements, and C) notes to the financial statements.

#### A. Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected property taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include General Government, Public Safety, Highways and Streets, and Culture and Recreation. The business-type activities of the City include Water, Sewer, and Airport.

The government-wide financials also include the Pendleton Downtown Commission, which is a legally separate Urban Renewal Agency for which the City is financially accountable. The Pendleton Downtown Commission's governing body is identical to the City's and services are exclusively for the benefit of the City. As such, it has been included as a blended component unit.

The government-wide financial statements can be found on pages 21-22 of this report.

## **B. Fund financial statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- **Governmental funds.** *Governmental funds* are used to account for essentially the same functions, reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term funding decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 24 governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, State Tax Street Fund and Fire Bond Capital Construction Fund which are considered to be *major funds*. Two governmental funds are combined with the General Fund as sub-funds. Data from the other 19 governmental

funds are combined into a single, aggregated presentation. Individual fund data for each of these *nonmajor* governmental funds is provided in the form of *combining statements* in the supplemental information section of this report.

The City's major governmental funds, the General Fund, State Tax Street Fund and Fire Bond Capital Construction Fund are presented in their respective columns and remaining funds are combined into a column titled "Other Governmental Funds." For each major fund, a Budgetary Comparison Statement is presented. Information on nonmajor funds can be found in the Combining Schedules of Nonmajor Funds and/or the Supplemental Information-Budgetary Comparison Schedules sections of this report. Completing this document is a series of other financial and statistical schedules as required by statute.

The basic governmental fund financial statements can be found on pages 24-29 of this report.

- **Proprietary Funds.** The City maintains 10 proprietary funds.

*Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Of the 10 proprietary funds, eight are *Enterprise funds*.

*Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its construction and repair, administration, legal, finance, engineering, insurance and facilities. The services stated above except for construction and repair predominately benefit governmental rather than business-type functions, therefore, they have been included within *governmental activities* in the government-wide financial statements. Of the 10 proprietary funds, two are *Internal Service funds*.

The basic proprietary fund financial statements can be found on pages 31-36 of this report.

- **Fiduciary Funds.** *Fiduciary Funds* are used to account for resources held for the benefit of parties outside the governmental. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 38 of this report.

#### C. **Notes to the financial statements**

The notes provide additional information that is essential to a full understanding of the data 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. The notes to the financial statements can be found on pages 39-78 of this report.

#### D. **Required Supplementary information**

This report presents required supplementary information concerning budgetary comparisons for the general and major special revenue funds, information about the City's progress in funding its obligation to provide pension benefits to its employees, and the budget to GAAP reconciliation in the basic financial statements and accompanying notes.

The combining statements and schedules referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the notes to the basic financial statements.



## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator of a government's financial position. For the City, assets exceed liabilities by \$61,776,453 at the close of the FY2018-19 year. Restricted net assets in the governmental funds include \$446,212 for debt service, and \$20,341 street tax monies reserved for street operations and construction, \$806,359 of restricted funds for the Cemetery Perpetual Care funds. Proprietary Funds have a restricted balance of \$407,937 in the Sewer Fund due to amount of debt associated with the Wastewater Treatment Plant improvement bonds.

The largest portion of the City's net position reflects an investment of \$61,614,364 in capital asset (i.e. land, buildings, and equipment), less any outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated to pay for these liabilities.

### A. Analysis of Net Position

**Table 1-A  
City of Pendleton  
Summary of Net Position  
For Years Stated**

<b>Governmental Activities</b>			
	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Change</b>
<b>Assets</b>			
Current and other assets	\$22,420,928	\$14,129,141	(\$8,291,787)
Capital assets	\$39,788,890	\$46,418,846	6,629,956
Total assets	\$62,209,818	\$60,547,987	(1,661,831)
<b>Deferred Outflow of Resources</b>	\$4,112,405	\$4,563,805	\$451,400
<b>Liabilities</b>			
Long-term liabilities outstanding	\$31,581,501	\$30,731,793	(\$849,708)
Other liabilities	2,223,038	2,507,581	284,543
Total liabilities	\$33,804,539	\$33,239,374	(565,165)
<b>Deferred Inflow of Resources</b>	\$445,081	\$1,551,180	\$1,106,099
<b>Net Position</b>			
Invested in capital assets, net of related debt	\$35,252,675	\$35,022,601	(\$230,074)
Restricted	2,459,198	2,706,123	246,925
Unrestricted (deficit)	(5,639,270)	(7,407,486)	(1,768,216)
<b>Total Net Position</b>	\$32,072,603	\$30,321,238	(\$1,751,365)

**Table 1-B**  
**City of Pendleton**  
**Summary of Net Position**  
**For Years Stated**  
**Business-type Activities**

	<u>FY 2017-18</u>	<u>FY 2018-19</u>	<u>Change</u>
<b>Assets</b>			
Current and other assets	\$3,553,158	\$8,183,028	\$4,629,870
Capital assets	44,478,286	44,104,702	(373,584)
Total assets	<u>\$48,031,444</u>	<u>\$52,287,730</u>	<u>\$4,256,286</u>
<b>Deferred Outflow of Resources</b>	<u>\$701,328</u>	<u>\$759,878</u>	<u>\$58,550</u>
<b>Liabilities</b>			
Long-term liabilities outstanding	\$17,665,535	\$19,837,636	\$2,172,101
Other liabilities	1,211,162	1,475,830	264,668
Total liabilities	<u>\$18,876,697</u>	<u>\$21,313,466</u>	<u>\$2,436,769</u>
<b>Deferred Inflow of Resources</b>	<u>\$82,616</u>	<u>\$278,927</u>	<u>\$196,311</u>
<b>Net Position</b>			
Invested in capital assets, net of related debt	\$29,123,093	\$26,591,763	(\$2,531,330)
Restricted	950,641	407,937	(542,704)
Unrestricted	(300,275)	4,455,515	4,755,790
<b>Total Net Position</b>	<u><u>\$29,773,459</u></u>	<u><u>\$31,455,215</u></u>	<u><u>\$1,681,756</u></u>

**Table 1-C**  
**City of Pendleton**  
**Summary of Net Position**  
**For Years Stated**  
**Total Net Position**

	<u>FY 2017-18</u>	<u>FY 2018-19</u>	<u>Change</u>
<b>Assets</b>			
Current and other assets	25,974,086	22,312,169	(3,661,917)
Capital assets	84,267,176	90,523,548	6,256,372
Total assets	<u>110,241,262</u>	<u>112,835,717</u>	<u>2,594,455</u>
<b>Deferred Outflow of Resources</b>	<u>4,813,733</u>	<u>5,323,683</u>	<u>509,950</u>
<b>Liabilities</b>			
Long-term liabilities outstanding	49,247,036	50,569,429	1,322,393
Other liabilities	3,434,200	3,983,411	549,211
Total liabilities	<u>52,681,236</u>	<u>54,552,840</u>	<u>1,871,604</u>
<b>Deferred Inflow of Resources</b>	<u>527,697</u>	<u>1,830,107</u>	<u>1,302,410</u>
<b>Net Positions</b>			
Invested in capital assets, net of related debt	64,375,768	61,614,364	(2,761,404)
Restricted	3,409,839	3,114,060	(295,779)
Unrestricted (deficit)	(5,939,545)	(2,951,971)	2,987,574
<b>Total Net Positions</b>	<u><u>61,846,062</u></u>	<u><u>61,776,453</u></u>	<u><u>(69,609)</u></u>

An additional portion of the City's net position \$3,114,060 approximately five percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance is *unrestricted net position* totaling a negative \$2,857,478. Unrestricted net position increased from the previous year by \$3,082,067, although still a negative amount.

At the end of the current fiscal year, the City of Pendleton is reported a negative balance in only one category of net position, unrestricted.

**B. Analysis of Changes in Net Position**

**Table 2-A  
City of Pendleton  
Summary of Changes in Net Position  
For Years as Stated**

<b>Governmental Activities</b>			
	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Change</b>
<b>Revenues</b>			
<i>Program revenues:</i>			
Charges for services	\$4,319,337	\$4,292,940	(\$26,397)
Operating grants & contributions	2,374,323	2,786,841	412,518
Capital grants & contributions	1,303,410	491,390	(812,020)
<i>General revenues:</i>			
Property taxes	6,905,693	7,297,019	391,326
Franchise fees	4,542,201	4,761,961	219,760
Investment earnings	271,424	357,015	85,591
Other	167,322	226,668	59,346
<b>Total revenues</b>	<b>\$19,883,710</b>	<b>\$20,213,834</b>	<b>\$330,124</b>
<b>Expenditures</b>			
General government	\$3,815,795	\$4,255,101	\$439,306
Public safety	10,397,569	10,287,801	(109,768)
Highways & streets	2,527,751	3,102,761	575,010
Culture & recreation	3,347,386	3,287,914	(59,472)
Interest on long-term debt	713,284	704,331	(8,953)
<b>Total expenses</b>	<b>\$20,801,785</b>	<b>\$21,637,908</b>	<b>\$836,123</b>
Change in net position	(\$918,075)	(\$1,424,074)	(\$505,999)
Transfers	(358,850)	(327,291)	31,559
Change in net position	(1,276,925)	(1,751,365)	(474,440)
<b>Net Position -- beginning (restated *)</b>	<b>\$33,349,528</b> *	<b>\$32,072,603</b>	<b>(\$1,276,925)</b>
<b>Net Position -- ending</b>	<b>\$32,072,603</b>	<b>\$30,321,238</b>	<b>(\$1,751,365)</b>

**Table 2-B**

**City of Pendleton  
Summary of Changes in Net Position  
For Years as Stated**

**Business-type Activities**

	<u>FY 2017-18</u>	<u>FY 2018-19</u>	<u>Change</u>
<b>Revenues</b>			
<i>Program revenues:</i>			
Charges for services	\$10,748,978	\$11,992,014	\$1,243,036
Operating grants & contributions	231,506	166,745	(64,761)
Capital grants & contributions	194,840	899,931	705,091
<i>General revenues:</i>			
Investment earnings	65,480	120,403	54,923
Other	9	53	44
<b>Total revenues</b>	<b><u>\$11,240,813</u></b>	<b><u>\$13,179,146</u></b>	<b><u>\$1,938,333</u></b>
<b>Expenses</b>			
Water	\$4,298,096	\$4,322,603	\$24,507
Sewer	5,226,835	5,106,700	(120,135)
Airport	2,190,087	2,395,378	205,291
<b>Total expenses</b>	<b><u>\$11,715,018</u></b>	<b><u>\$11,824,681</u></b>	<b><u>\$109,663</u></b>
Change in net position	(\$474,205)	\$1,354,465	\$1,828,670
Transfers	358,850	327,291	(31,559)
Change in net position	(115,355)	1,681,756	1,797,111
<b>Net Position -- beginning (restated *)</b>	<b><u>\$29,888,814</u></b> *	<b><u>\$29,773,459</u></b>	<b><u>(\$115,355)</u></b>
<b>Net position -- ending</b>	<b><u>\$29,773,459</u></b>	<b><u>\$31,455,215</u></b>	<b><u>\$1,681,756</u></b>

**Table 2-C  
City of Pendleton  
Summary of Changes in Net Position  
For Years as Stated**

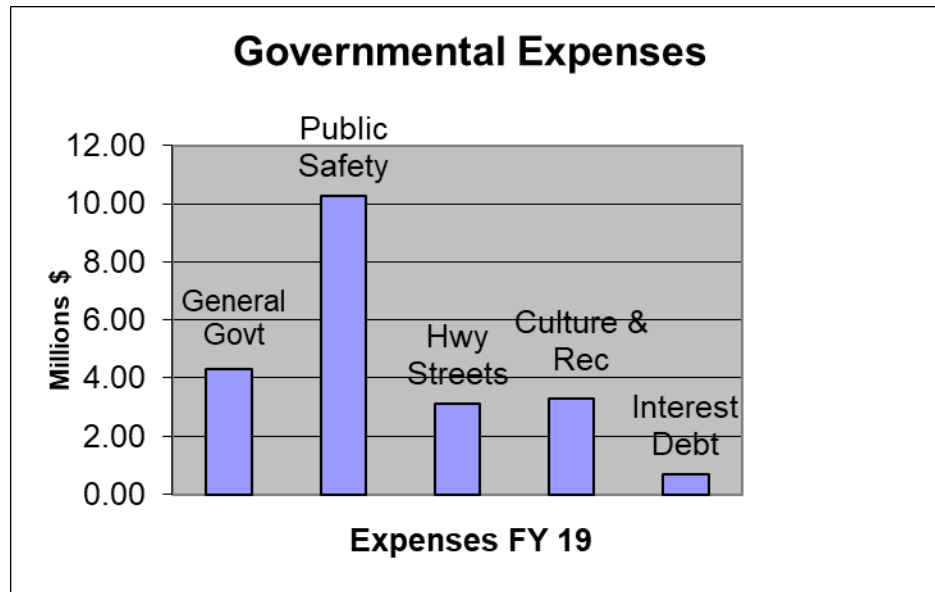
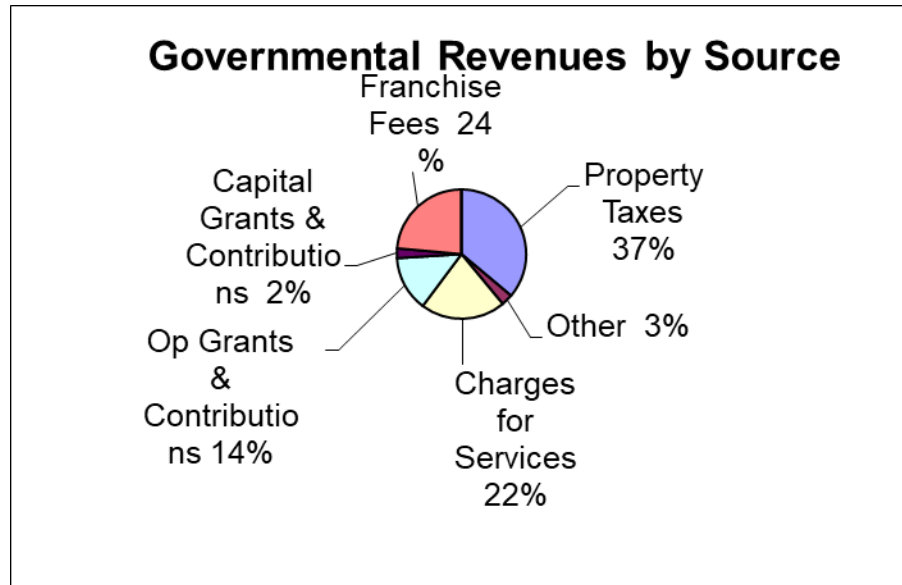
**Total Net Assets**

	<u>FY 2017-18</u>	<u>FY 2018-19</u>	<u>Change</u>
<b>Revenues</b>			
<i>Program revenues:</i>			
Charges for services	\$15,068,315	\$16,284,954	\$1,216,639
Operating grants & contributions	2,605,829	2,953,586	347,757
Capital grants & contributions	1,498,250	1,391,321	(106,929)
<i>General revenues:</i>			
Property taxes	6,905,693	7,297,019	391,326
Franchise fees	4,542,201	4,761,961	219,760
Investment earnings	336,904	477,418	140,514
Other	167,331	226,721	59,390
<b>Total revenues</b>	<b><u>\$31,124,523</u></b>	<b><u>\$33,392,980</u></b>	<b><u>\$2,268,457</u></b>
<b>Expenses</b>			
General government	\$3,815,795	\$4,255,101	\$439,306
Public safety	10,397,569	10,287,801	(109,768)
Highways & streets	2,527,751	3,102,761	575,010
Culture & recreation	3,347,386	3,287,914	(59,472)
Interest on long-term debt	713,284	704,331	(8,953)
Water	4,298,096	4,322,603	24,507
Sewer	5,226,835	5,106,700	(120,135)
Airport	2,190,087	2,395,378	205,291
<b>Total expenses</b>	<b><u>\$32,516,803</u></b>	<b><u>\$33,462,589</u></b>	<b><u>\$945,786</u></b>
Change in net position	(\$1,392,280)	(\$69,609)	\$1,322,671
Transfers	0	0	0
Change in net position	(1,392,280)	(69,609)	1,322,671
<b>Net Position -- beginning (restated *)</b>	<b><u>\$63,238,342</u></b>	<b><u>\$61,846,062</u></b> *	<b><u>(\$1,392,280)</u></b>
<b>Net position -- ending</b>	<b><u>\$61,846,062</u></b>	<b><u>\$61,776,453</u></b>	<b><u>(\$69,609)</u></b>

As noted above, the City of Pendleton's overall net position decreased by \$69,609 during FY2018-19. This decrease is explained in the following government and business-type activities discussion.

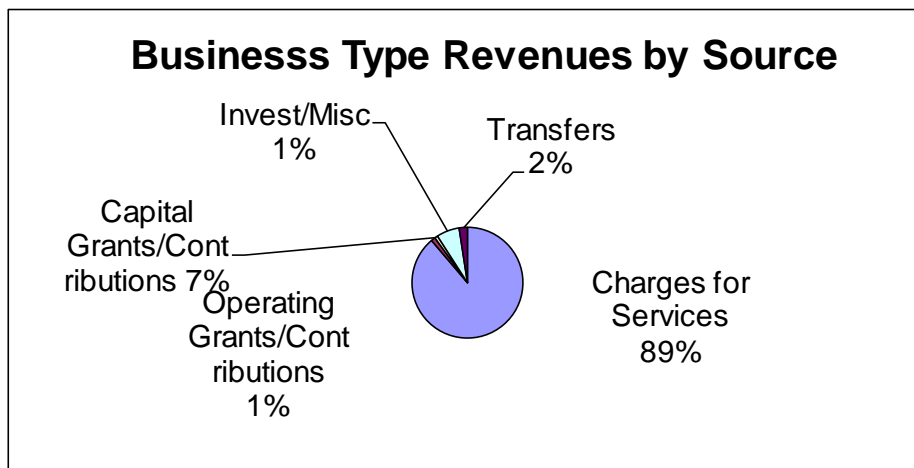
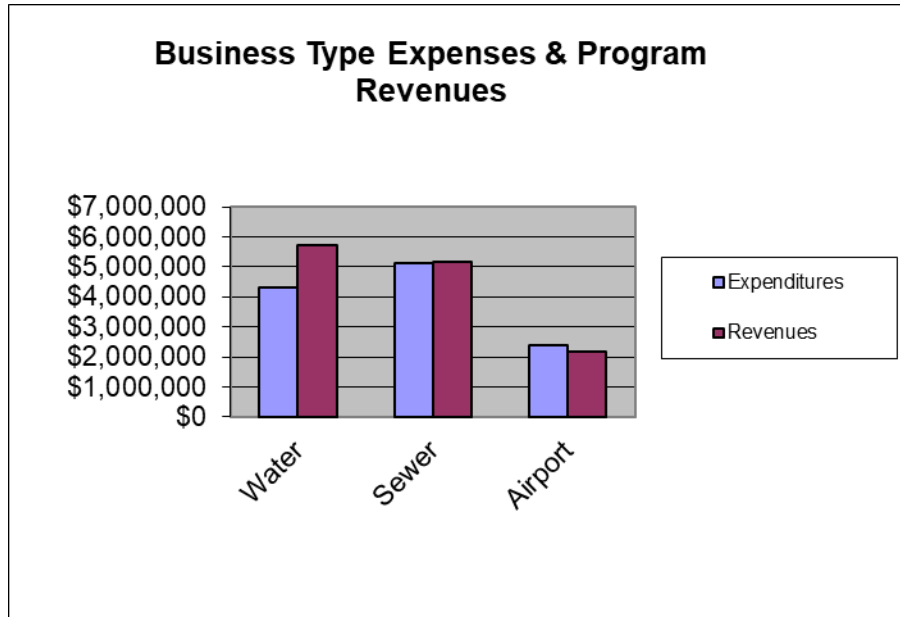
**Governmental activities.** The major factor for the governmental activities net asset decrease is the trend in increasing expenditures over revenues. Expenditures increased by 4%, although revenues increased by only 2 percent from the previous year, the expenditures outpaced the revenues by \$1,424,074. Highway and Streets saw the largest increase of \$575,010 in expenditures from the previous year. The net affect was net position ending balance of \$30,321,738, a five percent decrease.

The following graphs provide visual representation of the expenses and revenues for governmental activities for FY2018-19.



**Business-type activities.** Business-type activities increased the City's net assets by \$1,681,756 from FY18. Charges for services increased by \$1,243,036 overall with increases in all three enterprise funds, water, sewer and airport. Capital grants and contributions increased by \$705,091. The Water fund took in more revenue than expenses for FY19. Grants include Airport Improvement Project (AIP) FAA dollars for airport improvements along with Unmanned Aircraft System (UAS) projects with grant dollars from the State of Oregon. Total combined revenues taken in were more than total combined expenses by \$1,354,465 for FY19.

The following graphs provide visual representation of the expenses and revenues for business-type activities for FY2018-19.



## FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### A. Governmental funds

The focus of the City of Pendleton's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable resources*. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$8,534,762, a decrease of \$8,266,001. Of the combined ending fund balances, \$861,729 or 10 percent constitutes unassigned fund balance, which is available for spending at the government's discretion, subject to Council approval policies, in the appropriate fund type. The remainder of fund balance is *reserved* in some form to indicate that it is not available for new spending because it has already been committed, restricted, assigned or unspendable. Ending fund balance also includes: 1) State street tax and contributions of \$804,757 are assigned to construction, maintenance and use of City streets, 2) permanent funds which are legally restricted to earnings only to be used to support Library and Cemetery operations of \$812,490, 3) to pay for future debt service of \$446,212, 4) environmental remediation of \$122,368, and 5) unspendable inventories or prepaid items.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, *unassigned fund balance* of the combined General Fund was \$939,718.

As a measure of the combined General Fund's liquidity, it may be useful to compare the total fund balance to total fund expenditures. Total fund balance represents 12 percent of total General Fund expenditures and transfers out.

The combined General Fund balance decreased by \$1,142,215 during FY2018-19 as compared to the decrease of \$741,089 in FY18. Key factors in that affected fund balance are as follows:

- Revenues received by the General Fund increased by 2%, taking in \$13,436,732 for the year. Most of the revenue categories were somewhat stable between FY18 and FY19. Charges for Services went down due to reduction in ambulance revenue. Franchise Fees only increased by 2 percent but property taxes increased by 5%.
- Expenditures & transfers increased over the last year for a total of \$14,801,019, total increase of \$598,734. The General transferred \$201,400 to the Airport to help pay down the Airport interfund loan.
- General Fund capital outlay of \$229,163 was decreased as compared to \$307,021 for the prior year for governmental projects. Majority of the improvements were within the Parks and Police Departments.

See pages 84-98 for greater detail on Combining Statements for governmental funds.

### B. Proprietary funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Water Fund, Sewer Fund and Airport Fund at the end of the year amounted to \$3,381,828, \$4,105,650 and (\$2,229,059) respectively. The Water Fund owed \$1.62 million to the State for the water treatment plant at the end of the fiscal year. The Water Fund also entered into a loan with the State of Oregon for system developments and repairs and had borrowed just over \$2.45 million during FY19, for a total debt of \$3.46 million at the end of the year. The Sewer Fund has borrowed \$4.82 million from the Clean Water State Revolving Loan Fund (CWSRF) for the wastewater treatment plant upgrades required by the DEQ along with the remaining \$5.87 million in sewer bonds. A new Sewer CWSRF loan had \$462,184 advanced for sewer system developments and repairs in FY19. The Airport Fund owes approximately \$1.89 million to other City funds for AIP capital improvements and operating expenses along with two loans from the State of Oregon for Unmanned Aircraft Systems (UAS) development for \$1.014 million. The Airport also purchased a building and the debt for the building was \$254,738 at June 30<sup>th</sup>. Total net position for business-type activities increased by \$1,681,756.

See Combining Statements on pages 99-103 for the internal service funds, and pages 133-145 for the proprietary funds budgetary schedules.



## GENERAL FUND BUDGETARY HIGHLIGHTS

There were five budget resolutions adopted by Council which affected the General Fund Budget. The modifications between the original budget and the final amended budget are briefly summarized as follows:

- Transfer out \$201,400 to the Airport to reimburse the Airport Fund for the interest charged on interfund loans above 1% over the past years. Resolution #2733.
- Request transfer from contingency to cover necessary Cemetery rental house roof replacement for \$14,000 and \$30,000 for a large diameter fire hose replacement. Resolution #2760.
- Appropriate expenditure for purchase of an exhaust evacuation system for fire station 2 of \$40,000. A FEMA grant will contribute \$36,365 towards the purchase. Reduce contingency by \$3,635 to cover the City's share of the purchase. Resolution #2762.
- Appropriate for a consultant for a long term vision for the river corridor as provided in a grant from Blue Mt. Land Trust for \$10,000. Appropriate expenditures for Fire Department for personnel and operational costs unanticipated for the year including personnel flood coverage of \$300,000. Contingency is reduced by \$300,000 to balance the fund. Resolution #2769.
- The defense attorney contract was based on 180 cases for the year, increase line item by \$30,000. Staff expects the cases above the contract to be up to \$35,000 in addition to the base monthly fee. Contingency reduced by \$30,000 to balance. Resolution #2776.

The net change in appropriations during the year was an increase of \$46,365.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### A. Capital Assets

The City's investment in capital assets for its governmental and business type activities as of June 30, 2019, amounts to \$90,523,548 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, improvements and infrastructure. The total increase in the City's investment in capital assets for the current fiscal year was \$6,256,372 or an eight percent change (a 17 percent increase for governmental activities and less than one percent decrease for business-type activities).

Major events that affected capital assets for the current fiscal year included the following:

- The new fire station was close to completion by the end of the fiscal year, capital expenses included the building, office equipment, LED sign and telephone/radio equipment of \$7,201,230 in FY19.
- The Parks department spent \$37,286 on a mower and two vehicles.
- The City purchased four new police vehicles for \$88,550 and one fire pumper truck for \$449,826.
- The City purchased a new 22 passenger bus for the transit program with a grant from ODOT. The cost of the bus was \$84,975.
- Street overlays and reconstruction totaled \$1,075,564, not including 8<sup>th</sup> St and HB2001. Reconstruction of SW Marshall was the largest project at a cost of \$300,389.
- Eighth Street Bridge, also known as Lee Street Grade, construction is a work in progress and the City spent \$127,055 for water and \$152,059 for sewer in FY19. Street funds and SDC's funds were spent in FY19 for \$411,693. ODOT and Umatilla County have contributed to the project. The project is nearing completion.
- The final closure of Airport HB2001 area street overlays were completed for \$88,921 with funds through the State of Oregon.
- Water, sewer, street & storm drainage master planning was progressing with a total cost in FY19 of \$1,351,228.

- The water lines on SE 3<sup>rd</sup> and Main was completed in FY19 with \$62,971 in final expenses. The City spent \$150,861 in capital water maintenance and water meter replacements in FY19.
- \$66,247 was spent on sewer line replacement on NW 5<sup>th</sup> in FY19. The City spent \$153,206 in sewer capital maintenance in FY19.
- Airport Improvement Projects 25 (Airport Runway Rehab), 26 (design services), and 27 (Airport Master Plan update) saw \$536,287 in expenses with expected grants to cover 95% of the costs.
- The City PAE UAS Test Hanger rehabilitation project expense was \$324,223. A grant was awarded that allowed the purchase of another UAS mobile command center for \$21,900. The City also purchased two more hangers at the airport for a total of \$51,172.
- Depreciation for governmental activities expense for FY19 was \$2,610,595 versus capital outlay expenditures of \$9,364,154. Depreciation for business-type activities expense for FY19 was \$3,186,962 versus capital outlay expenditures of \$2,818,988.

The following table provides comparative information on the City's capital assets for FY2017-18 and FY2018-19.

**Table 3**  
**City of Pendleton, Oregon**  
**Capital Assets, net of depreciation**  
**For Years as Stated**

**Governmental Activities**

<b>Asset Category</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Change</b>
Land	\$4,080,709	\$4,080,709	\$0
Assets available for sale	866,261	761,261	(105,000)
Buildings	16,789,504	17,087,193	297,689
Equipment	7,853,073	8,495,542	642,469
Improvements	32,465,793	33,131,322	665,530
Infrastructure	20,926,650	20,926,650	0
Work in progress	1,341,933	8,753,560	7,411,627
Accumulated depreciation & amort.	(44,535,033)	(46,817,392)	(2,282,359)
<b>Total</b>	<b><u>\$39,788,890</u></b>	<b><u>\$46,418,846</u></b>	<b><u>\$6,629,956</u></b>

**Business-type Activities**

<b>Asset Category</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Change</b>
Land	\$298,769	\$298,769	\$0
Buildings	17,131,693	17,398,950	267,257
Equipment	19,084,817	19,190,584	105,767
Improvements	60,282,768	61,039,283	756,515
Work in progress	1,255,179	2,812,026	1,556,847
Accumulated depreciation & amort.	(53,574,940)	(56,634,910)	(3,059,970)
<b>Total Assets</b>	<b><u>\$44,478,286</u></b>	<b><u>\$44,104,702</u></b>	<b><u>(\$373,584)</u></b>

### Total Net Capital Assets

Asset Category	FY 2017-18	FY 2018-19	Change
Land	\$4,379,478	\$4,379,478	\$0
Assets available for sale	866,261	761,261	(105,000)
Buildings	33,921,197	34,486,143	564,946
Equipment	26,937,890	27,686,126	748,236
Improvements	92,748,561	94,170,606	1,422,045
Infrastructure	20,926,650	20,926,650	0
Work in progress	2,597,111	11,565,586	8,968,475
Accumulated depreciation & amort.	(98,109,973)	(103,452,301)	(5,342,328)
<b>Total</b>	<b><u>\$84,267,176</u></b>	<b><u>\$90,523,548</u></b>	<b><u>\$6,256,372</u></b>

Additional information on the City of Pendleton's capital assets can be found in footnote III.D. on pages 50-51 of this report.

#### **B. Debt Administration**

As of June 30, 2019, the City had \$8,515,000 in General Obligation Bond (GOB) debt outstanding. General obligation debt is backed by the full faith and credit and taxing power of the City. All GOB debt is related to governmental activities and is funded by property taxes. The residents of Pendleton approved a new GOB bond for the fire station construction in May 2017 and FY19 saw the second year of collection of property taxes to repay the debt.

In September 2006, the City chose to finance \$7,050,000 of Public Employee Retirement System (PERS) unfunded actuarial liability which is projected to save the City \$60,000 a year in interest costs. The full faith and credit and taxing power of the City with certain limitations of the State Constitution back the bonds. The City is not able to levy additional taxes to pay the pension bonds. The bonds were issued for a total of \$7,160,000. As of June 30, 2019, the City had PERS debt outstanding of \$4,955,000. Principal payment of \$345,000 was made on time.

A construction loan for the local improvement district (LID) construction at Sunridge Estates was received for \$1.3 million and had a balance of \$565,894 at June 30<sup>th</sup>. This loan will be paid back with funding from the sale of lots. The City obtained ownership of the lots in 2017. The City also assumed a USDA loan in the purchase of the Airport Road police station. This loan was refinanced with the Sewer Revenue bonds as a full faith and credit bond in FY18. The outstanding portion prorated to the police station is \$609,884. The City took out a State of Oregon Infrastructure Finance Authority loan for the development of infrastructure for the public improvements at the Olney Housing Project. The balance of the loan as of June 30<sup>th</sup> was \$554,182. A construction loan for \$825,000 for the development of the Pendleton Convention Center Eastside Expansion was entered into during the FY15 fiscal year. The balance of the loan at June 30<sup>th</sup> was \$625,819.

The Pendleton Development Commission (PDC) has one loan outstanding for PDC projects including façade restoration and Jump Start loans. Total PDC loan balance outstanding at June 30<sup>th</sup> was \$975,647. The PDC has an open credit line and borrowed \$900,000 during the year but that balance was paid off by fiscal year end.

In addition, the Water Fund owed \$1,616,090, to the State of Oregon, Safe Drinking Water State Revolving Loan Fund for the construction of the water treatment plant and intake facility. This debt is funded by Water Fund revenue. A new Oregon State Drinking Water State Revolving Loan was obtained and has a principal balance of \$3,463,072 for capital infrastructure improvements at June 30<sup>th</sup>, over \$1 million is forgivable.

The City sold Wastewater Revenue Bonds to finance costs of improvements to the City's sanitary sewerage facilities for \$9,980,000 in December 07. Sewer rates were increased to cover the debt service required in the future. This loan was refinanced as a full faith and credit loan for a lower interest rate and the balance is now \$5,877,856. The City has also obtained Clean Water Revolving Loan funds for the wastewater treatment plant upgrades. The loan balances as of June 30<sup>th</sup> was \$4,824,502. A new loan was entered into with DEQ and has a balance of \$462,184 as of June 30<sup>th</sup>.

The Airport has two loans out through the State of Oregon for development of the UAS site and related hanger construction. The balance of those loans as of June 30<sup>th</sup> was \$1,014,497. The City purchased a building from Community bank to remodel into a UAS command center, the loan outstanding is \$254,737.

The following table provides comparative information on the City's outstanding debt:

**Table 4  
City of Pendleton, Oregon  
Outstanding Debt  
For Years as Stated**

<b>Governmental Activities</b>			
<b>Debt Category</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Change</b>
General Obligation Bonds	\$8,760,000	\$8,515,000	(\$245,000)
General Obligation Bonds - PDC	1,193,751	975,647	(218,104)
Limited Tax Pension Obligation Bonds	5,300,000	4,955,000	(345,000)
Notes Payable	1,910,362	1,745,895	(164,467)
Full Faith & Credit Bonds	625,066	609,884	(15,182)
<b>Total</b>	<b><u>\$17,789,179</u></b>	<b><u>\$16,801,426</u></b>	<b><u>(\$987,753)</u></b>

<b>Business-type Activities</b>			
<b>Debt Category</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Change</b>
Full Faith & Credit Bonds	\$5,935,713	\$5,877,856	(57,857)
Notes Payable	9,419,479	11,635,083	2,215,604
<b>Total</b>	<b><u>\$15,355,192</u></b>	<b><u>\$17,512,939</u></b>	<b><u>\$2,157,747</u></b>

<b>Total Outstanding Debt</b>			
<b>Debt Category</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Change</b>
General Obligation Bonds	\$8,760,000	\$8,515,000	(\$245,000)
General Obligation Bonds - PDC	1,193,751	975,647	(218,104)
Limited Tax Pension Obligation Bonds	5,300,000	4,955,000	(345,000)
Full Faith & Credit Bonds	6,560,779	6,487,740	(73,039)
Notes Payable	11,329,841	13,380,978	2,051,137
<b>Total</b>	<b><u>\$33,144,371</u></b>	<b><u>\$34,314,365</u></b>	<b><u>\$1,169,994</u></b>

The City's total debt increased by \$1,169,994 (4 percent) during the current fiscal year. Debt for governmental activities decreased by \$987,753 while debt for business-type activities increased by \$2,157,747. The business-type activities increased due to draw downs from the Safe Drinking Water Loan (Water fund) and the Clean Water Loan (Sewer fund.)

Oregon Revised Statutes provides a limit on non-self-supporting general obligation debt of 3% of the real market value of all taxable property within the City's boundaries. Based on the City's FY2018-19 real market value, this debt limitation is \$39,361,318. The amount of outstanding City debt subject to this limitation is \$19,957,740.

Additional information on the City of Pendleton's bonded debt can be found in the notes to the basic financial statements on pages 53-60.

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

During the preparation of the budget for the ensuing fiscal year, the long-term impacts of the local economy were examined in conjunction with business decisions made by the City. The following are the major assumptions used in developing the FY2020 budget:

- Assessed values, the basis of property tax revenues, will grow by 3%.
- Property tax rate is set at 6.5771 as a permanent rate due to Measure 50.
- SEIU, Exempt and Police health insurance rates expected a 7.2% increase and Workers Comp rates would raise by 1%.
- Fire salaries would increase by 1% in July. Health insurance would increase by 7.2%.
- SEIU would increase by 4% in July.
- Exempt salaries would increase by 3% in July.
- Police salaries would increase by 3% in July.
- General Fund capital improvements budgeted would be based on maintenance deferred priorities and grant funded improvements.
- Water and sewer rates would increase by 10.5% based on the Master Plans for both approved by Council.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of this information provided in this report, requests for additional financial information, or to obtain a copy of this report for the Pendleton Development Commission should be addressed to:

City of Pendleton  
Linda Carter, Finance Director  
500 SW Dorion Ave.  
Pendleton, OR 97801



## **BASIC FINANCIAL STATEMENTS**

---

---

**CITY OF PENDLETON, OREGON**  
**STATEMENT OF NET POSITION**  
**June 30, 2019**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 6,303,254	\$ 5,771,178	\$ 12,074,432
Investments	-	411,250	411,250
Receivables:			
Accounts, net	2,473,839	2,287,210	4,761,049
Property taxes	396,956	-	396,956
Assessments	817,474	8,598	826,072
Notes	261,257	-	261,257
Interest	18	299	317
Internal balances	1,171,499	(1,171,499)	-
Prepaid items	387,762	31,900	419,662
Inventories	-	422,270	422,270
Prepaid bond insurance	12,437	-	12,437
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	1,407,933	-	1,407,933
Investments	-	407,937	407,937
Permanently restricted:			
Cash and cash equivalents	19,777	-	19,777
Investments	792,713	-	792,713
Net OPEB asset	84,222	13,885	98,107
Capital assets:			
Land	4,080,709	298,769	4,379,478
Assets available for sale	761,261	-	761,261
Construction in progress	8,753,560	2,812,026	11,565,586
Depreciable assets, net of depreciation	32,823,316	40,993,907	73,817,223
Total assets	<u>60,547,987</u>	<u>52,287,730</u>	<u>112,835,717</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred outflows related to pension	4,470,041	736,926	5,206,967
Deferred outflows related to OPEB	93,764	22,952	116,716
Total deferred outflow of resources	<u>4,563,805</u>	<u>759,878</u>	<u>5,323,683</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	1,977,640	1,067,363	3,045,003
Deposits	53,556	176,980	230,536
Retainage payable	388,843	14,155	402,998
Accrued interest payable	87,542	217,332	304,874
Long-term obligations:			
Due within one year:			
Long-term liabilities	1,648,729	1,379,241	3,027,970
Due in more than one year:			
Net pension liability	11,597,728	1,912,000	13,509,728
Net OPEB liability	940,021	280,203	1,220,224
Long-term liabilities	16,545,315	16,266,192	32,811,507
Total liabilities	<u>33,239,374</u>	<u>21,313,466</u>	<u>54,552,840</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred inflows related to pension	1,352,483	222,970	1,575,453
Deferred inflows related to OPEB	198,697	55,957	254,654
Total deferred inflows of resources	<u>1,551,180</u>	<u>278,927</u>	<u>1,830,107</u>
<b>NET POSITION</b>			
Net investment in capital assets	35,022,601	26,591,763	61,614,364
Restricted for:			
Debt service	446,212	407,937	854,149
Environmental remediation	122,368	-	122,368
Highways and streets	20,341	-	20,341
Program services and grants	571,979	-	571,979
Urban renewal	732,733	-	732,733
Library services	6,131	-	6,131
Cemetery perpetual care permanent trust	806,359	-	806,359
Unrestricted	(7,407,486)	4,455,515	(2,951,971)
Total net position	<u>\$ 30,321,238</u>	<u>\$ 31,455,215</u>	<u>\$ 61,776,453</u>

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



**CITY OF PENDLETON, OREGON**  
**STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2019**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
<b>Governmental activities:</b>							
General government	\$ 4,255,101	\$ 1,269,267	\$ 556,262	\$ 115,114	\$ (2,314,458)	\$ -	\$ (2,314,458)
Public safety	10,287,801	1,791,571	391,357	201,574	(7,903,299)	-	(7,903,299)
Highways and streets	3,102,761	774,633	1,223,741	135,097	(969,290)	-	(969,290)
Culture and recreation	3,287,914	457,469	615,481	39,605	(2,175,359)	-	(2,175,359)
Interest on long-term obligations	704,331	-	-	-	(704,331)	-	(704,331)
<b>Total governmental activities</b>	<b>21,637,908</b>	<b>4,292,940</b>	<b>2,786,841</b>	<b>491,390</b>	<b>(14,066,737)</b>	<b>-</b>	<b>(14,066,737)</b>
<b>Business-type activities:</b>							
Water	4,322,603	5,722,340	-	-	-	1,399,737	1,399,737
Sewer	5,106,700	5,175,745	-	995	-	70,040	70,040
Airport	2,395,378	1,093,929	166,745	898,936	-	(235,768)	(235,768)
<b>Total business-type activities</b>	<b>11,824,681</b>	<b>11,992,014</b>	<b>166,745</b>	<b>899,931</b>	<b>-</b>	<b>1,234,009</b>	<b>1,234,009</b>
<b>Total primary government</b>	<b>\$33,462,589</b>	<b>\$16,284,954</b>	<b>\$2,953,586</b>	<b>\$1,391,321</b>	<b>(14,066,737)</b>	<b>1,234,009</b>	<b>(12,832,728)</b>
<b>General revenues:</b>							
Property taxes levied for:							
General purposes					5,866,161	-	5,866,161
Debt service					1,430,858	-	1,430,858
Franchise and public services taxes					4,761,961	-	4,761,961
Interest and investment earnings					357,015	120,403	477,418
Miscellaneous					226,668	53	226,721
Transfers					(327,291)	327,291	-
<b>Total general revenues and transfers</b>					<b>12,315,372</b>	<b>447,747</b>	<b>12,763,119</b>
Change in net position					(1,751,365)	1,681,756	(69,609)
Net Position, beginning					32,072,603	29,773,459	61,846,062
Net Position, ending					<b>\$30,321,238</b>	<b>\$31,455,215</b>	<b>\$61,776,453</b>

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



## **FUND FINANCIAL STATEMENTS**

---

---

### **Major Governmental Funds**

#### **General Fund**

The General Fund accounts for the financial operations of the City not accounted for in any other fund. Principal sources of revenue are property taxes, franchise fees, hotel-motel tax, and state shared revenues. Expenditures are primarily for Police, Fire, Planning, and General Operations. The activities for the Community Rehabilitation Fund, and Sidewalk Repair Fund have been combined with the General Fund as sub-funds.

#### **Street Fund**

Accounts for revenues received from state gasoline tax, which are to be expended for the construction, maintenance and use of City streets.

#### **Fire Bond Capital Construction Fund**

The Fire Bond Capital Construction Bond Fund accounts for the financial activity related to the Fire Bond Approved by taxpayers to build a new fire station and obtain new fire equipment. The revenue source is related to the issuance of bonds. The expenditures are mainly capital outlay.

**CITY OF PENDLETON, OREGON**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2019**

	Combined General Fund	Street Fund	Fire Bond Capital Construction Fund	Other Governmental Funds	Totals
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,230,807	\$ 994,166	\$ 2,087,676	\$ 3,232,622	\$ 7,545,271
Investments	-	-	-	792,713	792,713
Receivables:					
Property taxes	325,172	-	-	71,784	396,956
Accounts, net	1,607,273	180,291	-	573,045	2,360,609
Interest	18	-	-	-	18
Assessments	17,988	-	-	799,486	817,474
Notes	137,718	-	-	123,539	261,257
Advances to other funds	317,500	-	-	384,700	702,200
Assets available for sale	-	-	-	420,000	420,000
Prepaid items	54,084	3,550	-	295,483	353,117
Total assets	<u>\$ 3,690,560</u>	<u>\$ 1,178,007</u>	<u>\$ 2,087,676</u>	<u>\$ 6,693,372</u>	<u>\$ 13,649,615</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 522,796	\$ 342,693	\$ 767,669	\$ 278,760	\$ 1,911,918
Deposits	-	-	-	48,401	48,401
Retainage payable	-	30,557	358,286	-	388,843
Advances from other funds	25,000	-	-	292,500	317,500
Total liabilities	<u>547,796</u>	<u>373,250</u>	<u>1,125,955</u>	<u>619,661</u>	<u>2,666,662</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	1,353,889	-	-	1,094,302	2,448,191
Total deferred inflows of resources	<u>1,353,889</u>	<u>-</u>	<u>-</u>	<u>1,094,302</u>	<u>2,448,191</u>
<b>FUND BALANCES (DEFICIT)</b>					
Nonspendable	371,584	-	-	806,359	1,177,943
Restricted	122,368	-	961,721	1,777,396	2,861,485
Committed	88,211	-	-	1,149,266	1,237,477
Assigned	266,994	804,757	-	1,324,377	2,396,128
Unassigned	939,718	-	-	(77,989)	861,729
Total fund balances	<u>1,788,875</u>	<u>804,757</u>	<u>961,721</u>	<u>4,979,409</u>	<u>8,534,762</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,690,560</u>	<u>\$ 1,178,007</u>	<u>\$ 2,087,676</u>	<u>\$ 6,693,372</u>	<u>\$ 13,649,615</u>

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

**CITY OF PENDLETON, OREGON**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**June 30, 2019**

<b>Fund balances - total governmental funds</b>	<b>\$ 8,534,762</b>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources, and, therefore, are not reported in the funds	45,691,126
Net pension liability, and the related deferred outflows and inflows are not current financial resources or requirements, and therefore, are not reported in the funds.	(7,055,199)
Other long-term assets are not available to pay for current period expenditures, and, therefore, are deferred in the fund statements.	2,448,191
Net other post employment benefits (OPEB) asset/liability, and the related deferred outflows and inflows, are not current financial resources or requirements, and therefore, are not reported in the funds.	(754,196)
Accrued compensated absences are not due and payable in the current period, and, therefore, are not reported in the funds.	(420,078)
Accrued interest payable is not due and payable in the current period, and, therefore, is not reported in the fund statements.	(87,542)
Long-term liabilities, including bonds, notes payable, and environmental obligations and the related bond premium and prepaid bond insurance are not due and payable in the current period, and, therefore, are not reported in the fund statements.	(17,642,695)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the Central Services Internal Service Fund are included in governmental activities in the Statement of Net Position.	
Cash and cash equivalents	\$ 185,693
Accounts receivable, net	113,230
Prepaid items	34,645
Internal balances	786,799
Net OPEB asset	14,152
Capital assets, net	307,720
Deferred outflows related to pension	751,126
Deferred outflows related to OPEB	18,153
Accounts payable and accrued expenses	(65,722)
Deposits	(5,155)
Net pension liability	(1,948,832)
Other post employment benefits liability	(198,027)
Compensated absences payable	(118,834)
Deferred inflows related to pension	(227,265)
Deferred inflows related to OPEB	<u>(40,814)</u>
Total internal service funds	<u>(393,131)</u>
<b>Net position of governmental activities</b>	<b><u>\$ 30,321,238</u></b>

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

**CITY OF PENDLETON, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2019**

	Combined General Fund	Street Fund	Fire Bond Capital Construction Fund	Other Governmental Funds	Totals
<b>REVENUES</b>					
Property taxes	\$ 5,860,219	\$ -	\$ -	\$ 1,422,870	\$ 7,283,089
Other taxes	703,175	-	-	641,495	1,344,670
Franchise fees	2,598,815	-	-	-	2,598,815
Licenses and fees	848,637	-	-	79,007	927,644
Charges for services	1,460,937	772,525	-	782,785	3,016,247
Intergovernmental	1,430,444	1,327,227	-	1,853,277	4,610,948
Fines and forfeitures	327,878	-	-	-	327,878
Assessments	2,706	-	-	61,313	64,019
Loan repayments	11,941	-	-	29,041	40,982
Contributions	21,514	-	-	71,926	93,440
Interest on investments	68,350	19,164	140,820	125,736	354,070
Miscellaneous	102,116	2,107	-	18,523	122,746
<b>TOTAL REVENUES</b>	<u>13,436,732</u>	<u>2,121,023</u>	<u>140,820</u>	<u>5,085,973</u>	<u>20,784,548</u>
<b>EXPENDITURES</b>					
Current:					
General government	1,880,314	-	-	2,095,128	3,975,442
Public safety	9,000,816	-	-	192,445	9,193,261
Culture and recreation	2,162,161	-	-	598,108	2,760,269
Highways and streets	-	1,101,043	-	-	1,101,043
Capital outlay	229,163	1,215,299	7,169,022	1,368,192	9,981,676
Debt service	640,724	-	-	2,002,393	2,643,117
<b>TOTAL EXPENDITURES</b>	<u>13,913,178</u>	<u>2,316,342</u>	<u>7,169,022</u>	<u>6,256,266</u>	<u>29,654,808</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(476,446)</u>	<u>(195,319)</u>	<u>(7,028,202)</u>	<u>(1,170,293)</u>	<u>(8,870,260)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of property	-	-	-	120	120
Issuance of debt	-	-	-	900,000	900,000
Transfers in	222,072	100,000	-	355,370	677,442
Transfers out	(887,841)	(16,170)	-	(69,292)	(973,303)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(665,769)</u>	<u>83,830</u>	<u>-</u>	<u>1,186,198</u>	<u>604,259</u>
<b>NET CHANGE IN FUND BALANCE</b>	(1,142,215)	(111,489)	(7,028,202)	15,905	(8,266,001)
<b>FUND BALANCE, Beginning</b>	<u>2,931,090</u>	<u>916,246</u>	<u>7,989,923</u>	<u>4,963,504</u>	<u>16,800,763</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 1,788,875</u>	<u>\$ 804,757</u>	<u>\$ 961,721</u>	<u>\$ 4,979,409</u>	<u>\$ 8,534,762</u>

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

**CITY OF PENDLETON, OREGON**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2019**

**Net change in fund balance - governmental funds** \$ (8,266,001)

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

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

    Unavailable revenues (619,758)

Repayment of long-term obligations principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position.

1,887,754

Issuance of debt and the related bond premium is a financial resource in the governmental funds, but the issuance increases long-term liabilities in the Statement of Net Position.

(900,000)

Some expenses reported in the Statement of Activities do not require the use of current financial resources, and are not reported as expenditures in governmental funds:

    Change in compensated absences 20,136

    Change in OPEB liability 15,193

    Change in accrued interest payable 4,049

    Amortization of bond insurance (1,515)

    Amortization of bond premium 46,993

    Change in environmental remediation liability 90,000

    Change in pension liability and related deferred outflow and inflows (712,439)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of capital assets are allocated over the useful lives and reported as depreciation

    Capital asset additions \$ 9,321,495

    Basis of capital asset disposals (11,380)

    Depreciation expense (2,536,426)

6,773,689

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenues (expenses) of the internal service funds are allocated between governmental and business - type activities.

(89,466)

**Change in net position - governmental activities** **\$ (1,751,365)**

**CITY OF PENDLETON, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**GENERAL FUND**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Property taxes	\$ 5,723,755	\$ 5,723,755	\$ 5,860,219	\$ 136,464
Other taxes	710,750	710,750	703,175	(7,575)
Franchise fees	2,759,600	2,759,600	2,598,815	(160,785)
Licenses and fees	1,137,450	1,137,450	848,637	(288,813)
Charges for services	1,784,070	1,784,070	1,460,937	(323,133)
Intergovernmental	1,208,400	1,244,765	1,430,444	185,679
Fines and forfeitures	330,000	330,000	327,878	(2,122)
Contributions	15,000	25,000	21,514	(3,486)
Interest on investments	25,000	25,000	57,463	32,463
Miscellaneous	111,000	111,000	102,071	(8,929)
<b>TOTAL REVENUES</b>	<u>13,805,025</u>	<u>13,851,390</u>	<u>13,411,153</u>	<u>(440,237)</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,951,490	1,981,490	1,833,641	147,849
Public safety	8,820,400	9,150,400	9,000,816	149,584
Culture and recreation	2,242,575	2,252,575	2,162,161	90,414
Capital outlay	329,000	383,000	229,163	153,837
Debt service	677,195	677,195	640,327	36,868
Contingency	2,131,835	1,552,800	-	1,552,800
<b>TOTAL EXPENDITURES</b>	<u>16,152,495</u>	<u>15,997,460</u>	<u>13,866,108</u>	<u>2,131,352</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(2,347,470)</u>	<u>(2,146,070)</u>	<u>(454,955)</u>	<u>1,691,115</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	233,240	233,240	222,072	(11,168)
Transfers out	(410,270)	(611,670)	(611,670)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(177,030)</u>	<u>(378,430)</u>	<u>(389,598)</u>	<u>(11,168)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(2,524,500)	(2,524,500)	(844,553)	1,679,947
<b>FUND BALANCE, Beginning</b>	<u>2,524,500</u>	<u>2,524,500</u>	<u>2,390,615</u>	<u>(133,885)</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,546,062</u>	<u>\$ 1,546,062</u>

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



**CITY OF PENDLETON, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**STREET FUND**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Charges for services	\$ 774,440	\$ 774,440	\$ 772,525	\$ (1,915)
Intergovernmental	2,103,940	2,103,940	1,327,227	(776,713)
Interest on investments	3,500	3,500	19,164	15,664
Miscellaneous	220	220	2,107	1,887
<b>TOTAL REVENUES</b>	<u>2,882,100</u>	<u>2,882,100</u>	<u>2,121,023</u>	<u>(761,077)</u>
<b>EXPENDITURES</b>				
Current:				
Highways and streets:				
Personal services	459,949	459,949	358,851	101,098
Materials and services	808,095	808,095	742,192	65,903
Capital outlay	1,820,000	1,820,000	1,215,299	604,701
Contingency	184,886	184,886	-	184,886
<b>TOTAL EXPENDITURES</b>	<u>3,272,930</u>	<u>3,272,930</u>	<u>2,316,342</u>	<u>956,588</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(390,830)</u>	<u>(390,830)</u>	<u>(195,319)</u>	<u>195,511</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	100,000	100,000	100,000	-
Transfers out	(16,170)	(16,170)	(16,170)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>83,830</u>	<u>83,830</u>	<u>83,830</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(307,000)	(307,000)	(111,489)	195,511
<b>FUND BALANCE, Beginning,</b>	<u>307,000</u>	<u>307,000</u>	<u>916,246</u>	<u>609,246</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 804,757</u>	<u>\$ 804,757</u>

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



## FUND FINANCIAL STATEMENTS

---

---

### Proprietary Funds

The City of Pendleton utilizes six Proprietary Funds comprised of four Enterprise Funds and two Internal Service Funds.

Enterprise Funds are used to report for activities for which a fee is charged to external users for goods and services, and to account for the acquisition, operation, and maintenance of the water, sewer, airport, and cemetery. These funds are entirely or predominantly self-supported through user charges to the customer. Funds included are:

- **Water**
- **Sewer**
- **Airport**

For budgetary purposes (see budget schedules in the Supplemental Information section), the Water and Sewer funds are accounted for in the following separate funds:

- **Water Funds**
  - Water Fund
  - Water Capital Reserve Fund
- **Sewer Funds**
  - Sewer Fund
  - Sewer Capital Reserve Fund
  - Wastewater Rate Reserve Fund
  - Wastewater Debt Service Fund
  - Wastewater Rate Stabilization Fund

Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the City and to other government units on a cost reimbursement basis. The Internal Service Funds are eliminated for the Government-Wide Financial Statements and any residual assets and income and expenses from outside sources are combined with the Governmental and Business – Type Activities. Internal Service Funds of the City are:

- **PW Administration and Fleet Fund**
- **Central Services Fund**

**CITY OF PENDLETON, OREGON**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**June 30, 2019**

	<u>Business - type Activities - Enterprise Funds</u>				Governmental Activities - Internal Service Funds
	All Water Funds	All Sewer Funds	Airport Fund	Total	
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 3,047,386	\$ 2,054,589	\$ 6,923	\$ 5,108,898	\$ 847,973
Investments	-	411,250	-	411,250	-
Receivables:					
Accounts, net	963,124	797,892	526,194	2,287,210	113,230
Assessments	-	8,598	-	8,598	-
Interest	-	299	-	299	-
Prepaid items	7,800	8,150	4,050	20,000	46,545
Inventories	<u>362,665</u>	<u>59,605</u>	<u>-</u>	<u>422,270</u>	<u>-</u>
Total current assets	<u>4,380,975</u>	<u>3,340,383</u>	<u>537,167</u>	<u>8,258,525</u>	<u>1,007,748</u>
Noncurrent assets:					
Restricted investments	-	407,937	-	407,937	-
Advances to other funds	-	1,556,692	-	1,556,692	-
Net OPEB asset	3,366	2,648	2,423	8,437	19,600
Capital assets, net	<u>16,473,960</u>	<u>18,338,902</u>	<u>8,709,872</u>	<u>43,522,734</u>	<u>889,688</u>
Total noncurrent assets	<u>16,477,326</u>	<u>20,306,179</u>	<u>8,712,295</u>	<u>45,495,800</u>	<u>909,288</u>
Total assets	<u>20,858,301</u>	<u>23,646,562</u>	<u>9,249,462</u>	<u>53,754,325</u>	<u>1,917,036</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows related to pension	178,648	140,564	128,574	447,786	1,040,266
Deferred outflows related to OPEB	<u>5,789</u>	<u>6,071</u>	<u>4,293</u>	<u>16,153</u>	<u>24,952</u>
Total deferred inflows of resources	<u>184,437</u>	<u>146,635</u>	<u>132,867</u>	<u>463,939</u>	<u>1,065,218</u>
Total assets and deferred outflows of resources	<u>\$21,042,738</u>	<u>\$23,793,197</u>	<u>\$ 9,382,329</u>	<u>\$54,218,264</u>	<u>\$ 2,982,254</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	\$ 403,523	\$ 280,848	\$ 357,387	\$ 1,041,758	\$ 91,327
Retainage payable	8,197	5,958	-	14,155	-
Accrued interest payable	77,693	114,313	25,326	217,332	-
Deposits	6,843	-	170,137	176,980	5,155
Compensated absences payable	34,950	34,709	22,654	92,313	159,015
Current portion of long-term debt	<u>378,522</u>	<u>825,660</u>	<u>42,565</u>	<u>1,246,747</u>	<u>-</u>
Total current liabilities	909,728	1,261,488	618,069	2,789,285	255,497
Noncurrent liabilities:					
Advances from other funds	52,242	-	1,889,150	1,941,392	-
Other post employment benefits liability	71,678	81,734	53,714	207,126	271,104
Net pension liability	463,511	364,702	333,589	1,161,802	2,699,030
Noncurrent portion of long-term debt	<u>4,700,640</u>	<u>10,338,882</u>	<u>1,226,670</u>	<u>16,266,192</u>	<u>-</u>
Total liabilities	<u>6,197,799</u>	<u>12,046,806</u>	<u>4,121,192</u>	<u>22,365,797</u>	<u>3,225,631</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows related to pension	54,052	42,530	38,902	135,484	314,751
Deferred inflows related to OPEB	<u>14,261</u>	<u>15,914</u>	<u>10,657</u>	<u>40,832</u>	<u>55,939</u>
Total deferred inflows of resources	<u>68,313</u>	<u>58,444</u>	<u>49,559</u>	<u>176,316</u>	<u>370,690</u>
<b>NET POSITION</b>					
Net investment in capital assets	11,394,798	7,174,360	7,440,637	26,009,795	889,688
Restricted for debt service	-	407,937	-	407,937	-
Unrestricted	<u>3,381,828</u>	<u>4,105,650</u>	<u>(2,229,059)</u>	<u>5,258,419</u>	<u>(1,503,755)</u>
Total net position	<u>14,776,626</u>	<u>11,687,947</u>	<u>5,211,578</u>	<u>31,676,151</u>	<u>(614,067)</u>
Total liabilities, deferred inflows, and net position	<u>\$21,042,738</u>	<u>\$23,793,197</u>	<u>\$ 9,382,329</u>	<u>\$54,218,264</u>	<u>\$ 2,982,254</u>

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

**CITY OF PENDLETON, OREGON**  
**RECONCILIATION OF THE PROPRIETARY FUNDS STATEMENT OF NET POSITION**  
**TO THE STATEMENT OF NET POSITION**  
**June 30, 2019**

**Net position- total enterprise funds** \$ 31,676,151

Amounts reported for business-type activities in the Statement of Net Position are different because:

Internal service funds are used by management to charge the costs of certain activities to individual funds. The Public Works Administration and Fleet internal service fund predominately serves the enterprise funds, so the assets and liabilities of the fund is included in Business-Type Activities in the Statement of Net Position as follows:

Cash and cash equivalents	\$	662,280	
Prepaid items		11,900	
Internal balances		(786,799)	
Net OPEB asset		5,448	
Capital assets, net		581,968	
Deferred outflows related to pension		289,140	
Deferred outflows related to OPEB		6,799	
Accounts payable and accrued expenses		(25,605)	
Net pension liability		(750,198)	
Compensated absences payable		(40,181)	
Other post employment benefits liability		(73,077)	
Deferred inflows related to pension		(87,486)	
Deferred inflows related to OPEB		<u>(15,125)</u>	
			<u>(220,936)</u>

**Net position of business - type activities** \$ 31,455,215

**CITY OF PENDLETON, OREGON**  
**STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**For the Fiscal Year Ended June 30, 2019**

	<b>Business - type Activities - Enterprise Funds</b>				Governmental Activities - Internal Service Funds
	All Water Funds	All Sewer Funds	Airport Fund	Total	
<b>OPERATING REVENUES</b>					
Charges for services	\$ 5,646,285	\$ 5,163,800	\$ 985,970	\$ 11,796,055	\$ 4,753,521
Licenses and fees	-	-	-	-	27,912
Miscellaneous	76,054	11,942	107,964	195,960	2,244
<b>TOTAL OPERATING REVENUES</b>	<u>5,722,339</u>	<u>5,175,742</u>	<u>1,093,934</u>	<u>11,992,015</u>	<u>4,783,677</u>
<b>OPERATING EXPENSES</b>					
Personal services	687,648	686,376	671,854	2,045,878	3,406,895
Materials and services	2,850,737	2,755,171	689,696	6,295,604	1,279,669
Depreciation	708,465	1,386,080	967,125	3,061,670	199,462
<b>TOTAL OPERATING EXPENSES</b>	<u>4,246,850</u>	<u>4,827,627</u>	<u>2,328,675</u>	<u>11,403,152</u>	<u>4,886,026</u>
<b>OPERATING INCOME (LOSS)</b>	<u>1,475,489</u>	<u>348,115</u>	<u>(1,234,741)</u>	<u>588,863</u>	<u>(102,349)</u>
<b>NON-OPERATING INCOME (EXPENSES)</b>					
Intergovernmental	-	-	164,424	164,424	113,230
Contributions	-	-	2,321	2,321	-
Gain (loss) on disposal of capital assets	-	(4,725)	(887)	(5,612)	(7,224)
Interest on investments	45,000	62,583	1,091	108,674	14,675
Interest expense	(111,778)	(324,402)	(44,321)	(480,501)	-
<b>TOTAL NON-OPERATING INCOME (EXPENSES)</b>	<u>(66,778)</u>	<u>(266,544)</u>	<u>122,628</u>	<u>(210,694)</u>	<u>120,681</u>
<b>NET INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS</b>	1,408,711	81,571	(1,112,113)	378,169	18,332
<b>CAPITAL CONTRIBUTIONS</b>					
Intergovernmental	-	-	898,937	898,937	-
Assessments	-	995	-	995	-
<b>TRANSFERS</b>					
Transfers in	500,000	1,194,698	441,021	2,135,719	50,000
Transfers out	(519,400)	(1,240,038)	(11,590)	(1,771,028)	(118,830)
<b>CHANGE IN NET POSITION</b>	1,389,311	37,226	216,255	1,642,792	(50,498)
<b>NET POSITION, Beginning</b>	<u>13,387,315</u>	<u>11,650,721</u>	<u>4,995,323</u>	<u>30,033,359</u>	<u>(563,569)</u>
<b>NET POSITION, Ending</b>	<u>\$ 14,776,626</u>	<u>\$ 11,687,947</u>	<u>\$ 5,211,578</u>	<u>\$ 31,676,151</u>	<u>\$ (614,067)</u>

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

**CITY OF PENDLETON, OREGON**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES, AND CHANGES**  
**IN FUND NET POSITION OF ENTERPRISE FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2019**

**Change in net position - total enterprise funds** \$ 1,642,792

Amounts reported for business-type activities in the Statement of Activities are different because:

Internal service funds are used by management to charge the costs of certain activities to individual funds. A portion of the net revenue (expense) of the internal service funds are allocated to business - type activities.

38,964

**Change in net position of business - type activities** \$ 1,681,756

**CITY OF PENDLETON, OREGON**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Fiscal Year Ended June 30, 2019**

	Business-type Activities - Enterprise Funds			Totals	Governmental
	All Water Funds	All Sewer Funds	Airport Fund		Activities Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 5,737,716	\$ 5,186,339	\$ 857,090	\$11,781,145	\$ 35,216
Receipts from interfund services provided	-	-	-	-	4,750,100
Payments to suppliers	(1,562,161)	(1,068,344)	(375,400)	(3,005,905)	(2,239,356)
Payments to employees	(461,270)	(440,105)	(425,054)	(1,326,429)	(2,293,562)
Payments for interfund services used	(1,601,649)	(1,882,755)	(183,630)	(3,668,034)	(21,330)
Net cash provided from (used by) operating activities	<u>2,112,636</u>	<u>1,795,135</u>	<u>(126,994)</u>	<u>3,780,777</u>	<u>231,068</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers in	500,000	1,194,698	441,021	2,135,719	50,000
Transfers out	(519,400)	(1,240,038)	(11,590)	(1,771,028)	(118,830)
Net cash provided from (used by) non-capital financing activities	<u>(19,400)</u>	<u>(45,340)</u>	<u>429,431</u>	<u>364,691</u>	<u>(68,830)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from intergovernmental revenue	-	-	1,063,361	1,063,361	55,812
Contributions	-	-	2,321	2,321	-
Assessments collections	-	9,894	-	9,894	-
Proceeds from issuance of debt	2,454,423	462,184	-	2,916,607	-
Interfund loan proceeds	52,242	375,274	1,889,150	2,316,666	226,992
Interfund loan payments	(314,363)	(900,800)	(2,243,000)	(3,458,163)	-
Acquisition of capital assets	(826,806)	(985,920)	(951,764)	(2,764,490)	(97,160)
Principal paid on long-term obligations	(362,698)	(367,490)	(28,790)	(758,978)	-
Interest paid on long-term obligations	(94,831)	(288,236)	(28,245)	(411,312)	-
Net cash provided from (used by) capital and related financing activities	<u>907,967</u>	<u>(1,695,094)</u>	<u>(296,967)</u>	<u>(1,084,094)</u>	<u>185,644</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Net sales (purchases) of investments	-	(2,757)	-	(2,757)	-
Interest on investments	45,000	62,583	1,091	108,674	14,675
Net cash provided (used) by investing activities	<u>45,000</u>	<u>59,826</u>	<u>1,091</u>	<u>105,917</u>	<u>14,675</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	3,046,203	114,527	6,561	3,167,291	362,557
<b>CASH AND CASH EQUIVALENTS, Beginning</b>	<u>1,183</u>	<u>1,940,062</u>	<u>362</u>	<u>1,941,607</u>	<u>485,416</u>
<b>CASH AND CASH EQUIVALENTS, Ending</b>	<u>\$ 3,047,386</u>	<u>\$ 2,054,589</u>	<u>\$ 6,923</u>	<u>\$ 5,108,898</u>	<u>\$ 847,973</u>
<b>COMPRISED AS FOLLOWS:</b>					
Cash and cash equivalents	<u>\$ 3,047,386</u>	<u>\$ 2,054,589</u>	<u>\$ 6,923</u>	<u>\$ 5,108,898</u>	<u>\$ 847,973</u>
	<u>\$ 3,047,386</u>	<u>\$ 2,054,589</u>	<u>\$ 6,923</u>	<u>\$ 5,108,898</u>	<u>\$ 847,973</u>

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



**CITY OF PENDLETON, OREGON**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Fiscal Year Ended June 30, 2019**

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	All Water Funds	All Sewer Funds	Airport Fund	Totals	
<b>Reconciliation of operating income (loss) to net cash provided from (used by) operating activities</b>					
Operating income (loss)	\$ 1,475,489	\$ 348,115	\$(1,234,741)	\$ 588,863	\$ (102,349)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	708,465	1,386,080	967,125	3,061,670	199,462
(Increase) decrease in assets and deferred outflows:					
Receivables	10,063	10,597	(406,981)	(386,321)	(261)
Prepaid	61,979	151,146	(1,700)	211,425	(12,446)
Inventories	(38,281)	(11,725)	-	(50,006)	-
Net OPEB asset	(3,366)	(2,648)	(2,423)	(8,437)	(19,600)
Deferred outflows related to pension	(8,453)	(8,466)	(34,953)	(51,872)	(90,594)
Deferred outflows related to OPEB	7	(902)	(1,783)	(2,678)	(11)
Increase (decrease) in liabilities and deferred inflows:					
Accounts payable and accrued expenses	(123,914)	(124,766)	273,633	24,953	(7,133)
Deposits	5,314	-	170,137	175,451	1,900
Compensated absences payable	2,372	7,525	12,903	22,800	4,916
Other post employment benefits liability	(11,809)	3,591	21,290	13,072	(47,436)
Net pension liability	(12,358)	(4,651)	71,822	54,813	43,726
Deferred inflows related to pension	38,333	30,329	30,255	98,917	227,037
Deferred inflows related to OPEB	8,795	10,910	8,422	28,127	33,857
Net cash provided from (used by) operating activities	<u>\$ 2,112,636</u>	<u>\$ 1,795,135</u>	<u>\$ (126,994)</u>	<u>\$ 3,780,777</u>	<u>\$ 231,068</u>

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



## **FUND FINANCIAL STATEMENTS**

---

---

### **Fiduciary Funds**

The City of Pendleton uses three Agency Funds to account for assets held by the government as an agent for individuals, private organizations, other governments, and/or other funds. The assets and liabilities of these funds are not considered assets of the City of Pendleton, and have been excluded from the Government-Wide Financial Statements. Funds included are:

- **Bail Fund**
- **Pendleton Foundation Trust Fund**

**CITY OF PENDLETON, OREGON**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**June 30, 2019**

	Agency
<b>ASSETS</b>	
Cash and cash equivalents	\$ 22,579
Total assets	\$ 22,579
<b>LIABILITIES</b>	
Accounts payable	\$ 16,524
Due to other governments	6,055
Total liabilities	\$ 22,579

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

## **NOTES TO THE BASIC FINANCIAL STATEMENTS**

---

**CITY OF PENDLETON, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Pendleton, Oregon (the City) is organized under the general laws of the State of Oregon. The City Council, composed of the mayor and eight Council members, comprises the legislative branch of the City. Individual departments are under the direction of the City Manager, who is appointed by the City Council.

There are various other governmental agencies and special service districts which provide services within the City's boundaries. However, the City is not financially accountable for any of these entities and accordingly their financial information is not included in these financial statements.

The accompanying financial statements present all activities, funds and component units for which the City is considered to be financially accountable. The criteria used in making this determination includes appointment of a voting majority, imposition of will, financial benefit or burden on the primary government, and fiscal dependency on the primary government. Based upon the evaluation of these criteria, the City is a primary government with the following includable component unit.

**Pendleton Development Commission**

The Agency was formed to undertake urban renewal projects and activities pursuant to the City's urban renewal plan. The Board of Directors of the Agency consists of the Mayor and the eight elected City Council members. The City is required to certify to the County Assessor any incremental taxes to be levied for the benefit of the Agency. The City has the ability to significantly influence the operations of the Agency and provides financial benefit. Since the City Council acts as its governing board, it has been included as a blended component unit in the financial statements. Complete financial statements for the Agency may be obtained at the City's administrative offices, 500 SW Dorian Avenue, Pendleton, OR 97801.

**B. Government – Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the City (the primary government) and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the City is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a

particular function or segment, including special assessments. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

### **C. Measurement Focus, Basis of Accounting and Basis of Presentation**

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 35 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, court fines, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the City receives cash.

The City reports the following major governmental funds:

The *general fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *street fund* accounts for revenues received from the state and local gasoline tax, which are expended for the construction, maintenance, and use of city streets.

The *fire bond capital construction fund* accounts for the financial activity related to the Fire Bond Approved by taxpayers to build a new fire station and obtain new fire equipment.

The City reports the following major proprietary funds:

The *water fund* accounts for the activities associated with the water distribution system and capital improvements to the system.

The *sewer* and *sewer capital reserve funds* are collapsed in to “All Sewer Funds” for presentation in the financial statements. These funds account for the activities associated with wastewater collection and capital improvements to the wastewater system.

The *airport fund* accounts for activity associated with the operations and capital improvements of the City’s municipal airport.

Additionally, the City reports the following fund types:

*Internal service funds* account for central services and construction and repair services provided to other departments or agencies of the City, or to other governments on a cost reimbursement basis.

*Agency funds* account for resources held by the City as an agent for individuals, private organizations, other governments, and/or other funds.

As a general rule the effect of interfund activity has been eliminated from government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City’s water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs of program revenues reporting in the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Taxes and other items not properly included as program revenues are reported instead as *general revenues*.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the City’s enterprise and internal service funds are charges for customer services including water and sewer charges, grave site sales and opening and closing fees, landing fees, facility and equipment rents, and labor and overhead charges. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, and then unrestricted assets, as they are needed.

## **D. Assets, Liabilities, and Equity**

### **1. Cash, Cash Equivalents and Investments**

The City’s cash and cash equivalents are considered to be cash on hand, demand deposits, investments in the Local Government Investment Pool, and short-term investments with original maturities of three months or less from the date of acquisition.

The City maintains merged bank accounts and investments for its funds in a central pool of cash and investments. The investment policy of the City is to invest in the Local Government Investment Pool and interest bearing demand deposits with local



banks and to transfer resources to the general checking account as the need arises. This policy is in accordance with ORS 294.035, which specifies the types of investments authorized for municipal corporations. The City allocates earnings on investments to selected funds based on the average monthly balances throughout the year. Investments are stated at amortized cost, which approximates fair value.

## **2. Receivables and Payables**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal loans".

Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not available expendable financial resources.

Other receivables including accounts, entitlements, and shared revenues are reported in accordance with the policies enumerated in Paragraph C above. An allowance for uncollectible accounts has been established for the General, Airport, and Water Fund, and represents the portion of receivables not expected to be collected.

## **3. Inventories and Prepaid Items**

Inventories in Enterprise Funds are determined by physical count and are stated at the lower of cost (first in, first out) or market. Expenses are recognized when inventories are consumed. Other inventories are taken for control purposes only with no dollar value assigned. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

## **4. Restricted Assets**

The Debt Service Fund is legally restricted to debt service for \$446,212 and the Sewer funds have \$407,937 restricted for debt service. Unspent bond proceeds of \$961,721 are restricted for fire department capital. In addition, net position of the library permanent trust fund and the cemetery perpetual care permanent trust fund are permanently restricted.

## **5. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost when actual cost is not available. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Property, plant, and equipment are depreciated using the straight-line method. In the year of acquisition, depreciation and amortization are taken for a full year if the asset is put into service during the first six months of the year, and no depreciation is taken if the asset is placed in service in the last six months of the fiscal year.

The estimated useful lives of capital assets are:

▪ Buildings	5 to 50 years
▪ Equipment	3 to 20 years
▪ Improvements	5 to 60 years
▪ Infrastructure	40 years

## **6. Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the lives of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Per GASB 65, bond issuance costs are expensed in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

## **7. Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused vacation, holiday, "comp time", and sick leave benefits. No liability is reported for unpaid accumulated sick leave benefits since the City does not have a policy to pay sick leave when employees separate from service with the City. All vacation, holiday, and comp time are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Payment of this benefit to any employee is made from the fund which had been used to record the personnel cost of the employee immediately prior to separation. Compensated absences are general paid by the General, Street, Library, Pendleton Convention Center, Utility, Airport, and Internal Service funds.

## **8. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee

contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Pension and OPEB liabilities are general paid by the General, Street, Library, Pendleton Convention Center, Utility, Airport, and Internal Service funds.

## **9. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that met the definition of GASB 54: Nonspendable, Restricted, Committed, Assigned, and Unassigned.

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

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

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

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

Fund balance is reported as assigned when resources are constrained by the government's intent to use them for a specific purpose, but are neither restricted nor committed. Intent is expressed when the City council approves which resources should be assigned to expenditures of particular purposes during the adoption of the annual budget. The City's Finance Director uses that information to determine whether those resources should be classified as assigned or unassigned for presentation in the City's fund financial statements.

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

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

## **10. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of certain assets,

liabilities, revenues, expenditures, expenses and other disclosures. Accordingly, actual results could differ from those estimates.

## **II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **A. Budgetary Information**

Annual budgets are adopted on a basis of accounting principles generally accepted in the United States of America (GAAP) for most special revenue funds, debt service funds, and most trust funds. The annual budget for the General, Community Rehabilitation, Sidewalk Repair, PCC TPAC, LID Construction, and Street HB 2001 funds and the proprietary funds are adopted on a basis not consistent with GAAP in order to comply with Oregon Local Budget Law. The individual fund statements for the Sidewalk Repair, PCC TPAC, LID Construction, Street HB 2001, Water, and Airport funds include debt service expenditures and other financing sources for interfund loan repayments as required by Oregon Local Budget Law. These amounts have been adjusted from the schedules to arrive at a basis consistent with GAAP. The Community Rehabilitation and Sidewalk Repair funds are budgeted in accordance with Oregon Budget Law, but do not qualify as special revenue funds under GASB 54. These funds have been combined with the General Fund for GAAP reporting. All annual appropriations lapse at fiscal year-end.

Oregon Local Budget Law establishes standard procedures relating to the preparation, adoption, and execution of the annual budget.

The City begins its budgeting process by appointing Budget Committee members in the fall of each year. Management develops budget recommendations by early spring, with the Budget Committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June and the hearing is held in June. The City Council adopts the budget, makes appropriations, and declares the tax levy no later than June 30. Except in the case of grant receipts, loan, and bond sale proceeds which could not be reasonably estimated at the time the budget was adopted, expenditure appropriations may not be legally over expended.

The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. The level of budgetary control is established at the department level for the General Fund and the Central Services Fund. For all other funds, the level of budgetary control is established at the organization unit level, debt service, contingency, and all other requirement levels.

Unexpected additional resources may be added to the budget and appropriated for expenditure through the use of a supplemental budget. The supplemental budget process requires a hearing before the public, publication in the newspaper, and approval by the City Council. Oregon Local Budget Law also provides certain specific exceptions to the supplemental budget process to increase appropriations. Management must obtain City Council authorization for all appropriation transfers and supplementary budgetary appropriations.

During the year ended June 30, 2019, appropriation reclassifications and transfers were approved, and supplemental budgets were adopted. Appropriations are limited to a single fiscal year; therefore, all spending authority of the City lapses as of fiscal year-end.

## B. Excess of Expenditures over Appropriations

The City had expenditures over appropriations in the following funds:

Pendleton Convention Center Fund:	
Debt Service	<u>\$ 83</u>
Water Fund:	
Debt Service	<u>\$ 3,029</u>
Interfund loan repayment	<u>\$ 5,926</u>

## C. Deficit fund balances

Funds having a deficit fund balance on the budgetary basis at June 30, 2019 are as follows:

<u>General Fund Sub-Funds</u>	
Sidewalk Repair Loan Fund	<u>\$ (24,181)</u>
<u>Special Revenue Funds</u>	
Pendleton Convention Center Fund	<u>\$ (75,129)</u>
PCC TPAC Fund	<u>\$ (2,860)</u>
<u>Enterprise Funds</u>	
Airport Fund	<u>\$(1,902,161)</u>

Management expects the deficit fund balances to be reversed in future years by loan collections, intergovernmental revenue, and charges for services, but the plan to fully reverse the airport deficit has not yet been determined.

## III. DETAILED NOTES ON ALL FUNDS

### A. Deposits and Investments

**Deposits.** The Governmental Accounting Standards Board has adopted accounting principles generally accepted in the United States of America (GAAP), which includes standards to categorize deposits to give an indication of the level of custodial credit risk assumed by the City at June 30, 2019. If bank deposits at year end are not entirely insured or collateralized by the City or by its agent in the City's name, the City must disclose the custodial credit risk that exists. The City's deposits with financial institutions are comprised of bank demand deposits and certificates of deposit. For deposits in excess of federal depository insurance, Oregon Revised Statutes require that Public officials report to the Office of the State Treasurer (OST) all bank depositories in which they deposit public funds and bank depositories will then report financial information and total public funds deposits quarterly to OST. OST will then calculate the required collateral that must be pledged by the bank based on this information and the depository's FDIC assigned capitalization category. Bank depositories will then have a shared liability in the event of a bank loss. For the fiscal year ended June 30, 2019, the carrying amount of the City and Urban Renewal Agency's deposits, including certificates of deposit categorized as investments of \$819,187 was \$2,521,417 and the bank

balance was \$3,082,377. All deposits are held in the name of the City or the Pendleton Development Commission (blended component unit). Of the bank balance, \$1,238,270 was covered by federal depository insurance. The remaining \$1,844,107 was collateralized under ORS 295.

Custodial credit risk for deposits is the risk that, in the event of bank failure, a government's deposits may not be returned to it. The City does not have a formal policy for custodial credit risk.

Restricted Cash in Escrow – The City is responsible for Limited Tax Pension Obligations issued for financing of payment of the City's Oregon Public Employee Retirement System (PERS) unfunded liability. Scheduled payments for bond redemption are made monthly to an escrow account. These deposited amounts are invested and when payments are due, the escrow account transmits the payment. At June 30, 2019, the amount held in the escrow account for future scheduled payments was \$448.

**Investments.** The City of Pendleton has invested funds in the State Treasurer's Oregon Short-Term Fund Local Government Investment Pool during the year. The Oregon Short-Term Fund is the local government investment pool for local governments and was established by the State Treasurer. It was created to meet the administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). Local Government Investment Pool (LGIP) is an unrated external investment pool managed by the State Treasurer's Office, which allows governments within the state to pool their funds for investment purposes. The amounts invested in the pool are not classified by risk categories because they are not evidenced by securities that exist in physical or book entry as defined by GASB Statement No. 40.

In addition, The Oregon State Treasury LGIP distributes investment income on an amortized cost basis and the participant's equity in the pool is determined by the amount of participant deposits, adjusted for withdrawals and distributed income. Accordingly, the adjustment to fair value would not represent an expendable increase in the City's cash position.

The City of Pendleton also invests in the AFCTS Master Trust which is an external investment pool administered by Key Trust. These approved investments are carried at fair value, as required by Governmental Accounting Standards Board Statement 31. This investment pool has not been assigned a risk category since the City is not issued securities, but rather owns an undivided beneficial interest in the assets of this pool. Income from this investment pool is recorded in the Cemetery Perpetual Care Fund, a permanent trust fund.

**Credit Risk.** State statutes authorize the City to invest primarily in general obligations of the U.S. Government and its agencies, certain bonded obligations municipalities, bank repurchase agreements, bankers' acceptances, certain commercial papers, certificates of deposit, and the State Treasurer's investment pool, among others.

**Concentration of Credit Risk.** The City is required to provide information about the concentration of credit risk associated with its investments in one issuer that represent 5 percent or more of the total investments, excluding investments in external investment pools or those issued and explicitly guaranteed by the U.S. Government. The City has Certificates of Deposit at Banner Bank, which represent 9% of total cash and investments.

Interest Rate Risk. The City has no formal investment policy that explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates.

Investments held by the City at June 30, 2019 include Certificates of Deposit with Banner Bank totaling \$819,187. All of the Certificates will mature within one year. In addition, the City is invested in the following:

Investments not subject to categorization:	
External Investment Pool	<u>\$ 792,713</u>

A reconciliation of cash and cash equivalents as shown on the Fund Financial Statements is as follows:

Cash on hand	\$ 2,495
Cash with Police Department	15,913
Deposits with financial institutions	1,701,678
Local Government Investment Pool	<u>11,804,635</u>
Total cash and cash equivalents	<u>\$ 13,524,721</u>
Funds:	
General	\$ 1,230,807
Street	994,166
Fire Bond Capital Construction	2,087,676
Non - major Governmental funds	3,232,622
Water	3,047,386
All Sewer funds (\$134,211 restricted)	2,054,589
Airport	6,923
Internal Service funds	847,973
Fiduciary funds	<u>22,579</u>
Total cash and cash equivalents	<u>\$ 13,524,721</u>

**B. Receivables**

Uncollected property taxes in governmental funds are shown on the Statement of Net Position as receivables. Property is valued as of January 1. Taxes are assessed and become property liens on July 1, annually. Property tax statements are mailed no later than October 25, and taxes are due in three installments on November 15, February 15, and May 15. Discounts, less than or equal to three percent, are offered to those paying early. Taxes outstanding on May 16th are considered delinquent. Taxes are billed and collected by Umatilla County, and remittance to the City is made at periodic intervals.

For fiscal year 2018-2019, the City levied property taxes in the amount of \$5,998,126. The tax rate was \$6.5771 per \$1,000 of assessed value before compression due to constitutional limits. The City also levied \$567,107 for debt service at a tax rate of \$0.6238 per \$1,000. The assessed value for the City was \$979,647,633. The Pendleton Development Commission, a blended component unit of the City, levied taxes at its maximum taxing authority resulting in a net levy of \$897,367.

Receivables as of year-end for the governmental activities individual major funds, internal service funds classified as governmental activities and non-major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Combined General	Street	Fire Bond Capital Construction	Other Governmental Funds	Internal Service	Total Governmental Activities
Property taxes	\$ 325,172	\$ -	\$ -	\$ 71,784	\$ -	\$ 396,956
Special assessments	17,988	-	-	799,486	-	817,474
Accounts	2,881,245	68,538	-	323,538	-	3,273,321
Intergovernmental	288,406	111,753	-	249,507	113,230	762,896
Interest	18	-	-	-	-	18
Notes	137,718	-	-	123,539	-	261,257
Gross Receivables	3,650,547	180,291	-	1,567,854	113,230	5,511,922
Less: Allowance for Uncollectibles	(1,562,378)	-	-	-	-	(1,562,378)
Net Total Receivables	\$ 2,088,169	\$ 180,291	\$ -	\$ 1,567,854	\$ 113,230	\$ 3,949,544

Receivables as of year-end for the business-type activities individual major funds and internal service funds classified as business-type activities, including the applicable Allowances for uncollectible accounts, are as follows:

	Water Fund	Sewer Funds	Airport	Total Business-type Activities
Accounts	\$ 970,223	\$ 803,529	\$ 130,174	\$ 1,903,926
Intergovernmental	-	-	423,966	423,966
Assessments	-	8,598	-	8,598
Interest	-	299	-	299
Gross Receivables	970,223	812,426	554,140	2,336,789
Less: Allowance for Uncollectibles	(7,099)	(5,637)	(27,946)	(40,682)
Net Total Receivables	\$ 963,124	\$ 806,789	\$ 526,194	\$ 2,296,107

### C. Deferred Inflows and Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expenditure/expense) until then. The City has two items that qualify for reporting in this category. The deferred amounts relating to pensions and other post-employment benefits (OPEB) is recognized as an outflow of resources in the period when the City recognizes pension and OPEB expense/expenditures. Deferred outflows are included in the government-wide Statement of Net Position.

In addition to liabilities, the statement of financial position and or balance sheet will sometimes report a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. On the full accrual basis in the government-wide and proprietary funds statement of net position, the City reports deferred inflows related to pensions and other post-employment benefits (OPEB). On the modified accrual basis of accounting unavailable revenue is reported only in the governmental fund balance



sheet. The amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The governmental funds report unavailable revenues from the following sources:

	Combined General	Street	Fire Bond Capital Construction	Other Governmental Funds	Total Governmental Activities
Property taxes	\$ 278,077	\$ -	\$ -	\$ 61,258	\$ 339,335
Intergovernmental	99,598	-	-	80,175	179,773
Notes and assessments	155,873	-	-	923,025	1,078,898
Ambulance receivables	219,092	-	-	-	219,092
Court receivables	523,188	-	-	-	523,188
Other	78,061	-	-	29,844	107,905
	<u>\$ 1,353,889</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,094,302</u>	<u>\$ 2,448,191</u>

#### D. Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2019 was as follows:

Description	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Capital assets not being depreciated:					
Land	\$ 4,080,709	\$ -	\$ -	\$ -	\$ 4,080,709
Land/assets available for sale	866,261	-	-	(105,000)	761,261
Construction in progress	1,341,932	7,411,628	-	-	8,753,560
Total non-depreciable	<u>6,288,902</u>	<u>7,411,628</u>	<u>-</u>	<u>(105,000)</u>	<u>13,595,530</u>
Capital assets being depreciated:					
Buildings	16,789,505	325,679	-	(27,991)	17,087,193
Equipment	7,853,073	961,317	-	(318,848)	8,495,542
Improvements	32,465,793	665,530	-	-	33,131,323
Infrastructure	20,926,650	-	-	-	20,926,650
Total depreciable	<u>78,035,021</u>	<u>1,952,526</u>	<u>-</u>	<u>(346,839)</u>	<u>79,640,708</u>
Accumulated depreciation					
Buildings	(8,758,544)	(510,935)	-	22,797	(9,246,682)
Equipment	(5,619,598)	(487,807)	-	305,439	(5,801,966)
Improvements	(11,322,907)	(1,088,687)	-	-	(12,411,594)
Infrastructure	(18,833,984)	(523,166)	-	-	(19,357,150)
Total accumulated depreciation	<u>(44,535,033)</u>	<u>(2,610,595)</u>	<u>-</u>	<u>328,236</u>	<u>(46,817,392)</u>
Total capital assets being depreciated, net	<u>33,499,988</u>	<u>(658,069)</u>	<u>-</u>	<u>(18,603)</u>	<u>32,823,316</u>
Governmental activities capital assets, net	<u>\$ 39,788,890</u>	<u>\$ 6,753,559</u>	<u>\$ -</u>	<u>\$ (123,603)</u>	<u>\$ 46,418,846</u>

Depreciation expense for governmental activities, including the allocated portion of internal service fund depreciation, is charged to governmental functions as follows:

General government	\$ 234,240
Public safety	428,351
Highways and streets	1,309,053
Culture and recreation	564,781
Internal service - Central Services	<u>74,170</u>

Total depreciation for governmental activities \$ 2,610,595

Capital asset activity for business-type activities for the year ended June 30, 2019 was as follows:

Description	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Capital assets not being depreciated:					
Land	\$ 298,769	\$ -	\$ -	\$ -	\$ 298,769
Construction in progress	1,255,178	1,556,848	-	-	2,812,026
Total non-depreciable	<u>1,553,947</u>	<u>1,556,848</u>	<u>-</u>	<u>-</u>	<u>3,110,795</u>
Capital assets being depreciated:					
Buildings	17,131,693	385,394	-	(118,137)	17,398,950
Equipment	19,084,817	112,771	-	(7,004)	19,190,584
Improvements	60,282,769	763,975	-	(7,461)	61,039,283
Total depreciable	<u>96,499,279</u>	<u>1,262,140</u>	<u>-</u>	<u>(132,602)</u>	<u>97,628,817</u>
Accumulated depreciation					
Buildings	(7,355,537)	(462,341)	-	113,415	(7,704,463)
Equipment	(17,437,231)	(314,239)	-	6,117	(17,745,353)
Improvements	(28,782,172)	(2,410,382)	-	7,460	(31,185,094)
Total accumulated depreciation	<u>(53,574,940)</u>	<u>(3,186,962)</u>	<u>-</u>	<u>126,992</u>	<u>(56,634,910)</u>
Total capital assets being depreciated, net	<u>42,924,339</u>	<u>(1,924,822)</u>	<u>-</u>	<u>(5,610)</u>	<u>40,993,907</u>
Business-type activities capital assets, net	<u>\$ 44,478,286</u>	<u>\$ (367,974)</u>	<u>\$ -</u>	<u>\$ (5,610)</u>	<u>\$ 44,104,702</u>

Depreciation expense for business-type activities, including the allocated portion of the internal service funds, is charged to functions as follows:

Water	\$ 708,465
Sewer	1,386,080
Airport	967,125
Internal service - PW Administration and Fleet	<u>125,292</u>
Total depreciation for business-type activities	<u><u>\$ 3,186,962</u></u>

## E. Advances Receivable/Payable

In the government-wide financial statements, the business-type activities have internal balances payable to the governmental activities in the amount of \$1,171,499. At June 30, 2019, amounts due from other funds in the fund financial statements are as follows:

General Fund receivable from:			
TPAC	\$	32,000	
Sidewalk Repair Loan Fund		25,000	
PCC		<u>260,500</u>	\$ 317,500
System Development Fees Fund receivable from:			
Airport Fund			384,700
Sewer Funds receivable from:			
Water Fund	\$	52,242	
Airport Fund		<u>1,504,450</u>	<u>1,556,692</u>
Total Interfund Receivables			<u>\$ 2,258,892</u>

Interfund loans were made for capital purposes in the Water Fund for \$52,242 and operating purposes for all other funds, loans do accrue interest. The loans are renewed on an annual basis through City Council resolution. The source of repayment for the Airport Fund loans has not yet been determined. The sources of repayment for the other loans are future loan/assessment collections and charges for services.

## F. Transfers

Net transfers between governmental activities and business-type activities in the government-wide financial statements consist of transfers out of the governmental activities and transfers into the business-type activities in the amounts of \$327,291. A reconciliation of transfers in the budgetary fund financial statements is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 222,072	\$ 887,841
State Tax Street Fund	100,000	16,170
Non-major governmental funds	355,370	69,292
Enterprise Funds:		
Water Fund	500,000	519,400
Sewer Fund	1,194,698	1,240,038
Airport Fund	441,021	11,590
Internal Service Funds:		
PW Administrations and Fleet	-	37,400
Central Services Fund	<u>50,000</u>	<u>81,430</u>
Total all funds	<u>\$ 2,863,161</u>	<u>\$ 2,863,161</u>

Transfers out of the General Fund were for the City's contribution towards senior transportation, equipment replacement, and to reimburse the library for central services charges. The non-major governmental funds transfers include the transfer of interest earnings from the library and cemetery permanent trust funds to the Library Trust Fund and General Fund; transfers of resources for debt service and transfers for capital expenditures. Transfers into the General Fund consist of reimbursement from various funds for PERS bond debt service.

## G. Long – Term Liabilities from Direct Borrowings and Direct Placements

### 1. Limited Tax Pension Bonds

The City issued Limited Tax Pension Bonds in September of 2005, with interest rates ranging from 4.210% to 5.004%. This bond issuance is secured by the full faith and credit of the City, with final payments due June 1, 2028. These bonds were issued to finance the payment of the City's Oregon Public Employee Retirement System (PERS) unfunded liability.

The City's future maturities for Limited Tax Pension Bonds are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2020	\$ 390,000	\$ 247,383
2021	430,000	228,433
2022	480,000	206,915
2023	530,000	182,896
2024	585,000	156,375
2025-2029	2,540,000	301,741
	<u>\$ 4,955,000</u>	<u>\$ 1,323,743</u>

### 2. Urban Renewal Bonds

The Pendleton Development Commission established a non-revolving line of credit with Banner Bank which was negotiated into bonds at 4.75% on March 31, 2013 for the outstanding balance of \$1,821,754 and borrowed an additional \$325,000. The City issued the First Amendment to Bond Purchase Agreement and Bond in October of 2017, with interest rates ranging from 3.75% to 4.75%, and final payments due January 15, 2023. This bond was issued to amend the Bond Purchase Agreement between the Pendleton Development Commission and Banner Bank, dated as of January 15, 2023, and the Commission's Pendleton Downtown Riverfront Urban Renewal Area Urban Renewal Bond, Series 2013. Interest rates have fallen since the issuance of the Original Bond and the execution of the Original Bond Purchase Agreement. The original Bond Purchase Agreement and the Bond must be amended in order to incorporate the lower interest rate. The bond is to be repaid by property taxes and the balance at June 30, 2019 was \$975,647. There is no prepayment penalty and property tax revenues are pledged to the bonds.

Future maturities are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2020	\$ 228,464	\$ 36,587
2021	239,316	28,019
2022	250,684	19,045
2023	257,183	9,644
	<u>\$ 975,647</u>	<u>\$ 93,295</u>

The City entered into the Financing Agreement (Riverfront Downtown Urban Renewal Area) in January 2018, with a maximum principal amount of \$3,500,000. Tax Incremental Revenues will be used to pay amounts due. As of June 30, 2019, a draws of \$1,200,000 has been made and paid back with \$900,000 in the current year. The maximum amount of indebtedness decreases each year starting January 1, 2020. At any time, the Commission can elect to convert all or a portion of the outstanding principal balance to a fixed rate with an extended maturity date. Interest rates on the converted amount will be based on the rate in effect on the conversion date. Interest is based on LIBOR rate plus 3%.

### 3. General Obligation Bonds

The City issued General Obligation Bonds, Series 2017 in September of 2017 in the amount of \$9,060,000, with interest rates ranging from 2% to 4%. The bond issuance is secured by the full faith and credit of the City, with final payments due June 15, 2038. These bonds were issued to finance capital projects related to the replacement of the fire station, the replacement of obsolete safety, medical, and fire equipment, and to pay the costs of issuance of the bonds. The bond is to be repaid by property taxes.

Future maturities of the outstanding loans are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2020	\$ 275,000	\$ 318,200
2021	290,000	309,950
2022	335,000	301,250
2023	245,000	291,200
2024	265,000	283,850
2025-2029	1,740,000	1,255,700
2030-2034	2,560,000	877,900
2035-2039	2,805,000	290,200
	<u>\$ 8,515,000</u>	<u>\$ 3,928,250</u>

The City issued Full Faith and Credit Refunding Bonds, Series 2018 in March of 2018 in the amount of \$6,560,779, with an interest rate of 3.2%. Final payments will be due July 15, 2030. The bond was issued to currently refund a USDA Rural Development Loan, to currently refund the City's Waste Water Revenue Bonds, Series 2007, and to pay certain costs of issuance of the Agreement. The refunding of the Refunded Obligations is being accomplished for the City to realize present value debt service savings. The refunded bonds are payable 90.50% from Waste Water and 9.5% from the General Fund. The refunding resulted in an actual cash savings of \$282,203 and net present value savings of \$306,368.

Future maturities of the General Fund portion of the outstanding loans are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2020	\$ 45,033	\$ 18,796
2021	46,474	17,332
2022	47,961	15,821
2023	49,496	14,261
2024	51,079	12,652
2025-2029	280,987	37,262
2030-2034	88,854	2,290
	<u>\$ 609,884</u>	<u>\$ 118,414</u>

Future maturities of the Waste Water portion of the outstanding loans are as follows:

Year Ending June 30	Business-Type	
	Principal	Interest
2020	\$ 510,180	\$ 179,929
2021	526,315	163,345
2022	542,204	146,248
2023	557,575	128,652
2024	576,930	110,500
2025-2029	3,164,652	259,159
	<u>\$5,877,856</u>	<u>\$ 987,832</u>

#### 4. Contracts, loans, and notes payable

The City received two loans from the Safe Drinking Water State Revolving Loan Fund for construction of water system improvements in the amounts of \$4,000,000 and \$1,900,000. Repayment on the loans is amortized over a 20-year period, including interest at 4.5% and 4.17%, respectively.

Future maturities of the outstanding loans are as follows:

Year Ending June 30	Business-Type Activities	
	Principal	Interest
2020	\$ 378,522	\$ 71,031
2021	394,548	56,395
2022	412,783	37,055
2023	430,237	18,911
	<u>\$ 1,616,090</u>	<u>\$ 183,392</u>

The Sewer Fund received a \$4.0 million Clean Water State Revolving Loan for improvements to the wastewater treatment facility. The loan is at 0% interest and includes a loan forgiveness clause for 50% of the total debt upon completion of the project, which occurred in the 2013-14 fiscal year. The City also received an additional loan from the CWSRLF for \$4.65 million. The interest rate of this loan will be 2.77% over a 20-year life. The loan calls for a \$50,000 and \$157,228 reserve in

trust for the benefit of the DEQ, respectively. The loans are secured by a pledge of net revenues from the system.

Future maturities of the outstanding loans are as follows:

<u>Year Ending June 30</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 315,480	\$ 94,762
2021	321,491	88,751
2022	327,668	82,574
2023	334,018	76,224
2024	340,546	69,696
2025-2029	1,807,189	244,021
2030-2034	1,378,110	57,740
	<u>\$ 4,824,502</u>	<u>\$ 713,768</u>

The City received a \$316,000 loan from Community Bank to finance a portion of the purchase of a building at the airport. The loan is payable over a period of ten years with monthly payments of principal and interest. For the first 60 payments the interest rate on the loan will be 2.79%. Thereafter, the interest rate is subject to change based on the Federal Home Loan Bank five-year fixed advanced rate, plus a margin of .5%. Final payment is due April 13, 2027. Future maturities are as follows:

<u>Year Ending June 30</u>	<u>Business-type activities</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 29,597	\$ 6,724
2021	30,433	5,888
2022	31,293	5,028
2023	32,177	4,144
2024	33,087	3,234
2025-2028	98,151	4,223
	<u>\$ 254,738</u>	<u>\$ 29,241</u>

The City established a note payable with Banner Bank for the Sunridge LID. The note was authorized and withdrawn in full for \$1,300,000. The payments were initially due over the subsequent 15 years at a rate of 4.9%, with a schedule rate change after five year at an interest rate of 4.0% with payments due over the subsequent ten years. The current rate is 4%. Future payments of the note are as follows:

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 102,678	\$ 21,624
2021	106,826	17,476
2022	111,142	13,160
2023	115,632	8,670
2024	120,303	3,998
2025	9,313	346
	<u>\$ 565,894</u>	<u>\$ 65,274</u>

The City received a Special Public Works Fund loan through the Oregon Infrastructure Authority to finance Tutuilla Road infrastructure improvements as part of LID 438. The total loan award is for \$626,067 and is received on the expense reimbursement basis. Through June 30, 2015, the City has received \$592,580 in loan proceeds and finalized the loan at less than the full amount. The note payable requires interest only payments at 4.56% interest per annum through December 1, 2016 and then principal and interest payments for 20 years starting December 1, 2017 at 4.56% interest. Future maturities are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2020	\$ 20,522	\$ 25,271
2021	21,457	24,335
2022	22,436	23,356
2023	23,459	22,333
2024	24,529	21,264
2025-2029	140,476	88,485
2030-2034	175,564	53,399
2035-2039	125,739	11,638
	<u>\$ 554,182</u>	<u>\$ 270,081</u>

The City received an \$825,000 loan for the convention center expansion (Eastside expansion) TPAC revenues and the full faith and credit of the City are pledged for payment. The City is required to collect TPAC revenues in an amount equal to 115% or more of the annual debt service under this agreement. Semiannual Installment payments of \$37,617 are due for fifteen years, including interest at 4.35%, with the final payment due July 15, 2029. Future maturities are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2020	\$ 48,120	\$ 27,114
2021	50,194	25,040
2022	52,504	22,730
2023	54,846	20,390
2024	57,291	17,943
2025-2029	327,062	49,109
2030	35,802	805
	<u>\$ 625,819</u>	<u>\$ 163,131</u>

The City was awarded a Strategic Reserve Fund loan from the State of Oregon to provide facilities and equipment for the UAS test range. The total loan award was for \$545,000 and is forgivable as long as the City meets the specific requirements, which include completing the project by January 1, 2017, unless further extended, and continuing to market and operate the program until December 31, 2022. If the requirements are not met, the City is required to repay the portions of the loan not forgiven on January 31, 2023 with interest at a rate of 5% per year. As of, June 30, 2019, the City has recognized the full loan proceeds of \$545,000.



The City was awarded a Special Public Works Fund grant and loan to construct box hangars and storage units for users of the Pendleton UAS test range. The grant awarded was \$500,000 and the loan award was \$655,000 and will be requested on a cost reimbursement basis. As of June 30, 2019, the City has recognized loan proceeds in the amount of \$469,497 and has finalized the loan. The repayment commencement date is December 1 that occurs within two years following completion of the project. The City will pay principal and interest in level installments to repay the principal (including capitalized interest) and interest at 3.4% per annum over twenty-four years. The grant portion requires 100 new jobs be created within 5 years of completion or repayment of \$5,000 per job will be required. Future maturities are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2020	\$ 12,968	\$ 44,894
2021	13,409	28,931
2022	13,865	28,931
2023	14,336	28,931
2024	14,823	28,931
2025-2029	82,029	144,655
2030-2034	96,954	144,655
2035-2039	114,597	144,655
2040-2044	106,516	115,724
	<u>\$ 469,497</u>	<u>\$ 710,307</u>

The City was awarded a Safe Drinking Water Revolving Loan Fund loan from the State of Oregon to perform selected water system improvements from its 2015 Master Plan as described in its initial 5-year Capital Improvement Program. The total loan award was for \$14,655,000, with \$1,015,000 eligible for principal forgiveness if contract conditions are met. The project completion date is 36 months after the date of the contract, which was signed in March, 2017. Starting on the loan repayment date and then each succeeding payment date, the City shall make level installments of principal and interest to fully amortize the loan over a period of 30 years with interest at 1.41%. The loan funds are disbursed on a cost reimbursement basis. As of June 30, 2019, \$2,454,423 has been drawn down, plus the City has incurred expenditures after year end. An amortization schedule is not yet available.

The City signed the Clean Water State Revolving Fund Loan Agreement in October of 2018 in the amount of \$9,800,000, with an annual interest rate of 2.14%. The project completion date is two years after the effective date and is estimated as November 30, 2020. Starting on the loan repayment date and then each succeeding payment date, the City shall make level installments of principal and interest to fully amortize the loan over a period of 20 years. Final payment is due February 2042. The City has pledged its Net Revenues to secure payment of and to pay the amounts due under this loan. This loan's purpose is to install a suite of point source pollution control projects. The loan funds are disbursed on a cost reimbursement basis. As of June 30, 2019, \$462,184 has been drawn down, plus the City has incurred additional expenditures after year end. A final amortization schedule is not yet available.

The City signed an interim financing contract at the end of June 2019 with the Oregon Infrastructure Finance Authority of the Business Development Department for financing of the Hangar Phase II Construction Project. The total loan approval is for \$2,584,000 with an annual interest rate of 2.25%. The project completion date is 36 months after the date of the contract. The entire loan, including all accrued unpaid interest is due and payable in full on the maturity date, which is the earlier of three years plus 90 days after the date of the contract or the date that either party receives refunding proceeds. The City has pledged its Net Revenues to secure payment and to pay the amounts due under this loan. The loan funds are disbursed on a cost reimbursement basis. As of June 30, 2019, no loan funds have been received. An amortization schedule is not yet available.

## 5. Changes in Long-Term Liabilities from Direct Borrowings and Direct Placements

Long-term liability activity for the year ending June 30, 2019 is as follows:

	June 30, 2018	Increases	Decreases	June 30, 2019	Due Within One Year
<b>Governmental activities:</b>					
Governmental bonds:					
General Obligation, Series 2017	\$ 8,760,000	\$ -	\$ (245,000)	\$ 8,515,000	\$ 275,000
Full Faith and Credit Refunding, Series 2018	625,066	-	(15,182)	609,884	45,033
Limited Tax Pension	5,300,000	-	(345,000)	4,955,000	390,000
Banner Bank Urban Renewal	1,193,751	-	(218,104)	975,647	228,464
Deferred Premium	900,699	-	(46,993)	853,706	-
Total governmental bonds	16,779,516	-	(870,279)	15,909,237	938,497
Governmental loans/notes from direct borrowings:					
Banner Bank	664,668	-	(98,774)	565,894	102,678
Eastside Expansion	671,885	-	(46,066)	625,819	48,120
Oregon Infrastructure Authority	573,809	-	(19,627)	554,182	20,522
Banner Bank Credit Line	-	900,000	(900,000)	-	-
Total governmental loans/notes	1,910,362	900,000	(1,064,467)	1,745,895	171,320
Compensated absences	552,801	-	(13,889)	538,912	538,912
Governmental activities total long-term liabilities	\$ 19,242,679	\$ 900,000	\$ (1,948,635)	\$ 18,194,044	\$ 1,648,729
<b>Business-type activities:</b>					
Enterprise bonds					
Full Faith and Credit Refunding, Series 2018	\$ 5,935,713	\$ -	\$ (57,857)	\$ 5,877,856	\$ 510,180
Total enterprise bonds	5,935,713	-	(57,857)	5,877,856	510,180
Enterprise loans/notes from direct borrowings					
Safe Drinking Water	1,008,649	1,439,423	-	2,448,072	-
Safe Drinking Water	-	1,015,000	-	1,015,000	-
Safe Drinking Water	1,350,000	-	(247,000)	1,103,000	258,000
Safe Drinking Water	628,788	-	(115,698)	513,090	120,522
Clean Water State Revolving	-	462,184	-	462,184	-
Clean Water State Revolving	1,450,000	-	(100,000)	1,350,000	100,000
Clean Water State Revolving	3,684,135	-	(209,633)	3,474,502	215,480
State of Oregon Strategic Reserve	545,000	-	-	545,000	-
Special Public Works	469,497	-	-	469,497	12,968
Community Bank	283,411	-	(28,673)	254,738	29,597
Total enterprise loans/notes	9,419,480	2,916,607	(701,004)	11,635,083	736,567
Compensated absences	111,025	21,469	-	132,494	132,494
Total business-type activities	\$ 15,466,218	\$ 2,938,076	\$ (758,861)	\$ 17,645,433	\$ 1,379,241
Total City	\$ 34,708,897	\$ 3,838,076	\$ (2,707,496)	\$ 35,839,477	\$ 3,027,970

The central services internal service fund predominantly serves the governmental funds. Accordingly, long-term liabilities for compensated absences in the amount of \$118,834 are included in the above amounts. The PW administration and fleet internal service fund predominantly serves the business-type activities and \$40,181 of long-term liabilities for compensated absences have been included in the totals for business-type activities.

## H. Fund Balance Classifications

Fund balances by classification for the year ended June 30, 2019 were as follows:

Fund Balances:	Combined General	Street	Fire Bond Capital Construction Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable					
Prepays/Contracts	\$ 54,084	\$ -	\$ -	\$ -	\$ 54,084
Permanent Trust	-	-	-	806,359	806,359
Interfund loans	317,500	-	-	-	317,500
Assets available for sale	-	-	-	-	-
Restricted					
Debt service	-	-	-	446,212	446,212
Highways and streets	-	-	-	20,341	20,341
Capital Projects	-	-	961,721	-	961,721
Library services	-	-	-	369,797	369,797
Public safety	-	-	-	181,399	181,399
Program grants	-	-	-	26,914	26,914
Environmental remediation	122,368	-	-	-	122,368
Urban renewal	-	-	-	732,733	732,733
Committed					
Community enhancement	88,211	-	-	-	88,211
Public safety	-	-	-	84,982	84,982
Highways and streets	-	-	-	790,809	790,809
Capital projects	-	-	-	181,804	181,804
Library services	-	-	-	91,671	91,671
Assigned					
Program operations	-	804,757	-	668,213	1,472,970
Park improvements	-	-	-	154,046	154,046
Economic development	266,994	-	-	502,118	769,112
Unassigned	939,718	-	-	(77,989)	861,729
Total Fund Balances	\$ 1,788,875	\$ 804,757	\$ 961,721	\$ 4,979,409	\$ 8,534,762

## IV. Other Information

### A. Risk Management

The City is exposed to various risks of loss related to torts; theft or damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage for the past three years.

### B. Other Postemployment Benefits

The City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other Than Pensions* in the fiscal year ended June 30, 2018. This statement addresses how state and local governments should account for and report their costs and obligations related to Other Postemployment Benefits (OPEB).

This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multiple-Employer Plans*.

The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. It establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

The OPEB for the City combines two separate plans. The City provides an implicit rate subsidy for retiree Health Insurance Continuation (HIC) premiums, and a contribution to the State of Oregon's PERS cost-sharing multiple employer defined benefit plan Retirement Health Insurance Account.

### **Health Insurance Continuation**

Plan Description. The City does not have a formal post-employment benefits plan for any employee groups. However, the City is required by Oregon Revised Statutes 243.303 to provide retirees with group health insurance from the date of retirement to age 65 at the same rate provided to current employees, which is considered a single employer plan. Although the City does not pay any portion of the retirees' healthcare insurance, a retired employee receives the implicit benefit of a lower healthcare premium which is subsidized among the premium cost of coverage for active employees. GASB Statement 75 is applicable to the City for this implicit rate subsidy. This "plan" is not a stand-alone plan and therefore does not issue its own financial statements. A separate, audited GAAP-basis postemployment benefit plan report is not available for this plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of statement 75. The City had 2 retired members and 129 active members in its plan on July 1, 2018, the date of its most recent actuarial valuation.

### **Outline of Plan Provisions**

There are certain provisions that must be met in order for OPEB benefits to be eligible to retirees which are listed below:

- i. The retiree must be eligible to receive benefits from Oregon PERS.
- ii. Eligibility requirements for earliest retirement under Oregon PERS are:
  - 1) the earlier of age 55, or any age with 30 years of service for Tier 1 or Tier 2 employees and;
  - 2) age 55 with 5 years of service for OPSRP employees.
- iii. All classes of employee are eligible to continue medical benefit coverage upon retirement.
- iv. Qualified spouse, domestic partner, and children may qualify for coverage.
- v. Coverage for retirees and eligible dependents continues until Medical eligibility for each individual (or until dependent children become ineligible).
- vi. The retirees will contribute the full health plan premiums.
- vii. There is an implicit rate subsidy with respect to retired employees because the medical premium rates charged for coverage typically are less than they would be if the retirees were in a separately rated health plan.

## Total OPEB Liability

The City's total OPEB liability of \$1,220,224 was measured as of June 30, 2018 and was determined by an actuarial valuation as of July 1, 2018.

### Actuarial assumptions and other inputs

The total OPEB liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Valuation Date	July 1, 2018
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry age normal
Actuarial Assumptions:	
Inflation rate	2.5 percent per year
Discount rate	3.87 percent, based on a 20-year general obligation bond yield index published by The Bond Buyer
Projected salary increases	3.5 percent per year.
Health Cost Trend	Medical and vision: 2018-6.75%, 2019-7% and between 4.75% and 6% for the subsequent 40+ years.
Cost of living adjustment (COLA)	3.5 percent per year, based on general inflation and the likelihood of raises throughout participants' careers
Health mortality	RP-2014 Healthy Annuitant, sex distinct mortality tables blended 50/50 blue collar and white collar, set back one year for males. Mortality is projected on generational basis using the Unisex Social Security Data Scale.

### Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at June 30, 2018	<u>\$ 1,329,067</u>
Changes for the year:	
Service cost	86,696
Interest	49,500
Economic/demographic gains or losses	(124,539)
Changes in assumptions or other inputs	(53,737)
Benefit payments	<u>(66,763)</u>
Net changes	<u>(108,843)</u>
Balance at June 30, 2019	<u><u>\$ 1,220,224</u></u>

*Sensitivity of the total OPEB liability to changes in the discount and trend rates.* The following presents the total OPEB liability of the City's, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87 percent) or 1-percentage-point higher (4.87 percent) than the current discount rate:

	<u>1% Decrease (2.87%)</u>	<u>Current Discount Rate (3.87%)</u>	<u>1% Increase (4.87%)</u>
Total OPEB liability	\$1,333,536	\$1,220,224	\$1,116,996

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	<u>1% Decrease</u>	<u>Healthcare Current Trend Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$1,081,240	\$1,220,224	\$1,386,020

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

For the year ended June 30, 2019, the City recognized OPEB expense of \$108,055. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 111,430
Changes in assumptions or inputs	<u>-</u>	<u>114,646</u>
Total (Pior to post MD contributions)	-	226,076
Contributions subsequent to the measurement date	<u>73,020</u>	<u>-</u>
Net Deferred Outflow/(Inflow) of Resources	<u>\$ 73,020</u>	<u>\$ 226,076</u>

\$73,020 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the next fiscal year. Other amounts reported as deferred outflows

of resources and deferred inflows of resources related to OBEP will be recognized in expense as follows:

Year ended June 30:	
2020	\$ (28,141)
2021	(28,141)
2022	(28,141)
2023	(28,141)
2024	(28,141)
Thereafter	<u>(85,371)</u>
Total	<u><u>\$(226,076)</u></u>

### **Retirement Health Insurance Account (RHIA)**

As a member of Oregon Public Employees Retirement System (OPERS) the City contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700.

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

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

contributions to RHIA for the years ended June 30, 2019, 2018 and 2017 were \$43,697, \$42,556, and \$41,430, which equaled the required contributions each year.

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

At June 30, 2019, the City reported an asset of \$98,107 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2018, and the total OPEB asset used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016 rolled forward to June 30, 2018. The City's proportion of the net OPEB asset was based on a projection of the City's long-term share of contributions to the plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2018, the City's proportion was 0.08789 percent, which was increased from its proportion of 0.08288 percent measured as of June 30, 2017.

For the year ended June 30, 2019, the City's recognized OPEB expense (income) of \$(10,003). At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 5,560
Changes in assumptions	-	311
Net difference between projected and actual earnings on investments	-	21,152
Changes in proportionate share	-	1,555
Total (prior to post-MD contributions)	-	28,578
Contributions subsequent to the measurement date	<u>43,696</u>	<u>-</u>
Net Deferred Outflow/(Inflow) of Resources	<u>\$ 43,696</u>	<u>\$ 28,578</u>

\$43,696 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB asset/liability in the next fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in expense as follows:

Year ended June 30:	
2020	\$ (9,697)
2021	(9,560)
2022	(7,218)
2023	<u>(2,103)</u>
Total	<u>\$ (28,578)</u>



## Actuarial Assumptions

The RHIA plan is unaffected by health care cost trends since the benefit is limited to a \$60 monthly payment toward Medicare companion insurance premiums. Consequently, the disclosure of a healthcare cost trend is not applicable. Other significant actuarial assumptions are as follows:

Valuation Date	December 31, 2016
Measurement Date	June 30, 2018
Experience Study Report	2016, published July 26, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Long-Term Expected Rate of Return	7.20 percent
Discount Rate	7.20 percent
Projected Salary Increases	3.50 percent
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision; blend based on service.
Mortality	<p>Healthy retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Active Members: RP-2014 Employees, sex distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.</p>

## Long-term expected rate of return

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

Asset Class/Strategy	OIC Assumed Asset Allocation		
	Low Range	High Range	Target
Cash	0.0%	3.0%	0.0%
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Private Equity	13.5%	21.5%	17.5%
Real Estate	9.5%	15.5%	12.5%
Alternatie Equity	0.0%	12.5%	12.5%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			100.0%

Asset Class	Target Allocation	Compounded Annual Return (Geometric)
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00%	3.38%
Bank/Leveraged Loans	3.00%	5.09%
High Yield Bonds	1.00%	6.45%
Large/Mid Cap US Equities	15.75%	3.30%
Small Cap US Equities	1.31%	6.69%
Micro Cap US Equities	1.31%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Market Equities	4.12%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equity	17.50%	7.82%
Real Estate (Property)	10.00%	5.51%
Real Estate (REITS)	2.50%	3.37%
Hedge Funds of Funds - Diversified	2.50%	4.09%
Hedge Funds - Event-driven	0.63%	5.86%
Timber	1.87%	5.62%
Farmland	1.87%	6.15%
Infrastructure	3.75%	6.60%
Commodities	1.88%	3.84%
Total	100.00%	

Assumed Inflation - Mean	2.50%
--------------------------	-------

### Discount rate

The discount rate used to measure the total OPEB asset was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit

payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB asset.

**Depletion date projection**

GASB 75 generally requires that a blended discount rate be used to measure the total OPEB asset/liability. The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan’s Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses.

**Sensitivity of the City's proportionate share of the net OPEB asset to changes in the discount rate**

The following presents the City's proportionate share of the net OPEB asset calculated using the discount rate of 7.2 percent, as well as what the City's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.2 percent) or 1-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.2%)	Current Discount Rate (7.2%)	1% Increase (8.2%)
Total OPEB (asset) liability	\$ (57,123)	\$ (98,107)	\$ (132,993)

**Pension plan fiduciary net position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

**Changes in Plan Provisions During the Measurement Period**

There were no changes during the June 30, 2018 measurement period that require disclosure, except that the discount rate decreased from 7.5 percent to 7.2 percent.

**Changes in Plan Provisions Subsequent to Measurement Date**

We are not aware of any changes subsequent to the June 30, 2018 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

**Aggregate Net OPEB Asset/Liability and Deferred Outflows/Inflows**

The aggregate Net OPEB Asset/Liability was reported as a net liability in the financial statements. A summary of the aggregate Net OPEB Asset/Liability and Deferred Outflows/Inflows for the two plans is as follows:

	Net OPEB (Asset) Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB (Income) Expense
Health Insurance Continuation	\$1,220,224	\$ 73,020	\$ 226,076	\$ 108,055
Retirement Health Insurance Account (RHIA)	(98,107)	43,696	28,578	(10,003)
Aggregate amounts related to OPEB	<u>\$1,122,117</u>	<u>\$ 116,716</u>	<u>\$ 254,654</u>	<u>\$ 98,052</u>

## C. Defined Benefit Pension Plan – Public Employees Retirement System

### Plan Description

Employees of the City of Pendleton are provided with pensions through the Oregon Public Employees Retirement System (OPERS), a cost sharing, multiple employer defined benefit pension plan, the Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A. Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238 is closed to new members hired on or after August 29, 2003. The Pension Program, established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003, OPERS issues a publicly available Comprehensive Annual Financial Report and Actuarial Valuation that can be obtained at:

<http://www.oregon.gov/pers/emp/Pages/Actuarial-Financial-Information.aspx>.

### Benefits Provided

#### 1. Tier one/Tier Two Retirement Benefit ORS Chapter 238

##### Pension Benefits

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

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

## **Death Benefits**

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

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

## **Disability Benefits**

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

## **Benefit Changes**

After Retirement, members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The COLA is capped at 2%.

## **2. OPSRP Pension Program (OPSRP DB)**

### **Pension Benefits**

The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

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

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

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

### **Death Benefits**

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives

for life 50 percent of the pension that would otherwise have been paid to the deceased member.

### **Disability Benefits**

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

## **3. OPSRP Individual Account Program (OPSRP IAP)**

### **Pension Benefits**

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

### **Death Benefits**

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

### **Recordkeeping**

OPERS contracts with VOYA Financial to maintain IAP participant records.

## **Contributions**

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2016 actuarial valuation, which became effective July 1, 2018. Employer contributions for the year ended June 30, 2019 were \$1,603,244, excluding \$43,697 to fund the retirement health insurance account (RHIA). The net rates in effect for the fiscal year ended June 30, 2019, excluding the RHIA rate of 0.50% Tier One/Tier Two and 0.43% OPSRP, were 16.89% for Tier One/Tier Two General Service Member, 21.43% for Tier One/Tier Two Police and Fire Members, 14.43% for OPSRP Police and Fire, 9.66% for OPSRP Pension Program General Service Members, and 6% for the OPSRP Individual Account Program. The City has a large side account balance resulting from prepaid pension costs funded with Pension Bonds, which results in a 3.98% credit.

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

At June 30, 2019, the City reported a liability of \$13,509,728 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016 rolled forward to June 30, 2018. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2018, the City's proportion was 0.08918086 percent, which was a decrease from its proportion of 0.09757879 percent measured as of June 30, 2017.

For the year ended June 30, 2019, the City's recognized pension expense (income) of \$2,371,381. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 459,560	\$ -
Changes of assumptions	3,140,986	-
Net difference between projected and actual earnings on investments	-	599,908
Changes in proportionate share	150,745	846,872
Differences between employer contributions and employer's share of system contributions	<u>72,835</u>	<u>128,673</u>
Total (prior to post-MD contributions)	3,824,126	1,575,453
Contributions subsequent to the measurement date	<u>1,382,841</u>	<u>-</u>
Net Deferred Outflow/(Inflow) of Resources	<u>\$ 5,206,967</u>	<u>\$ 1,575,453</u>

\$1,382,841 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$ 1,451,440
2021	995,494
2022	(272,024)
2023	24,647
2024	<u>49,116</u>
Total	<u>\$ 2,248,673</u>

## Actuarial assumptions

The employer contribution rates effective July 1, 2017, through June 30, 2019, 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 (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2016
Measurement Date	June 30, 2018
Experience Study Report	2016, published July 26, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.5 percent
Long-Term Expected Rate of Return	7.20 percent
Discount Rate	7.20 percent
Projected Salary Increases	3.50 percent
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25/0.15%) in accordance with Moro decision; blend based on service
Mortality	<p>Health retirees and beneficiaries: 12/20/2019 RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Active Members; RP-2014 Employees, sex distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2016 Experience Study, which reviewed experience for the four-year period ending on December 31, 2016.

### Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment



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

Asset Class/Strategy	OIC Assumed Asset Allocation		
	Low Range	High Range	Target
Cash	0.0%	3.0%	0.0%
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Private Equity	13.5%	21.5%	17.5%
Real Estate	9.5%	15.5%	12.5%
Alternative Equity	0.0%	12.5%	12.5%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			100.0%

Asset Class	Target Allocation	Compounded Annual Return (Geometric)
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00%	3.38%
Bank/Leveraged Loans	3.00%	5.09%
High Yield Bonds	1.00%	6.45%
Large/Mid Cap US Equities	15.75%	3.30%
Small Cap US Equities	1.31%	6.69%
Micro CAP US Equities	1.31%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Market Equities	4.12%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equity	17.50%	7.82%
Real Estate (Property)	10.00%	5.51%
Real Estate (REITS)	2.50%	3.37%
Hedge Funds of Funds - Diversified	2.50%	4.09%
Hedge Funds - Event-driven	0.63%	5.86%
Timber	1.87%	5.62%
Farmland	1.87%	6.15%
Infrastructure	3.75%	6.60%
Commodities	1.88%	3.84%
Total	100.00%	
Assumed Inflation - Mean		2.50%

### Depletion Date Projection

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 68

(paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

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

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring that plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

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

**Discount rate**

The discount rate used to measure the total pension liability was 7.2 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate**

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.2 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.2 percent) or 1 percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.2%)	Discount Rate (7.2%)	1% (Increase (8.2%)
City's proportionate share of the net pension liability (asset)	\$ 22,577,304	\$ 13,509,728	\$ 6,025,182

**Pension plan fiduciary net position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

**Payables to the Pension Plan**

The City reports payables in the amount of \$174,242 to the pension plan.

### **Changes in Plan Provisions During the Measurement Period**

There were no changes during the June 30, 2018 measurement period that require disclosure, except that the discount rate decreased from 7.5 percent to 7.2 percent.

### **Changes in Plan Provisions Subsequent to Measurement Date**

We are not aware of any changes subsequent to the June 30, 2018 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

## **D. Tax Abatement Disclosures**

The City enters into property tax abatement agreements with local businesses under the Pendleton Enterprise Zone authorized by Oregon Statute 285C.175. The Pendleton Enterprise Zone is largely contiguous to City limits and allows eligible (generally non-retail) businesses that expand into the area to receive total exemption from the property taxes normally assessed on new plan and equipment for three years. For the basic three-year property tax exemption, the business needs to increase full-time, permanent employment by one new job or 10%, whichever is greater; have no concurrent job losses outside of, but inside of Oregon; and maintain the employment level during the exemption period. The City has four tax abatement agreements with a restaurant, food processing company, Pendleton Woolen Mills, and a pipe manufacturer for which the City's abated tax portion amounted to \$87,463 for the fiscal year ended June 30, 2019.

Additional benefits available to new businesses are: 1) 5% per job discount and qualifying existing businesses will receive a 7.5% per job discount (not to exceed 50% reduction) on water service connection and sewer user fees from the time of pre-certification to the end of the property tax exemption period. Business license fees may also be waived.

## **E. GASB Pronouncements**

It is the City's policy to implement new GASB pronouncements no later than the required effective date. The City implemented GASB Statement No. 88, Certain Disclosures Related to Debt, Including Debt Borrowings and Direct Placements. This Statement was issued April 2018 to improve the information that is disclosed in notes to governmental financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. Upcoming pronouncements which may have an effect on the City, are listed below:

GASB Statement No. 83, Certain Asset Retirement Obligations. This Statement was issued November 2016 to address accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. GASB Statement No. 83 will be effective for the City for fiscal year ending June 30, 2020.

GASB Statement No. 84, Fiduciary Activities. This statement was issued January 2017 to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB Statement No. 84 will be effective for the City for fiscal year ending June 30, 2020.

GASB Statement No. 87, Leases. This Statement was issued June 2017 to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments and increases the usefulness of governments' financial statements. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. GASB Statement No. 87 will be effective for the City for fiscal year ending June 30, 2021.

## **F. Commitments and Contingencies**

Amounts received or receivable from grant agencies are subject to audit and adjustments by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Local developers have developed infrastructure on SW 9th Street and near Olney Cemetery financed through local improvement districts. The developers were assessed local improvement district charges and upon City acceptance, will contribute the public portion of the constructed infrastructure to the City. The contribution is expected to occur in the 2020 fiscal year.

An airport industrial site has been determined by DEQ to be a contaminated site and the City has been ordered to address remediation. As the property owner, the City has potential liability for the cleanup, despite the contamination being committed by the City's tenant. The City received a settlement from the tenant for \$150,000 and a grant from Oregon Business Development Department to plan the remediation. The City has removed the underground tanks at the location but the cost to fully restore the site was prohibitive and no further expenditures are expected at this time. The City has no intention to use the site, but would have to come up with a new place if the use changed. There are funds available of \$122,368 for additional remediation.

The Pendleton Development Commission has committed funds or payments remaining on commitments to various projects;

- \$20,000 has been committed to economic development, an estimated \$330,000 has been committed to façade restoration and second story development, and \$100,000 has been committed towards the fresh start program. In addition, \$1,475,000 has been authorized for improvements to the City street system in the Urban Renewal District.

## **G. Construction in Progress**

The City is committed under various construction contracts at June 30, 2019. Major projects in progress at June 30, 2019 are as follows:

The City has paid approximately \$657,122 towards the 8th Street Bridge project. The City is required to provide a local match of 10.27% of the project costs and right of way acquisition costs and is expecting the total project match to be about \$883,595. Umatilla County is contributing \$375,000 of the local match costs and the City Council has approved entering into a Fund Exchange agreement with Oregon Department of Transportation to provide up to a total of \$595,490 in state funds. The remaining 89.63%

of the projects costs will be paid through the State. The Water and Sewer funds are also contributing towards the utility infrastructure portion of the project. Payments to date total \$157,597 for Water and \$152,059 for Sewer. Most of the construction will be paid directly by ODOT and the infrastructure will be contributed to the City upon completion.

The City received net debt proceeds of approximately \$9.9 million to construct a new fire station and purchase related equipment, furnishings, and rolling stock. The City has spent \$1,112,428 on land, rolling stock, and equipment. In addition, the City has expended \$8,087,312 towards construction of the new fire station, which was budgeted at \$8,780,000 and was approximately 92% complete.

The City is also in the process of completing the Water and Sewer Master Plans and has incurred expenditures of \$1,085,725 for Water and \$1,414,306 for Sewer to date.

#### **H. Related Party Transactions**

The Pendleton Development Commission owed the City of Pendleton \$113,230 for administrative services during the year.

#### **I. Subsequent Events**

Approved Runway 725 Bid Award to Central Washington Asphalt and the engineering fee to Precision Approach, pending the FAA grant approval for \$5,955,722 and \$596,000 for a combined total of \$6,551,722. The city's portion would be 5%, which equates to \$327,586. The City also received from the Oregon Department of Aviation a \$150,000 grant to reduce the match. The remaining match balance would be \$177,586.

The City approved Murraysmith Task Order #15 amendment to provide technical support for the construction of the Airport Unmanned Aerial System Phase IV Industrial Park and to approve execution by the City Manager in the amount not to exceed \$274,824 and approved Anderson-Perry Work Order #13, Infrastructure Projects - to provide construction engineering management (CEM) support in the amount not to exceed \$312,000.

The City Council approved the bid for the vinyl roofing for the Convention Center in the amount of \$131,982 and \$21,320 to add alternative Happy Canyon roofing.

City Council authorized the Mayor to execute a contract with Michael Becker General Contractor, LLC, for the SW 28th Street Lift Station Project in the amount of \$1,362,253.

The City Council approved acceptance of the EDA grant in the amount of \$3 million to supplement the development of Phase IV UAS Industrial Park at the airport tin Pendleton. The grant requires a 50% match, which the City is satisfying with infrastructure improvements. The City also approved a contract with GEODC for administration of the grant.

The Council authorized the Mayor to execute a contract with DW Excavating, Davenport, WA, for the SE 4th Street Gravity Sewer Replacement Project in the amount of \$1,592,165.

The City received a grant award of \$298,000 from FEMA for staff recruitment and retention.



**REQUIRED SUPPLEMENTARY INFORMATION**

---

---

**CITY OF PENDLETON, OREGON**

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)**

**OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM**

Last 10 Fiscal Years\*

	2018	2017	2016	2015	2014	2013
City's proportion of the net pension liability (asset)	0.08918086%	0.09757879%	0.09467864%	0.09979010%	0.10082423%	0.10082423%
City's proportionate share of the net pension liability (asset)	13,509,728	13,153,658	14,213,462	\$ 5,729,410	\$ (2,285,398)	\$ 5,145,208
City's covered-employee payroll	10,126,700	9,429,388	9,295,475	\$ 8,844,514	\$ 8,357,553	\$ 8,573,271
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	133.41%	139.50%	152.91%	64.78%	-27.35%	60.01%
Plan fiduciary net position as a percentage of total pension liability	82.07%	83.12%	80.50%	91.90%	103.60%	91.97%

**CITY OF PENDLETON, OREGON**

**SCHEDULE OF CITY'S CONTRIBUTIONS TO THE OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM**

Last 10 Fiscal Years\*

	2019	2018	2017	2016	2015	2014
Contractually required contributions	\$ 1,603,244	\$ 1,559,190	\$ 1,036,593	\$ 1,066,370	\$ 968,667	\$ 907,640
Contributions in relation to the contractually required contributions	<u>(1,603,244)</u>	<u>(1,559,190)</u>	<u>(1,036,593)</u>	<u>(1,066,370)</u>	<u>(968,667)</u>	<u>(907,640)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$10,561,480	\$ 10,126,700	\$ 9,429,388	\$ 9,295,475	\$ 8,844,512	\$ 8,357,553
Contributions as a percentage of covered-employee payroll	15.18%	15.40%	10.99%	11.47%	10.95%	10.86%

\* The amounts presented for each fiscal year were determined as of June 30. Additional years will be added to the schedule as information becomes available.



**CITY OF PENDLETON, OREGON**

**SCHEDULE OF CITY'S PROPORTIONATE SHARE OF NET OPEB LIABILITY (ASSET)  
OPERS RETIREMENT HEALTH INSURANCE ACCOUNT**

Last 10 Fiscal Years\*

Measurement Date June 30,	(a) City's proportion of the net OPEB pension liability (asset)	(b) City's proportionate share of the net OPEB pension liability (asset)	(c) City's covered payroll	Share of the OPEB pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2018	0.08789%	\$ (98,107)	10,126,700	-0.97%	124.00%
2017	0.08288%	\$ (34,587)	\$9,429,388	-0.37%	108.88%
2016	0.08910%	\$ 24,190	\$9,295,475	0.26%	94.15%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

**CITY OF PENDLETON, OREGON**

**SCHEDULE OF CONTRIBUTIONS  
OPERS RETIREMENT HEALTH INSURANCE ACCOUNT**

Last 10 Fiscal Years\*

	2019	2018	2017
Contractually required contributions	\$ 43,697	\$ 42,556	\$ 41,430
Contributions in relation to the contractually required contributions	(43,697)	(42,556)	(41,430)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
City's covered payroll	\$10,561,480	\$10,126,700	\$9,429,388
Contributions as a percentage of covered payroll	0.41%	0.42%	0.44%

\* The amounts presented for each fiscal year were determined as of June 30. Additional years will be added to the schedule as information becomes available.

**CITY OF PENDLETON, OREGON**

**SCHEDULE OF CHANGES IN THE CITY'S OPEB LIABILITY AND RELATED RATIOS**  
Last 10 Fiscal Years\*

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability			
Service cost	\$ 86,696	\$ 93,711	N/A
Interest	49,500	40,060	N/A
Effect of economic/demographic gains or losses	(124,539)	-	N/A
Effect of changes to benefit terms	-	-	N/A
Differences between expected and actual experience	-	-	N/A
Effect of assumptions changes or inputs	(53,737)	(85,316)	N/A
Benefit payments	<u>(66,763)</u>	<u>(62,125)</u>	N/A
Net change in total OPEB liability	(108,843)	(13,670)	N/A
Total OPEB liability - beginning	<u>1,329,067</u>	<u>1,342,737</u>	N/A
Net OPEB liability - ending	<u><u>1,220,224</u></u>	<u><u>1,329,067</u></u>	<u><u>1,342,737</u></u>
Covered payroll	<u><u>\$10,561,480</u></u>	<u><u>\$10,126,700</u></u>	<u><u>\$ 9,429,388</u></u>
Total OPEB liability, as a percentage of covered payroll	11.55%	13.12%	14.24%

\* The amounts presented for each fiscal year were determined as of June 30. Additional years will be added to the schedule as information becomes available.

**CITY OF PENDLETON**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2019**

**A. Other Post-Employment Benefits**

**Changes of Assumptions**

The City's health insurance continuation OPEB liability calculation uses the Bond Buyer 20 Year General Obligation Bond Index for the discount rate. The discount rate in effect for the June 30, 2018 reporting date is 3.87% and the discount rate for the June 30, 2019 reporting date is 3.50%.



## **SUPPLEMENTAL INFORMATION**

---



# COMBINING STATEMENTS

---

---

## Non-Major Governmental Funds

### Special Revenue Funds

The Special Revenue Funds account for specific revenues that are restricted to expenditures for specified purposes. Funds included in this category are:

**BIKE FUND** – accounts for receipt of 1% of the state gasoline tax to be used for construction and maintenance of bike lanes and other alternative forms of transportation.

**LIBRARY FUND** – accounts for the operation of the City's library.

**LIBRARY TRUST FUND** – accounts for revenue from dedicated gifts, directed annual interest transfers and donations, and interest on investment of unexpended Library Trust Fund resources.

**TRANSPORTATION SERVICES FUND** – accounts for the operation of the Senior/Disabled Transportation Program.

**COMMUNITY DEVELOPMENT BLOCK GRANT FUND** – accounts for the receipt and expenditures associated with the individual requirements of a community development block grant.

**PENDLETON CONVENTION CENTER FUND** – accounts for the operations, marketing and maintenance of the Pendleton Convention Center.

**PCC TPAC FUND** – maintains and tracks the Pendleton Convention Center (PCC) Tourism Promotion Assessment Charge (TPAC) collections to be used for PCC capital improvements.

**POLICE INTERAGENCY SPECIAL REVOLVING FUND** – accounts for the proceeds from sales of assets forfeited relating to drug activity. Expenditures of this fund are to be first used to cover drug task force expenses and then periodic distributions made to associated agencies.

**PARKS TRUST FUND** – accounts for planning fees restricted for future park development, grants, and donations, which are specifically dedicated to park-related capital items.

**CITY/COUNTY PUBLIC SAFETY FUND** – accounts for monies set aside for the purchase of needed equipment that mutually benefits both the Pendleton Police Department and Umatilla County Sherriff's Office, with priority given to dispatch services and technology.

**HORNE TRUST FUND** – accounts for monies donated by David Horne to provide flowers on his relatives' graves on Memorial weekend.

**URBAN RENEWAL DISTRICT OPERATING FUND** – accounts for the City's urban renewal projects. Revenues are from issuance of debt, and expenditures are for elimination of blighted conditions and urban development as defined in the City's Urban Renewal Plan.

The following funds do not qualify as Special Revenue funds for external financial reporting under GASB 54 and were combined with the General Fund as sub-funds. The City continues to treat these funds as Special Revenue funds for budgetary purposes.

**COMMUNITY REHABILITATION FUND** – accounts for monies received from repayment of loans associated with Community Development Block Grants, which are restricted for use in providing future housing rehabilitation loans to eligible recipients.

**SIDEWALK REPAIR LOAN FUND** – accounts for revenues and expenditures related to local improvement districts (LID's) for affected property owners requesting sidewalk repairs.

### **Debt Service Funds**

The Debt Service Fund is used to account for revenues and expenditures related to the City's long-term indebtedness.

**DEBT SERVICE FUND** – accounts for payment of general obligation bond principal and interest. The sources of revenues are ad valorem taxes and interest earnings.

**URBAN RENEWAL DEBT SERVICE FUND** – accounts for payment of urban renewal loan principal and interest. The sources of revenues are ad valorem taxes and interest earnings.

### **Permanent Funds**

The Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

**LIBRARY PERMANENT TRUST FUND** – accounts for the receipt of grants, memorials and other donations, which are specifically dedicated to the Library for a specific purpose, usually for the acquisition of a particular type of book. Only the earnings from the fund can be used for Library purposes.

**CEMETERY PERPETUAL CARE FUND** – accounts for monies received from the sales of cemetery plots. The money is put into trust and invested. Interest earnings are then transferred to the Cemetery Fund to assist in providing current cemetery operations.

### **Capital Project Funds**

The Capital Project Fund is used to account for the acquisition and construction of capital facilities.

**SYSTEM DEVELOPMENT FEES FUND** – accounts for development fees assessed at the time of new development to offset future infrastructure costs for which assessment is made.

**PARKS CAPITAL RESERVE FUND** – accounts for monies set aside for future needs of City parks and cemeteries.

**PUBLIC SAFETY CAPITAL RESERVE FUND** – accounts for monies set aside for future replacement of fire equipment.

**L.I.D. CONSTRUCTION FUND** – accounts for the revenues and expenses in connection with the construction of local improvement district projects.

**STREET HB2001 FUND** – accounts for the revenues and expenses associated with this project.



**CITY OF PENDLETON, OREGON**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**June 30, 2019**

	Special Revenue	Capital Projects	Debt Service	Permanent Trust	Totals
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,293,483	\$ 373,690	\$ 548,916	\$ 16,533	\$ 3,232,622
Investments	-	-	-	792,713	792,713
Receivables:					
Property taxes	-	-	71,784	-	71,784
Accounts	522,612	47,189	-	3,244	573,045
Assessments	-	799,486	-	-	799,486
Notes	123,539	-	-	-	123,539
Advances to other funds	-	384,700	-	-	384,700
Assets available for sale	-	420,000	-	-	420,000
Prepaid items	6,075	289,408	-	-	295,483
	<u>2,945,709</u>	<u>2,314,473</u>	<u>620,700</u>	<u>812,490</u>	<u>6,693,372</u>
Total assets	<u>\$ 2,945,709</u>	<u>\$ 2,314,473</u>	<u>\$ 620,700</u>	<u>\$ 812,490</u>	<u>\$ 6,693,372</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 125,274	\$ 40,256	\$ 113,230	\$ -	\$ 278,760
Deposits	48,401	-	-	-	48,401
Advances from other funds	292,500	-	-	-	292,500
	<u>466,175</u>	<u>40,256</u>	<u>113,230</u>	<u>-</u>	<u>619,661</u>
Total liabilities	<u>466,175</u>	<u>40,256</u>	<u>113,230</u>	<u>-</u>	<u>619,661</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	233,558	799,486	61,258	-	1,094,302
	<u>233,558</u>	<u>799,486</u>	<u>61,258</u>	<u>-</u>	<u>1,094,302</u>
Total deferred inflows of resources	<u>233,558</u>	<u>799,486</u>	<u>61,258</u>	<u>-</u>	<u>1,094,302</u>
<b>FUND BALANCES (DEFICIT)</b>					
Nonspendable	-	-	-	806,359	806,359
Restricted	1,325,053	-	446,212	6,131	1,777,396
Committed	176,653	972,613	-	-	1,149,266
Assigned	822,259	502,118	-	-	1,324,377
Unassigned	(77,989)	-	-	-	(77,989)
	<u>2,245,976</u>	<u>1,474,731</u>	<u>446,212</u>	<u>812,490</u>	<u>4,979,409</u>
Total fund balances	<u>2,245,976</u>	<u>1,474,731</u>	<u>446,212</u>	<u>812,490</u>	<u>4,979,409</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,945,709</u>	<u>\$ 2,314,473</u>	<u>\$ 620,700</u>	<u>\$ 812,490</u>	<u>\$ 6,693,372</u>

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**SUB-COMBINING BALANCE SHEET**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**June 30, 2019**

	Bike Fund	Library Fund	Library Trust Fund	Transportation Services Fund	Community Development Block Grant Fund	Pendleton Convention Center Fund
<b>ASSETS</b>						
Cash and cash equivalents	\$ 19,212	\$ 387,551	\$ 91,392	\$ 555,146	\$ 2,885	\$ 12,794
Receivables:						
Accounts	1,129	4,675	1,717	217,005	13,001	237,028
Notes	-	-	-	-	-	-
Prepaid items	-	3,125	-	-	-	2,950
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 20,341</u>	<u>\$ 395,351</u>	<u>\$ 93,109</u>	<u>\$ 772,151</u>	<u>\$ 15,886</u>	<u>\$ 252,772</u>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ -	\$ 8,142	\$ 1,438	\$ 32,713	\$ 13,001	\$ 59,515
Deposits	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	260,500
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>-</u>	<u>8,142</u>	<u>1,438</u>	<u>32,713</u>	<u>13,001</u>	<u>320,015</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	-	17,412	-	74,110	-	7,886
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total deferred inflows of resources	<u>-</u>	<u>17,412</u>	<u>-</u>	<u>74,110</u>	<u>-</u>	<u>7,886</u>
<b>FUND BALANCES (DEFICIT)</b>						
Restricted	20,341	369,797	-	-	-	-
Committed	-	-	91,671	-	-	-
Assigned	-	-	-	665,328	2,885	-
Unassigned	-	-	-	-	-	(75,129)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balances	<u>20,341</u>	<u>369,797</u>	<u>91,671</u>	<u>665,328</u>	<u>2,885</u>	<u>(75,129)</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 20,341</u>	<u>\$ 395,351</u>	<u>\$ 93,109</u>	<u>\$ 772,151</u>	<u>\$ 15,886</u>	<u>\$ 252,772</u>

See auditor's report.

PCC TPAC Fund	Police Interagency Special Revolving Fund	Parks Trust Fund	City/County Public Safety Fund	Home Trust Fund	Urban Renewal District Operating Fund	Totals
\$ 694	\$ 231,498	\$ 153,813	\$ 84,982	\$ 20,783	\$ 732,733	\$2,293,483
32,992	14,832	233	-	-	-	522,612
-	-	-	-	-	123,539	123,539
-	-	-	-	-	-	6,075
<u>\$ 33,686</u>	<u>\$ 246,330</u>	<u>\$ 154,046</u>	<u>\$ 84,982</u>	<u>\$ 20,783</u>	<u>\$ 856,272</u>	<u>\$2,945,709</u>
\$ -	\$ 10,465	\$ -	\$ -	\$ -	\$ -	\$ 125,274
-	48,401	-	-	-	-	48,401
<u>32,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>292,500</u>
<u>32,000</u>	<u>58,866</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>466,175</u>
<u>4,546</u>	<u>6,065</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>123,539</u>	<u>233,558</u>
<u>4,546</u>	<u>6,065</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>123,539</u>	<u>233,558</u>
-	181,399	-	-	20,783	732,733	1,325,053
-	-	-	84,982	-	-	176,653
-	-	154,046	-	-	-	822,259
<u>(2,860)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(77,989)</u>
<u>(2,860)</u>	<u>181,399</u>	<u>154,046</u>	<u>84,982</u>	<u>20,783</u>	<u>732,733</u>	<u>2,245,976</u>
<u>\$ 33,686</u>	<u>\$ 246,330</u>	<u>\$ 154,046</u>	<u>\$ 84,982</u>	<u>\$ 20,783</u>	<u>\$ 856,272</u>	<u>\$2,945,709</u>

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**SUB-COMBINING BALANCE SHEET**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**June 30, 2019**

	System Development Fees Fund	Parks Capital Reserve Fund	Public Safety Capital Reserve Fund	LID Construction Fund	Street HB2001 Fund	Totals
<b>ASSETS</b>						
Cash and cash equivalents	\$ 156,957	\$ 97,454	\$ 52,161	\$ 52,396	\$ 14,722	\$ 373,690
Receivables:						
Accounts	-	-	32,189	15,000	-	47,189
Assessments	-	-	-	799,486	-	799,486
Advances to other funds	384,700	-	-	-	-	384,700
Assets available for sale	-	-	-	420,000	-	420,000
Prepaid items	289,408	-	-	-	-	289,408
<b>Total assets</b>	<b><u>\$ 831,065</u></b>	<b><u>\$ 97,454</u></b>	<b><u>\$ 84,350</u></b>	<b><u>\$ 1,286,882</u></b>	<b><u>\$ 14,722</u></b>	<b><u>\$2,314,473</u></b>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ 40,256	\$ -	\$ -	\$ -	\$ -	\$ 40,256
<b>Total liabilities</b>	<b><u>40,256</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>40,256</u></b>
<b>DEFERRED INFLOWS OF</b>						
Unavailable revenue	-	-	-	799,486	-	799,486
<b>Total deferred inflows of resources</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>799,486</u></b>	<b><u>-</u></b>	<b><u>799,486</u></b>
<b>FUND BALANCES (DEFICIT)</b>						
Committed	790,809	97,454	84,350	-	-	972,613
Assigned	-	-	-	487,396	14,722	502,118
<b>Total fund balances</b>	<b><u>790,809</u></b>	<b><u>97,454</u></b>	<b><u>84,350</u></b>	<b><u>487,396</u></b>	<b><u>14,722</u></b>	<b><u>1,474,731</u></b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b><u>\$ 831,065</u></b>	<b><u>\$ 97,454</u></b>	<b><u>\$ 84,350</u></b>	<b><u>\$ 1,286,882</u></b>	<b><u>\$ 14,722</u></b>	<b><u>\$2,314,473</u></b>

See auditor's report.

**CITY OF PENDLETON, OREGON  
SUB-COMBINING BALANCE SHEET  
NON-MAJOR DEBT SERVICE FUNDS  
June 30, 2019**

	Debt Service Fund	Urban Renewal Debt Service Fund	Totals
<b>ASSETS</b>			
Cash and cash equivalents	\$ 11,508	\$ 537,408	\$ 548,916
Receivables:			
Property taxes	25,894	45,890	71,784
Total assets	\$ 37,402	\$ 583,298	\$ 620,700
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ -	\$ 113,230	\$ 113,230
Total liabilities	-	113,230	113,230
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue	22,164	39,094	61,258
Total deferred inflows of resources	22,164	39,094	61,258
<b>FUND BALANCES</b>			
Restricted	15,238	430,974	446,212
Total fund balances	15,238	430,974	446,212
Total liabilities, deferred inflows of resources, and fund balances	\$ 37,402	\$ 583,298	\$ 620,700

**CITY OF PENDLETON, OREGON  
SUB-COMBINING BALANCE SHEET  
NON-MAJOR PERMANENT TRUST FUNDS  
June 30, 2019**

	Library Permanent Trust Fund	Cemetery Perpetual Care Trust Fund	Totals
<b>ASSETS</b>			
Cash and cash equivalents	\$ 6,131	\$ 10,402	\$ 16,533
Investments	-	792,713	792,713
Receivables:			
Accounts	-	3,244	3,244
 Total assets	 <u>\$ 6,131</u>	 <u>\$ 806,359</u>	 <u>\$ 812,490</u>
 <b>FUND BALANCES</b>			
Nonspendable	\$ -	\$ 806,359	\$ 806,359
Restricted	<u>6,131</u>	<u>-</u>	<u>6,131</u>
 Total fund balances	 <u>6,131</u>	 <u>806,359</u>	 <u>812,490</u>
 Total fund balances	 <u>\$ 6,131</u>	 <u>\$ 806,359</u>	 <u>\$ 812,490</u>

**CITY OF PENDLETON, OREGON**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2019**

	Special Revenue	Capital Projects	Debt Service	Permanent Trust	Totals
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ 1,422,870	\$ -	\$ 1,422,870
Other taxes	641,495	-	-	-	641,495
Licenses and fees	76,392	-	-	2,615	79,007
Charges for services	529,159	253,626	-	-	782,785
Intergovernmental	1,258,475	594,802	-	-	1,853,277
Assessments	-	61,313	-	-	61,313
Loan repayments	29,041	-	-	-	29,041
Contributions	71,926	-	-	-	71,926
Interest on investments	55,815	14,112	25,752	30,056	125,735
Miscellaneous	18,463	61	-	-	18,524
<b>TOTAL REVENUES</b>	<u>2,680,766</u>	<u>923,914</u>	<u>1,448,622</u>	<u>32,671</u>	<u>5,085,973</u>
<b>EXPENDITURES</b>					
Current:					
General government	1,981,594	304	113,230	-	2,095,128
Public safety	192,445	-	-	-	192,445
Culture and recreation	598,108	-	-	-	598,108
Capital outlay	376,051	992,141	-	-	1,368,192
Debt service	76,055	173,021	1,753,317	-	2,002,393
<b>TOTAL EXPENDITURES</b>	<u>3,224,253</u>	<u>1,165,466</u>	<u>1,866,547</u>	<u>-</u>	<u>6,256,266</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(543,487)</u>	<u>(241,552)</u>	<u>(417,925)</u>	<u>32,671</u>	<u>(1,170,293)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of property	-	120	-	-	120
Issuance of debt	900,000	-	-	-	900,000
Transfers in	125,370	230,000	-	-	355,370
Transfers out	(26,460)	(28,900)	-	(13,932)	(69,292)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>998,910</u>	<u>201,220</u>	<u>-</u>	<u>(13,932)</u>	<u>1,186,198</u>
<b>NET CHANGE IN FUND BALANCE</b>	455,423	(40,332)	(417,925)	18,739	15,905
<b>FUND BALANCE, Beginning</b>	<u>1,790,553</u>	<u>1,515,063</u>	<u>864,137</u>	<u>793,751</u>	<u>4,963,504</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 2,245,976</u>	<u>\$ 1,474,731</u>	<u>\$ 446,212</u>	<u>\$ 812,490</u>	<u>\$ 4,979,409</u>

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**SUB-COMBINING SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**For the Fiscal Year Ended June 30, 2019**

	Bike Fund	Library Fund	Library Trust Fund	Transpor- tation Services Fund	Community Development Block Grant Fund	Pendleton Convention Center Fund
<b>REVENUES</b>						
Other taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 540,680
Licenses and fees	-	15,716	-	-	-	55,394
Charges for services	-	-	-	26,029	-	497,930
Intergovernmental	12,361	506,031	-	487,558	59,610	-
Loan repayments	-	-	-	-	-	-
Contributions	-	32,921	30,733	-	-	4
Interest on investments	479	8,418	9,299	13,989	169	943
Miscellaneous	-	210	-	3,646	-	14,333
<b>TOTAL REVENUES</b>	<u>12,840</u>	<u>563,296</u>	<u>40,032</u>	<u>531,222</u>	<u>59,779</u>	<u>1,109,284</u>
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	400,695	59,610	1,064,799
Public safety	-	-	-	-	-	-
Culture and recreation	-	560,310	37,798	-	-	-
Capital outlay	7,210	-	-	84,975	-	265,066
Debt service	-	-	-	-	-	83
<b>TOTAL EXPENDITURES</b>	<u>7,210</u>	<u>560,310</u>	<u>37,798</u>	<u>485,670</u>	<u>59,610</u>	<u>1,329,948</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>5,630</u>	<u>2,986</u>	<u>2,234</u>	<u>45,552</u>	<u>169</u>	<u>(220,664)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Sale of property	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-
Transfers in	-	105,270	100	20,000	-	-
Transfers out	-	(17,090)	-	-	-	(9,370)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>88,180</u>	<u>100</u>	<u>20,000</u>	<u>-</u>	<u>(9,370)</u>
<b>NET CHANGE IN FUND BALANCE</b>	5,630	91,166	2,334	65,552	169	(230,034)
<b>FUND BALANCE, Beginning</b>	<u>14,711</u>	<u>278,631</u>	<u>89,337</u>	<u>599,776</u>	<u>2,716</u>	<u>154,905</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 20,341</u>	<u>\$ 369,797</u>	<u>\$ 91,671</u>	<u>\$ 665,328</u>	<u>\$ 2,885</u>	<u>\$ (75,129)</u>

See auditor's report.



PCC TPAC Fund	Police Interagency Special Revolving Fund	Parks Trust Fund	City/County Public Safety Fund	Home Trust Fund	Urban Renewal District Operating Fund	Totals
\$100,815	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 641,495
-	-	5,282	-	-	-	76,392
-	5,200	-	-	-	-	529,159
-	192,915	-	-	-	-	1,258,475
-	-	-	-	-	29,041	29,041
-	-	8,268	-	-	-	71,926
112	6,385	3,322	1,923	477	10,299	55,815
-	274	-	-	-	-	18,463
<u>100,927</u>	<u>204,774</u>	<u>16,872</u>	<u>1,923</u>	<u>477</u>	<u>39,340</u>	<u>2,680,766</u>
-	-	-	-	275	456,215	1,981,594
-	192,445	-	-	-	-	192,445
-	-	-	-	-	-	598,108
-	18,800	-	-	-	-	376,051
<u>75,972</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,055</u>
<u>75,972</u>	<u>211,245</u>	<u>-</u>	<u>-</u>	<u>275</u>	<u>456,215</u>	<u>3,224,253</u>
<u>24,955</u>	<u>(6,471)</u>	<u>16,872</u>	<u>1,923</u>	<u>202</u>	<u>(416,875)</u>	<u>(543,487)</u>
-	-	-	-	-	-	-
-	-	-	-	-	900,000	900,000
-	-	-	-	-	-	125,370
-	-	-	-	-	-	(26,460)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>900,000</u>	<u>998,910</u>
24,955	(6,471)	16,872	1,923	202	483,125	455,423
<u>(27,815)</u>	<u>187,870</u>	<u>137,174</u>	<u>83,059</u>	<u>20,581</u>	<u>249,608</u>	<u>1,790,553</u>
<u>\$ (2,860)</u>	<u>\$ 181,399</u>	<u>\$ 154,046</u>	<u>\$ 84,982</u>	<u>\$ 20,783</u>	<u>\$ 732,733</u>	<u>\$ 2,245,976</u>

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**SUB-COMBINING SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**For the Fiscal Year Ended June 30, 2019**

	System Development Fees Fund	Parks Capital Reserve Fund	Public Safety Capital Reserve Fund	LID Construction Fund	Street HB2001 Fund	Totals
<b>REVENUES</b>						
Charges for services	\$ 52,052	\$ -	\$ 201,574	\$ -	\$ -	\$ 253,626
Intergovernmental	-	-	-	-	594,802	594,802
Assessments	-	-	-	61,313	-	61,313
Interest on investments	6,005	2,145	2,915	1,338	1,711	14,114
Miscellaneous	-	-	-	59	-	59
<b>TOTAL REVENUES</b>	<u>58,057</u>	<u>2,145</u>	<u>204,489</u>	<u>62,710</u>	<u>596,513</u>	<u>923,914</u>
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	304	-	304
Capital outlay	383,322	-	542,176	-	66,643	992,141
Debt service	-	-	219	172,137	665	173,021
<b>TOTAL EXPENDITURES</b>	<u>383,322</u>	<u>-</u>	<u>542,395</u>	<u>172,441</u>	<u>67,308</u>	<u>1,165,466</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(325,265)</u>	<u>2,145</u>	<u>(337,906)</u>	<u>(109,731)</u>	<u>529,205</u>	<u>(241,552)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Sale of property	-	120	-	-	-	120
Transfers in	75,000	5,000	-	150,000	-	230,000
Transfers out	(28,900)	-	-	-	-	(28,900)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>46,100</u>	<u>5,120</u>	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>201,220</u>
<b>NET CHANGE IN FUND BALANCE</b>	(279,165)	7,265	(337,906)	40,269	529,205	(40,332)
<b>FUND BALANCE, Beginning</b>	<u>1,069,974</u>	<u>90,189</u>	<u>422,256</u>	<u>447,127</u>	<u>(514,483)</u>	<u>1,515,063</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 790,809</u>	<u>\$ 97,454</u>	<u>\$ 84,350</u>	<u>\$ 487,396</u>	<u>\$ 14,722</u>	<u>\$ 1,474,731</u>

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**SUB-COMBINING SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**NON-MAJOR DEBT SERVICE FUNDS**  
**For the Fiscal Year Ended June 30, 2019**

	Debt Service Fund	Urban Renewal Debt Service Fund	Totals
<b>REVENUES</b>			
Property taxes	\$ 548,993	\$ 873,877	\$ 1,422,870
Interest on investments	<u>5,418</u>	<u>20,334</u>	<u>25,752</u>
<b>TOTAL REVENUES</b>	<u>554,411</u>	<u>894,211</u>	<u>1,448,622</u>
<b>EXPENDITURES</b>			
Current:			
General government	-	113,230	113,230
Debt service	<u>570,550</u>	<u>1,182,767</u>	<u>1,753,317</u>
<b>TOTAL EXPENDITURES</b>	<u>570,550</u>	<u>1,295,997</u>	<u>1,866,547</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(16,139)</u>	<u>(401,786)</u>	<u>(417,925)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(16,139)	(401,786)	(417,925)
<b>FUND BALANCE, Beginning</b>	<u>31,377</u>	<u>832,760</u>	<u>864,137</u>
<b>FUND BALANCE, Ending</b>	<u><u>\$ 15,238</u></u>	<u><u>\$ 430,974</u></u>	<u><u>\$ 446,212</u></u>

**CITY OF PENDLETON, OREGON**  
**SUB-COMBINING SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**NON-MAJOR PERMANENT TRUST FUNDS**  
**For the Fiscal Year Ended June 30, 2019**

	Library Permanent Trust Fund	Cemetery Perpetual Care Trust Fund	Totals
<b>REVENUES</b>			
Licenses and fees	\$ -	\$ 2,615	\$ 2,615
Interest on investments	<u>141</u>	<u>29,915</u>	<u>30,056</u>
<b>TOTAL REVENUES</b>	<u>141</u>	<u>32,530</u>	<u>32,671</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(100)</u>	<u>(13,832)</u>	<u>(13,932)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(100)</u>	<u>(13,832)</u>	<u>(13,932)</u>
<b>NET CHANGE IN FUND BALANCE</b>	41	18,698	18,739
<b>FUND BALANCE, Beginning</b>	<u>6,090</u>	<u>787,661</u>	<u>793,751</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 6,131</u>	<u>\$ 806,359</u>	<u>\$ 812,490</u>

See auditor's report.

**CITY OF PENDLETON, OREGON  
COMBINING BALANCE SHEET  
COMBINED GENERAL FUND  
June 30, 2019**

	General Fund	Community Rehabilitation Fund	Sidewalk Repair Fund	Totals
<b>ASSETS</b>				
Cash and cash equivalents	\$ 955,943	\$ 274,045	\$ 819	\$ 1,230,807
Receivables:				
Property taxes	325,172	-	-	325,172
Accounts	1,607,273	-	-	1,607,273
Interest	18	-	-	18
Assessments	-	-	17,988	17,988
Notes	-	137,718	-	137,718
Advances to other funds	317,500	-	-	317,500
Prepaid items	54,084	-	-	54,084
	<u>3,259,990</u>	<u>411,763</u>	<u>18,807</u>	<u>3,690,560</u>
Total assets	<u>\$ 3,259,990</u>	<u>\$ 411,763</u>	<u>\$ 18,807</u>	<u>\$ 3,690,560</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 515,911	\$ 6,885	\$ -	\$ 522,796
Advances from other funds	-	-	25,000	25,000
	<u>515,911</u>	<u>6,885</u>	<u>25,000</u>	<u>547,796</u>
Total liabilities	<u>515,911</u>	<u>6,885</u>	<u>25,000</u>	<u>547,796</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	<u>1,198,017</u>	<u>137,884</u>	<u>17,988</u>	<u>1,353,889</u>
	<u>1,198,017</u>	<u>137,884</u>	<u>17,988</u>	<u>1,353,889</u>
Total deferred inflows of resources	<u>1,198,017</u>	<u>137,884</u>	<u>17,988</u>	<u>1,353,889</u>
<b>FUND BALANCES</b>				
Nonspendable	371,584	-	-	371,584
Restricted	122,368	-	-	122,368
Committed	88,211	-	-	88,211
Assigned	-	266,994	-	266,994
Unassigned	963,899	-	(24,181)	939,718
	<u>1,546,062</u>	<u>266,994</u>	<u>(24,181)</u>	<u>1,788,875</u>
Total fund balances	<u>1,546,062</u>	<u>266,994</u>	<u>(24,181)</u>	<u>1,788,875</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,259,990</u>	<u>\$ 411,763</u>	<u>\$ 18,807</u>	<u>\$ 3,690,560</u>

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
**COMBINED GENERAL FUND**  
**For the Fiscal Year Ended June 30, 2019**

	General Fund	Community Rehabilitation Fund	Sidewalk Repair Fund	Totals
<b>REVENUES</b>				
Property taxes	\$ 5,860,219	\$ -	\$ -	\$ 5,860,219
Other taxes	703,175	-	-	703,175
Franchise fees	2,598,815	-	-	2,598,815
Licenses and fees	848,637	-	-	848,637
Charges for services	1,460,937	-	-	1,460,937
Intergovernmental	1,430,444	-	-	1,430,444
Fines and forfeitures	327,878	-	-	327,878
Assessments	-	-	2,706	2,706
Loan repayments	-	11,941	-	11,941
Contributions	21,514	-	-	21,514
Interest on investments	57,463	10,865	22	68,350
Miscellaneous	102,071	-	45	102,116
<b>TOTAL REVENUES</b>	<u>13,411,153</u>	<u>22,806</u>	<u>2,773</u>	<u>13,436,732</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,833,641	46,673	-	1,880,314
Public safety	9,000,816	-	-	9,000,816
Culture and recreation	2,162,161	-	-	2,162,161
Capital outlay	229,163	-	-	229,163
Debt service	640,327	-	397	640,724
<b>TOTAL EXPENDITURES</b>	<u>13,866,108</u>	<u>46,673</u>	<u>397</u>	<u>13,913,178</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(454,955)</u>	<u>(23,867)</u>	<u>2,376</u>	<u>(476,446)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	222,072	-	-	222,072
Transfers out	(611,670)	(276,171)	-	(887,841)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(389,598)</u>	<u>(276,171)</u>	<u>-</u>	<u>(665,769)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(844,553)	(300,038)	2,376	(1,142,215)
<b>FUND BALANCE (DEFICIT), Beginning</b>	<u>2,390,615</u>	<u>567,032</u>	<u>(26,557)</u>	<u>2,931,090</u>
<b>FUND BALANCE (DEFICIT), Ending</b>	<u>\$ 1,546,062</u>	<u>\$ 266,994</u>	<u>\$ (24,181)</u>	<u>\$ 1,788,875</u>

See auditor's report.

## COMBINING STATEMENTS

---

---

### Internal Service Funds

Internal Service funds account for the financing of goods and services provided by one department or agency to other departments or agencies of the City and to other government units on a cost reimbursement basis. The Internal Service funds of the City are:

**PW ADMINISTRATION AND FLEET FUND** – accounts for revenue from equipment, contract labor and overhead charges to other City funds and departments. Expenditures are made for costs associated with the providing of these services.

**CENTRAL SERVICES FUND** – accounts for the central administrative support services from charges to other City funds and departments. Expenses are for the operations within the City Manager's office, Mayor and City Council department, legal department, finance department, engineering division and facilities division.

**CITY OF PENDLETON, OREGON  
COMBINING BALANCE SHEET  
INTERNAL SERVICE FUNDS  
June 30, 2019**

	<u>PW Administration and Fleet Fund</u>	<u>Central Services Fund</u>	<u>Totals</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 662,280	\$ 185,693	\$ 847,973
Receivables:			
Accounts	-	113,230	113,230
Prepaid items	<u>11,900</u>	<u>34,645</u>	<u>46,545</u>
Total current assets	<u>674,180</u>	<u>333,568</u>	<u>1,007,748</u>
Noncurrent assets:			
Net OPEB asset	5,448	14,152	19,600
Capital assets:			
Depreciable assets, net of depreciation	<u>581,968</u>	<u>307,720</u>	<u>889,688</u>
Total noncurrent assets	<u>587,416</u>	<u>321,872</u>	<u>909,288</u>
Total assets	<u>1,261,596</u>	<u>655,440</u>	<u>1,917,036</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred outflows related to pension	289,140	751,126	1,040,266
Deferred outflows related to OPEB	<u>6,799</u>	<u>18,153</u>	<u>24,952</u>
Total deferred outflows of resources	<u>295,939</u>	<u>769,279</u>	<u>1,065,218</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	25,605	65,722	91,327
Deposits	-	5,155	5,155
Compensated absences payable	<u>40,181</u>	<u>118,834</u>	<u>159,015</u>
Total current liabilities	65,786	189,711	255,497
Long-term debt, net of current portion			
Other post employment benefits liability	73,077	198,027	271,104
Net pension liability	<u>750,198</u>	<u>1,948,832</u>	<u>2,699,030</u>
Total liabilities	<u>889,061</u>	<u>2,336,570</u>	<u>3,225,631</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred inflows related to pension	87,486	227,265	314,751
Deferred inflows related to OPEB	<u>15,125</u>	<u>40,814</u>	<u>55,939</u>
Total deferred inflows of resources	<u>102,611</u>	<u>268,079</u>	<u>370,690</u>
<b>NET POSITION</b>			
Net investment in capital assets	581,968	307,720	889,688
Unrestricted	<u>(16,105)</u>	<u>(1,487,650)</u>	<u>(1,503,755)</u>
Total net position	<u>\$ 565,863</u>	<u>\$ (1,179,930)</u>	<u>\$ (614,067)</u>

See auditor's report.



**CITY OF PENDLETON, OREGON**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**For the Fiscal Year Ended June 30, 2019**

	PW Administration and Fleet Fund	Central Services Fund	Totals
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,521,941	\$ 3,231,580	\$ 4,753,521
Licenses and fees	-	27,912	27,912
Miscellaneous	57	2,187	2,244
<b>TOTAL OPERATING REVENUES</b>	<u>1,521,998</u>	<u>3,261,679</u>	<u>4,783,677</u>
<b>OPERATING EXPENSES</b>			
Personal services	946,010	2,460,885	3,406,895
Materials and services	207,300	1,072,369	1,279,669
Depreciation	125,292	74,170	199,462
<b>TOTAL OPERATING EXPENSES</b>	<u>1,278,602</u>	<u>3,607,424</u>	<u>4,886,026</u>
<b>OPERATING INCOME (LOSS)</b>	<u>243,396</u>	<u>(345,745)</u>	<u>(102,349)</u>
<b>NON-OPERATING INCOME (EXPENSES)</b>			
Intergovernmental	-	113,230	113,230
Gain (loss) on disposal of capital assets	-	(7,224)	(7,224)
Interest on investments	11,730	2,945	14,675
<b>TOTAL NON-OPERATING INCOME (EXPENSES)</b>	<u>11,730</u>	<u>108,951</u>	<u>120,681</u>
<b>NET INCOME (LOSS) BEFORE TRANSFERS</b>	<u>255,126</u>	<u>(236,794)</u>	<u>18,332</u>
<b>TRANSFERS</b>			
Transfers in	-	50,000	(50,000)
Transfers out	(37,400)	(81,430)	(118,830)
<b>TOTAL TRANSFERS</b>	<u>(37,400)</u>	<u>(31,430)</u>	<u>(68,830)</u>
<b>CHANGE IN NET POSITION</b>	217,726	(268,224)	(50,498)
<b>NET POSITION, Beginning</b>	<u>348,137</u>	<u>(911,706)</u>	<u>(563,569)</u>
<b>NET POSITION, Ending</b>	<u>\$ 565,863</u>	<u>\$ (1,179,930)</u>	<u>\$ (614,067)</u>

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**COMBINING SCHEDULE OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**For the Fiscal Year Ended June 30, 2019**

	PW Administration and Fleet Fund	Central Services Fund	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 3,217	\$ 31,999	\$ 35,216
Receipts from interfund services provided	1,518,520	3,231,580	4,750,100
Payments to suppliers	(467,310)	(1,772,046)	(2,239,356)
Payments to employees	(685,839)	(1,607,723)	(2,293,562)
Payments for interfund services used	(21,330)	-	(21,330)
Net cash provided from (used by) operating activities	<u>347,258</u>	<u>(116,190)</u>	<u>231,068</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers in	-	50,000	50,000
Transfers out	(37,400)	(81,430)	(118,830)
Net cash provided from (used by) non-capital financing activities	<u>(37,400)</u>	<u>(31,430)</u>	<u>(68,830)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from intergovernmental revenue	-	55,812	55,812
Interfund loan proceeds	226,992	-	226,992
Acquisition of capital assets	(54,499)	(42,661)	(97,160)
Net cash provided from (used by) capital and related financing activities	<u>172,493</u>	<u>13,151</u>	<u>185,644</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on investments	<u>11,730</u>	<u>2,945</u>	<u>14,675</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	494,081	(131,524)	362,557
<b>CASH AND CASH EQUIVALENTS, Beginning</b>	<u>168,199</u>	<u>317,217</u>	<u>485,416</u>
<b>CASH AND CASH EQUIVALENTS, Ending</b>	<u>\$ 662,280</u>	<u>\$ 185,693</u>	<u>\$ 847,973</u>

**CITY OF PENDLETON, OREGON**  
**COMBINING SCHEDULE OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**For the Fiscal Year Ended June 30, 2019**

	PW Administration and Fleet Fund	Central Services Fund	Totals
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED FROM (USED BY) OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 243,396	\$ (345,745)	\$ (102,349)
Adjustments to reconcile operating income (loss) to net cash provided (used in) operating activities			
Depreciation	125,292	74,170	199,462
(Increase) decrease in assets and deferred outflows:			
Receivables	(261)	-	(261)
Prepaid Items	150	(12,596)	(12,446)
Net OPEB asset	(5,448)	(14,152)	(19,600)
Deferred outflows - pension	(5,104)	(85,490)	(90,594)
Deferred outflows - OPEB	1,104	(1,115)	(11)
Increase (decrease) in liabilities and deferred inflows:			
Accounts payable and accrued expenses	(4,808)	(2,325)	(7,133)
Deposits	-	1,900	1,900
Net pension liability	(43,972)	87,698	43,726
Compensated absences payable	(1,331)	6,247	4,916
Other post employment benefits liability	(31,027)	(16,409)	(47,436)
Deferred inflows - pension	61,251	165,786	227,037
Deferred inflows - OPEB	8,016	25,841	33,857
Net cash provided from (used by) operating activities	<u>\$ 347,258</u>	<u>\$ (116,190)</u>	<u>\$ 231,068</u>



## COMBINING STATEMENTS

---

---

### Agency Funds

Agency Funds account for assets held by the government as an agent for individuals, private organizations, other governments, and/or other funds. The Agency Funds of the City are:

**BAIL FUND** – accounts for the activity associated with bail funds of the municipal court.

**PENDLETON FOUNDATION TRUST FUND** – accounts for the receipts and distributions of unrestricted income from the Pendleton Foundation Trust as provided by Ordinance No. 2699.

**CITY OF PENDLETON, OREGON**  
**COMBINING SCHEDULE OF FIDUCIARY NET POSITION**  
**AGENCY FUNDS**  
**June 30, 2019**

	Bail Fund	Pendleton Foundation Trust Fund	Totals
<b>ASSETS</b>			
Cash and cash equivalents	\$ 17,443	\$ 5,136	\$ 22,579
Total assets	\$ 17,443	\$ 5,136	\$ 22,579
<b>LIABILITIES</b>			
Accounts payable	\$ 11,524	\$ 5,000	\$ 16,524
Due to other governments	5,919	136	6,055
Total liabilities	\$ 17,443	\$ 5,136	\$ 22,579

See auditor's report.

## **BUDGETARY COMPARISON SCHEDULES**

---

---

Pursuant to the provisions of Oregon Revised Statute 297.465, Oregon Administrative Rule #162-010-0130, *Minimum Standards for Audits of Oregon Municipal Corporations*, requires an individual schedule of revenues, expenditures/expenses, and changes in fund balances/net position, budget and actual be displayed for each fund where legally adopted budgets are required.

In accordance with GASB Statement No. 34, the City's General Fund and any major special revenue fund (currently only the State Tax Street Fund) are presented as the third of the basic governmental fund financial statements. All other budgetary comparisons are displayed in the following pages as supplemental information.

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF EXPENDITURES AND TRANSFERS**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS), BY DEPARTMENT**  
**GENERAL FUND**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>EXPENDITURES AND TRANSFERS</b>				
Planning and building	\$ 701,800	\$ 701,800	\$ 584,382	\$ 117,418
Municipal court	396,600	426,600	406,093	20,507
Economic development	53,600	53,600	32,549	21,051
Police	4,819,000	4,819,000	4,736,827	82,173
Fire / Ambulance	4,388,800	4,758,800	4,662,992	95,808
Parks and recreation	2,398,225	2,408,225	2,260,422	147,803
Non-departmental	1,392,970	1,608,370	1,551,339	57,031
Debt service	279,935	279,935	243,174	36,761
Contingency	2,131,835	1,552,800	-	1,552,800
<b>TOTAL EXPENDITURES AND TRANSFERS</b>	<b>\$ 16,562,765</b>	<b>\$ 16,609,130</b>	<b>\$ 14,477,778</b>	<b>\$ 2,131,352</b>

See auditor's report.



# **SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL**

---

---

## **Governmental Funds**

### **Special Revenue Funds**

- Bike
- Library
- Library Trust
- Transportation Services
- Community Development Block Grant
- Community Rehabilitation
- Sidewalk Repair Loan Fund
- Pendleton Convention Center
- PCC TPAC
- Police Interagency Special Revolving
- Parks Trust
- City/County Public Safety
- Horne Trust
- Urban Renewal District Operating

### **Debt Service Fund**

- Debt Service
- Urban Renewal District Debt Service

### **Permanent Trust Funds**

- Library Permanent Trust
- Cemetery Perpetual Care Trust

### **Capital Projects Funds**

- System Development Fees
- Parks Capital Reserve
- Public Safety Capital Reserve
- L.I.D. Construction
- Street HB2001
- Fire Bond Capital Construction

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**BIKE FUND**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 12,240	\$ 12,240	\$ 12,361	\$ 121
Interest on investments	<u>200</u>	<u>200</u>	<u>479</u>	<u>279</u>
<b>TOTAL REVENUES</b>	<u>12,440</u>	<u>12,440</u>	<u>12,840</u>	<u>400</u>
<b>EXPENDITURES</b>				
Current:				
Capital outlay	<u>16,890</u>	<u>16,890</u>	<u>7,210</u>	<u>9,680</u>
<b>TOTAL EXPENDITURES</b>	<u>16,890</u>	<u>16,890</u>	<u>7,210</u>	<u>9,680</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(4,450)</u>	<u>(4,450)</u>	<u>5,630</u>	<u>10,080</u>
<b>NET CHANGE IN FUND BALANCE</b>	(4,450)	(4,450)	5,630	10,080
<b>FUND BALANCE, Beginning</b>	<u>4,450</u>	<u>4,450</u>	<u>14,711</u>	<u>10,261</u>
<b>FUND BALANCE, Ending</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 20,341</u></u>	<u><u>\$ 20,341</u></u>

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**LIBRARY FUND**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Licenses and fees	\$ 20,000	\$ 20,000	\$ 15,716	\$ (4,284)
Intergovernmental	457,080	457,080	506,031	48,951
Contributions	32,000	40,670	32,921	(7,749)
Interest on investments	2,005	2,005	8,418	6,413
Miscellaneous	2,300	2,300	210	(2,090)
<b>TOTAL REVENUES</b>	<u>513,385</u>	<u>522,055</u>	<u>563,296</u>	<u>41,241</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation:				
Personal services	459,815	459,815	401,192	58,623
Materials and services	167,470	176,140	159,118	17,022
Contingency	<u>272,125</u>	<u>272,125</u>	<u>-</u>	<u>272,125</u>
<b>TOTAL EXPENDITURES</b>	<u>899,410</u>	<u>908,080</u>	<u>560,310</u>	<u>347,770</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(386,025)</u>	<u>(386,025)</u>	<u>2,986</u>	<u>389,011</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	105,270	105,270	105,270	-
Transfers out	<u>(17,090)</u>	<u>(17,090)</u>	<u>(17,090)</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>88,180</u>	<u>88,180</u>	<u>88,180</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(297,845)	(297,845)	91,166	389,011
<b>FUND BALANCE, Beginning</b>	<u>297,845</u>	<u>297,845</u>	<u>278,631</u>	<u>(19,214)</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 369,797</u>	<u>\$ 369,797</u>

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**LIBRARY TRUST FUND**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Contributions	\$ 32,000	\$ 32,000	\$ 30,733	\$ (1,267)
Interest on investments	<u>4,000</u>	<u>4,000</u>	<u>9,299</u>	<u>5,299</u>
<b>TOTAL REVENUES</b>	<u>36,000</u>	<u>36,000</u>	<u>40,032</u>	<u>4,032</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation:				
Materials and services	<u>50,000</u>	<u>50,000</u>	<u>37,798</u>	<u>12,202</u>
<b>TOTAL EXPENDITURES</b>	<u>50,000</u>	<u>50,000</u>	<u>37,798</u>	<u>12,202</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(14,000)</u>	<u>(14,000)</u>	<u>2,234</u>	<u>16,234</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>100</u>	<u>100</u>	<u>100</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>100</u>	<u>100</u>	<u>100</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(13,900)	(13,900)	2,334	16,234
<b>FUND BALANCE, Beginning</b>	<u>85,400</u>	<u>85,400</u>	<u>89,337</u>	<u>3,937</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 71,500</u>	<u>\$ 71,500</u>	<u>\$ 91,671</u>	<u>\$ 20,171</u>

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**TRANSPORTATION SERVICES FUND**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Charges for services	\$ 20,000	\$ 20,000	\$ 26,029	\$ 6,029
Intergovernmental	542,035	542,035	487,558	(54,477)
Interest on investments	3,890	3,890	13,989	10,099
Miscellaneous	<u>3,000</u>	<u>3,000</u>	<u>3,646</u>	<u>646</u>
<b>TOTAL REVENUES</b>	<u>568,925</u>	<u>568,925</u>	<u>531,222</u>	<u>(37,703)</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Materials and services	504,500	504,500	400,695	103,805
Capital outlay	100,000	100,000	84,975	15,025
Contingency	<u>34,425</u>	<u>34,425</u>	<u>-</u>	<u>34,425</u>
<b>TOTAL EXPENDITURES</b>	<u>638,925</u>	<u>638,925</u>	<u>485,670</u>	<u>153,255</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(70,000)</u>	<u>(70,000)</u>	<u>45,552</u>	<u>115,552</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(50,000)	(50,000)	65,552	115,552
<b>FUND BALANCE, Beginning</b>	<u>50,000</u>	<u>50,000</u>	<u>599,776</u>	<u>549,776</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 665,328</u>	<u>\$ 665,328</u>

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**COMMUNITY DEVELOPMENT BLOCK GRANT FUND**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 375,000	\$ 375,000	\$ 59,610	\$ (315,390)
Interest on investments	<u>25</u>	<u>25</u>	<u>169</u>	<u>144</u>
<b>TOTAL REVENUES</b>	<u>375,025</u>	<u>375,025</u>	<u>59,779</u>	<u>(315,246)</u>
<b>EXPENDITURES</b>				
Current:				
Materials and services	375,000	375,000	59,610	315,390
Debt service	1,000	1,000	-	1,000
Contingency	<u>1,625</u>	<u>1,625</u>	<u>-</u>	<u>1,625</u>
<b>TOTAL EXPENDITURES</b>	<u>377,625</u>	<u>377,625</u>	<u>59,610</u>	<u>318,015</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(2,600)</u>	<u>(2,600)</u>	<u>169</u>	<u>2,769</u>
<b>NET CHANGE IN FUND BALANCE</b>	(2,600)	(2,600)	169	2,769
<b>FUND BALANCE, Beginning</b>	<u>2,600</u>	<u>2,600</u>	<u>2,716</u>	<u>116</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,885</u>	<u>\$ 2,885</u>

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**COMMUNITY REHABILITATION FUND**  
**(SUB-FUND OF THE GENERAL FUND)**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Loan repayments	\$ 8,800	\$ 8,800	\$ 11,941	\$ 3,141
Interest on investments	<u>7,000</u>	<u>7,000</u>	<u>10,865</u>	<u>3,865</u>
<b>TOTAL REVENUES</b>	<u>15,800</u>	<u>15,800</u>	<u>22,806</u>	<u>7,006</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Materials and services	182,500	151,528	46,673	104,855 **
Capital outlay	<u>-</u>	<u>-</u>	<u>20,199</u>	<u>(20,199) **</u>
<b>TOTAL EXPENDITURES</b>	<u>182,500</u>	<u>151,528</u>	<u>66,872</u>	<u>84,656</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(166,700)</u>	<u>(135,728)</u>	<u>(44,066)</u>	<u>91,662</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(225,000)</u>	<u>(255,972)</u>	<u>(255,972)</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(225,000)</u>	<u>(255,972)</u>	<u>(255,972)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(391,700)	(391,700)	(300,038)	91,662
<b>FUND BALANCE, Beginning</b>	<u>565,000</u>	<u>565,000</u>	<u>567,032</u>	<u>2,032</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 173,300</u>	<u>\$ 173,300</u>	<u>\$ 266,994</u>	<u>\$ 93,694</u>

\*\*Community Development Operations unit not exceeded.

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SIDEWALK REPAIR LOAN FUND**  
**(SUB-FUND OF THE GENERAL FUND)**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Assessments	\$ 3,000	\$ 3,000	\$ 2,706	\$ (294)
Interest on investments	-	-	22	22
Miscellaneous	-	-	45	45
<b>TOTAL REVENUES</b>	<u>3,000</u>	<u>3,000</u>	<u>2,773</u>	<u>(227)</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Materials and services	300	300	-	300
Debt service	<u>1,000</u>	<u>1,000</u>	<u>397</u>	<u>603</u>
<b>TOTAL EXPENDITURES</b>	<u>1,300</u>	<u>1,300</u>	<u>397</u>	<u>903</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,700</u>	<u>1,700</u>	<u>2,376</u>	<u>676</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund loan proceeds	28,300	28,300	25,000	(3,300)
Interfund loan repayment	<u>(30,000)</u>	<u>(30,000)</u>	<u>(27,000)</u>	<u>3,000</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(1,700)</u>	<u>(1,700)</u>	<u>(2,000)</u>	<u>(300)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	376	376
Budgetary basis adjustment	-	-	2,000	2,000
<b>FUND BALANCE (DEFICIT), Beginning</b>	<u>-</u>	<u>-</u>	<u>(26,557)</u>	<u>(26,557)</u>
<b>FUND BALANCE (DEFICIT), Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (24,181)</u>	<u>\$ (24,181)</u>

See auditor's report.



**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**PENDLETON CONVENTION CENTER FUND**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Other taxes	\$ 545,000	\$ 545,000	\$ 540,680	\$ (4,320)
Licenses and fees	50,000	50,000	55,394	5,394
Charges for services	377,200	477,200	497,930	20,730
Contributions	-	-	4	4
Interest on investments	-	-	943	943
Miscellaneous	14,000	14,000	14,333	333
<b>TOTAL REVENUES</b>	<u>986,200</u>	<u>1,086,200</u>	<u>1,109,284</u>	<u>23,084</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Personal services	352,840	352,840	341,251	11,589
Materials and services	629,000	729,000	723,548	5,452
Capital outlay	145,000	285,000	265,066	19,934
Debt service	-	-	83	(83)
Contingency	12,390	12,390	-	12,390
<b>TOTAL EXPENDITURES</b>	<u>1,139,230</u>	<u>1,379,230</u>	<u>1,329,948</u>	<u>49,282</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(153,030)</u>	<u>(293,030)</u>	<u>(220,664)</u>	<u>72,366</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund loan proceeds	-	140,000	-	(140,000)
Transfers out	(9,370)	(9,370)	(9,370)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(9,370)</u>	<u>130,630</u>	<u>(9,370)</u>	<u>(140,000)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(162,400)	(162,400)	(230,034)	(67,634)
<b>FUND BALANCE, Beginning</b>	<u>162,400</u>	<u>162,400</u>	<u>154,905</u>	<u>(7,495)</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (75,129)</u>	<u>\$ (75,129)</u>

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**PCC TPAC FUND (NON-GAAP BUDGETARY BASIS)**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Other taxes	\$ 105,750	\$ 105,750	\$ 100,815	\$ (4,935)
Interest on investments	<u>10,000</u>	<u>10,000</u>	<u>112</u>	<u>(9,888)</u>
<b>TOTAL REVENUES</b>	<u>115,750</u>	<u>115,750</u>	<u>100,927</u>	<u>(14,823)</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Capital outlay	43,080	43,080	-	43,080
Debt service	<u>75,270</u>	<u>76,270</u>	<u>75,972</u>	<u>298</u>
<b>TOTAL EXPENDITURES</b>	<u>118,350</u>	<u>119,350</u>	<u>75,972</u>	<u>43,378</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(2,600)</u>	<u>(3,600)</u>	<u>24,955</u>	<u>28,555</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund loan proceeds	-	58,000	32,000	(26,000)
Interfund loan repayment	<u>-</u>	<u>(57,000)</u>	<u>(57,000)</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>1,000</u>	<u>(25,000)</u>	<u>(26,000)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(2,600)	(2,600)	(45)	2,555
Budgetary basis adjustment	-	-	25,000	25,000
<b>FUND BALANCE, Beginning</b>	<u>2,600</u>	<u>2,600</u>	<u>(27,815)</u>	<u>(30,415)</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,860)</u>	<u>\$ (2,860)</u>

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**POLICE INTERAGENCY SPECIAL REVOLVING FUND**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Charges for services	\$ 4,800	\$ 4,800	\$ 5,200	\$ 400
Intergovernmental	130,000	130,000	192,915	62,915
Interest on investments	1,000	1,000	6,385	5,385
Miscellaneous	400	400	274	(126)
<b>TOTAL REVENUES</b>	<u>136,200</u>	<u>136,200</u>	<u>204,774</u>	<u>68,574</u>
<b>EXPENDITURES</b>				
Current:				
Public safety:				
Materials and services	241,200	241,200	192,445	48,755
Capital outlay	27,000	27,000	18,800	8,200
<b>TOTAL EXPENDITURES</b>	<u>268,200</u>	<u>268,200</u>	<u>211,245</u>	<u>56,955</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(132,000)</u>	<u>(132,000)</u>	<u>(6,471)</u>	<u>125,529</u>
<b>NET CHANGE IN FUND BALANCE</b>	(132,000)	(132,000)	(6,471)	125,529
<b>FUND BALANCE, Beginning</b>	<u>132,000</u>	<u>132,000</u>	<u>187,870</u>	<u>55,870</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 181,399</u>	<u>\$ 181,399</u>

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**PARKS TRUST FUND**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Licenses and fees	\$ 3,000	\$ 3,000	\$ 5,282	\$ 2,282
Contributions	2,000	2,000	8,268	6,268
Interest on investments	800	800	3,322	2,522
<b>TOTAL REVENUES</b>	<u>5,800</u>	<u>5,800</u>	<u>16,872</u>	<u>11,072</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>30,000</u>	<u>30,000</u>	-	<u>30,000</u>
<b>TOTAL EXPENDITURES</b>	<u>30,000</u>	<u>30,000</u>	-	<u>30,000</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(24,200)</u>	<u>(24,200)</u>	<u>16,872</u>	<u>41,072</u>
<b>NET CHANGE IN FUND BALANCE</b>	(24,200)	(24,200)	16,872	41,072
<b>FUND BALANCE, Beginning</b>	<u>95,600</u>	<u>95,600</u>	<u>137,174</u>	<u>41,574</u>
<b>FUND BALANCE, Ending</b>	<u><u>\$ 71,400</u></u>	<u><u>\$ 71,400</u></u>	<u><u>\$ 154,046</u></u>	<u><u>\$ 82,646</u></u>

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**CITY/COUNTY PUBLIC SAFETY FUND**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Interest on investments	\$ 1,000	\$ 1,000	\$ 1,923	\$ 923
<b>TOTAL REVENUES</b>	<u>1,000</u>	<u>1,000</u>	<u>1,923</u>	<u>923</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Materials and services	<u>84,000</u>	<u>84,000</u>	<u>-</u>	<u>84,000</u>
<b>TOTAL EXPENDITURES</b>	<u>84,000</u>	<u>84,000</u>	<u>-</u>	<u>84,000</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(83,000)</u>	<u>(83,000)</u>	<u>1,923</u>	<u>84,923</u>
<b>NET CHANGE IN FUND BALANCE</b>	(83,000)	(83,000)	1,923	84,923
<b>FUND BALANCE, Beginning</b>	<u>83,000</u>	<u>83,000</u>	<u>83,059</u>	<u>59</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 84,982</u>	<u>\$ 84,982</u>

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**HORNE TRUST FUND**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Interest on investments	\$ 125	\$ 125	\$ 477	\$ 352
<b>TOTAL REVENUES</b>	<u>125</u>	<u>125</u>	<u>477</u>	<u>352</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Materials and services	<u>275</u>	<u>275</u>	<u>275</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>275</u>	<u>275</u>	<u>275</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(150)</u>	<u>(150)</u>	<u>202</u>	<u>352</u>
<b>NET CHANGE IN FUND BALANCE</b>	(150)	(150)	202	352
<b>FUND BALANCE, Beginning</b>	<u>20,350</u>	<u>20,350</u>	<u>20,581</u>	<u>231</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 20,200</u>	<u>\$ 20,200</u>	<u>\$ 20,783</u>	<u>\$ 583</u>

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**URBAN RENEWAL DISTRICT OPERATING FUND**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Loan repayments	\$ 22,500	\$ 22,500	\$ 29,041	\$ 6,541
Interest on investments	1,500	1,500	10,299	8,799
<b>TOTAL REVENUES</b>	<u>24,000</u>	<u>24,000</u>	<u>39,340</u>	<u>15,340</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Materials and services	2,051,425	2,051,425	456,215	1,595,210
Capital outlay	50,000	50,000	-	50,000
Contingency	117,575	117,575	-	117,575
<b>TOTAL EXPENDITURES</b>	<u>2,219,000</u>	<u>2,219,000</u>	<u>456,215</u>	<u>1,762,785</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(2,195,000)</u>	<u>(2,195,000)</u>	<u>(416,875)</u>	<u>1,778,125</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	2,000,000	2,000,000	900,000	(1,100,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>2,000,000</u>	<u>2,000,000</u>	<u>900,000</u>	<u>(1,100,000)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(195,000)	(195,000)	483,125	678,125
<b>FUND BALANCE, Beginning</b>	<u>195,000</u>	<u>195,000</u>	<u>249,608</u>	<u>54,608</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 732,733</u>	<u>\$ 732,733</u>

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Property taxes	\$ 535,050	\$ 535,050	\$ 548,993	\$ 13,943
Interest on investments	<u>500</u>	<u>500</u>	<u>5,418</u>	<u>4,918</u>
<b>TOTAL REVENUES</b>	<u>535,550</u>	<u>535,550</u>	<u>554,411</u>	<u>18,861</u>
<b>EXPENDITURES</b>				
Debt service	<u>570,550</u>	<u>570,550</u>	<u>570,550</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>570,550</u>	<u>570,550</u>	<u>570,550</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(35,000)</u>	<u>(35,000)</u>	<u>(16,139)</u>	<u>18,861</u>
<b>NET CHANGE IN FUND BALANCE</b>	(35,000)	(35,000)	(16,139)	18,861
<b>FUND BALANCE, Beginning</b>	<u>35,000</u>	<u>35,000</u>	<u>31,377</u>	<u>(3,623)</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,238</u>	<u>\$ 15,238</u>

See auditor's report.



**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**URBAN RENEWAL DISTRICT DEBT SERVICE FUND**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Property taxes	\$ 765,000	\$ 765,000	\$ 873,877	\$ 108,877
Interest on investments	<u>10,100</u>	<u>10,100</u>	<u>20,334</u>	<u>10,234</u>
<b>TOTAL REVENUES</b>	<u>775,100</u>	<u>775,100</u>	<u>894,211</u>	<u>119,111</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Materials and services	116,100	116,100	113,230	2,870
Debt service	<u>1,274,000</u>	<u>1,274,000</u>	<u>1,182,767</u>	<u>91,233</u>
<b>TOTAL EXPENDITURES</b>	<u>1,390,100</u>	<u>1,390,100</u>	<u>1,295,997</u>	<u>94,103</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(615,000)</u>	<u>(615,000)</u>	<u>(401,786)</u>	<u>213,214</u>
<b>NET CHANGE IN FUND BALANCE</b>	(615,000)	(615,000)	(401,786)	213,214
<b>FUND BALANCE, Beginning</b>	<u>891,000</u>	<u>891,000</u>	<u>832,760</u>	<u>(58,240)</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 276,000</u>	<u>\$ 276,000</u>	<u>\$ 430,974</u>	<u>\$ 154,974</u>

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**LIBRARY PERMANENT TRUST FUND**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Interest on investments	\$ 100	\$ 100	\$ 141	\$ 41
<b>TOTAL REVENUES</b>	<u>100</u>	<u>100</u>	<u>141</u>	<u>41</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(100)	(100)	(100)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(100)</u>	<u>(100)</u>	<u>(100)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	41	41
<b>FUND BALANCE, Beginning</b>	<u>6,090</u>	<u>6,090</u>	<u>6,090</u>	-
<b>FUND BALANCE, Ending</b>	<u>\$ 6,090</u>	<u>\$ 6,090</u>	<u>\$ 6,131</u>	<u>\$ 41</u>

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**CEMETERY PERPETUAL CARE FUND**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Licenses and fees	\$ 2,150	\$ 2,150	\$ 2,615	\$ 465
Interest on investments	<u>25,000</u>	<u>25,000</u>	<u>29,915</u>	<u>4,915</u>
<b>TOTAL REVENUES</b>	<u>27,150</u>	<u>27,150</u>	<u>32,530</u>	<u>5,380</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(25,000)</u>	<u>(25,000)</u>	<u>(13,832)</u>	<u>11,168</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(25,000)</u>	<u>(25,000)</u>	<u>(13,832)</u>	<u>11,168</u>
<b>NET CHANGE IN FUND BALANCE</b>	2,150	2,150	18,698	16,548
<b>FUND BALANCE, Beginning</b>	<u>784,000</u>	<u>784,000</u>	<u>787,661</u>	<u>3,661</u>
<b>FUND BALANCE, Ending</b>	<u><u>\$ 786,150</u></u>	<u><u>\$ 786,150</u></u>	<u><u>\$ 806,359</u></u>	<u><u>\$ 20,209</u></u>

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**SYSTEM DEVELOPMENT FEES FUND**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Charges for services	\$ 50,000	\$ 50,000	\$ 52,052	\$ 2,052
Interest on investments	<u>1,000</u>	<u>1,000</u>	<u>6,005</u>	<u>5,005</u>
<b>TOTAL REVENUES</b>	<u>51,000</u>	<u>51,000</u>	<u>58,057</u>	<u>7,057</u>
<b>EXPENDITURES</b>				
Capital outlay	430,700	430,700	383,322	47,378
Contingency	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
<b>TOTAL EXPENDITURES</b>	<u>530,700</u>	<u>530,700</u>	<u>383,322</u>	<u>147,378</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(479,700)</u>	<u>(479,700)</u>	<u>(325,265)</u>	<u>154,435</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	75,000	75,000	75,000	-
Transfers out	<u>-</u>	<u>(28,900)</u>	<u>(28,900)</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>75,000</u>	<u>46,100</u>	<u>46,100</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(404,700)	(433,600)	(279,165)	154,435
<b>FUND BALANCE, Beginning</b>	<u>1,052,000</u>	<u>1,052,000</u>	<u>1,069,974</u>	<u>17,974</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 647,300</u>	<u>\$ 618,400</u>	<u>\$ 790,809</u>	<u>\$ 172,409</u>

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**PARKS CAPITAL RESERVE FUND**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Interest on investments	\$ 500	\$ 500	\$ 2,145	\$ 1,645
<b>TOTAL REVENUES</b>	<u>500</u>	<u>500</u>	<u>2,145</u>	<u>1,645</u>
<b>EXPENDITURES</b>				
Capital outlay	43,500	43,500	-	43,500
<b>TOTAL EXPENDITURES</b>	<u>43,500</u>	<u>43,500</u>	<u>-</u>	<u>43,500</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(43,000)</u>	<u>(43,000)</u>	<u>2,145</u>	<u>45,145</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of property	-	-	120	120
Transfers in	5,000	5,000	5,000	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>5,000</u>	<u>5,000</u>	<u>5,120</u>	<u>120</u>
<b>NET CHANGE IN FUND BALANCE</b>	(38,000)	(38,000)	7,265	45,265
<b>FUND BALANCE, Beginning</b>	<u>38,000</u>	<u>38,000</u>	<u>90,189</u>	<u>52,189</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,454</u>	<u>\$ 97,454</u>

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**PUBLIC SAFETY CAPITAL RESERVE FUND**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Charges for services	\$ 170,000	\$ 170,000	\$ 201,574	\$ 31,574
Interest on investments	<u>500</u>	<u>500</u>	<u>2,915</u>	<u>2,415</u>
<b>TOTAL REVENUES</b>	<u>170,500</u>	<u>170,500</u>	<u>204,489</u>	<u>33,989</u>
<b>EXPENDITURES</b>				
Capital outlay	554,000	553,500	542,176	11,324
Debt service	<u>-</u>	<u>35,500</u>	<u>219</u>	<u>35,281</u>
<b>TOTAL EXPENDITURES</b>	<u>554,000</u>	<u>589,000</u>	<u>542,395</u>	<u>46,605</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(383,500)</u>	<u>(418,500)</u>	<u>(337,906)</u>	<u>80,594</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of property	240,000	240,000	-	(240,000)
Interfund loan proceeds	<u>-</u>	<u>35,000</u>	<u>-</u>	<u>(35,000)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>240,000</u>	<u>275,000</u>	<u>-</u>	<u>(275,000)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(143,500)	(143,500)	(337,906)	(194,406)
<b>FUND BALANCE, Beginning</b>	<u>164,000</u>	<u>164,000</u>	<u>422,256</u>	<u>258,256</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 20,500</u>	<u>\$ 20,500</u>	<u>\$ 84,350</u>	<u>\$ 63,850</u>

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**L.I.D. CONSTRUCTION FUND**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Assessments	\$ 10,000	\$ 10,000	\$ 61,313	\$ 51,313
Interest on investments	-	-	1,338	1,338
Miscellaneous	-	-	59	59
<b>TOTAL REVENUES</b>	<u>10,000</u>	<u>10,000</u>	<u>62,710</u>	<u>52,710</u>
<b>EXPENDITURES</b>				
Current:				
General Government:				
Materials and services	250	250	304	(54) **
Capital outlay	250,000	250,000	-	250,000 **
Debt service	447,120	447,120	172,137	274,983
Contingency	<u>218,830</u>	<u>218,830</u>	<u>-</u>	<u>218,830</u>
<b>TOTAL EXPENDITURES</b>	<u>916,200</u>	<u>916,200</u>	<u>172,441</u>	<u>743,759</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(906,200)</u>	<u>(906,200)</u>	<u>(109,731)</u>	<u>796,469</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of property	30,000	30,000	-	(30,000)
Issuance of debt	250,000	250,000	-	(250,000)
Transfers in	150,000	150,000	150,000	-
Interfund loan repayment	<u>(100,000)</u>	<u>(100,000)</u>	<u>(78,300)</u>	<u>21,700</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>330,000</u>	<u>330,000</u>	<u>71,700</u>	<u>(258,300)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(576,200)	(576,200)	(38,031)	538,169
Budgetary basis adjustment	-	-	78,300	78,300
<b>FUND BALANCE, Beginning</b>	<u>576,200</u>	<u>576,200</u>	<u>447,127</u>	<u>(129,073)</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 487,396</u>	<u>\$ 487,396</u>

\*\*L.I.D. Construction operations unit not exceeded.

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**STREET HB2001 FUND**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 330,000	\$ 330,000	\$ 594,802	\$ 264,802
Interest on investments	<u>100</u>	<u>100</u>	<u>1,711</u>	<u>1,611</u>
<b>TOTAL REVENUES</b>	<u>330,100</u>	<u>330,100</u>	<u>596,513</u>	<u>266,413</u>
<b>EXPENDITURES</b>				
Capital outlay	343,750	342,850	66,643	276,207
Debt service	<u>100</u>	<u>2,000</u>	<u>665</u>	<u>1,335</u>
<b>TOTAL EXPENDITURES</b>	<u>343,850</u>	<u>344,850</u>	<u>67,308</u>	<u>277,542</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(13,750)</u>	<u>(14,750)</u>	<u>529,205</u>	<u>543,955</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund loan proceeds	-	104,000	-	(104,000)
Interfund loan repayment	<u>-</u>	<u>(103,000)</u>	<u>(103,000)</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>1,000</u>	<u>(103,000)</u>	<u>(104,000)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(13,750)	(13,750)	426,205	439,955
Budgetary basis adjustment	-	-	103,000	103,000
<b>FUND BALANCE, Beginning</b>	<u>13,750</u>	<u>13,750</u>	<u>(514,483)</u>	<u>(528,233)</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,722</u>	<u>\$ 14,722</u>

See auditor's report.



**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**FIRE BOND CAPITAL CONSTRUCTION FUND**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Interest on investments	\$ 50,000	\$ 50,000	\$ 140,820	\$ 90,820
<b>TOTAL REVENUES</b>	<u>50,000</u>	<u>50,000</u>	<u>140,820</u>	<u>90,820</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Capital outlay	<u>9,145,000</u>	<u>9,145,000</u>	<u>7,169,022</u>	<u>1,975,978</u>
<b>TOTAL EXPENDITURES</b>	<u>9,145,000</u>	<u>9,145,000</u>	<u>7,169,022</u>	<u>1,975,978</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(9,095,000)</u>	<u>(9,095,000)</u>	<u>(7,028,202)</u>	<u>2,066,798</u>
<b>NET CHANGE IN FUND BALANCE</b>	(9,095,000)	(9,095,000)	(7,028,202)	2,066,798
<b>FUND BALANCE, Beginning</b>	<u>9,095,000</u>	<u>9,095,000</u>	<u>7,989,923</u>	<u>(1,105,077)</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 961,721</u>	<u>\$ 961,721</u>

See auditor's report.



**SCHEDULES OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL**

---

---

**Proprietary Funds**

**Enterprise Funds**

- All Water Funds
  - Water
  - Water Capital Reserve
- All Sewer Funds
  - Sewer
  - Sewer Capital Reserve
  - Wastewater Rate Reserve
  - Wastewater Rate Stabilization
- Airport

**Internal Service Funds**

- PW Administration and Fleet
- Central Services

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**WATER FUND**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 5,220,250	\$ 5,220,250	\$ 5,646,285	\$ 426,035
Interest on investments	5,000	5,000	39,622	34,622
Miscellaneous	50,000	50,000	76,056	26,056
<b>TOTAL REVENUES</b>	<u>5,275,250</u>	<u>5,275,250</u>	<u>5,761,963</u>	<u>486,713</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	665,730	665,730	676,496	(10,766) **
Materials and services	2,681,825	2,681,825	2,660,245	21,580 **
Capital outlay	8,900,000	8,800,000	1,017,297	7,782,703 **
Debt service	24,500	454,500	457,529	(3,029)
Contingency	842,095	512,095	-	512,095
<b>TOTAL EXPENDITURES</b>	<u>13,114,150</u>	<u>13,114,150</u>	<u>4,811,567</u>	<u>8,302,583</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(7,838,900)</u>	<u>(7,838,900)</u>	<u>950,396</u>	<u>8,789,296</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of property	1,500	1,500	-	(1,500)
Issuance of debt	8,500,000	8,500,000	2,454,423	(6,045,577)
Interfund loan repayment	(430,000)	(430,000)	(435,926)	(5,926)
Transfers out	(519,400)	(519,400)	(519,400)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>7,552,100</u>	<u>7,552,100</u>	<u>1,499,097</u>	<u>(6,053,003)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(286,800)</u>	<u>(286,800)</u>	<u>2,449,493</u>	<u>2,736,293</u>
Budgetary basis adjustment	-	-	435,926	435,926
<b>FUND BALANCE, Beginning</b>	<u>286,800</u>	<u>286,800</u>	<u>233,740</u>	<u>(53,060)</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,119,159</u>	<u>\$ 3,119,159</u>

\*\*Water Operations level of budgetary appropriation not exceeded.

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**WATER CAPITAL RESERVE FUND**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Interest on investments	\$ 3,000	\$ 3,000	\$ 5,378	\$ 2,378
<b>TOTAL REVENUES</b>	<u>3,000</u>	<u>3,000</u>	<u>5,378</u>	<u>2,378</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>3,000</u>	<u>3,000</u>	<u>5,378</u>	<u>2,378</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	503,000	503,000	505,378	2,378
<b>FUND BALANCE, Beginning</b>	<u>1,252,000</u>	<u>1,252,000</u>	<u>250,683</u>	<u>(1,001,317)</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 1,755,000</u>	<u>\$ 1,755,000</u>	<u>\$ 756,061</u>	<u>\$ (998,939)</u>

See auditor's report.

**CITY OF PENDLETON, OREGON  
RECONCILIATION TO GENERALLY ACCEPTED  
ACCOUNTING PRINCIPLES  
ALL WATER FUNDS  
For the Fiscal Year Ended June 30, 2019**

**BUDGETARY BASIS FUND BALANCE (NON-GAAP):**

Water	\$ 3,119,159
Water Capital Reserve	<u>756,061</u>
	3,875,220

Adjustments:

Capital assets, net of depreciation	16,473,960
Net OPEB asset	3,366
Deferred outflow of resources related to pension	178,648
Deferred outflow of resources related to OPEB	5,789
Accrued interest payable	(77,693)
Other post employment benefits liability	(71,678)
Net pension liability	(463,511)
Long-term debt	(5,079,162)
Deferred inflow of resources related to pension	(54,052)
Deferred inflow of resources related to OPEB	<u>(14,261)</u>

**GENERALLY ACCEPTED ACCOUNTING  
PRINCIPLES BASIS (GAAP) NET POSITION**

\$ 14,776,626

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SEWER FUND**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Charges for services	\$ 4,825,500	\$ 4,825,500	\$ 5,163,800	\$ 338,300
Assessments	-	-	995	995
Interest on investments	3,000	3,000	4,463	1,463
Miscellaneous	500	500	11,945	11,445
<b>TOTAL REVENUES</b>	<u>4,829,000</u>	<u>4,829,000</u>	<u>5,181,203</u>	<u>352,203</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	660,176	660,176	658,213	1,963 **
Materials and services	2,565,020	2,565,020	2,601,965	(36,945) **
Capital outlay	7,600,000	7,300,000	1,139,126	6,160,874 **
Debt service	861,800	861,800	655,726	206,074
Contingency	681,914	51,364	-	51,364
<b>TOTAL EXPENDITURES</b>	<u>12,368,910</u>	<u>11,438,360</u>	<u>5,055,030</u>	<u>6,383,330</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(7,539,910)</u>	<u>(6,609,360)</u>	<u>126,173</u>	<u>6,735,533</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of property	500	500	-	(500)
Issuance of debt	7,000,000	7,000,000	462,184	(6,537,816)
Transfers in	-	1,194,700	1,194,698	(2)
Interfund loan repayment	-	(901,000)	(900,800)	200
Transfers out	(15,790)	(45,340)	(45,340)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>6,984,710</u>	<u>7,248,860</u>	<u>710,742</u>	<u>(6,538,118)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(555,200)	639,500	836,915	197,415
Budgetary basis adjustment	-	-	900,800	900,800
<b>FUND BALANCE, Beginning</b>	<u>555,200</u>	<u>555,200</u>	<u>(302,842)</u>	<u>(858,042)</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ 1,194,700</u>	<u>\$ 1,434,873</u>	<u>\$ 240,173</u>

\*\*Sewer Operations unit not exceeded.

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SEWER CAPITAL RESERVE FUND**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Interest on investments	\$ 50,000	\$ 50,000	\$ 58,120	\$ 8,120
<b>TOTAL REVENUES</b>	<u>50,000</u>	<u>50,000</u>	<u>58,120</u>	<u>8,120</u>
<b>EXPENDITURES</b>				
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>50,000</u>	<u>50,000</u>	<u>58,120</u>	<u>8,120</u>
<b>NET CHANGE IN FUND BALANCE</b>	50,000	50,000	58,120	8,120
<b>FUND BALANCE, Beginning</b>	<u>3,928,600</u>	<u>3,928,600</u>	<u>3,490,506</u>	<u>(438,094)</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 3,978,600</u>	<u>\$ 3,978,600</u>	<u>\$ 3,548,626</u>	<u>\$ (429,974)</u>

See auditor's report.



**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**WASTEWATER RATE RESERVE FUND**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	\$ -	\$ (744,700)	\$ (744,698)	\$ 2
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	(744,700)	(744,698)	2
<b>NET CHANGE IN FUND BALANCE</b>	-	(744,700)	(744,698)	2
<b>FUND BALANCE, Beginning</b>	-	744,700	744,698	(2)
<b>FUND BALANCE, Ending</b>	\$ -	\$ -	\$ -	\$ -

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**WASTEWATER RATE STABILIZATION FUND**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	\$ -	\$ (450,000)	\$ (450,000)	\$ -
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	(450,000)	(450,000)	-
<b>NET CHANGE IN FUND BALANCE</b>	-	(450,000)	(450,000)	-
<b>FUND BALANCE, Beginning</b>	-	450,000	450,000	-
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See auditor's report.

**CITY OF PENDLETON, OREGON  
RECONCILIATION TO GENERALLY ACCEPTED  
ACCOUNTING PRINCIPLES  
ALL SEWER FUNDS  
For the Fiscal Year Ended June 30, 2019**

**BUDGETARY BASIS FUND BALANCE (NON-GAAP):**

Sewer	\$ 1,434,873
Sewer Capital Reserve	<u>3,548,626</u>

4,983,499

Adjustments:

Capital assets, net of depreciation	18,338,902
Net OPEB asset	2,648
Deferred outflow of resources related to pension	140,564
Deferred outflow of resources related to OPEB	6,071
Accrued interest payable	(114,313)
Other post employment benefits liability	(81,734)
Net pension liability	(364,702)
Long-term debt	(11,164,544)
Deferred inflow of resources related to pension	(42,530)
Deferred inflow of resources related to OPEB	<u>(15,914)</u>

**GENERALLY ACCEPTED ACCOUNTING  
PRINCIPLES BASIS (GAAP) NET POSITION**

\$ 11,687,947

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**AIRPORT FUND**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Charges for services	\$ 1,230,560	\$ 1,230,560	\$ 985,970	\$ (244,590)
Intergovernmental	622,250	1,423,250	1,063,361	(359,889)
Contributions	-	-	2,321	2,321
Interest on investments	20	20	1,091	1,071
Miscellaneous	9,000	9,000	107,960	98,960
<b>TOTAL REVENUES</b>	<u>1,861,830</u>	<u>2,662,830</u>	<u>2,160,703</u>	<u>(502,127)</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	379,880	379,880	579,223	(199,343) **
Materials and services	844,580	960,580	689,696	270,884 **
Capital outlay	611,500	1,327,472	931,565	395,907 **
Debt service	101,000	101,000	57,035	43,965
<b>TOTAL EXPENDITURES</b>	<u>1,936,960</u>	<u>2,768,932</u>	<u>2,257,519</u>	<u>511,413</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(75,130)</u>	<u>(106,102)</u>	<u>(96,816)</u>	<u>9,286</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of property	1,000	1,000	-	(1,000)
Transfers in	130,000	420,822	420,822	-
Interfund loan proceeds	2,255,720	2,255,720	1,889,150	(366,570)
Interfund loan repayment	(2,300,000)	(2,559,850)	(2,243,000)	316,850
Transfers out	(11,590)	(11,590)	(11,590)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>75,130</u>	<u>106,102</u>	<u>55,382</u>	<u>(50,720)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	(41,434)	(41,434)
Budgetary basis adjustment	-	-	353,850	353,850
<b>FUND BALANCE (DEFICIT), Beginning</b>	-	-	(2,214,577)	(2,214,577)
<b>FUND BALANCE (DEFICIT), Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(1,902,161)</u>	<u>\$ (1,902,161)</u>
<b>RECONCILIATION TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</b>				
Capital assets, net of depreciation			8,709,872	
Net OPEB asset			2,423	
Deferred outflow of resources related to pension			128,574	
Deferred outflow of resources related to OPEB			4,293	
Net pension liability			(333,589)	
Accrued interest payable			(25,326)	
Other post employment benefits liability			(53,714)	
Long-term debt			(1,269,235)	
Deferred inflow of resources related to pension			(38,902)	
Deferred inflow of resources related to OPEB			(10,657)	
<b>NET POSITION Ending</b>			<u>\$ 5,211,578</u>	

\*\*Airport Operations unit not exceeded.

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**PW ADMINISTRATION AND FLEET FUND**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -	
	Original	Final		Positive / (Negative)	
<b>REVENUES</b>					
Charges for services	\$ 1,523,370	\$ 1,523,370	\$ 1,521,941	\$ (1,429)	
Interest on investments	1,530	1,530	11,730	10,200	
Miscellaneous	1,000	1,000	56	(944)	
<b>TOTAL REVENUES</b>	<u>1,525,900</u>	<u>1,525,900</u>	<u>1,533,727</u>	<u>7,827</u>	
<b>EXPENDITURES</b>					
Current:					
Personal services	1,141,989	1,141,989	961,197	180,792	**
Materials and services	231,115	231,115	207,300	23,815	**
Capital outlay	218,830	218,830	54,500	164,330	**
Contingency	50,000	50,000	-	50,000	
<b>TOTAL EXPENDITURES</b>	<u>1,641,934</u>	<u>1,641,934</u>	<u>1,222,997</u>	<u>418,937</u>	
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(116,034)</u>	<u>(116,034)</u>	<u>310,730</u>	<u>426,764</u>	
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of property	1,000	1,000	-	(1,000)	
Transfers out	(37,400)	(37,400)	(37,400)	-	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(36,400)</u>	<u>(36,400)</u>	<u>(37,400)</u>	<u>(1,000)</u>	
<b>NET CHANGE IN FUND BALANCE</b>	(152,434)	(152,434)	273,330	425,764	
<b>FUND BALANCE, Beginning</b>	<u>232,500</u>	<u>232,500</u>	<u>335,064</u>	<u>102,564</u>	
<b>FUND BALANCE, Ending</b>	<u>\$ 80,066</u>	<u>\$ 80,066</u>	608,394	<u>\$ 528,328</u>	
<b>RECONCILIATION TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</b>					
Capital assets, net of depreciation			581,968		
Net OPEB asset			5,448		
Deferred outflow of resources related to pension			289,140		
Deferred outflow of resources related to OPEB			6,799		
Net pension liability			(750,198)		
Other post employment benefits liability			(73,077)		
Deferred inflow of resources related to pension			(87,486)		
Deferred inflow of resources related to OPEB			<u>(15,125)</u>		
<b>NET POSITION, Ending</b>			<u>\$ 565,863</u>		

\*\*PW Administration and Fleet Operations level of budgetary appropriation not exceeded.

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**CENTRAL SERVICES FUND**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Licenses and fees	\$ 23,600	\$ 23,600	\$ 27,912	\$ 4,312
Charges for services	3,231,580	3,231,580	3,231,580	-
Intergovernmental	115,600	115,600	113,230	(2,370)
Interest on investments	2,500	2,500	2,945	445
Miscellaneous	7,200	7,200	2,187	(5,013)
<b>TOTAL REVENUES</b>	<u>3,380,480</u>	<u>3,380,480</u>	<u>3,377,854</u>	<u>(2,626)</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	2,282,990	2,321,990	2,298,726	23,264
Materials and services	1,140,160	1,140,160	1,072,369	67,791
Capital outlay	55,000	71,000	42,660	28,340
Contingency	82,100	27,100	-	27,100
<b>TOTAL EXPENDITURES</b>	<u>3,560,250</u>	<u>3,560,250</u>	<u>3,413,755</u>	<u>146,495</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(179,770)</u>	<u>(179,770)</u>	<u>(35,901)</u>	<u>143,869</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	50,000	50,000	50,000	-
Transfers out	(81,430)	(81,430)	(81,430)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(31,430)</u>	<u>(31,430)</u>	<u>(31,430)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(211,200)	(211,200)	(67,331)	143,869
<b>FUND BALANCE, Beginning</b>	<u>211,200</u>	<u>211,200</u>	<u>211,188</u>	<u>(12)</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	143,857	<u>\$ 143,857</u>
<b>RECONCILIATION TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</b>				
Capital assets, net of depreciation			307,720	
Net OPEB asset			14,152	
Deferred outflow of resources related to pension			751,126	
Deferred outflow of resources related to OPEB			18,153	
Net pension liability			(1,948,832)	
Other post employment benefits liability			(198,027)	
Deferred inflow of resources related to pension			(227,265)	
Deferred inflow of resources related to OPEB			(40,814)	
<b>NET POSITION, Ending</b>			<u>\$ (1,179,930)</u>	

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF EXPENDITURES AND TRANSFERS**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS), BY DEPARTMENT**  
**CENTRAL SERVICES FUND**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>EXPENDITURES AND TRANSFERS</b>				
City manager's office	\$ 465,650	\$ 489,650	\$ 489,650	\$ -
Insurance	387,000	387,000	384,773	2,227
Mayor and City Council	52,350	52,350	52,240	110
PDC administration	57,900	57,900	56,672	1,228
Legal	322,300	322,300	322,003	297
Finance	785,450	785,450	754,166	31,284
Engineering	433,900	433,900	414,403	19,497
Facilities	735,100	766,100	710,258	55,842
Information technology	238,500	238,500	229,590	8,910
Contingency	82,100	27,100	-	27,100
	<u>3,560,250</u>	<u>3,560,250</u>	<u>3,413,755</u>	<u>146,495</u>
Total expenditures				
Transfers	<u>81,430</u>	<u>81,430</u>	<u>81,430</u>	<u>-</u>
<b>TOTAL EXPENDITURES AND TRANSFERS</b>	<u><u>\$ 3,641,680</u></u>	<u><u>\$ 3,641,680</u></u>	<u><u>\$ 3,495,185</u></u>	<u><u>\$ 146,495</u></u>

See auditor's report.





**SCHEDULES OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL**

---

---

**Fiduciary Funds**

**Agency Fund**

- Pendleton Foundation Trust

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**PENDLETON FOUNDATION TRUST FUND**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Contributions	\$ 252,500	\$ 252,500	\$ 169,252	\$ (83,248)
Interest on investments	<u>2,500</u>	<u>2,500</u>	<u>336</u>	<u>(2,164)</u>
<b>TOTAL REVENUES</b>	<u>255,000</u>	<u>255,000</u>	<u>169,588</u>	<u>(85,412)</u>
<b>EXPENDITURES</b>				
Current:				
Materials and services	<u>260,000</u>	<u>260,000</u>	<u>169,549</u>	<u>90,451</u>
<b>TOTAL EXPENDITURES</b>	<u>260,000</u>	<u>260,000</u>	<u>169,549</u>	<u>90,451</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(5,000)</u>	<u>(5,000)</u>	<u>39</u>	<u>5,039</u>
<b>NET CHANGE IN FUND BALANCE</b>	(5,000)	(5,000)	39	5,039
<b>FUND BALANCE, Beginning</b>	<u>5,000</u>	<u>5,000</u>	<u>97</u>	<u>(4,903)</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 136</u>	<u>\$ 136</u>

See auditor's report.

## **OTHER FINANCIAL SCHEDULES**

---

---



**CITY OF PENDLETON, OREGON**  
**ALL AGENCY FUNDS**  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**For the fiscal year ended June 30, 2019**

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
<b>Bail Fund</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 25,033	\$ -	\$ 7,590	\$ 17,443
Accounts receivable	-	-	-	-
	<u>\$ 25,033</u>	<u>\$ -</u>	<u>\$ 7,590</u>	<u>\$ 17,443</u>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 7,163	\$ 4,361	\$ -	\$ 11,524
Due to other governments	17,870	-	11,951	5,919
	<u>\$ 25,033</u>	<u>\$ 4,361</u>	<u>\$ 11,951</u>	<u>\$ 17,443</u>
<b>Pendleton Foundation Trust</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 97	\$ 169,588	\$ 164,549	\$ 5,136
	<u>\$ 97</u>	<u>\$ 169,588</u>	<u>\$ 164,549</u>	<u>\$ 5,136</u>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>Liabilities:</b>				
Accounts payable	-	5,000	-	\$ 5,000
Due to other governments	97	164,588	164,549	136
	<u>\$ 97</u>	<u>\$ 169,588</u>	<u>\$ 164,549</u>	<u>\$ 5,136</u>

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF OUTSTANDING DEBT PRINCIPAL AND INTEREST TRANSACTIONS**  
**For the fiscal year ended June 30, 2019**

	Terms			
	Date of Issue	Interest Rate	Maturity Date	Original Amount
<b>Governmental Funds:</b>				
General Obligation Bonds:				
2017 Fire Construction Bonds	09/07/17	2% - 4%	06/15/38	\$ 9,060,000
Refunding Bond Series USDA	03/21/18	3.20%	07/15/30	\$ 625,066
Limited Tax Pension Bonds:				
Series 2005	09/23/05	4.21% - 5.004%	06/01/28	\$ 7,160,000
Urban Renewal Bonds:				
Series 2013	03/31/13	3.75% - 4.75%	01/15/23	\$ 2,150,000
Credit Line	01/03/18	Variable	N/A	\$ 3,500,000
Notes payable:				
Sunridge LID	07/29/09	4.00%	07/29/24	\$ 1,300,000
OR IFA Olney Project	01/02/14	4.56%	01/02/17	\$ 626,067
Eastside Expansion	09/15/14	4.35%	07/15/29	\$ 825,000
Total General Long Term Debt				
<b>Enterprise Funds:</b>				
Water Fund:				
Notes payable:				
Safe Drinking Water State Revolving Loan Fund	06/30/03	4.50%	12/01/22	\$ 4,000,000
Safe Drinking Water State Revolving Loan Fund	06/30/03	4.17%	12/01/22	\$ 1,900,000
Safe Drinking Water State Revolving Loan Fund	06/30/03	1.41%	03/07/47	\$ 14,655,000
Safe Drinking Water State Revolving Loan Fund	03/07/18	1.41%	03/07/47	\$ 14,655,000
Total Water Fund				
Sewer Fund:				
Clean Water State Revolving Fund	09/22/09	0.00%	04/01/31	\$ 4,000,000
Clean Water State Revolving Fund	04/15/10	2.77%	04/01/31	\$ 4,650,000
DEQ Sewer Loan	10/12/18	2.14%	02/01/42	\$ 9,800,000
Refunding Sewer Bond	03/21/18	3.20%	07/15/30	\$ 5,935,713
Total Sewer Fund				
Airport Fund				
OR SRF 13-15-628 UAS	06/15/15	5.00%	01/31/23	\$ 545,000
OR IFA 15009 Hangar Loan	04/06/15	3.40%	12/01/40	\$ 655,000
Community Bank Building	04/13/17	2.79%	04/13/27	\$ 316,000
Total Airport Fund				
Total Enterprise Funds				

\*\* Amortization has not yet been made available.

Debt Principal					Matured Interest Payable			
Outstanding June 30, 2018	Issued During Year	Transfers and Adjustments	Paid During Year	Outstanding June 30, 2019	Outstanding June 30, 2018	Matured During Year	Paid During Year	Outstanding June 30, 2019
\$ 8,760,000	\$ -	\$ -	\$ 245,000	\$ 8,515,000	\$ -	\$ 325,550	\$ 325,550	\$ -
625,066	-	-	15,182	609,884	-	16,092	16,092	-
5,300,000	-	-	345,000	4,955,000	-	264,053	264,053	-
1,193,751	-	-	218,104	975,647	-	44,679	44,679	-
-	900,000	-	900,000	-	-	20,165	20,165	-
664,668	-	-	98,774	565,894	-	25,527	25,527	-
573,809	-	-	19,627	554,182	-	26,166	26,166	-
671,885	-	-	46,066	625,819	-	29,168	29,168	-
<u>\$ 17,789,179</u>	<u>\$ 900,000</u>	<u>\$ -</u>	<u>\$ 1,887,753</u>	<u>\$ 16,801,426</u>	<u>\$ -</u>	<u>\$ 751,400</u>	<u>\$ 751,400</u>	<u>\$ -</u>
\$ 1,350,000	\$ -	\$ -	\$ 247,000	\$ 1,103,000	\$ -	\$ 60,750	\$ 60,750	\$ -
628,788	-	-	115,698	513,090	-	26,220	26,220	-
-	1,015,000	-	-	1,015,000	-	-	-	-
1,008,649	1,439,423	-	-	2,448,072	-	-	-	-
<u>2,987,437</u>	<u>2,454,423</u>	<u>-</u>	<u>362,698</u>	<u>5,079,162</u>	<u>-</u>	<u>86,970</u>	<u>86,970</u>	<u>-</u>
1,450,000	-	-	100,000	1,350,000	-	7,250	7,250	-
3,684,135	-	-	209,633	3,474,502	-	119,030	119,030	-
-	462,184	-	-	462,184	-	-	-	-
5,935,713	-	-	57,857	5,877,856	-	154,194	154,194	-
<u>11,069,848</u>	<u>462,184</u>	<u>-</u>	<u>367,490</u>	<u>11,164,542</u>	<u>-</u>	<u>280,474</u>	<u>280,474</u>	<u>-</u>
545,000	-	-	-	545,000	-	-	-	-
469,497	-	-	-	469,497	-	-	-	-
283,411	-	-	28,673	254,738	-	7,648	7,648	-
<u>1,297,908</u>	<u>-</u>	<u>-</u>	<u>28,673</u>	<u>1,269,235</u>	<u>-</u>	<u>7,648</u>	<u>7,648</u>	<u>-</u>
<u>\$ 15,355,193</u>	<u>\$ 2,916,607</u>	<u>\$ -</u>	<u>\$ 758,861</u>	<u>\$ 17,512,939</u>	<u>\$ -</u>	<u>\$ 375,092</u>	<u>\$ 375,092</u>	<u>\$ -</u>

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF FUTURE LIMITED TAX PENSION**  
**BONDED DEBT REQUIREMENTS - GOVERNMENTAL FUNDS**  
**June 30, 2019**

Year of Maturity	Limited Tax Pension Bonds	
	Principal	Interest
2019-20	\$ 390,000	\$ 247,383
2020-21	430,000	228,433
2021-22	480,000	206,915
2022-23	530,000	182,896
2023-24	585,000	156,375
2024-25	645,000	127,102
2025-26	710,000	94,826
2026-27	775,000	59,297
2027-28	410,000	20,516
	<u>\$ 4,955,000</u>	<u>\$ 1,323,743</u>

See auditor's report.



**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF FUTURE URBAN RENEWAL**  
**BONDED DEBT REQUIREMENTS - GOVERNMENTAL FUNDS**  
**June 30, 2019**

Year of Maturity	Urban Renewal Bond	
	Principal	Interest
2019-20	\$ 228,464	\$ 36,587
2020-21	239,316	28,019
2021-22	250,684	19,045
2022-23	257,183	9,644
	<u>\$ 975,647</u>	<u>\$ 93,295</u>

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF FUTURE NOTE PAYABLE DEBT REQUIREMENTS**  
**GOVERNMENTAL FUNDS**  
**June 30, 2019**

Year of Maturity	Notes Payable		Sunridge LID	
	Totals		Principal	Interest
	Principal	Interest		
2019-20	\$ 171,320	\$ 74,009	\$ 102,678	\$ 21,624
2020-21	178,477	66,851	106,826	17,476
2021-22	186,082	59,246	111,142	13,160
2022-23	193,937	51,393	115,632	8,670
2023-24	202,123	43,205	120,303	3,998
2024-25	94,761	35,925	9,313	346
2025-26	89,328	31,698	-	-
2026-27	93,339	27,688	-	-
2027-28	97,529	23,497	-	-
2028-29	101,894	19,132	-	-
2029-30	67,855	14,544	-	-
2030-31	33,515	12,278	-	-
3031-32	35,043	10,749	-	-
3032-33	36,641	9,152	-	-
3033-34	38,312	7,481	-	-
3034-35	40,059	5,734	-	-
3035-36	41,885	3,907	-	-
3036-37	43,795	1,997	-	-
	<u>\$ 1,745,895</u>	<u>498,486</u>	<u>\$ 565,894</u>	<u>\$ 65,274</u>

OR IFA Olney Project	
Principal	Interest
\$ 20,522	\$ 25,271
21,457	24,335
22,436	23,356
23,459	22,333
24,529	21,264
25,647	20,145
26,816	18,976
28,040	17,753
29,318	16,474
30,655	15,137
32,053	13,739
33,515	12,278
35,043	10,749
36,641	9,152
38,312	7,481
40,059	5,734
41,885	3,907
43,795	1,997
<u>\$ 554,182</u>	<u>\$ 270,081</u>

PCC Eastside Expansion	
Principal	Interest
\$ 48,120	\$ 27,114
50,194	25,040
52,504	22,730
54,846	20,390
57,291	17,943
59,801	15,434
62,512	12,722
65,299	9,935
68,211	7,023
71,239	3,995
35,802	805
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
<u>\$ 625,819</u>	<u>\$ 163,131</u>

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF FUTURE NOTE PAYABLE DEBT REQUIREMENTS**  
**WATER FUND**  
**June 30, 2019**

Year of Maturity	Notes Payable Totals		Safe Drinking Water State Revolving Loan Fund			
	Principal	Interest	Principal	Interest	Principal	Interest
2019-20	\$ 378,522	\$ 71,031	\$ 258,000	\$ 49,635	\$ 120,522	\$ 21,396
2020-21	394,548	56,395	269,000	38,025	125,548	18,370
2021-22	412,783	37,055	282,000	25,920	130,783	11,135
2022-23	430,237	18,911	294,000	13,230	136,237	5,681
	<u>\$ 1,616,090</u>	<u>\$ 183,392</u>	<u>\$ 1,103,000</u>	<u>\$ 126,810</u>	<u>\$ 513,090</u>	<u>\$ 56,582</u>

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF FUTURE NOTE PAYABLE DEBT REQUIREMENTS**  
**SEWER FUND**  
**June 30, 2019**

Year of Maturity	Totals	
	Principal	Interest
2019-20	\$ 315,480	\$ 94,762
2020-21	321,491	88,751
2021-22	327,668	82,574
2022-23	334,018	76,224
2023-24	340,546	69,696
2024-25	347,255	62,987
2025-26	354,151	56,091
2026-27	361,240	49,002
2027-28	368,527	41,715
2028-29	376,016	34,226
2029-30	383,715	26,527
2030-31	391,628	18,614
2031-32	399,762	10,480
2032-33	203,005	2,119
	<u>\$ 4,824,502</u>	<u>\$ 713,768</u>

Year of Maturity	Clean Water State Revolving Fund			
	Principal	Interest	Principal	Interest
2019-20	\$ 215,480	\$ 94,762	\$ 100,000	\$ -
2020-21	221,491	88,751	100,000	-
2021-22	227,668	82,574	100,000	-
2022-23	234,018	76,224	100,000	-
2023-24	240,546	69,696	100,000	-
2024-25	247,255	62,987	100,000	-
2025-26	254,151	56,091	100,000	-
2026-27	261,240	49,002	100,000	-
2027-28	268,527	41,715	100,000	-
2028-29	276,016	34,226	100,000	-
2029-30	283,715	26,527	100,000	-
2030-31	291,628	18,614	100,000	-
2031-32	299,762	10,480	100,000	-
2032-33	153,005	2,119	50,000	-
	<u>\$ 3,474,502</u>	<u>\$ 713,768</u>	<u>\$ 1,350,000</u>	<u>\$ -</u>

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF FUTURE NOTE PAYABLE DEBT REQUIREMENTS**  
**AIRPORT FUND**  
**June 30, 2019**

Year of Maturity	Notes Payable Totals		Community Bank Airport Building		Business Oregon UAS Test Range	
	Principal	Interest	Principal	Interest	Principal	Interest
2019-20	\$ 42,565	\$ 51,618	\$ 29,597	\$ 6,724	\$ 12,968	\$ 44,894
2020-21	43,842	34,819	30,433	5,888	13,409	28,931
2021-22	45,158	33,959	31,293	5,028	13,865	28,931
2022-23	46,513	33,075	32,177	4,144	14,336	28,931
2023-24	47,910	32,165	33,087	3,234	14,823	28,931
2024-25	49,349	31,230	34,022	2,299	15,327	28,931
2025-26	50,832	30,269	34,983	1,338	15,849	28,931
2026-27	45,533	29,517	29,146	586	16,387	28,931
2027-28	16,945	28,931	-	-	16,945	28,931
2028-29	17,521	28,931	-	-	17,521	28,931
2029-30	18,116	28,931	-	-	18,116	28,931
2030-31	18,732	28,931	-	-	18,732	28,931
2031-32	19,369	28,931	-	-	19,369	28,931
2032-33	20,028	28,931	-	-	20,028	28,931
2033-34	20,709	28,931	-	-	20,709	28,931
2034-35	21,413	28,931	-	-	21,413	28,931
2035-36	22,141	28,931	-	-	22,141	28,931
2036-37	22,894	28,931	-	-	22,894	28,931
2037-38	23,672	28,931	-	-	23,672	28,931
2038-39	24,477	28,931	-	-	24,477	28,931
2039-40	25,309	28,931	-	-	25,309	28,931
2040-41	26,170	28,931	-	-	26,170	28,931
2041-42	27,059	28,931	-	-	27,059	28,931
2042-43	27,978	28,931	-	-	27,978	28,931
	<u>\$ 724,235</u>	<u>\$ 739,548</u>	<u>\$ 254,738</u>	<u>\$ 29,241</u>	<u>\$ 469,497</u>	<u>\$ 710,307</u>

Amortization schedules for the SRF loan is not yet available.

## **STATISTICAL SECTION**

---

**City of Pendleton**  
**Major Wastewater Accounts FY19**

ACCOUNT	TOTAL ANNUAL REVENUE FY19	% OF TOTAL ANNUAL REV FY19
TRIBES/WILDHORSE	\$370,419	7.43%
EOCI	266,050	5.34%
BRUSSELBACK PROPERTIES	65,526	1.31%
HILL MEAT	47,895	0.96%
RED LION/WEST COAST HOTELS	45,343	0.91%
RON MORRIS/VISTA VILLAGE	40,541	0.81%
UMATILLA COUNTY	36,285	0.73%
WILLIAM SMITH	35,102	0.70%
RIETH SANITARY	33,757	0.68%
1003 HAMILTON LLC	29,664	0.60%
TOTAL	\$970,582	19.48%
ALL OTHER CUSTOMERS	4,012,421	80.52%
TOTAL SEWER REVENUE	\$4,983,003	100.00%



City of Pendleton

Sewer Fund Coverage Table - Historical and Projected Operating Results

	Actual										Projections	Projections
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Operating Revenues:</b>												
Transfers from Other Funds - IN	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State Revenues:	0	0	0	0	0	0	0	1,537	0	0	0	0
Enterprise Revenues:	3,707,252	3,839,656	3,736,322	3,821,177	3,906,275	3,809,996	4,043,311	4,269,318	4,796,279	5,182,008	5,311,558	5,470,905
Intergovernmental revenues:	11,722	9,341	16,547	283,499	588,030	0	0	0	0	0	0	0
<b>Total Operating Revenues</b>	<b>3,718,984</b>	<b>3,848,997</b>	<b>3,752,869</b>	<b>4,104,676</b>	<b>4,494,305</b>	<b>3,809,996</b>	<b>4,043,311</b>	<b>4,270,855</b>	<b>4,796,279</b>	<b>5,182,008</b>	<b>5,311,558</b>	<b>5,470,905</b>
<b>Operating Expenses:</b>												
Personal Services	450,321	427,970	437,313	463,542	475,763	500,801	531,925	561,963	594,146	658,213	691,124	711,857
Materials & Services	1,448,569	1,510,552	1,586,004	1,721,507	1,848,631	1,863,703	2,143,663	2,252,843	2,571,732	2,601,965	2,732,063	2,814,025
Transfers to other fund- OUT	9,090	9,730	12,730	13,000	14,690	15,610	13,190	15,290	16,870	45,340	47,607	49,987
Contingency	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Operating Expenses</b>	<b>1,907,980</b>	<b>1,948,252</b>	<b>2,036,047</b>	<b>2,198,049</b>	<b>2,339,084</b>	<b>2,380,114</b>	<b>2,688,778</b>	<b>2,830,096</b>	<b>3,182,747</b>	<b>3,305,518</b>	<b>3,470,794</b>	<b>3,575,870</b>
<b>Net Operating Income</b>	<b>1,811,004</b>	<b>1,900,745</b>	<b>1,716,822</b>	<b>1,906,627</b>	<b>2,155,221</b>	<b>1,429,882</b>	<b>1,354,533</b>	<b>1,440,759</b>	<b>1,613,531</b>	<b>1,876,490</b>	<b>1,840,764</b>	<b>1,895,035</b>
<b>Non-operating Income (Expenses):</b>												
Sale of Equipment/land	3,727	3,727	3,727	0	0	1,450	685	0	1,200	0	2,000	2,000
Other miscellaneous	8,616	0	0	2	1,667	0	-9,955	0	-14,550	-17,213	0	0
Reimbursement of expense	17,500	0	0	0	259	736	1,077	240	9,093	11,945	1,000	1,000
Investment Income												
Sewer Fund	11,782	30,671	32,598	26,464	24,160	9,052	5,115	3,281	1,621	4,463	5,000	5,000
Sewer Capital Reserve Fund	9,323	9,485	4,906	25,507	31,418	37,803	36,707	46,053	51,912	58,120	50,000	50,000
<b>Total Non-operating Income (Expense)</b>	<b>50,948</b>	<b>43,883</b>	<b>41,231</b>	<b>51,973</b>	<b>57,504</b>	<b>49,041</b>	<b>33,629</b>	<b>49,574</b>	<b>49,276</b>	<b>57,315</b>	<b>58,000</b>	<b>58,000</b>
<b>Net Revenues Avail. For Debt Service</b>	<b>1,861,952</b>	<b>1,944,628</b>	<b>1,758,053</b>	<b>1,958,600</b>	<b>2,212,725</b>	<b>1,478,923</b>	<b>1,388,162</b>	<b>1,490,333</b>	<b>1,662,807</b>	<b>1,933,805</b>	<b>1,898,764</b>	<b>1,953,035</b>
<b>Senior Lien Debt Service:</b>												
OCEDD Special Public Works Fund Loan 72401	0	0	0	0	0	0	0	0	0	0	0	0
Sewer System Full Faith & Credit Bonds 2018	0	0	0	0	0	0	0	0	0	212,051	690,109	689,660
Sewer Refunding Bonds	743,198	743,998	742,898	744,598	740,773	744,573	744,698	743,923	865,509	0	0	0
<b>Total Senior Lien Debt:</b>	<b>743,198</b>	<b>743,998</b>	<b>742,898</b>	<b>744,598</b>	<b>740,773</b>	<b>744,573</b>	<b>744,698</b>	<b>743,923</b>	<b>865,509</b>	<b>212,051</b>	<b>690,109</b>	<b>689,660</b>
<b>Senior Debt Service Coverage Ratio</b>	<b>2.51</b>	<b>2.61</b>	<b>2.37</b>	<b>2.63</b>	<b>2.99</b>	<b>1.99</b>	<b>1.86</b>	<b>2.00</b>	<b>1.92</b>	<b>9.12</b>	<b>2.75</b>	<b>2.83</b>
<b>Secondary Debt Service:</b>												
Interfund fund interest										7,762	0	0
CWSRF \$4 million, \$2 million Debt Forgive	0	0	0	50,000	104,875	104,625	108,750	108,250	107,750	107,250	106,750	106,250
CWSRF \$4.650 million	0	0	0	239,387	321,867	321,411	331,640	330,674	329,682	328,663	327,615	326,537
<b>Total Lien Debt Service</b>	<b>743,198</b>	<b>743,998</b>	<b>742,898</b>	<b>1,033,985</b>	<b>1,167,515</b>	<b>1,170,609</b>	<b>1,185,088</b>	<b>1,182,847</b>	<b>1,302,941</b>	<b>655,726</b>	<b>1,124,474</b>	<b>1,122,447</b>
<b>Net Revenues Avail for Other purposes</b>	<b>\$1,118,754</b>	<b>\$1,200,630</b>	<b>\$1,015,155</b>	<b>\$924,615</b>	<b>1,045,210</b>	<b>308,314</b>	<b>203,074</b>	<b>307,486</b>	<b>359,866</b>	<b>1,278,079</b>	<b>\$774,291</b>	<b>\$830,588</b>
<b>Debt Service Coverage</b>	<b>2.51</b>	<b>2.61</b>	<b>2.37</b>	<b>1.89</b>	<b>1.90</b>	<b>1.26</b>	<b>1.17</b>	<b>1.26</b>	<b>1.28</b>	<b>2.95</b>	<b>1.69</b>	<b>1.74</b>

**City of Pendleton  
Sewer Fund  
Projected Debt Service Requirements**

Fiscal Year	Full Faith & Credit Sewer Bonds		CWSRF Loan 1		CWSRF Loan 2		CWSRF Loan 3 Estimated		Total Debt Service
	Principal	Interest	Principal	Loan Fee	Principal	Interest & Fees	Principal	Interest & Fees	
2020	510,180	179,929	100,000	6,750	215,480	112,135	0	0	1,124,474
2021	526,315	163,344	100,000	6,250	221,491	105,046	0	0	1,122,446
2022	542,204	146,248	100,000	5,750	227,668	97,762	0	0	1,119,632
2023	557,575	128,652	100,000	5,250	234,018	90,273	205,457	427,277	1,748,502
2024	576,930	110,500	100,000	4,750	240,546	82,575	417,284	242,445	1,775,030
2025	595,784	91,736	100,000	4,250	247,255	74,663	425,925	231,696	1,771,309
2026	614,102	72,378	100,000	3,750	254,151	66,531	434,744	220,725	1,766,381
2027	631,706	52,445	100,000	3,250	261,240	58,171	443,746	209,527	1,760,085
2028	653,373	31,884	100,000	2,750	268,527	49,578	452,934	198,098	1,757,144
2029	669,687	10,715	100,000	2,250	276,016	40,747	462,313	186,431	1,748,159
2030	0	0	100,000	1,750	283,715	31,668	471,886	174,522	1,063,541
2031	0	0	100,000	1,250	291,628	22,336	481,656	162,369	1,059,239
2032	0	0	100,000	750	299,762	12,744	491,629	149,963	1,054,848
2033	0	0	50,000	250	153,005	2,884	501,809	137,299	845,247
2034	0	0	0	0	0	0	512,200	124,373	636,573
2035	0	0	0	0	0	0	522,805	111,181	633,986
2036	0	0	0	0	0	0	533,630	97,715	631,345
2037	0	0	0	0	0	0	544,680	83,969	628,649
2038	0	0	0	0	0	0	555,958	69,940	625,898
2039	0	0	0	0	0	0	567,470	55,619	623,089
2040	0	0	0	0	0	0	579,220	41,003	620,223
2041	0	0	0	0	0	0	591,213	26,084	617,297
2042	0	0	0	0	0	0	603,441	10,855	614,296
<b>Total</b>	<b>\$5,877,856</b>	<b>\$987,831</b>	<b>\$1,350,000</b>	<b>\$49,000</b>	<b>\$3,474,502</b>	<b>\$847,113</b>	<b>\$9,800,000</b>	<b>\$2,961,091</b>	<b>\$25,347,393</b>

**City of Pendleton - Taxable Property Values and GO Debt Capacity**

<b>Fiscal Year</b>	<b>Total Assessed Value</b>	<b>Urban Renewal Excess</b>	<b>Net Assessed Value</b>	<b>M5 Real Market Value</b>	<b>GO Bond Capacity (3.00% of RMV)</b>	<b>GO Bonds Outstanding</b>	<b>Remaining Capacity</b>
2019	\$ 979,647,633	\$ 57,294,594	\$ 922,353,039	\$ 1,262,493,605	\$ 37,874,808	\$ 8,515,000	\$ 29,359,808
2018	\$ 938,181,204	\$ 51,929,312	\$ 886,251,892	\$ 1,207,877,796	\$ 36,236,334	\$ 8,760,000	\$ 27,476,334
2017	\$ 912,267,028	\$ 49,779,584	\$ 862,487,444	\$ 1,130,963,994	\$ 33,928,920	\$ 9,060,000	\$ 24,868,920
2016	891,139,667	48,902,352	842,237,315	1,102,473,659	33,074,210	-	33,074,210
2015	857,971,207	43,738,510	814,232,697	1,069,201,230	32,076,037	230,000	31,846,037
2014	827,546,238	39,737,018	787,809,220	1,055,355,036	31,660,651	445,000	31,215,651
2013	800,015,230	33,136,923	766,878,307	1,021,860,177	30,655,805	910,000	29,745,805
2012	778,788,356	29,809,127	748,979,229	1,032,087,682	30,962,630	1,355,000	29,607,630

Source: Umatilla County Department of Assessment and Taxation

**Representative Levy Rate - Fiscal Year 2019**  
**(Rates Per \$1,000 of Assessed Value)**

<b>General Government</b>	<b>Permanent Rate</b>	<b>Bond Levy Rate</b>	<b>Local Option Rate<sup>(1)</sup></b>	<b>Consolidated Rate</b>
Umatilla County	\$ 2.8487	\$ 0.0000	\$ 0.0000	\$ 2.8487
City of Pendleton	6.5771	0.5788	0.0000	7.1559
Port of Umatilla	0.1539	0.0000	0.0000	0.1539
County Radio District	0.1700	0.0000	0.0000	0.1700
Umatilla Special Library District	0.3682	0.0000	0.0000	0.3682
<b>Total General Government</b>	<u>10.1179</u>	<u>0.5788</u>	<u>0.0000</u>	<u>10.6967</u>
<b>Education</b>				
Intermountain ESD	0.6156	0.0000	0.0000	0.6156
Blue Mountain Community College	0.6611	0.2133	0.0000	0.8744
Pendleton School District No. 16	4.4537	2.1699	0.4000	7.0236
<b>Total Education</b>	<u>5.7304</u>	<u>2.3832</u>	<u>0.4000</u>	<u>8.5136</u>
<b>Total Tax Rate</b>	<u>\$ 15.8483</u>	<u>\$ 2.9620</u>	<u>\$ 0.4000</u>	<u>\$ 19.2103</u>

(1) Local option levies are voter-approved serial levies. They are limited by ORS 280.060 to five years for operations or ten years for capital construction. Local option rates compress to zero before there is any compression of district billing rates (see "Tax Rate Limitation - Real Market Value" herein).

Source: Umatilla County Department of Assessment and Taxation, Tax Code: 16.01.

**Representative Levy Rate - Fiscal Year 2018**  
**(Rates Per \$1,000 of Assessed Value)**

<b>General Government</b>	<b>Permanent Rate</b>	<b>Bond Levy Rate</b>	<b>Local Option Rate<sup>(1)</sup></b>	<b>Consolidated Rate</b>
Umatilla County	\$ 2.8487	\$ 0.0000	\$ 0.0000	\$ 2.8487
City of Pendleton	6.5771	0.6238	0.0000	7.2009
Port of Umatilla	0.1539	0.0000	0.0000	0.1539
County Radio District	0.1700	0.0000	0.0000	0.1700
Umatilla Special Library District	0.3682	0.0000	0.0000	0.3682
<b>Total General Government</b>	<u>10.1179</u>	<u>0.6238</u>	<u>0.0000</u>	<u>10.7417</u>
<b>Education</b>				
Intermountain ESD	0.6156	0.0000	0.0000	0.6156
Blue Mountain Community College	0.6611	0.2133	0.0000	0.8744
Pendleton School District No. 16	4.4537	2.2305	0.4000	7.0842
<b>Total Education</b>	<u>5.7304</u>	<u>2.4438</u>	<u>0.4000</u>	<u>8.5742</u>
<b>Total Tax Rate</b>	<u>\$ 15.8483</u>	<u>\$ 3.0676</u>	<u>\$ 0.4000</u>	<u>\$ 19.3159</u>

**Representative Levy Rate - Fiscal Year 2017**  
**(Rates Per \$1,000 of Assessed Value)**

<b>General Government</b>	<b>Permanent Rate</b>	<b>Bond Levy Rate</b>	<b>Local Option Rate<sup>(1)</sup></b>	<b>Consolidated Rate</b>
Umatilla County	\$ 2.8487	\$ 0.0000	\$ 0.0000	\$ 2.8487
City of Pendleton	6.5771	0.0000	0.0000	6.5771
Port of Umatilla	0.1539	0.0000	0.0000	0.1539
County Radio District	0.1700	0.0000	0.0000	0.1700
Umatilla Special Library District	0.3682	0.0000	0.0000	0.3682
<b>Total General Government</b>	<u>10.1179</u>	<u>0.0000</u>	<u>0.0000</u>	<u>10.1179</u>
<b>Education</b>				
Intermountain ESD	0.6156	0.0000	0.0000	0.6156
Blue Mountain Community College	0.6611	0.2093	0.0000	0.8704
Pendleton School District No. 16	4.4537	2.3409	0.4000	7.1946
<b>Total Education</b>	<u>5.7304</u>	<u>2.5502</u>	<u>0.4000</u>	<u>8.6806</u>
<b>Total Tax Rate</b>	<u>\$ 15.8483</u>	<u>\$ 2.5502</u>	<u>\$ 0.4000</u>	<u>\$ 18.7985</u>

**Representative Levy Rate - Fiscal Year 2016**  
**(Rates Per \$1,000 of Assessed Value)**

<b>General Government</b>	<b>Permanent Rate</b>	<b>Bond Levy Rate</b>	<b>Local Option Rate<sup>(1)</sup></b>	<b>Consolidated Rate</b>
Umatilla County	\$ 2.8487	\$ 0.1885	\$ 0.0000	\$ 3.0372
City of Pendleton	6.5771	0.2833	0.0000	6.8604
Port of Umatilla	0.1539	0.0000	0.0000	0.1539
County Radio District	0.1700	0.0000	0.0000	0.1700
Umatilla Special Library District	0.3682	0.0000	0.0000	0.3682
<b>Total General Government</b>	<u>10.1179</u>	<u>0.4718</u>	<u>0.0000</u>	<u>10.5897</u>
<b>Education</b>				
Intermountain ESD	0.6156	0.0000	0.0000	0.6156
Blue Mountain Community College	0.6611	0.2331	0.0000	0.8942
Pendleton School District No. 16	4.4537	2.4151	0.4000	7.2688
<b>Total Education</b>	<u>5.7304</u>	<u>2.6482</u>	<u>0.4000</u>	<u>8.7786</u>
<b>Total Tax Rate</b>	<u>\$ 15.8483</u>	<u>\$ 3.1200</u>	<u>\$ 0.4000</u>	<u>\$ 19.3683</u>

**Representative Levy Rate - Fiscal Year 2015**  
**(Rates Per \$1,000 of Assessed Value)**

<b>General Government</b>	<b>Permanent Rate</b>	<b>Bond Levy Rate</b>	<b>Local Option Rate<sup>(1)</sup></b>	<b>Consolidated Rate</b>
Umatilla County	\$ 2.8487	\$ 0.1814	\$ 0.0000	\$ 3.0301
City of Pendleton	6.5771	0.2792	0.0000	6.8563
Port of Umatilla	0.1539	0.0000	0.0000	0.1539
County Radio District	0.1700	0.0000	0.0000	0.1700
Umatilla Special Library District	0.3682	0.0000	0.0000	0.3682
<b>Total General Government</b>	<u>10.1179</u>	<u>0.4606</u>	<u>0.0000</u>	<u>10.5785</u>
<b>Education</b>				
Intermountain ESD	0.6156	0.0000	0.0000	0.6156
Blue Mountain Community College	0.6611	0.0000	0.0000	0.6611
Pendleton School District No. 16	4.4537	2.3916	0.4000	7.2453
<b>Total Education</b>	<u>5.7304</u>	<u>2.3916</u>	<u>0.4000</u>	<u>8.5220</u>
<b>Total Tax Rate</b>	<u>\$ 15.8483</u>	<u>\$ 2.8522</u>	<u>\$ 0.4000</u>	<u>\$ 19.1005</u>

(1) Local option levies are voter-approved serial levies. They are limited by ORS 280.060 to five years for operations or ten years for capital construction. Local option rates compress to zero before there is any compression of district billing rates (see "Tax Rate Limitation – Real Market Value" herein).

Source: Umatilla County Department of Assessment and Taxation, Tax Code: 16.01.

**Representative Levy Rate - Fiscal Year 2014**  
**(Rates Per \$1,000 of Assessed Value)**

<b>General Government</b>	<b>Permanent Rate</b>	<b>Bond Levy Rate</b>	<b>Local Option Rate<sup>(1)</sup></b>	<b>Consolidated Rate</b>
Umatilla County	\$ 2.8487	\$ 0.2095	\$ 0.0000	\$ 3.0582
City of Pendleton	6.5771	0.6169	0.0000	7.1940
Port of Umatilla	0.1539	0.0000	0.0000	0.1539
County Radio District	0.1700	0.0000	0.0000	0.1700
Umatilla Special Library District	0.3682	0.0000	0.0000	0.3682
<b>Total General Government</b>	<u>10.1179</u>	<u>0.8264</u>	<u>0.0000</u>	<u>10.9443</u>
<b>Education</b>				
Intermountain ESD	0.6156	0.0000	0.0000	0.6156
Blue Mountain Community College	0.6611	0.2884	0.0000	0.9495
Pendleton School District No. 16	4.4537	2.2499	0.4000	7.1036
<b>Total Education</b>	<u>5.7304</u>	<u>2.5383</u>	<u>0.4000</u>	<u>8.6687</u>
<b>Total Tax Rate</b>	<u>\$ 15.8483</u>	<u>\$ 3.3647</u>	<u>\$ 0.4000</u>	<u>\$ 19.6130</u>

## City of Pendleton, Oregon - Debt Ratios

### Fiscal Year 2019

Real Market Value	\$	1,262,493,605	
Estimated Population		16,810	
Per Capita Real Market Value	\$	75,104	
			<b>Net Direct</b>
<b>Debt Information</b>		<b>Gross Direct Debt<sup>(1)</sup></b>	<b>Debt<sup>(2)</sup></b>
City Direct Debt	\$	19,957,740	\$ 14,079,884
Overlapping Direct Debt		<u>45,887,576</u>	<u>43,982,758</u>
Total Direct Debt	\$	<u>65,845,316</u>	<u>\$ 58,062,642</u>
<b>Bonded Debt Ratios</b>			
City Direct Debt to Real Market Value		1.58%	1.12%
Total Direct Debt to Real Market Value		5.22%	4.60%
Per Capita City Direct Debt	\$	1,187	\$ 838
Per Capita Total Direct Debt	\$	3,917	\$ 3,454

(1) Gross Direct Debt includes all unlimited (general obligation bonds) and limited (full faith and credit obligations) tax supported debt. Limited tax pension obligations are included.

(2) Net Debt is Gross Direct Debt less self-supporting limited and unlimited tax supported debt. Beginning in FY 2010, the State changed its classification for pension bonds from self supporting to non-self supporting. As a result, they are now included in the Net Direct Debt total.

(3) Source: Oregon State Treasury, Debt Mgmt Division

### Fiscal Year 2018

Real Market Value	\$	1,207,877,796	
Estimated Population		16,810	
Per Capita Real Market Value	\$	71,855	
			<b>Net Direct</b>
<b>Debt Information</b>		<b>Gross Direct Debt<sup>(1)</sup></b>	<b>Debt<sup>(2)</sup></b>
City Direct Debt	\$	17,873,376	\$ 17,873,376
Overlapping Direct Debt		<u>46,803,292</u>	<u>44,777,787</u>
Total Direct Debt	\$	<u>64,676,668</u>	<u>\$ 62,651,163</u>
<b>Bonded Debt Ratios</b>			
City Direct Debt to Real Market Value		1.48%	1.48%
Total Direct Debt to Real Market Value		5.35%	5.19%
Per Capita City Direct Debt	\$	1,063	\$ 1,063
Per Capita Total Direct Debt	\$	3,848	\$ 3,727

### Fiscal Year 2017

Real Market Value	\$	1,130,963,994	
Estimated Population		16,880	
Per Capita Real Market Value	\$	67,000	
			<b>Net Direct</b>
<b>Debt Information</b>		<b>Gross Direct Debt<sup>(1)</sup></b>	<b>Debt<sup>(2)</sup></b>
City Direct Debt	\$	18,790,363	\$ 18,790,363
Overlapping Direct Debt		<u>48,114,643</u>	<u>45,983,434</u>
Total Direct Debt	\$	<u>66,905,006</u>	<u>\$ 64,773,797</u>
<b>Bonded Debt Ratios</b>			
City Direct Debt to Real Market Value		1.66%	1.66%
Total Direct Debt to Real Market Value		5.92%	5.73%
Per Capita City Direct Debt	\$	1,113	\$ 1,113
Per Capita Total Direct Debt	\$	3,964	\$ 3,837

**City of Pendleton, Oregon - Debt Ratios**

**Fiscal Year 2016**

Real Market Value	\$	1,102,473,659	
Estimated Population		16,880	
Per Capita Real Market Value	\$	65,312	
			<b>Net Direct Debt<sup>(2)</sup></b>
<b>Debt Information</b>		<b>Gross Direct Debt<sup>(1)</sup></b>	
City Direct Debt	\$	11,111,303	\$ 11,111,303
Overlapping Direct Debt		N/A	N/A
Total Direct Debt	\$	<u>11,111,303</u>	\$ <u>11,111,303</u>
<b>Bonded Debt Ratios</b>			
City Direct Debt to Real Market Value		1.01%	1.01%
Total Direct Debt to Real Market Value		1.01%	1.01%
Per Capita City Direct Debt	\$	658	\$ 658
Per Capita Total Direct Debt	\$	658	\$ 658

**Fiscal Year 2015**

Real Market Value	\$	1,069,201,230	
Estimated Population		16,845	
Per Capita Real Market Value	\$	63,473	
			<b>Net Direct Debt<sup>(2)</sup></b>
<b>Debt Information</b>		<b>Gross Direct Debt<sup>(1)</sup></b>	
City Direct Debt	\$	12,150,516	\$ 12,150,516
Overlapping Direct Debt		N/A	N/A
Total Direct Debt	\$	<u>12,150,516</u>	\$ <u>12,150,516</u>
<b>Bonded Debt Ratios</b>			
City Direct Debt to Real Market Value		1.14%	1.14%
Total Direct Debt to Real Market Value		1.14%	1.14%
Per Capita City Direct Debt	\$	721	\$ 721
Per Capita Total Direct Debt	\$	721	\$ 721

**Fiscal Year 2014**

Real Market Value	\$	1,055,355,036	
Estimated Population		16,700	
Per Capita Real Market Value	\$	63,195	
			<b>Net Direct Debt<sup>(2)</sup></b>
<b>Debt Information</b>		<b>Gross Direct Debt<sup>(1)</sup></b>	
City Direct Debt	\$	12,247,330	\$ 12,247,330
Overlapping Direct Debt		N/A	N/A
Total Direct Debt	\$	<u>12,247,330</u>	\$ <u>12,247,330</u>
<b>Bonded Debt Ratios</b>			
City Direct Debt to Real Market Value		1.16%	1.16%
Total Direct Debt to Real Market Value		1.16%	1.16%
Per Capita City Direct Debt	\$	733	\$ 733
Per Capita Total Direct Debt	\$	733	\$ 733



**City of Pendleton, Oregon - Major Taxpayers**

**Fiscal Year 2019  
City of Pendleton**

<b>Taxpayer</b>	<b>Business/Service</b>	<b>Tax</b>	<b>Assessed Value</b>	<b>Value</b>
Charter Communications	Telecommunications	\$178,972	\$9,992,700	1.07%
St. Anthony Hospital	Healthcare	162,346	8,971,880	0.96%
Keystone RV Company	Manufacturing	160,588	8,934,510	0.95%
CenturyLink	Telecommunications	158,273	8,837,000	0.94%
Wal-Mart	Department store	156,901	8,469,610	0.90%
PacifiCorp	Utility	155,891	8,704,000	0.93%
Hill Meat Company	Food processing	146,404	8,174,060	0.87%
Nor West Energy 9 LLC	Energy	141,491	7,900,000	0.84%
Atkore Acquisition Company Q	Manufacturing	116,632	6,511,630	0.69%
Union Pacific Railroad Co	Railroad	113,370	5,917,460	0.63%
Subtotal - ten of City's largest taxpayers			82,412,850	8.78%
All other City taxpayers			897,234,783	90.89%
Total District			\$ 979,647,633	99.67%

Source: Umatilla County Department of Assessment and Taxation

**Fiscal Year 2018  
City of Pendleton**

<b>Taxpayer</b>	<b>Business/Service</b>	<b>Tax</b>	<b>Assessed Value</b>	<b>Value</b>
CenturyLink	Telecommunications	\$199,288	\$11,095,000	1.18%
Charter Communications	Telecommunications	179,021	9,591,400	1.02%
St. Anthony Hospital	Healthcare	166,441	9,184,360	0.98%
PacifiCorp	Utility	159,000	8,852,000	0.94%
Wal-Mart	Department store	149,488	8,222,930	0.88%
Keystone RV Company	Manufacturing	144,626	8,036,740	0.86%
Hill Meat Company	Food processing	142,456	7,930,740	0.85%
Rocky Mountain Pipe Co.	Manufacturing	109,154	5,798,210	0.62%
Union Pacific Railroad Co	Railroad	109,007	5,674,390	0.60%
Pendleton Grain Growers Inc.	Agriculture	93,563	5,093,920	0.54%
Subtotal - ten of City's largest taxpayers			79,479,690	8.47%
All other City taxpayers			858,701,514	91.53%
Total District			\$ 938,181,204	100.00%

**Fiscal Year 2017  
City of Pendleton**

<b>Taxpayer</b>	<b>Business/Service</b>	<b>Tax</b>	<b>Assessed Value</b>	<b>Percent of Value</b>
St. Anthony Hospital	Healthcare	\$ 206,113	\$ 11,352,100	1.24%
PacifiCorp	Utility	147,962	8,469,000	0.93%
Charter Communications	Telecommunications	138,564	7,895,300	0.87%
Wal-Mart	Department store	145,706	7,750,910	0.85%
Keystone RV Company	Manufacturing	131,396	7,479,970	0.82%
CenturyLink	Telecommunications	112,346	6,736,400	0.74%
Hill Meat Company	Food processing	106,960	6,094,490	0.67%
V and B Holdings LLC	Holding company	97,913	5,398,870	0.59%
Pendleton Grain Growers Inc.	Agriculture	92,512	5,295,330	0.58%
Union Pacific Railroad Co	Railroad	96,697	5,144,150	0.56%
Subtotal - ten of City's largest taxpayers			71,616,520	7.85%
All other City taxpayers			840,650,508	92.15%
Total District			\$ 912,267,028	100.00%

**City of Pendleton, Oregon - Major Taxpayers**

**Fiscal Year 2016  
City of Pendleton**

<b>Taxpayer</b>	<b>Business/Service</b>	<b>Tax</b>	<b>Assessed Value</b>	<b>Percent of Value</b>
St. Anthony Hospital	Healthcare	\$ 212,866	\$ 11,127,150	1.25%
Charter Communications	Telecommunications	178,564	9,219,400	1.03%
PacifiCorp	Utility	146,921	8,179,000	0.92%
Hill Meat Company	Food processing	139,656	7,693,560	0.86%
Wal-Mart	Department store	145,750	7,525,160	0.84%
Keystone RV Company	Manufacturing	129,383	7,133,900	0.80%
CenturyLink	Telecommunications	109,801	6,679,000	0.75%
Pendleton Grain Growers Inc.	Agriculture	106,081	5,901,150	0.66%
Cascade Natural Gas Corp	Utility	92,182	5,374,000	0.60%
V and B Holdings LLC	Holding company	100,916	5,241,640	0.59%
Subtotal - ten of City's largest taxpayers			74,073,960	8.31%
All other City's taxpayers			817,065,707	91.69%
<b>Total City</b>			<b>\$ 891,139,667</b>	<b>100.00%</b>

**Fiscal Year 2015  
City of Pendleton**

<b>Taxpayer</b>	<b>Business/Service</b>	<b>Tax</b>	<b>Assessed Value</b>	<b>Percent of Value</b>
St. Anthony Hospital	Healthcare	\$ 201,352	\$ 10,570,270	1.23%
Charter Communications	Telecommunications	157,967	8,372,800	0.98%
PacifiCorp	Utility	145,194	8,199,000	0.96%
Wal-Mart	Department store	139,548	7,305,990	0.85%
Hill Meat Company	Food processing	122,438	6,844,870	0.80%
Keystone RV Company	Manufacturing	121,601	6,805,160	0.79%
Pendleton Round-Up Holdings LLC	Holding company	101,520	6,270,880	0.73%
Qwest Communications Co. LLC	Telecommunications	100,577	6,158,200	0.72%
Pendleton Grain Growers Inc.	Agriculture	105,825	5,862,600	0.68%
Pendleton Flour Mills LLC	Food processing	97,484	5,457,280	0.64%
Subtotal - ten of City's largest taxpayers			71,847,050	8.37%
All other City's taxpayers			786,124,157	91.63%
<b>Total City</b>			<b>\$ 857,971,207</b>	<b>100.00%</b>

**Fiscal Year 2014  
City of Pendleton**

<b>Taxpayer</b>	<b>Business/Service</b>	<b>Tax</b>	<b>Assessed Value</b>	<b>Percent of Value</b>
St. Anthony Hospital	Healthcare	\$ 257,340	\$ 13,140,170	1.59%
Pacific Power and Light Co.	Utility	148,039	8,124,000	0.98%
Charter Communications	Telecommunications	148,188	7,555,600	0.91%
Wal-Mart	Department store	139,119	7,093,200	0.86%
Keystone RV Company	Manufacturing	118,071	6,407,930	0.77%
Hill Meat Company	Food processing	117,801	6,401,760	0.77%
CenturyLink	Telecommunications	107,075	6,357,500	0.77%
Pendleton Round-Up Holdings LLC	Holding company	102,722	6,139,780	0.74%
Pendleton Grain Growers Inc.	Agriculture	107,387	5,740,920	0.69%
Pendleton Flour Mills LLC	Food processing	101,193	5,507,010	0.67%
Subtotal - ten of City's largest taxpayers			72,467,870	8.76%
All other City's taxpayers			755,078,368	91.24%
<b>Total City</b>			<b>\$ 827,546,238</b>	<b>100.00%</b>

**City of Pendleton, Oregon - Major Taxpayers**

**Fiscal Year 2013  
City of Pendleton**

<b>Taxpayer</b>	<b>Business/Service</b>	<b>Tax</b>	<b>Assessed Value</b>	<b>Percent of Value</b>
Pacific Power and Light Co.	Utility	\$ 150,183	\$ 8,233,000	1.03%
Keystone RV Company	Manufacturing	134,928	7,348,750	0.92%
Wal-Mart	Department store	134,971	6,886,610	0.86%
CenturyLink	Telecommunications	114,729	6,252,000	0.78%
Charter Communications	Telecommunications	119,927	6,119,000	0.76%
Hill Meat Company	Food processing	108,161	5,881,640	0.74%
Pendleton Round-Up Holdings LLC	Holding company	99,582	5,866,490	0.73%
Pendleton Flour Mills LLC	Food processing	105,900	5,767,780	0.72%
Pendleton Grain Growers Inc.	Agriculture	107,124	5,709,700	0.71%
St. Anthony Hospital	Healthcare	90,027	4,302,870	0.54%
Subtotal - ten of City's largest taxpayers			62,367,840	7.80%
All other City's taxpayers			737,647,390	92.20%
Total City			\$ 800,015,230	100.00%

**Fiscal Year 2012  
City of Pendleton**

<b>Taxpayer</b>	<b>Business/Service</b>	<b>Tax</b>	<b>Assessed Value</b>	<b>Percent of Value</b>
Qwest Corporation	Telecommunications	\$ 172,062	\$ 9,336,600	1.20%
Keystone RV Company	Manufacturing	138,473	7,510,000	0.96%
Wal-Mart	Department store	131,562	6,686,030	0.86%
Port of Umatila	Transportation	119,981	6,510,520	0.84%
Pendleton Flour Mills LLC	Food processing	113,065	6,132,260	0.79%
Pendleton Round-Up Holdings LLC	Holding company	100,437	5,821,890	0.75%
Charter Communications	Telecommunications	110,656	5,623,600	0.72%
Pendleton Grain Growers Inc.	Agriculture	104,620	5,540,710	0.71%
Hill Meat Company	Food processing	100,519	5,442,340	0.70%
Pacific Power and Light Co.	Utility	87,611	4,754,000	0.61%
Subtotal - ten of City's largest taxpayers			63,357,950	8.14%
All other City's taxpayers			715,430,406	91.86%
Total City			\$ 778,788,356	100.00%

**Umatilla County**  
**Tax Collections**<sup>(1)</sup>

Fiscal Year	Percent Collected as of Levy Year <sup>(2)</sup>	6/30/2019 <sup>(3)</sup>
2019	94.50%	94.50%
2018	94.70%	94.70%
2017	96.70%	96.70%
2016	97.03%	98.84%
2015	97.22%	99.14%
2014	96.80%	99.66%
2013	96.58%	99.92%

(1) Percentage of total tax levy collection in the County. Pre-payment discounts are considered to be **collected** when outstanding taxes are calculated. The tax rates are before offsets.

(2) The percentage of taxes collected in the "year of levy" represents taxes collected in a single levy year, beginning July 1 and ending June 30.

(3) The percentage of taxes show in the column represents taxes collected cumulatively from July 1 of a given levy year through June 30, 2019.

Source: Umatilla County Department of Assessment and Taxation

**Ending Fiscal Year 2019  
City of Pendleton**

<b>Debt Obligation</b>	<b>Totals</b>
<b>General Obligation Bonds</b>	
Total G O Bonds	\$8,515,000
<b>Limited Tax Pension Bonds</b>	
Series 2005	\$4,955,000
<b>Full Faith and Credit Bonds</b>	
Series 2018 - Police Bldg	\$609,884
<b>Notes Payable</b>	
Sunridge LID/Banner Bank	\$565,894
PCC Eastside Expansion/Banner Bank	625,819
OR IFA Olney Project #L14004	554,182
Total Notes Payable	\$1,745,895
Total General Government Debt Obligations	\$15,825,779



## **ACCOMPANYING INFORMATION**

---



**Dickey and Tremper, LLP**  
Certified Public Accountants and Business Advisors

110 SE First Street  
P.O. Box 1533  
Pendleton, OR 97801  
Phone: (541) 276-6862  
Toll Free: 1-800-332-6862  
Fax: (541) 276-9040  
Web: [www.dickeyandtremper.com](http://www.dickeyandtremper.com)

## **INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS**

To the Honorable Mayor and  
Members of the City Council  
City of Pendleton, Oregon

We have audited the basic financial statements of the City of Pendleton as of and for the year ended June 30, 2019 and have issued our report thereon dated January 24, 2020. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States.

### **Compliance**

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

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

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



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

The City had expenditures over appropriations in the following funds:

Pendleton Convention Center Fund:	
Debt Service	<u>\$ 83</u>
Water Fund:	
Debt Service	<u>\$ 3,029</u>
Interfund loan repayment	<u>\$ 5,926</u>

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

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

We noted certain matters that we reported to management of City of Pendleton, Oregon, in the Schedule of Findings and Questioned Costs.

This report is intended solely for the information and use of the board of directors/council members/commissioners and management of City of Pendleton and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

Dickey and Tremper, LLP

*Dickey and Tremper, LLP*  
January 24, 2020



**Dickey and Tremper, LLP**  
Certified Public Accountants and Business Advisors

110 SE First Street  
P.O. Box 1533  
Pendleton, OR 97801  
Phone: (541) 276-6862  
Toll Free: 1-800-332-6862  
Fax: (541) 276-9040  
Web: [www.dickeyandtremper.com](http://www.dickeyandtremper.com)

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

January 24, 2020

To the Governing Body of the City of Pendleton, Oregon:

We have audited, in accordance with the 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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pendleton, Oregon, as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the City of Pendleton, Oregon's basic financial statements, and have issued our report thereon dated January 24, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Pendleton, Oregon'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 City of Pendleton, Oregon's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Pendleton, Oregon'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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2019-001 that we consider to be a material weakness.

## **Compliance and other Matters**

As part of obtaining reasonable assurance about whether the City of Pendleton, Oregon'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 *Government Auditing Standards*.

## **City of Pendleton's Response to Findings**

The City of Pendleton's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **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 *Governmental Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
\_\_\_\_\_  
**Dickey and Tremper, LLP**  
**Certified Public Accountants**

**Pendleton, Oregon**  
**January 24, 2020**



**Dickey and Tremper, LLP**  
Certified Public Accountants and Business Advisors

110 SE First Street  
P.O. Box 1533  
Pendleton, OR 97801  
Phone: (541) 276-6862  
Toll Free: 1-800-332-6862  
Fax: (541) 276-9040  
Web: [www.dickeyandtremper.com](http://www.dickeyandtremper.com)

**Independent Auditor's Report on Compliance for Each Major Program and Passenger Facility Charge Program and on Internal Control Over Compliance Required by the Uniform Guidance and Passenger Facility Charge Audit Guide for Public Agencies**

To the Governing Body of the City of Pendleton, Oregon:

**Report on Compliance for Each Major Federal Program**

We have audited the City of Pendleton, Oregon's compliance with the types of compliance requirements described in the *OMB Circular Compliance Supplement* that could have a direct and material effect on each of City of Pendleton, Oregon's major federal programs for the year ended June 30, 2019. We have also audited the City of Pendleton, Oregon's compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* issued by the Federal Aviation Administration. The City of Pendleton'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 for each of the City of Pendleton's major federal programs and passenger facility charges 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; 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); and the *Passenger Facility Charge Audit Guide for Public Agencies*. Those standards, the Uniform Guidance, and the PFC guide 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 the City of Pendleton 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 federal program and on its passenger facility charge program. However, our audit does not provide a legal determination of the City of Pendleton's compliance.

### **Opinion on Each Major Federal Programs**

In our opinion, the City of Pendleton, Oregon complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and passenger facility charges program for the year ended June 30, 2019.

### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which is required to be reported in accordance with the PFC Guide and which is described in the accompanying schedule of findings and questioned costs as item 2019-002. Our opinion on the PFC program was not modified with respect to this matter.

The City's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control over Compliance**

Management of the City of Pendleton, Oregon, is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit of compliance, we considered the City of Pendleton's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program and passenger facility charge program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal 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 City of Pendleton'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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses 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 and Passenger Facility Charges. Accordingly, this report is not suitable for any other purpose.

*Dickey and Tremper, LLP*  
\_\_\_\_\_  
**Dickey and Tremper, LLP**  
**Certified Public Accountants**

**Pendleton, Oregon**  
**January 24, 2020**

**CITY OF PENDLETON, OREGON**  
**NOTES TO SCHEDULE OF EXPENDITURES OF**  
**FEDERAL AWARDS**  
**For the Fiscal Year Ended June 30, 2019**

**Note A – Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Pendleton under programs of the federal government for the year ended June 30, 2019. The information is presented on the modified accrual basis of accounting. 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). Because the Schedule presents only a selected portion of the operations of the City of Pendleton, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Pendleton.

**Note B – Indirect Costs**

The City has elected not to use the 10% de minimus indirect cost rate allowed under the Uniform Guidance.

**Note C – Relationship to Federal Financial Reports**

The regulations and guidelines governing the preparation of Federal financial reports vary by Federal agency and among programs administered by the same agency. Accordingly, the amounts reported in the Federal financial reports do not necessarily agree with the amounts reported in the accompanying Schedule which is prepared in the basis explained in Note A.

**Note D – Outstanding Loans**

The City expended funds under the Capitalization Grants for Drinking Water State Revolving Funds program in the amount of \$640,581 in the 2019 fiscal year, but reimbursement of some of the costs was not requested until after year end and there was \$126,427 remaining to be reimbursed at June 30, 2019. Total reimbursements received during the year included \$1,940,269 reimbursement of prior year expenditures. The City has the following net activity on loan balances payable as of June 30, 2019, of which, at least a portion are Federal funds.

Loan Description	Loans Payable At 6/30/18	Loans Issued	Loans (Repaid)	Loans Payable At 6/30/19
Safe Drinking Water State Revolving Loan Fund	\$ 2,987,437	\$ 2,454,423	\$ (362,698)	\$ 5,079,162
Clean Water State Revolving Loan Fund	5,134,135	-	(309,633)	4,824,502

**City of Pendleton, Oregon**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2019**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Grantor Number	Total Federal Expenditures	Passed Through to Sub-Recipients
<b>US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
Passed through State of Oregon Economic Development				
Department:				
Community Development Block Grants	14.228	H16015	\$ 59,610	\$ 59,610
<b>DEPARTMENT OF TRANSPORTATION</b>				
Direct Program:				
Airport Improvement Program	20.106	DOT-FA14NM-0030	5,411	-
Airport Improvement Program	20.106	DOT-FA18NM-0059	500,736	-
Airport Improvement Program	20.106	DOT-FA19NM-0045	3,325	-
		Sub-total CFDA 20.106	** 509,472	-
Passed through Oregon Dept of Transportation -				
Transit Division:				
Formula Grants for Other Than Urbanized Areas	20.509	31905	119,655	-
Federal Transit Cluster:				
Bus and Bus Facilities Formula Program	20.526	32834	72,125	-
Transit Services Program Cluster:				
Enhanced Mobility of Seniors and Individuals With Disabilities	20.513	32170 & 32877	170,640	-
Total U.S. Department of Transportation			871,892	-
<b>DEPARTMENT OF JUSTICE</b>				
Direct Program:				
Bulletproof Vest Partnership Grant	16.607	J56250336	1,945	-
Total U.S. Department of Justice			1,945	-
<b>EXECUTIVE OFFICE OF THE PRESIDENT</b>				
Office of the National Drug Control Policy				
Direct Program:				
High Intensity Drug Trafficking Area-HIDTA	95.001	DOJ-HIDTA	171,828	27,102
Total Executive Office of the President			171,828	27,102
<b>DEPARTMENT OF HOMELAND SECURITY</b>				
<b>FEDERAL EMERGENCY MANAGEMENT</b>				
Direct Program:				
Assistance to Firefighters Grant	97.044	EMW-2017-FO-04432	36,364	-
Total Department of Homeland Security			36,364	-
<b>ENVIRONMENTAL PROTECTION AGENCY</b>				
Passed through Oregon Infrastructure Finance Authority of the				
Oregon Business Development Department				
Drinking Water State Revolving Fund Cluster:				
Capitalization Grants for Drinking Water State Revolving Funds	66.468	S17018	** 640,581	-
Total Environmental Protection Agency			640,581	-
<b>TOTAL FEDERAL EXPENDITURES</b>			<b>\$ 1,782,220</b>	<b>\$ 86,712</b>

See auditor's report.



**CITY OF PENDLETON**  
**SCHEDULE OF EXPENDITURES OF PASSENGER FACILITY CHARGES**  
**For the Fiscal Year Ended June 30, 2019**

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
Passenger Facility Charges (PFC's)	N/A	<u>\$ 18,017</u>

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**For The Fiscal Year Ended June 30, 2019**

**FINDINGS – FINANCIAL STATEMENT AUDIT**

2018-001

*Condition and criteria:* The City has projects in progress that are combined across multiple funds and activities. There was one capital project for water and stormwater improvements that should have been split between funds, but was expensed entirely to the water fund. An adjustment was required for \$128,796 to reclassify the activity between funds.

*Cause:* With multiple projects in progress and changes in responsibilities, the workload of the Public Works Department has increased and the allocation between funds was overlooked.

*Effect:* A material adjustment was required to reclassify capital expenses between funds for a combined water and stormwater project.

*Auditor's recommendation:* With the number of projects in progress for large dollar amounts, an additional emphasis should be placed on reporting the activities to the correct fund and financing source. In addition, documentation supporting the allocation should clearly indicate the method of allocation and be maintained in the files.

*Current status:* The Public Works Director worked with auditor to correct identified deficiency, along with State funding agency representative overseeing the loan disbursement and there were no instances in the current fiscal year. The condition has been corrected.

2018-002

*Condition and criteria:* Management is required to provide a complete and accurate Schedule of Expenditures of Federal Awards (SEFA). There were significant corrections to the SEFA to properly report the amount of expenditures related to public works projects.

*Cause:* The City has processes in place to identify the programs and costs for most of its activities. There were delays in preparing drawdown requests and finalizing agreements related to projects that made it difficult in preparing an accurate SEFA. In addition, there were changes in allowable costs identified while performing the audit that caused a significant change in the amounts reported.

*Effect:* There were significant corrections to the SEFA to properly report the amount of expenditures related to public works projects.

*Auditor's recommendation:* We recommend that drawdowns be prepared on at least a quarterly basis and that the Public Works Department work closer with Finance to ensure that federal expenditures are properly identified for the Single Audit.

*Current status:* Management increased their frequency of drawdowns and all parties worked together to prepare a complete and accurate SEFA for the current fiscal year.

## **FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS**

### **ENVIRONMENTAL PROTECTION AGENCY**

#### **Capitalization Grants for Drinking Water State Revolving Funds**

##### **Compliance – Special Tests**

2018-003

*Condition and criteria:* The City must conduct reviews of the potential environmental impacts prior to beginning a project. The City performed an environmental review and received a categorical exclusion for the overall water system improvements, but there was one project started prior to the environmental review.

*Cause:* The City received a special categorical exclusion for two projects that began in the prior fiscal year and for projects beginning after October 10, 2017, but this one project was started between those events and fell outside of the exclusion.

*Context and effect:* Through June 30, 2018, the City has performed nine main activities/projects and has prepared draw down requests for those activities. We performed tests of 100% of the activities and found this item to be the only one falling outside of the environmental exclusion. Costs of \$194,381 related to this request were determined to be questioned costs.

*Auditor's recommendation:* The City has obtained a categorical exclusion for the remaining planned projects. We recommend that the City ensure that the environmental review is performed in advance for any projects falling outside of the categorical exclusion.

*Current status:* The Public Works Director worked with auditor to correct the deficiency, along with State funding agency representative overseeing the loan disbursement. The questioned costs above were repaid through reduction of the December reimbursement request and the condition has been fully corrected.

##### **Significant Deficiency**

2018-004

*Condition and criteria:* The City must have control processes in place to properly identify and report allowable costs related to the program. There was one invoice for \$37,544 that was not initially requested for reimbursement. There was another invoice for activity related only partially to this loan program, which management could not locate the original calculation to split the allowable costs between water

and stormwater improvements and a correction was prepared to increase the amount requested.

*Cause:* The City has not been preparing reimbursement requests on a regular basis and was mainly preparing a request when an activity was entirely completed. This raised the risk of costs not being identified or being identified in the wrong accounting period. In addition, documentation was not maintained for allocating costs between projects, which appears to be an oversight partially caused by employee workload.

*Context and effect:* Through June 30, 2018, the City has performed nine main activities/projects and has prepared draw down requests for those activities. We performed tests of 100% of the activities. For the projects identified as allowable projects allowable costs were increased by \$49,627 for amounts not originally claimed.

*Auditor's recommendation:* We recommend that the City prepare reimbursement requests on at least a quarterly, if not monthly, basis. Partial reimbursement requests can be prepared for projects that are still in progress. In addition, we recommend that documentation be maintained showing the allocation of costs related to multiple activities.

*Current status:* Management increased the frequency of loan reimbursement requests and properly accounted for reimbursable costs. The condition was corrected during the year.

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For The Fiscal Year Ended June 30, 2019**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

- 01 The auditor's report expresses an unmodified opinion on the basic financial statements of the City of Pendleton.
- 02 One material weakness was discovered by the audit of the basic financial statements of the City of Pendleton, Oregon.
- 03 No instances of noncompliance material to the financial statements of the City of Pendleton, Oregon, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

**Federal Awards**

- 01 No material weaknesses or significant deficiencies in internal control over major federal programs were disclosed by the audit.
- 02 The auditor's report on compliance expresses an unqualified opinion for each major federal program.
- 03 There were no audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a).
- 04 The programs tested as major programs included:
  - Capitalization Grants for Drinking Water
  - State Revolving Funds CFDA # 66.468
  - Airport Improvement Program CFDA # 20.106

05 The threshold for distinguishing Types A and B programs was \$750,000.

06 The City of Pendleton was not determined to be a low-risk auditee.

**Passenger Facility Charge Program (PFC)**

- 07 No material weaknesses or significant deficiencies in internal control over the PFC program were disclosed by the audit.
- 08 The auditor's report on compliance expresses an unqualified opinion for the Passenger Facilities Charge Program.
- 09 There was one audit finding required to be reported in other matters, which is described below as 2019-002.

## SECTION II - FINDINGS – FINANCIAL STATEMENTS AUDIT

### Material Weakness

2019-001

*Condition and criteria:* The City has multiple deposit agreements with the Oregon Department of Transportation (ODOT) for the City's portion of costs related to major construction projects performed mainly by ODOT. ODOT provides statements of the funds expended from the deposits and the ending balances and the City has been recording the activity from the statements. There were adjustments made in the prior year to correct the deposit balances reported, which were not reflected in the current year activity causing the ending balances to be misstated.

*Cause:* There were errors in the prior year ODOT statements that the City corrected for financial reporting, which should have cleared out with the current year activity. The prior year correction was not originally incorporated into the adjustments recording the activity and year end deposit balances.

*Effect:* A material adjustment was required to reduce the ODOT deposit in the System Development Fees fund. There were also adjustments needed to capital asset schedules and to reclassify capital outlay between funds related to the deposit agreement.

*Auditor's recommendation:* The year-end balance has been corrected and there should be no further outstanding reconciling items to account for. We recommend that management continue to record the activity from the statements, but to add a procedure to verify the balance remaining of the deposit.

*Management's response:* Clarification on how this affects the City of Pendleton. The ODOT utility deposit which is in the finding was actually paid to ODOT in 2017 per contract agreement. The City just tracks the deposit which ODOT is holding and records expenditures and reduces the deposit on our books as ODOT sends very basic billings on a monthly basis. It is a bookkeeping function, matching what ODOT is reporting to us. Since it is a capital project deposit, annually the City then records the capital asset on their books at year end. There are no checks written after the initial deposit, the Finance Director is just tracking on the City's side.

At the end of FY2018, ODOT sent a billing (without detail) which reduced the entire utility deposit which they were holding. The City questioned that reduction since the consultants had different numbers for actual utility inventory in the ground. The City chose to use the consultant's numbers and not reduce the entire deposit on the City's books at the end of FY18, it was deliberate that we would not be matching ODOT's books.

FY2019 ended and the Finance Director forgot of the adjustment at the end of the fiscal 2018 year. (The correct procedure would have been to record the difference between ODOT and the City's judgement call when all the utility assets had been used on the project.) The Director recorded all of the ODOT's billings from the deposit for FY19 throughout the year. The Director knew ODOT considered the deposit depleted in the summer of 2019 and knew the City's books did not reflect

that. The Director asked ODOT to supply additional detail and when the auditors arrived for auditing of the books, the Director stated that the ODOT deposits were still to be reviewed. As the old saying says, you can't see the forest through the trees, the auditors found the difference was between the entry the City made based on the onsite consultants records and the FY18 entry that ODOT took all of the deposit. The book entry was made which reduced the deposit to zero and increased capital assets.

How does it affect the City of Pendleton? There was no fraud, no checks or deposits lost or actual overpayments made, no unpaid bills. Simply a bookkeeping journal entry that would mirror what was actually being billed out by ODOT. Fixed assets were increased but in a lending world for small city governments, banks do not rely on fixed assets such as water and sewer lines for basing a loan. They look at revenue streams that are coming into the City. So the entry itself would have no effect on the lending world. Would this happen again, most likely not since it was a unique exception where the City chose to more closely reflect on their books the true utility costs that had been used in FY18 as compared to ODOT's "no backup" billing invoice. The City has tracked many ODOT deposits over the years for capital improvements without concern and verified balances.

So management agrees that this issue existed but does not believe this circumstance would happen again. The Finance Director knew she was off when the auditors walked in the door and the Director knew it would be found and corrected with a simple journal entry during the audit, either by the Director or by the auditors. Finance had been verifying balances and that was the basis for the request for more information from ODOT in the late summer of 2019. The Finance Director just did not have the time prior to auditors' arrival with other current tasks for audit taking priority over the bookkeeping review of the ODOT deposit. It was a static entry, not an active entry. The active part was the check written in 2017 to ODOT.

### **SECTION III - FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None

### **SECTION IV - FINDINGS AND QUESTIONED COSTS – PASSENGER FACILITY CHARGE (PFC) PROGRAM AUDIT**

Type of Finding: Noncompliance – Reporting

2019-002

*Condition and criteria:* Public agencies must provide quarterly reports to carriers collecting PFC revenues for the agency. The Airport uses the FAA online SOAR system as the communication. Program requirements state that the reports must be provided on or before the last day of the calendar month following the calendar quarter. The amounts reported are also normally based on the date collected. The collections reported on the SOAR system have been on the accrual basis, but should be reported on the cash basis. In addition, the reports for collections in May and June 2019 were submitted September 27, 2019, which is outside the required reporting window.

*Cause:* The Airport has processes in place to report the revenues and expenditures in SOAR but was unaware of the expenditure reporting and other requirements discussed above.

*Effect:* The City's PFC collections are not material to their financial statements in total, but the reporting issues described above provide inaccurate information to the carriers and FAA.

*Auditor's recommendation:* We recommend that Airport management complete the reporting of both collections and disbursements within the required timeline and that the reports are based on the date collected and disbursed.

*Management response:* Airport management concurs with the cause and auditor's recommendation and has added procedures to report the collections and disbursements before the last day of the calendar month following the calendar quarter