

**CITY OF PENDLETON, OREGON**

**ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2021**





**CITY OF PENDLETON, OREGON  
ANNUAL FINANCIAL REPORT  
For the fiscal year ended June 30, 2021**

**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
Urban Renewal District Operating Fund	30
Statement of Net Position – Proprietary Funds	32
Reconciliation of the Proprietary Funds Statement of Net Position to the Statement of Net Position	33
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	34
Reconciliation of the Statement of Revenues, Expenses, and Changes In Fund Net Position of Enterprise Funds to the Statement of Activities	35
Statement of Cash Flows – Proprietary Funds	36-37
Statement of Fiduciary Net Position – Fiduciary Funds	39
Notes to the Basic Financial Statements	40-82
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of City’s Proportionate Share of the Net Pension Liability (Asset)	83
Schedule of City’s Contributions to the Oregon Public Employee Retirement System	83
Schedule of City’s Proportionate Share of Net OPEB Liability (Asset) OPERS Retirement Health Insurance Account	84
Schedule of Contributions OPERS Retirement Health Insurance Account	84
Schedule of Changes in City’s OPEB Liability and Related Ratios	85
Notes to Required Supplementary Information	86
<b>SUPPLEMENTAL INFORMATION</b>	
Combining and Individual Fund Statements and Schedules	
Combining Balance Sheet – Non-Major Governmental Funds	89
Sub-Combining Balance Sheet:	
Non-Major Special Revenue Funds	90-91
Non-Major Capital Projects Funds	92
Non-Major Debt Service Funds	93

	<u>Page</u>
Non-Major Permanent Trust Funds	94
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Non-Major Governmental Funds	95
Sub-Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance:	
Non-Major Special Revenue Funds	96-97
Non-Major Capital Projects Funds	98
Non-Major Debt Service Funds	99
Non-Major Permanent Trust Funds	100
Combining Balance Sheet – Combined General Fund	101
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Combined General Fund	102
Combining Balance Sheet – Internal Service Funds	104
Combining Schedule of Revenues, Expenses, and Changes in Net Position – Internal Service Funds	105
Combining Schedule of Cash Flows – Internal Service Funds	106-107
Combining Schedule of Fiduciary Net Position – Agency Funds	109
Schedule of Expenditures and Transfers – Budget and Actual (Non-GAAP Budgetary Basis), by Department – General Fund	111
Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	
Governmental Funds:	
Special Revenue Funds:	
Bike Fund	113
Library Fund	114
Library Trust Fund	115
Transportation Services Fund	116
Community Development Block Grant Fund	117
Community Rehabilitation Fund	118
Sidewalk Repair Loan Fund	119
Pendleton Convention Center Fund	120
PCC TPAC Fund	121
Police Interagency Special Revolving Fund	122
Parks Trust Fund	123
Horne Trust Fund	124
Parks Recreation Cemetery Special Projects Fund	125
Building Maintenance Fund	126
Debt Service Fund:	
Debt Service Fund	127
Urban Renewal District Debt Service Fund	128
Permanent Trust Funds:	
Library Permanent Trust Fund	129
Cemetery Perpetual Care Trust Fund	130
Capital Projects Funds:	
System Development Fees Fund	131
Parks Capital Reserve Fund	132
Public Safety Capital Reserve Fund	133
L.I.D. Construction Fund	134
Fire Bond Capital Construction Fund	135
Unmanned Aerial Systems Capital Improvement Fund	136
Proprietary Funds:	
Enterprise Funds:	
All Water Funds:	

	<u>Page</u>
Water Fund	138
Water Capital Reserve Fund	139
Reconciliation to Generally Accepted Accounting Principles	140
All Sewer Funds:	
Sewer Fund	141
Sewer Capital Reserve Fund	142
Reconciliation to Generally Accepted Accounting Principles	143
Airport Fund	144
Internal Service Funds:	
PW Administration and Fleet Fund	145
Central Services Fund	146
Schedule of Expenditures and Transfers – Budget and Actual (Non-GAAP Budgetary Basis) – Central Services Fund	147
Fiduciary Funds:	
Agency Funds:	
Pendleton Foundation Trust	149
Other Financial Schedules:	
Schedule of Changes in Assets and Liabilities – All Agency Funds	150
Schedule of Outstanding Debt Principal and Interest Transactions	151
Schedule of Future General Obligation Bonds Debt Requirements – Governmental Funds	152
Schedule of Future Limited Tax Pension Bonded Debt Requirements – Governmental Funds	153
Schedule of Future Note Payable Debt Requirements – Governmental Funds	154
Water Fund	155
Sewer Fund	156
<b>STATISTICAL SECTION</b>	
Major Wastewater Accounts FY21	157
Coverage Table – Historical and Projected Operating Results	158
Sewer Fund Projected Debt Service Requirements	159
Taxable Property Values and GO Debt Capacity	160
Representative Levy Rates	161-163
Debt Ratios	164-165
Major Taxpayers	166-168
Tax Collections	169
Debt Obligation – General Government	170
<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 Passenger Facility Charge Receipts and Disbursements	180
Schedule of Prior Year Audit Findings	181-184
Schedule of Findings and Questioned Costs	185-190



**CITY OF PENDLETON, OREGON  
OFFICIALS OF THE CITY  
AS OF JUNE 30, 2021**

**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	2024
Kevin Martin, Council Member 604 NW Bailey Pendleton, OR 97801	2024
Linda Neuman, Council Member 2216 SW Perkins Avenue Pendleton, OR 97801	2022
Sally Brandsen, Council Member 719 NW 5 <sup>th</sup> St Pendleton, OR 97801	2024
McKennon McDonald, Council President 806 NW 8 <sup>th</sup> Street Pendleton, OR 97801	2022
Carol Innes, Council Member 222 ½ NW Despain Ave Pendleton, OR 97801	2022
Dale Primmer, Council Member 101 SW Quinney Place Pendleton, OR 97801	2024
Steve Campbell, Council Member (At Large) 719 NW 6 <sup>th</sup> St Pendleton, OR 97801	2022
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
Charles Byram	Police Chief
Bob Patterson	Public Works Director
Steve Chrisman	Airport and Economic Development Director
Tim Simons	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  
Pox 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, 2021, 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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General, Street and Urban Renewal District Operating 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 schedule of passenger facility charge receipts and disbursements are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of passenger facility charge receipts and disbursements is 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 March 23, 2022, 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 March 23, 2022, 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**  
**Certified Public Accountants**

**Pendleton, OR**  
**March 23, 2022**

## **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, 2021. 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 \$4,724,107 or twenty three percent. Property taxes increased by 3% for the general purpose property tax. Capital grants and contributions increased by over \$2,859,954. CARES Act revenue contributed to the increase in revenues for the City. The City passed through thousands of dollars to local businesses during the COVID pandemic.
- Business-type activities revenue decreased by \$2,206,201. Charges for Services increased by \$911,288 with UAS range rents over \$601,678. Capital Grants and Contributions went down at the Airport by over \$7.178 million as FAA Airport Improvement projects were winding down. Expenditures increased overall by a total of \$1,538,066 or 12 percent for the year. Water, Sewer and Airport funds all showed increases in expenditures.
- The unassigned fund balance for the combined General Fund was \$1,658,406 and the total fund balance was \$2,237,433 or approximately 16% of total general fund expenditures & transfers out. The ending fund balance increased by 44% from the previous year.
- The City's governmental activities total debt increased by \$4,089,814 or 27% over FY2019-20. The increase was attributed to the new credit line available and drawn for the Pendleton Development Commission, from \$300,000 debt in FY20 to \$5.33 million at the end of FY21. The largest governmental debt is the general obligation bond issue for the construction of a new fire station at \$7.95 million at the end of FY21. The PERS limited tax pension obligation bonds remain with \$4.14 million left.
- Enterprise fund debt increased to a total of \$24.318 million. The City has three current open loans with the State of Oregon for water, sewer, and airport infrastructure. Drawdowns on the State debt in FY21 totaled approximately \$4.165 million.
- The Water and Sewer funds provided State loan funding along with an EDA grant for the investment in utility infrastructure for the Unmanned Aerial Systems North Industrial Park project for approximately \$3,159,165 of improvements.
- The Airport fund continued the development of a large flexible hanger with fund from the State of Oregon for \$2.517 spent in FY21. The hanger was finished in FY22.

### 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 26 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 Unmanned Aerial Services Capital Fund which are considered to be *major funds*. Two governmental funds are combined with the General Fund as sub-funds. Data from the other 21 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, Urban Renewal District Operating Fund, and UAS Capital Improvement 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 24-30 of this report.

- **Proprietary Funds.** The City maintains 7 proprietary funds.

*Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Of the seven proprietary funds, five 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 7 proprietary funds, two are *Internal Service funds*.

The basic proprietary fund financial statements can be found on pages 32-37 of this report.

- **Agency Funds** *Agency Funds* are used to account for resources held for the benefit of parties outside the governmental. Agency 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 agency funds is much like that used for proprietary funds.

The basic agency fund financial statements can be found on page 39 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 40-82 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 \$71,389,190 at the close of the FY2020-21 year. Restricted net assets in the governmental funds include \$178,207 for debt service, \$122,368 for environmental remediation \$21,263 street tax monies reserved for street operations and construction, \$878,836 for program services and grants, \$6,131 for library services and \$952,811 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 \$70,677,527 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>FY 2019-20</b>	<b>FY 2020-21</b>	<b>Change</b>
<b>Governmental Activities</b>			
<b>Assets</b>			
Current and other assets	\$12,096,272	\$18,065,755	\$5,969,483
Capital assets	\$44,536,819	\$45,252,560	715,741
Total assets	\$56,633,091	\$63,318,315	6,685,224
<b>Deferred Outflow of Resources</b>	\$5,454,608	\$6,327,359	\$872,751
<b>Liabilities</b>			
Long-term liabilities outstanding	\$32,129,114	\$39,305,581	\$7,176,467
Other liabilities	1,269,154	2,816,751	1,547,597
Total liabilities	\$33,398,268	\$42,122,332	8,724,064
<b>Deferred Inflow of Resources</b>	\$1,370,156	\$1,397,772	\$27,616
<b>Net Position</b>			
Invested in capital assets, net of related debt	\$33,737,217	\$34,722,991	\$985,774
Restricted	2,297,712	2,159,616	(138,096)
Unrestricted (deficit)	(8,715,654)	(10,757,037)	(2,041,383)
<b>Total Net Position</b>	\$27,319,275	\$26,125,570	(\$1,193,705)

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

	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>Change</u>
<b>Assets</b>			
Current and other assets	\$15,056,729	\$14,828,278	(\$228,451)
Capital assets	55,789,188	60,273,100	4,483,912
Total assets	<u>\$70,845,917</u>	<u>\$75,101,378</u>	<u>\$4,255,461</u>
<b>Deferred Outflow of Resources</b>	<u>\$1,121,568</u>	<u>\$1,311,157</u>	<u>\$189,589</u>
<b>Liabilities</b>			
Long-term liabilities outstanding	\$25,532,597	\$28,437,284	\$2,904,687
Other liabilities	6,130,012	2,406,446	(3,723,566)
Total liabilities	<u>\$31,662,609</u>	<u>\$30,843,730</u>	<u>(\$818,879)</u>
<b>Deferred Inflow of Resources</b>	<u>\$297,999</u>	<u>\$305,185</u>	<u>\$7,186</u>
<b>Net Position</b>			
Invested in capital assets, net of related debt	\$33,712,396	\$35,954,536	\$2,242,140
Restricted	407,937	407,937	0
Unrestricted	5,886,544	8,901,147	3,014,603
<b>Total Net Position</b>	<u><u>\$40,006,877</u></u>	<u><u>\$45,263,620</u></u>	<u><u>\$5,256,743</u></u>

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

	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>Change</u>
<b>Assets</b>			
Current and other assets	27,153,001	32,894,033	5,741,032
Capital assets	100,326,007	105,525,660	5,199,653
Total assets	<u>127,479,008</u>	<u>138,419,693</u>	<u>10,940,685</u>
<b>Deferred Outflow of Resources</b>	<u>6,576,176</u>	<u>7,638,516</u>	<u>1,062,340</u>
<b>Liabilities</b>			
Long-term liabilities outstanding	57,661,711	67,742,865	10,081,154
Other liabilities	7,399,166	5,223,197	(2,175,969)
Total liabilities	<u>65,060,877</u>	<u>72,966,062</u>	<u>7,905,185</u>
<b>Deferred Inflow of Resources</b>	<u>1,668,155</u>	<u>1,702,957</u>	<u>34,802</u>
<b>Net Positions</b>			
Invested in capital assets, net of related debt	67,449,613	70,677,527	3,227,914
Restricted	2,705,649	2,567,553	(138,096)
Unrestricted (deficit)	(2,829,110)	(1,855,890)	973,220
<b>Total Net Positions</b>	<u><u>67,326,152</u></u>	<u><u>71,389,190</u></u>	<u><u>4,063,038</u></u>

An additional portion of the City's net position \$2,567,553 approximately four 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 \$1,855,890. Unrestricted net position increased from the previous year by \$973,220, 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>			
	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>Change</u>
<b>Revenues</b>			
<i>Program revenues:</i>			
Charges for services	\$4,383,215	\$4,867,505	\$484,290
Operating grants & contributions	2,827,323	3,903,590	1,076,267
Capital grants & contributions	694,058	3,554,012	2,859,954
<i>General revenues:</i>			
Property taxes	7,544,326	7,757,330	213,004
Franchise fees	4,821,103	4,775,238	(45,865)
Investment earnings	160,374	187,852	27,478
Other	224,782	333,761	108,979
<b>Total revenues</b>	<u><b>\$20,655,181</b></u>	<u><b>\$25,379,288</b></u>	<u><b>\$4,724,107</b></u>
<b>Expenditures</b>			
General government	\$4,710,648	\$5,370,244	\$659,596
Public safety	10,967,178	12,393,577	1,426,399
Highways & streets	3,547,727	4,221,188	673,461
Culture & recreation	3,708,666	3,568,219	(140,447)
Interest on long-term debt	626,831	664,707	37,876
<b>Total expenses</b>	<u><b>\$23,561,050</b></u>	<u><b>\$26,217,935</b></u>	<u><b>\$2,656,885</b></u>
Change in net position	(\$2,905,869)	(\$838,647)	\$2,067,222
Transfers	94,290	(355,058)	(449,348)
Change in net position	(2,811,579)	(1,193,705)	1,617,874
<b>Net Position -- beginning</b>	<u><b>\$30,130,854</b></u>	<u><b>\$27,319,275</b></u>	<u><b>(\$2,811,579)</b></u>
<b>Net Position -- ending</b>	<u><u><b>\$27,319,275</b></u></u>	<u><u><b>\$26,125,570</b></u></u>	<u><u><b>(\$1,193,705)</b></u></u>

**Table 2-B**

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

**Business-type Activities**

	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>Change</u>
<b>Revenues</b>			
<i>Program revenues:</i>			
Charges for services	\$12,743,416	\$13,654,704	\$911,288
Operating grants & contributions	732,657	4,875,411	4,142,754
Capital grants & contributions	7,924,486	746,279	(7,178,207)
<i>General revenues:</i>			
Investment earnings	155,941	86,636	(69,305)
Other	16,404	3,673	(12,731)
<b>Total revenues</b>	<b><u>\$21,572,904</u></b>	<b><u>\$19,366,703</u></b>	<b><u>(\$2,206,201)</u></b>
<b>Expenses</b>			
Water	\$4,710,481	\$5,009,520	\$299,039
Sewer	5,609,498	6,080,356	470,858
Airport	2,606,973	3,375,142	768,169
<b>Total expenses</b>	<b><u>\$12,926,952</u></b>	<b><u>\$14,465,018</u></b>	<b><u>\$1,538,066</u></b>
Change in net position	\$8,645,952	\$4,901,685	(\$3,744,267)
Transfers	(94,290)	355,058	449,348
Change in net position	8,551,662	5,256,743	(3,294,919)
<b>Net Position -- beginning</b>	<b><u>\$31,455,215</u></b>	<b><u>\$40,006,877</u></b>	<b><u>\$8,551,662</u></b>
<b>Net position -- ending</b>	<b><u>\$40,006,877</u></b>	<b><u>\$45,263,620</u></b>	<b><u>\$5,256,743</u></b>

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

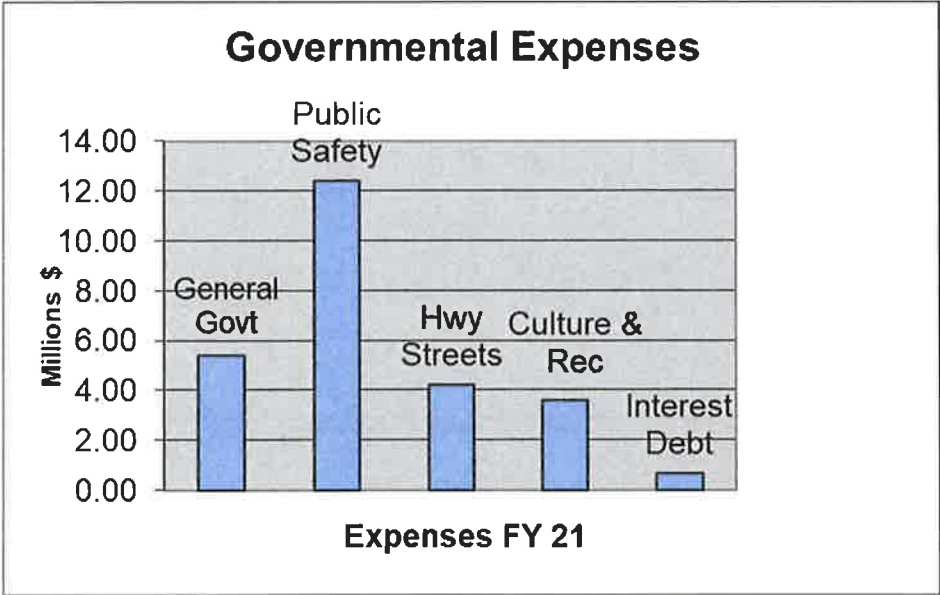
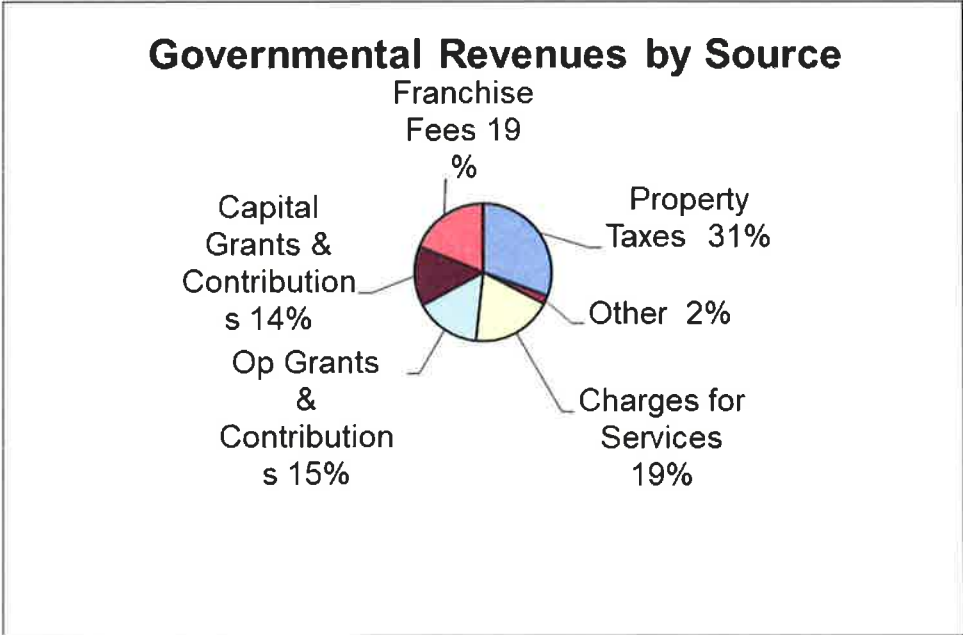
**Total Net Assets**

	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>Change</u>
<b>Revenues</b>			
<i>Program revenues:</i>			
Charges for services	\$17,126,631	\$18,522,209	\$1,395,578
Operating grants & contributions	3,559,980	8,779,001	5,219,021
Capital grants & contributions	8,618,544	4,300,291	(4,318,253)
<i>General revenues:</i>			
Property taxes	7,544,326	7,757,330	213,004
Franchise fees	4,821,103	4,775,238	(45,865)
Investment earnings	316,315	274,488	(41,827)
Other	241,186	337,434	96,248
<b>Total revenues</b>	<b><u>\$42,228,085</u></b>	<b><u>\$44,745,991</u></b>	<b><u>\$2,517,906</u></b>
<b>Expenses</b>			
General government	\$4,710,648	\$5,370,244	\$659,596
Public safety	10,967,178	12,393,577	1,426,399
Highways & streets	3,547,727	4,221,188	673,461
Culture & recreation	3,708,666	3,568,219	(140,447)
Interest on long-term debt	626,831	664,707	37,876
Water	4,710,481	5,009,520	299,039
Sewer	5,609,498	6,080,356	470,858
Airport	2,606,973	3,375,142	768,169
<b>Total expenses</b>	<b><u>\$36,488,002</u></b>	<b><u>\$40,682,953</u></b>	<b><u>\$4,194,951</u></b>
Change in net position	\$5,740,083	\$4,063,038	(\$1,677,045)
Transfers	0	0	0
Change in net position	5,740,083	4,063,038	(1,677,045)
<b>Net Position -- beginning</b>	<b><u>\$61,586,069</u></b>	<b><u>\$67,326,152</u></b>	<b><u>\$5,740,083</u></b>
<b>Net position -- ending</b>	<b><u>\$67,326,152</u></b>	<b><u>\$71,389,190</u></b>	<b><u>\$4,063,038</u></b>

As noted above, the City of Pendleton's overall net position increased by \$4,063,038 during FY2020-21. This increase is explained in the following government and business-type activities discussion.

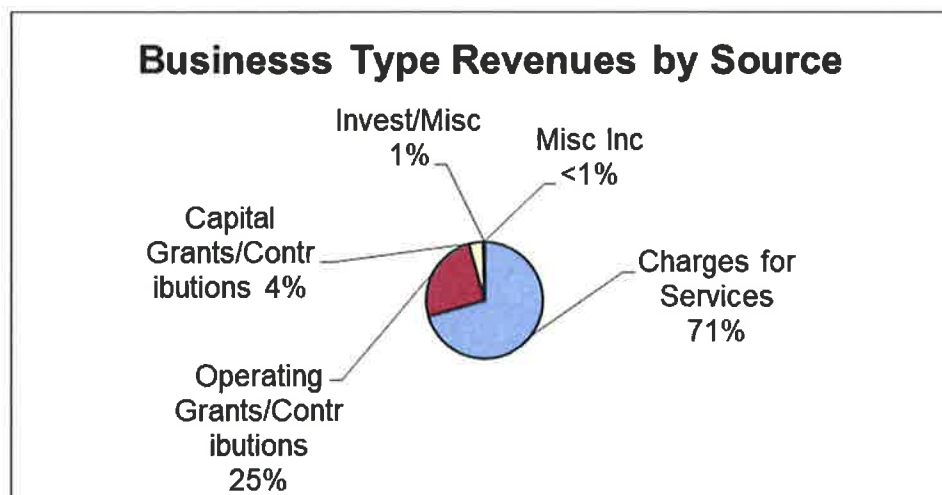
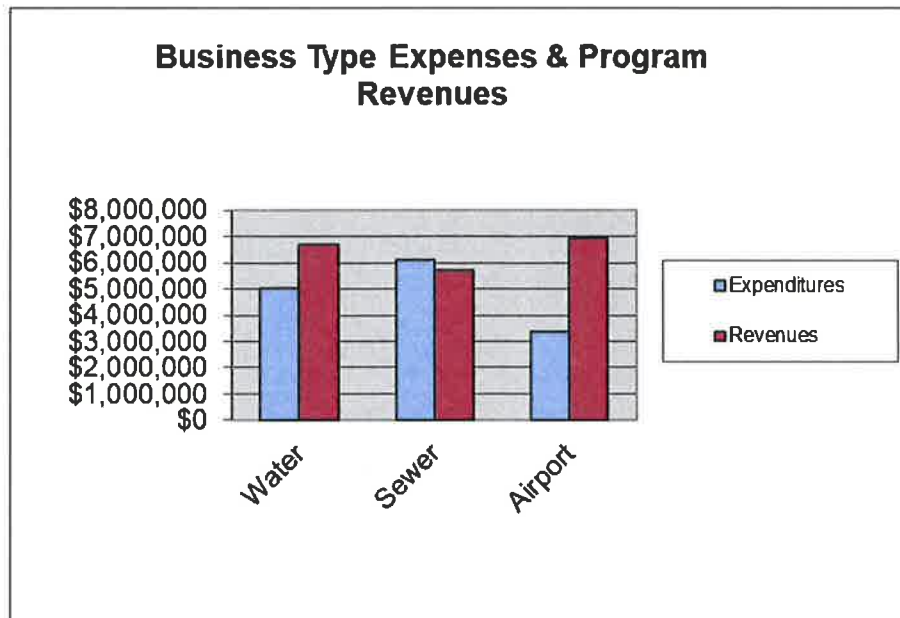
**Governmental activities.** The major factor for the governmental activities net asset decrease is the trend in increasing expenditures over revenues. Expenditures increased by 12%, although revenues increased by 23 percent from the previous year, the expenditures outpaced the revenues by \$838,647. Public Safety saw the largest increase of \$1,426,399 in expenditures from the previous year. The net affect was net position ending balance of \$26,125,570, a four percent decrease. CARES Act monies contributed to the remarkable revenue increase.

The following graphs provide visual representation of the expenses and revenues for governmental activities for FY2020-21.



**Business-type activities.** Business-type activities increased the City's net assets by \$5,256,743 from FY20. Capital Grants and Contributions decreased by \$7,178,207 overall with increases in two enterprise funds, sewer and airport. The Water and Airport funds took in more revenue than expenses for FY21. Grants include Airport Improvement Project (AIP) FAA dollars for airport improvements for \$746,174 in grant dollars and the receipt of Airport CARES Act dollars of \$4.8 million. Total combined revenues taken in were more than total combined expenses by \$4,901,685 for FY21.

The following graphs provide visual representation of the expenses and revenues for business-type activities for FY2020-21.



## 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 \$11,532,708, an increase of \$4,288,526. Of the combined ending fund balances, \$1,479,649 or 13 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 \$746,239 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 \$958,942; 3) to pay for future debt service of \$178,207, 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 \$1,658,406.

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 16 percent of total General Fund expenditures and transfers out.

The combined General Fund balance increased by \$667,710 during FY2020-21 as compared to the decrease of \$229,151 in FY20. Key factors in that affected fund balance are as follows:

- Revenues received by the General Fund increased by 11%, taking in \$15,343,563 for the year. Most of the revenue categories were somewhat stable between FY20 and FY21. Intergovernmental revenues went up due to increased marijuana taxes and COVID grant receipts. Franchise Fees stayed stable while property taxes increased by 4%.
- Expenditures increased slightly over the last year for a total of \$14,727,056, total increase of \$454,500. General government, public safety and debt service increased over last year. Culture and recreation decreased due to the aquatic center not opening during the summer of 2020.
- General Fund capital outlay of \$53,429 was decreased slightly as compared to \$77,766 for the prior year for governmental projects.

See pages 87-102 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 \$6,327,051, \$4,582,733 and (\$426,000) respectively. The Water Fund owed \$843,020 to the State for the water treatment plant at the end of the fiscal year. The Water Fund has a loan with the State of Oregon for system developments and repairs and had borrowed \$860,943 during FY21, for a total debt of \$6.055 million at the end of the year. The Sewer Fund has a balance of \$4.19 million in FY 21 from a prior Clean Water State Revolving Loan Fund (CWSRF) for the wastewater treatment plant upgrades required by the DEQ along with the remaining \$4.84 million in sewer bonds. A new Sewer CWSRF loan had \$1.507 million advanced for sewer system developments and repairs in FY21 for a total balance of \$6.0 million. The Airport Fund paid off their interfund loan with CARES Act dollar. The Airport has two loans from the State of Oregon for Unmanned Aircraft Systems (UAS) development for \$2.38 million. Total net position for enterprise funds increased by \$5,552,582.

See Combining Statements on pages 103-107 for the internal service funds, and pages 137-147 for the proprietary funds budgetary schedules.



## GENERAL FUND BUDGETARY HIGHLIGHTS

There were three 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:

- Increase Police budget for Round-Up Cares Grant expenses for \$25,000 and \$26,000 for water damage to police building.
- Increase Fire budget for \$15,000 expenses from Round-Up Cares Grant and \$4,500 for reimbursement for training equipment.
- Reduced Parks, Rec & Aquatic Center Central Service Charges and reduce program expenditures due to COVID restrictions and not opening the pool in the summer of 2020 for a total of \$572,500.
- Increase non-department expenses for the CARES COVID business relief payments for \$260,000.
- Reduction in tourism LRT payments to the Chamber due to reduced motel stays, \$20,500.
- Increase contingency by \$338,000 due to less expenses incurred due to COVID and COVID grant payments.
- Increase Parks, Rec & Aquatic program expenditures due to increased costs after original budget cut by \$106,000 and reimbursed insurance repair costs for Park building damage of \$30,000.
- Transfer funds to Parks Equipment fund for \$40,000 for a bus purchase.
- Increase non-departmental expense for the Veteran's Memorial project for \$25,000 with donations offsetting.
- Increase non-departmental expense for the Chamber promoting downtown Friday night activities for increased business promotion, \$100,000. Reduce contingency to balance.

The net change in appropriations during the year was an increase of \$276,500 in expenditures or contingency.

## 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, 2021, amounts to \$105,525,660 (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 \$5,199,654 or a five percent change (a 2 percent increase for governmental activities and an 8 percent increase for business-type activities).

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

- The fire department purchased a new brush truck and rescue truck for a total of \$252,301. They also purchased power load ambulance gurneys and updated their Opticom system for emergency vehicles for \$155,3476 and \$42,709 respectively.
- The City spent \$500,920 on the new Til-Taylor splash pad with financial assistance from the Pendleton Development Commission. This project is still a work in progress but should be completed in the upcoming year.
- The City purchased two new police vehicles for \$73,892 and \$18,500 for data management software.
- The Cemetery purchased new software for cemetery and grave management, \$15,060.
- Street overlays and reconstruction totaled \$977,775.
- The water treatment plant had new membranes installed costing \$337,020 in FY21.
- Water, sewer & storm drainage master planning was progressing with a total cost in FY21 of \$852,137.

- The airport spent \$35,847 in overlay project costs, \$220,878 in taxi lane and utility improvements and \$69,840 for terminal and tower maintenance. These improvements will be reimbursed through grant dollars from the CARES Act.
- The reconstruction of SE Byers was finished in January of 2021 with the Water fund paying \$94,373. The Pendleton Development commission also provided financial assistance with this project.
- The UAS North Industrial Park utilities work was finished in FY21 with expenses totaling \$3,148,672.
- Airport Improvement Projects 26 (design services), and 27 (Airport Master Plan update) saw \$770,010 in expenses with expected grants to cover 95% of the costs.
- The flex hanger design and planning was \$2,571,065 in expenses in FY21.
- Depreciation for governmental activities expense for FY21 was \$3,488,195 versus capital outlay expenditures of \$3,757,054. Depreciation for business-type activities expense for FY21 was \$3,588,876 versus capital outlay expenditures of \$7,963,614.

The following table provides comparative information on the City's capital assets for FY2019-20 and FY2020-21.

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

<b>Governmental Activities</b>			
<b>Asset Category</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>Change</b>
Land	\$4,075,549	\$4,110,550	\$35,001
Assets available for sale	581,261	461,261	(120,000)
Buildings	25,293,412	25,335,412	42,000
Equipment	8,241,344	9,134,868	893,524
Improvements	33,229,907	35,804,237	2,574,330
Infrastructure	20,926,650	21,285,650	359,000
Work in progress	1,105,137	1,628,207	523,070
Accumulated depreciation & amort.	(48,916,443)	(52,507,625)	(3,591,182)
<b>Total</b>	<b>\$44,536,818</b>	<b>\$45,252,560</b>	<b>\$715,742</b>
<b>Business-type Activities</b>			
<b>Asset Category</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>Change</b>
Land	\$298,769	\$337,598	\$38,829
Buildings	17,452,559	18,945,640	1,493,081
Equipment	19,624,238	19,809,985	185,747
Improvements	68,754,722	75,010,258	6,255,536
Work in progress	9,417,896	9,408,317	(9,579)
Accumulated depreciation & amort.	(59,758,996)	(63,238,699)	(3,479,703)
<b>Total</b>	<b>\$55,789,188</b>	<b>\$60,273,099</b>	<b>\$4,483,911</b>

### Total Net Capital Assets

Asset Category	FY 2019-20	FY 2020-21	Change
Land	\$4,374,318	\$4,448,148	\$73,830
Assets available for sale	581,261	461,261	(120,000)
Buildings	42,745,971	44,281,052	1,535,081
Equipment	27,865,582	28,944,852	1,079,270
Improvements	101,984,629	110,814,495	8,829,866
Infrastructure	20,926,650	21,285,650	359,000
Work in progress	10,523,033	11,036,524	513,491
Accumulated depreciation & amort.	(108,675,439)	(115,746,323)	(7,070,884)
<b>Total</b>	<b>\$100,326,006</b>	<b>\$105,525,660</b>	<b>\$5,199,654</b>

Additional information on the City of Pendleton's capital assets can be found in footnote III.D. on pages 52-53 of this report.

#### B. Debt Administration

As of June 30, 2021, the City had \$7,950,000 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 FY21 saw the fourth 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, 2021, the City had PERS debt outstanding of \$4,135,000. Principal payment of \$430,000 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 \$356,405 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 \$518,377. 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 \$512,203. 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 \$527,504.

The Pendleton Development Commission (PDC) refinanced the original credit line loan for PDC projects including façade restoration and Jump Start loans. The PDC took out a larger credit line and borrowed \$5,334,625 which included \$1.3 million to payoff the original credit line. Total PDC credit line loan balance outstanding at June 30<sup>th</sup> was \$5,334,625.

In addition, the Water Fund owed \$843,020 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. An Oregon Safe Drinking Water State Revolving Loan was obtained and has a principal balance of \$6,055,115 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 \$4,841,361. The City has also obtained Clean Water Revolving Loan funds for the wastewater treatment plan upgrades. The loan balances as of June 30<sup>th</sup> was \$4,187,531. A newer loan was entered into with DEQ and has a balance of \$6,010,337 as of June 30<sup>th</sup>.

The Airport had two loans out through the State of Oregon for development of the UAS site and related hanger construction. The City paid off \$456,529 on one loan, leaving a forgivable loan of \$545,000 outstanding on the two at June 30<sup>th</sup>. The City also paid off the building loan from Community bank with CARES Act dollars in FY21. A DEQ loan was initiated for a flex hanger and has a balance of \$1,836,200.

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

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

**Governmental Activities**

<b>Debt Category</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>Change</b>
General Obligation Bonds	\$8,240,000	\$7,950,000	(\$290,000)
General Obligation Bonds - PDC	300,000	5,334,625	5,034,625
Limited Tax Pension Obligation Bonds	4,565,000	4,135,000	(430,000)
Notes Payable	1,574,449	1,396,112	(178,337)
Full Faith & Credit Bonds	564,851	518,377	(46,474)
<b>Total</b>	<b>\$15,244,300</b>	<b>\$19,334,114</b>	<b>\$4,089,814</b>

**Business-type Activities**

<b>Debt Category</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>Change</b>
Full Faith & Credit Bonds	\$5,368,667	\$4,841,361	(527,306)
Notes Payable	16,709,116	19,477,204	2,768,088
<b>Total</b>	<b>\$22,077,783</b>	<b>\$24,318,565</b>	<b>\$2,240,782</b>

**Total Outstanding Debt**

<b>Debt Category</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>Change</b>
General Obligation Bonds	\$8,240,000	\$7,950,000	(\$290,000)
General Obligation Bonds - PDC	300,000	5,334,625	5,034,625
Limited Tax Pension Obligation Bonds	4,565,000	4,135,000	(430,000)
Full Faith & Credit Bonds	5,368,667	5,359,738	(8,929)
Notes Payable	18,848,416	20,873,316	2,024,900
<b>Total</b>	<b>\$37,322,083</b>	<b>\$43,652,679</b>	<b>\$6,330,596</b>

The City's total debt increased by \$6,330,596 (17 percent) during the current fiscal year. Debt for governmental activities increased by \$4,089,814 due to the news PDC credit line while debt for business-type activities increased by \$2,240,782. 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 Statues 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 FY2020-21 real market value, this debt limitation is \$40,476,501. The amount of outstanding City debt subject to this limitation is \$17,444,738.

Additional information on the City of Pendleton's bonded debt can be found in the notes to the basic financial statements on pages 54-61.

### **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 FY2021 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.
- Health insurance rates expected a 1% increase and Workers Comp rates would stay flat.
- Fire salaries would increase by 2.5% in July.
- SEIU would increase by 2% in July.
- Exempt salaries would not get an increase but the City would cover the PERS employee 6% pickup..
- Police salaries would increase by 3% in July.
- General Fund capital improvements budgeted would be based on maintenance deferred priorities and grant funded improvements with possible CARES monies to help fund large projects if allowed.
- Water and sewer rates would increase by CPI% based on the Master Plans for both approved by Council.
- The COVID pandemic was a major factor due to the budget building due to uncertainty of the length of the shutdown.

### **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, 2021**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 12,300,089	\$ 11,289,197	\$ 23,589,286
Investments	-	416,295	416,295
Receivables:			
Accounts, net	2,835,146	2,932,128	5,767,274
Property taxes	294,193	-	294,193
Assessments	186,190	-	186,190
Notes	292,645	-	292,645
Interest	43	206	249
Internal balances	714,178	(714,178)	-
Prepaid items	131,102	36,596	167,698
Inventories	9,643	432,868	442,511
Prepaid bond insurance	9,407	-	9,407
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	201,252	-	201,252
Investments	-	407,937	407,937
Permanently restricted:			
Cash and cash equivalents	28,153	-	28,153
Investments	930,789	-	930,789
Net OPEB asset	132,925	27,229	160,154
Capital assets:			
Land	4,110,550	337,598	4,448,148
Assets available for sale	461,261	-	461,261
Construction in progress	1,628,207	9,408,317	11,036,524
Depreciable assets, net of depreciation	39,052,542	50,527,185	89,579,727
Total assets	<u>63,318,315</u>	<u>75,101,378</u>	<u>138,419,693</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred outflows related to pension	6,182,611	1,266,484	7,449,095
Deferred outflows related to OPEB	144,748	44,673	189,421
Total deferred outflow of resources	<u>6,327,359</u>	<u>1,311,157</u>	<u>7,638,516</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	981,900	1,577,853	2,559,753
Deposits	1,695,416	1,844	1,697,260
Retainage payable	61,788	438,117	499,905
Accrued interest payable	77,647	388,632	466,279
Long-term obligations:			
Due within one year:			
Long-term liabilities	1,601,825	1,443,545	3,045,370
Due in more than one year:			
Net pension liability	17,571,532	3,599,457	21,170,989
Net OPEB liability	1,087,433	358,374	1,445,807
Long-term liabilities	19,044,791	23,035,908	42,080,699
Total liabilities	<u>42,122,332</u>	<u>30,843,730</u>	<u>72,966,062</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred inflows related to pension	1,225,773	251,096	1,476,869
Deferred inflows related to OPEB	171,999	54,089	226,088
Total deferred inflows of resources	<u>1,397,772</u>	<u>305,185</u>	<u>1,702,957</u>
<b>NET POSITION</b>			
Net investment in capital assets	34,722,991	35,954,536	70,677,527
Restricted for:			
Debt service	178,207	407,937	586,144
Environmental remediation	122,368	-	122,368
Highways and streets	21,263	-	21,263
Program services and grants	878,836	-	878,836
Urban renewal	-	-	-
Library services	6,131	-	6,131
Cemetery perpetual care permanent trust	952,811	-	952,811
Unrestricted	(10,757,037)	8,901,147	(1,855,890)
Total net position	<u>\$ 26,125,570</u>	<u>\$ 45,263,620</u>	<u>\$ 71,389,190</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, 2021**

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	\$ 5,370,244	\$ 1,232,340	\$1,518,677	\$ 1,022,842	\$(1,596,385)	\$ -	\$ (1,596,385)
Public safety	12,393,577	2,231,733	369,326	212,114	(9,580,404)	-	(9,580,404)
Highways and streets	4,221,188	1,069,060	1,252,986	2,273,100	373,958	-	373,958
Culture and recreation	3,568,219	334,372	762,601	45,956	(2,425,290)	-	(2,425,290)
Interest on long-term obligations	664,707	-	-	-	(664,707)	-	(664,707)
<b>Total governmental activities</b>	<b>26,217,935</b>	<b>4,867,505</b>	<b>3,903,590</b>	<b>3,554,012</b>	<b>(13,892,828)</b>	<b>-</b>	<b>(13,892,828)</b>
<b>Business-type activities:</b>							
Water	5,009,520	6,655,073	18,449	-	-	1,664,002	1,664,002
Sewer	6,080,356	5,695,256	-	104	-	(384,996)	(384,996)
Airport	3,375,142	1,304,375	4,856,962	746,175	-	3,532,370	3,532,370
<b>Total business-type activities</b>	<b>14,465,018</b>	<b>13,654,704</b>	<b>4,875,411</b>	<b>746,279</b>	<b>-</b>	<b>4,811,376</b>	<b>4,811,376</b>
<b>Total primary government</b>	<b>\$40,682,953</b>	<b>\$18,522,209</b>	<b>\$8,779,001</b>	<b>\$ 4,300,291</b>	<b>(13,892,828)</b>	<b>4,811,376</b>	<b>(9,081,452)</b>
<b>General revenues:</b>							
Property taxes levied for:							
General purposes					6,234,784	-	6,234,784
Debt service					1,522,546	-	1,522,546
Franchise and public services taxes					4,775,238	-	4,775,238
Interest and investment earnings					187,852	86,636	274,488
Miscellaneous					333,761	3,673	337,434
Transfers					(355,058)	355,058	-
<b>Total general revenues and transfers</b>					<b>12,699,123</b>	<b>445,367</b>	<b>13,144,490</b>
Change in net position					(1,193,705)	5,256,743	4,063,038
Net Position, beginning					27,319,275	40,006,877	67,326,152
Net Position, ending					<b>\$26,125,570</b>	<b>\$45,263,620</b>	<b>\$ 71,389,190</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.

#### **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.

#### **Unmanned Aerial Service Capital Improvement Fund**

Accounts for the development of the UAS Industrial Park improvements and the associated utilities and streets in the area.

**CITY OF PENDLETON, OREGON**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2021**

	Combined General Fund	Street Fund	Urban Renewal District Operating Fund	Unmanned Aerial Services Capital Improvement Fund	Other Governmental Funds	Totals
<b>ASSETS</b>						
Cash and cash equivalents	\$ 1,746,346	\$ 2,186,887	\$ 3,447,346	\$ 236,243	\$ 4,514,228	\$12,131,050
Investments	-	-	-	-	930,789	930,789
Receivables:						
Property taxes	237,649	-	-	-	56,544	294,193
Accounts, net	1,831,578	211,818	68,995	197,909	407,766	2,718,066
Interest	43	-	-	-	-	43
Assessments	9,651	-	-	-	176,539	186,190
Notes	49,474	-	243,171	-	-	292,645
Advances to other funds	146,102	-	-	-	-	146,102
Assets available for sale	-	-	-	-	120,000	120,000
Prepaid items	62,780	4,275	-	-	42,436	109,491
Inventory	-	9,643	-	-	-	9,643
Total assets	<u>\$ 4,083,623</u>	<u>\$ 2,412,623</u>	<u>\$ 3,759,512</u>	<u>\$ 434,152</u>	<u>\$ 6,248,302</u>	<u>\$16,938,212</u>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ 466,427	\$ 38,218	\$ 112,011	40,000	\$ 255,291	\$ 911,947
Deposits	-	1,575,862	-	-	106,595	1,682,457
Retainage payable	-	52,304	9,484	-	-	61,788
Advances from other funds	14,000	-	-	375,000	132,102	521,102
Total liabilities	<u>480,427</u>	<u>1,666,384</u>	<u>121,495</u>	<u>415,000</u>	<u>493,988</u>	<u>3,177,294</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	1,365,763	-	312,166	197,909	352,372	2,228,210
Total deferred inflows of resources	<u>1,365,763</u>	<u>-</u>	<u>312,166</u>	<u>197,909</u>	<u>352,372</u>	<u>2,228,210</u>
<b>FUND BALANCES (DEFICIT)</b>						
Nonspendable	208,882	-	-	-	952,811	1,161,693
Restricted	122,368	-	3,325,851	-	1,107,482	4,555,701
Committed	78,878	-	-	-	1,523,219	1,602,097
Assigned	168,899	746,239	-	-	1,818,430	2,733,568
Unassigned	1,658,406	-	-	(178,757)	-	1,479,649
Total fund balances	<u>2,237,433</u>	<u>746,239</u>	<u>3,325,851</u>	<u>(178,757)</u>	<u>5,401,942</u>	<u>11,532,708</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,083,623</u>	<u>\$ 2,412,623</u>	<u>\$ 3,759,512</u>	<u>\$ 434,152</u>	<u>\$ 6,248,302</u>	<u>\$16,938,212</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, 2021**

<b>Fund balances - total governmental funds</b>	\$ 11,532,708
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	44,888,189
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.	(10,337,806)
Other long-term assets are not available to pay for current period expenditures, and, therefore, are deferred in the fund statements.	2,228,210
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.	(778,341)
Accrued compensated absences are not due and payable in the current period, and, therefore, are not reported in the funds.	(428,359)
Accrued interest payable is not due and payable in the current period, and, therefore, is not reported in the fund statements.	(77,647)
Long-term liabilities, including bonds, notes payable, 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.	(20,084,427)
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	\$ 398,444
Accounts receivable, net	117,080
Prepaid items	21,611
Internal balances	1,089,178
Net OPEB asset	23,992
Capital assets, net	244,371
Deferred outflows related to pension	1,115,928
Deferred outflows related to OPEB	28,950
Accounts payable and accrued expenses	(69,953)
Deposits	(12,959)
Net pension liability	(3,171,570)
Other post employment benefits liability	(221,769)
Compensated absences payable	(124,423)
Deferred inflows related to pension	(221,246)
Deferred inflows related to OPEB	<u>(34,591)</u>
Total internal service funds	<u>(816,957)</u>
<b>Net position of governmental activities</b>	<b><u>\$ 26,125,570</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, 2021**

	Combined General Fund	Street Fund	Urban Renewal District Operating Fund	Unmanned Aerial Services Capital Improvement Fund	Other Governmental Funds	Totals
<b>REVENUES</b>						
Property taxes	\$ 6,320,377	\$ -	\$ -	\$ -	\$ 1,540,836	\$ 7,861,213
Other taxes	565,476	-	-	-	515,348	1,080,824
Franchise fees	2,658,108	-	-	-	-	2,658,108
Licenses and fees	951,098	-	-	-	77,367	1,028,465
Charges for services	1,719,568	1,069,060	-	-	445,001	3,233,629
Intergovernmental	2,480,944	1,457,032	58,367	1,370,667	2,144,712	7,511,722
Fines and forfeitures	351,085	-	-	-	-	351,085
Assessments	9,176	-	-	-	29,524	38,700
Loan repayments	5,709	-	37,424	-	-	43,133
Contributions	92,676	-	-	-	210,036	302,712
Interest on investments	16,631	4,087	4,167	-	161,747	186,632
Miscellaneous	172,715	-	2,054	-	4,306	179,075
<b>TOTAL REVENUES</b>	<u>15,343,563</u>	<u>2,530,179</u>	<u>102,012</u>	<u>1,370,667</u>	<u>5,128,877</u>	<u>24,475,298</u>
<b>EXPENDITURES</b>						
Current:						
General government	2,362,374	-	1,420,695	-	1,146,445	4,929,514
Public safety	9,726,397	-	-	-	148,272	9,874,669
Culture and recreation	1,862,257	-	-	-	699,890	2,562,147
Highways and streets	-	1,108,728	-	-	-	1,108,728
Capital outlay	53,429	1,118,399	1,596,615	3,159,165	1,519,957	7,447,565
Debt service	722,599	-	-	-	3,023,291	3,745,890
<b>TOTAL EXPENDITURES</b>	<u>14,727,056</u>	<u>2,227,127</u>	<u>3,017,310</u>	<u>3,159,165</u>	<u>6,537,855</u>	<u>29,668,513</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>616,507</u>	<u>303,052</u>	<u>(2,915,298)</u>	<u>(1,788,498)</u>	<u>(1,408,978)</u>	<u>(5,193,215)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Sale of property	-	-	-	-	538,670	538,670
Issuance of debt	-	-	5,801,000	1,609,741	1,333,625	8,744,366
Transfers in	246,133	-	-	-	184,969	431,102
Transfers out	(184,930)	(14,710)	-	-	(32,752)	(232,392)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>61,203</u>	<u>(14,710)</u>	<u>5,801,000</u>	<u>1,609,741</u>	<u>2,024,512</u>	<u>9,481,746</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>677,710</u>	<u>288,342</u>	<u>2,885,702</u>	<u>(178,757)</u>	<u>615,534</u>	<u>4,288,531</u>
<b>FUND BALANCE, Beginning</b>	<u>1,559,723</u>	<u>457,897</u>	<u>440,149</u>	<u>-</u>	<u>4,786,408</u>	<u>7,244,177</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 2,237,433</u>	<u>\$ 746,239</u>	<u>\$ 3,325,851</u>	<u>\$ (178,757)</u>	<u>\$ 5,401,942</u>	<u>\$ 11,532,708</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, 2021**

<b>Net change in fund balance - governmental funds</b>	<b>\$</b>	<b>4,288,531</b>
<p>Amounts reported for governmental activities in the Statement of Activities are different because of the following:</p>		
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:</p>		
Unavailable revenues		(250,002)
<p>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.</p>		
		3,044,811
<p>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.</p>		
		(7,134,625)
<p>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:</p>		
Change in compensated absences		22,883
Change in accrued interest payable		(10,622)
Amortization of bond insurance		(1,515)
Amortization of bond premium		46,993
Change in pension liability and related deferred outflows and inflows		(1,896,772)
Change in OPEB asset/liability and related deferred outflows and inflows		(25,740)
<p>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</p>		
Capital asset additions	\$ 4,298,362	
Basis of capital asset disposals	(16,066)	
Depreciation expense	<u>(3,414,466)</u>	
		867,830
<p>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.</p>		
		<u>(145,477)</u>
<b>Change in net position - governmental activities</b>	<b>\$</b>	<b><u>(1,193,705)</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 -**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**GENERAL FUND**  
**For the Fiscal Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Property taxes	\$ 6,573,254	\$ 6,573,254	\$ 6,320,377	\$ (252,877)
Other taxes	738,050	628,050	565,476	(62,574)
Franchise fees	2,963,980	2,963,980	2,658,108	(305,872)
Licenses and fees	1,047,800	915,800	951,098	35,298
Charges for services	1,764,070	1,743,070	1,684,131	(58,939)
Intergovernmental	1,821,290	2,235,290	2,399,838	164,548
Fines and forfeitures	342,100	342,100	351,085	8,985
Contributions	5,650	70,650	92,676	22,026
Interest on investments	30,000	30,000	15,076	(14,924)
Miscellaneous	81,000	141,500	172,700	31,200
<b>TOTAL REVENUES</b>	<u>15,367,194</u>	<u>15,643,694</u>	<u>15,210,565</u>	<u>(433,129)</u>
<b>EXPENDITURES</b>				
Current:				
General government	2,041,460	2,405,960	2,165,291	240,669
Public safety	10,084,290	10,154,790	9,726,397	428,393
Culture and recreation	2,579,400	2,157,900	1,862,257	295,643
Capital outlay	23,000	8,000	53,429	(45,429)
Debt service	722,440	722,440	722,239	201
Contingency	1,963,665	2,201,665	-	2,201,665
<b>TOTAL EXPENDITURES</b>	<u>17,414,255</u>	<u>17,650,755</u>	<u>14,529,613</u>	<u>3,121,142</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(2,047,061)</u>	<u>(2,007,061)</u>	<u>680,952</u>	<u>2,688,013</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	492,640	492,640	246,133	(246,507)
Transfers out	(319,930)	(359,930)	(184,930)	175,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>172,710</u>	<u>132,710</u>	<u>61,203</u>	<u>(71,507)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(1,874,351)	(1,874,351)	742,155	2,616,506
<b>FUND BALANCE, Beginning</b>	<u>1,874,351</u>	<u>1,874,351</u>	<u>1,340,195</u>	<u>(534,156)</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,082,350</u>	<u>\$ 2,082,350</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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Charges for services	\$ 1,045,595	\$ 1,045,595	\$ 1,069,060	\$ 23,465
Intergovernmental	2,588,000	2,792,050	1,457,032	(1,335,018)
Interest on investments	<u>12,000</u>	<u>12,000</u>	<u>4,087</u>	<u>(7,913)</u>
<b>TOTAL REVENUES</b>	<u>3,645,595</u>	<u>3,849,645</u>	<u>2,530,179</u>	<u>(1,319,466)</u>
<b>EXPENDITURES</b>				
Current:				
Highways and streets:				
Personal services	472,090	472,090	435,995	36,095
Materials and services	751,830	751,830	672,733	79,097
Capital outlay	2,600,000	2,804,050	1,118,399	1,685,651
Contingency	<u>553,115</u>	<u>553,115</u>	<u>-</u>	<u>553,115</u>
<b>TOTAL EXPENDITURES</b>	<u>4,377,035</u>	<u>4,581,085</u>	<u>2,227,127</u>	<u>2,353,958</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(731,440)</u>	<u>(731,440)</u>	<u>303,052</u>	<u>1,034,492</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	175,000	175,000	-	(175,000)
Transfers out	<u>(14,710)</u>	<u>(14,710)</u>	<u>(14,710)</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>160,290</u>	<u>160,290</u>	<u>(14,710)</u>	<u>(175,000)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(571,150)	(571,150)	288,342	859,492
<b>FUND BALANCE, Beginning, as restated</b>	<u>571,150</u>	<u>571,150</u>	<u>457,897</u>	<u>(113,253)</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 746,239</u>	<u>\$ 746,239</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**  
**URBAN RENEWAL DISTRICT OPERATING FUND**  
**For the Fiscal Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 58,367	\$ 58,367
Loan repayments	33,000	33,000	37,424	4,424
Interest on investments	4,000	4,000	4,167	167
Miscellaneous	-	-	2,054	2,054
<b>TOTAL REVENUES</b>	<u>37,000</u>	<u>37,000</u>	<u>102,012</u>	<u>65,012</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Materials and services	994,720	994,720	1,420,695	(425,975)
Capital outlay	1,232,500	3,232,500	1,596,615	1,635,885
Contingency	1,180	1,180	-	1,180
<b>TOTAL EXPENDITURES</b>	<u>2,228,400</u>	<u>4,228,400</u>	<u>3,017,310</u>	<u>1,211,090</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(2,191,400)</u>	<u>(4,191,400)</u>	<u>(2,915,298)</u>	<u>1,276,102</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	2,180,000	4,180,000	5,801,000	1,621,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>2,180,000</u>	<u>4,180,000</u>	<u>5,801,000</u>	<u>1,621,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	(11,400)	(11,400)	2,885,702	2,897,102
<b>FUND BALANCE, Beginning</b>	11,400	11,400	440,149	428,749
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,325,851</u>	<u>\$ 3,325,851</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

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, 2021**

	<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	\$ 5,988,876	\$ 3,923,705	\$ 645,316	\$10,557,897	\$ 1,129,744
Investments	-	416,295	-	416,295	-
Receivables:					
Accounts, net	1,150,943	838,760	942,367	2,932,070	117,138
Interest	-	206	-	206	-
Prepaid items	9,750	7,200	7,075	24,025	34,182
Inventories	<u>375,126</u>	<u>57,742</u>	<u>-</u>	<u>432,868</u>	<u>-</u>
Total current assets	<u>7,524,695</u>	<u>5,243,908</u>	<u>1,594,758</u>	<u>14,363,361</u>	<u>1,281,064</u>
Noncurrent assets:					
Restricted investments	-	407,937	-	407,937	-
Advances to other funds	-	375,000	-	375,000	-
Net OPEB asset	5,439	5,056	5,966	16,461	34,760
Capital assets, net	<u>18,459,173</u>	<u>23,373,661</u>	<u>17,688,436</u>	<u>59,521,270</u>	<u>996,201</u>
Total noncurrent assets	<u>18,464,612</u>	<u>24,161,654</u>	<u>17,694,402</u>	<u>60,320,668</u>	<u>1,030,961</u>
Total assets	<u>25,989,307</u>	<u>29,405,562</u>	<u>19,289,160</u>	<u>74,684,029</u>	<u>2,312,025</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows related to pension	252,999	235,144	277,489	765,632	1,616,780
Deferred outflows related to OPEB	<u>10,833</u>	<u>8,855</u>	<u>8,675</u>	<u>28,363</u>	<u>45,260</u>
Total deferred inflows of resources	<u>263,832</u>	<u>243,999</u>	<u>286,164</u>	<u>793,995</u>	<u>1,662,040</u>
Total assets and deferred outflows of resources	<u>\$26,253,139</u>	<u>\$29,649,561</u>	<u>\$ 19,575,324</u>	<u>\$75,478,024</u>	<u>\$ 3,974,065</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	\$ 423,713	\$ 202,589	\$ 917,710	\$ 1,544,012	\$ 103,794
Retainage payable	-	-	438,117	438,117	-
Accrued interest payable	134,608	244,608	9,416	388,632	-
Deposits	1,844	-	-	1,844	12,959
Compensated absences payable	35,528	40,781	25,035	101,344	183,968
Current portion of long-term debt	<u>412,783</u>	<u>869,872</u>	<u>-</u>	<u>1,282,655</u>	<u>-</u>
Total current liabilities	1,008,476	1,357,850	1,390,278	3,756,604	300,721
Noncurrent liabilities:					
Other post employment benefits liability	88,820	71,585	68,486	228,891	351,252
Net pension liability	719,042	668,301	788,652	2,175,995	4,595,032
Noncurrent portion of long-term debt	<u>6,485,352</u>	<u>14,169,357</u>	<u>2,381,200</u>	<u>23,035,909</u>	<u>-</u>
Total liabilities	<u>8,301,690</u>	<u>16,267,093</u>	<u>4,628,616</u>	<u>29,197,399</u>	<u>5,247,005</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows related to pension	50,160	46,620	55,016	151,796	320,546
Deferred inflows related to OPEB	<u>13,200</u>	<u>10,746</u>	<u>10,456</u>	<u>34,402</u>	<u>54,278</u>
Total deferred inflows of resources	<u>63,360</u>	<u>57,366</u>	<u>65,472</u>	<u>186,198</u>	<u>374,824</u>
<b>NET POSITION</b>					
Net investment in capital assets	11,561,038	8,334,432	15,307,236	35,202,706	996,201
Restricted for debt service	-	407,937	-	407,937	-
Unrestricted	<u>6,327,051</u>	<u>4,582,733</u>	<u>(426,000)</u>	<u>10,483,784</u>	<u>(2,643,965)</u>
Total net position	<u>17,888,089</u>	<u>13,325,102</u>	<u>14,881,236</u>	<u>46,094,427</u>	<u>(1,647,764)</u>
Total liabilities, deferred inflows, and net	<u>\$26,253,139</u>	<u>\$29,649,561</u>	<u>\$ 19,575,324</u>	<u>\$75,478,024</u>	<u>\$ 3,974,065</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, 2021**

**Net position- total enterprise funds** \$ 46,094,427

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	\$ 731,300	
Accounts receivable, net	58	
Prepaid items	12,571	
Internal balances	(1,089,178)	
Net OPEB asset	10,768	
Capital assets, net	751,830	
Deferred outflows related to pension	500,852	
Deferred outflows related to OPEB	16,310	
Accounts payable and accrued expenses	(33,841)	
Net pension liability	(1,423,462)	
Compensated absences payable	(59,545)	
Other post employment benefits liability	(129,483)	
Deferred inflows related to pension	(99,300)	-
Deferred inflows related to OPEB	(19,687)	-
	(830,807)	(830,807)

**Net position of business - type activities** \$ 45,263,620

**CITY OF PENDLETON, OREGON**  
**STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**For the Fiscal Year Ended June 30, 2021**

	Business - type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	All Water Funds	All Sewer Funds	Airport Fund	Total	
<b>OPERATING REVENUES</b>					
Charges for services	\$ 6,585,168	\$ 5,691,349	\$ 1,240,447	\$ 13,516,964	\$ 5,368,849
Licenses and fees	-	-	-	-	25,944
Miscellaneous	69,905	3,907	63,929	137,741	17,800
<b>TOTAL OPERATING REVENUES</b>	<u>6,655,073</u>	<u>5,695,256</u>	<u>1,304,376</u>	<u>13,654,705</u>	<u>5,412,593</u>
<b>OPERATING EXPENSES</b>					
Personal services	766,555	790,451	780,940	2,337,946	4,313,326
Materials and services	3,272,238	3,185,885	1,391,461	7,849,584	1,312,203
Depreciation	782,691	1,514,349	1,152,583	3,449,623	212,982
<b>TOTAL OPERATING EXPENSES</b>	<u>4,821,484</u>	<u>5,490,685</u>	<u>3,324,984</u>	<u>13,637,153</u>	<u>5,838,511</u>
<b>OPERATING INCOME (LOSS)</b>	<u>1,833,589</u>	<u>204,571</u>	<u>(2,020,608)</u>	<u>17,552</u>	<u>(425,918)</u>
<b>NON-OPERATING INCOME (EXPENSES)</b>					
Intergovernmental	18,449	-	4,849,462	4,867,911	117,626
Contributions	-	-	7,500	7,500	-
Gain (loss) on disposal of capital assets	-	(95,759)	-	(95,759)	-
Interest on investments	37,239	44,137	594	81,970	5,888
Interest expense	(73,465)	(378,459)	(14,615)	(466,539)	-
<b>TOTAL NON-OPERATING INCOME (EXPENSES)</b>	<u>(17,777)</u>	<u>(430,081)</u>	<u>4,842,941</u>	<u>4,395,083</u>	<u>123,514</u>
<b>NET INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS</b>	1,815,812	(225,510)	2,822,333	4,412,635	(302,404)
<b>CAPITAL CONTRIBUTIONS</b>					
Intergovernmental	-	-	746,175	746,175	-
Assessments	-	104	-	104	-
<b>TRANSFERS</b>					
Transfers in	1,000,000	500,000	813,292	2,313,292	-
Transfers out	(1,216,357)	(686,097)	(17,170)	(1,919,624)	(138,910)
<b>CHANGE IN NET POSITION</b>	1,599,455	(411,503)	4,364,630	5,552,582	(441,314)
<b>NET POSITION, Beginning</b>	<u>16,288,634</u>	<u>13,736,605</u>	<u>10,516,606</u>	<u>40,541,845</u>	<u>(1,206,450)</u>
<b>NET POSITION, Ending</b>	<u>\$ 17,888,089</u>	<u>\$ 13,325,102</u>	<u>\$ 14,881,236</u>	<u>\$ 46,094,427</u>	<u>\$ (1,647,764)</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, 2021**

<b>Change in net position - total enterprise funds</b>	\$ 5,552,582
--	--------------

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.

	(295,839)
--	-----------

<b>Change in net position of business - type activities</b>	\$ 5,256,743
---	--------------

**CITY OF PENDLETON, OREGON**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Fiscal Year Ended June 30, 2021**

	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	\$ 6,428,938	\$ 5,757,615	\$ 1,332,025	\$13,518,578	\$ 48,383
Receipts from interfund services provided	-	-	-	-	5,368,849
Payments to suppliers	(1,613,895)	(1,277,482)	(1,294,723)	(4,186,100)	(2,523,995)
Payments to employees	(500,531)	(476,783)	(470,546)	(1,447,860)	(2,462,074)
Payments for interfund services used	<u>(1,827,979)</u>	<u>(2,136,615)</u>	<u>(374,550)</u>	<u>(4,339,144)</u>	<u>(25,160)</u>
Net cash provided from (used by) operating activities	<u>2,486,533</u>	<u>1,866,735</u>	<u>(807,794)</u>	<u>3,545,474</u>	<u>406,003</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers in	1,000,000	500,000	813,292	2,313,292	-
Transfers out	<u>(1,216,357)</u>	<u>(686,097)</u>	<u>(17,170)</u>	<u>(1,919,624)</u>	<u>(138,910)</u>
Net cash provided from (used by) non-capital financing activities	<u>(216,357)</u>	<u>(186,097)</u>	<u>796,122</u>	<u>393,668</u>	<u>(138,910)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from intergovernmental revenue	18,449	276,030	9,270,161	9,564,640	104,111
Contributions	-	-	7,500	7,500	-
Assessments collections	-	6,239	-	6,239	-
Proceeds from issuance of debt	860,943	1,507,189	1,797,710	4,165,842	-
Interfund loan proceeds	-	1,507,450	-	1,507,450	-
Interfund loan payments	-	(375,000)	(2,153,250)	(2,528,250)	-
Acquisition of capital assets	(1,511,673)	(2,568,411)	(7,569,406)	(11,649,490)	(329,197)
Principal paid on long-term obligations	(394,548)	(847,806)	(682,789)	(1,925,143)	-
Interest paid on long-term obligations	<u>(54,395)</u>	<u>(274,641)</u>	<u>(13,875)</u>	<u>(342,911)</u>	<u>-</u>
Net cash provided from (used by) capital and related financing activities	<u>(1,081,224)</u>	<u>(768,950)</u>	<u>656,051</u>	<u>(1,194,123)</u>	<u>(225,086)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Net sales (purchases) of investments	-	(1,237)	-	(1,237)	-
Interest on investments	<u>37,239</u>	<u>44,464</u>	<u>594</u>	<u>82,297</u>	<u>5,888</u>
Net cash provided (used) by investing activities	<u>37,239</u>	<u>43,227</u>	<u>594</u>	<u>81,060</u>	<u>5,888</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	1,226,191	954,915	644,973	2,826,079	47,895
<b>CASH AND CASH EQUIVALENTS, Beginning</b>	<u>4,762,685</u>	<u>2,968,790</u>	<u>343</u>	<u>7,731,818</u>	<u>1,081,849</u>
<b>CASH AND CASH EQUIVALENTS, Ending</b>	<u>\$ 5,988,876</u>	<u>\$ 3,923,705</u>	<u>\$ 645,316</u>	<u>\$10,557,897</u>	<u>\$ 1,129,744</u>
<b>COMPRISED AS FOLLOWS:</b>					
Cash and cash equivalents	<u>\$ 5,988,876</u>	<u>\$ 3,923,705</u>	<u>\$ 645,316</u>	<u>\$10,557,897</u>	<u>\$ 1,129,744</u>
	<u>\$ 5,988,876</u>	<u>\$ 3,923,705</u>	<u>\$ 645,316</u>	<u>\$10,557,897</u>	<u>\$ 1,129,744</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, 2021**

	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)	\$ 1,833,589	\$ 204,571	\$(2,020,608)	\$ 17,552	\$ (425,918)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	782,691	1,514,349	1,152,583	3,449,623	212,982
(Increase) decrease in assets and deferred outflows:					
Receivables	(221,821)	62,359	27,649	(131,813)	572
Prepaid	(1,687)	788	(600)	(1,499)	(1,911)
Inventories	39,310	(15,687)	-	23,623	-
Net OPEB asset	1,533	110	472	2,115	1,495
Deferred outflows related to pension	11,745	(38,960)	(33,022)	(60,237)	(240,027)
Deferred outflows related to OPEB	(4,551)	(2,755)	(3,512)	(10,818)	(20,524)
Increase (decrease) in liabilities and deferred inflows:					
Accounts payable and accrued expenses	52,799	2,174	(48,665)	6,308	(77,405)
Deposits	(4,315)	-	-	(4,315)	4,067
Compensated absences payable	(7,362)	6,478	(14,058)	(14,942)	18,831
Other post employment benefits liability	9,547	(6,073)	3,632	7,106	42,867
Net pension liability	3,736	138,236	128,135	270,107	875,224
Deferred inflows related to pension	(8,608)	3,071	749	(4,788)	14,935
Deferred inflows related to OPEB	(73)	(1,926)	(549)	(2,548)	815
Net cash provided from (used by) operating activities	<u>\$ 2,486,533</u>	<u>\$ 1,866,735</u>	<u>\$ (807,794)</u>	<u>\$ 3,545,474</u>	<u>\$ 406,003</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 two 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, 2021**

	Agency
<b>ASSETS</b>	
Cash and cash equivalents	\$ 24,984
Total assets	\$ 24,984
<b>LIABILITIES</b>	
Accounts payable	\$ 7,231
Due to other governments	17,753
Total liabilities	\$ 24,984

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, 2021**

**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 *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 *unmanned aerial service capital improvement fund* accounts for the development of the UAs Industrial Park improvements and the associated utilities and streets in the area.

The City reports the following major proprietary funds:

The *water fund* and *water capital reserve* funds are collapsed into “all water funds” for presentation in the financial statements. These funds account 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 \$178,207 and the Sewer funds have \$407,937 restricted for debt service. Unspent bond proceeds of \$23,045 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, Pendleton Convention Center, PCC TPAC, and LID Construction 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, Pendleton Convention Center, PCC TPAC, LID Construction, 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, 2021, 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	
Interfund loan repayment	<u>\$ 12,908</u>
L.I.D Construction	
L.I.D Construction Operations	<u>\$ 440,098</u>
Central Services Fund	
PDC Administration	<u>\$ 4,882</u>

**C. Deficit fund balances**

Funds having a deficit fund balance on the budgetary basis at June 30, 2021 are as follows:

<u>General Fund Sub-Funds</u>	
Sidewalk Repair Loan Fund	<u>\$ (13,816)</u>
<u>Capital Projects Funds</u>	
Unmanned Aerial Services Capital Improvement Fund	<u>\$ (178,757)</u>

Management expects the deficit fund balances to be reversed in future years by loan collections, intergovernmental revenue, and charges for services.

**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, 2021. 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, 2021, the carrying amount of the City and Urban Renewal Agency's deposits, including certificates of deposit categorized as investments of \$824,232 was \$3,443,316 and the bank balance was \$4,183,946. All deposits are held in the name of the City or the Pendleton Development Commission (blended component unit). Of the bank balance, \$1,250,831 was covered by federal depository insurance. The remaining \$2,933,115 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, 2021, the amount held in the escrow account for future scheduled payments was \$23.

**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 5.3% 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, 2021 include Certificates of Deposit with Banner Bank totaling \$824,232. 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>\$ 930,789</u>

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

Cash on hand	\$ 2,895
Cash with Police Department	38,211
Deposits with financial institutions	2,619,084
Local Government Investment Pool	<u>21,183,485</u>
Total cash and cash equivalents	<u>\$23,843,675</u>
Funds:	
General	\$ 1,746,346
Street	2,186,887
Urban Renewal District Operating Fund	3,447,346
Unmanned Aerial Services Capital Improvement Fund	236,243
Non - major Governmental funds	4,514,228
Water	5,988,876
All Sewer funds	3,923,705
Airport	645,316
Internal Service funds	1,129,744
Fiduciary funds	<u>24,984</u>
Total cash and cash equivalents	<u>\$23,843,675</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 2020-2021, the City levied property taxes in the amount of \$6,521,161. The tax rate was \$0.65771 per \$1,000 of assessed value before compression due to constitutional limits. The City also levied \$625,937 for debt service at a tax rate of \$0.5881 per \$1,000. The assessed value for the City was \$1,064,288,764. The Pendleton Development Commission, a blended component unit of the City, levied taxes at its maximum taxing authority resulting in a net levy of \$966,340.

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	Urban Renewal Operating Fund	Unmanned Aerial Services Capital Improvement Funds	Other Governmental Funds	Internal Service	Total Governmental Activities
Property taxes	\$ 237,649	\$ -	\$ -	\$ -	\$ 56,544	\$ -	\$ 294,193
Special assessments	9,651	-	-	-	176,539	-	186,190
Accounts	3,333,084	100,311	68,995	-	238,136	-	3,740,526
Intergovernmental	252,940	111,507	-	197,909	169,630	117,080	849,066
Interest	43	-	-	-	-	-	43
Notes	49,474	-	243,171	-	-	-	292,645
Gross Receivables	3,882,841	211,818	312,166	197,909	640,849	117,080	5,362,663
Less: Allowance for Uncollectibles	(1,754,446)	-	-	-	-	-	(1,754,446)
Net Total Receivables	<u>\$ 2,128,395</u>	<u>\$ 211,818</u>	<u>\$ 312,166</u>	<u>\$ 197,909</u>	<u>\$ 640,849</u>	<u>\$ 117,080</u>	<u>\$ 3,608,217</u>

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	Internal Service	Total Business-type Activities
Accounts	\$ 1,155,647	\$ 872,177	\$ 72,287	\$ 58	\$ 2,100,169
Intergovernmental	-	-	905,132	-	905,132
Assessments	-	-	-	-	-
Interest	-	206	-	-	206
Gross Receivables	1,155,647	872,383	977,419	58	3,005,507
Less: Allowance for Uncollectibles	(4,704)	(3,417)	(35,052)	-	(43,173)
Net Total Receivables	<u>\$ 1,150,943</u>	<u>\$ 868,966</u>	<u>\$ 942,367</u>	<u>\$ 58</u>	<u>\$ 2,962,334</u>



### 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	Urban Renewal District Operating	Unmanned Aerial Services Capital Improvement	Other Governmental Funds	Total Governmental Activities
Property taxes	\$ 205,156	\$ -		\$ 49,001	\$ 254,157
Intergovernmental	134,037	-	197,909	126,737	458,683
Notes and assessments	59,125	243,171	-	176,539	478,835
Ambulance receivables	361,769	-	-	-	361,769
Court receivables	577,661	-	-	-	577,661
Other	28,015	68,995	-	95	97,105
	<u>\$ 1,365,763</u>	<u>\$ 312,166</u>	<u>\$ 197,909</u>	<u>\$ 352,372</u>	<u>\$ 2,228,210</u>

## D. Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2021 was as follows:

Description	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Capital assets not being depreciated:					
Land	\$ 4,075,550	\$ 35,000	\$ -	\$ -	\$ 4,110,550
Land/assets available for sale	581,261	-	-	(120,000)	461,261
Construction in progress	1,105,137	553,632	(30,562)	-	1,628,207
Total non-depreciable	5,761,948	588,632	(30,562)	(120,000)	6,200,018
Capital assets being depreciated:					
Buildings	25,293,412	42,000	-	-	25,335,412
Equipment	8,791,213	804,003	2,600	(462,948)	9,134,868
Improvements	33,229,908	2,546,367	27,962	-	35,804,237
Infrastructure	20,926,650	359,000	-	-	21,285,650
Total depreciable	88,241,183	3,751,370	30,562	(462,948)	91,560,167
Accumulated depreciation					
Buildings	(9,919,566)	(926,981)	-	-	(10,846,547)
Equipment	(6,166,716)	(647,070)	-	446,882	(6,366,904)
Improvements	(13,499,714)	(1,382,003)	-	-	(14,881,717)
Infrastructure	(19,880,316)	(532,141)	-	-	(20,412,457)
Total accumulated depreciation	(49,466,312)	(3,488,195)	-	446,882	(52,507,625)
Total capital assets being depreciated, net	38,774,871	263,175	30,562	(14,426)	39,052,542
Governmental activities capital assets, net	\$ 44,536,819	\$ 851,807	\$ -	\$ (134,426)	\$ 45,252,560

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

General government	\$ 319,486
Public safety	981,334
Highways and streets	1,397,558
Culture and recreation	716,089
Internal service - Central Services	73,728
Total depreciation for governmental activities	<u>\$ 3,488,195</u>

Capital asset activity for business-type activities for the year ended June 30, 2021 was as follows:

Description	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Capital assets not being depreciated:					
Land	\$ 298,769	\$ 38,829	\$ -	\$ -	\$ 337,598
Construction in progress	9,417,896	3,967,051	-	(3,976,630)	9,408,317
Total non-depreciable	9,716,665	4,005,880	-	(3,976,630)	9,745,915
Capital assets being depreciated:					
Buildings	17,452,559	1,493,081	-	-	18,945,640
Equipment	19,624,238	390,678	-	(204,931)	19,809,985
Improvements	68,754,722	6,255,536	-	-	75,010,258
Total depreciable	105,831,519	8,139,295	-	(204,931)	113,765,883
Accumulated depreciation					
Buildings	(8,175,628)	(469,028)	-	-	(8,644,656)
Equipment	(18,065,788)	(335,092)	-	109,172	(18,291,708)
Improvements	(33,517,579)	(2,784,756)	-	-	(36,302,335)
Total accumulated depreciation	(59,758,995)	(3,588,876)	-	109,172	(63,238,699)
Total capital assets being depreciated, net	46,072,524	4,550,419	-	(95,759)	50,527,184
Business-type activities capital assets, net	\$ 55,789,189	\$ 8,556,299	\$ -	\$ (4,072,389)	\$ 60,273,099

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

Water	\$ 782,691
Sewer	1,514,349
Airport	1,152,583
Internal service - PW Administration and Fleet	139,253
Total depreciation for business-type activities	<u>\$ 3,588,876</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 \$714,178. At June 30, 2021, amounts due from other funds in the fund financial statements are as follows:

General Fund receivable from:			
TPAC	\$	21,000	
Sidewalk Repair Loan Fund		14,000	
PCC		111,102	\$ 146,102
Sewer Funds receivable from:			
Unmanned Aerial Service Capital Improvement Fund		<u>375,000</u>	<u>375,000</u>
Total Interfund Receivables			<u>\$ 521,102</u>

Interfund loans were made for capital purposes in the Pendleton Convention Center Fund for \$111,102 and operating purposes for all other funds, loans do accrue interest. The loans are renewed on an annual basis through City Council resolution. The Airport Fund loans were paid off after year end with a federal Cares Act grant. 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 \$355,058. A reconciliation of transfers in the budgetary fund financial statements is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 246,133	\$ 184,930
State Tax Street Fund	-	14,710
Non-major governmental funds	184,969	32,752
Enterprise Funds:		
Water Fund	1,000,000	1,023,860
Sewer Fund	500,000	518,770
Airport Fund	-	17,170
Internal Service Funds:		
PW Administrations and Fleet	-	38,610
Central Services Fund	-	<u>100,300</u>
Total all funds	<u>\$ 1,931,102</u>	<u>\$ 1,931,102</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
2022	\$ 480,000	\$ 206,915
2023	530,000	182,896
2024	585,000	156,375
2025	645,000	127,102
2026	710,000	94,826
2027-2030	1,185,000	79,813
	<u>\$ 4,135,000</u>	<u>\$ 847,927</u>

## 2. Urban Renewal Bonds

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. In May 2021, the City entered into a new agreement to open a line of credit with a principal balance not to exceed \$10,000,000 and paid off the previous line of credit. The loan is structured as two separate, non-revolving lines of credit with the first \$5,000,000 being taxable and the second \$5,000,000 being tax exempt. Each line of credit has a 60 month term. As of June 30, 2021, the City has drawn \$2,010,553 against the tax exempt line and \$3,324,072 against the taxable line. A portion of the proceeds were used to pay off the pre-existing line of credit balance. The tax exempt draw rate is 2.20% annually and the taxable draw rate is 2.80% annually. At any time during the draw period, the Commission can elect to convert all or a portion of the outstanding principal balance of not less than \$1,000,000 to an applicable converted rate with an extended maturity date of 5, 10, or 15 years. The tax exempt converted rate is a fixed rate equal to the FHLB Regular Advance Rate of corresponding maturity plus a spread of .39% - 1.17% depending upon the term of the converted draw. The taxable converted rate also includes a fixed rate equal to the FHLB Regular Advance Rate of corresponding maturity plus a spread of 1.19% - 1.78% depending on the term of the converted draw.

## 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
2022	\$ 335,000	\$ 301,250
2023	245,000	291,200
2024	265,000	283,850
2025	290,000	275,900
2026	320,000	264,300
2027-2031	2,050,000	1,122,200
2032-2036	2,945,000	670,400
2037-2039	1,500,000	91,000
	<u>\$ 7,950,000</u>	<u>\$ 3,300,100</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
2022	\$ 47,961	\$ 15,821
2023	49,496	14,261
2024	51,079	12,652
2025	52,714	10,991
2026	54,401	9,278
2027-2031	262,726	19,283
	<u>\$ 518,377</u>	<u>\$ 82,286</u>

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

Year Ending June 30	Business-Type	
	Principal	Interest
2022	\$ 542,204	\$ 146,248
2023	557,575	128,652
2024	576,930	110,500
2025	595,784	91,736
2026	614,102	72,378
2027-2030	1,954,766	95,044
	<u>\$ 4,841,361</u>	<u>\$ 644,558</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
2022	\$ 412,783	\$ 37,055
2023	430,237	18,911
	<u>\$ 843,020</u>	<u>\$ 55,966</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:

Year Ending June 30	Business-Type Activities	
	Principal	Interest
2022	\$ 327,668	\$ 82,574
2023	334,018	76,224
2024	340,546	69,696
2025	347,255	62,987
2026	354,151	56,091
2027-2031	1,881,126	170,084
2032-2033	602,767	12,599
	<u>\$ 4,187,531</u>	<u>\$ 530,255</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. The loan was paid in full as of June 30, 2021.

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:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2022	\$ 111,142	\$ 13,160
2023	115,632	8,670
2024	120,303	3,998
2025	9,328	189
	<u>\$ 356,405</u>	<u>\$ 26,017</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
2022	\$ 22,436	\$ 23,356
2023	23,459	22,333
2024	24,529	21,264
2025	25,647	20,145
2026	26,816	18,976
2027-2031	153,581	75,381
2032-2036	191,940	37,023
2037	43,795	1,997
	<u>\$ 512,203</u>	<u>\$ 220,475</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
2022	\$ 52,504	\$ 22,730
2023	54,846	20,390
2024	57,291	17,943
2025	59,801	15,434
2026	62,512	12,722
2027-2030	240,550	21,758
	<u>\$ 527,504</u>	<u>\$ 110,977</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, 2021, 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, 2021, the City has recognized loan proceeds in the amount of \$443,120 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. The loan was paid in full as of June 30, 2021.

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 \$14,855,000, 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. The loan was amended after year end to increase the maximum amount to \$18,855,000 and to extend the project completion date to June 30, 2022. 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, 2021, \$5,040,115 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, 2021. 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, 2021, \$6,010,337 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, 2021, \$1,836,200 has been drawn down. 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, 2021 is as follows:

	June 30, 2020	Increases	Decreases	June 30, 2021	Due Within One Year
<b>Governmental activities:</b>					
Governmental bonds:					
General Obligation, Series 2017	\$ 8,240,000	\$ -	\$ (290,000)	\$ 7,950,000	\$ 335,000
Full Faith and Credit Refunding, Series 2018	564,851	-	(46,474)	518,377	47,961
Limited Tax Pension	4,565,000	-	(430,000)	4,135,000	480,000
Banner Bank Urban Renewal	-	-	-	-	-
Deferred Premium	806,713	-	(46,993)	759,720	-
Total governmental bonds	14,176,564	-	(813,467)	13,363,097	862,961
Governmental loans/notes from direct borrowings:					
Banner Bank	463,090	-	(106,685)	356,405	111,142
Eastside Expansion	577,699	-	(50,195)	527,504	52,504
Oregon Infrastructure Authority	533,660	-	(21,458)	512,203	22,436
Banner Bank \$10M Credit Line	-	5,334,625	-	5,334,625	-
Banner Bank Credit Line	300,000	1,800,000	(2,100,000)	-	-
Total governmental loans/notes	1,874,449	7,134,625	(2,278,337)	6,730,737	186,082
Compensated absences	564,262	-	(11,480)	552,782	552,782
Governmental activities total long-term liabilities	\$ 16,615,275	\$ 7,134,625	\$ (3,103,284)	\$ 20,646,616	\$ 1,601,825
<b>Business-type activities:</b>					
Enterprise bonds					
Full Faith and Credit Refunding, Series 2018	\$ 5,367,676	\$ -	\$ (526,315)	\$ 4,841,361	\$ 542,204
Total enterprise bonds	5,367,676	-	(526,315)	4,841,361	542,204
Enterprise loans/notes from direct borrowings					
Safe Drinking Water	4,179,172	860,943	-	5,040,115	-
Safe Drinking Water	1,015,000	-	-	1,015,000	-
Safe Drinking Water	845,000	-	(269,000)	576,000	282,000
Safe Drinking Water	392,568	-	(125,548)	267,020	130,783
Clean Water State Revolving	4,503,148	1,507,189	-	6,010,337	-
Clean Water State Revolving	1,250,000	-	(100,000)	1,150,000	100,000
Clean Water State Revolving	3,259,022	-	(221,491)	3,037,531	227,668
State of Oregon Strategic Reserve	545,000	-	-	545,000	-
Special Public Works	456,529	-	(456,529)	-	-
Special Public Works	38,490	1,797,710	-	1,836,200	-
Community Bank	225,187	-	(225,187)	-	-
Total enterprise loans/notes	16,709,116	4,165,842	(1,397,755)	19,477,203	740,451
Compensated absences	168,403	-	(7,513)	160,890	160,890
Total business-type activities	\$ 22,245,195	\$ 4,165,842	\$ (1,931,583)	\$ 24,479,454	\$ 1,443,545
Total City	\$ 38,860,470	\$ 11,300,467	\$ (5,034,867)	\$ 45,126,070	\$ 3,045,370

The central services internal service fund predominantly serves the governmental funds. Accordingly, long-term liabilities for compensated absences in the amount of \$124,423 are included in the above amounts. The PW administration and fleet internal service fund predominantly serves the business-type activities and \$59,545 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, 2021 were as follows:

Fund Balances:	Combined General	Street	Urban Renewal District Operating Fund	Unmanned Aerial Services Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
<b>Nonspendable</b>						
Prepays/Contracts	\$ 62,780	\$ -	\$ -	\$ -	\$ -	\$ 62,780
Permanent Trust	-	-	-	-	952,811	952,811
Interfund loans	146,102	-	-	-	-	146,102
Assets available for sale	-	-	-	-	-	-
<b>Restricted</b>						
Debt service	-	-	-	-	178,207	178,207
Highways and streets	-	-	-	-	21,263	21,263
Capital Projects	-	-	-	-	23,045	23,045
Library services	-	-	-	-	606,329	606,329
Public safety	-	-	-	-	186,571	186,571
Program grants	-	-	-	-	92,067	92,067
Environmental remediation	122,368	-	-	-	-	122,368
Urban renewal	-	-	3,325,851	-	-	3,325,851
<b>Committed</b>						
Community enhancement	78,878	-	-	-	-	78,878
Building Maintenance	-	-	-	-	351,841	351,841
Highways and streets	-	-	-	-	572,758	572,758
Capital projects	-	-	-	-	433,896	433,896
Library services	-	-	-	-	110,814	110,814
Pendleton Convention Center	-	-	-	-	53,910	53,910
<b>Assigned</b>						
Program operations	-	746,239	-	-	751,632	1,497,871
Park improvements	-	-	-	-	120,981	120,981
Economic development	168,899	-	-	-	945,817	1,114,716
Unassigned	1,658,406	-	-	(178,757)	-	1,479,649
<b>Total Fund Balances</b>	<b>\$ 2,237,433</b>	<b>\$ 746,239</b>	<b>\$ 3,325,851</b>	<b>\$ (178,757)</b>	<b>\$ 5,401,942</b>	<b>\$ 11,532,708</b>

## 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 8 retired members and 134 active members in its plan on July 1, 2020, 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 \$1,445,807 was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2020.

### Actuarial assumptions and other inputs

The total OPEB liability in the July 1, 2020 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, 2020
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry age normal
Actuarial Assumptions:	
Inflation rate	2.5 percent per year
Discount rate	2.21 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: 2020-3.75%, 2021-5.75% and between 4% and 5.25% 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	Pub-210 General and Safety Employee and Healthy Retiree tables, sex distinct for members and dependents, with one-year setback for male general service employees and female safety employees.

### Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at June 30, 2020	<u>\$ 1,320,888</u>
Changes for the year:	
Service cost	91,647
Interest	48,366
Economic/demographic gains or losses	(34,855)
Changes in assumptions or other inputs	81,609
Benefit payments	<u>(61,848)</u>
Net changes	<u>124,919</u>
Balance at June 30, 2021	<u><u>\$ 1,445,807</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 (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current discount rate:

	<u>1% Decrease (1.21%)</u>	<u>Current Discount Rate (2.21%)</u>	<u>1% Increase (3.21%)</u>
Total OPEB liability	\$1,580,362	\$1,445,807	\$1,321,571

*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	\$1,259,982	\$1,445,807	\$1,669,982

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

For the year ended June 30, 2021, the City recognized OPEB expense of \$121,329. At June 30, 2021, 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	\$ -	\$ 116,436
Changes in assumptions or inputs	<u>107,513</u>	<u>84,585</u>
Total (Pior to post MD contributions)	107,513	201,021
Contributions subsequent to the measurement date	<u>52,666</u>	<u>-</u>
Net Deferred Outflow/(Inflow) of Resources	<u>\$ 160,179</u>	<u>\$ 201,021</u>

\$52,666 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:	
2022	\$ (18,684)
2023	(18,684)
2024	(18,684)
2025	(18,684)
2026	(18,684)
Thereafter	<u>(88)</u>
Total	<u>\$ (93,508)</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 0.06% of annual covered payroll for Tier I and Tier II employees and 0.00% 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, 2021, 2020 and 2019 were \$1,676, \$5,613, and \$43,697 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, 2021, the City reported an asset of \$160,154 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2020, and the total OPEB asset used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018 rolled forward to June 30, 2020. 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, 2020, the City's proportion was 0.07859 percent, which was decreased from its proportion of 0.08817 percent measured as of June 30, 2019.

For the year ended June 30, 2021, the City's recognized OPEB expense (income) of \$(21,356). At June 30, 2021, 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	\$ -	\$ 16,372
Changes in assumptions	-	8,513
Net difference between projected and actual earnings on investments	17,810	-
Changes in proportionate share	<u>9,756</u>	<u>182</u>
Total (prior to post-MD contributions)	27,566	25,067
Contributions subsequent to the measurement date	<u>1,676</u>	<u>-</u>
Net Deferred Outflow/(Inflow) of Resources	<u>\$ 29,242</u>	<u>\$ 25,067</u>

\$1,676 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:	
2022	\$(11,011)
2023	1,308
2024	6,584
2025	<u>5,618</u>
Total	<u>\$ 2,499</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, 2018
Measurement Date	June 30, 2020
Experience Study Report	2018, published July 24, 2019
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><b>Healthy retirees and beneficiaries:</b> Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><b>Active Members:</b> Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><b>Disabled retirees:</b> Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</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 May 2019 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	27.5%	37.5%	32.5%
Private Equity	14.0%	21.0%	17.5%
Real Estate	9.5%	15.5%	12.5%
Alternative Equity	7.5%	17.5%	15.0%
Opportunity Portfolio	0.0%	3.0%	0.0%
Risk Parity	0.0%	2.5%	2.5%
Total			100.0%

Asset Class	Target Allocation	Compounded Annual Return (Geometric)
Core Fixed Income	9.60%	4.07%
Short-Term Bonds	9.60%	3.68%
Bank/Leveraged Loans	3.60%	5.19%
High Yield Bonds	1.20%	5.74%
Large/Mid Cap US Equities	16.17%	6.30%
Small Cap US Equities	1.35%	6.68%
Micro Cap US Equities	1.35%	6.79%
Developed Foreign Equities	13.48%	6.91%
Emerging Market Equities	4.24%	7.69%
Non-US Small Cap Equities	1.93%	7.25%
Private Equity	17.50%	8.33%
Real Estate (Property)	10.00%	5.55%
Real Estate (REITS)	2.50%	6.69%
Hedge Funds of Funds - Diversified	1.50%	4.06%
Hedge Funds - Event-driven	0.38%	5.59%
Timber	1.12%	5.61%
Farmland	1.12%	6.12%
Infrastructure	2.24%	6.67%
Commodities	1.12%	3.79%
Total	100%	
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	\$ (129,297)	\$ (160,154)	\$ (186,537)

**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, 2020 measurement period that require disclosure.

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

We are not aware of any changes subsequent to the June 30, 2020 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	\$ 1,445,807	\$ 160,179	\$ 201,021	\$ 121,329
Retirement Health Insurance Account (RHIA)	(160,154)	29,242	25,067	(21,356)
Aggregate amounts related to OPEB	<u>\$ 1,285,653</u>	<u>\$ 189,421</u>	<u>\$ 226,088</u>	<u>\$ 99,973</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. Monthly payments must be a minimum of \$200 per month or the member will receive a lump-sum payment of the actuarial equivalent of benefits to which he or she is entitled.

Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of Final Average Salary will be limited for all members beginning in 2020. The limit will be equal to \$195,000 in 2020, and will be indexed with inflation in later years.

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 Defined Benefit 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.

Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2020. The limit will be equal to \$195,000 in 2020, and will be indexed with inflation in later years.

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.

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

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap of the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and \$750 plus 0.15 percent on annual benefits above \$60,000.

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

#### **Pension Benefits**

The IAP is an individual account-based program under the PERS tax-qualified governmental plan as defined under ORS 238A.400. 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. Installment amounts vary with market returns as the account remains invested while in distribution. 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**

### **1. Employer 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, 2017 actuarial valuation, which became effective July 1, 2019. Effective January 1, 2020, Senate Bill 1049 required employers to pay contributions on re-employed PERS retirees' salary as if they were an active member, excluding IAP (6 percent) contributions. Employer contributions for the year ended June 30, 2021 were \$2,190,903 excluding \$1,676 to fund the retirement health insurance account (RHIA). The rates in effect for the fiscal year ended June 30, 2021 excluding the RHIA rate of .06% Tier One/Tier Two and .00% OPRSP, were 24.01 percent for Tier One/Tier Two General Service Member, 14.25 percent for OPSRP Pension Program General Service Members, and 18.88 percent for OPSRP Police and Fire members. The city has a large side account balance resulting from prepaid pension costs funded with Pension Bonds which result in a 4.28% credit.

### **2. Employee Contributions**

Beginning January 1, 2004, all employee contributions were placed in the OPSRP Individual Account Program (IAP), a defined contribution pension plan established by the Oregon Legislature. Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set by statute at 6.0 or 7.0 percent of salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the member's behalf. The IAP member accounts represent member contributions made on or after January 1, 2004, plus earnings allocations less disbursements for refunds, death benefits, and retirements. As permitted, by the City has opted to pick-up the contributions on behalf of Police and Fire employees; contributions were \$217,815 for the year ended June 30, 2021 and are included in employer contributions above.

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

At June 30, 2021, the City reported a liability of \$21,170,989 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018 rolled forward to June 30, 2020. 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, 2021, the City's proportion was 0.09701032 percent, which was a decrease from its proportion of 0.10105649 percent measured as of June 30, 2020.

For the year ended June 30, 2021, the City's recognized pension expense (income) of \$4,642,191. At June 30, 2021, 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	\$ 931,780	\$ -
Changes of assumptions	1,136,180	39,809
Net difference between projected and actual earnings on investments	2,489,433	-
Changes in proportionate share	920,568	858,328
Differences between employer contributions and employer's share of system contributions	<u>32,410</u>	<u>578,732</u>
Total (prior to post-MD contributions)	5,510,371	1,476,869
Contributions subsequent to the measurement date	<u>1,938,724</u>	<u>-</u>
Net Deferred Outflow/(Inflow) of Resources	<u>\$ 7,449,095</u>	<u>\$ 1,476,869</u>

\$1,938,724 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:	
2022	\$ 894,175
2023	1,217,294
2024	1,234,101
2025	726,046
2026	<u>(38,114)</u>
Total	<u>\$ 4,033,502</u>

### Actuarial assumptions

The employer contribution rates effective July 1, 2020, through June 30, 2021, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (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, 2018 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2018
Measurement Date	June 30, 2020
Experience Study Report	2018, published July 24, 2019
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><b>Health retirees and beneficiaries:</b> Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><b>Active Members:</b> Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><b>Disabled retirees:</b> Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</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 2018 Experience Study, which reviewed experience for the four-year period ending on December 31, 2018.

### Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 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	27.5%	37.5%	32.5%
Private Equity	14.0%	21.0%	17.5%
Real Estate	9.5%	15.5%	12.5%
Alternatie Equity	7.5%	17.5%	15.0%
Opportunity Portfolio	0.0%	3.0%	0.0%
Risk Parity	0.0%	2.5%	2.5%
Total			100.0%

Asset Class	Target Allocation	Compounded Annual Return (Geometric)
Core Fixed Income	9.60%	4.07%
Short-Term Bonds	9.60%	3.68%
Bank/Leveraged Loans	3.60%	5.19%
High Yield Bonds	1.20%	5.74%
Large/Mid Cap US Equities	16.17%	6.30%
Small Cap US Equities	1.35%	6.68%
Micro Cap US Equities	1.35%	6.79%
Developed Foreign Equities	13.48%	6.91%
Emerging Market Equities	4.24%	7.69%
Non-US Small Cap Equities	1.93%	7.25%
Private Equity	17.50%	8.33%
Real Estate (Property)	10.00%	5.55%
Real Estate (REITS)	2.50%	6.69%
Hedge Funds of Funds - Diversified	1.50%	4.06%
Hedge Funds - Event-driven	0.38%	5.59%
Timber	1.12%	5.61%
Farmland	1.12%	6.12%
Infrastructure	2.24%	6.67%
Commodities	1.12%	3.79%
Total	100%	
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:

	<u>1% Decrease (6.2%)</u>	<u>Discount Rate (7.2%)</u>	<u>1% (Increase (8.2%))</u>
City's proportionate share of the net pension liability (asset)	\$ 31,437,170	\$ 21,170,989	\$ 12,562,320

### 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 \$218,999 to the pension plan.

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

A legislative change that occurred during the measurement period affected the plan provisions reflected for financial reporting purposes. Senate Bill 1049, signed into law in June 2019, introducing a limit on the amount of annual salary included for the calculation of benefits. Beginning in 2020, annual salary in excess of \$195,000 (as indexed in future years) will be excluded when determining member benefits. As a result, future Tier 1/Tier 2 and OPSRP benefits for certain active members are now projected to be lower than prior to the legislation and was reflected in the June 30, 2019 Total Pension Liability as a reduction in liability.

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

There were no changes subsequent to the June 30, 2020 measurement period that require disclosure.

## **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 plant 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 two tax abatement agreements with a food processing company, and a pipe manufacturer for which the City's abated tax portion amounted to \$72,194 for the fiscal year ended June 30, 2021.

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. Upcoming pronouncements which may have an effect on the City, are listed below:

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, 2022.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement was issued May 2020 to establish a definition for SBITAs, provide uniform guidance for accounting and financial reporting for transactions that meet the definition, and result in greater consistency in practice. This Statement establishes that a SBITA results in a right-to-use subscription intangible asset with a corresponding subscription liability and provides criteria for the capitalization of outlays including implementation costs. GASB Statement No. 96 will be effective for the District for fiscal year ending June 30, 2023.

## **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.

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;

- \$6,241,751 has been committed to street reconstruction within the URA district, of which, \$1,127,693 had been spent on the Byers Avenue project and \$204,046 on SW 4<sup>th</sup> and 6<sup>th</sup> Streets through June 30, 2021. The City is postponing some of the street projects due to funding limits.
- \$635,000 has been committed to improvements at Til Taylor Park, of which \$451,419 had been spent through June 30, 2021.
- Funds have also been committed for 2<sup>nd</sup> story projects of \$1,622,818, rejuvenation projects of \$650,000, and façade projects of \$223,418. However, grantees must complete the application process and have the project ready for final funding on the reimbursement basis and several projects have been delayed.
- In addition to the above commitments, the Commission had budgeted \$100,000 for Fresh Start grants, \$50,000 for Jump Start loans, and \$320,000 for the housing program in the next fiscal year.
- A Jump Start loan of \$100,000 and a rejuvenation grant up to \$500,000 was also approved subsequent to year end.

## **H. Construction in Progress**

The City is committed under various construction contracts at June 30, 2021. Major projects in progress at June 30, 2021 are as follows:

The City has paid approximately \$812,790 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 \$228,816 for Water and \$154,173 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 is working with ODOT to close the project out.

The Sewer Fund is in the process of performing Umatilla River Flood repairs. The city has expended \$1,976,025 towards the project at June 30, 2021. The last piece of the project that is left to do is the cleaning of the south secondary digester, which is preparing to go out to bid in FY23.

The Sewer Fund is in the process of performing WWTP Chlorination Building improvements. The city has expended \$120,264 towards the project at June 30, 2021. Total costs are expected to be \$468,635 and the project was approximately 26% complete.

The Sewer Fund is in the process of Water Filtration Plan painting and upgrades. The City has expended \$924 towards the project at June 30, 2021. Total costs are expected to be \$378,346 and the project was less than 1% complete.

The City has incurred engineering costs related to the Exit 209 Interchange project that the city is applying to get grant funding for. The city has expended \$299,561 towards the project at June 30, 2021. The city has applied for the RAISE grant and is working with lobbyist to secure federal funding for the project.

The Airport has incurred engineering and design costs related to the reconfiguration of the taxi lanes and adding utilities. The city has expended \$220,878 towards the project at June 30, 2021, which is funded by CARES Act grants. The City is estimating the project costs of \$1.25 to \$1.5 million.

The Airport incurred \$69,870 in expenditures towards the terminal and tower maintenance project with estimated total costs of \$3.8 million and the project is less than 2% complete.

The Airport Fund had expenditures of \$2,571,065 related to the design, planning, and construction of a Flex Hangar. The project was finished in December 2021 with total cost of \$2,575,554 and was 99% complete at June 30, 2021.

The City and PDC has expended \$500,919 towards the Til-Taylor Park Splash Pad project at June 30, 2021. Total costs are expected to be \$722,301 and the project was approximately 69% complete.

The City is also in the process of completing the Water and Sewer Master Plans and has incurred expenditures of \$1,990,906 for Water and \$2,049,975 for Sewer to date.

## **I. Related Party Transactions**

The Pendleton Development Commission owed the City of Pendleton \$111,120 for administrative services during the year. In addition, the Commission provided funds to

City capital projects of \$79,158 for electric vehicle charging stations, \$451,419 for Til Taylor Park improvements, \$1,328,455 for street improvements, and \$20,787 for other projects during the year and has committed additional funding over the next several years.

## **J. Subsequent Events**

City Council authorized Murraysmith Task Order 6 Amendment 2 in an amount not to exceed \$129,395 to complete design related work for the new Airport Reservoir & Booster Station Project. Part 2 of Murraysmith Task Order 6 Amendment 2 was also authorized in an amount not to exceed \$290,713 to provide post design and construction technical assistance for the New Airport Reservoir & Booster station project. Both of these projects will be paid from the Drinking Water State Revolving Fund loan.

City Council authorized Anderson-Perry Work Order 2021-02 to provide (not-to-exceed) services of \$215,000 related to right-of-way (ROW) and rough road grade establishment, along with booster station property acquisition.

Council accepted the \$315,790 FAA Airport Improvement Program (AIP) 29 Grant. The grant money will cover the predesign portion of the Runway 29 threshold relocation project.

Council approved the Airport Staff to purchase the Drone Operations Vehicle (DOVe). The vehicle has a purchase price of \$500,000. Funds are available in the FY22 Airport Budget line for New Equipment due to long delays in acquiring other equipment.

Authorized an Energy Conservation Measures (ECM) agreement not to exceed \$710,000 with Oregon PC LED B, LLC.

Award Consideration for the Airport Reservoir & Booster Pump Station Project Bob Patterson, Public Works Director, gave the staff report recommending Mayor and Council award contract to Rotschy in the amount of \$10,565,626 for work related to the Airport Reservoir & Booster Pump Station Project.

The Council approved the guaranteed maximum price (GMP) Terminal Remodel Project Budget of \$3,892,761 to be paid for out of CARES Act funding.

The Council approved the award for the Waste Water Treatment Plant: Phase 1 Crying Beds Improvement Project to Michael A. Becker General Contractor, Inc. for the bid price of \$1,616,785.00. This project is part of upgrading the Secondary Digester Complex, which is included in the 2019 waste water treatment Facility Plan adopted by the Council on January 21, 2020.

The City received a \$2,000,000 grant from Umatilla County as seed money to set up a new revolving loan fund for infrastructure projects to help create additional housing.

The City was awarded American Rescue Plan Act (ARPA) funds of approximately \$3.6 million to be received in two installments. The first installment was received in August 2021 and must be used by December 2024.



**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\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
City's proportion of the net pension liability (asset)	0.09701032%	0.10105649%	0.08918086%	0.09757879%	0.09467864%	0.09979010%	0.10082423%	0.10082423%
City's proportionate share of the net pension liability (asset)	21,170,989	17,480,353	13,509,728	13,153,658	14,213,462	\$ 5,729,410	\$ (2,285,398)	\$ 5,145,208
City's covered-employee payroll	\$ 10,895,327	10,561,480	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	194.31%	165.51%	133.41%	139.50%	152.91%	64.78%	-27.35%	60.01%
Plan fiduciary net position as a percentage of total pension liability	75.79%	80.23%	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\***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contributions	\$ 2,190,903	\$ 2,130,524	\$ 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>2,190,903</u>	<u>2,130,524</u>	<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>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$10,963,243	\$10,895,327	\$ 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	19.98%	19.55%	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
2020	0.07860%	\$ (160,154)	\$ 10,895,327	-1.47%	150.07%
2019	0.08817%	\$ (170,371)	\$ 10,561,480	-1.61%	144.36%
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 actuarially 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\***

	2021	2020	2019	2018	2017
Contractually required contributions	\$ 1,676	\$ 5,613	\$ 43,697	\$ 42,556	\$ 41,430
Contributions in relation to the contractually required contributions	(1,676)	(5,613)	(43,697)	(42,556)	(41,430)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$10,963,243	\$10,895,327	\$10,561,480	\$10,126,700	\$9,429,388
Contributions as a percentage of covered payroll	0.02%	0.05%	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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability					
Service cost	\$ 91,647	\$ 81,135	\$ 86,696	\$ 93,711	N/A
Interest	48,366	48,963	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	46,754	43,586	(53,737)	(85,316)	N/A
Benefit payments	<u>(61,848)</u>	<u>(73,020)</u>	<u>(66,763)</u>	<u>(62,125)</u>	<u>N/A</u>
Net change in total OPEB liability	124,919	100,664	(108,843)	(13,670)	N/A
Total OPEB liability - beginning	<u>1,320,888</u>	<u>1,220,224</u>	<u>1,329,067</u>	<u>1,342,737</u>	<u>N/A</u>
Net OPEB liability - ending	<u>1,445,807</u>	<u>1,320,888</u>	<u>1,220,224</u>	<u>1,329,067</u>	<u>1,342,737</u>
Covered payroll	<u>\$10,963,243</u>	<u>\$10,895,327</u>	<u>\$10,561,480</u>	<u>\$10,126,700</u>	<u>\$9,429,388</u>
Total OPEB liability, as a percentage of covered payroll	13.19%	12.12%	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, 2021**

**A. Net Pension Liability (Asset)**

**Changes in Benefit Terms**

The 2013 Oregon Legislature made a series of changes to PERS that lowered projected future benefit payments from the System. These changes included reductions of future Cost of Living Adjustments (COLA) made through Senate Bills 822 and 861. Senate Bill 822 also required the contributions rates scheduled to be in effect from July 2013 to June 2015 to be reduced. The Oregon Supreme Court decision in *Moro v. State of Oregon*, issued on April 30, 2015, reversed a significant portion of the reductions the 2013 Oregon Legislature made to future System Cost of Living Adjustments (COLA) through Senate bills 822 and 861. This reversal increased the total pension liability as of June 30, 2015 compared to June 30, 2014 total pension liability.

A legislative change that occurred after the December 31, 2017 valuation date affected the plan provisions reflected for financial reporting purposes. Senate Bill 1049, signed into law in June 2019, introduced a limit on the amount of annual salary included for the calculation of benefits. Beginning 2020, annual salary in excess of \$195,000 (as indexed in future years) will be excluded when determining member benefits. As a result, Tier 1/Tier 2 and OPSRP benefits for certain active members are not projected to be lower than prior to the legislation and was reflected in the June 30, 2019 Total Pension Liability as a reduction in liability.

**Changes of Assumptions**

The PERS Board adopted assumption changes that were used to measure the June 30, 2016 total pension liability and June 30, 2018 total pension liability. For June 30, 2016, the changes included the lowering of the long-term expected rate of return to 7.50 percent and lowering the assumed inflation to 2.50 percent. For June 30, 2018, the long-term expected rate of return was lowered to 7.20 percent. In addition, the health mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay.

**B. Other Post-Employment Benefits**

**Changes in Benefit Terms**

There were no significant changes in benefit terms for Other Post-Employment Benefits.

**Changes of Assumptions**

There were no significant changes in assumptions for the RHIA Other Post-Employment Benefits except for the PERS changes described above. The RHIA OPEB valuation is tied to the PERS system, contributions, and 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, 2020 and June 30, 2021 reporting dates is 3.5% and 2.21%, respectively.



## **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.

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

**PARKS RECREATION CEMETERY SPECIAL PROJECTS FUND** – accounts for donations and fundraising revenues for park and recreation programs. Expenditures could be in the form of scholarships to individuals or program specific expenditures.

**BUILDING MAINTENANCE FUND** – accounts for the funds received from the sale of the Fires Station on SW Court. Council has dedicated the net proceeds of the sale of the building for maintenance of the fire stations.

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.

**FIRE BOND CAPITAL CONSTRUCTION FUND** – accounts for the construction and equipment purchases of the Fire Station General Obligation Bond.

**CITY OF PENDLETON, OREGON  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
June 30, 2021**

	Special Revenue	Capital Projects	Debt Service	Permanent Trust	Totals
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,434,357	\$ 1,770,436	\$ 281,784	\$ 27,651	\$ 4,514,228
Investments	-	-	-	930,789	930,789
Receivables:					
Property taxes	-	-	56,544	-	56,544
Accounts	375,833	31,431	-	502	407,766
Assessments	-	176,539	-	-	176,539
Assets available for sale	-	120,000	-	-	120,000
Prepaid items	7,450	34,986	-	-	42,436
	<u>7,450</u>	<u>34,986</u>	<u>-</u>	<u>-</u>	<u>42,436</u>
 Total assets	 <u>\$ 2,817,640</u>	 <u>\$ 2,133,392</u>	 <u>\$ 338,328</u>	 <u>\$ 958,942</u>	 <u>\$ 6,248,302</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 144,171	\$ -	\$ 111,120	\$ -	\$ 255,291
Deposits	106,595	-	-	-	106,595
Advances from other funds	132,102	-	-	-	132,102
	<u>132,102</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>132,102</u>
 Total liabilities	 <u>382,868</u>	 <u>-</u>	 <u>111,120</u>	 <u>-</u>	 <u>493,988</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	126,832	176,539	49,001	-	352,372
	<u>126,832</u>	<u>176,539</u>	<u>49,001</u>	<u>-</u>	<u>352,372</u>
 Total deferred inflows of resources	 <u>126,832</u>	 <u>176,539</u>	 <u>49,001</u>	 <u>-</u>	 <u>352,372</u>
<b>FUND BALANCES (DEFICIT)</b>					
Nonspendable	-	-	-	952,811	952,811
Restricted	900,099	23,045	178,207	6,131	1,107,482
Committed	535,228	987,991	-	-	1,523,219
Assigned	872,613	945,817	-	-	1,818,430
	<u>872,613</u>	<u>945,817</u>	<u>-</u>	<u>-</u>	<u>1,818,430</u>
 Total fund balances	 <u>2,307,940</u>	 <u>1,956,853</u>	 <u>178,207</u>	 <u>958,942</u>	 <u>5,401,942</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 2,817,640</u>	 <u>\$ 2,133,392</u>	 <u>\$ 338,328</u>	 <u>\$ 958,942</u>	 <u>\$ 6,248,302</u>

See auditor's report.

**CITY OF PENDLETON, OREGON  
SUB-COMBINING BALANCE SHEET  
NON-MAJOR SPECIAL REVENUE FUNDS  
June 30, 2021**

	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	\$ 20,137	\$ 607,849	\$ 112,003	\$ 770,570	\$ 2,952	\$ 33,896
Receivables:						
Accounts	1,126	4,533	1,949	140,253	-	177,563
Prepaid items	-	4,900	-	-	-	2,550
	<u>-</u>	<u>4,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,550</u>
Total assets	<u>\$ 21,263</u>	<u>\$ 617,282</u>	<u>\$ 113,952</u>	<u>\$ 910,823</u>	<u>\$ 2,952</u>	<u>\$ 214,009</u>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ -	\$ 6,084	\$ 3,138	\$ 42,912	\$ -	\$ 48,932
Deposits	-	11,000	-	-	-	-
Advances from other funds	-	-	-	-	-	111,102
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>111,102</u>
Total liabilities	<u>-</u>	<u>17,084</u>	<u>3,138</u>	<u>42,912</u>	<u>-</u>	<u>160,034</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	-	-	-	119,231	-	65
	<u>-</u>	<u>-</u>	<u>-</u>	<u>119,231</u>	<u>-</u>	<u>65</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>119,231</u>	<u>-</u>	<u>65</u>
<b>FUND BALANCES (DEFICIT)</b>						
Restricted	21,263	600,198	-	-	-	-
Committed	-	-	110,814	-	-	53,910
Assigned	-	-	-	748,680	2,952	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>748,680</u>	<u>2,952</u>	<u>-</u>
Total fund balances	<u>21,263</u>	<u>600,198</u>	<u>110,814</u>	<u>748,680</u>	<u>2,952</u>	<u>53,910</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 21,263</u>	<u>\$ 617,282</u>	<u>\$ 113,952</u>	<u>\$ 910,823</u>	<u>\$ 2,952</u>	<u>\$ 214,009</u>

See auditor's report.

PCC TPAC Fund	Police Interagency Special Revolving Fund	Parks Trust Fund	Horne Trust Fund	Parks Recreation Cemetery Special Projects Fund	Building Maintenance Fund	Totals
\$ 13,263	\$ 234,515	\$ 143,817	\$ 20,696	\$ 122,818	\$ 351,841	\$2,434,357
26,430	23,750	229	-	-	-	375,833
-	-	-	-	-	-	7,450
<u>\$ 39,693</u>	<u>\$ 258,265</u>	<u>\$ 144,046</u>	<u>\$ 20,696</u>	<u>\$ 122,818</u>	<u>\$ 351,841</u>	<u>\$2,817,640</u>
\$ -	\$ 15,704	\$ 23,065	\$ -	\$ 4,336	\$ -	\$ 144,171
-	48,484	-	-	47,111	-	106,595
<u>21,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>132,102</u>
<u>21,000</u>	<u>64,188</u>	<u>23,065</u>	<u>-</u>	<u>51,447</u>	<u>-</u>	<u>382,868</u>
<u>30</u>	<u>7,506</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>126,832</u>
<u>30</u>	<u>7,506</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>126,832</u>
-	186,571	-	20,696	71,371	-	900,099
18,663	-	-	-	-	351,841	535,228
-	-	120,981	-	-	-	872,613
<u>18,663</u>	<u>186,571</u>	<u>120,981</u>	<u>20,696</u>	<u>71,371</u>	<u>351,841</u>	<u>2,307,940</u>
<u>\$ 39,693</u>	<u>\$ 258,265</u>	<u>\$ 144,046</u>	<u>\$ 20,696</u>	<u>\$ 122,818</u>	<u>\$ 351,841</u>	<u>\$2,817,640</u>

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**SUB-COMBINING BALANCE SHEET**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**June 30, 2021**

	System Development Fees Fund	Parks Capital Reserve Fund	Public Safety Capital Reserve Fund	LID Construction Fund	Fire Bond Capital Construction Fund	Totals
<b>ASSETS</b>						
Cash and cash equivalents	\$ 537,772	\$ 77,596	\$ 306,206	\$ 825,817	\$ 23,045	\$1,770,436
Receivables:						
Accounts	-	-	31,431	-	-	31,431
Assessments	44,526	-	-	132,013	-	176,539
Assets available for sale	-	-	-	120,000	-	120,000
Prepaid items	34,986	-	-	-	-	34,986
<b>Total assets</b>	<b><u>\$ 617,284</u></b>	<b><u>\$ 77,596</u></b>	<b><u>\$ 337,637</u></b>	<b><u>\$1,077,830</u></b>	<b><u>\$ 23,045</u></b>	<b><u>\$2,133,392</u></b>
<b>LIABILITIES</b>						
Accounts payable and						
<b>Total liabilities</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>DEFERRED INFLOWS OF</b>						
Unavailable revenue	44,526	-	-	132,013	-	176,539
<b>Total deferred inflows of resources</b>	<b><u>44,526</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>132,013</u></b>	<b><u>-</u></b>	<b><u>176,539</u></b>
<b>FUND BALANCES (DEFICIT)</b>						
Restricted	-	-	-	-	23,045	23,045
Committed	572,758	77,596	337,637	-	-	987,991
Assigned	-	-	-	945,817	-	945,817
<b>Total fund balances</b>	<b><u>572,758</u></b>	<b><u>77,596</u></b>	<b><u>337,637</u></b>	<b><u>945,817</u></b>	<b><u>23,045</u></b>	<b><u>1,956,853</u></b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b><u>\$ 617,284</u></b>	<b><u>\$ 77,596</u></b>	<b><u>\$ 337,637</u></b>	<b><u>\$1,077,830</u></b>	<b><u>\$ 23,045</u></b>	<b><u>\$2,133,392</u></b>

See auditor's report.

**CITY OF PENDLETON, OREGON  
SUB-COMBINING BALANCE SHEET  
NON-MAJOR DEBT SERVICE FUNDS  
June 30, 2021**

	Debt Service Fund	Urban Renewal Debt Service Fund	Totals
<b>ASSETS</b>			
Cash and cash equivalents	\$ 22,894	\$ 258,890	\$ 281,784
Receivables:			
Property taxes	22,442	34,102	56,544
Total assets	\$ 45,336	\$ 292,992	\$ 338,328
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ -	\$ 111,120	\$ 111,120
Total liabilities	-	111,120	111,120
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue	19,418	29,583	49,001
Total deferred inflows of resources	19,418	29,583	49,001
<b>FUND BALANCES</b>			
Restricted	25,918	152,289	178,207
Total fund balances	25,918	152,289	178,207
Total liabilities, deferred inflows of resources, and fund balances	\$ 45,336	\$ 292,992	\$ 338,328

**CITY OF PENDLETON, OREGON  
SUB-COMBINING BALANCE SHEET  
NON-MAJOR PERMANENT TRUST FUNDS  
June 30, 2021**

	Library Permanent Trust Fund	Cemetery Perpetual Care Trust Fund	Totals
<b>ASSETS</b>			
Cash and cash equivalents	\$ 6,131	\$ 21,520	\$ 27,651
Investments	-	930,789	930,789
Receivables:			
Accounts	-	502	502
 Total assets	 <u>\$ 6,131</u>	 <u>\$ 952,811</u>	 <u>\$ 958,942</u>
 <b>FUND BALANCES</b>			
Nonspendable	\$ -	\$ 952,811	\$ 952,811
Restricted	<u>6,131</u>	<u>-</u>	<u>6,131</u>
 Total fund balances	 <u>6,131</u>	 <u>952,811</u>	 <u>958,942</u>
 Total fund balances	 <u>\$ 6,131</u>	 <u>\$ 952,811</u>	 <u>\$ 958,942</u>

See auditor's report.



**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, 2021**

	Special Revenue	Capital Projects	Debt Service	Permanent Trust	Totals
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ 1,540,836	\$ -	\$ 1,540,836
Other taxes	515,348	-	-	-	515,348
Licenses and fees	63,545	-	-	13,822	77,367
Charges for services	116,890	328,111	-	-	445,001
Intergovernmental	1,514,214	630,498	-	-	2,144,712
Assessments	-	29,524	-	-	29,524
Contributions	210,036	-	-	-	210,036
Interest on investments	22,380	8,802	2,257	128,308	161,747
Miscellaneous	4,276	30	-	-	4,306
<b>TOTAL REVENUES</b>	<u>2,446,689</u>	<u>996,965</u>	<u>1,543,093</u>	<u>142,130</u>	<u>5,128,877</u>
<b>EXPENDITURES</b>					
Current:					
General government	1,035,325	-	111,120	-	1,146,445
Public safety	148,272	-	-	-	148,272
Culture and recreation	699,890	-	-	-	699,890
Capital outlay	291,126	1,228,831	-	-	1,519,957
Debt service	79,427	170,094	2,773,770	-	3,023,291
<b>TOTAL EXPENDITURES</b>	<u>2,254,040</u>	<u>1,398,925</u>	<u>2,884,890</u>	<u>-</u>	<u>6,537,855</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>192,649</u>	<u>(401,960)</u>	<u>(1,341,797)</u>	<u>142,130</u>	<u>(1,408,978)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of property	-	538,670	-	-	538,670
Issuance of debt	-	-	1,333,625	-	1,333,625
Transfers in	144,969	40,000	-	-	184,969
Transfers out	(29,220)	-	-	(3,532)	(32,752)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>115,749</u>	<u>578,670</u>	<u>1,333,625</u>	<u>(3,532)</u>	<u>2,024,512</u>
<b>NET CHANGE IN FUND BALANCE</b>	308,398	176,710	(8,172)	138,598	615,534
<b>FUND BALANCE, Beginning</b>	<u>1,999,542</u>	<u>1,780,143</u>	<u>186,379</u>	<u>820,344</u>	<u>4,786,408</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 2,307,940</u>	<u>\$ 1,956,853</u>	<u>\$ 178,207</u>	<u>\$ 958,942</u>	<u>\$ 5,401,942</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, 2021**

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 431,762
Licenses and fees	-	4,067	-	-	-	50,664
Charges for services	-	-	-	13,679	-	98,411
Intergovernmental	12,656	582,834	-	681,850	-	17,875
Contributions	-	27,353	31,376	-	-	124,100
Interest on investments	79	3,616	8,590	4,295	19	518
Miscellaneous	-	173	-	1,833	-	1,381
<b>TOTAL REVENUES</b>	<u>12,735</u>	<u>618,043</u>	<u>39,966</u>	<u>701,657</u>	<u>19</u>	<u>724,711</u>
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	529,283	-	505,742
Public safety	-	-	-	-	-	-
Culture and recreation	-	609,929	32,522	-	-	-
Capital outlay	-	-	-	189,594	-	42,000
Debt service	-	-	-	-	-	368
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>609,929</u>	<u>32,522</u>	<u>718,877</u>	<u>-</u>	<u>548,110</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>12,735</u>	<u>8,114</u>	<u>7,444</u>	<u>(17,220)</u>	<u>19</u>	<u>176,601</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	119,930	39	15,000	-	-
Transfers out	-	(16,940)	-	-	-	(12,280)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>102,990</u>	<u>39</u>	<u>15,000</u>	<u>-</u>	<u>(12,280)</u>
<b>NET CHANGE IN FUND BALANCE</b>	12,735	111,104	7,483	(2,220)	19	164,321
<b>FUND BALANCE, Beginning</b>	<u>8,528</u>	<u>489,094</u>	<u>103,331</u>	<u>750,900</u>	<u>2,933</u>	<u>(110,411)</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 21,263</u>	<u>\$ 600,198</u>	<u>\$ 110,814</u>	<u>\$ 748,680</u>	<u>\$ 2,952</u>	<u>\$ 53,910</u>

See auditor's report.

PCC TPAC Fund	Police Interagency Special Revolving Fund	Parks Trust Fund	Home Trust Fund	Parks Recreation Cemetery Special Projects Fund	Building Maintenance Fund	Totals
\$ 83,586	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 515,348
-	-	8,814	-	-	-	63,545
-	4,800	-	-	-	-	116,890
-	134,310	-	-	84,689	-	1,514,214
-	-	3,514	-	23,693	-	210,036
37	1,645	1,044	132	191	2,214	22,380
-	889	-	-	-	-	4,276
<u>83,623</u>	<u>141,644</u>	<u>13,372</u>	<u>132</u>	<u>108,573</u>	<u>2,214</u>	<u>2,446,689</u>
-	-	-	300	-	-	1,035,325
-	148,272	-	-	-	-	148,272
-	-	-	-	57,439	-	699,890
-	-	52,985	-	6,547	-	291,126
<u>79,059</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>79,427</u>
<u>79,059</u>	<u>148,272</u>	<u>52,985</u>	<u>300</u>	<u>63,986</u>	<u>-</u>	<u>2,254,040</u>
<u>4,564</u>	<u>(6,628)</u>	<u>(39,613)</u>	<u>(168)</u>	<u>44,587</u>	<u>2,214</u>	<u>192,649</u>
-	-	-	-	10,000	-	144,969
-	-	-	-	-	-	(29,220)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>115,749</u>
4,564	(6,628)	(39,613)	(168)	54,587	2,214	308,398
<u>14,099</u>	<u>193,199</u>	<u>160,594</u>	<u>20,864</u>	<u>16,784</u>	<u>349,627</u>	<u>1,999,542</u>
<u>\$ 18,663</u>	<u>\$ 186,571</u>	<u>\$ 120,981</u>	<u>\$ 20,696</u>	<u>\$ 71,371</u>	<u>\$ 351,841</u>	<u>\$ 2,307,940</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, 2021**

	System Development Fees Fund	Parks Capital Reserve Fund	Public Safety Capital Reserve Fund	LID Construction Fund	Fire Bond Capital Construction Fund	Totals
<b>REVENUES</b>						
Charges for services	\$ 116,431	\$ -	\$ 211,680	\$ -	\$ -	\$ 328,111
Intergovernmental	-	-	-	630,498	-	630,498
Assessments	3,108	-	-	26,416	-	29,524
Interest on investments	2,620	260	1,489	1,984	2,449	8,802
Miscellaneous	-	-	-	30	-	30
<b>TOTAL REVENUES</b>	<u>122,159</u>	<u>260</u>	<u>213,169</u>	<u>658,928</u>	<u>2,449</u>	<u>996,965</u>
<b>EXPENDITURES</b>						
Capital outlay	71,747	-	116,601	630,498	409,985	1,228,831
Debt service	-	-	-	170,094	-	170,094
<b>TOTAL EXPENDITURES</b>	<u>71,747</u>	<u>-</u>	<u>116,601</u>	<u>800,592</u>	<u>409,985</u>	<u>1,398,925</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>50,412</u>	<u>260</u>	<u>96,568</u>	<u>(141,664)</u>	<u>(407,536)</u>	<u>(401,960)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Sale of property	-	200	5,500	532,970	-	538,670
Transfers in	-	40,000	-	-	-	40,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>40,200</u>	<u>5,500</u>	<u>532,970</u>	<u>-</u>	<u>578,670</u>
<b>NET CHANGE IN FUND BALANCE</b>	50,412	40,460	102,068	391,306	(407,536)	176,710
<b>FUND BALANCE, Beginning</b>	<u>522,346</u>	<u>37,136</u>	<u>235,569</u>	<u>554,511</u>	<u>430,581</u>	<u>1,780,143</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 572,758</u>	<u>\$ 77,596</u>	<u>\$ 337,637</u>	<u>\$ 945,817</u>	<u>\$ 23,045</u>	<u>\$ 1,956,853</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, 2021**

	Debt Service Fund	Urban Renewal Debt Service Fund	Totals
<b>REVENUES</b>			
Property taxes	\$ 606,268	\$ 934,568	\$ 1,540,836
Interest on investments	<u>1,189</u>	<u>1,068</u>	<u>2,257</u>
<b>TOTAL REVENUES</b>	<u>607,457</u>	<u>935,636</u>	<u>1,543,093</u>
<b>EXPENDITURES</b>			
Current:			
General government	-	111,120	111,120
Debt service	<u>599,950</u>	<u>2,173,820</u>	<u>2,773,770</u>
<b>TOTAL EXPENDITURES</b>	<u>599,950</u>	<u>2,284,940</u>	<u>2,884,890</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>7,507</u>	<u>(1,349,304)</u>	<u>(1,341,797)</u>
Issuance of debt	<u>-</u>	<u>1,333,625</u>	<u>1,333,625</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>1,333,625</u>	<u>1,333,625</u>
<b>NET CHANGE IN FUND BALANCE</b>	7,507	(15,679)	(8,172)
<b>FUND BALANCE, Beginning</b>	<u>18,411</u>	<u>167,968</u>	<u>186,379</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 25,918</u>	<u>\$ 152,289</u>	<u>\$ 178,207</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, 2021**

	Library Permanent Trust Fund	Cemetery Perpetual Care Trust Fund	Totals
<b>REVENUES</b>			
Licenses and fees	\$ -	\$ 13,822	\$ 13,822
Interest on investments	<u>39</u>	<u>128,269</u>	<u>128,308</u>
<b>TOTAL REVENUES</b>	<u>39</u>	<u>142,091</u>	<u>142,130</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(39)</u>	<u>(3,493)</u>	<u>(3,532)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(39)</u>	<u>(3,493)</u>	<u>(3,532)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	138,598	138,598
<b>FUND BALANCE, Beginning</b>	<u>6,131</u>	<u>814,213</u>	<u>820,344</u>
<b>FUND BALANCE, Ending</b>	<u><u>\$ 6,131</u></u>	<u><u>\$ 952,811</u></u>	<u><u>\$ 958,942</u></u>

See auditor's report.

**CITY OF PENDLETON, OREGON  
COMBINING BALANCE SHEET  
COMBINED GENERAL FUND  
June 30, 2021**

	General Fund	Community Rehabilitation Fund	Sidewalk Repair Fund	Totals
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,580,105	\$ 166,057	\$ 184	\$ 1,746,346
Receivables:				
Property taxes	237,649	-	-	237,649
Accounts	1,828,736	2,842	-	1,831,578
Interest	43	-	-	43
Assessments	-	-	9,651	9,651
Notes	-	49,474	-	49,474
Advances to other funds	146,102	-	-	146,102
Prepaid items	62,780	-	-	62,780
	<u>3,855,415</u>	<u>218,373</u>	<u>9,835</u>	<u>4,083,623</u>
Total assets	<u>\$ 3,855,415</u>	<u>\$ 218,373</u>	<u>\$ 9,835</u>	<u>\$ 4,083,623</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 466,427	\$ -	\$ -	\$ 466,427
Advances from other funds	-	-	14,000	14,000
	<u>466,427</u>	<u>-</u>	<u>14,000</u>	<u>480,427</u>
Total liabilities	<u>466,427</u>	<u>-</u>	<u>14,000</u>	<u>480,427</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	<u>1,306,638</u>	<u>49,474</u>	<u>9,651</u>	<u>1,365,763</u>
Total deferred inflows of resources	<u>1,306,638</u>	<u>49,474</u>	<u>9,651</u>	<u>1,365,763</u>
<b>FUND BALANCES</b>				
Nonspendable	208,882	-	-	208,882
Restricted	122,368	-	-	122,368
Committed	78,878	-	-	78,878
Assigned	-	168,899	-	168,899
Unassigned	1,672,222	-	(13,816)	1,658,406
	<u>2,082,350</u>	<u>168,899</u>	<u>(13,816)</u>	<u>2,237,433</u>
Total fund balances	<u>2,082,350</u>	<u>168,899</u>	<u>(13,816)</u>	<u>2,237,433</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,855,415</u>	<u>\$ 218,373</u>	<u>\$ 9,835</u>	<u>\$ 4,083,623</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, 2021**

	General Fund	Community Rehabilitation Fund	Sidewalk Repair Fund	Totals
<b>REVENUES</b>				
Property taxes	\$ 6,320,377	\$ -	\$ -	\$ 6,320,377
Other taxes	565,476	-	-	565,476
Franchise fees	2,658,108	-	-	2,658,108
Licenses and fees	951,098	-	-	951,098
Charges for services	1,684,131	35,437	-	1,719,568
Intergovernmental	2,399,838	81,106	-	2,480,944
Fines and forfeitures	351,085	-	-	351,085
Assessments	-	-	9,176	9,176
Loan repayments	-	5,709	-	5,709
Contributions	92,676	-	-	92,676
Interest on investments	15,076	1,534	21	16,631
Miscellaneous	172,700	15	-	172,715
<b>TOTAL REVENUES</b>	<u>15,210,565</u>	<u>123,801</u>	<u>9,197</u>	<u>15,343,563</u>
<b>EXPENDITURES</b>				
Current:				
General government	2,165,291	197,007	76	2,362,374
Public safety	9,726,397	-	-	9,726,397
Culture and recreation	1,862,257	-	-	1,862,257
Capital outlay	53,429	-	-	53,429
Debt service	722,239	-	360	722,599
<b>TOTAL EXPENDITURES</b>	<u>14,529,613</u>	<u>197,007</u>	<u>436</u>	<u>14,727,056</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>680,952</u>	<u>(73,206)</u>	<u>8,761</u>	<u>616,507</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	246,133	-	-	246,133
Transfers out	(184,930)	-	-	(184,930)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>61,203</u>	<u>-</u>	<u>-</u>	<u>61,203</u>
<b>NET CHANGE IN FUND BALANCE</b>	742,155	(73,206)	8,761	677,710
<b>FUND BALANCE (DEFICIT), Beginning</b>	<u>1,340,195</u>	<u>242,105</u>	<u>(22,577)</u>	<u>1,559,723</u>
<b>FUND BALANCE (DEFICIT), Ending</b>	<u>\$ 2,082,350</u>	<u>\$ 168,899</u>	<u>\$ (13,816)</u>	<u>\$ 2,237,433</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, 2021**

	PW Administration and Fleet Fund	Central Services Fund	Totals
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 731,300	\$ 398,444	\$ 1,129,744
Receivables:			
Accounts	58	117,080	117,138
Prepaid items	<u>12,571</u>	<u>21,611</u>	<u>34,182</u>
Total current assets	<u>743,929</u>	<u>537,135</u>	<u>1,281,064</u>
Noncurrent assets:			
Net OPEB asset	10,768	23,992	34,760
Capital assets:			
Depreciable assets, net of depreciation	<u>751,830</u>	<u>244,371</u>	<u>996,201</u>
Total noncurrent assets	<u>762,598</u>	<u>268,363</u>	<u>1,030,961</u>
Total assets	<u>1,506,527</u>	<u>805,498</u>	<u>2,312,025</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred outflows related to pension	500,852	1,115,928	1,616,780
Deferred outflows related to OPEB	<u>16,310</u>	<u>28,950</u>	<u>45,260</u>
Total deferred outflows of resources	<u>517,162</u>	<u>1,144,878</u>	<u>1,662,040</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	33,841	69,953	103,794
Deposits	-	12,959	12,959
Compensated absences payable	<u>59,545</u>	<u>124,423</u>	<u>183,968</u>
Total current liabilities	93,386	207,335	300,721
Long-term debt, net of current portion			
Other post employment benefits liability	129,483	221,769	351,252
Net pension liability	<u>1,423,462</u>	<u>3,171,570</u>	<u>4,595,032</u>
Total liabilities	<u>1,646,331</u>	<u>3,600,674</u>	<u>5,247,005</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred inflows related to pension	99,300	221,246	320,546
Deferred inflows related to OPEB	<u>19,687</u>	<u>34,591</u>	<u>54,278</u>
Total deferred inflows of resources	<u>118,987</u>	<u>255,837</u>	<u>374,824</u>
<b>NET POSITION</b>			
Net investment in capital assets	751,830	244,371	996,201
Unrestricted	<u>(493,459)</u>	<u>(2,150,506)</u>	<u>(2,643,965)</u>
Total net position	<u>\$ 258,371</u>	<u>\$ (1,906,135)</u>	<u>\$ (1,647,764)</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, 2021**

	PW Administration and Fleet Fund	Central Services Fund	Totals
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,748,779	\$ 3,620,070	\$ 5,368,849
Licenses and fees	-	25,944	25,944
Miscellaneous	50	17,750	17,800
<b>TOTAL OPERATING REVENUES</b>	<u>1,748,829</u>	<u>3,663,764</u>	<u>5,412,593</u>
<b>OPERATING EXPENSES</b>			
Personal services	1,486,205	2,827,121	4,313,326
Materials and services	251,848	1,060,355	1,312,203
Depreciation	139,253	73,729	212,982
<b>TOTAL OPERATING EXPENSES</b>	<u>1,877,306</u>	<u>3,961,205</u>	<u>5,838,511</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(128,477)</u>	<u>(297,441)</u>	<u>(425,918)</u>
<b>NON-OPERATING INCOME (EXPENSES)</b>			
Intergovernmental	-	117,626	117,626
Interest on investments	4,666	1,222	5,888
<b>TOTAL NON-OPERATING INCOME (EXPENSES)</b>	<u>4,666</u>	<u>118,848</u>	<u>123,514</u>
<b>NET INCOME (LOSS) BEFORE TRANSFERS</b>	<u>(123,811)</u>	<u>(178,593)</u>	<u>(302,404)</u>
<b>TRANSFERS</b>			
Transfers out	(38,610)	(100,300)	(138,910)
<b>TOTAL TRANSFERS</b>	<u>(38,610)</u>	<u>(100,300)</u>	<u>(138,910)</u>
<b>CHANGE IN NET POSITION</b>	(162,421)	(278,893)	(441,314)
<b>NET POSITION, Beginning</b>	<u>420,792</u>	<u>(1,627,242)</u>	<u>(1,206,450)</u>
<b>NET POSITION, Ending</b>	<u>\$ 258,371</u>	<u>\$ (1,906,135)</u>	<u>\$ (1,647,764)</u>

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**COMBINING SCHEDULE OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**For the Fiscal Year Ended June 30, 2021**

	PW Administration and Fleet Fund	Central Services Fund	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 622	\$ 47,761	\$ 48,383
Receipts from interfund services provided	1,748,779	3,620,070	5,368,849
Payments to suppliers	(688,837)	(1,835,158)	(2,523,995)
Payments to employees	(794,383)	(1,667,691)	(2,462,074)
Payments for interfund services used	(25,160)	-	(25,160)
Net cash provided from (used by) operating activities	<u>241,021</u>	<u>164,982</u>	<u>406,003</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers out	<u>(38,610)</u>	<u>(100,300)</u>	<u>(138,910)</u>
Net cash provided from (used by) non-capital financing activities	<u>(38,610)</u>	<u>(100,300)</u>	<u>(138,910)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from intergovernmental revenue	-	104,111	104,111
Acquisition of capital assets	<u>(287,558)</u>	<u>(41,639)</u>	<u>(329,197)</u>
Net cash provided from (used by) capital and related financing activities	<u>(287,558)</u>	<u>62,472</u>	<u>(225,086)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on investments	<u>4,666</u>	<u>1,222</u>	<u>5,888</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(80,481)	128,376	47,895
<b>CASH AND CASH EQUIVALENTS, Beginning</b>	<u>811,781</u>	<u>270,068</u>	<u>1,081,849</u>
<b>CASH AND CASH EQUIVALENTS, Ending</b>	<u><u>\$ 731,300</u></u>	<u><u>\$ 398,444</u></u>	<u><u>\$ 1,129,744</u></u>

**CITY OF PENDLETON, OREGON**  
**COMBINING SCHEDULE OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**For the Fiscal Year Ended June 30, 2021**

	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)	\$ (128,477)	\$ (297,441)	\$ (425,918)
Adjustments to reconcile operating income (loss) to net cash provided (used in) operating activities			
Depreciation	139,253	73,729	212,982
(Increase) decrease in assets and deferred outflows:			
Receivables	572	-	572
Prepaid Items	(2,196)	285	(1,911)
Net OPEB asset	(491)	1,986	1,495
Deferred outflows - pension	(110,603)	(129,424)	(240,027)
Deferred outflows - OPEB	(7,931)	(12,593)	(20,524)
Increase (decrease) in liabilities and deferred inflows:			
Accounts payable and accrued expenses	(64,272)	(13,133)	(77,405)
Deposits	-	4,067	4,067
Net pension liability	369,061	506,163	875,224
Compensated absences payable	7,428	11,403	18,831
Other post employment benefits liability	24,155	18,712	42,867
Deferred inflows - pension	12,673	2,262	14,935
Deferred inflows - OPEB	1,849	(1,034)	815
Net cash provided from (used by) operating activities	<u>\$ 241,021</u>	<u>\$ 164,982</u>	<u>\$ 406,003</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, 2021**

	Bail Fund	Pendleton Foundation Trust Fund	Totals
<b>ASSETS</b>			
Cash and cash equivalents	\$ 14,812	\$ 10,172	\$ 24,984
 Total assets	\$ 14,812	\$ 10,172	\$ 24,984
<b>LIABILITIES</b>			
Accounts payable	\$ 7,231	\$ -	\$ 7,231
Due to other governments	7,581	10,172	17,753
 Total liabilities	\$ 14,812	\$ 10,172	\$ 24,984

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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>EXPENDITURES AND TRANSFERS</b>				
Planning and building	\$ 800,850	\$ 800,850	\$ 702,214	\$ 98,636
Municipal court	474,100	474,100	421,289	52,811
Economic development	25,190	25,190	25,190	-
Police	5,243,400	5,294,400	5,045,356	249,044
Fire / Ambulance	5,200,500	5,220,000	5,074,109	145,891
Parks and recreation	2,572,000	2,135,500	1,866,161	269,339
Non-departmental	1,140,880	1,545,380	1,266,818	278,562
Debt service	313,600	313,600	313,406	194
Contingency	1,963,665	2,201,665	-	2,201,665
<b>TOTAL EXPENDITURES AND TRANSFERS</b>	<b>\$ 17,734,185</b>	<b>\$ 18,010,685</b>	<b>\$ 14,714,543</b>	<b>\$ 3,296,142</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
- Home Trust
- Parks Recreation Cemetery Special Projects
- Building Maintenance Fund

### 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
- Fire Bond Capital Construction
- Unmanned Aerial Systems Capital Improvement

**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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 13,425	\$ 13,425	\$ 12,656	\$ (769)
Interest on investments	405	405	79	(326)
<b>TOTAL REVENUES</b>	<u>13,830</u>	<u>13,830</u>	<u>12,735</u>	<u>(1,095)</u>
<b>EXPENDITURES</b>				
Current:				
Capital outlay	22,000	22,000	-	22,000
<b>TOTAL EXPENDITURES</b>	<u>22,000</u>	<u>22,000</u>	<u>-</u>	<u>22,000</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(8,170)</u>	<u>(8,170)</u>	<u>12,735</u>	<u>20,905</u>
<b>NET CHANGE IN FUND BALANCE</b>	(8,170)	(8,170)	12,735	20,905
<b>FUND BALANCE, Beginning</b>	<u>8,170</u>	<u>8,170</u>	<u>8,528</u>	<u>358</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,263</u>	<u>\$ 21,263</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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Licenses and fees	\$ 15,000	\$ 15,000	\$ 4,067	\$ (10,933)
Intergovernmental	550,020	550,020	582,834	32,814
Contributions	31,000	31,000	27,353	(3,647)
Interest on investments	4,000	4,000	3,616	(384)
Miscellaneous	460	460	173	(287)
<b>TOTAL REVENUES</b>	<u>600,480</u>	<u>600,480</u>	<u>618,043</u>	<u>17,563</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation:				
Personal services	460,550	460,550	434,839	25,711
Materials and services	182,530	182,530	175,090	7,440
Capital outlay	10,000	10,000	-	10,000
Contingency	476,080	476,080	-	476,080
<b>TOTAL EXPENDITURES</b>	<u>1,129,160</u>	<u>1,129,160</u>	<u>609,929</u>	<u>519,231</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(528,680)</u>	<u>(528,680)</u>	<u>8,114</u>	<u>536,794</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	119,930	119,930	119,930	-
Transfers out	(16,940)	(16,940)	(16,940)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>102,990</u>	<u>102,990</u>	<u>102,990</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(425,690)	(425,690)	111,104	536,794
<b>FUND BALANCE, Beginning</b>	<u>425,690</u>	<u>425,690</u>	<u>489,094</u>	<u>63,404</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 600,198</u>	<u>\$ 600,198</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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Contributions	\$ 31,000	\$ 31,000	\$ 31,376	\$ 376
Interest on investments	<u>7,000</u>	<u>7,000</u>	<u>8,590</u>	<u>1,590</u>
<b>TOTAL REVENUES</b>	<u>38,000</u>	<u>38,000</u>	<u>39,966</u>	<u>1,966</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation:				
Materials and services	<u>43,000</u>	<u>43,000</u>	<u>32,522</u>	<u>10,478</u>
<b>TOTAL EXPENDITURES</b>	<u>43,000</u>	<u>43,000</u>	<u>32,522</u>	<u>10,478</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(5,000)</u>	<u>(5,000)</u>	<u>7,444</u>	<u>12,444</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>175</u>	<u>175</u>	<u>39</u>	<u>(136)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>175</u>	<u>175</u>	<u>39</u>	<u>(136)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(4,825)	(4,825)	7,483	12,308
<b>FUND BALANCE, Beginning</b>	<u>88,200</u>	<u>88,200</u>	<u>103,331</u>	<u>15,131</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 83,375</u>	<u>\$ 83,375</u>	<u>\$ 110,814</u>	<u>\$ 27,439</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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Charges for services	\$ 26,000	\$ 26,000	\$ 13,679	\$ (12,321)
Intergovernmental	857,685	857,685	681,850	(175,835)
Interest on investments	10,000	10,000	4,295	(5,705)
Miscellaneous	<u>3,600</u>	<u>3,600</u>	<u>1,833</u>	<u>(1,767)</u>
<b>TOTAL REVENUES</b>	<u>897,285</u>	<u>897,285</u>	<u>701,657</u>	<u>(195,628)</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Materials and services	692,500	692,500	529,283	163,217
Capital outlay	205,000	205,000	189,594	15,406
Contingency	<u>84,785</u>	<u>84,785</u>	<u>-</u>	<u>84,785</u>
<b>TOTAL EXPENDITURES</b>	<u>982,285</u>	<u>982,285</u>	<u>718,877</u>	<u>263,408</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(85,000)</u>	<u>(85,000)</u>	<u>(17,220)</u>	<u>67,780</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(70,000)	(70,000)	(2,220)	67,780
<b>FUND BALANCE, Beginning</b>	<u>70,000</u>	<u>70,000</u>	<u>750,900</u>	<u>680,900</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 748,680</u>	<u>\$ 748,680</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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Interest on investments	\$ -	\$ -	\$ 19	\$ 19
<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>19</u>	<u>19</u>
<b>EXPENDITURES</b>				
Current:				
Materials and services	<u>2,885</u>	<u>2,885</u>	<u>-</u>	<u>2,885</u>
<b>TOTAL EXPENDITURES</b>	<u>2,885</u>	<u>2,885</u>	<u>-</u>	<u>2,885</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(2,885)</u>	<u>(2,885)</u>	<u>19</u>	<u>2,904</u>
<b>NET CHANGE IN FUND BALANCE</b>	(2,885)	(2,885)	19	2,904
<b>FUND BALANCE, Beginning</b>	<u>2,885</u>	<u>2,885</u>	<u>2,933</u>	<u>48</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,952</u>	<u>\$ 2,952</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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Charges for services	\$ -	\$ -	\$ 35,437	\$ 35,437
Intergovernmental	17,000	98,110	81,106	(17,004)
Loan repayments	5,100	5,100	5,709	609
Interest on investments	100	100	1,534	1,434
Miscellaneous	-	-	15	15
<b>TOTAL REVENUES</b>	<u>22,200</u>	<u>103,310</u>	<u>123,801</u>	<u>20,491</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Materials and services	<u>74,800</u>	<u>200,910</u>	<u>197,007</u>	<u>3,903</u>
<b>TOTAL EXPENDITURES</b>	<u>74,800</u>	<u>200,910</u>	<u>197,007</u>	<u>3,903</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(52,600)</u>	<u>(97,600)</u>	<u>(73,206)</u>	<u>24,394</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of property	36,000	36,000	-	(36,000)
Transfers out	<u>(225,000)</u>	<u>(180,000)</u>	<u>-</u>	<u>180,000</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(189,000)</u>	<u>(144,000)</u>	<u>-</u>	<u>144,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(241,600)</u>	<u>(241,600)</u>	<u>(73,206)</u>	<u>168,394</u>
<b>FUND BALANCE, Beginning</b>	<u>241,600</u>	<u>241,600</u>	<u>242,105</u>	<u>505</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 168,899</u>	<u>\$ 168,899</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)**  
**SIDEWALK REPAIR LOAN FUND**  
**(SUB-FUND OF THE GENERAL FUND)**  
**For the Fiscal Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Assessments	\$ 2,500	\$ 2,500	\$ 9,176	\$ 6,676
Interest on investments	<u>25</u>	<u>25</u>	<u>21</u>	<u>(4)</u>
<b>TOTAL REVENUES</b>	<u>2,525</u>	<u>2,525</u>	<u>9,197</u>	<u>6,672</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Materials and services	300	300	76	224
Debt service	<u>500</u>	<u>500</u>	<u>360</u>	<u>140</u>
<b>TOTAL EXPENDITURES</b>	<u>800</u>	<u>800</u>	<u>436</u>	<u>364</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,725</u>	<u>1,725</u>	<u>8,761</u>	<u>7,036</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund loan proceeds	23,275	23,275	14,000	(9,275)
Interfund loan repayment	<u>(25,000)</u>	<u>(25,000)</u>	<u>(24,000)</u>	<u>1,000</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(1,725)</u>	<u>(1,725)</u>	<u>(10,000)</u>	<u>(8,275)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	(1,239)	(1,239)
Budgetary basis adjustment	-	-	10,000	10,000
<b>FUND BALANCE (DEFICIT), Beginning</b>	<u>-</u>	<u>-</u>	<u>(22,577)</u>	<u>(22,577)</u>
<b>FUND BALANCE (DEFICIT), Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,816)</u>	<u>\$ (13,816)</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)**  
**PENDLETON CONVENTION CENTER FUND**  
**For the Fiscal Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Other taxes	\$ 570,000	\$ 490,000	\$ 431,762	\$ (58,238)
Licenses and fees	50,000	50,000	50,664	664
Charges for services	309,000	309,000	98,411	(210,589)
Intergovernmental	-	-	17,875	17,875
Contributions	-	-	124,100	124,100
Interest on investments	710	710	518	(192)
Miscellaneous	15,500	15,500	1,381	(14,119)
<b>TOTAL REVENUES</b>	<u>945,210</u>	<u>865,210</u>	<u>724,711</u>	<u>(140,499)</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Personal services	398,380	408,380	187,960	220,420
Materials and services	621,740	581,740	317,782	263,958
Capital outlay	-	-	42,000	(42,000)
Debt service	500	500	368	132
<b>TOTAL EXPENDITURES</b>	<u>1,020,620</u>	<u>990,620</u>	<u>548,110</u>	<u>442,510</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(75,410)</u>	<u>(125,410)</u>	<u>176,601</u>	<u>302,011</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund loan proceeds	190,190	190,190	3,510	(186,680)
Interfund loan repayment	(102,500)	(52,500)	(65,408)	(12,908)
Transfers out	(12,280)	(12,280)	(12,280)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>75,410</u>	<u>125,410</u>	<u>(74,178)</u>	<u>(199,588)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	102,423	102,423
Budgetary basis adjustment	-	-	61,898	61,898
<b>FUND BALANCE, Beginning</b>	<u>-</u>	<u>-</u>	<u>(110,411)</u>	<u>(110,411)</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,910</u>	<u>\$ 53,910</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)**  
**PCC TPAC FUND**  
**For the Fiscal Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Other taxes	\$ 105,750	\$ 105,750	\$ 83,586	\$ (22,164)
Interest on investments	100	100	37	(63)
<b>TOTAL REVENUES</b>	<u>105,850</u>	<u>105,850</u>	<u>83,623</u>	<u>(22,227)</u>
<b>EXPENDITURES</b>				
Debt service	<u>105,850</u>	<u>105,850</u>	<u>79,059</u>	<u>26,791</u>
<b>TOTAL EXPENDITURES</b>	<u>105,850</u>	<u>105,850</u>	<u>79,059</u>	<u>26,791</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>4,564</u>	<u>4,564</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund loan proceeds	22,750	22,750	21,000	(1,750)
Interfund loan repayment	<u>(22,750)</u>	<u>(22,750)</u>	<u>(21,000)</u>	<u>1,750</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	4,564	4,564
<b>FUND BALANCE, Beginning</b>	<u>-</u>	<u>-</u>	<u>14,099</u>	<u>14,099</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,663</u>	<u>\$ 18,663</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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Charges for services	\$ 4,800	\$ 4,800	\$ 4,800	\$ -
Intergovernmental	155,000	155,000	134,310	(20,690)
Interest on investments	500	500	1,645	1,145
Miscellaneous	100	100	889	789
<b>TOTAL REVENUES</b>	<u>160,400</u>	<u>160,400</u>	<u>141,644</u>	<u>(18,756)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety:				
Materials and services	<u>334,965</u>	<u>334,965</u>	<u>148,272</u>	<u>186,693</u>
<b>TOTAL EXPENDITURES</b>	<u>334,965</u>	<u>334,965</u>	<u>148,272</u>	<u>186,693</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(174,565)</u>	<u>(174,565)</u>	<u>(6,628)</u>	<u>167,937</u>
<b>NET CHANGE IN FUND BALANCE</b>	(174,565)	(174,565)	(6,628)	167,937
<b>FUND BALANCE, Beginning</b>	<u>174,565</u>	<u>174,565</u>	<u>193,199</u>	<u>18,634</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 186,571</u>	<u>\$ 186,571</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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Licenses and fees	\$ 2,000	\$ 2,000	\$ 8,814	\$ 6,814
Intergovernmental	-	66,000	-	(66,000)
Contributions	1,500	1,500	3,514	2,014
Interest on investments	1,500	1,500	1,044	(456)
<b>TOTAL REVENUES</b>	<u>5,000</u>	<u>71,000</u>	<u>13,372</u>	<u>(57,628)</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>50,000</u>	<u>157,000</u>	<u>52,985</u>	<u>104,015</u>
<b>TOTAL EXPENDITURES</b>	<u>50,000</u>	<u>157,000</u>	<u>52,985</u>	<u>104,015</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(45,000)</u>	<u>(86,000)</u>	<u>(39,613)</u>	<u>46,387</u>
<b>NET CHANGE IN FUND BALANCE</b>	(45,000)	(86,000)	(39,613)	46,387
<b>FUND BALANCE, Beginning</b>	<u>159,545</u>	<u>159,545</u>	<u>160,594</u>	<u>1,049</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 114,545</u>	<u>\$ 73,545</u>	<u>\$ 120,981</u>	<u>\$ 47,436</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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Interest on investments	\$ 300	\$ 300	\$ 132	\$ (168)
<b>TOTAL REVENUES</b>	<u>300</u>	<u>300</u>	<u>132</u>	<u>(168)</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Materials and services	<u>300</u>	<u>300</u>	<u>300</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>300</u>	<u>300</u>	<u>300</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>(168)</u>	<u>(168)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	(168)	(168)
<b>FUND BALANCE, Beginning</b>	<u>20,780</u>	<u>20,780</u>	<u>20,864</u>	<u>84</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 20,780</u>	<u>\$ 20,780</u>	<u>\$ 20,696</u>	<u>\$ (84)</u>

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**PARKS RECREATION CEMETERY SPECIAL PROJECTS FUND**  
**For the Fiscal Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 20,000	\$ 20,000	\$ 84,689	\$ 64,689
Contributions	240,000	240,000	23,693	(216,307)
Interest on investments	<u>1,000</u>	<u>1,000</u>	<u>191</u>	<u>(809)</u>
<b>TOTAL REVENUES</b>	<u>261,000</u>	<u>261,000</u>	<u>108,573</u>	<u>(152,427)</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation:				
Materials and services	62,000	62,000	57,439	4,561
Capital outlay	<u>200,000</u>	<u>200,000</u>	<u>6,547</u>	<u>193,453</u>
<b>TOTAL EXPENDITURES</b>	<u>262,000</u>	<u>262,000</u>	<u>63,986</u>	<u>198,014</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,000)</u>	<u>(1,000)</u>	<u>44,587</u>	<u>45,587</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(1,000)	9,000	54,587	45,587
<b>FUND BALANCE, Beginning</b>	<u>14,125</u>	<u>14,125</u>	<u>16,784</u>	<u>2,659</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 13,125</u>	<u>\$ 23,125</u>	<u>\$ 71,371</u>	<u>\$ 48,246</u>

See auditor's report.



**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**BUILDING MAINTENANCE FUND**  
**For the Fiscal Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Interest on investments	\$ 2,500	\$ 2,500	\$ 2,214	\$ (286)
<b>TOTAL REVENUES</b>	<u>2,500</u>	<u>2,500</u>	<u>2,214</u>	<u>(286)</u>
<b>EXPENDITURES</b>				
Current:				
Materials and services	10,000	10,000	-	10,000
Capital outlay	45,000	45,000	-	45,000
<b>TOTAL EXPENDITURES</b>	<u>55,000</u>	<u>55,000</u>	<u>-</u>	<u>55,000</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(52,500)</u>	<u>(52,500)</u>	<u>2,214</u>	<u>54,714</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of property	350,000	350,000	-	(350,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>350,000</u>	<u>350,000</u>	<u>-</u>	<u>(350,000)</u>
<b>NET CHANGE IN FUND BALANCE</b>	297,500	297,500	2,214	(295,286)
<b>FUND BALANCE, Beginning</b>	<u>-</u>	<u>-</u>	<u>349,627</u>	<u>349,627</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 297,500</u>	<u>\$ 297,500</u>	<u>\$ 351,841</u>	<u>\$ 54,341</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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Property taxes	\$ 590,450	\$ 590,450	\$ 606,268	\$ 15,818
Interest on investments	<u>1,500</u>	<u>1,500</u>	<u>1,189</u>	<u>(311)</u>
<b>TOTAL REVENUES</b>	<u>591,950</u>	<u>591,950</u>	<u>607,457</u>	<u>15,507</u>
<b>EXPENDITURES</b>				
Debt service	<u>599,950</u>	<u>599,950</u>	<u>599,950</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>599,950</u>	<u>599,950</u>	<u>599,950</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(8,000)</u>	<u>(8,000)</u>	<u>7,507</u>	<u>15,507</u>
<b>NET CHANGE IN FUND BALANCE</b>	(8,000)	(8,000)	7,507	15,507
<b>FUND BALANCE, Beginning</b>	<u>8,000</u>	<u>8,000</u>	<u>18,411</u>	<u>10,411</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,918</u>	<u>\$ 25,918</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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Property taxes	\$ 870,000	\$ 870,000	\$ 934,568	\$ 64,568
Interest on investments	<u>7,000</u>	<u>7,000</u>	<u>1,068</u>	<u>(5,932)</u>
<b>TOTAL REVENUES</b>	<u>877,000</u>	<u>877,000</u>	<u>935,636</u>	<u>58,636</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Materials and services	93,120	111,120	111,120	-
Debt service	<u>900,000</u>	<u>2,230,000</u>	<u>2,173,820</u>	<u>56,180</u>
<b>TOTAL EXPENDITURES</b>	<u>993,120</u>	<u>2,341,120</u>	<u>2,284,940</u>	<u>56,180</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(116,120)</u>	<u>(1,464,120)</u>	<u>(1,349,304)</u>	<u>114,816</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	<u>-</u>	<u>1,330,000</u>	<u>1,333,625</u>	<u>3,625</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>1,330,000</u>	<u>1,333,625</u>	<u>3,625</u>
<b>NET CHANGE IN FUND BALANCE</b>	(116,120)	(134,120)	(15,679)	118,441
<b>FUND BALANCE, Beginning</b>	<u>168,300</u>	<u>168,300</u>	<u>167,968</u>	<u>(332)</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 52,180</u>	<u>\$ 34,180</u>	<u>\$ 152,289</u>	<u>\$ 118,109</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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Interest on investments	\$ 175	\$ 175	\$ 39	\$ (136)
<b>TOTAL REVENUES</b>	<u>175</u>	<u>175</u>	<u>39</u>	<u>(136)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(175)	(175)	(39)	136
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(175)</u>	<u>(175)</u>	<u>(39)</u>	<u>136</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
<b>FUND BALANCE, Beginning</b>	<u>6,130</u>	<u>6,130</u>	<u>6,131</u>	<u>1</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 6,130</u>	<u>\$ 6,130</u>	<u>\$ 6,131</u>	<u>\$ 1</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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Licenses and fees	\$ 3,100	\$ 3,100	\$ 13,822	\$ 10,722
Interest on investments	<u>25,000</u>	<u>25,000</u>	<u>128,269</u>	<u>103,269</u>
<b>TOTAL REVENUES</b>	<u>28,100</u>	<u>28,100</u>	<u>142,091</u>	<u>113,991</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(25,000)</u>	<u>(25,000)</u>	<u>(3,493)</u>	<u>21,507</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(25,000)</u>	<u>(25,000)</u>	<u>(3,493)</u>	<u>21,507</u>
<b>NET CHANGE IN FUND BALANCE</b>	3,100	3,100	138,598	135,498
<b>FUND BALANCE, Beginning</b>	<u>811,000</u>	<u>811,000</u>	<u>814,213</u>	<u>3,213</u>
<b>FUND BALANCE, Ending</b>	<u><u>\$ 814,100</u></u>	<u><u>\$ 814,100</u></u>	<u><u>\$ 952,811</u></u>	<u><u>\$ 138,711</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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Charges for services	\$ 130,100	\$ 130,100	\$ 116,431	\$ (13,669)
Assessments	-	-	3,108	3,108
Interest on investments	<u>3,000</u>	<u>3,000</u>	<u>2,620</u>	<u>(380)</u>
<b>TOTAL REVENUES</b>	<u>133,100</u>	<u>133,100</u>	<u>122,159</u>	<u>(10,941)</u>
<b>EXPENDITURES</b>				
Capital outlay	700,000	700,000	71,747	628,253
Contingency	<u>55,700</u>	<u>55,700</u>	<u>-</u>	<u>55,700</u>
<b>TOTAL EXPENDITURES</b>	<u>755,700</u>	<u>755,700</u>	<u>71,747</u>	<u>683,953</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(622,600)</u>	<u>(622,600)</u>	<u>50,412</u>	<u>673,012</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>150,300</u>	<u>150,300</u>	<u>-</u>	<u>(150,300)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>150,300</u>	<u>150,300</u>	<u>-</u>	<u>(150,300)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(472,300)	(472,300)	50,412	522,712
<b>FUND BALANCE, Beginning</b>	<u>472,300</u>	<u>472,300</u>	<u>522,346</u>	<u>50,046</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 572,758</u>	<u>\$ 572,758</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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Interest on investments	\$ 500	\$ 500	\$ 260	\$ (240)
<b>TOTAL REVENUES</b>	<u>500</u>	<u>500</u>	<u>260</u>	<u>(240)</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>20,000</u>	<u>60,000</u>	<u>-</u>	<u>60,000</u>
<b>TOTAL EXPENDITURES</b>	<u>20,000</u>	<u>60,000</u>	<u>-</u>	<u>60,000</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(19,500)</u>	<u>(59,500)</u>	<u>260</u>	<u>59,760</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of property	2,500	2,500	200	(2,300)
Transfers in	<u>10,000</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>12,500</u>	<u>42,500</u>	<u>40,200</u>	<u>(2,300)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(7,000)	(17,000)	40,460	57,460
<b>FUND BALANCE, Beginning</b>	<u>41,000</u>	<u>41,000</u>	<u>37,136</u>	<u>(3,864)</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 34,000</u>	<u>\$ 24,000</u>	<u>\$ 77,596</u>	<u>\$ 53,596</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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Charges for services	\$ 185,000	\$ 185,000	\$ 211,680	\$ 26,680
Interest on investments	<u>2,500</u>	<u>2,500</u>	<u>1,489</u>	<u>(1,011)</u>
<b>TOTAL REVENUES</b>	<u>187,500</u>	<u>187,500</u>	<u>213,169</u>	<u>25,669</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>74,000</u>	<u>117,000</u>	<u>116,601</u>	<u>399</u>
<b>TOTAL EXPENDITURES</b>	<u>74,000</u>	<u>117,000</u>	<u>116,601</u>	<u>399</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>113,500</u>	<u>70,500</u>	<u>96,568</u>	<u>26,068</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of property	<u>45,000</u>	<u>45,000</u>	<u>5,500</u>	<u>(39,500)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>45,000</u>	<u>45,000</u>	<u>5,500</u>	<u>(39,500)</u>
<b>NET CHANGE IN FUND BALANCE</b>	158,500	115,500	102,068	(13,432)
<b>FUND BALANCE, Beginning</b>	<u>208,200</u>	<u>208,200</u>	<u>235,569</u>	<u>27,369</u>
<b>FUND BALANCE, Ending</b>	<u><u>\$ 366,700</u></u>	<u><u>\$ 323,700</u></u>	<u><u>\$ 337,637</u></u>	<u><u>\$ 13,937</u></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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 630,498	\$ 630,498
Assessments	72,000	72,000	26,416	(45,584)
Interest on investments	500	500	1,984	1,484
Miscellaneous	-	-	30	30
<b>TOTAL REVENUES</b>	<u>72,500</u>	<u>72,500</u>	<u>658,928</u>	<u>586,428</u>
<b>EXPENDITURES</b>				
Current:				
General Government:				
Materials and services	400	400	-	400
Capital outlay	190,000	190,000	630,498	(440,498)
Debt service	275,400	275,400	170,094	105,306
Contingency	<u>1,700</u>	<u>1,700</u>	<u>-</u>	<u>1,700</u>
<b>TOTAL EXPENDITURES</b>	<u>467,500</u>	<u>467,500</u>	<u>800,592</u>	<u>(333,092)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(395,000)</u>	<u>(395,000)</u>	<u>(141,664)</u>	<u>253,336</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of property	<u>45,000</u>	<u>45,000</u>	<u>532,970</u>	<u>487,970</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>45,000</u>	<u>45,000</u>	<u>532,970</u>	<u>487,970</u>
<b>NET CHANGE IN FUND BALANCE</b>	(350,000)	(350,000)	391,306	741,306
<b>FUND BALANCE, Beginning</b>	<u>350,000</u>	<u>350,000</u>	<u>554,511</u>	<u>204,511</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 945,817</u>	<u>\$ 945,817</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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Interest on investments	\$ -	\$ -	\$ 2,449	\$ 2,449
<b>TOTAL REVENUES</b>	-	-	2,449	2,449
<b>EXPENDITURES</b>				
Capital outlay	455,000	455,000	409,985	45,015
<b>TOTAL EXPENDITURES</b>	455,000	455,000	409,985	45,015
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(455,000)	(455,000)	(407,536)	47,464
<b>NET CHANGE IN FUND BALANCE</b>	(455,000)	(455,000)	(407,536)	47,464
<b>FUND BALANCE, Beginning</b>	455,000	455,000	430,581	(24,419)
<b>FUND BALANCE, Ending</b>	\$ -	\$ -	\$ 23,045	\$ 23,045

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**UNMANNED AERIAL SYSTEMS CAPITAL IMPROVEMENT FUND**  
**For the Fiscal Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 2,865,000	\$ 2,865,000	\$ 1,370,667	\$ (1,494,333)
<b>TOTAL REVENUES</b>	<u>2,865,000</u>	<u>2,865,000</u>	<u>1,370,667</u>	<u>(1,494,333)</u>
<b>EXPENDITURES</b>				
Capital outlay	5,730,000	5,730,000	3,159,165	2,570,835
Contingency	<u>465,000</u>	<u>465,000</u>	-	<u>465,000</u>
<b>TOTAL EXPENDITURES</b>	<u>6,195,000</u>	<u>6,195,000</u>	<u>3,159,165</u>	<u>3,035,835</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(3,330,000)</u>	<u>(3,330,000)</u>	<u>(1,788,498)</u>	<u>1,541,502</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	<u>3,330,000</u>	<u>3,330,000</u>	<u>1,609,741</u>	<u>(1,720,259)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>3,330,000</u>	<u>3,330,000</u>	<u>1,609,741</u>	<u>(1,720,259)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	(178,757)	(178,757)
<b>FUND BALANCE, Beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (178,757)</u>	<u>\$ (178,757)</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
- 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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 6,701,500	\$ 6,701,500	\$ 6,585,168	\$ (116,332)
Intergovernmental	-	-	18,449	18,449
Interest on investments	50,000	50,000	29,213	(20,787)
Miscellaneous	45,000	45,000	69,905	24,905
<b>TOTAL REVENUES</b>	<u>6,796,500</u>	<u>6,796,500</u>	<u>6,702,735</u>	<u>(93,765)</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	881,570	881,570	753,226	128,344 **
Materials and services	3,066,970	3,091,970	3,272,238	(180,268) **
Capital outlay	13,925,000	13,925,000	1,027,218	12,897,782 **
Debt service	1,203,285	1,203,285	448,943	754,342
Contingency	2,000,000	1,475,000	-	1,475,000
<b>TOTAL EXPENDITURES</b>	<u>21,076,825</u>	<u>20,576,825</u>	<u>5,501,625</u>	<u>15,075,200</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(14,280,325)</u>	<u>(13,780,325)</u>	<u>1,201,110</u>	<u>14,981,435</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of property	1,500	1,500	-	(1,500)
Issuance of debt	11,500,000	11,500,000	140,958	(11,359,042)
Transfers out	(640,960)	(1,140,960)	(1,023,860)	117,100
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>10,860,540</u>	<u>10,360,540</u>	<u>(882,902)</u>	<u>(11,243,442)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(3,419,785)</u>	<u>(3,419,785)</u>	<u>318,208</u>	<u>3,737,993</u>
<b>FUND BALANCE, Beginning</b>	<u>4,646,100</u>	<u>4,646,100</u>	<u>4,470,066</u>	<u>(176,034)</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 1,226,315</u>	<u>\$ 1,226,315</u>	<u>\$ 4,788,274</u>	<u>\$ 3,561,959</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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Interest on investments	\$ 10,000	\$ 10,000	\$ 8,026	\$ (1,974)
<b>TOTAL REVENUES</b>	<u>10,000</u>	<u>10,000</u>	<u>8,026</u>	<u>(1,974)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>10,000</u>	<u>10,000</u>	<u>8,026</u>	<u>(1,974)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>500,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>500,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	510,000	1,010,000	1,008,026	(1,974)
<b>FUND BALANCE, Beginning</b>	<u>1,263,550</u>	<u>1,263,550</u>	<u>1,267,310</u>	<u>3,760</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 1,773,550</u>	<u>\$ 2,273,550</u>	<u>\$ 2,275,336</u>	<u>\$ 1,786</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, 2021**

<b>BUDGETARY BASIS FUND BALANCE (NON-GAAP):</b>	
Water	\$ 4,788,274
Water Capital Reserve	<u>2,275,336</u>
	7,063,610
Adjustments:	
Capital assets, net of depreciation	18,459,173
Net OPEB asset	5,439
Deferred outflow of resources related to pension	252,999
Deferred outflow of resources related to OPEB	10,833
Accrued interest payable	(134,608)
Other post employment benefits liability	(88,820)
Net pension liability	(719,042)
Long-term debt	(6,898,135)
Deferred inflow of resources related to pension	(50,160)
Deferred inflow of resources related to OPEB	<u>(13,200)</u>
<b>GENERALLY ACCEPTED ACCOUNTING  PRINCIPLES BASIS (GAAP) NET POSITION</b>	<u><u>\$ 17,888,089</u></u>



**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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Charges for services	\$ 6,153,300	\$ 6,153,300	\$ 5,691,349	\$ (461,951)
Intergovernmental	200,000	200,000	-	(200,000)
Assessments	-	-	104	104
Interest on investments	10,000	10,000	9,750	(250)
Miscellaneous	1,500	1,500	3,907	2,407
<b>TOTAL REVENUES</b>	<u>6,364,800</u>	<u>6,364,800</u>	<u>5,705,110</u>	<u>(659,690)</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	792,330	792,330	698,748	93,582 **
Materials and services	2,906,625	2,931,625	3,185,885	(254,260) **
Capital outlay	3,355,000	3,355,000	1,017,296	2,337,704 **
Debt service	1,147,447	1,147,447	1,122,447	25,000
Contingency	1,500,000	1,475,000	-	1,475,000
<b>TOTAL EXPENDITURES</b>	<u>9,701,402</u>	<u>9,701,402</u>	<u>6,024,376</u>	<u>3,677,026</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(3,336,602)</u>	<u>(3,336,602)</u>	<u>(319,266)</u>	<u>3,017,336</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of property	1,000	1,000	-	(1,000)
Issuance of debt	3,000,000	3,000,000	617,434	(2,382,566)
Transfers out	(551,970)	(551,970)	(518,770)	33,200
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>2,449,030</u>	<u>2,449,030</u>	<u>98,664</u>	<u>(2,350,366)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(887,572)	(887,572)	(220,602)	666,970
<b>FUND BALANCE, Beginning</b>	<u>1,598,550</u>	<u>1,598,550</u>	<u>1,867,728</u>	<u>269,178</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 710,978</u>	<u>\$ 710,978</u>	<u>\$ 1,647,126</u>	<u>\$ 936,148</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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Interest on investments	\$ 50,000	\$ 50,000	\$ 34,387	\$ (15,613)
<b>TOTAL REVENUES</b>	<u>50,000</u>	<u>50,000</u>	<u>34,387</u>	<u>(15,613)</u>
<b>EXPENDITURES</b>				
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>50,000</u>	<u>50,000</u>	<u>34,387</u>	<u>(15,613)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	550,000	550,000	534,387	(15,613)
<b>FUND BALANCE, Beginning</b>	<u>3,578,600</u>	<u>3,578,600</u>	<u>3,601,965</u>	<u>23,365</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 4,128,600</u>	<u>\$ 4,128,600</u>	<u>\$ 4,136,352</u>	<u>\$ 7,752</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, 2021**

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

Sewer	\$ 1,647,126
Sewer Capital Reserve	<u>4,136,352</u>
	5,783,478

Adjustments:

Capital assets, net of depreciation	23,373,661
Net OPEB asset	5,056
Deferred outflow of resources related to pension	235,144
Deferred outflow of resources related to OPEB	8,855
Accrued interest payable	(244,608)
Other post employment benefits liability	(71,585)
Net pension liability	(668,301)
Long-term debt	(15,039,232)
Deferred inflow of resources related to pension	(46,620)
Deferred inflow of resources related to OPEB	<u>(10,746)</u>

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

\$ 13,325,102

**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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Charges for services	\$ 1,413,100	\$ 1,413,100	\$ 1,240,447	\$ (172,653)
Intergovernmental	11,920,000	11,920,000	5,595,637	(6,324,363)
Contributions	-	-	7,500	7,500
Interest on investments	60,000	60,000	594	(59,406)
Miscellaneous	10,000	10,000	63,929	53,929
<b>TOTAL REVENUES</b>	<u>13,403,100</u>	<u>13,403,100</u>	<u>6,908,107</u>	<u>(6,494,993)</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	751,200	751,200	685,037	66,163 **
Materials and services	1,473,550	1,608,550	1,380,048	228,502 **
Capital outlay	7,700,000	7,565,000	3,784,678	3,780,322 **
Debt service	65,260	700,260	696,664	3,596
Contingency	2,000,000	2,000,000	-	2,000,000
<b>TOTAL EXPENDITURES</b>	<u>11,990,010</u>	<u>12,625,010</u>	<u>6,546,427</u>	<u>6,078,583</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,413,090</u>	<u>778,090</u>	<u>361,680</u>	<u>(416,410)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	2,500,000	2,500,000	1,797,710	(702,290)
Interfund loan repayment	-	(2,153,250)	(2,153,250)	-
Transfers out	(17,170)	(17,170)	(17,170)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>2,482,830</u>	<u>329,580</u>	<u>(372,710)</u>	<u>(702,290)</u>
<b>NET CHANGE IN FUND BALANCE</b>	3,895,920	1,107,670	(11,030)	(1,118,700)
Budgetary basis adjustment	-	-	2,153,250	2,153,250
<b>FUND BALANCE (DEFICIT), Beginning</b>	<u>4,608,000</u>	<u>4,608,000</u>	<u>(1,928,324)</u>	<u>(6,536,324)</u>
<b>FUND BALANCE (DEFICIT), Ending</b>	<u>\$ 8,503,920</u>	<u>\$ 5,715,670</u>	213,896	<u>\$ (5,501,774)</u>
<b>RECONCILIATION TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</b>				
Capital assets, net of depreciation			17,688,436	
Net OPEB asset			5,966	
Deferred outflow of resources related to pension			277,489	
Deferred outflow of resources related to OPEB			8,675	
Net pension liability			(788,652)	
Accrued interest payable			(9,416)	
Other post employment benefits liability			(68,486)	
Long-term debt			(2,381,200)	
Deferred inflow of resources related to pension			(55,016)	
Deferred inflow of resources related to OPEB			(10,456)	
<b>NET POSITION Ending</b>			<u>\$ 14,881,236</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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)	
	Original	Final			
<b>REVENUES</b>					
Charges for services	\$ 1,686,998	\$ 1,686,998	\$ 1,748,779	\$ 61,781	
Interest on investments	10,000	10,000	4,666	(5,334)	
Miscellaneous	1,500	1,500	50	(1,450)	
<b>TOTAL REVENUES</b>	<u>1,698,498</u>	<u>1,698,498</u>	<u>1,753,495</u>	<u>54,997</u>	
<b>EXPENDITURES</b>					
Current:					
Personal services	1,282,990	1,282,990	1,197,492	85,498	**
Materials and services	255,460	255,460	251,848	3,612	**
Capital outlay	310,000	310,000	287,557	22,443	**
Contingency	200,000	200,000	-	200,000	
<b>TOTAL EXPENDITURES</b>	<u>2,048,450</u>	<u>2,048,450</u>	<u>1,736,897</u>	<u>311,553</u>	
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(349,952)</u>	<u>(349,952)</u>	<u>16,598</u>	<u>366,550</u>	
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	(38,610)	(38,610)	(38,610)	-	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(38,610)</u>	<u>(38,610)</u>	<u>(38,610)</u>	<u>-</u>	
<b>NET CHANGE IN FUND BALANCE</b>	(388,562)	(388,562)	(22,012)	366,550	
<b>FUND BALANCE, Beginning</b>	<u>622,762</u>	<u>622,762</u>	<u>672,555</u>	<u>49,793</u>	
<b>FUND BALANCE, Ending</b>	<u>\$ 234,200</u>	<u>\$ 234,200</u>	650,543	<u>\$ 416,343</u>	
<b>RECONCILIATION TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</b>					
Capital assets, net of depreciation			751,830		
Net OPEB asset			10,768		
Deferred outflow of resources related to pension			500,852		
Deferred outflow of resources related to OPEB			16,310		
Net pension liability			(1,423,462)		
Other post employment benefits liability			(129,483)		
Deferred inflow of resources related to pension			(99,300)		
Deferred inflow of resources related to OPEB			(19,687)		
<b>NET POSITION, Ending</b>			<u>\$ 258,371</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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Licenses and fees	\$ 24,700	\$ 24,700	\$ 25,944	\$ 1,244
Charges for services	3,620,070	3,620,070	3,620,070	-
Intergovernmental	93,120	111,120	117,626	6,506
Interest on investments	2,000	2,000	1,222	(778)
Miscellaneous	8,200	8,200	17,750	9,550
<b>TOTAL REVENUES</b>	<u>3,748,090</u>	<u>3,766,090</u>	<u>3,782,612</u>	<u>16,522</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	2,492,600	2,510,600	2,441,049	69,551
Materials and services	1,187,050	1,187,050	1,060,355	126,695
Capital outlay	33,000	39,000	41,638	(2,638)
Contingency	86,950	80,950	-	80,950
<b>TOTAL EXPENDITURES</b>	<u>3,799,600</u>	<u>3,817,600</u>	<u>3,543,042</u>	<u>274,558</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(51,510)</u>	<u>(51,510)</u>	<u>239,570</u>	<u>291,080</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(100,300)	(100,300)	(100,300)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(100,300)</u>	<u>(100,300)</u>	<u>(100,300)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(151,810)	(151,810)	139,270	291,080
<b>FUND BALANCE, Beginning</b>	<u>151,810</u>	<u>151,810</u>	<u>190,530</u>	<u>38,720</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>329,800</u>	<u>\$ 329,800</u>
<b>RECONCILIATION TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</b>				
Capital assets, net of depreciation			244,371	
Net OPEB asset			23,992	
Deferred outflow of resources related to pension			1,115,928	
Deferred outflow of resources related to OPEB			28,950	
Net pension liability			(3,171,570)	
Other post employment benefits liability			(221,769)	
Deferred inflow of resources related to pension			(221,246)	
Deferred inflow of resources related to OPEB			(34,591)	
<b>NET POSITION, Ending</b>			<u>\$ (1,906,135)</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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>EXPENDITURES AND TRANSFERS</b>				
City manager's office	\$ 519,600	\$ 519,600	\$ 503,047	\$ 16,553
Insurance	439,500	439,500	404,908	34,592
Mayor and City Council	48,800	48,800	37,247	11,553
PDC administration	63,600	81,600	86,482	(4,882)
Legal	354,050	354,050	353,668	382
Finance	833,350	833,350	805,608	27,742
Engineering	487,800	487,800	457,133	30,667
Facilities	760,450	760,450	691,742	68,708
Information technology	205,500	211,500	203,207	8,293
Contingency	86,950	80,950	-	80,950
	<u>3,799,600</u>	<u>3,817,600</u>	<u>3,543,042</u>	<u>274,558</u>
Total expenditures	3,799,600	3,817,600	3,543,042	274,558
Transfers	<u>100,300</u>	<u>100,300</u>	<u>100,300</u>	<u>-</u>
<b>TOTAL EXPENDITURES AND TRANSFERS</b>	<u><u>\$ 3,899,900</u></u>	<u><u>\$ 3,917,900</u></u>	<u><u>\$ 3,643,342</u></u>	<u><u>\$ 274,558</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 (NON-GAAP BUDGETARY BASIS)**  
**PENDLETON FOUNDATION TRUST FUND**  
**For the Fiscal Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Contributions	\$ 252,500	\$ 252,500	\$ 181,772	\$ (70,728)
Interest on investments	<u>2,500</u>	<u>2,500</u>	<u>90</u>	<u>(2,410)</u>
<b>TOTAL REVENUES</b>	<u>255,000</u>	<u>255,000</u>	<u>181,862</u>	<u>(73,138)</u>
<b>EXPENDITURES</b>				
Current:				
Materials and services	<u>260,000</u>	<u>260,000</u>	<u>193,475</u>	<u>66,525</u>
<b>TOTAL EXPENDITURES</b>	<u>260,000</u>	<u>260,000</u>	<u>193,475</u>	<u>66,525</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(5,000)</u>	<u>(5,000)</u>	<u>(11,613)</u>	<u>(6,613)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(5,000)	(5,000)	(11,613)	(6,613)
<b>FUND BALANCE, Beginning</b>	<u>5,000</u>	<u>5,000</u>	<u>21,785</u>	<u>16,785</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,172</u>	<u>\$ 10,172</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, 2021**

	<u>Balance</u> <u>June 30, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2021</u>
<b>Bail Fund</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 23,818	\$ -	\$ 9,006	\$ 14,812
<b>LIABILITIES AND FUND BALANCE</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 8,820	\$ -	\$ 1,589	\$ 7,231
Due to other governments	14,998	-	7,417	7,581
Total liabilities	<u>\$ 23,818</u>	<u>\$ -</u>	<u>\$ 9,006</u>	<u>\$ 14,812</u>
<b>Pendleton Foundation Trust</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 30,730	\$ 181,862	\$ 202,420	\$ 10,172
<b>LIABILITIES AND FUND BALANCE</b>				
<b>Liabilities:</b>				
Accounts payable	8,945	-	8,945	\$ -
Due to other governments	21,785	181,862	193,475	10,172
Total liabilities	<u>\$ 30,730</u>	<u>\$ 181,862</u>	<u>\$ 202,420</u>	<u>\$ 10,172</u>

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF OUTSTANDING DEBT PRINCIPAL AND INTEREST TRANSACTIONS**  
**For the fiscal year ended June 30, 2021**

	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:				
Credit Line	01/03/18	Variable	N/A	\$ 3,500,000
Banner Bank \$10mm CL	05/13/21	Variable	N/A	\$ 10,000,000
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
OR IFA K19001 Hangar Loan	06/25/19	2.25%	09/25/22	\$ 2,584,000
Total Airport Fund				
Total Enterprise Funds				

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

Debt Principal					Matured Interest Payable			
Outstanding June 30, 2020	Issued During Year	Transfers and Adjustments	Paid During Year	Outstanding June 30, 2021	Outstanding June 30, 2020	Matured During Year	Paid During Year	Outstanding June 30, 2021
\$ 8,240,000	\$ -	\$ -	\$ 290,000	\$ 7,950,000	\$ -	\$ 309,950	\$ 309,950	\$ -
564,851	-	-	46,474	518,377	-	17,332	17,332	-
4,565,000	-	-	430,000	4,135,000	-	228,433	228,433	-
300,000	1,800,000	-	2,100,000	-	-	33,234	33,234	-
-	5,334,625	-	-	5,334,625 **	-	12,586	12,586	-
463,090	-	-	106,685	356,405	-	17,616	17,616	-
533,661	-	-	21,458	512,203	-	24,335	24,335	-
577,699	-	-	50,195	527,504	-	25,040	25,040	-
<u>\$ 15,244,301</u>	<u>\$ 7,134,625</u>	<u>\$ -</u>	<u>\$ 3,044,812</u>	<u>\$ 19,334,114</u>	<u>\$ -</u>	<u>\$ 668,526</u>	<u>\$ 668,526</u>	<u>\$ -</u>
\$ 845,000	\$ -	\$ -	\$ 269,000	\$ 576,000	\$ -	\$ 38,025	\$ 38,025	\$ -
392,568	-	-	125,548	267,020	-	16,370	16,370	-
1,015,000	-	-	-	1,015,000 **	-	-	-	-
4,179,172	860,943	-	-	5,040,115 **	-	-	-	-
6,431,740	860,943	-	394,548	6,898,135	-	54,395	54,395	-
1,250,000	-	-	100,000	1,150,000	-	6,250	6,250	-
3,259,022	-	-	221,491	3,037,531	-	105,046	105,046	-
4,503,148	1,507,189	-	-	6,010,337 **	-	-	-	-
5,367,676	-	-	526,315	4,841,361	-	163,345	163,345	-
14,379,846	1,507,189	-	847,806	15,039,229	-	274,641	274,641	-
545,000	-	-	-	545,000 **	-	-	-	-
456,529	-	-	456,529	-	-	9,875	9,875	-
225,187	-	-	225,187	-	-	3,124	3,124	-
38,490	1,797,710	-	-	1,836,200 **	-	1,093	1,093	-
1,265,206	1,797,710	-	681,716	2,381,200	-	14,092	14,092	-
<u>\$ 22,076,792</u>	<u>\$ 4,165,842</u>	<u>\$ -</u>	<u>\$ 1,924,070</u>	<u>\$ 24,318,564</u>	<u>\$ -</u>	<u>\$ 343,128</u>	<u>\$ 343,128</u>	<u>\$ -</u>

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF GENERAL OBLIGATION BONDS**  
**DEBT REQUIREMENTS - GOVERNMENTAL FUNDS**  
**June 30, 2021**

Year of Maturity	General Obligation Bonds	
	Principal	Interest
2022	\$ 335,000	\$ 301,250
2023	245,000	291,200
2024	265,000	283,850
2025	290,000	275,900
2026	320,000	264,300
2027-2031	2,050,000	1,122,200
2032-2036	2,945,000	670,400
2037-2039	1,500,000	91,000
	<u>\$ 7,950,000</u>	<u>\$ 3,300,100</u>



**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF FUTURE LIMITED TAX PENSION**  
**BONDED DEBT REQUIREMENTS - GOVERNMENTAL FUNDS**  
**June 30, 2021**

Year of Maturity	Limited Tax Pension Bonds	
	Principal	Interest
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>\$ 4,135,000</u>	<u>\$ 847,927</u>

See auditor's report.

Year of Maturity	Notes Payable		Sunridge LID	
	Totals		Principal	Interest
	Principal	Interest		
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	94,776	35,768	9,328	189
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	67,854	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>\$ 1,396,112</u>	<u>357,469</u>	<u>\$ 356,405</u>	<u>\$ 26,017</u>

OR IFA Olney Project	
Principal	Interest
\$ 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>\$ 512,203</u>	<u>\$ 220,475</u>

PCC Eastside Expansion	
Principal	Interest
\$ 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
35,801	805
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
<u>\$ 527,504</u>	<u>\$ 110,977</u>

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF FUTURE NOTE PAYABLE DEBT REQUIREMENTS**  
**WATER FUND**  
**June 30, 2021**

Year of Maturity	Notes Payable Totals		Safe Drinking Water State Revolving Loan Fund			
	Principal	Interest	Principal	Interest	Principal	Interest
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>\$ 843,020</u>	<u>\$ 55,966</u>	<u>\$ 576,000</u>	<u>\$ 39,150</u>	<u>\$ 267,020</u>	<u>\$ 16,816</u>

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF FUTURE NOTE PAYABLE DEBT REQUIREMENTS**  
**SEWER FUND**  
**June 30, 2021**

Year of Maturity	Totals	
	Principal	Interest
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>\$ 4,187,531</u>	<u>\$ 530,255</u>

Year of Maturity	Clean Water State Revolving Fund			
	Principal	Interest	Principal	Interest
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>\$ 3,037,531</u>	<u>\$ 530,255</u>	<u>\$ 1,150,000</u>	<u>\$ -</u>

See auditor's report.



## **STATISTICAL SECTION**

---

**City of Pendleton**  
**Major Wastewater Accounts FY21**

ACCOUNT	TOTAL ANNUAL REVENUE FY20	% OF TOTAL ANNUAL REV FY20
DEPT OF CORRECTIONS	\$651,250	12.04%
CTUIR PUBLIC WORKS	389,707	7.21%
BRUSSELBACK PROPERTIES	131,819	2.44%
BLUE MOUNTAIN COLLEGE	124,529	2.30%
WEBB PROPERTIES	114,791	2.12%
HILL MEAT	93,579	1.73%
UMATILLA COUNTY	91,610	1.69%
WESTCOAST HOSPITALITY	88,284	1.63%
ST ANTHONY HOSPITAL	69,582	1.29%
PENDLETON SCHOOL DISTRICT	65,602	1.21%
TOTAL	\$1,820,752	33.67%
ALL OTHER CUSTOMERS	\$3,586,807	66.33%
TOTAL SEWER REVENUE	\$5,407,559	100.00%



# City of Pendleton

	Actual										Projections	
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<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	0	0	0	0	0
Enterprise Revenues:	3,736,322	3,821,177	3,906,275	3,809,996	4,043,311	4,269,318	4,796,279	5,182,008	5,627,719	5,702,506	5,873,581	6,049,789
Intergovernmental revenues:	16,547	283,499	588,030	0	0	0	0	0	5,008	0	0	0
Total Operating Revenues	3,752,869	4,104,676	4,494,305	3,809,996	4,043,311	4,270,855	4,796,279	5,182,008	5,632,727	5,702,506	5,873,581	6,049,789
<b>Operating Expenses:</b>												
Personal Services	437,313	463,542	475,763	500,801	531,925	561,963	594,146	658,213	677,736	698,748	719,710	741,301
Materials & Services	1,586,004	1,721,507	1,848,631	1,863,703	2,143,663	2,252,843	2,571,732	2,601,965	2,958,241	3,185,888	3,281,465	3,379,908
Transfers to other fund-OUT	12,730	13,000	14,680	15,610	13,190	15,290	16,870	45,340	18,320	18,770	18,870	19,436
Contingency	0	0	0	0	0	0	0	0	0	0	0	0
Total Operating Expenses	2,036,047	2,198,049	2,339,084	2,380,114	2,688,778	2,830,096	3,182,747	3,305,518	3,654,297	3,903,406	4,020,044	4,140,645
Net Operating Income	1,716,822	1,906,627	2,155,221	1,429,882	1,354,533	1,440,759	1,613,531	1,876,490	1,978,430	1,799,100	1,853,537	1,909,143
<b>Non-operating Income (Expenses):</b>												
Sale of Equipment/land	3,727	0	0	1,450	685	0	1,200	0	0	0	2,000	2,000
Other miscellaneous	0	2	1,667	0	-9,955	0	-14,550	-17,213	-19,930	-11,053	0	0
Reimbursement of expense	0	0	259	736	1,077	240	9,083	11,945	415	3,907	1,000	1,000
Investment Income	0	0	0	0	0	0	0	0	0	0	0	0
Sewer Fund	32,598	26,464	24,160	9,052	5,115	3,281	1,621	4,463	18,486	9,750	7,500	7,500
Sewer Capital Reserve Fund	4,906	25,507	31,418	37,803	36,707	46,053	51,912	58,120	53,339	31,367	35,000	35,000
Total Non-operating Income (Expense)	41,231	51,973	57,504	49,041	33,629	49,574	49,276	57,315	52,321	33,991	45,500	45,500
Net Revenues Avail. For Debt Service	1,758,053	1,958,600	2,212,725	1,478,923	1,388,162	1,490,333	1,662,807	1,933,805	2,030,750	1,833,091	1,899,037	1,954,643
<b>Senior Lien Debt Service:</b>												
OCEDD Special Public Works Fund 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	0	0	0
Sewer Refunding Bonds	742,898	744,598	740,773	744,573	744,698	743,923	865,509	0	0	0	0	0
CWSRF \$4 million, \$2 million Debt Forgive	0	0	0	0	0	0	0	107,250	106,750	106,250	105,750	105,250
CWSRF \$4,650 million	0	0	0	0	0	0	0	328,663	327,615	326,537	325,430	324,291
Total Senior Lien Debt:	742,898	744,598	740,773	744,573	744,698	743,923	865,509	435,913	434,365	432,787	431,180	429,541
Senior Debt Service Coverage Ratio	2.37	2.63	2.99	1.99	1.86	2.00	1.92	4.44	4.68	4.24	4.40	4.55
<b>Secondary Debt Service:</b>												
Interfund fund interest	0	50,000	104,875	104,625	108,750	108,250	107,750	7,762	0	0	0	0
CWSRF \$4 million, \$2 million Debt Forgive	0	239,387	321,867	321,411	331,640	330,674	329,682	0	0	0	0	0
CWSRF \$4,650 million	0	0	0	0	0	0	0	212,051	690,109	689,660	688,452	686,227
Sewer System Full Faith & Credit Bonds 2018	742,898	1,033,985	1,167,515	1,170,609	1,185,088	1,182,847	1,302,941	655,726	1,124,474	1,122,447	1,119,632	1,115,768
Total Lien Debt Service	\$1,015,155	\$924,615	\$1,045,210	\$306,314	\$203,074	\$307,486	\$359,866	\$1,278,079	\$906,277	\$710,645	\$779,405	\$838,875
Net Revenues Avail for Other purposes												
Debt Service Coverage	2.37	1.89	1.90	1.26	1.17	1.26	1.28	2.95	1.81	1.63	1.70	1.75

**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	
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>\$4,841,361</b>	<b>\$644,558</b>	<b>\$1,150,000</b>	<b>\$36,000</b>	<b>\$3,037,531</b>	<b>\$629,932</b>	<b>\$9,800,000</b>	<b>\$2,961,091</b>	<b>\$23,100,473</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>
2021	\$ 1,064,288,764	\$ 61,682,495	\$ 1,002,606,269	\$ 1,372,128,144	\$ 41,163,844	\$ 7,950,000	\$ 33,213,844
2020	\$ 1,018,970,940	\$ 55,440,427	\$ 963,530,513	\$ 1,292,942,005	\$ 38,788,260	\$ 8,240,000	\$ 30,548,260
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

Source: Umatilla County Department of Assessment and Taxation

**Representative Levy Rate - Fiscal Year 2021**  
**(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	\$ 2.6758	\$ 0.0000	\$ 0.0000	\$ 2.6758
City of Pendleton	6.1778	0.5895	0.0000	6.7673
Port of Umatilla	0.1446	0.0000	0.0000	0.1446
County Radio District	0.1597	0.0000	0.0000	0.1597
Umatilla Special Library District	0.3459	0.0000	0.0000	0.3459
Pendleton Urban Renewal	0.9619	0.0000	0.0000	0.9619
<b>Total General Government</b>	<b>10.4657</b>	<b>0.5895</b>	<b>0.0000</b>	<b>11.0552</b>
<b>Education</b>				
Intermountain ESD	0.5783	0.0000	0.0000	0.5783
Blue Mountain Community College	0.6210	0.1978	0.0000	0.8188
Pendleton School District No. 16	4.1833	2.1019	0.0000	6.2852
<b>Total Education</b>	<b>5.3826</b>	<b>2.2997</b>	<b>0.0000</b>	<b>7.6823</b>
<b>Total Tax Rate</b>	<b>\$ 15.8483</b>	<b>\$ 2.8892</b>	<b>\$ 0.0000</b>	<b>\$ 18.7375</b>

**Representative Levy Rate - Fiscal Year 2020**  
**(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	\$ 2.6938	\$ 0.0000	\$ 0.0000	\$ 2.6938
City of Pendleton	6.2193	0.6041	0.0000	6.8234
Port of Umatilla	0.1456	0.0000	0.0000	0.1456
County Radio District	0.1608	0.0000	0.0000	0.1608
Umatilla Special Library District	0.3482	0.0000	0.0000	0.3482
Pendleton Urban Renewal	0.8618	0.0000	0.0000	0.8618
<b>Total General Government</b>	<b>10.4295</b>	<b>0.6041</b>	<b>0.0000</b>	<b>11.0336</b>
<b>Education</b>				
Intermountain ESD	0.5822	0.0000	0.0000	0.5822
Blue Mountain Community College	0.6252	0.2201	0.0000	0.8453
Pendleton School District No. 16	4.2114	2.0861	0.4000	6.6975
<b>Total Education</b>	<b>5.4188</b>	<b>2.3062</b>	<b>0.4000</b>	<b>8.1250</b>
<b>Total Tax Rate</b>	<b>\$ 15.8483</b>	<b>\$ 2.9103</b>	<b>\$ 0.4000</b>	<b>\$ 19.1586</b>

(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 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>

**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>

(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 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>

(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.

## City of Pendleton, Oregon - Debt Ratios

### Fiscal Year 2021

Real Market Value	\$	1,372,128,144	
Estimated Population		17,025	
Per Capita Real Market Value	\$	80,595	
<b>Debt Information</b>		<b>Gross Direct Debt<sup>(1)</sup></b>	<b>Net Direct Debt<sup>(2)</sup></b>
City Direct Debt	\$	17,443,739	\$ 12,603,377
Overlapping Direct Debt		<u>45,624,148</u>	<u>44,102,106</u>
Total Direct Debt	\$	<u>63,067,887</u>	<u>\$ 56,705,483</u>
<b>Bonded Debt Ratios</b>			
City Direct Debt to Real Market Value		1.27%	0.92%
Total Direct Debt to Real Market Value		4.60%	4.13%
Per Capita City Direct Debt	\$	1,025	\$ 740
Per Capita Total Direct Debt	\$	3,704	\$ 3,331

### Fiscal Year 2020

Real Market Value	\$	1,292,942,005	
Estimated Population		17,020	
Per Capita Real Market Value	\$	75,966	
<b>Debt Information</b>		<b>Gross Direct Debt<sup>(1)</sup></b>	<b>Net Direct Debt<sup>(2)</sup></b>
City Direct Debt	\$	18,738,519	\$ 13,369,851
Overlapping Direct Debt		<u>47,430,074</u>	<u>45,743,373</u>
Total Direct Debt	\$	<u>66,168,593</u>	<u>\$ 59,113,224</u>
<b>Bonded Debt Ratios</b>			
City Direct Debt to Real Market Value		1.45%	1.03%
Total Direct Debt to Real Market Value		5.12%	4.57%
Per Capita City Direct Debt	\$	1,101	\$ 786
Per Capita Total Direct Debt	\$	3,888	\$ 3,473

### Fiscal Year 2019

Real Market Value	\$	1,262,493,605	
Estimated Population		16,810	
Per Capita Real Market Value	\$	75,104	
<b>Debt Information</b>		<b>Gross Direct Debt<sup>(1)</sup></b>	<b>Net Direct 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

## City of Pendleton, Oregon - Debt Ratios

### Fiscal Year 2018

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

### Fiscal Year 2017

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

### Fiscal Year 2016

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

(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



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

**Fiscal Year 2021  
City of Pendleton**

<b>Taxpayer</b>	<b>Business/Service</b>	<b>Tax</b>	<b>Assessed Value</b>	<b>Value</b>
Hill Meat Company	Food processing	\$346,644	\$19,377,130	2.07%
Atkore Acquisition Company (Centurylink)	Manufacturing	289,728	6,205,159	0.66%
Pacificorp	Utility	230,592	12,890,000	1.37%
Charter Communications	Telecommunications	168,463	9,417,000	1.00%
Keystone RV Company	Manufacturing	167,391	9,299,300	0.99%
Lumen Technologies Inc.	Telecommunications	154,670	8,646,000	0.92%
Wal-Mart	Department store	153,542	8,582,930	0.91%
Brusselback Properties LLC	Multi-Family Properties	132,601	7,076,740	0.75%
St. Anthony Hospital	Healthcare	132,293	7,347,730	0.78%
Union Pacific Railroad Co	Railroad	121,130	6,464,600	0.69%
Subtotal - ten of City's largest taxpayers			95,306,589	10.16%
All other City taxpayers			968,982,175	90.35%
Total District			\$ 1,064,288,764	100.50%

**Fiscal Year 2020  
City of Pendleton**

<b>Taxpayer</b>	<b>Business/Service</b>	<b>Tax</b>	<b>Assessed Value</b>	<b>Value</b>
Hill Meat Company	Food processing	\$218,104	\$12,258,620	1.31%
PacifiCorp	Utility	212,040	11,918,000	1.27%
Atkore Acquisition Company Q	Manufacturing	171,042	9,613,330	1.02%
Charter Communications	Telecommunications	169,783	9,542,900	1.02%
CenturyLink	Telecommunications	164,893	9,268,000	0.99%
Keystone RV Company	Manufacturing	161,286	9,042,900	0.96%
Wal-Mart	Department store	156,670	8,723,690	0.93%
St. Anthony Hospital	Healthcare	134,301	7,475,460	0.80%
Brusselback Properties LLC	Multi-Family Properties	128,070	6,870,770	0.73%
Nor West Energy 9 LLC	Energy	127,744	7,180,000	0.77%
Subtotal - ten of City's largest taxpayers			91,893,670	9.79%
All other City taxpayers			927,077,270	90.28%
Total District			\$ 1,018,970,940	100.08%

**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

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

**Fiscal Year 2018  
City of Pendleton**

<b>Taxpayer</b>	<b>Business/Service</b>	<b>Tax</b>	<b>Assessed Value</b>	<b>Percent of</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%

**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%
Total City			\$ 891,139,667	100.00%

Source: Umatilla County Department of Assessment and Taxation

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

**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%
Total City			\$ 857,971,207	100.00%

**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%
Total City			\$ 827,546,238	100.00%

**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%

Source: Umatilla County Department of Assessment and Taxation

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

Fiscal Year	Percent Collected as of Levy Year <sup>(2)</sup>	6/30/2021 <sup>(3)</sup>
2021	97.20%	97.20%
2020	95.00%	95.00%
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%

(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 shown in the column represents taxes collected cumulatively from July 1 of a given levy year through June 30, 2021.

Source: Umatilla County Department of Assessment and Taxation

**Ending Fiscal Year 2021  
City of Pendleton**

<b>Debt Obligation</b>	<b>Totals</b>
<b>General Obligation Bonds</b>	
Total G O Bonds	\$7,950,000
<b>Limited Tax Pension Bonds</b>	
Series 2005	\$4,135,000
<b>Full Faith and Credit Bonds</b>	
Series 2018 - Police Bldg	\$518,377
<b>Notes Payable</b>	
Sunridge LID/Banner Bank	\$356,405
PCC Eastside Expansion/Banner Bank	527,504
OR IFA Olney Project #L14004	512,203
Total Notes Payable	\$1,396,112
Total General Government Debt Obligations	\$13,999,489



## **ACCOMPANYING INFORMATION**

---



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

110 SE First Street  
Pox 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, 2021 and have issued our report thereon dated March 23, 2022. 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	
Interfund loan repayment	<u>\$ 12,908</u>
L.I.D Construction	
L.I.D Construction Operations	<u>\$ 440,098</u>
Central Services Fund	
PDC Administration	<u>\$ 4,882</u>

The City prepared a supplemental budget during the year for the Community Development Fund and reallocated transfers to other expenses. The transfers were also budgeted as resources in the General Fund, which was not adjusted causing the amount budgeted for transfers to be out of balance.

In our review of the System Development Chard Fund, there were expenses outside of the approved capital plan that were originally charged to the fund but moved to the Street Fund after they were found to be unallowed SDC costs.

Under the covenants section of the Banner Bank Eastside Financing loan, TPAC Fund revenues are required to be at least 115% of annual debt service. Due to COVID related travel reductions, the debt service fund ratio was 111%. The lender has been notified of the issue and plan of action.

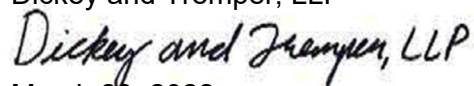
**OAR 162-10-0230 Internal Control**

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



March 23, 2022



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

110 SE First Street  
Pox 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**

March 23, 2022

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, 2021 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 March 23, 2022

**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.

Our consideration of internal control was for the limited purpose described in the preceding 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 that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2021-001, 2021-002, and 2021-003 to be material weaknesses.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2021-004 to be a significant deficiency.

### **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**  
**March 23, 2022**



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

110 SE First Street  
Pox 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, 2021. 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 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 identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs and passenger facility charges program for the year ended June 30, 2021.

### **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 2021-007. Our opinion on the PFC program was not modified with respect to this matter.

The City's response to the noncompliance 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 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 identify certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2021-005 and 2021-006 that we consider to be significant deficiencies.

The City's response to the internal control over compliance 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 compliance and, accordingly, we express no opinion on the response.

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**

**CITY OF PENDLETON, OREGON**  
**NOTES TO SCHEDULE OF EXPENDITURES OF**  
**FEDERAL AWARDS**  
**For the Fiscal Year Ended June 30, 2021**

**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, 2021. 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 \$1,062,801 in the 2021 fiscal year, of which, \$87,917 was from federal sources. Reimbursement of some of the costs was not requested until after year end and there was \$203,262 remaining to be reimbursed at June 30, 2021. Total reimbursements received during the year included \$135,611 reimbursement of prior year expenditures. The City has the following net activity on loan balances payable as of June 30, 2021, of which, at least a portion are Federal funds.

Loan Description	Loans Payable At 6/30/20	Loans Issued	Loans (Repaid)	Loans Payable At 6/30/21
Safe Drinking Water State Revolving Loan Fund	\$ 6,431,740	\$ 860,943	\$ (394,548)	\$ 6,898,135
Clean Water State Revolving Loan Fund	4,509,022	-	(321,491)	4,187,531

**City of Pendleton, Oregon**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2021**

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 COMMERCE</b>				
Direct Program:				
Economic Development Cluster:				
Investments for Public Works and Economic Development	11.300	07-01-47473	** \$ 1,568,576	\$ -
Total U.S. Department of Commerce / Economic Development Cluster			<u>1,568,576</u>	<u>-</u>
<b>DEPARTMENT OF TRANSPORTATION</b>				
Direct Program:				
Airport Improvement Program	20.106	DOT-FA19NM-0045	724,124	-
Airport Improvement Program	20.106	DOT-FA21NW-00253	28,545	-
Airport Improvement Program - COVID-19	20.106	COVID-19	4,866,927	-
		Sub-total CFDA 20.106	** <u>5,619,596</u>	<u>-</u>
Passed through Oregon Dept of Transportation - Transit Division:				
Formula Grants for Other Than Urbanized Areas	20.509	33408	66,219	-
Formula Grants for Other Than Urbanized Areas - COVID-19	20.509	34841	126,329	-
		Sub-total CFDA 20.509	<u>192,548</u>	<u>-</u>
Transit Services Program Cluster:				
Enhanced Mobility of Seniors and Individuals With Disabilities	20.513	33554 & 34318	126,594	-
Total U.S. Department of Transportation			<u>5,938,738</u>	<u>-</u>
<b>DEPARTMENT OF JUSTICE</b>				
Direct Program:				
Bulletproof Vest Partnership Grant	16.607	J56250336	2,266	-
Total U.S. Department of Justice			<u>2,266</u>	<u>-</u>
<b>DEPARTMENT OF TREASURY</b>				
Passed through State of Oregon Department of Admin Services				
Coronavirus Relief Fund	21.019	COVID-19	414,483	-
Total Department of Treasury			<u>414,483</u>	<u>-</u>
<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	131,161	62,354
Total Executive Office of the President			<u>131,161</u>	<u>62,354</u>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
Direct Program:				
Public Health and Social Services Emergency Fund for Provider Relief	93.498	COVID-19	34,830	-
Total Department of Health and Human Services			<u>34,830</u>	<u>-</u>
<b>DEPARTMENT OF HOMELAND SECURITY</b>				
<b>FEDERAL EMERGENCY MANAGEMENT</b>				
Direct Program:				
Assistance to Firefighters Grant	97.044	EMW-2017-FO-04432	67,509	-
Flood Mitigation Assistance	97.029	N/A	41,849	-
Total Department of Homeland Security			<u>109,358</u>	<u>-</u>
<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	87,917	-
Total Environmental Protection Agency			<u>87,917</u>	<u>-</u>
<b>TOTAL FEDERAL EXPENDITURES</b>			<u>\$ 8,287,329</u>	<u>\$ 62,354</u>

\*\* Signifies major program

See auditor's report.



**CITY OF PENDLETON, OREGON  
SCHEDULE OF PASSENGER FACILITY CHARGE  
RECEIPTS AND DISBURSEMENTS  
For The Fiscal Year Ended June 30, 2021**

	Quarter Ended				Year Ended June 30, 2021
	September 30, 2020	December 31, 2020	March 31, 2021	June 30, 2021	
Passenger facility charge revenues received	\$ 4,429	\$ 1,579	\$ 4,574	\$ 4,229	\$ 14,811
Interest received	-	-	-	-	-
Total passenger facility charge receipts	4,429	1,579	4,574	4,229	14,811
Disbursements applied:					
Application 18-03-C-00-PDT	4,429	1,579	4,574	4,229	14,811
Net increase (decrease) in cash	-	-	-	-	-
Cash balance, beginning	-	-	-	-	-
Cash balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The City is collectiong PFC's in arrears. All receipts are applied to past disbursements as received.  
There are errors in the PFC system not allowing disbursements to be fully applied and the City is working to get it resolved.

**CITY OF PENDLETON, OREGON**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**For The Fiscal Year Ended June 30, 2021**

**PRIOR YEAR FINDINGS – FINANCIAL STATEMENTS AUDIT**

Material Weakness

2020-001

*Condition and criteria:* A prior period adjustment was required to record an old contractor invoice from the 2019 overlay of about \$180,000. It appears that the original invoice was received in August 2019, but had some questions on quantities and the invoice did not get forwarded to finance for payment and fell through the cracks. There were additional invoices for July work coming to a total of about \$645,000, which also did not get paid until the contractor asked in April 2020.

*Cause:* The original invoice did not get forwarded to finance for payment and public works did not monitor that the payments have been accrued or paid for the year. The contractor changed hands and names a couple of times, which contributed to the issue and they did not notice until later either. There was also a delay in the current year and additional accounts payable were recorded for patching work performed in June 2020 but not invoiced until the end of September.

*Effect:* A material adjustment was required to restate the beginning balances and reflect that additional expenditures should have been recorded in the prior year.

*Auditor's recommendation:* The balances and expenditures through June 30, 2020 have been corrected, but we recommend that public works monitor that payments for construction invoices are properly forwarded to finance for payment and work closely with finance on unusual matters.

*Current status:* Management agrees with the auditor and has instituted a review for monitoring construction projects that have outstanding contractor punch list items which keep the project from closing out timely. PW clerical and the Director are overseeing the outstanding contractors and reminding appropriate supervisors when projects are outstanding for a period of time. The condition was corrected during the year.

2020-002

*Condition and criteria:* The City must have control processes in place to properly identify and report allowable costs for the Clean Water Revolving Loan Fund (CWRLF) and Safe Drinking Water Revolving Loan Fund (SDWRLF) projects. The process requesting reimbursements did not include reconciliation to the general ledger and was based mainly on submitted invoices, which included some costs not eligible for reimbursement. The main issues included claiming reimbursement for retainage not yet paid, an error in claiming reimbursements on the contractor invoices prior to the application of credits for stored materials, and other minor items. For the CWRLF program and it was found that there was \$28,335 in items requested

in error and an additional \$56,147 in requests related to retainage, which should not be requested until paid. In all, there was \$84,482 too much in loan funds requested for 2020. For the SDWRLF it was found that there was \$134,207 in loan funds requested in excess of allowable costs.

*Cause:* There were changes in personnel on the project and a consultant was hired to perform construction engineering management and to submit the requests for reimbursement to the State. It also appears that there was a lack of communication with finance and that reviews performed by management were not adequate to catch the errors.

*Effect:* The draws are already recorded as loans payable, so no adjustment is considered necessary for the financial statements, but a control issue is reported. In addition, the City will need to continue to work with the State to reduce future loan monies by the excess amount received.

*Auditor's recommendation:* We recommend that additional reviews and procedures be put in place to ensure costs are properly requested for reimbursement. These procedures should include reconciliation to the expenditures recorded in the accounting system, explanations and consultation for unusual items, preparation of a detailed list of items claimed for each reimbursement request, additional training on reimbursable costs, and enhanced reviews by management.

*Current status:* Management put in additional review time and separated out contractor review and engineering review assignments so that Finance staff members can focus in one area each and have continuity for the review. Contract help was not continued in the management system. PW Director took a greater role in the review of the overall project. Reimbursement for retainage not yet paid was claimed for the first part of the year until pointed out during the prior year audit. Amounts were paid back through reduction of future draws by year end for the Sewer fund and shortly after year end for the Water fund. The condition was corrected during the year.

## **PRIOR YEAR FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

### **ENVIRONMENTAL PROTECTION AGENCY**

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

##### **Compliance and Material Weakness – Allowable Costs**

2020-003

*Condition and criteria:* The City must have control processes in place to properly identify and report allowable costs for the Safe Drinking Water Revolving Loan Fund (SDWRLF) program. The process requesting reimbursements did not include reconciliation to the general ledger and was based mainly on submitted invoices, which included some costs not eligible for reimbursement. The main difference is due to contractor credits for materials on hand paid for early on in the project, which were not properly applied against the invoices when requesting reimbursement. There were also claims for retainage and materials on hand, which should not have

been claimed until they were used/paid. However, they were used/paid by year end and other than how the credits were applied resulted in mainly a timing difference. For the SDWRLF it was found that there was \$134,207 in loan funds requested in excess of allowable costs, of which, \$87,916 related to the federal portion of the program.

*Cause:* There were changes in personnel on the project and a consultant was hired to perform construction engineering management and to submit the requests for reimbursement to the State. It also appears that there was a lack of communication with finance and that reviews performed by management were not adequate to catch the errors.

*Context and Effect:* There were 13 draw down requests related to the project for the current fiscal year and we performed tests of 100% of the requests and related support. There were errors in allowable costs related to the contractor credits for two requests, stored materials and retainage requested on several requests, and other minor items on three other claims for reimbursement. Costs of \$134,207 were determined to be questioned costs, of which, \$87,916 related to the federal portion of the project.

*Auditor's recommendation:* We recommend that additional reviews and procedures be put in place to ensure costs are properly requested for reimbursement. These procedures should include reconciliation to the expenditures recorded in the accounting system, explanations and consultation for unusual items, preparation of a detailed list of items claimed for each reimbursement request, additional training on reimbursable costs, and enhanced reviews by management.

*Current status:* Management put in additional review time and separated out contractor review and engineering review assignments so that Finance staff members can focus in one area each and have continuity for the review. Contract help was not continued in the management system. PW Director took a greater role in the review of the overall project. Reimbursement for retainage not yet paid was claimed for the first part of the year until pointed out during the prior year audit. Amounts were paid back through reduction of future draws by year end for the Sewer fund and shortly after year end for the Water fund. The condition was corrected during the year.

## **PRIOR YEAR FINDINGS AND QUESTIONED COSTS – PASSENGER FACILITY CHARGE (PFC) PROGRAM AUDIT**

Type of Finding: Noncompliance – Reporting

2020-004

*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 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 receipts and disbursements were outside the required reporting window for the entire year.

Airlines are also required to submit PFC payments to the City's airport by the end of the following month after they are collected from passengers and most of the receipts from the City's main air carrier were not received within the required time frame.

*Cause:* The Airport has processes in place to report the revenues and expenditures in SOAR but fell behind on reporting in the SOAR system and monitoring the air carrier due to increased activity and workload at the airport.

*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. We also recommend that the Airport work with Boutique Airlines to ensure that PFC payments and reporting are timely in the future.

*Current status:* Management agrees with the findings and has instituted billing the major carriers for PFC's in Tyler financial systems. Management has also communicated with Boutique Airlines. There was some improvement in the collection and reporting of PFC activity. However, the PFC reporting was accrual basis for the first part of the year and sporadic for the last part of the year, Boutique has been late in making and reporting some payments, and the airport has been late on reporting some receipts and disbursements to the FAA, which is reported as part of a new finding 2021-007.

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For The Fiscal Year Ended June 30, 2021**

**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 Three material weaknesses and one significant deficiency were 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 weakness and two 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:

Investment for Public Works and Economic Development	CFDA # 11.300
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 2021-007.

## SECTION II - FINDINGS – FINANCIAL STATEMENTS AUDIT

### Material Weakness

2021-001

*Condition and criteria:* Controls should be in place to ensure the accounting and reporting of activity and balances for grant and loan projects with multiply funding sources and requirements. There were corrections required to correct the receivable balance, reclassify revenue received after the 35 day measurable and available period to deferred inflows, record an interfund loan due to negative cash, and to correct the allocation of loan proceeds received to the appropriate funds.

*Cause:* This was a new project with both loan and grant funding streams and there were complications in recording the loan revenue between funds because of prior year overages that were required to reduce the current year drawdowns. There were changes in personnel on the water and sewer loan portion of the project and a new consultant was hired to perform grant administration. It also appears that there was a lack of communication with finance and that reviews performed by management were not adequate to catch the errors.

*Effect:* There were material adjustments required to correct the reporting of the activity for the EDA grant and water and sewer loans.

*Auditor's recommendation:* We recommend that additional reviews and procedures be put in place to monitor the recording of loan revenues between funds during the year, monitoring cash flow requirements, and providing additional information to finance at year end to perform the annual accrual adjustments and reconciliation.

*Management's response:* City staff will review consultant's reimbursement requests prior to submitting to EDA. When grant funds are received, there will be additional communication to ensure these dollars are being coded to the correct fund and project codes. Year-end reconciliation of expenditures and revenues will be done to ensure expenditures and revenues are where they belong.

2021-002

*Condition and criteria:* The City must have control processes in place to record all significant accounts and notes receivable. The Pendleton Development Commission (Blended Component Unit) had several new projects and grants including the Housing Loan Program and a grant to reimburse the costs for the electric vehicle charging station. The costs were incurred on these projects but the information to accrue the related account and notes receivables was not communicated with Finance and a material adjustment was required to accrue the receivable into the correct fiscal year.

*Cause:* It also appears that there was a lack of communication with finance and that reviews performed by management were not adequate to catch the errors. In addition, the grant reimbursement request had not yet been received to help notify that an accrual was needed.

*Effect:* A material adjustment was required to accrue the account and notes receivable into the correct fiscal year.

*Auditor's recommendation:* We recommend that additional reviews and procedures be put in place to ensure costs are properly requested for reimbursement. These procedures should include reconciliation to the expenditures recorded in the accounting system, explanations and consultation for unusual items, preparation of a detailed list of items claimed for each reimbursement request, additional training on reimbursable costs, and enhanced reviews by management.

We recommend that additional reviews and procedures be put in place to monitor and communicate new projects and programs and that grant reimbursement request be done more timely with a copy of the request provided to finance. In addition, we recommend that copies of new loan agreements for the Housing Loan Program be provided to finance so the receivable balance can be established.

*Management's response:* The City and Urban Renewal Assistant Director will have better communication and a defined workflow to help ensure projects and programs with grant reimbursement requests are done timely. Communication to the Finance Department for the total scope of the project will be initiated at the beginning of the project. Additional reviews and procedures will be put in place to monitor and communicate new projects and programs.

2021-003

*Condition and criteria:* System Development Charges are allowed to be expended on capacity increasing capital improvements identified in capital improvement plans, public facilities plan, master plan, or comparable plan that list the improvements to be funded, estimated costs, timing, etc. The City is required to have systems in place to ensure that only allowable costs are charged to restricted funds. There were costs from the Pendleton Heights project originally paid out of the SDC fund that were found to be non-allowable SDC costs and an adjustment was required to reclassify the expenditures to the Street fund.

*Cause:* The cause appears to be an oversight and lack of understanding of the Oregon Revised Statutes that govern the expending of System Development Charges.

*Effect:* A material adjustment was required to reclassify the expenditures to the appropriate fund and an item was reported on compliance in the Independent Auditor's Report Required by Oregon State Regulations.

*Auditor's recommendation:* We recommend that additional reviews and procedures be put in place to ensure costs charged against restricted funding sources are allowable costs and that management review the ORS 223.307 and related sections before expending additional SDC funds.

*Management's response:* Finance, City Manager, Public Works, Community Development and Legal Counsel will have a meeting to review these criteria and address this issue before expending additional SDC funds. Additional reviews and procedures will be put into place to ensure costs charged against this fund are allowable costs.

Significant Deficiency

2021-004



*Condition and criteria:* Controls should be in place to capture all capital asset activity and to properly record the activity in the capital asset records and between funds. There were several large expenses paid for out of repairs and maintenance type accounts that were capital improvements, but were originally excluded from capital assets since they did not go through the capital outlay expense accounts. In addition, there were changes to capital assets to allocate the UAS test range and utility improvements to the appropriate funds.

*Cause:* It appears that there was a lack of communication with finance and that reviews performed by management were not adequate to catch the errors. In addition, many departments are coding their own expenses and additional training may need to be provided on the posting of capital versus operating type expenses.

*Effect:* There were adjustments required in several funds to properly report the capital asset activity and corrections needed to the depreciation and other schedules prepared by management.

*Auditor's recommendation:* We recommend trying to record capital items as capital outlay more consistently, adding a process to review the repairs and maintenance accounts for additional items, and working with Public Works closer to identify completed projects and allocating assets between multiple funding sources.

*Management's response:* City will work with all staff responsible for entering payment requests into their accounting system to ensure they understand what qualifies as a capital expense and where to code those expenditures. Also, a review of all repair and maintenance accounts as well as a yearly review of expenditures above the capital threshold will be completed and corrections made if necessary.

### **SECTION III - FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

US DEPARTMENT OF COMMERCE

Investments for Public Works and Economic Development

Significant Deficiency

2021-005

*Condition and criteria:* The City is required to file semi-annual Federal Financial Reports for the Economic Development Administration grant and the reports are due within 30 days of the end of the period. The report for the period ended March 3, 2021 was filed June 14, 2021 and past the April 30, 2021 deadline. In addition, the reports filed did not include the expenditures incurred during the period.

*Cause:* This is a new program at the City and the City hired a contract administrator to assist on the program, who is still working through some of the requirements with the EDA. It also appears that reviews performed by management were not adequate to catch the errors.

*Context and Effect:* There were two SF425 Federal Financial Reports related to the project for the current fiscal year and we performed tests of 100% of the reports and support. One

report was filed on time and the other was filed about 2 months late. In addition, costs had been incurred and paid but there were no expenditures to date included in the reports.

*Auditor's recommendation:* We recommend that additional reviews and procedures be put in place to make sure reports are filed timely and with complete information. Reconciliation to the accounting system should also be performed along with each report.

*Management's response:* The City will be in constant communication with GEODC and meet on a quarterly basis with all grant administrators to ensure reporting is being done timely and accurately. Any discrepancies found will be addressed prior to reporting deadlines.

## US DEPARTMENT OF TRANSPORTATION

### Airport Improvement Program – CARES Act

#### Significant Deficiency

2021-006

*Condition and criteria:* Internal control procedures should be in place to identify allowable costs for reimbursement, which include secondary review processes to verify the costs and reporting procedures. The airport is allowed to submit payroll costs for reimbursement as part of the CARES Act program. To maintain privacy, there has not been a secondary review process on this portion of the expenses claimed and there were errors found in the amounts claimed for April 2021 and January 2021. In addition, the claims excluded payroll taxes and benefits for the first four months of the fiscal year.

*Cause:* The Airport was attempting to maintain privacy of employee payroll records and excluded these costs from the normal review process.

*Context and Effect:* We reviewed the support and reconciliation for all twelve months claimed for reimbursement and found minor errors in January and April and additional allowable costs in other months, which management chose not to claim for reimbursement.

*Auditor's recommendation:* We recommend a secondary review and double checks of amounts claimed in the future.

*Management's response:* City has instituted additional reviews and procedures for reimbursement requests related to the CARES Act program. Prior to submission for reimbursement, Finance will review requests. Prior, the department created the requests and submitted without review from Finance. Any discrepancies found during review will be addressed prior to submittal for reimbursement.

## **SECTION IV - FINDINGS AND QUESTIONED COSTS – PASSENGER FACILITY CHARGE (PFC) PROGRAM AUDIT**

Type of Finding: Noncompliance – Reporting

2021-007

*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 PFC reporting to the FAA is required to be on the cash basis, but was accrual basis for part of the year and sporadic for the last part of the year. There was improvement in reporting and making payments, but the air carrier has still been late in making and reporting payments, and the airport has been late on reporting receipts and disbursements to the FAA.

*Cause:* The Airport has processes in place to report the revenues and expenditures in SOAR but fell behind on reporting in the SOAR system and monitoring the air carrier due to increased activity and workload at the airport.

*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. We also recommend that the Airport work with Boutique Airlines to ensure that PFC payments and reporting are timely in the future.

*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 and is working with Boutique Airlines on the timing of payments.

