

**CITY OF PENDLETON, OREGON**

**ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2020**





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**ANNUAL FINANCIAL REPORT**  
For the fiscal year ended June 30, 2020

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**CITY OF PENDLETON, OREGON  
OFFICIALS OF THE CITY  
AS OF JUNE 30, 2020**

**MAYOR AND CITY COUNCIL**

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

**CITY STAFF**

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

**CITY ADDRESS**

Administrative Offices  
500 SW Dorion Avenue  
Pendleton, Oregon 97801



## **FINANCIAL SECTION**

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

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Pox Box 1533  
Pendleton, OR 97801  
Phone: (541) 276-6862  
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## **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, 2020, 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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General and Street Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

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

### *Other Information*

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

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

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

The 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 February 24, 2021, 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 February 24, 2021, 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.



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

**Pendleton, OR**  
**February 24, 2021**



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

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## 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, 2020. 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 \$441,347 or three percent. Property taxes increased by 4% for the general purpose property tax. Capital grants and contributions increased by over \$202,000.
- Business-type activities revenue increased by \$8,393,758. Charges for Services increased by \$751,402 with UAS range rents over \$150,000. Capital Grants and Contributions went up at the Airport by over \$5.8 million as FAA Airport Improvement projects continued. Expenditures increased overall by a total of \$1,102,271, or 10 percent for the year. Water, Sewer and Airport funds all showed increases in expenditures.
- The unassigned fund balance for the combined General Fund was \$567,741 and the total fund balance was \$1,559,724 or approximately 11% of total general fund expenditures & transfers out. The ending fund balance decreased by 12% from the previous year.
- The City's governmental activities total debt decreased by \$1,557,126 or 9% over FY2019-20. The largest governmental debt is the general obligation bond issue for the construction of a new fire station for just over \$9 million, approved in 2017. The PERS limited tax pension obligation bonds remain with \$4.56 million left.
- Enterprise fund debt increased to a total of \$4.56 million. The City has two current open loans with the State of Oregon for water and sewer infrastructure. Drawdowns on the State debt in FY20 totaled approximately \$5.77 million.
- The Sewer fund provided funding for the investment in utility infrastructure for the sewer collection line replacement on SE 4<sup>th</sup> for \$1,831,126 along with the 28<sup>th</sup> Street sewer lift station for \$1,124,065. Flood repair from the late winter Umatilla River flood cost \$1.9 million with FEMA grants being initiated. Water Fund also contributed for the UAS South Industrial Park utility improvement up at the Airport for \$1,329,937.
- The Airport fund was awarded a large CARES ACT grant in the late spring and started drawdowns of the grant for a total of \$460,372. This included operational expenses.
- The COVID pandemic decreased revenues from Parks and Recreation and decreased revenues for lodging taxes for the General Fund and the Convention Center. The aquatic center did not open for the summer of 2020. COVID relief payments from the federal government assisted the Airport fund and a few other funds with immaterial relief.

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

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

- **Proprietary Funds.** The City maintains 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 31-36 of this report.

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

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

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

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. They are an integral part of the financial statements and should be read in conjunction with them. The notes to the financial statements can be found on pages 39-79 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 \$67,326,152 at the close of the FY2019-20 year. Restricted net assets in the governmental funds include \$186,379 for debt service, \$122,368 for environmental remediation \$8,528 street tax monies reserved for street operations and construction, \$719,943 for program services and grants, \$440,149 for urban renewal, \$6,131 for library services and \$814,214 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 \$67,449,613 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**

	FY 2018-19	FY 2019-20	Change
<b>Governmental Activities</b>			
<b>Assets</b>			
Current and other assets	\$14,129,141	\$12,096,272	(\$2,032,869)
Capital assets	\$46,418,846	\$44,536,819	(1,882,027)
Total assets	\$60,547,987	\$56,633,091	(3,914,896)
<b>Deferred Outflow of Resources</b>	\$4,563,805	\$5,454,608	\$890,803
<b>Liabilities</b>			
Long-term liabilities outstanding	\$30,731,793	\$32,129,114	\$1,397,321
Other liabilities	2,507,581	1,269,154	(1,238,427)
Total liabilities	\$33,239,374	\$33,398,268	158,894
<b>Deferred Inflow of Resources</b>	\$1,551,180	\$1,370,156	-\$181,024
<b>Net Position</b>			
Invested in capital assets, net of related debt	\$35,022,601	\$33,737,217	(\$1,285,384)
Restricted	2,706,123	2,297,712	(408,411)
Unrestricted (deficit)	(7,407,486)	(8,715,654)	(1,308,168)
<b>Total Net Position</b>	\$30,321,238	\$27,319,275	(\$3,001,963)

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

	<u>FY 2018-19</u>	<u>FY 2019-20</u>	<u>Change</u>
<b>Assets</b>			
Current and other assets	\$8,183,028	\$15,056,729	\$6,873,701
Capital assets	44,104,702	55,789,188	11,684,486
Total assets	<u>\$52,287,730</u>	<u>\$70,845,917</u>	<u>\$18,558,187</u>
<b>Deferred Outflow of Resources</b>	<u>\$759,878</u>	<u>\$1,121,568</u>	<u>\$361,690</u>
<b>Liabilities</b>			
Long-term liabilities outstanding	\$19,837,636	\$25,532,597	\$5,694,961
Other liabilities	1,475,830	6,130,012	4,654,182
Total liabilities	<u>\$21,313,466</u>	<u>\$31,662,609</u>	<u>\$10,349,143</u>
<b>Deferred Inflow of Resources</b>	<u>\$278,927</u>	<u>\$297,999</u>	<u>\$19,072</u>
<b>Net Position</b>			
Invested in capital assets, net of related debt	\$26,591,763	\$33,712,396	\$7,120,633
Restricted	407,937	407,937	0
Unrestricted	4,455,515	5,886,544	1,431,029
<b>Total Net Position</b>	<u><u>\$31,455,215</u></u>	<u><u>\$40,006,877</u></u>	<u><u>\$8,551,662</u></u>

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

	<u>FY 2018-19</u>	<u>FY 2019-20</u>	<u>Change</u>
<b>Assets</b>			
Current and other assets	22,312,169	27,153,001	4,840,832
Capital assets	90,523,548	100,326,007	9,802,459
Total assets	<u>112,835,717</u>	<u>127,479,008</u>	<u>14,643,291</u>
<b>Deferred Outflow of Resources</b>	<u>5,323,683</u>	<u>6,576,176</u>	<u>1,252,493</u>
<b>Liabilities</b>			
Long-term liabilities outstanding	50,569,429	57,661,711	7,092,282
Other liabilities	3,983,411	7,399,166	3,415,755
Total liabilities	<u>54,552,840</u>	<u>65,060,877</u>	<u>10,508,037</u>
<b>Deferred Inflow of Resources</b>	<u>1,830,107</u>	<u>1,668,155</u>	<u>(161,952)</u>
<b>Net Positions</b>			
Invested in capital assets, net of related debt	61,614,364	67,449,613	5,835,249
Restricted	3,114,060	2,705,649	(408,411)
Unrestricted (deficit)	(2,951,971)	(2,829,110)	122,861
<b>Total Net Positions</b>	<u><u>61,776,453</u></u>	<u><u>67,326,152</u></u>	<u><u>5,549,699</u></u>

An additional portion of the City's net position \$2,705,649 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 \$2,829,110. Unrestricted net position increased from the previous year by \$122,861, 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 2018-19</u>	<u>FY 2019-20</u>	<u>Change</u>
<b>Revenues</b>			
<i>Program revenues:</i>			
Charges for services	\$4,292,940	\$4,383,215	\$90,275
Operating grants & contributions	2,786,841	2,827,323	40,482
Capital grants & contributions	491,390	694,058	202,668
<i>General revenues:</i>			
Property taxes	7,297,019	7,544,326	247,307
Franchise fees	4,761,961	4,821,103	59,142
Investment earnings	357,015	160,374	(196,641)
Other	226,668	224,782	(1,886)
<b>Total revenues</b>	<u><b>\$20,213,834</b></u>	<u><b>\$20,655,181</b></u>	<u><b>\$441,347</b></u>
<b>Expenditures</b>			
General government	\$4,255,101	\$4,710,648	\$455,547
Public safety	10,287,801	10,967,178	679,377
Highways & streets	3,102,761	3,547,727	444,966
Culture & recreation	3,287,914	3,708,666	420,752
Interest on long-term debt	704,331	626,831	(77,500)
<b>Total expenses</b>	<u><b>\$21,637,908</b></u>	<u><b>\$23,561,050</b></u>	<u><b>\$1,923,142</b></u>
Change in net position	(\$1,424,074)	(\$2,905,869)	(\$1,481,795)
Transfers	(327,291)	94,290	421,581
Change in net position	(1,751,365)	(2,811,579)	(1,060,214)
<b>Net Position -- beginning ( * restated)</b>	<u><b>\$32,072,603</b></u>	<u><b>\$30,130,854</b></u> *	<u><b>(\$1,941,749)</b></u>
<b>Net Position -- ending</b>	<u><u><b>\$30,321,238</b></u></u>	<u><u><b>\$27,319,275</b></u></u>	<u><u><b>(\$3,001,963)</b></u></u>

Table 2-B

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

Business-type Activities

	<u>FY 2018-19</u>	<u>FY 2019-20</u>	<u>Change</u>
<b>Revenues</b>			
<i>Program revenues:</i>			
Charges for services	\$11,992,014	\$12,743,416	\$751,402
Operating grants & contributions	166,745	732,657	565,912
Capital grants & contributions	899,931	7,924,486	7,024,555
<i>General revenues:</i>			
Investment earnings	120,403	155,941	35,538
Other	53	16,404	16,351
<b>Total revenues</b>	<u><b>\$13,179,146</b></u>	<u><b>\$21,572,904</b></u>	<u><b>\$8,393,758</b></u>
<b>Expenses</b>			
Water	\$4,322,603	\$4,710,481	\$387,878
Sewer	5,106,700	5,609,498	502,798
Airport	2,395,378	2,606,973	211,595
<b>Total expenses</b>	<u><b>\$11,824,681</b></u>	<u><b>\$12,926,952</b></u>	<u><b>\$1,102,271</b></u>
Change in net position	\$1,354,465	\$8,645,952	\$7,291,487
Transfers	327,291	(94,290)	(421,581)
Change in net position	1,681,756	8,551,662	6,869,906
<b>Net Position -- beginning (restated *)</b>	<u><b>\$29,773,459</b></u>	<u><b>\$31,455,215</b></u>	<u><b>\$1,681,756</b></u>
<b>Net position -- ending</b>	<u><b>\$31,455,215</b></u>	<u><b>\$40,006,877</b></u>	<u><b>\$8,551,662</b></u>



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

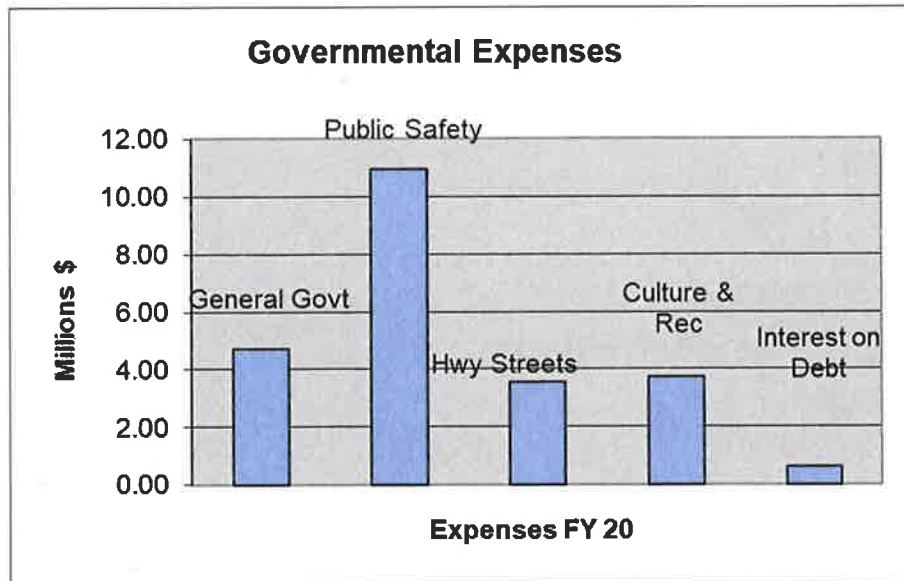
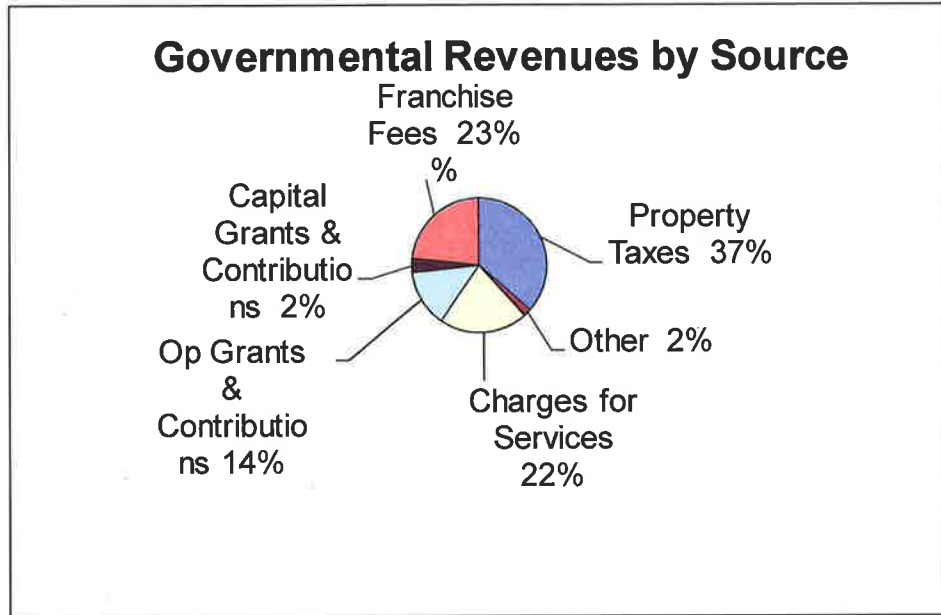
**Total Net Assets**

	<u>FY 2018-19</u>	<u>FY 2019-20</u>	<u>Change</u>
<b>Revenues</b>			
<i>Program revenues:</i>			
Charges for services	\$16,284,954	\$17,126,631	\$841,677
Operating grants & contributions	2,953,586	3,559,980	606,394
Capital grants & contributions	1,391,321	8,618,544	7,227,223
<i>General revenues:</i>			
Property taxes	7,297,019	7,544,326	247,307
Franchise fees	4,761,961	4,821,103	59,142
Investment earnings	477,418	316,315	(161,103)
Other	226,721	241,186	14,465
<b>Total revenues</b>	<b><u>\$33,392,980</u></b>	<b><u>\$42,228,085</u></b>	<b><u>\$8,835,105</u></b>
<b>Expenses</b>			
General government	\$4,255,101	\$4,710,648	\$455,547
Public safety	10,287,801	10,967,178	679,377
Highways & streets	3,102,761	3,547,727	444,966
Culture & recreation	3,287,914	3,708,666	420,752
Interest on long-term debt	704,331	626,831	(77,500)
Water	4,322,603	4,710,481	387,878
Sewer	5,106,700	5,609,498	502,798
Airport	2,395,378	2,606,973	211,595
<b>Total expenses</b>	<b><u>\$33,462,589</u></b>	<b><u>\$36,488,002</u></b>	<b><u>\$3,025,413</u></b>
Change in net position	(\$69,609)	\$5,740,083	\$5,809,692
Transfers	0	0	0
Change in net position	(69,609)	5,740,083	5,809,692
<b>Net Position -- beginning (restated *)</b>	<b><u>\$61,846,062</u></b>	<b><u>\$61,586,069</u></b> *	<b><u>(\$259,993)</u></b>
<b>Net position -- ending</b>	<b><u>\$61,776,453</u></b>	<b><u>\$67,326,152</u></b>	<b><u>\$5,549,699</u></b>

As noted above, the City of Pendleton's overall net position increased by \$5,549,699 during FY2019-20. This increase is explained in the following government and business-type activities discussion.

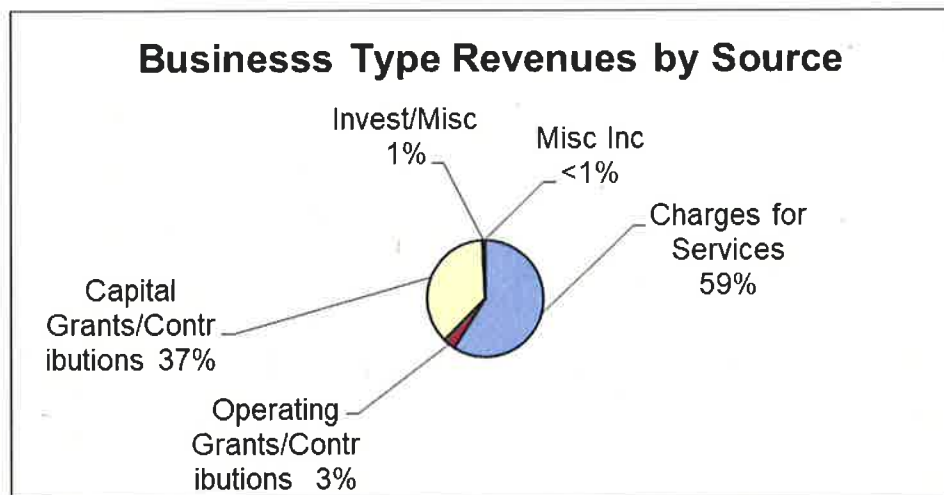
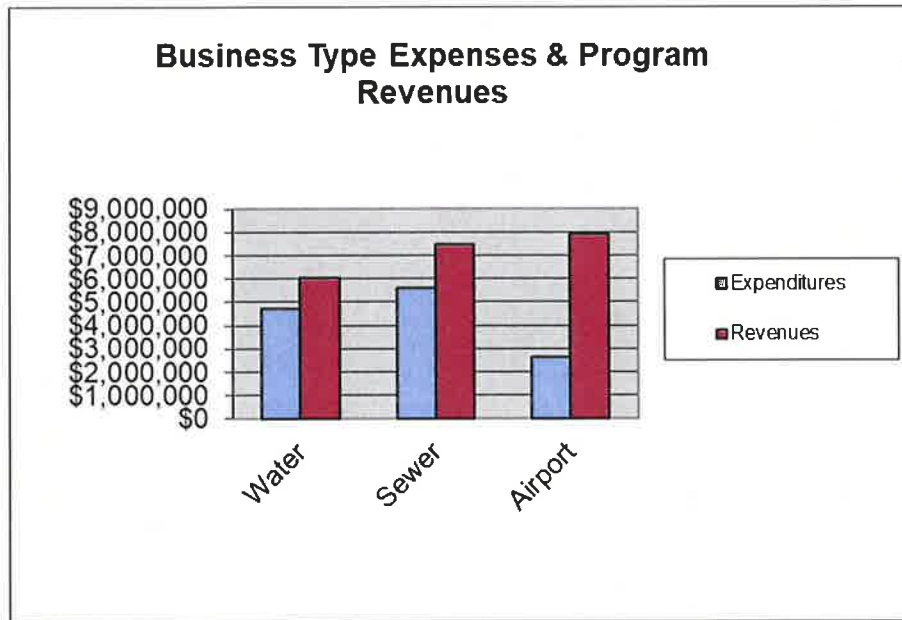
**Governmental activities.** The major factor for the governmental activities net asset decrease is the trend in increasing expenditures over revenues. Expenditures increased by 9%, although revenues increased by only 3 percent from the previous year, the expenditures outpaced the revenues by \$2,905,869. Public Safety saw the largest increase of \$679,377 in expenditures from the previous year. The net affect was net position ending balance of \$27,319,275, a nine percent decrease.

The following graphs provide visual representation of the expenses and revenues for governmental activities for FY2019-20.



**Business-type activities.** Business-type activities increased the City's net assets by \$8,551,662 from FY19. Capital Grants and Contributions increased by \$7,024,555 overall with increases in all three enterprise funds, water, sewer and airport. The Water fund took in more revenue than expenses for FY20. Grants include Airport Improvement Project (AIP) FAA dollars for airport improvements for \$5.86 million in grant dollars and the beginning receipt of CARES act dollars of \$460,372. Total combined revenues taken in were more than total combined expenses by \$8,645,952 for FY20.

The following graphs provide visual representation of the expenses and revenues for business-type activities for FY2019-20.



## 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 \$7,244,182, a decrease of \$1,290,580. Of the combined ending fund balances, \$457,330 or 7 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 \$457,897 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 \$820,345, 3) to pay for future debt service of \$186,379, 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 \$567,741.

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 11 percent of total General Fund expenditures and transfers out.

The combined General Fund balance decreased by \$229,151 during FY2019-20 as compared to the decrease of \$1,142,215 in FY19. Key factors in that affected fund balance are as follows:

- Revenues received by the General Fund increased by 3%, taking in \$13,840,978 for the year. Most of the revenue categories were somewhat stable between FY19 and FY20. Intergovernmental revenues went up due to increased marijuana taxes and COVID grant receipts. Franchise Fees stayed stable while property taxes increased by 4%.
- Expenditures & transfers decreased over the last year for a total of \$14,070,129, total decrease of \$730,890. The General fund stopped the transfers to the Airport to help pay down the Airport interfund loan when the City was notified of the \$17 million CARES ACT grant that was awarded to the Airport over 4 years which would payoff the interfund loan. The aquatic center startup costs did not occur due to the COVID pandemic.
- General Fund capital outlay of \$77,766 was decreased as compared to \$229,163 for the prior year for governmental projects. Police Department purchased one new vehicle and the Parks Dept. purchased a mower.

See pages 84-99 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 \$5,033,215, \$4,464,471 and (\$2,472,648) respectively. The Water Fund owed \$1.24 million 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 just over \$1.73 million during FY20, for a total debt of \$5.19 million at the end of the year. The Sewer Fund has a balance of \$4.51 million in FY 20 from a prior Clean Water State Revolving Loan Fund (CWSRF) for the wastewater treatment plant upgrades required by the DEQ along with the remaining \$5.37 million in sewer bonds. A new Sewer CWSRF loan had \$4.04 advanced for sewer system developments and repairs in FY20 for a total balance of \$4.5 million. The Airport Fund owed approximately \$2.15 million to other City funds for AIP capital improvements and operating expenses along with three loans from the State

of Oregon for Unmanned Aircraft Systems (UAS) development for \$1.04 million. The Airport also purchased a building and the debt for the building was \$225,186 at June 30<sup>th</sup>. Total net position for enterprise funds increased by \$8,865,695.

See Combining Statements on pages 100-104 for the internal service funds, and pages 137-147 for the proprietary funds budgetary schedules.

### GENERAL FUND BUDGETARY HIGHLIGHTS

There were one budget resolution #2789 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 Municipal Court budget for increased personnel costs due to retirement, \$6,000.
- Increase Aquatic Center budget for painting of the pool, \$13,000.
- Increase Recreation budget for volleyball equipment which had been budgeted last year but arrived in July, \$5,725.
- Increase Parks for \$10,000 for Blue Mountain Land Trust contribution for a study on North Bank Umatilla River.
- Increase Nondepartmental for state lobbyist contract \$30,000 in cooperation with other local government agencies with \$20,000 donated by outside agencies
- Central Service Charge adjustment, last minute changes prior to budget completion did not get transferred through to the expenditure side, \$29,700. Expected revenue was budgeted on the Central Service side in the original budget.
- Transfer event proceeds to Parks Special Event Fund from Beerfest in June, \$4,687.
- Contingency reduced to balance, \$66,112.

The net change in appropriations during the year was an increase of \$33,000.

### 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, 2020, amounts to \$100,326,007 (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 \$9,802,458 or a nine percent change (a 4 percent decrease for governmental activities and a 27 percent increase for business-type activities).

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

- The new fire station was completed by the beginning of the fiscal year, capital expenses included the building, office equipment and telephone/radio equipment of \$560,749 in FY20. Total cost over three years was \$8.4 million for the building. Additional large equipment replacements were in addition to the building.
- The Parks department spent \$88,667 on four mowers for the fiscal year.
- The City purchased two new police vehicles for \$67,200 and \$31,000 for body cameras.
- The Cemetery purchased new software for cemetery and grave management, \$18,080.
- Sidewalks and curbs around the Vert were reconstructed for \$98,584.49 with financial assistance from the Pendleton Development Commission.

- Street overlays and reconstruction totaled \$1,223,119.
- Eighth Street Bridge, also known as Lee Street Grade, construction is a work in progress and is almost complete except for punch list items. Street funds and SDC's funds were spent in FY20 for \$118,920. The bridge is in use.
- Well emergency repairs and replacements cost the City \$123,255 during FY20.
- Water, sewer & storm drainage master planning was progressing with a total cost in FY20 of \$695,077.
- UAS South Industrial Park utilities work in progress equaled \$2,285,654.
- \$1,831,125 was spent on sewer line replacement on SE 4th in FY20. The City spent \$1,124,065 for 28<sup>th</sup> Street Lift station upgrades and repairs.
- A flood in the Riverside area generated repair costs on the Umatilla River of \$1,942,800. The City is looking for FEMA dollars to help offset the cost.
- Airport Improvement Projects 26 (design services), and 27 (Airport Master Plan update) saw \$6,239,243 in expenses with expected grants to cover 95% of the costs.
- The flex hanger design and planning was \$44,642 in expenses in FY20.
- Depreciation for governmental activities expense for FY20 was \$3,152,849 versus capital outlay expenditures of \$9,557,721. Depreciation for business-type activities expense for FY20 was \$3,124,083 versus capital outlay expenditures of \$14,808,572.

The following table provides comparative information on the City's capital assets for FY2018-19 and FY2019-20.

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

**Governmental Activities**

<b>Asset Category</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>Change</b>
Land	\$4,080,709	\$4,075,550	(\$5,159)
Assets available for sale	761,261	581,261	(180,000)
Buildings	17,087,193	25,293,412	8,206,219
Equipment	8,495,542	8,241,344	(254,198)
Improvements	33,131,322	33,229,907	98,585
Infrastructure	20,926,650	20,926,650	0
Work in progress	8,753,560	1,105,137	(7,648,423)
Accumulated depreciation & amort.	(46,817,392)	(48,916,443)	(2,099,051)
<b>Total</b>	<b>\$46,418,846</b>	<b>\$44,536,819</b>	<b>(\$1,882,027)</b>

**Business-type Activities**

<b>Asset Category</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>Change</b>
Land	\$298,769	\$298,769	\$0
Buildings	17,398,950	17,452,559	53,609
Equipment	19,190,584	19,624,238	433,654
Improvements	61,039,283	68,754,722	7,715,439
Work in progress	2,812,026	9,417,896	6,605,870
Accumulated depreciation & amort.	(56,634,910)	(59,758,996)	(3,124,086)
<b>Total</b>	<b>\$44,104,702</b>	<b>\$55,789,188</b>	<b>\$11,684,486</b>

**Total Net Capital Assets**

<b>Asset Category</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>Change</b>
Land	\$4,379,478	\$4,374,318	(\$5,160)
Assets available for sale	761,261	581,261	(180,000)
Buildings	34,486,143	42,745,971	8,259,828
Equipment	27,686,126	27,865,582	179,456
Improvements	94,170,606	101,984,629	7,814,023
Infrastructure	20,926,650	20,926,650	0
Work in progress	11,565,586	10,523,033	(1,042,553)
Accumulated depreciation & amort.	(103,452,302)	(108,675,438)	(5,223,136)
<b>Total</b>	<b>\$90,523,549</b>	<b>\$100,326,005</b>	<b>\$9,802,456</b>

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

**B. Debt Administration**

As of June 30, 2020, the City had \$8,240,000 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 FY20 saw the third 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, 2020, the City had PERS debt outstanding of \$4,565,000. Principal payment of \$390,000 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 \$463,090 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 \$564,851. 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 \$533,661. 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 \$577,699.

The Pendleton Development Commission (PDC) paid off a fixed rate loan for PDC projects including façade restoration and Jump Start loans. The PDC has an open credit line and borrowed \$300,000 during the year. Total PDC credit line loan balance outstanding at June 30<sup>th</sup> was \$300,000.

In addition, the Water Fund owed \$1,237,598 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 \$5,194,172 for capital infrastructure improvements at June 30<sup>th</sup>, over \$1 million is forgivable.

The City sold Wastewater Revenue Bonds to finance costs of improvements to the City's sanitary sewerage facilities for \$9,980,000 in December 07. Sewer rates were increased to cover the debt service required in the future. This loan was refinanced as a full faith and credit loan for a lower interest rate and the balance is now \$5,368,667. 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 \$4,509,022. A newer loan was entered into with DEQ and has a balance of \$4,503,148 as of June 30<sup>th</sup>.

The Airport has two loans out through the State of Oregon for development of the UAS site and related hanger construction. The balance of those loans at June 30<sup>th</sup> was \$1,001,529. The City purchased a building from Community bank to remodel into a UAS command center, the loan outstanding is \$225,186. A DEQ loan was initiated for a flex hanger, \$38,490.

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

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

<b>Governmental Activities</b>			
<b>Debt Category</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>Change</b>
General Obligation Bonds	\$8,515,000	\$8,240,000	(\$275,000)
General Obligation Bonds - PDC	975,647	300,000	(675,647)
Limited Tax Pension Obligation Bonds	4,955,000	4,565,000	(390,000)
Notes Payable	1,745,895	1,574,449	(171,446)
Full Faith & Credit Bonds	609,884	564,851	(45,033)
<b>Total</b>	<b>\$16,801,426</b>	<b>\$15,244,300</b>	<b>(\$1,557,126)</b>

<b>Business-type Activities</b>			
<b>Debt Category</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>Change</b>
Full Faith & Credit Bonds	\$5,877,856	\$5,368,667	(509,189)
Notes Payable	11,635,083	16,709,116	5,074,033
<b>Total</b>	<b>\$17,512,939</b>	<b>\$22,077,783</b>	<b>\$4,564,844</b>

<b>Total Outstanding Debt</b>			
<b>Debt Category</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>Change</b>
General Obligation Bonds	\$8,515,000	\$8,240,000	(\$275,000)
General Obligation Bonds - PDC	975,647	300,000	(675,647)
Limited Tax Pension Obligation Bonds	4,955,000	4,565,000	(390,000)
Full Faith & Credit Bonds	5,877,856	5,933,518	55,662
Notes Payable	13,990,862	18,283,565	4,292,703
<b>Total</b>	<b>\$34,314,365</b>	<b>\$37,322,083</b>	<b>\$3,007,718</b>

The City's total debt increased by \$3,007,718 (20 percent) during the current fiscal year. Debt for governmental activities decreased by \$1,557,126 while debt for business-type activities increased by \$4,564,844. 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 FY2019-20 real market value, this debt limitation is \$41,666,113. The amount of outstanding City debt subject to this limitation is \$18,738,519.



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

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

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

- Assessed values, the basis of property tax revenues, will grow by 3%.
- Property tax rate is set at 6.5771 as a permanent rate due to Measure 50.
- SEIU, Exempt and Police health insurance rates expected a 4% increase and Workers Comp rates would stay flat.
- Fire salaries would increase by 2.5% in July. Health insurance would increase by 4%.
- SEIU would increase by 4% in July.
- Exempt salaries would not get an increase except for two confidential employees in July.
- Police salaries would increase by 3% in July.
- General Fund capital improvements budgeted would be based on maintenance deferred priorities and grant funded improvements.
- Water and sewer rates would increase by 10.5% based on the Master Plans for both approved by Council.
- The COVID pandemic was not factored in due to the budget building was in March just prior to the shutdown in the state. Since then, budget adjustments during the fiscal year have been made.

### **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**

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**CITY OF PENDLETON, OREGON**  
**STATEMENT OF NET POSITION**  
**June 30, 2020**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,005,119	\$ 8,543,599	\$ 13,548,718
Investments	-	415,058	415,058
Receivables:			
Accounts, net	2,321,199	6,766,782	9,087,981
Property taxes	393,549	-	393,549
Assessments	703,831	6,135	709,966
Notes	322,944	-	322,944
Interest	7	534	541
Internal balances	1,601,561	(1,601,561)	-
Prepaid items	151,976	32,901	184,877
Inventories	6,341	456,491	462,832
Prepaid bond insurance	10,922	-	10,922
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	616,960	-	616,960
Investments	-	407,937	407,937
Permanently restricted:			
Cash and cash equivalents	22,953	-	22,953
Investments	797,392	-	797,392
Net OPEB asset	141,518	28,853	170,371
Capital assets:			
Land	4,075,550	298,769	4,374,319
Assets available for sale	581,261	-	581,261
Construction in progress	1,105,137	9,417,896	10,523,033
Depreciable assets, net of depreciation	38,774,871	46,072,523	84,847,394
Total assets	<u>56,633,091</u>	<u>70,845,917</u>	<u>127,479,008</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred outflows related to pension	5,374,077	1,095,644	6,469,721
Deferred outflows related to OPEB	80,531	25,924	106,455
Total deferred outflow of resources	<u>5,454,608</u>	<u>1,121,568</u>	<u>6,576,176</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	1,106,946	5,708,863	6,815,809
Deposits	57,352	21,499	78,851
Retainage payable	37,830	133,572	171,402
Accrued interest payable	67,026	266,078	333,104
Long-term obligations:			
Due within one year:			
Long-term liabilities	1,809,214	1,454,599	3,263,813
Due in more than one year:			
Net pension liability	14,520,064	2,960,289	17,480,353
Net OPEB liability	993,775	327,113	1,320,888
Long-term liabilities	14,806,061	20,790,596	35,596,657
Total liabilities	<u>33,398,268</u>	<u>31,662,609</u>	<u>65,060,877</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred inflows related to pension	1,192,934	243,211	1,436,145
Deferred inflows related to OPEB	177,222	54,788	232,010
Total deferred inflows of resources	<u>1,370,156</u>	<u>297,999</u>	<u>1,668,155</u>
<b>NET POSITION</b>			
Net investment in capital assets	33,737,217	33,712,396	67,449,613
Restricted for:			
Debt service	186,379	407,937	594,316
Environmental remediation	122,368	-	122,368
Highways and streets	8,528	-	8,528
Program services and grants	719,943	-	719,943
Urban renewal	440,149	-	440,149
Library services	6,131	-	6,131
Cemetery perpetual care permanent trust	814,214	-	814,214
Unrestricted	(8,715,654)	5,886,544	(2,829,110)
Total net position	<u>\$ 27,319,275</u>	<u>\$ 40,006,877</u>	<u>\$ 67,326,152</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, 2020**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
<b>Governmental activities:</b>							
General government	\$ 4,710,648	\$ 1,255,132	\$ 671,880	\$ 473,164	\$ (2,310,472)	\$ -	\$ (2,310,472)
Public safety	10,967,178	1,925,453	381,806	216,879	(8,443,040)	-	(8,443,040)
Highways and streets	3,547,727	873,764	1,127,716	-	(1,546,247)	-	(1,546,247)
Culture and recreation	3,708,666	328,866	645,921	4,015	(2,729,864)	-	(2,729,864)
Interest on long-term obligations	626,831	-	-	-	(626,831)	-	(626,831)
<b>Total governmental activities</b>	<b>23,561,050</b>	<b>4,383,215</b>	<b>2,827,323</b>	<b>694,058</b>	<b>(15,656,454)</b>	<b>-</b>	<b>(15,656,454)</b>
<b>Business-type activities:</b>							
Water	4,710,481	5,971,551	70,670	-	-	1,331,740	1,331,740
Sewer	5,609,498	5,607,151	5,008	1,849,846	-	1,852,507	1,852,507
Airport	2,606,973	1,164,714	656,979	6,074,640	-	5,289,360	5,289,360
<b>Total business-type activities</b>	<b>12,926,952</b>	<b>12,743,416</b>	<b>732,657</b>	<b>7,924,486</b>	<b>-</b>	<b>8,473,607</b>	<b>8,473,607</b>
<b>Total primary government</b>	<b>\$36,488,002</b>	<b>\$17,126,631</b>	<b>\$3,559,980</b>	<b>\$8,618,544</b>	<b>(15,656,454)</b>	<b>8,473,607</b>	<b>(7,182,847)</b>
<b>General revenues:</b>							
Property taxes levied for:							
General purposes					6,088,538	-	6,088,538
Debt service					1,455,788	-	1,455,788
Franchise and public services taxes					4,821,103	-	4,821,103
Interest and investment earnings					160,374	155,941	316,315
Miscellaneous					224,782	16,404	241,186
Transfers					94,290	(94,290)	-
<b>Total general revenues and transfers</b>					<b>12,844,875</b>	<b>78,055</b>	<b>12,922,930</b>
Change in net position					(2,811,579)	8,551,662	5,740,083
Net Position, beginning, as restated					30,130,854	31,455,215	61,586,069
Net Position, ending					<u>\$ 27,319,275</u>	<u>\$40,006,877</u>	<u>\$ 67,326,152</u>

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



## **FUND FINANCIAL STATEMENTS**

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### **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.

**CITY OF PENDLETON, OREGON**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2020**

	Combined General Fund	Street Fund	Other Governmental Funds	Totals
<b>ASSETS</b>				
Cash and cash equivalents	\$ 753,685	\$ 652,108	\$ 3,969,171	\$ 5,374,964
Investments	-	-	797,392	797,392
Receivables:				
Property taxes	320,022	-	73,527	393,549
Accounts, net	1,702,473	180,974	334,187	2,217,634
Interest	7	-	-	7
Assessments	17,410	-	686,421	703,831
Notes	131,578	-	191,366	322,944
Advances to other funds	479,100	-	384,700	863,800
Assets available for sale	-	-	240,000	240,000
Prepaid items	49,821	4,175	76,084	130,080
Inventory	-	6,341	-	6,341
Total assets	<u>\$ 3,454,096</u>	<u>\$ 843,598</u>	<u>\$ 6,752,848</u>	<u>\$ 11,050,542</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 396,041	\$ 347,871	\$ 279,948	\$ 1,023,860
Deposits	-	-	48,460	48,460
Retainage payable	-	37,830	-	37,830
Advances from other funds	24,000	-	194,000	218,000
Total liabilities	<u>420,041</u>	<u>385,701</u>	<u>522,408</u>	<u>1,328,150</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	1,474,331	-	1,003,879	2,478,210
Total deferred inflows of resources	<u>1,474,331</u>	<u>-</u>	<u>1,003,879</u>	<u>2,478,210</u>
<b>FUND BALANCES (DEFICIT)</b>				
Nonspendable	528,921	-	814,214	1,343,135
Restricted	122,368	-	1,791,711	1,914,079
Committed	98,589	-	1,262,109	1,360,698
Assigned	242,105	457,897	1,468,938	2,168,940
Unassigned	567,741	-	(110,411)	457,330
Total fund balances	<u>1,559,724</u>	<u>457,897</u>	<u>5,226,561</u>	<u>7,244,182</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,454,096</u>	<u>\$ 843,598</u>	<u>\$ 6,752,848</u>	<u>\$ 11,050,542</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, 2020**

<b>Fund balances - total governmental funds</b>	\$ 7,244,182
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	44,020,358
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.	(8,441,034)
Other long-term assets are not available to pay for current period expenditures, and, therefore, are deferred in the fund statements.	2,478,210
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.	(752,601)
Accrued compensated absences are not due and payable in the current period, and, therefore, are not reported in the funds.	(451,242)
Accrued interest payable is not due and payable in the current period, and, therefore, is not reported in the fund statements.	(67,026)
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.	(16,040,091)
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	\$ 270,068
Accounts receivable, net	103,565
Prepaid items	21,896
Internal balances	955,761
Net OPEB asset	25,978
Capital assets, net	276,461
Deferred outflows related to pension	986,504
Deferred outflows related to OPEB	16,357
Accounts payable and accrued expenses	(83,086)
Deposits	(8,892)
Net pension liability	(2,665,407)
Other post employment benefits liability	(203,057)
Compensated absences payable	(113,020)
Deferred inflows related to pension	(218,984)
Deferred inflows related to OPEB	<u>(35,625)</u>
Total internal service funds	<u>(671,481)</u>
<b>Net position of governmental activities</b>	<b><u>\$ 27,319,275</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, 2020**

	Combined General Fund	Street Fund	Other Governmental Funds	Totals
<b>REVENUES</b>				
Property taxes	\$ 6,075,865	\$ -	\$ 1,434,647	\$ 7,510,512
Other taxes	654,717	-	587,824	1,242,541
Franchise fees	2,590,342	-	-	2,590,342
Licenses and fees	852,974	-	80,543	933,517
Charges for services	1,511,483	868,371	591,124	2,970,978
Intergovernmental	1,725,031	1,148,157	1,507,218	4,380,406
Fines and forfeitures	286,774	-	-	286,774
Assessments	2,140	-	232,804	234,944
Loan repayments	6,166	-	37,180	43,346
Contributions	5,849	-	86,958	92,807
Interest on investments	36,155	16,679	107,016	159,850
Miscellaneous	93,482	5,393	48,318	147,193
<b>TOTAL REVENUES</b>	<u>13,840,978</u>	<u>2,038,600</u>	<u>4,713,632</u>	<u>20,593,210</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,964,533	-	2,238,447	4,202,980
Public safety	9,290,175	-	122,302	9,412,477
Culture and recreation	2,238,884	-	593,037	2,831,921
Highways and streets	-	1,088,461	-	1,088,461
Capital outlay	77,766	1,107,974	1,261,776	2,447,516
Debt service	701,198	-	1,850,268	2,551,466
<b>TOTAL EXPENDITURES</b>	<u>14,272,556</u>	<u>2,196,435</u>	<u>6,065,830</u>	<u>22,534,821</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(431,578)</u>	<u>(157,835)</u>	<u>(1,352,198)</u>	<u>(1,941,611)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of property	-	-	354,795	354,795
Issuance of debt	-	-	300,000	300,000
Transfers in	328,304	14,949	125,983	469,236
Transfers out	(125,877)	(13,590)	(143,149)	(282,616)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>202,427</u>	<u>1,359</u>	<u>637,629</u>	<u>841,415</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(229,151)</u>	<u>(156,476)</u>	<u>(714,569)</u>	<u>(1,100,196)</u>
<b>FUND BALANCE, Beginning, as restated</b>	<u>1,788,875</u>	<u>614,373</u>	<u>5,941,130</u>	<u>8,344,378</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 1,559,724</u>	<u>\$ 457,897</u>	<u>\$ 5,226,561</u>	<u>\$ 7,244,182</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, 2020**

**Net change in fund balance - governmental funds** \$ (1,100,196)

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

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

    Unavailable revenues 30,019

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

1,857,126

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.

(300,000)

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

    Change in compensated absences (31,164)

    Change in accrued interest payable 20,516

    Amortization of bond insurance (1,515)

    Amortization of bond premium 46,993

    Change in pension liability and related deferred outflows and inflows (1,385,835)

    Change in OPEB asset/liability and related deferred outflows and inflows 1,595

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 expense:

Capital asset additions	\$	1,411,496	
Basis of capital asset disposals		(19,586)	
Depreciation expense		<u>(3,062,678)</u>	(1,670,768)

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.

(278,350)

**Change in net position - governmental activities** \$ (2,811,579)

**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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Property taxes	\$ 6,352,845	\$ 6,352,845	\$ 6,075,865	\$ (276,980)
Other taxes	738,050	738,050	654,717	(83,333)
Franchise fees	2,871,875	2,871,875	2,590,342	(281,533)
Licenses and fees	1,187,100	1,200,100	852,974	(347,126)
Charges for services	1,839,570	1,839,570	1,511,483	(328,087)
Intergovernmental	1,476,500	1,496,500	1,722,535	226,035
Fines and forfeitures	352,000	352,000	286,774	(65,226)
Contributions	5,000	5,000	5,849	849
Interest on investments	50,000	50,000	31,496	(18,504)
Miscellaneous	86,000	86,000	93,482	7,482
<b>TOTAL REVENUES</b>	<u>14,958,940</u>	<u>14,991,940</u>	<u>13,825,517</u>	<u>(1,166,423)</u>
<b>EXPENDITURES</b>				
Current:				
General government	2,030,470	2,096,170	1,926,269	169,901
Public safety	9,844,640	9,844,640	9,290,175	554,465
Culture and recreation	2,510,735	2,539,460	2,238,884	300,576
Capital outlay	101,000	101,000	77,766	23,234
Debt service	701,400	701,400	700,716	684
Contingency	1,966,815	1,900,703	-	1,900,703
<b>TOTAL EXPENDITURES</b>	<u>17,155,060</u>	<u>17,183,373</u>	<u>14,233,810</u>	<u>2,949,563</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(2,196,120)</u>	<u>(2,191,433)</u>	<u>(408,293)</u>	<u>1,783,140</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	330,810	330,810	328,304	(2,506)
Transfers out	(394,190)	(398,877)	(125,877)	273,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(63,380)</u>	<u>(68,067)</u>	<u>202,427</u>	<u>270,494</u>
<b>NET CHANGE IN FUND BALANCE</b>	(2,259,500)	(2,259,500)	(205,866)	2,053,634
<b>FUND BALANCE, Beginning</b>	<u>2,259,500</u>	<u>2,259,500</u>	<u>1,546,062</u>	<u>(713,438)</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,340,196</u>	<u>\$ 1,340,196</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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Charges for services	\$ 787,945	\$ 787,945	\$ 868,371	\$ 80,426
Intergovernmental	2,254,010	2,254,010	1,148,157	(1,105,853)
Interest on investments	6,000	6,000	16,679	10,679
Miscellaneous	-	-	5,393	5,393
<b>TOTAL REVENUES</b>	<u>3,047,955</u>	<u>3,047,955</u>	<u>2,038,600</u>	<u>(1,009,355)</u>
<b>EXPENDITURES</b>				
Current:				
Highways and streets:				
Personal services	469,365	469,365	373,191	96,174
Materials and services	743,740	743,740	715,270	28,470
Capital outlay	2,200,000	2,200,000	1,107,974	1,092,026
Contingency	174,805	189,805	-	189,805
<b>TOTAL EXPENDITURES</b>	<u>3,587,910</u>	<u>3,602,910</u>	<u>2,196,435</u>	<u>1,406,475</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(539,955)</u>	<u>(554,955)</u>	<u>(157,835)</u>	<u>397,120</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	173,000	188,000	14,949	(173,051)
Transfers out	(13,590)	(13,590)	(13,590)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>159,410</u>	<u>174,410</u>	<u>1,359</u>	<u>(173,051)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(380,545)	(380,545)	(156,476)	224,069
<b>FUND BALANCE, Beginning, as restated</b>	<u>380,545</u>	<u>380,545</u>	<u>614,373</u>	<u>233,828</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 457,897</u>	<u>\$ 457,897</u>

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



## FUND FINANCIAL STATEMENTS

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### 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, 2020**

	<b>Business - type Activities - Enterprise Funds</b>				Governmental Activities - Internal Service Funds
	All Water Funds	All Sewer Funds	Airport Fund	Total	
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 4,762,685	\$ 2,968,790	\$ 343	\$ 7,731,818	\$ 1,081,849
Investments	-	415,058	-	415,058	-
Receivables:					
Accounts, net	929,123	1,177,149	4,659,880	6,766,152	104,195
Assessments	-	6,135	-	6,135	-
Interest	-	534	-	534	-
Prepaid items	8,063	7,988	6,475	22,526	32,271
Inventories	414,436	42,055	-	456,491	-
Total current assets	<u>6,114,307</u>	<u>4,617,709</u>	<u>4,666,698</u>	<u>15,398,714</u>	<u>1,218,315</u>
Noncurrent assets:					
Restricted investments	-	407,937	-	407,937	-
Advances to other funds	-	1,507,450	-	1,507,450	-
Net OPEB asset	6,972	5,166	6,438	18,576	36,255
Capital assets, net	<u>17,687,159</u>	<u>23,244,043</u>	<u>14,254,460</u>	<u>55,185,662</u>	<u>879,987</u>
Total noncurrent assets	<u>17,694,131</u>	<u>25,164,596</u>	<u>14,260,898</u>	<u>57,119,625</u>	<u>916,242</u>
Total assets	<u>23,808,438</u>	<u>29,782,305</u>	<u>18,927,596</u>	<u>72,518,339</u>	<u>2,134,557</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows related to pension	264,744	196,184	244,467	705,395	1,376,753
Deferred outflows related to OPEB	6,282	6,100	5,163	17,545	24,736
Total deferred inflows of resources	<u>271,026</u>	<u>202,284</u>	<u>249,630</u>	<u>722,940</u>	<u>1,401,489</u>
Total assets and deferred outflows of resources	<u>\$ 24,079,464</u>	<u>\$ 29,984,589</u>	<u>\$ 19,177,226</u>	<u>\$ 73,241,279</u>	<u>\$ 3,536,046</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	\$ 319,685	\$ 966,995	\$ 4,324,070	\$ 5,610,750	\$ 181,199
Retainage payable	8,197	62,106	63,269	133,572	-
Accrued interest payable	115,539	140,790	9,749	266,078	-
Deposits	6,159	-	15,340	21,499	8,892
Compensated absences payable	42,890	34,303	39,093	116,286	165,137
Current portion of long-term debt	<u>394,548</u>	<u>847,806</u>	<u>43,842</u>	<u>1,286,196</u>	<u>-</u>
Total current liabilities	887,018	2,052,000	4,495,363	7,434,381	355,228
Noncurrent liabilities:					
Advances from other funds	-	-	2,153,250	2,153,250	-
Other post employment benefits liability	79,273	77,658	64,854	221,785	308,385
Net pension liability	715,306	530,065	660,517	1,905,888	3,719,808
Noncurrent portion of long-term debt	<u>6,037,192</u>	<u>13,532,040</u>	<u>1,221,364</u>	<u>20,790,596</u>	<u>-</u>
Total liabilities	<u>7,718,789</u>	<u>16,191,763</u>	<u>8,595,348</u>	<u>32,505,900</u>	<u>4,383,421</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows related to pension	58,768	43,549	54,267	156,584	305,611
Deferred inflows related to OPEB	13,273	12,672	11,005	36,950	53,463
Total deferred inflows of resources	<u>72,041</u>	<u>56,221</u>	<u>65,272</u>	<u>193,534</u>	<u>359,074</u>
<b>NET POSITION</b>					
Net investment in capital assets	11,255,419	8,864,197	12,989,254	33,108,870	879,987
Restricted for debt service	-	407,937	-	407,937	-
Unrestricted	<u>5,033,215</u>	<u>4,464,471</u>	<u>(2,472,648)</u>	<u>7,025,038</u>	<u>(2,086,436)</u>
Total net position	<u>16,288,634</u>	<u>13,736,605</u>	<u>10,516,606</u>	<u>40,541,845</u>	<u>(1,206,449)</u>
Total liabilities, deferred inflows, and net position	<u>\$ 24,079,464</u>	<u>\$ 29,984,589</u>	<u>\$ 19,177,226</u>	<u>\$ 73,241,279</u>	<u>\$ 3,536,046</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, 2020**

**Net position- total enterprise funds** \$ 40,541,845

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	\$ 811,781	
Accounts receivable, net	630	
Prepaid items	10,375	
Internal balances	(955,761)	
Net OPEB asset	10,277	
Capital assets, net	603,526	
Deferred outflows related to pension	390,249	
Deferred outflows related to OPEB	8,379	
Accounts payable and accrued expenses	(98,113)	
Net pension liability	(1,054,401)	
Compensated absences payable	(52,117)	
Other post employment benefits liability	(105,328)	
Deferred inflows related to pension	(86,627)	-
Deferred inflows related to OPEB	<u>(17,838)</u>	-
		<u>(534,968)</u>

**Net position of business - type activities** **\$ 40,006,877**

**CITY OF PENDLETON, OREGON**  
**STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**For the Fiscal Year Ended June 30, 2020**

	<b>Business - type Activities - Enterprise Funds</b>				Governmental Activities - Internal Service Funds
	All Water Funds	All Sewer Funds	Airport Fund	Total	
<b>OPERATING REVENUES</b>					
Charges for services	\$ 5,911,627	\$ 5,606,736	\$ 1,157,900	\$ 12,676,263	\$ 5,058,366
Licenses and fees	-	-	-	-	27,290
Miscellaneous	59,925	415	6,813	67,153	10,944
<b>TOTAL OPERATING REVENUES</b>	<u>5,971,552</u>	<u>5,607,151</u>	<u>1,164,713</u>	<u>12,743,416</u>	<u>5,096,600</u>
<b>OPERATING EXPENSES</b>					
Personal services	926,220	778,635	937,504	2,642,359	4,166,450
Materials and services	2,824,729	2,974,459	700,901	6,500,089	1,299,306
Depreciation	716,064	1,388,480	898,796	3,003,340	210,914
<b>TOTAL OPERATING EXPENSES</b>	<u>4,467,013</u>	<u>5,141,574</u>	<u>2,537,201</u>	<u>12,145,788</u>	<u>5,676,670</u>
<b>OPERATING INCOME (LOSS)</b>	<u>1,504,539</u>	<u>465,577</u>	<u>(1,372,488)</u>	<u>597,628</u>	<u>(580,070)</u>
<b>NON-OPERATING INCOME (EXPENSES)</b>					
Intergovernmental	70,670	5,008	636,979	712,657	106,369
Contributions	-	-	20,000	20,000	-
Gain (loss) on disposal of capital assets	600	-	-	600	-
Interest on investments	70,123	71,835	1,470	143,428	13,039
Interest expense	(110,324)	(325,290)	(42,590)	(478,204)	-
<b>TOTAL NON-OPERATING INCOME (EXPENSES)</b>	<u>31,069</u>	<u>(248,447)</u>	<u>615,859</u>	<u>398,481</u>	<u>119,408</u>
<b>NET INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS</b>	1,535,608	217,130	(756,629)	996,109	(460,662)
<b>CAPITAL CONTRIBUTIONS</b>					
Intergovernmental	-	1,848,790	6,074,640	7,923,430	-
Assessments	-	1,056	-	1,056	-
<b>TRANSFERS</b>					
Transfers in	500,000	-	-	500,000	-
Transfers out	(523,600)	(18,320)	(12,980)	(554,900)	(131,720)
<b>CHANGE IN NET POSITION</b>	1,512,008	2,048,656	5,305,031	8,865,695	(592,382)
<b>NET POSITION, Beginning</b>	<u>14,776,626</u>	<u>11,687,949</u>	<u>5,211,575</u>	<u>31,676,150</u>	<u>(614,067)</u>
<b>NET POSITION, Ending</b>	<u>\$ 16,288,634</u>	<u>\$ 13,736,605</u>	<u>\$ 10,516,606</u>	<u>\$ 40,541,845</u>	<u>\$ (1,206,449)</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, 2020**

**Change in net position - total enterprise funds** \$ 8,865,695

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.

(314,033)

**Change in net position of business - type activities** \$ 8,551,662

**CITY OF PENDLETON, OREGON**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Fiscal Year Ended June 30, 2020**

	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	\$ 6,004,870	\$ 5,503,924	\$ 1,202,057	\$ 12,710,851	\$ 44,572
Receipts from interfund services provided	-	-	-	-	5,055,135
Payments to suppliers	(1,431,174)	(1,052,063)	(647,492)	(3,130,729)	(2,259,906)
Payments to employees	(504,300)	(451,962)	(495,085)	(1,451,347)	(2,366,085)
Payments for interfund services used	(1,625,168)	(2,014,001)	(193,180)	(3,832,349)	(35,980)
Net cash provided from (used by) operating activities	<u>2,444,228</u>	<u>1,985,898</u>	<u>(133,700)</u>	<u>4,296,426</u>	<u>437,736</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers in	500,000	-	-	500,000	-
Transfers out	(523,600)	(18,320)	(12,980)	(554,900)	(131,720)
Net cash provided from (used by) non-capital financing activities	<u>(23,600)</u>	<u>(18,320)</u>	<u>(12,980)</u>	<u>(54,900)</u>	<u>(131,720)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from intergovernmental revenue	70,670	1,577,768	2,385,792	4,034,230	116,034
Contributions	-	-	20,000	20,000	-
Assessments collections	-	3,519	-	3,519	-
Proceeds from issuance of debt	1,731,100	4,040,964	38,490	5,810,554	-
Proceeds from sale of capital assets	600	-	-	600	-
Interfund loan proceeds	-	49,242	2,153,250	2,202,492	-
Interfund loan payments	(52,242)	-	(1,889,150)	(1,941,392)	-
Acquisition of capital assets	(2,074,580)	(5,668,191)	(2,469,067)	(10,211,838)	(201,213)
Principal paid on long-term obligations	(378,522)	(824,668)	(74,418)	(1,277,608)	-
Interest paid on long-term obligations	(72,478)	(299,805)	(26,267)	(398,550)	-
Net cash provided from (used by) capital and related financing activities	<u>(775,452)</u>	<u>(1,121,171)</u>	<u>138,630</u>	<u>(1,757,993)</u>	<u>(85,179)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Net sales (purchases) of investments	-	(3,808)	-	(3,808)	-
Interest on investments	70,123	71,602	1,470	143,195	13,039
Net cash provided (used) by investing activities	<u>70,123</u>	<u>67,794</u>	<u>1,470</u>	<u>139,387</u>	<u>13,039</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	1,715,299	914,201	(6,580)	2,622,920	233,876
<b>CASH AND CASH EQUIVALENTS, Beginning</b>	<u>3,047,386</u>	<u>2,054,589</u>	<u>6,923</u>	<u>5,108,898</u>	<u>847,973</u>
<b>CASH AND CASH EQUIVALENTS, Ending</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>COMPRISED AS FOLLOWS:</b>					
Cash and cash equivalents	<u>\$ 4,762,685</u>	<u>\$ 2,968,790</u>	<u>\$ 343</u>	<u>\$ 7,731,818</u>	<u>\$ 1,081,849</u>
	<u>\$ 4,762,685</u>	<u>\$ 2,968,790</u>	<u>\$ 343</u>	<u>\$ 7,731,818</u>	<u>\$ 1,081,849</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, 2020**

	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)	\$ 1,504,539	\$ 465,577	\$ (1,372,488)	\$ 597,628	\$ (580,070)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	716,064	1,388,480	898,796	3,003,340	210,914
(Increase) decrease in assets and deferred outflows:					
Receivables	34,002	(103,228)	37,344	(31,882)	(630)
Prepaid	(263)	163	(2,425)	(2,525)	14,274
Inventories	(51,771)	17,550	-	(34,221)	-
Net OPEB asset	(3,606)	(2,518)	(4,015)	(10,139)	(16,655)
Deferred outflows related to pension	(86,096)	(55,620)	(115,893)	(257,609)	(336,487)
Deferred outflows related to OPEB	(493)	(29)	(870)	(1,392)	216
Increase (decrease) in liabilities and deferred inflows:					
Accounts payable and accrued expenses	61,478	116,865	55,631	233,974	89,872
Deposits	(684)	-	-	(684)	3,737
Compensated absences payable	7,940	(406)	16,439	23,973	6,122
Other post employment benefits liability	7,595	(4,076)	11,140	14,659	37,281
Net pension liability	251,795	165,363	326,928	744,086	1,020,778
Deferred inflows related to pension	4,716	1,019	15,365	21,100	(9,140)
Deferred inflows related to OPEB	(988)	(3,242)	348	(3,882)	(2,476)
Net cash provided from (used by) operating activities	<u>\$ 2,444,228</u>	<u>\$ 1,985,898</u>	<u>\$ (133,700)</u>	<u>\$ 4,296,426</u>	<u>\$ 437,736</u>

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



## **FUND FINANCIAL STATEMENTS**

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### **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, 2020**

	<u>Agency</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 54,548
 Total assets	 <u>\$ 54,548</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 17,765
Due to other governments	<u>36,783</u>
 Total liabilities	 <u>\$ 54,548</u>

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



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

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**CITY OF PENDLETON, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**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 City reports the following major proprietary funds:

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

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

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

Additionally, the City reports the following fund types:

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

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

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

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

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

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

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

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

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

The City maintains merged bank accounts and investments for its funds in a central pool of cash and investments. The investment policy of the City is to invest in the Local Government Investment Pool and interest bearing demand deposits with local banks and to transfer resources to the general checking account as the need arises. This policy is in accordance with ORS 294.035, which specifies the types of investments authorized for municipal corporations. The City allocates earnings on investments to selected funds based on the average monthly balances throughout the year. Investments are stated at amortized cost, which approximates fair value.

## **2. Receivables and Payables**

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

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

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

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

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

## **4. Restricted Assets**

The Debt Service Fund is legally restricted to debt service for \$186,379 and the Sewer funds have \$407,937 restricted for debt service. Unspent bond proceeds of \$430,581 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, 2020, 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>\$ 7,204</u>

**C. Deficit fund balances**

Funds having a deficit fund balance on the budgetary basis at June 30, 2020 are as follows:

<u>General Fund Sub-Funds</u>	
Sidewalk Repair Loan Fund	<u>\$ (22,577)</u>
<u>Special Revenue Funds</u>	
Pendleton Convention Center Fund	<u>\$ (110,411)</u>
<u>Enterprise Funds</u>	
Airport Fund	<u>\$ (1,928,324)</u>

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

**III. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

**Deposits.** The Governmental Accounting Standards Board has adopted accounting principles generally accepted in the United States of America (GAAP), which includes standards to categorize deposits to give an indication of the level of custodial credit risk assumed by the City at June 30, 2020. 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, 2020, the carrying amount of the City and Urban Renewal Agency's deposits, including certificates of deposit categorized as investments of \$822,995 was \$2,475,779 and the bank balance was \$2,833,287. All deposits are held in the name of the City or the Pendleton Development Commission (blended component unit). Of the bank balance, \$1,037,242 was covered by federal depository insurance. The remaining \$1,796,045 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, 2020, the amount held in the escrow account for future scheduled payments was \$22.

**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 8% 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, 2020 include Certificates of Deposit with Banner Bank totaling \$822,995. 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>\$ 797,392</u>

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

Cash on hand	\$ 1,995
Cash with Police Department	18,999
Deposits with financial institutions	1,652,784
Local Government Investment Pool	<u>12,569,401</u>
Total cash and cash equivalents	<u>\$ 14,243,179</u>
Funds:	
General	\$ 753,685
Street	652,108
Non - major Governmental funds	3,969,171
Water	4,762,685
All Sewer funds	2,968,790
Airport	343
Internal Service funds	1,081,849
Fiduciary funds	<u>54,548</u>
Total cash and cash equivalents	<u>\$ 14,243,179</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 2019-2020, the City levied property taxes in the amount of \$6,269,781. The tax rate was \$0.65771 per \$1,000 of assessed value before compression due to constitutional limits. The City also levied \$615,682 for debt service at a tax rate of \$0.6041 per \$1,000. The assessed value for the City was \$1,018,970,940. The Pendleton Development Commission, a blended component unit of the City, levied taxes at its maximum taxing authority resulting in a net levy of \$868,612.

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	Other Governmental Funds	Internal Service	Total Governmental Activites
Property taxes	\$ 320,022	\$ -	\$ 73,527	\$ -	\$ 393,549
Special assessments	17,410	-	686,421	-	703,831
Accounts	2,856,099	110,012	152,230	-	3,118,341
Intergovernmental	473,211	70,962	181,957	103,565	829,695
Interest	7	-	-	-	7
Notes	131,578	-	191,366	-	322,944
Gross Receivables	3,798,327	180,974	-	103,565	4,082,866
Less: Allowance for Uncollectibles	(1,626,837)	-	-	-	(1,626,837)
Net Total Receivables	<u>\$ 2,171,490</u>	<u>\$ 180,974</u>	<u>\$ -</u>	<u>\$103,565</u>	<u>\$ 2,456,029</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 Activites
Accounts	\$ 937,684	\$ 909,522	\$ 93,538	\$ 630	\$ 1,941,374
Intergovernmental	-	276,030	4,594,996	-	4,871,026
Assessments	-	6,135	-	-	6,135
Interest	-	534	-	-	534
Gross Receivables	937,684	1,192,221	4,688,534	630	6,819,069
Less: Allowance for Uncollectibles	(8,561)	(8,403)	(28,654)	-	(45,618)
Net Total Receivables	<u>\$ 929,123</u>	<u>\$ 1,183,818</u>	<u>\$ 4,659,880</u>	<u>\$ 630</u>	<u>\$ 6,773,451</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	Street	Other Governmental Funds	Total Governmental Activities
Property taxes	\$ 290,750	\$ -	\$ 67,291	\$ 358,041
Intergovernmental	263,373	-	52,051	315,424
Notes and assessments	148,988	-	877,787	1,026,775
Ambulance receivables	197,466	-	-	197,466
Court receivables	529,757	-	-	529,757
Other	43,997	-	6,750	50,747
	<u>\$ 1,474,331</u>	<u>\$ -</u>	<u>\$ 1,003,879</u>	<u>\$ 2,478,210</u>

#### D. Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2020 was as follows:

Description	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Capital assets not being depreciated:					
Land	\$ 4,080,709	\$ -	\$ -	\$ (5,160)	\$ 4,075,549
Land/assets available for sale	761,261	-	-	(180,000)	581,261
Construction in progress	8,753,560	438,890	-	(8,087,312)	1,105,138
Total non-depreciable	<u>13,595,530</u>	<u>438,890</u>	<u>-</u>	<u>(8,272,472)</u>	<u>5,761,948</u>
Capital assets being depreciated:					
Buildings	17,087,193	8,486,391	-	(280,172)	25,293,412
Equipment	8,495,542	533,854	-	(238,183)	8,791,213
Improvements	33,131,323	98,585	-	-	33,229,908
Infrastructure	20,926,650	-	-	-	20,926,650
Total depreciable	<u>79,640,708</u>	<u>9,118,830</u>	<u>-</u>	<u>(518,355)</u>	<u>88,241,183</u>
Accumulated depreciation					
Buildings	(9,246,682)	(938,630)	-	265,746	(9,919,566)
Equipment	(5,801,966)	(602,933)	-	238,183	(6,166,716)
Improvements	(12,411,594)	(1,088,120)	-	-	(13,499,714)
Infrastructure	(19,357,150)	(523,166)	-	-	(19,880,316)
Total accumulated depreciation	<u>(46,817,392)</u>	<u>(3,152,849)</u>	<u>-</u>	<u>503,929</u>	<u>(49,466,312)</u>
Total capital assets being depreciated, net	<u>32,823,316</u>	<u>5,965,981</u>	<u>-</u>	<u>(14,426)</u>	<u>38,774,871</u>
Governmental activities capital assets, net	<u>\$ 46,418,846</u>	<u>\$ 6,404,871</u>	<u>\$ -</u>	<u>\$(8,286,898)</u>	<u>\$ 44,536,819</u>

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

General government	\$ 250,972
Public safety	943,707
Highways and streets	1,314,096
Culture and recreation	553,903
Internal service - Central Services	90,171
Total depreciation for governmental activities	<u>\$ 3,152,849</u>

Capital asset activity for business-type activities for the year ended June 30, 2020 was as follows:

Description	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Capital assets not being depreciated:					
Land	\$ 298,769	\$ -	\$ -	\$ -	\$ 298,769
Construction in progress	2,812,026	6,605,870	-	-	9,417,896
Total non-depreciable	3,110,795	6,605,870	-	-	9,716,665
Capital assets being depreciated:					
Buildings	17,398,950	53,609	-	-	17,452,559
Equipment	19,190,584	433,654	-	-	19,624,238
Improvements	61,039,283	7,715,439	-	-	68,754,722
Total depreciable	97,628,817	8,202,702	-	-	105,831,519
Accumulated depreciation					
Buildings	(7,706,376)	(469,252)	-	-	(8,175,628)
Equipment	(17,743,444)	(322,346)	-	-	(18,065,790)
Improvements	(31,185,094)	(2,332,485)	-	-	(33,517,579)
Total accumulated depreciation	(56,634,913)	(3,124,083)	-	-	(59,758,996)
Total capital assets being depreciated, net	40,993,904	5,078,619	-	-	46,072,523
Business-type activities capital assets, net	<u>\$ 44,104,699</u>	<u>\$ 11,684,489</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,789,188</u>

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

Water	\$ 716,064
Sewer	1,388,480
Airport	898,796
Internal service - PW Administration and Fleet	120,743
Total depreciation for business-type activities	<u>\$ 3,124,083</u>

#### E. Advances Receivable/Payable

In the government-wide financial statements, the business-type activities have internal balances payable to the governmental activities in the amount of \$1,601,561. At June 30, 2020, amounts due from other funds in the fund financial statements are as follows:

General Fund receivable from:			
TPAC	\$	21,000	
Sidewalk Repair Loan Fund		24,000	
PCC		173,000	
Airport Fund		<u>261,100</u>	\$ 479,100
System Development Fees Fund receivable from:			
Airport Fund			384,700
Sewer Funds receivable from:			
Airport Fund		<u>1,507,450</u>	<u>1,507,450</u>
Total Interfund Receivables			<u><u>\$ 2,371,250</u></u>

Interfund loans were made for capital purposes in the Pendleton Convention Center Fund for \$123,796 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 in to the governmental activities and transfers out of the business-type activities in the amounts of \$94,290. A reconciliation of transfers in the budgetary fund financial statements is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 328,304	\$ 125,877
State Tax Street Fund	14,949	13,590
Non-major governmental funds	125,983	143,149
Enterprise Funds:		
Water Fund	500,000	523,600
Sewer Fund	-	18,320
Airport Fund	-	12,980
Internal Service Funds:		
PW Administrations and Fleet	-	39,390
Central Services Fund	-	<u>92,330</u>
Total all funds	<u>\$ 969,236</u>	<u>\$ 969,236</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
2021	\$ 430,000	\$ 228,433
2022	480,000	206,915
2023	530,000	182,896
2024	585,000	156,375
2025	645,000	127,102
2026-2029	1,895,000	174,639
	<u>\$ 4,565,000</u>	<u>\$ 1,076,360</u>

## 2. Urban Renewal Bonds

The Pendleton Development Commission established a non-revolving line of credit with Banner Bank which was negotiated into bonds at 4.75% on March 31, 2013 for the outstanding balance of \$1,821,754 and borrowed an additional \$325,000. The City issued the First Amendment to Bond Purchase Agreement and Bond in October of 2017, with interest rates ranging from 3.75% to 4.75%, and final payments due January 15, 2023. This bond was issued to amend the Bond Purchase Agreement between the Pendleton Development Commission and Banner Bank, dated as of January 15, 2023, and the Commission's Pendleton Downtown Riverfront Urban Renewal Area Urban Renewal Bond, Series 2013. Interest rates have fallen since the issuance of the Original Bond and the execution of the Original Bond Purchase Agreement. The original Bond Purchase Agreement and the Bond must be amended in order to incorporate the lower interest rate. The remaining loan amount of \$975,647 was repaid during the year leaving a \$0 balance as of June 30, 2020.

The City entered into the Financing Agreement (Riverfront Downtown Urban Renewal Area) in January 2018, with a maximum principal amount of \$3,500,000. Tax Incremental Revenues will be used to pay amounts due. As of June 30, 2020, a draw of \$300,000 has been made. The maximum amount of indebtedness decreases each year starting January 1, 2020. At any time, the Commission can elect to convert all or a portion of the outstanding principal balance to a fixed rate with an extended maturity date. Interest rates on the converted amount will be based on the rate in effect on the conversion date. Interest is based on LIBOR rate plus 3%.

## 3. General Obligation Bonds

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

Future maturities of the outstanding loans are as follows:



Year Ending June 30	Governmental Activities	
	Principal	Interest
2021	\$ 290,000	\$ 309,950
2022	335,000	301,250
2023	245,000	291,200
2024	265,000	283,850
2025	290,000	275,900
2026-2030	1,900,000	1,189,900
2031-2035	2,740,000	780,000
2036-2039	2,175,000	178,000
	<u>\$ 8,240,000</u>	<u>\$ 3,610,050</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
2021	\$ 46,474	\$ 17,332
2022	47,961	15,821
2023	49,496	14,261
2024	51,079	12,652
2025	52,714	10,991
2026-2030	289,979	28,126
2031-2034	27,148	434
	<u>\$ 564,851</u>	<u>\$ 99,617</u>

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

Year Ending June 30	Business-Type	
	Principal	Interest
2021	\$ 526,315	\$ 163,345
2022	542,204	146,248
2023	557,575	128,652
2024	576,930	110,500
2025	595,784	91,736
2026-2029	2,568,868	167,422
	<u>\$5,367,676</u>	<u>\$ 807,903</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
2021	\$ 394,548	\$ 56,395
2022	412,783	37,055
2023	430,237	18,911
	<u>\$ 1,237,568</u>	<u>\$ 112,361</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
2021	\$ 321,491	\$ 88,751
2022	327,668	82,574
2023	334,018	76,224
2024	340,546	69,696
2025	347,255	62,987
2026-2030	1,843,649	207,561
2031-2034	994,395	31,213
	<u>\$ 4,509,022</u>	<u>\$ 619,006</u>

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

Year Ending June 30	Business-type activities	
	Principal	Interest
2021	\$ 30,433	\$ 5,888
2022	31,293	5,028
2023	32,177	4,144
2024	33,087	3,234
2025	34,022	2,299
2026-2028	64,175	1,924
	<u>\$ 225,187</u>	<u>\$ 22,517</u>

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

Year Ending June 30	Governmental Activities	
	Principal	Interest
2021	\$ 106,826	\$ 17,476
2022	111,142	13,160
2023	115,632	8,670
2024	120,303	3,998
2025	9,187	189
	<u>\$ 463,090</u>	<u>\$ 43,493</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
2021	\$ 21,458	\$ 24,335
2022	22,436	23,356
2023	23,459	22,333
2024	24,529	21,264
2025	25,647	20,145
2026-2030	146,882	82,079
2031-2035	183,570	45,394
2036-2039	85,679	5,904
	<u>\$ 533,660</u>	<u>\$ 244,810</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
2021	\$ 50,194	\$ 25,040
2022	52,504	22,730
2023	54,846	20,390
2024	57,291	17,943
2025	59,801	15,434
2026-2030	303,063	34,480
	<u>\$ 577,699</u>	<u>\$ 136,017</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, 2020, 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, 2020, the City has recognized loan proceeds in the amount of \$456,529 and has finalized the loan. The repayment commencement date is December 1 that occurs within two years following completion of the project. The City will pay principal and interest in level installments to repay the principal (including capitalized interest) and interest at 3.4% per annum over twenty-four years. The grant portion requires 100 new jobs be created within 5 years of completion or repayment of \$5,000 per job will be required. Future maturities are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2021	\$ 13,409	\$ 28,931
2022	13,865	28,931
2023	14,336	28,931
2024	14,823	28,931
2025	15,327	28,931
2026-2030	84,818	144,655
2031-2035	100,251	144,655
2036-2040	118,493	144,655
2040-2044	81,207	86,793
	<u>\$ 456,529</u>	<u>\$ 665,413</u>

The City was awarded a Safe Drinking Water Revolving Loan Fund loan from the State of Oregon to perform selected water system improvements from its 2015 Master Plan as described in its initial 5-year Capital Improvement Program. The total loan award was for \$14,855,000, 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, 2020, \$5,194,172 has been drawn down, plus the City has incurred expenditures after year end. An amortization schedule is not yet available.

The City signed the Clean Water State Revolving Fund Loan Agreement in October of 2018 in the amount of \$9,800,000, with an annual interest rate of 2.14%. The project completion date is two years after the effective date and is estimated as November 30, 2020. Starting on the loan repayment date and then each succeeding payment date, the City shall make level installments of principal and interest to fully amortize the loan over a period of 20 years. Final payment is due February 2042. The City has pledged its Net Revenues to secure payment of and to pay the amounts due under this loan. This loan's purpose is to install a suite of point source pollution control projects. The loan funds are disbursed on a cost reimbursement basis. As of June 30, 2020, \$4,503,148 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, 2020, \$38,490 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, 2020 is as follows:

	June 30, 2019	Increases	Decreases	June 30, 2020	Due Within One Year
<b>Governmental activities:</b>					
Governmental bonds:					
General Obligation, Series 2017	\$ 8,515,000	\$ -	\$ (275,000)	\$ 8,240,000	\$ 290,000
Full Faith and Credit Refunding, Series 2018	609,884	-	(45,033)	\$ 564,851	46,474
Limited Tax Pension	4,955,000	-	(390,000)	4,565,000	430,000
Banner Bank Urban Renewal	975,647	-	(975,647)	-	-
Deferred Premium	853,706	-	(46,993)	806,713	-
Total governmental bonds	15,909,237	-	(1,732,673)	14,176,564	766,474
Governmental loans/notes from direct borrowings:					
Banner Bank	565,894	-	(102,804)	463,090	106,826
Eastside Expansion	625,819	-	(48,120)	577,699	50,194
Oregon Infrastructure Authority	554,182	-	(20,522)	533,660	21,458
Banner Bank Credit Line	-	300,000	-	300,000	300,000
Total governmental loans/notes	1,745,895	300,000	(171,446)	1,874,449	478,478
Compensated absences	538,912	25,350	-	564,262	564,262
Governmental activities total long-term liabilities	\$ 18,194,044	\$ 325,350	\$ (1,904,119)	\$ 16,615,275	\$ 1,809,214
<b>Business-type activities:</b>					
Enterprise bonds					
Full Faith and Credit Refunding, Series 2018	\$ 5,877,856	\$ -	\$ (510,180)	\$ 5,367,676	\$ 526,315
Total enterprise bonds	5,877,856	-	(510,180)	5,367,676	526,315
Enterprise loans/notes from direct borrowings					
Safe Drinking Water	2,448,072	1,731,100	-	4,179,172	-
Safe Drinking Water	1,015,000	-	-	1,015,000	-
Safe Drinking Water	1,103,000	-	(258,000)	845,000	269,000
Safe Drinking Water	513,090	-	(120,522)	392,568	125,548
Clean Water State Revolving	462,184	4,040,964	-	4,503,148	-
Clean Water State Revolving	1,350,000	-	(100,000)	1,250,000	100,000
Clean Water State Revolving	3,474,502	-	(215,480)	3,259,022	221,491
State of Oregon Strategic Reserve	545,000	-	-	545,000	-
Special Public Works	469,497	-	(12,968)	456,529	13,409
Special Public Works	-	38,490	-	38,490	-
Community Bank	254,738	-	(29,551)	225,187	30,433
Total enterprise loans/notes	11,635,083	5,810,554	(736,521)	16,709,116	759,881
Compensated absences	132,494	35,909	-	168,403	168,403
Total business-type activities	\$ 17,645,433	\$ 5,846,463	\$ (1,246,701)	\$ 22,245,195	\$ 1,454,599
Total City	\$ 35,839,477	\$ 6,171,813	\$ (3,150,820)	\$ 38,860,470	\$ 3,263,813

The central services internal service fund predominantly serves the governmental funds. Accordingly, long-term liabilities for compensated absences in the amount of \$113,020 are included in the above amounts. The PW administration and fleet internal service fund predominantly serves the business-type activities and \$52,117 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, 2020 were as follows:

Fund Balances:	Combined General	Street	Other Governmental Funds	Total Governmental Funds
Nonspendable				
Prepays/Contracts	\$ 49,821	\$ -	\$ -	\$ 49,821
Permanent Trust	-	-	814,214	814,214
Interfund loans	479,100	-	-	479,100
Assets available for sale	-	-	-	-
Restricted				
Debt service	-	-	186,379	186,379
Highways and streets	-	-	8,528	8,528
Capital Projects	-	-	430,581	430,581
Library services	-	-	495,226	495,226
Public safety	-	-	193,199	193,199
Program grants	-	-	37,649	37,649
Environmental remediation	122,368	-	-	122,368
Urban renewal	-	-	440,149	440,149
Committed				
Community enhancement	98,589	-	-	98,589
Building Maintenance	-	-	349,627	349,627
Highways and streets	-	-	522,346	522,346
Capital projects	-	-	286,805	286,805
Library services	-	-	103,331	103,331
Assigned				
Program operations	-	457,897	753,833	1,211,730
Park improvements	-	-	160,594	160,594
Economic development	242,105	-	554,511	796,616
Unassigned	567,741	-	(110,411)	457,330
Total Fund Balances	\$ 1,559,724	\$ 457,897	\$ 5,226,561	\$ 7,244,182

## IV. Other Information

### A. Risk Management

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

### B. Other Postemployment Benefits

The City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other Than Pensions* in the fiscal year ended June 30, 2018. This statement addresses how state and local governments should account for and report their costs and obligations related to Other Postemployment Benefits (OPEB). This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multiple-Employer Plans*.

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

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

### **Health Insurance Continuation**

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

### **Outline of Plan Provisions**

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

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

### **Total OPEB Liability**

The City's total OPEB liability of \$1,320,888 was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2018.



## Actuarial assumptions and other inputs

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

Valuation Date	July 1, 2018
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry age normal
Actuarial Assumptions:	
Inflation rate	2.5 percent per year
Discount rate	3.5 percent, based on a 20-year general obligation bond yield index published by The Bond Buyer
Projected salary increases	3.5 percent per year.
Health Cost Trend	Medical and vision: 2018-6.75%, 2019-7% and between 4.75% and 6% for the subsequent 40+ years.
Cost of living adjustment (COLA)	3.5 percent per year, based on general inflation and the likelihood of raises throughout participants' careers
Health mortality	RP-2014 Healthy Annuitant, sex distinct mortality tables blended 50/50 blue collar and white collar, set back one year for males. Mortality is projected on generational basis using the Unisex Social Security Data Scale.

## Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at June 30, 2019	<u>\$ 1,220,224</u>
Changes for the year:	
Service cost	81,135
Interest	48,963
Economic/demographic gains or losses	-
Changes in assumptions or other inputs	43,586
Benefit payments	<u>(73,020)</u>
Net changes	<u>100,664</u>
Balance at June 30, 2020	<u>\$ 1,320,888</u>

*Sensitivity of the total OPEB liability to changes in the discount and trend rates.* The following presents the total OPEB liability of the City's, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.5 percent) or 1-percentage-point higher (4.5 percent) than the current discount rate:

	1% Decrease (2.5%)	Current Discount Rate (3.5%)	1% Increase (4.5%)
Total OPEB liability	\$1,443,562	\$ 1,320,888	\$ 1,208,886

*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:

	1% Decrease	Healthcare Current Trend Rate	1% Increase
Total OPEB liability	\$1,168,248	\$ 1,320,888	\$ 1,503,264

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

For the year ended June 30, 2020, the City recognized OPEB expense of \$106,544. At June 30, 2020, 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	\$ -	\$ 98,321
Changes in assumptions or inputs	<u>38,994</u>	<u>99,614</u>
Total (Pior to post MD contributions)	38,994	197,935
Contributions subsequent to the measurement date	<u>61,848</u>	<u>-</u>
Net Deferred Outflow/(Inflow) of Resources	<u>\$ 100,842</u>	<u>\$ 197,935</u>

\$61,848 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:	
2021	\$ (23,554)
2022	(23,554)
2023	(23,554)
2024	(23,554)
2025	(23,554)
Thereafter	<u>(41,171)</u>
Total	<u><u>\$(158,941)</u></u>

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

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

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

Participating governments are contractually required to contribute to RHIA at a rate assessed each year by OPERS, currently 0.06% 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, 2020, 2019 and 2018 were \$5,613, \$43,697, \$42,556, 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, 2020, the City reported an asset of \$170,371 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2019, and the total OPEB asset used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to June 30, 2019. 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, 2019, the City's proportion was 0.08817 percent, which was increased from its proportion of 0.08789 percent measured as of June 30, 2018.

For the year ended June 30, 2020, the City's recognized OPEB expense (income) of \$(23,025). At June 30, 2020, 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	\$ -	\$ 22,467
Changes in assumptions	-	176
Net difference between projected and actual earnings on investments	-	10,516
Changes in proportionate share	-	916
Total (prior to post-MD contributions)	-	34,075
Contributions subsequent to the measurement date	<u>5,613</u>	<u>-</u>
Net Deferred Outflow/(Inflow) of Resources	<u>\$ 5,613</u>	<u>\$ 34,075</u>

\$5,613 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:	
2021	\$(17,776)
2022	(15,428)
2023	(1,952)
2024	<u>1,081</u>
Total	<u><u>\$(34,075)</u></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, 2017
Measurement Date	June 30, 2019
Experience Study Report	2016, published July 26, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Long-Term Expected Rate of Return	7.20 percent
Discount Rate	7.20 percent
Projected Salary Increases	3.50 percent
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision; blend based on service.
Mortality	<p>Healthy retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Active Members: RP-2014 Employees, sex distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.</p>

## Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

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

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

Assumed Inflation - Mean

2.50%

### 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	\$ (132,081)	\$ (170,371)	\$ (202,996)

## 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, 2019 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, 2019 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	\$ 1,320,888	\$ 100,842	\$ 197,935	\$ 106,544
Retirement Health Insurance Account (RHIA)	<u>(170,371)</u>	<u>5,613</u>	<u>34,075</u>	<u>(23,025)</u>
Aggregate amounts related to OPEB	<u>\$ 1,150,517</u>	<u>\$ 106,455</u>	<u>\$ 232,010</u>	<u>\$ 83,519</u>

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

### Plan Description

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

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

### Benefits Provided

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

##### Pension Benefits

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

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



### **Death Benefits**

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

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

### **Disability Benefits**

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

### **Benefit Changes After Retirement**

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

## **2. OPSRP 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.

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. Employer contributions for the year ended June 30, 2020 were \$2,130,524, excluding \$5,613 to fund the retirement health insurance account (RHIA). The rates in effect for the fiscal year ended June 30, 2020 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 percent of salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members 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 \$213,532 for the year ended June 30, 2020 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, 2020, the City reported a liability of \$17,480,353 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to June 30, 2019. 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, 2019, the City's proportion was 0.10105649 percent, which was a increase from its proportion of 0.08918086 percent measured as of June 30, 2018.

For the year ended June 30, 2020, the City's recognized pension expense (income) of \$4,430,633. At June 30, 2020, 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	\$ 963,990	\$ -
Changes of assumptions	2,371,409	-
Net difference between projected and actual earnings on investments	-	495,550
Changes in proportionate share	1,235,370	613,597
Differences between employer contributions and employer's share of system contributions	<u>52,623</u>	<u>326,998</u>
Total (prior to post-MD contributions)	4,623,392	1,436,145
Contributions subsequent to the measurement date	<u>1,846,329</u>	<u>-</u>
Net Deferred Outflow/(Inflow) of Resources	<u>\$ 6,469,721</u>	<u>\$ 1,436,145</u>

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

Year ended June 30:	
2021	\$ 1,690,557
2022	246,086
2023	582,873
2024	595,720
2025	<u>72,011</u>
Total	<u>\$ 3,187,247</u>

### Actuarial assumptions

The employer contribution rates effective July 1, 2019, 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, 2017 actuarial valuation was determined using the following actuarial assumptions:

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

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

### Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class/Strategy	OIC Assumed Asset Allocation		
	Low Range	High Range	Target
Cash	0.0%	3.0%	0.0%
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Private Equity	14.0%	21.0%	17.5%
Real Estate	9.5%	15.5%	12.5%
Alternative Equity	0.0%	12.5%	12.5%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			100.0%

Asset Class	Target Allocation	Compounded Annual Return (Geometric)
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00%	3.38%
Bank/Leveraged Loans	3.00%	5.09%
High Yield Bonds	1.00%	6.45%
Large/Mid Cap US Equities	15.75%	3.30%
Small Cap US Equities	1.31%	6.69%
Micro CAP US Equities	1.31%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Market Equities	4.12%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equity	17.50%	7.82%
Real Estate (Property)	10.00%	5.51%
Real Estate (REITS)	2.50%	6.37%
Hedge Funds of Funds - Diversified	2.50%	4.09%
Hedge Funds - Event-driven	0.63%	5.86%
Timber	1.87%	5.62%
Farmland	1.87%	6.15%
Infrastructure	3.75%	6.60%
Commodities	1.88%	3.84%
Total	100.00%	
Assumed Inflation - Mean		2.50%

## Depletion Date Projection

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

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

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

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

## Discount rate

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

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

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

	1% Decrease (6.2%)	Discount Rate (7.2%)	1% (Increase (8.2%)
City's proportionate share of the net pension liability (asset)	\$ 27,993,234	\$ 17,480,353	\$ 8,682,519

### **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 \$248,934 to the pension plan.

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

There were no changes during the June 30, 2019 measurement period that require disclosure, except 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.

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

Senate Bill 1049 contains other provisions designed to reduce the employer contribution rates, which have not yet been reflected in the Total Pension Liability. The Senate Bill 1049 redirects a portion of employee contribution from the Individual Account Program to partially fund the employee's pension plan. The amount of the redirect depends on the employee's membership and salary level. In addition, the bill eliminates the limit on hours a retiree may work for a public employer, but the employer is required to continue making the employer's contribution while the retiree accrues no additional PERS benefit. Finally, the measure allows members with a choice of investment options for the money in the Individual Account Program.

## **D. Tax Abatement Disclosures**

The City enters into property tax abatement agreements with local businesses under the Pendleton Enterprise Zone authorized by Oregon Statute 285C.175. The Pendleton Enterprise Zone is largely contiguous to City limits and allows eligible (generally non-retail) businesses that expand into the area to receive total exemption from the property taxes normally assessed on new plan and equipment for three years. For the basic three-year property tax exemption, the business needs to increase full-time, permanent employment by one new job or 10%, whichever is greater; have no concurrent job losses outside of, but inside of Oregon; and maintain the employment level during the exemption period. The City has two tax abatement agreements with a food processing company, and a pipe manufacturer for which the City's abated tax portion amounted to \$140,491 for the fiscal year ended June 30, 2020.

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. Prior Period Adjustment**

The City recorded a prior period adjustment due to an unrecorded accounts payable for street repairs that was discovered in April 2020. The adjustment reduced beginning fund balance for the Street Fund and beginning net position for governmental activities by \$190,384.

## **F. 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. 83, Certain Asset Retirement Obligations. This Statement was issued November 2016 to address accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. GASB Statement No. 83 will be effective for the City for fiscal year ending June 30, 2021.

GASB Statement No. 84, Fiduciary Activities. This statement was issued January 2017 to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB Statement No. 84 will be effective for the City for fiscal year ending June 30, 2021.

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.

## **G. Commitments and Contingencies**

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

Local developers have developed infrastructure on SW 9th Street and near Olney Cemetery financed through local improvement districts. The developers were assessed local improvement district charges and upon City acceptance, will contribute the public portion of the constructed infrastructure to the City. The contribution is expected to occur in the 2021 fiscal year.

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



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

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

## **H. Construction in Progress**

The City is committed under various construction contracts at June 30, 2019. Major projects in progress at June 30, 2020 are as follows:

The City has paid approximately \$785,167 towards the 8th Street Bridge project. The City is required to provide a local match of 10.27% of the project costs and right of way acquisition costs and is expecting the total project match to be about \$883,595. Umatilla County is contributing \$375,000 of the local match costs and the City Council has approved entering into a Fund Exchange agreement with Oregon Department of Transportation to provide up to a total of \$595,490 in state funds. The remaining 89.63% of the projects costs will be paid through the State. The Water and Sewer funds are also contributing towards the utility infrastructure portion of the project. Payments to date total \$157,663 for Water and \$152,059 for Sewer. Most of the construction will be paid directly by ODOT and the infrastructure will be contributed to the City upon completion.

The Sewer Fund is in the process of performing Umatilla River Flood repairs. The city has expended \$1,942,800 towards the project at June 30, 2020. Total costs are expected to be \$1,942,800 and the project was approximately 99% complete waiting for closeout.

The Sewer Fund is in the process of performing the SE 4<sup>th</sup> Sewer Collection project. The city has expended \$1,831,126 towards the project at June 30, 2020. Total cost are expected to be \$1,831,126 and the project was approximately 99% complete waiting for closeout.

The Sewer Fund is in the process of performing the 28<sup>th</sup> Street Sewer Lift Station project. The City has expended \$1,124,065 towards the project at June 30, 2020. Total costs are expected to be \$1,465,709 and the project was approximately 68% complete.

The Sewer Fund is in the process of performing the UAS South Industrial Park project. The City has expended \$1,012,737 towards the project at June 30, 2020. Total costs are expected to be \$1,012,737 and the project was approximately 99% complete waiting for closeout.

The City is also in the process of completing the Water and Sewer Master Plans and has incurred expenditures of \$1,550,259 for Water and \$1,643,218 for Sewer to date.

## **I. Related Party Transactions**

The Pendleton Development Commission owed the City of Pendleton \$103,565 for administrative services during the year.

## **J. Subsequent Events**

The Airport received \$2,549,576 from the Airport CARES Act grant to pay off the SRF loan and the interfund loan to the City.

The City approved the purchase and resale of vacant Pendleton Heights Property using Affordable Housing Grant Dollars for the construction of an 80 unit affordable housing project. The City will use grant funds to purchase the property for \$500,000 and immediately sell the property for \$533,000. Upon receipt of these sale proceeds, the City will pay off the Local Improvement District (LID) debt used for the construction of public infrastructure.

The City approved resolution number 2824 to approve Safe Drinking Water State Revolving Fund Number 1 in the amount of up to \$4,000,000. This amends the City's original \$14,855,000 Safe Drinking Water State Revolving Fund (SDWSRF) Loan Agreement S17018. This amendment award will consist of a \$4,000,000 funding addition, has modified the project description, has modified the budget, and extends the completion date for approved projects to June 30, 2022.

The City approved the bid award for the 2020 UAS Flex Hangar Project to McCormack Construction Company of Pendleton, Oregon. McCormack Construction Company is the lower bidder at \$2,410,000.

The City approved the bids for the purchase of a new ambulance, wildfire brush truck, power load gurneys, and a new light rescue truck body for approximately \$420,000.

The Pendleton Development Commission and City of Pendleton approved resolutions to extend the Urban Renewal Plan beyond 2023 by making the maximum indebtedness of that plan \$33.5 million serve as the end point for the program so that no project may be commenced and no new indebtedness may be incurred after reaching the maximum indebtedness.

The Agency approved \$575,000 of Urban Renewal funding for the Til Taylor Park project to replace the current wading pool, including a new splash pad, playground with play structure, dog park, and new parking.

The agency approved a request from the Pendleton Chamber of Commerce and City Economic Development Department for a special grant to support Pendleton's restaurants within the Urban Renewal District titled the Save our Amazing Restaurants (SOAR) grant. The program was approved for up to \$460,000 at the URA level and the City approved another \$140,000 for restaurants outside of the Urban Renewal District. The program will provide up to \$5,000 per month to each restaurant for four months and is initially paid as a forgivable loan that turns into a grant for each month the restaurant stays open after receiving the grant.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern," which continues to spread throughout the world and has adversely impacted global commercial activity as well as local, state, and U.S. federal government operations. The coronavirus outbreak and government responses are creating disruption of goods and services throughout all sectors. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. No adjustments to financial amounts have been made.

**REQUIRED SUPPLEMENTARY INFORMATION**

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**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\*

	2019	2018	2017	2016	2015	2014	2013
City's proportion of the net pension liability (asset)	0.10105649%	0.08918086%	0.09757879%	0.09467864%	0.09979010%	0.10082423%	0.10082423%
City's proportionate share of the net pension liability (asset)	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	10,561,480	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	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	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\*

	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions	\$ 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	2,130,524	(1,603,244)	(1,559,190)	(1,036,593)	(1,066,370)	(968,667)	(907,640)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$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	19.55%	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
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 actuarial determined at December 31 and rolled forward to the measurement date.

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

**CITY OF PENDLETON, OREGON**

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

Last 10 Fiscal Years\*

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

**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.

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.

**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, 2019 reporting date is 3.87% and the discount rate for the June 30, 2020 reporting date is 3.50%.





## **SUPPLEMENTAL INFORMATION**

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# COMBINING STATEMENTS

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## Non-Major Governmental Funds

### Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

**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.

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

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

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

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

#### **Debt Service Funds**

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

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

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

#### **Permanent Funds**

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

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

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

#### **Capital Project Funds**

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

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

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

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

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

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

**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, 2020**

	Special Revenue	Capital Projects	Debt Service	Permanent Trust	Totals
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,577,158	\$ 1,088,256	\$ 283,708	\$ 20,049	\$ 3,969,171
Investments	-	-	-	797,392	797,392
Receivables:					
Property taxes	-	-	73,527	-	73,527
Accounts	296,951	34,332	-	2,904	334,187
Assessments	-	686,421	-	-	686,421
Notes	191,366	-	-	-	191,366
Advances to other funds	-	384,700	-	-	384,700
Assets available for sale	-	240,000	-	-	240,000
Prepaid items	4,350	71,734	-	-	76,084
	<u>3,069,825</u>	<u>2,505,443</u>	<u>357,235</u>	<u>820,345</u>	<u>6,752,848</u>
Total assets	<u>\$ 3,069,825</u>	<u>\$ 2,505,443</u>	<u>\$ 357,235</u>	<u>\$ 820,345</u>	<u>\$ 6,752,848</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 137,504	\$ 38,879	\$ 103,565	\$ -	\$ 279,948
Deposits	48,460	-	-	-	48,460
Advances from other funds	194,000	-	-	-	194,000
	<u>379,964</u>	<u>38,879</u>	<u>103,565</u>	<u>-</u>	<u>522,408</u>
Total liabilities	<u>379,964</u>	<u>38,879</u>	<u>103,565</u>	<u>-</u>	<u>522,408</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	250,167	686,421	67,291	-	1,003,879
	<u>250,167</u>	<u>686,421</u>	<u>67,291</u>	<u>-</u>	<u>1,003,879</u>
Total deferred inflows of resources	<u>250,167</u>	<u>686,421</u>	<u>67,291</u>	<u>-</u>	<u>1,003,879</u>
<b>FUND BALANCES (DEFICIT)</b>					
Nonspendable	-	-	-	814,214	814,214
Restricted	1,168,620	430,581	186,379	6,131	1,791,711
Committed	467,058	795,051	-	-	1,262,109
Assigned	914,427	554,511	-	-	1,468,938
Unassigned	(110,411)	-	-	-	(110,411)
	<u>2,439,694</u>	<u>1,780,143</u>	<u>186,379</u>	<u>820,345</u>	<u>5,226,561</u>
Total fund balances	<u>2,439,694</u>	<u>1,780,143</u>	<u>186,379</u>	<u>820,345</u>	<u>5,226,561</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,069,825</u>	<u>\$ 2,505,443</u>	<u>\$ 357,235</u>	<u>\$ 820,345</u>	<u>\$ 6,752,848</u>

See auditor's report.

**CITY OF PENDLETON, OREGON  
SUB-COMBINING BALANCE SHEET  
NON-MAJOR SPECIAL REVENUE FUNDS  
June 30, 2020**

	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	\$ 7,811	\$ 487,221	\$ 101,554	\$ 685,757	\$ 2,933	\$ 171
Receivables:						
Accounts	717	5,853	1,949	155,812	-	94,739
Notes	-	-	-	-	-	-
Prepaid items	-	3,750	-	-	-	600
	<u>-</u>	<u>3,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>600</u>
Total assets	<u>\$ 8,528</u>	<u>\$ 496,824</u>	<u>\$ 103,503</u>	<u>\$ 841,569</u>	<u>\$ 2,933</u>	<u>\$ 95,510</u>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ -	\$ 7,729	\$ 172	\$ 38,618	\$ -	\$ 27,852
Deposits	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	173,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>173,000</u>
Total liabilities	<u>-</u>	<u>7,729</u>	<u>172</u>	<u>38,618</u>	<u>-</u>	<u>200,852</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	-	-	-	52,051	-	5,069
	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,051</u>	<u>-</u>	<u>5,069</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,051</u>	<u>-</u>	<u>5,069</u>
<b>FUND BALANCES (DEFICIT)</b>						
Restricted	8,528	489,095	-	-	-	-
Committed	-	-	103,331	-	-	-
Assigned	-	-	-	750,900	2,933	-
Unassigned	-	-	-	-	-	(110,411)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(110,411)</u>
Total fund balances	<u>8,528</u>	<u>489,095</u>	<u>103,331</u>	<u>750,900</u>	<u>2,933</u>	<u>(110,411)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,528</u>	<u>\$ 496,824</u>	<u>\$ 103,503</u>	<u>\$ 841,569</u>	<u>\$ 2,933</u>	<u>\$ 95,510</u>

See auditor's report.

PCC TPAC Fund	Police Interagency Special Revolving Fund	Parks Trust Fund	City/County Public Safety Fund	Home Trust Fund	Parks Recreation Cemetery Special Projects Fund	Building Maintenance Fund	Urban Renewal District Operating Fund	Totals
\$ 19,052	\$ 233,848	\$ 160,372	\$ -	\$ 20,865	\$ 16,784	\$ 349,627	\$ 491,163	\$ 2,577,158
17,729	19,930	222	-	-	-	-	-	296,951
-	-	-	-	-	-	-	191,366	191,366
-	-	-	-	-	-	-	-	4,350
<u>\$ 36,781</u>	<u>\$ 253,778</u>	<u>\$ 160,594</u>	<u>\$ -</u>	<u>\$ 20,865</u>	<u>\$ 16,784</u>	<u>\$ 349,627</u>	<u>\$ 682,529</u>	<u>\$ 3,069,825</u>
\$ -	\$ 12,119	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,014	\$ 137,504
-	48,460	-	-	-	-	-	-	48,460
21,000	-	-	-	-	-	-	-	194,000
21,000	60,579	-	-	-	-	-	51,014	379,964
1,681	-	-	-	-	-	-	191,366	250,167
1,681	-	-	-	-	-	-	191,366	250,167
-	193,199	-	-	20,865	16,784	-	440,149	1,168,620
14,100	-	-	-	-	-	349,627	-	467,058
-	-	160,594	-	-	-	-	-	914,427
-	-	-	-	-	-	-	-	(110,411)
14,100	193,199	160,594	-	20,865	16,784	349,627	440,149	2,439,694
<u>\$ 36,781</u>	<u>\$ 253,778</u>	<u>\$ 160,594</u>	<u>\$ -</u>	<u>\$ 20,865</u>	<u>\$ 16,784</u>	<u>\$ 349,627</u>	<u>\$ 682,529</u>	<u>\$ 3,069,825</u>

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**SUB-COMBINING BALANCE SHEET**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**June 30, 2020**

	System Development Fees Fund	Parks Capital Reserve Fund	Public Safety Capital Reserve Fund	LID Construction Fund	Street HB2001 Fund	Fire Bond Capital Construction Fund	Totals
<b>ASSETS</b>							
Cash and cash equivalents	\$ 93,874	\$ 37,137	\$ 201,236	\$ 314,511	\$ -	\$ 441,498	\$1,088,256
Receivables:							
Accounts	-	-	34,332	-	-	-	34,332
Assessments	-	-	-	686,421	-	-	686,421
Advances to other funds	384,700	-	-	-	-	-	384,700
Assets available for sale	-	-	-	240,000	-	-	240,000
Prepaid items	71,734	-	-	-	-	-	71,734
<b>Total assets</b>	<b><u>\$ 550,308</u></b>	<b><u>\$ 37,137</u></b>	<b><u>\$ 235,568</u></b>	<b><u>\$1,240,932</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 441,498</u></b>	<b><u>\$2,505,443</u></b>
<b>LIABILITIES</b>							
Accounts payable and accrued liabilities	\$ 27,962	\$ -	\$ -	\$ -	\$ -	\$ 10,917	\$ 38,879
<b>Total liabilities</b>	<b><u>27,962</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>10,917</u></b>	<b><u>38,879</u></b>
<b>DEFERRED INFLOWS OF</b>							
Unavailable revenue	-	-	-	686,421	-	-	686,421
<b>Total deferred inflows of resources</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>686,421</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>686,421</u></b>
<b>FUND BALANCES (DEFICIT)</b>							
Restricted	-	-	-	-	-	430,581	430,581
Committed	522,346	37,137	235,568	-	-	-	795,051
Assigned	-	-	-	554,511	-	-	554,511
<b>Total fund balances</b>	<b><u>522,346</u></b>	<b><u>37,137</u></b>	<b><u>235,568</u></b>	<b><u>554,511</u></b>	<b><u>-</u></b>	<b><u>430,581</u></b>	<b><u>1,780,143</u></b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b><u>\$ 550,308</u></b>	<b><u>\$ 37,137</u></b>	<b><u>\$ 235,568</u></b>	<b><u>\$1,240,932</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 441,498</u></b>	<b><u>\$2,505,443</u></b>

See auditor's report.



**CITY OF PENDLETON, OREGON  
SUB-COMBINING BALANCE SHEET  
NON-MAJOR DEBT SERVICE FUNDS  
June 30, 2020**

	Debt Service Fund	Urban Renewal Debt Service Fund	Totals
<b>ASSETS</b>			
Cash and cash equivalents	\$ 16,155	\$ 267,553	\$ 283,708
Receivables:			
Property taxes	29,063	44,464	73,527
Total assets	\$ 45,218	\$ 312,017	\$ 357,235
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ -	\$ 103,565	\$ 103,565
Total liabilities	-	103,565	103,565
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue	26,806	40,485	67,291
Total deferred inflows of resources	26,806	40,485	67,291
<b>FUND BALANCES</b>			
Restricted	18,412	167,967	186,379
Total fund balances	18,412	167,967	186,379
Total liabilities, deferred inflows of resources, and fund balances	\$ 45,218	\$ 312,017	\$ 357,235

**CITY OF PENDLETON, OREGON**  
**SUB-COMBINING BALANCE SHEET**  
**NON-MAJOR PERMANENT TRUST FUNDS**  
**June 30, 2020**

	Library Permanent Trust Fund	Cemetery Perpetual Care Trust Fund	Totals
<b>ASSETS</b>			
Cash and cash equivalents	\$ 6,131	\$ 13,918	\$ 20,049
Investments	-	797,392	797,392
Receivables:			
Accounts	-	2,904	2,904
 Total assets	 <u>\$ 6,131</u>	 <u>\$ 814,214</u>	 <u>\$ 820,345</u>
 <b>FUND BALANCES</b>			
Nonspendable	\$ -	\$ 814,214	\$ 814,214
Restricted	<u>6,131</u>	<u>-</u>	<u>6,131</u>
 Total fund balances	 <u>6,131</u>	 <u>814,214</u>	 <u>820,345</u>
 Total fund balances	 <u>\$ 6,131</u>	 <u>\$ 814,214</u>	 <u>\$ 820,345</u>

**CITY OF PENDLETON, OREGON**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2020**

	Special Revenue	Capital Projects	Debt Service	Permanent Trust	Totals
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ 1,434,647	\$ -	\$ 1,434,647
Other taxes	587,824	-	-	-	587,824
Licenses and fees	75,306	-	-	5,237	80,543
Charges for services	319,977	271,147	-	-	591,124
Intergovernmental	1,499,235	7,983	-	-	1,507,218
Assessments	-	232,804	-	-	232,804
Loan repayments	37,180	-	-	-	37,180
Contributions	86,958	-	-	-	86,958
Interest on investments	46,324	33,147	12,190	15,355	107,016
Miscellaneous	37,894	10,424	-	-	48,318
<b>TOTAL REVENUES</b>	<u>2,690,698</u>	<u>555,505</u>	<u>1,446,837</u>	<u>20,592</u>	<u>4,713,632</u>
<b>EXPENDITURES</b>					
Current:					
General government	2,134,882	-	103,565	-	2,238,447
Public safety	122,302	-	-	-	122,302
Culture and recreation	593,037	-	-	-	593,037
Capital outlay	224,838	1,036,938	-	-	1,261,776
Debt service	77,070	170,094	1,603,104	-	1,850,268
<b>TOTAL EXPENDITURES</b>	<u>3,152,129</u>	<u>1,207,032</u>	<u>1,706,669</u>	<u>-</u>	<u>6,065,830</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(461,431)</u>	<u>(651,527)</u>	<u>(259,832)</u>	<u>20,592</u>	<u>(1,352,198)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of property	349,627	5,168	-	-	354,795
Issuance of debt	300,000	-	-	-	300,000
Transfers in	120,983	5,000	-	-	125,983
Transfers out	(115,462)	(14,949)	-	(12,738)	(143,149)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>655,148</u>	<u>(4,781)</u>	<u>-</u>	<u>(12,738)</u>	<u>637,629</u>
<b>NET CHANGE IN FUND BALANCE</b>	193,717	(656,308)	(259,832)	7,854	(714,569)
<b>FUND BALANCE, Beginning</b>	<u>2,245,977</u>	<u>2,436,451</u>	<u>446,211</u>	<u>812,491</u>	<u>5,941,130</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 2,439,694</u>	<u>\$ 1,780,143</u>	<u>\$ 186,379</u>	<u>\$ 820,345</u>	<u>\$ 5,226,561</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, 2020**

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 495,342
Licenses and fees	-	10,773	-	-	-	54,589
Charges for services	-	-	-	15,464	-	299,713
Intergovernmental	11,564	553,139	-	504,526	289,643	3,681
Loan repayments	-	-	-	-	-	-
Contributions	-	39,222	30,694	-	-	-
Interest on investments	373	8,020	9,664	11,342	48	1,221
Miscellaneous	-	-	-	3,452	-	31,439
<b>TOTAL REVENUES</b>	<u>11,937</u>	<u>611,154</u>	<u>40,358</u>	<u>534,784</u>	<u>289,691</u>	<u>885,985</u>
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	461,612	289,643	835,684
Public safety	-	-	-	-	-	-
Culture and recreation	-	556,270	28,804	-	-	-
Capital outlay	23,750	16,905	-	2,600	-	75,000
Debt service	-	-	-	-	-	1,354
<b>TOTAL EXPENDITURES</b>	<u>23,750</u>	<u>573,175</u>	<u>28,804</u>	<u>464,212</u>	<u>289,643</u>	<u>912,038</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(11,813)</u>	<u>37,979</u>	<u>11,554</u>	<u>70,572</u>	<u>48</u>	<u>(26,053)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Sale of property	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-
Transfers in	-	101,190	106	15,000	-	-
Transfers out	-	(19,870)	-	-	-	(9,230)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>81,320</u>	<u>106</u>	<u>15,000</u>	<u>-</u>	<u>(9,230)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(11,813)	119,299	11,660	85,572	48	(35,283)
<b>FUND BALANCE, Beginning</b>	<u>20,341</u>	<u>369,796</u>	<u>91,671</u>	<u>665,328</u>	<u>2,885</u>	<u>(75,128)</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 8,528</u>	<u>\$ 489,095</u>	<u>\$ 103,331</u>	<u>\$ 750,900</u>	<u>\$ 2,933</u>	<u>\$ (110,411)</u>

See auditor's report.

PCC TPAC Fund	Police Interagency Special Revolving Fund	Parks Trust Fund	City/County Public Safety Fund	Home Trust Fund	Parks Recreation Cemetery Special Projects Fund	Building Maintenance Fund	Urban Renewal District Operating Fund	Totals
\$ 92,482	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 587,824
-	-	9,944	-	-	-	-	-	75,306
-	4,800	-	-	-	-	-	-	319,977
-	121,682	-	-	-	15,000	-	-	1,499,235
-	-	-	-	-	-	-	37,180	37,180
-	-	3,528	-	-	13,514	-	-	86,958
194	4,617	2,701	1,380	357	-	-	6,407	46,324
-	3,003	-	-	-	-	-	-	37,894
<u>92,676</u>	<u>134,102</u>	<u>16,173</u>	<u>1,380</u>	<u>357</u>	<u>28,514</u>	<u>-</u>	<u>43,587</u>	<u>2,690,698</u>
-	-	-	-	275	-	-	547,668	2,134,882
-	122,302	-	-	-	-	-	-	122,302
-	-	-	-	-	7,963	-	-	593,037
-	-	9,626	-	-	8,454	-	88,503	224,838
<u>75,716</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>77,070</u>
<u>75,716</u>	<u>122,302</u>	<u>9,626</u>	<u>-</u>	<u>275</u>	<u>16,417</u>	<u>-</u>	<u>636,171</u>	<u>3,152,129</u>
<u>16,960</u>	<u>11,800</u>	<u>6,547</u>	<u>1,380</u>	<u>82</u>	<u>12,097</u>	<u>-</u>	<u>(592,584)</u>	<u>(461,431)</u>
-	-	-	-	-	-	349,627	-	349,627
-	-	-	-	-	-	-	300,000	300,000
-	-	-	-	-	4,687	-	-	120,983
-	-	-	(86,362)	-	-	-	-	(115,462)
-	-	-	<u>(86,362)</u>	<u>-</u>	<u>4,687</u>	<u>349,627</u>	<u>300,000</u>	<u>655,148</u>
16,960	11,800	6,547	(84,982)	82	16,784	349,627	(292,584)	193,717
<u>(2,860)</u>	<u>181,399</u>	<u>154,047</u>	<u>84,982</u>	<u>20,783</u>	<u>-</u>	<u>-</u>	<u>732,733</u>	<u>2,245,977</u>
<u>\$ 14,100</u>	<u>\$ 193,199</u>	<u>\$ 160,594</u>	<u>\$ -</u>	<u>\$ 20,865</u>	<u>\$ 16,784</u>	<u>\$ 349,627</u>	<u>\$440,149</u>	<u>\$ 2,439,694</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, 2020**

	System Development Fees Fund	Parks Capital Reserve Fund	Public Safety Capital Reserve Fund	LID Construction Fund	Street HB2001 Fund	Fire Bond Capital Construction Fund	Totals
<b>REVENUES</b>							
Charges for services	\$ 63,027	\$ -	\$ 208,120	\$ -	\$ -	\$ -	\$ 271,147
Intergovernmental	-	-	7,983	-	-	-	7,983
Assessments	-	-	-	232,804	-	-	232,804
Interest on investments	5,811	1,202	2,316	4,360	227	19,231	33,147
Miscellaneous	-	-	-	45	-	10,379	10,424
<b>TOTAL REVENUES</b>	<u>68,838</u>	<u>1,202</u>	<u>218,419</u>	<u>237,209</u>	<u>227</u>	<u>29,610</u>	<u>555,505</u>
<b>EXPENDITURES</b>							
Capital outlay	337,301	71,687	67,200	-	-	560,750	1,036,938
Debt service	-	-	-	170,094	-	-	170,094
<b>TOTAL EXPENDITURES</b>	<u>337,301</u>	<u>71,687</u>	<u>67,200</u>	<u>170,094</u>	<u>-</u>	<u>560,750</u>	<u>1,207,032</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(268,463)</u>	<u>(70,485)</u>	<u>151,219</u>	<u>67,115</u>	<u>227</u>	<u>(531,140)</u>	<u>(651,527)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Sale of property	-	5,168	-	-	-	-	5,168
Transfers in	-	5,000	-	-	-	-	5,000
Transfers out	-	-	-	-	(14,949)	-	(14,949)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>10,168</u>	<u>-</u>	<u>-</u>	<u>(14,949)</u>	<u>-</u>	<u>(4,781)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(268,463)</u>	<u>(60,317)</u>	<u>151,219</u>	<u>67,115</u>	<u>(14,722)</u>	<u>(531,140)</u>	<u>(656,308)</u>
<b>FUND BALANCE, Beginning</b>	<u>790,809</u>	<u>97,454</u>	<u>84,349</u>	<u>487,396</u>	<u>14,722</u>	<u>961,721</u>	<u>2,436,451</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 522,346</u>	<u>\$ 37,137</u>	<u>\$ 235,568</u>	<u>\$ 554,511</u>	<u>\$ -</u>	<u>\$ 430,581</u>	<u>\$ 1,780,143</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, 2020**

	Debt Service Fund	Urban Renewal Debt Service Fund	Totals
<b>REVENUES</b>			
Property taxes	\$ 592,584	\$ 842,063	\$ 1,434,647
Interest on investments	<u>3,790</u>	<u>8,400</u>	<u>12,190</u>
<b>TOTAL REVENUES</b>	<u>596,374</u>	<u>850,463</u>	<u>1,446,837</u>
<b>EXPENDITURES</b>			
Current:			
General government	-	103,565	103,565
Debt service	<u>593,200</u>	<u>1,009,904</u>	<u>1,603,104</u>
<b>TOTAL EXPENDITURES</b>	<u>593,200</u>	<u>1,113,469</u>	<u>1,706,669</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>3,174</u>	<u>(263,006)</u>	<u>(259,832)</u>
<b>NET CHANGE IN FUND BALANCE</b>	3,174	(263,006)	(259,832)
<b>FUND BALANCE, Beginning</b>	<u>15,238</u>	<u>430,973</u>	<u>446,211</u>
<b>FUND BALANCE, Ending</b>	<u><u>\$ 18,412</u></u>	<u><u>\$ 167,967</u></u>	<u><u>\$ 186,379</u></u>

See auditor's report.

**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, 2020**

	Library Permanent Trust Fund	Cemetery Perpetual Care Trust Fund	Totals
<b>REVENUES</b>			
Licenses and fees	\$ -	\$ 5,237	\$ 5,237
Interest on investments	<u>106</u>	<u>15,249</u>	<u>15,355</u>
<b>TOTAL REVENUES</b>	<u>106</u>	<u>20,486</u>	<u>20,592</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(106)</u>	<u>(12,632)</u>	<u>(12,738)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(106)</u>	<u>(12,632)</u>	<u>(12,738)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	7,854	7,854
<b>FUND BALANCE, Beginning</b>	<u>6,131</u>	<u>806,360</u>	<u>812,491</u>
<b>FUND BALANCE, Ending</b>	<u><u>\$ 6,131</u></u>	<u><u>\$ 814,214</u></u>	<u><u>\$ 820,345</u></u>



**CITY OF PENDLETON, OREGON  
COMBINING BALANCE SHEET  
COMBINED GENERAL FUND  
June 30, 2020**

	General Fund	Community Rehabilitation Fund	Sidewalk Repair Fund	Totals
<b>ASSETS</b>				
Cash and cash equivalents	\$ 510,157	\$ 242,105	\$ 1,423	\$ 753,685
Receivables:				
Property taxes	320,022	-	-	320,022
Accounts	1,702,473	-	-	1,702,473
Interest	7	-	-	7
Assessments	-	-	17,410	17,410
Notes	-	131,578	-	131,578
Advances to other funds	479,100	-	-	479,100
Prepaid items	49,821	-	-	49,821
	<u>3,061,580</u>	<u>373,683</u>	<u>18,833</u>	<u>3,454,096</u>
Total assets	<u>\$ 3,061,580</u>	<u>\$ 373,683</u>	<u>\$ 18,833</u>	<u>\$ 3,454,096</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 396,041	\$ -	\$ -	\$ 396,041
Advances from other funds	-	-	24,000	24,000
	<u>396,041</u>	<u>-</u>	<u>24,000</u>	<u>420,041</u>
Total liabilities	<u>396,041</u>	<u>-</u>	<u>24,000</u>	<u>420,041</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	<u>1,325,343</u>	<u>131,578</u>	<u>17,410</u>	<u>1,474,331</u>
	<u>1,325,343</u>	<u>131,578</u>	<u>17,410</u>	<u>1,474,331</u>
Total deferred inflows of resources	<u>1,325,343</u>	<u>131,578</u>	<u>17,410</u>	<u>1,474,331</u>
<b>FUND BALANCES</b>				
Nonspendable	528,921	-	-	528,921
Restricted	122,368	-	-	122,368
Committed	98,589	-	-	98,589
Assigned	-	242,105	-	242,105
Unassigned	590,318	-	(22,577)	567,741
	<u>1,340,196</u>	<u>242,105</u>	<u>(22,577)</u>	<u>1,559,724</u>
Total fund balances	<u>1,340,196</u>	<u>242,105</u>	<u>(22,577)</u>	<u>1,559,724</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,061,580</u>	<u>\$ 373,683</u>	<u>\$ 18,833</u>	<u>\$ 3,454,096</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, 2020**

	General Fund	Community Rehabilitation Fund	Sidewalk Repair Fund	Totals
<b>REVENUES</b>				
Property taxes	\$ 6,075,865	\$ -	\$ -	\$ 6,075,865
Other taxes	654,717	-	-	654,717
Franchise fees	2,590,342	-	-	2,590,342
Licenses and fees	852,974	-	-	852,974
Charges for services	1,511,483	-	-	1,511,483
Intergovernmental	1,722,535	2,496	-	1,725,031
Fines and forfeitures	286,774	-	-	286,774
Assessments	-	-	2,140	2,140
Loan repayments	-	6,166	-	6,166
Contributions	5,849	-	-	5,849
Interest on investments	31,496	4,637	22	36,155
Miscellaneous	93,482	-	-	93,482
<b>TOTAL REVENUES</b>	<u>13,825,517</u>	<u>13,299</u>	<u>2,162</u>	<u>13,840,978</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,926,269	38,188	76	1,964,533
Public safety	9,290,175	-	-	9,290,175
Culture and recreation	2,238,884	-	-	2,238,884
Capital outlay	77,766	-	-	77,766
Debt service	700,716	-	482	701,198
<b>TOTAL EXPENDITURES</b>	<u>14,233,810</u>	<u>38,188</u>	<u>558</u>	<u>14,272,556</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(408,293)</u>	<u>(24,889)</u>	<u>1,604</u>	<u>(431,578)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	328,304	-	-	328,304
Transfers out	(125,877)	-	-	(125,877)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>202,427</u>	<u>-</u>	<u>-</u>	<u>202,427</u>
<b>NET CHANGE IN FUND BALANCE</b>	(205,866)	(24,889)	1,604	(229,151)
<b>FUND BALANCE (DEFICIT), Beginning</b>	<u>1,546,062</u>	<u>266,994</u>	<u>(24,181)</u>	<u>1,788,875</u>
<b>FUND BALANCE (DEFICIT), Ending</b>	<u>\$ 1,340,196</u>	<u>\$ 242,105</u>	<u>\$ (22,577)</u>	<u>\$ 1,559,724</u>

## COMBINING STATEMENTS

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### 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, 2020**

	PW Administration and Fleet Fund	Central Services Fund	Totals
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 811,781	\$ 270,068	\$ 1,081,849
Receivables:			
Accounts	630	103,565	104,195
Prepaid items	<u>10,375</u>	<u>21,896</u>	<u>32,271</u>
Total current assets	<u>822,786</u>	<u>395,529</u>	<u>1,218,315</u>
Noncurrent assets:			
Net OPEB asset	10,277	25,978	36,255
Capital assets:			
Depreciable assets, net of depreciation	<u>603,526</u>	<u>276,461</u>	<u>879,987</u>
Total noncurrent assets	<u>613,803</u>	<u>302,439</u>	<u>916,242</u>
Total assets	<u>1,436,589</u>	<u>697,968</u>	<u>2,134,557</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred outflows related to pension	390,249	986,504	1,376,753
Deferred outflows related to OPEB	<u>8,379</u>	<u>16,357</u>	<u>24,736</u>
Total deferred outflows of resources	<u>398,628</u>	<u>1,002,861</u>	<u>1,401,489</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	98,113	83,086	181,199
Deposits	-	8,892	8,892
Compensated absences payable	<u>52,117</u>	<u>113,020</u>	<u>165,137</u>
Total current liabilities	150,230	204,998	355,228
Long-term debt, net of current portion			
Other post employment benefits liability	105,328	203,057	308,385
Net pension liability	<u>1,054,401</u>	<u>2,665,407</u>	<u>3,719,808</u>
Total liabilities	<u>1,309,959</u>	<u>3,073,462</u>	<u>4,383,421</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred inflows related to pension	86,627	218,984	305,611
Deferred inflows related to OPEB	<u>17,838</u>	<u>35,625</u>	<u>53,463</u>
Total deferred inflows of resources	<u>104,465</u>	<u>254,609</u>	<u>359,074</u>
<b>NET POSITION</b>			
Net investment in capital assets	603,526	276,461	879,987
Unrestricted	<u>(182,733)</u>	<u>(1,903,703)</u>	<u>(2,086,436)</u>
Total net position	<u>\$ 420,793</u>	<u>\$ (1,627,242)</u>	<u>\$ (1,206,449)</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, 2020**

	PW Administration and Fleet Fund	Central Services Fund	Totals
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,561,746	\$ 3,496,620	\$ 5,058,366
Licenses and fees	-	27,290	27,290
Miscellaneous	10,369	575	10,944
<b>TOTAL OPERATING REVENUES</b>	<u>1,572,115</u>	<u>3,524,485</u>	<u>5,096,600</u>
<b>OPERATING EXPENSES</b>			
Personal services	1,305,648	2,860,802	4,166,450
Materials and services	266,722	1,032,584	1,299,306
Depreciation	120,743	90,171	210,914
<b>TOTAL OPERATING EXPENSES</b>	<u>1,693,113</u>	<u>3,983,557</u>	<u>5,676,670</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(120,998)</u>	<u>(459,072)</u>	<u>(580,070)</u>
<b>NON-OPERATING INCOME (EXPENSES)</b>			
Intergovernmental	2,804	103,565	106,369
Interest on investments	12,513	526	13,039
<b>TOTAL NON-OPERATING INCOME (EXPENSES)</b>	<u>15,317</u>	<u>104,091</u>	<u>119,408</u>
<b>NET INCOME (LOSS) BEFORE TRANSFERS</b>	<u>(105,681)</u>	<u>(354,981)</u>	<u>(460,662)</u>
<b>TRANSFERS</b>			
Transfers out	(39,390)	(92,330)	(131,720)
<b>TOTAL TRANSFERS</b>	<u>(39,390)</u>	<u>(92,330)</u>	<u>(131,720)</u>
<b>CHANGE IN NET POSITION</b>	(145,071)	(447,311)	(592,382)
<b>NET POSITION, Beginning</b>	<u>565,864</u>	<u>(1,179,931)</u>	<u>(614,067)</u>
<b>NET POSITION, Ending</b>	<u>\$ 420,793</u>	<u>\$ (1,627,242)</u>	<u>\$ (1,206,449)</u>

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**COMBINING SCHEDULE OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**For the Fiscal Year Ended June 30, 2020**

	PW Administration and Fleet Fund	Central Services Fund	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 12,970	\$ 31,602	\$ 44,572
Receipts from interfund services provided	1,558,515	3,496,620	5,055,135
Payments to suppliers	(490,789)	(1,769,117)	(2,259,906)
Payments to employees	(728,842)	(1,637,243)	(2,366,085)
Payments for interfund services used	(35,980)	-	(35,980)
Net cash provided from (used by) operating activities	<u>315,874</u>	<u>121,862</u>	<u>437,736</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers out	<u>(39,390)</u>	<u>(92,330)</u>	<u>(131,720)</u>
Net cash provided from (used by) non-capital financing activities	<u>(39,390)</u>	<u>(92,330)</u>	<u>(131,720)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from intergovernmental revenue	2,804	113,230	116,034
Acquisition of capital assets	<u>(142,300)</u>	<u>(58,913)</u>	<u>(201,213)</u>
Net cash provided from (used by) capital and related financing activities	<u>(139,496)</u>	<u>54,317</u>	<u>(85,179)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on investments	<u>12,513</u>	<u>526</u>	<u>13,039</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	149,501	84,375	233,876
<b>CASH AND CASH EQUIVALENTS, Beginning</b>	<u>662,280</u>	<u>185,693</u>	<u>847,973</u>
<b>CASH AND CASH EQUIVALENTS, Ending</b>	<u><u>\$ 811,781</u></u>	<u><u>\$ 270,068</u></u>	<u><u>\$ 1,081,849</u></u>

**CITY OF PENDLETON, OREGON**  
**COMBINING SCHEDULE OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**For the Fiscal Year Ended June 30, 2020**

	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)	\$ (120,998)	\$ (459,072)	\$ (580,070)
Adjustments to reconcile operating income (loss) to net cash provided (used in) operating activities			
Depreciation	120,743	90,171	210,914
(Increase) decrease in assets and deferred outflows:			
Receivables	(630)	-	(630)
Prepaid Items	1,525	12,749	14,274
Net OPEB asset	(4,829)	(11,826)	(16,655)
Deferred outflows - pension	(101,109)	(235,378)	(336,487)
Deferred outflows - OPEB	(1,580)	1,796	216
Increase (decrease) in liabilities and deferred inflows:			
Accounts payable and accrued expenses	72,508	17,364	89,872
Deposits	-	3,737	3,737
Net pension liability	304,203	716,575	1,020,778
Compensated absences payable	11,936	(5,814)	6,122
Other post employment benefits liability	32,251	5,030	37,281
Deferred inflows - pension	(859)	(8,281)	(9,140)
Deferred inflows - OPEB	2,713	(5,189)	(2,476)
Net cash provided from (used by) operating activities	<u>\$ 315,874</u>	<u>\$ 121,862</u>	<u>\$ 437,736</u>





## COMBINING STATEMENTS

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### 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, 2020**

	Bail Fund	Pendleton Foundation Trust Fund	Totals
<b>ASSETS</b>			
Cash and cash equivalents	\$ 23,818	\$ 30,730	\$ 54,548
Total assets	\$ 23,818	\$ 30,730	\$ 54,548
<b>LIABILITIES</b>			
Accounts payable	\$ 8,820	\$ 8,945	\$ 17,765
Due to other governments	14,998	21,785	36,783
Total liabilities	\$ 23,818	\$ 30,730	\$ 54,548

See auditor's report.

## **BUDGETARY COMPARISON SCHEDULES**

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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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>EXPENDITURES AND TRANSFERS</b>				
Planning and building	\$ 715,400	\$ 715,400	\$ 682,509	\$ 32,891
Municipal court	475,000	481,000	430,575	50,425
Economic development	38,550	38,550	33,670	4,880
Police	5,133,100	5,133,100	4,878,081	255,019
Fire / Ambulance	5,097,100	5,097,100	4,807,836	289,264
Parks and recreation	2,546,475	2,575,200	2,252,837	322,363
Non-departmental	1,277,490	1,341,877	975,030	366,847
Debt service	299,320	299,320	299,149	171
Contingency	1,966,815	1,900,703	-	1,900,703
<b>TOTAL EXPENDITURES AND TRANSFERS</b>	<b>\$ 17,549,250</b>	<b>\$ 17,582,250</b>	<b>\$ 14,359,687</b>	<b>\$ 3,222,563</b>

See auditor's report.

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

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## **Governmental Funds**

### **Special Revenue Funds**

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

### **Debt Service Fund**

- Debt Service
- Urban Renewal District Debt Service

### **Permanent Trust Funds**

- Library Permanent Trust
- Cemetery Perpetual Care Trust

### **Capital Projects Funds**

- System Development Fees
- Parks Capital Reserve
- Public Safety Capital Reserve
- L.I.D. Construction
- Street HB2001
- Fire Bond Capital Construction
- 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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 12,030	\$ 12,030	\$ 11,564	\$ (466)
Interest on investments	400	400	373	(27)
<b>TOTAL REVENUES</b>	<u>12,430</u>	<u>12,430</u>	<u>11,937</u>	<u>(493)</u>
<b>EXPENDITURES</b>				
Current:				
Capital outlay	25,130	25,130	23,750	1,380
<b>TOTAL EXPENDITURES</b>	<u>25,130</u>	<u>25,130</u>	<u>23,750</u>	<u>1,380</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(12,700)</u>	<u>(12,700)</u>	<u>(11,813)</u>	<u>887</u>
<b>NET CHANGE IN FUND BALANCE</b>	(12,700)	(12,700)	(11,813)	887
<b>FUND BALANCE, Beginning</b>	<u>12,700</u>	<u>12,700</u>	<u>20,341</u>	<u>7,641</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,528</u>	<u>\$ 8,528</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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Licenses and fees	\$ 16,000	\$ 16,000	\$ 10,773	\$ (5,227)
Intergovernmental	499,305	499,305	553,139	53,834
Contributions	35,000	35,000	39,222	4,222
Interest on investments	4,005	4,005	8,020	4,015
<b>TOTAL REVENUES</b>	<u>554,310</u>	<u>554,310</u>	<u>611,154</u>	<u>56,844</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation:				
Personal services	425,680	425,680	404,112	21,568
Materials and services	165,890	165,890	152,158	13,732
Capital outlay	27,000	27,000	16,905	10,095
Contingency	396,060	396,060	-	396,060
<b>TOTAL EXPENDITURES</b>	<u>1,014,630</u>	<u>1,014,630</u>	<u>573,175</u>	<u>441,455</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(460,320)</u>	<u>(460,320)</u>	<u>37,979</u>	<u>498,299</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	101,190	101,190	101,190	-
Transfers out	(19,870)	(19,870)	(19,870)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>81,320</u>	<u>81,320</u>	<u>81,320</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(379,000)	(379,000)	119,299	498,299
<b>FUND BALANCE, Beginning</b>	<u>379,000</u>	<u>379,000</u>	<u>369,796</u>	<u>(9,204)</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 489,095</u>	<u>\$ 489,095</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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Contributions	\$ 32,000	\$ 32,000	\$ 30,694	\$ (1,306)
Interest on investments	<u>5,000</u>	<u>5,000</u>	<u>9,664</u>	<u>4,664</u>
<b>TOTAL REVENUES</b>	<u>37,000</u>	<u>37,000</u>	<u>40,358</u>	<u>3,358</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation:				
Materials and services	<u>41,000</u>	<u>41,000</u>	<u>28,804</u>	<u>12,196</u>
<b>TOTAL EXPENDITURES</b>	<u>41,000</u>	<u>41,000</u>	<u>28,804</u>	<u>12,196</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(4,000)</u>	<u>(4,000)</u>	<u>11,554</u>	<u>15,554</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>215</u>	<u>215</u>	<u>106</u>	<u>(109)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>215</u>	<u>215</u>	<u>106</u>	<u>(109)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(3,785)	(3,785)	11,660	15,445
<b>FUND BALANCE, Beginning</b>	<u>83,900</u>	<u>83,900</u>	<u>91,671</u>	<u>7,771</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 80,115</u>	<u>\$ 80,115</u>	<u>\$ 103,331</u>	<u>\$ 23,216</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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Charges for services	\$ 26,000	\$ 26,000	\$ 15,464	\$ (10,536)
Intergovernmental	634,510	634,510	504,526	(129,984)
Interest on investments	10,000	10,000	11,342	1,342
Miscellaneous	3,600	3,600	3,452	(148)
<b>TOTAL REVENUES</b>	<u>674,110</u>	<u>674,110</u>	<u>534,784</u>	<u>(139,326)</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Materials and services	544,500	544,500	461,612	82,888
Capital outlay	65,000	65,000	2,600	62,400
Contingency	149,610	149,610	-	149,610
<b>TOTAL EXPENDITURES</b>	<u>759,110</u>	<u>759,110</u>	<u>464,212</u>	<u>294,898</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(85,000)</u>	<u>(85,000)</u>	<u>70,572</u>	<u>155,572</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	15,000	15,000	15,000	-
<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)	85,572	155,572
<b>FUND BALANCE, Beginning</b>	70,000	70,000	665,328	595,328
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 750,900</u>	<u>\$ 750,900</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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 335,000	\$ 335,000	\$ 289,643	\$ (45,357)
Interest on investments	<u>25</u>	<u>25</u>	<u>48</u>	<u>23</u>
<b>TOTAL REVENUES</b>	<u>335,025</u>	<u>335,025</u>	<u>289,691</u>	<u>(45,334)</u>
<b>EXPENDITURES</b>				
Current:				
Materials and services	335,000	335,000	289,643	45,357
Contingency	<u>2,890</u>	<u>2,890</u>	<u>-</u>	<u>2,890</u>
<b>TOTAL EXPENDITURES</b>	<u>337,890</u>	<u>337,890</u>	<u>289,643</u>	<u>48,247</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(2,865)</u>	<u>(2,865)</u>	<u>48</u>	<u>2,913</u>
<b>NET CHANGE IN FUND BALANCE</b>	(2,865)	(2,865)	48	2,913
<b>FUND BALANCE, Beginning</b>	<u>2,865</u>	<u>2,865</u>	<u>2,885</u>	<u>20</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,933</u>	<u>\$ 2,933</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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 2,496	\$ 2,496
Loan repayments	10,100	10,100	6,166	(3,934)
Interest on investments	<u>6,000</u>	<u>6,000</u>	<u>4,637</u>	<u>(1,363)</u>
<b>TOTAL REVENUES</b>	<u>16,100</u>	<u>16,100</u>	<u>13,299</u>	<u>(2,801)</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Materials and services	<u>70,000</u>	<u>70,000</u>	<u>38,188</u>	<u>31,812</u>
<b>TOTAL EXPENDITURES</b>	<u>70,000</u>	<u>70,000</u>	<u>38,188</u>	<u>31,812</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(53,900)</u>	<u>(53,900)</u>	<u>(24,889)</u>	<u>29,011</u>
<b>NET CHANGE IN FUND BALANCE</b>	(53,900)	(53,900)	(24,889)	29,011
<b>FUND BALANCE, Beginning</b>	<u>295,500</u>	<u>295,500</u>	<u>266,994</u>	<u>(28,506)</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 241,600</u>	<u>\$ 241,600</u>	<u>\$ 242,105</u>	<u>\$ 505</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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Assessments	\$ 2,500	\$ 2,500	\$ 2,140	\$ (360)
Interest on investments	<u>25</u>	<u>25</u>	<u>22</u>	<u>(3)</u>
<b>TOTAL REVENUES</b>	<u>2,525</u>	<u>2,525</u>	<u>2,162</u>	<u>(363)</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Materials and services	300	300	76	224
Debt service	<u>725</u>	<u>725</u>	<u>482</u>	<u>243</u>
<b>TOTAL EXPENDITURES</b>	<u>1,025</u>	<u>1,025</u>	<u>558</u>	<u>467</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,500</u>	<u>1,500</u>	<u>1,604</u>	<u>104</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund loan proceeds	25,000	25,000	24,000	(1,000)
Interfund loan repayment	<u>(26,500)</u>	<u>(26,500)</u>	<u>(25,000)</u>	<u>1,500</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(1,500)</u>	<u>(1,500)</u>	<u>(1,000)</u>	<u>500</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	604	604
Budgetary basis adjustment	-	-	1,000	1,000
<b>FUND BALANCE (DEFICIT), Beginning</b>	<u>-</u>	<u>-</u>	<u>(24,181)</u>	<u>(24,181)</u>
<b>FUND BALANCE (DEFICIT), Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (22,577)</u>	<u>\$ (22,577)</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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Other taxes	\$ 570,000	\$ 570,000	\$ 495,342	\$ (74,658)
Licenses and fees	50,000	50,000	54,589	4,589
Charges for services	458,000	458,000	299,713	(158,287)
Intergovernmental	-	-	3,681	3,681
Interest on investments	700	700	1,221	521
Miscellaneous	14,500	14,500	31,439	16,939
<b>TOTAL REVENUES</b>	<u>1,093,200</u>	<u>1,093,200</u>	<u>885,985</u>	<u>(207,215)</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Personal services	390,870	390,870	296,736	94,134
Materials and services	670,560	670,560	538,948	131,612
Capital outlay	76,750	76,750	75,000	1,750
Debt service	1,000	1,500	1,354	146
Contingency	37,340	37,340	-	37,340
<b>TOTAL EXPENDITURES</b>	<u>1,176,520</u>	<u>1,177,020</u>	<u>912,038</u>	<u>264,982</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(83,320)</u>	<u>(83,820)</u>	<u>(26,053)</u>	<u>57,767</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund loan proceeds	-	130,000	49,204	(80,796)
Interfund loan repayment	-	(129,500)	(136,704)	(7,204)
Transfers out	(9,230)	(9,230)	(9,230)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(9,230)</u>	<u>(8,730)</u>	<u>(96,730)</u>	<u>(88,000)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(92,550)	(92,550)	(122,783)	(30,233)
Budgetary basis adjustment	-	-	87,500	87,500
<b>FUND BALANCE, Beginning</b>	<u>92,550</u>	<u>92,550</u>	<u>(75,128)</u>	<u>(167,678)</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (110,411)</u>	<u>\$ (110,411)</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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Other taxes	\$ 105,750	\$ 105,750	\$ 92,482	\$ (13,268)
Interest on investments	100	100	194	94
<b>TOTAL REVENUES</b>	<u>105,850</u>	<u>105,850</u>	<u>92,676</u>	<u>(13,174)</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Capital outlay	25,000	25,000	-	25,000
Debt service	<u>75,750</u>	<u>75,750</u>	<u>75,716</u>	<u>34</u>
<b>TOTAL EXPENDITURES</b>	<u>100,750</u>	<u>100,750</u>	<u>75,716</u>	<u>25,034</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>5,100</u>	<u>5,100</u>	<u>16,960</u>	<u>11,860</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund loan proceeds	-	35,000	21,000	(14,000)
Interfund loan repayment	<u>-</u>	<u>(35,000)</u>	<u>(32,000)</u>	<u>3,000</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>(11,000)</u>	<u>(11,000)</u>
<b>NET CHANGE IN FUND BALANCE</b>	5,100	5,100	5,960	860
Budgetary basis adjustment	-	-	11,000	11,000
<b>FUND BALANCE, Beginning</b>	<u>100</u>	<u>100</u>	<u>(2,860)</u>	<u>(2,960)</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 5,200</u>	<u>\$ 5,200</u>	<u>\$ 14,100</u>	<u>\$ 8,900</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, 2020**

	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	132,000	132,000	121,682	(10,318)
Interest on investments	500	500	4,617	4,117
Miscellaneous	100	100	3,003	2,903
<b>TOTAL REVENUES</b>	<u>137,400</u>	<u>137,400</u>	<u>134,102</u>	<u>(3,298)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety:				
Materials and services	<u>308,900</u>	<u>308,900</u>	<u>122,302</u>	<u>186,598</u>
<b>TOTAL EXPENDITURES</b>	<u>308,900</u>	<u>308,900</u>	<u>122,302</u>	<u>186,598</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(171,500)</u>	<u>(171,500)</u>	<u>11,800</u>	<u>183,300</u>
<b>NET CHANGE IN FUND BALANCE</b>	(171,500)	(171,500)	11,800	183,300
<b>FUND BALANCE, Beginning</b>	<u>171,500</u>	<u>171,500</u>	<u>181,399</u>	<u>9,899</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 193,199</u>	<u>\$ 193,199</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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Licenses and fees	\$ 5,000	\$ 5,000	\$ 9,944	\$ 4,944
Contributions	500	500	3,528	3,028
Interest on investments	<u>1,500</u>	<u>1,500</u>	<u>2,701</u>	<u>1,201</u>
<b>TOTAL REVENUES</b>	<u>7,000</u>	<u>7,000</u>	<u>16,173</u>	<u>9,173</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>20,000</u>	<u>20,000</u>	<u>9,626</u>	<u>10,374</u>
<b>TOTAL EXPENDITURES</b>	<u>20,000</u>	<u>20,000</u>	<u>9,626</u>	<u>10,374</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(13,000)</u>	<u>(13,000)</u>	<u>6,547</u>	<u>19,547</u>
<b>NET CHANGE IN FUND BALANCE</b>	(13,000)	(13,000)	6,547	19,547
<b>FUND BALANCE, Beginning</b>	<u>145,875</u>	<u>145,875</u>	<u>154,047</u>	<u>8,172</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 132,875</u>	<u>\$ 132,875</u>	<u>\$ 160,594</u>	<u>\$ 27,719</u>

See auditor's report.



**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**CITY/COUNTY PUBLIC SAFETY FUND**  
**For the Fiscal Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Interest on investments	\$ 1,500	\$ 1,500	\$ 1,380	\$ (120)
<b>TOTAL REVENUES</b>	<u>1,500</u>	<u>1,500</u>	<u>1,380</u>	<u>(120)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,500</u>	<u>1,500</u>	<u>1,380</u>	<u>(120)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(86,500)	(86,500)	(86,362)	138
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(86,500)</u>	<u>(86,500)</u>	<u>(86,362)</u>	<u>138</u>
<b>NET CHANGE IN FUND BALANCE</b>	(85,000)	(85,000)	(84,982)	18
<b>FUND BALANCE, Beginning</b>	<u>85,000</u>	<u>85,000</u>	<u>84,982</u>	<u>(18)</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Interest on investments	\$ 300	\$ 300	\$ 357	\$ 57
<b>TOTAL REVENUES</b>	<u>300</u>	<u>300</u>	<u>357</u>	<u>57</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Materials and services	<u>275</u>	<u>275</u>	<u>275</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>275</u>	<u>275</u>	<u>275</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>25</u>	<u>25</u>	<u>82</u>	<u>57</u>
<b>NET CHANGE IN FUND BALANCE</b>	25	25	82	57
<b>FUND BALANCE, Beginning</b>	<u>20,750</u>	<u>20,750</u>	<u>20,783</u>	<u>33</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 20,775</u>	<u>\$ 20,775</u>	<u>\$ 20,865</u>	<u>\$ 90</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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Intergovernmental	14,000	14,000	15,000	1,000
Contributions	61,000	61,000	13,514	(47,486)
Interest on investments	100	100	-	(100)
<b>TOTAL REVENUES</b>	<u>75,100</u>	<u>75,100</u>	<u>28,514</u>	<u>(46,586)</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation:				
Materials and services	70,000	74,687	7,963	66,724 *
Capital outlay	5,100	5,100	8,454	(3,354) *
<b>TOTAL EXPENDITURES</b>	<u>75,100</u>	<u>79,787</u>	<u>16,417</u>	<u>63,370</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>(4,687)</u>	<u>12,097</u>	<u>16,784</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	4,687	4,687	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>4,687</u>	<u>4,687</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>16,784</u>	<u>16,784</u>
<b>FUND BALANCE, Beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,784</u>	<u>\$ 16,784</u>

\* Parks special operations level of budgeting appropriation not exceeded.

**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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of property	\$ -	\$ 350,000	\$ 349,627	\$ (373)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	350,000	349,627	(373)
<b>NET CHANGE IN FUND BALANCE</b>	-	350,000	349,627	(373)
<b>FUND BALANCE, Beginning</b>	-	-	-	-
<b>FUND BALANCE, Ending</b>	\$ -	\$ 350,000	\$ 349,627	\$ (373)

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**URBAN RENEWAL DISTRICT OPERATING FUND**  
**For the Fiscal Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Loan repayments	\$ 22,400	\$ 22,400	\$ 37,180	\$ 14,780
Interest on investments	4,000	4,000	6,407	2,407
<b>TOTAL REVENUES</b>	<u>26,400</u>	<u>26,400</u>	<u>43,587</u>	<u>17,187</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Materials and services	727,500	2,077,500	547,668	1,529,832
Capital outlay	50,000	200,000	88,503	111,497
Contingency	229,900	229,900	-	229,900
<b>TOTAL EXPENDITURES</b>	<u>1,007,400</u>	<u>2,507,400</u>	<u>636,171</u>	<u>1,871,229</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(981,000)</u>	<u>(2,481,000)</u>	<u>(592,584)</u>	<u>1,888,416</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	300,000	1,800,000	300,000	(1,500,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>300,000</u>	<u>1,800,000</u>	<u>300,000</u>	<u>(1,500,000)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(681,000)	(681,000)	(292,584)	388,416
<b>FUND BALANCE, Beginning</b>	<u>681,000</u>	<u>681,000</u>	<u>732,733</u>	<u>51,733</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 440,149</u>	<u>\$ 440,149</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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 580,700	\$ 580,700	\$ 592,584	\$ 11,884
Interest on investments	1,500	1,500	3,790	2,290
<b>TOTAL REVENUES</b>	<u>582,200</u>	<u>582,200</u>	<u>596,374</u>	<u>14,174</u>
<b>EXPENDITURES</b>				
Debt service	<u>593,200</u>	<u>593,200</u>	<u>593,200</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>593,200</u>	<u>593,200</u>	<u>593,200</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(11,000)</u>	<u>(11,000)</u>	<u>3,174</u>	<u>14,174</u>
<b>NET CHANGE IN FUND BALANCE</b>	(11,000)	(11,000)	3,174	14,174
<b>FUND BALANCE, Beginning</b>	<u>11,000</u>	<u>11,000</u>	<u>15,238</u>	<u>4,238</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,412</u>	<u>\$ 18,412</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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 900,000	\$ 900,000	\$ 842,063	\$ (57,937)
Interest on investments	<u>10,000</u>	<u>10,000</u>	<u>8,400</u>	<u>(1,600)</u>
<b>TOTAL REVENUES</b>	<u>910,000</u>	<u>910,000</u>	<u>850,463</u>	<u>(59,537)</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Materials and services	105,800	105,800	103,565	2,235
Debt service	<u>590,500</u>	<u>1,025,000</u>	<u>1,009,904</u>	<u>15,096</u>
<b>TOTAL EXPENDITURES</b>	<u>696,300</u>	<u>1,130,800</u>	<u>1,113,469</u>	<u>17,331</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>213,700</u>	<u>(220,800)</u>	<u>(263,006)</u>	<u>(42,206)</u>
<b>NET CHANGE IN FUND BALANCE</b>	213,700	(220,800)	(263,006)	(42,206)
<b>FUND BALANCE, Beginning</b>	<u>419,000</u>	<u>419,000</u>	<u>430,973</u>	<u>11,973</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 632,700</u>	<u>\$ 198,200</u>	<u>\$ 167,967</u>	<u>\$ (30,233)</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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Interest on investments	\$ 175	\$ 175	\$ 106	\$ (69)
<b>TOTAL REVENUES</b>	<u>175</u>	<u>175</u>	<u>106</u>	<u>(69)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(215)	(215)	(106)	109
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(215)</u>	<u>(215)</u>	<u>(106)</u>	<u>109</u>
<b>NET CHANGE IN FUND BALANCE</b>	(40)	(40)	-	40
<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>\$ 6,090</u>	<u>\$ 6,090</u>	<u>\$ 6,131</u>	<u>\$ 41</u>

See auditor's report.



**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**CEMETERY PERPETUAL CARE FUND**  
**For the Fiscal Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Licenses and fees	\$ 2,150	\$ 2,150	\$ 5,237	\$ 3,087
Interest on investments	<u>15,000</u>	<u>15,000</u>	<u>15,249</u>	<u>249</u>
<b>TOTAL REVENUES</b>	<u>17,150</u>	<u>17,150</u>	<u>20,486</u>	<u>3,336</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(15,000)</u>	<u>(15,000)</u>	<u>(12,632)</u>	<u>2,368</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(15,000)</u>	<u>(15,000)</u>	<u>(12,632)</u>	<u>2,368</u>
<b>NET CHANGE IN FUND BALANCE</b>	2,150	2,150	7,854	5,704
<b>FUND BALANCE, Beginning</b>	<u>787,000</u>	<u>787,000</u>	<u>806,360</u>	<u>19,360</u>
<b>FUND BALANCE, Ending</b>	<u><u>\$ 789,150</u></u>	<u><u>\$ 789,150</u></u>	<u><u>\$ 814,214</u></u>	<u><u>\$ 25,064</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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 229,520	\$ 229,520	\$ 63,027	\$ (166,493)
Interest on investments	<u>4,000</u>	<u>4,000</u>	<u>5,811</u>	<u>1,811</u>
<b>TOTAL REVENUES</b>	<u>233,520</u>	<u>233,520</u>	<u>68,838</u>	<u>(164,682)</u>
<b>EXPENDITURES</b>				
Capital outlay	303,760	349,260	337,301	11,959
Contingency	<u>863,760</u>	<u>818,260</u>	<u>-</u>	<u>818,260</u>
<b>TOTAL EXPENDITURES</b>	<u>1,167,520</u>	<u>1,167,520</u>	<u>337,301</u>	<u>830,219</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(934,000)</u>	<u>(934,000)</u>	<u>(268,463)</u>	<u>665,537</u>
<b>NET CHANGE IN FUND BALANCE</b>	(934,000)	(934,000)	(268,463)	665,537
<b>FUND BALANCE, Beginning</b>	<u>934,000</u>	<u>934,000</u>	<u>790,809</u>	<u>(143,191)</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 522,346</u>	<u>\$ 522,346</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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Interest on investments	\$ 500	\$ 500	\$ 1,202	\$ 702
<b>TOTAL REVENUES</b>	<u>500</u>	<u>500</u>	<u>1,202</u>	<u>702</u>
<b>EXPENDITURES</b>				
Capital outlay	103,900	103,900	71,687	32,213
<b>TOTAL EXPENDITURES</b>	<u>103,900</u>	<u>103,900</u>	<u>71,687</u>	<u>32,213</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(103,400)</u>	<u>(103,400)</u>	<u>(70,485)</u>	<u>32,915</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of property	2,000	2,000	5,168	3,168
Transfers in	5,000	5,000	5,000	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>7,000</u>	<u>7,000</u>	<u>10,168</u>	<u>3,168</u>
<b>NET CHANGE IN FUND BALANCE</b>	(96,400)	(96,400)	(60,317)	36,083
<b>FUND BALANCE, Beginning</b>	<u>96,400</u>	<u>96,400</u>	<u>97,454</u>	<u>1,054</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,137</u>	<u>\$ 37,137</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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Charges for services	\$ 185,000	\$ 185,000	\$ 208,120	\$ 23,120
Intergovernmental	-	-	7,983	7,983
Interest on investments	1,000	1,000	2,316	1,316
<b>TOTAL REVENUES</b>	<u>186,000</u>	<u>186,000</u>	<u>218,419</u>	<u>32,419</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>67,200</u>	<u>67,200</u>	<u>67,200</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>67,200</u>	<u>67,200</u>	<u>67,200</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>118,800</u>	<u>118,800</u>	<u>151,219</u>	<u>32,419</u>
<b>NET CHANGE IN FUND BALANCE</b>	118,800	118,800	151,219	32,419
<b>FUND BALANCE, Beginning</b>	<u>68,000</u>	<u>68,000</u>	<u>84,349</u>	<u>16,349</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 186,800</u>	<u>\$ 186,800</u>	<u>\$ 235,568</u>	<u>\$ 48,768</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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Assessments	\$ 78,765	\$ 78,765	\$ 232,804	\$ 154,039
Interest on investments	235	235	4,360	4,125
Miscellaneous	-	-	45	45
<b>TOTAL REVENUES</b>	<u>79,000</u>	<u>79,000</u>	<u>237,209</u>	<u>158,209</u>
<b>EXPENDITURES</b>				
Current:				
General Government:				
Materials and services	400	400	-	400
Capital outlay	250,000	250,000	-	250,000
Debt service	172,120	172,120	170,094	2,026
Contingency	<u>327,480</u>	<u>327,480</u>	<u>-</u>	<u>327,480</u>
<b>TOTAL EXPENDITURES</b>	<u>750,000</u>	<u>750,000</u>	<u>170,094</u>	<u>579,906</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(671,000)</u>	<u>(671,000)</u>	<u>67,115</u>	<u>738,115</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of property	15,000	15,000	-	(15,000)
Interfund loan repayment	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(35,000)</u>	<u>(35,000)</u>	<u>-</u>	<u>35,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	(706,000)	(706,000)	67,115	773,115
<b>FUND BALANCE, Beginning</b>	<u>706,000</u>	<u>706,000</u>	<u>487,396</u>	<u>(218,604)</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 554,511</u>	<u>\$ 554,511</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)**  
**STREET HB2001 FUND**  
**For the Fiscal Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Interest on investments	\$ -	\$ -	\$ 227	\$ 227
<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>227</u>	<u>227</u>
<b>EXPENDITURES</b>				
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>227</u>	<u>227</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>-</u>	<u>(15,000)</u>	<u>(14,949)</u>	<u>51</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>(15,000)</u>	<u>(14,949)</u>	<u>51</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>-</u>	<u>(15,000)</u>	<u>(14,722)</u>	<u>278</u>
<b>FUND BALANCE, Beginning</b>	<u>-</u>	<u>15,000</u>	<u>14,722</u>	<u>(278)</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Interest on investments	\$ 30,000	\$ 30,000	\$ 19,231	\$ (10,769)
Miscellaneous	-	-	10,379	10,379
<b>TOTAL REVENUES</b>	<u>30,000</u>	<u>30,000</u>	<u>29,610</u>	<u>(390)</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>1,530,000</u>	<u>1,530,000</u>	<u>560,750</u>	<u>969,250</u>
<b>TOTAL EXPENDITURES</b>	<u>1,530,000</u>	<u>1,530,000</u>	<u>560,750</u>	<u>969,250</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,500,000)</u>	<u>(1,500,000)</u>	<u>(531,140)</u>	<u>968,860</u>
<b>NET CHANGE IN FUND BALANCE</b>	(1,500,000)	(1,500,000)	(531,140)	968,860
<b>FUND BALANCE, Beginning</b>	<u>1,500,000</u>	<u>1,500,000</u>	<u>961,721</u>	<u>(538,279)</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 430,581</u>	<u>\$ 430,581</u>

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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 1,350,000	\$ -	\$ (1,350,000)
<b>TOTAL REVENUES</b>	-	1,350,000	-	(1,350,000)
<b>EXPENDITURES</b>				
Capital outlay	-	2,700,000	-	2,700,000
Contingency	-	440,100	-	440,100
<b>TOTAL EXPENDITURES</b>	-	3,140,100	-	3,140,100
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	(1,790,100)	-	1,790,100
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	-	1,790,100	-	(1,790,100)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	1,790,100	-	(1,790,100)
<b>FUND BALANCE, Beginning</b>	-	-	-	-
<b>FUND BALANCE, Ending</b>	\$ -	\$ -	\$ -	\$ -

See auditor's report.



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

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**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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 5,776,750	\$ 5,776,750	\$ 5,911,627	\$ 134,877
Intergovernmental	-	-	70,670	70,670
Interest on investments	10,000	10,000	58,874	48,874
Miscellaneous	50,000	50,000	59,925	9,925
<b>TOTAL REVENUES</b>	5,836,750	5,836,750	6,101,096	264,346
<b>EXPENDITURES</b>				
Current:				
Personal services	624,600	624,600	753,297	(128,697) **
Materials and services	2,704,110	2,714,110	2,805,462	(91,352) **
Capital outlay	10,190,000	10,190,000	1,948,531	8,241,469 **
Debt service	495,460	495,460	451,000	44,460
Contingency	1,469,065	1,459,065	-	1,459,065
<b>TOTAL EXPENDITURES</b>	15,483,235	15,483,235	5,958,290	9,524,945
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(9,646,485)	(9,646,485)	142,806	9,789,291
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of property	1,500	1,500	600	(900)
Issuance of debt	7,985,450	7,985,450	1,731,100	(6,254,350)
Interfund loan repayment	(186,065)	(186,065)	(52,242)	133,823
Transfers out	(523,600)	(523,600)	(523,600)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	7,277,285	7,277,285	1,155,858	(6,121,427)
<b>NET CHANGE IN FUND BALANCE</b>	(2,369,200)	(2,369,200)	1,298,664	3,667,864
Budgetary basis adjustment	-	-	52,242	52,242
<b>FUND BALANCE, Beginning</b>	2,369,200	2,369,200	3,119,160	749,960
<b>FUND BALANCE, Ending</b>	\$ -	\$ -	\$ 4,470,066	\$ 4,470,066

\*\*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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Interest on investments	\$ 6,000	\$ 6,000	\$ 11,249	\$ 5,249
<b>TOTAL REVENUES</b>	<u>6,000</u>	<u>6,000</u>	<u>11,249</u>	<u>5,249</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>6,000</u>	<u>6,000</u>	<u>11,249</u>	<u>5,249</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	506,000	506,000	511,249	5,249
<b>FUND BALANCE, Beginning</b>	<u>753,700</u>	<u>753,700</u>	<u>756,061</u>	<u>2,361</u>
<b>FUND BALANCE, Ending</b>	<u><u>\$ 1,259,700</u></u>	<u><u>\$ 1,259,700</u></u>	<u><u>\$ 1,267,310</u></u>	<u><u>\$ 7,610</u></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, 2020**

<b>BUDGETARY BASIS FUND BALANCE (NON-GAAP):</b>	
Water	\$ 4,470,066
Water Capital Reserve	<u>1,267,310</u>
	5,737,376
Adjustments:	
Capital assets, net of depreciation	17,687,159
Net OPEB asset	6,972
Deferred outflow of resources related to pension	264,744
Deferred outflow of resources related to OPEB	6,282
Accrued interest payable	(115,539)
Other post employment benefits liability	(79,273)
Net pension liability	(715,306)
Long-term debt	(6,431,740)
Deferred inflow of resources related to pension	(58,768)
Deferred inflow of resources related to OPEB	<u>(13,273)</u>
<b>GENERALLY ACCEPTED ACCOUNTING  PRINCIPLES BASIS (GAAP) NET POSITION</b>	<u><u>\$ 16,288,634</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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Charges for services	\$ 5,607,800	\$ 5,607,800	\$ 5,606,736	\$ (1,064)
Intergovernmental	-	-	1,853,798	1,853,798
Assessments	-	-	1,056	1,056
Interest on investments	3,000	3,000	18,496	15,496
Miscellaneous	1,500	1,500	415	(1,085)
<b>TOTAL REVENUES</b>	<u>5,612,300</u>	<u>5,612,300</u>	<u>7,480,501</u>	<u>1,868,201</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	765,280	765,280	677,738	87,542 **
Materials and services	2,742,315	2,752,315	2,958,511	(206,196) **
Capital outlay	8,970,000	8,970,000	6,309,568	2,660,432 **
Debt service	1,126,360	1,126,360	1,124,473	1,887
Contingency	1,300,000	1,290,000	-	1,290,000
<b>TOTAL EXPENDITURES</b>	<u>14,903,955</u>	<u>14,903,955</u>	<u>11,070,290</u>	<u>3,833,665</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(9,291,655)</u>	<u>(9,291,655)</u>	<u>(3,589,789)</u>	<u>5,701,866</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of property	1,000	1,000	-	(1,000)
Issuance of debt	7,700,000	7,700,000	4,040,964	(3,659,036)
Transfers in	500,000	500,000	-	(500,000)
Transfers out	(18,320)	(18,320)	(18,320)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>8,182,680</u>	<u>8,182,680</u>	<u>4,022,644</u>	<u>(4,160,036)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(1,108,975)	(1,108,975)	432,855	1,541,830
<b>FUND BALANCE, Beginning</b>	<u>1,392,800</u>	<u>1,392,800</u>	<u>1,434,872</u>	<u>42,072</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 283,825</u>	<u>\$ 283,825</u>	<u>\$ 1,867,727</u>	<u>\$ 1,583,902</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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Interest on investments	\$ 50,000	\$ 50,000	\$ 53,339	\$ 3,339
<b>TOTAL REVENUES</b>	<u>50,000</u>	<u>50,000</u>	<u>53,339</u>	<u>3,339</u>
<b>EXPENDITURES</b>				
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>50,000</u>	<u>50,000</u>	<u>53,339</u>	<u>3,339</u>
Transfers out	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>	<u>500,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	(450,000)	(450,000)	53,339	503,339
<b>FUND BALANCE, Beginning</b>	<u>3,530,600</u>	<u>3,530,600</u>	<u>3,548,626</u>	<u>18,026</u>
<b>FUND BALANCE, Ending</b>	<u><u>\$ 3,080,600</u></u>	<u><u>\$ 3,080,600</u></u>	<u><u>\$ 3,601,965</u></u>	<u><u>\$ 521,365</u></u>

See auditor's report.

**CITY OF PENDLETON, OREGON  
RECONCILIATION TO GENERALLY ACCEPTED  
ACCOUNTING PRINCIPLES  
ALL SEWER FUNDS  
For the Fiscal Year Ended June 30, 2020**

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

Sewer	\$ 1,867,727
Sewer Capital Reserve	<u>3,601,965</u>
	5,469,692

Adjustments:

Capital assets, net of depreciation	23,244,043
Net OPEB asset	5,166
Deferred outflow of resources related to pension	196,184
Deferred outflow of resources related to OPEB	6,100
Accrued interest payable	(140,790)
Other post employment benefits liability	(77,658)
Net pension liability	(530,065)
Long-term debt	(14,379,846)
Deferred inflow of resources related to pension	(43,549)
Deferred inflow of resources related to OPEB	<u>(12,672)</u>

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

\$ 13,736,605

**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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Charges for services	\$ 1,320,150	\$ 1,320,150	\$ 1,157,900	\$ (162,250)
Intergovernmental	6,325,000	6,790,000	6,711,619	(78,381)
Contributions	-	-	20,000	20,000
Interest on investments	100	100	1,470	1,370
Miscellaneous	35,000	35,000	6,813	(28,187)
<b>TOTAL REVENUES</b>	<u>7,680,250</u>	<u>8,145,250</u>	<u>7,897,802</u>	<u>(247,448)</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	663,120	663,120	704,501	(41,381) **
Materials and services	638,425	638,425	700,901	(62,476) **
Capital outlay	9,000,000	9,000,000	6,443,385	2,556,615 **
Debt service	81,225	546,225	100,685	445,540
<b>TOTAL EXPENDITURES</b>	<u>10,382,770</u>	<u>10,847,770</u>	<u>7,949,472</u>	<u>2,898,298</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(2,702,520)</u>	<u>(2,702,520)</u>	<u>(51,670)</u>	<u>2,650,850</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	2,500,000	2,500,000	38,490	(2,461,510)
Transfers in	100,000	100,000	-	(100,000)
Interfund loan proceeds	2,144,225	2,144,225	2,153,250	9,025
Interfund loan repayment	(2,115,000)	(2,115,000)	(1,889,150)	225,850
Transfers out	(12,980)	(12,980)	(12,980)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>2,616,245</u>	<u>2,616,245</u>	<u>289,610</u>	<u>(2,326,635)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(86,275)	(86,275)	237,940	324,215
Budgetary basis adjustment	-	-	(264,100)	(264,100)
<b>FUND BALANCE (DEFICIT), Beginning</b>	<u>86,275</u>	<u>86,275</u>	<u>(1,902,164)</u>	<u>(1,988,439)</u>
<b>FUND BALANCE (DEFICIT), Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(1,928,324)</u>	<u>\$ (1,928,324)</u>
<b>RECONCILIATION TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</b>				
Capital assets, net of depreciation			14,254,460	
Net OPEB asset			6,438	
Deferred outflow of resources related to pension			244,467	
Deferred outflow of resources related to OPEB			5,163	
Net pension liability			(660,517)	
Accrued interest payable			(9,749)	
Other post employment benefits liability			(64,854)	
Long-term debt			(1,265,206)	
Deferred inflow of resources related to pension			(54,267)	
Deferred inflow of resources related to OPEB			(11,005)	
<b>NET POSITION Ending</b>			<u>\$ 10,516,606</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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 1,561,715	\$ 1,561,715	\$ 1,561,746	\$ 31
Intergovernmental	-	-	2,804	2,804
Interest on investments	4,000	4,000	12,513	8,513
Miscellaneous	1,000	1,000	10,369	9,369
<b>TOTAL REVENUES</b>	<u>1,566,715</u>	<u>1,566,715</u>	<u>1,587,432</u>	<u>20,717</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	1,177,115	1,177,115	1,074,858	102,257 **
Materials and services	253,230	253,230	266,722	(13,492) **
Capital outlay	135,000	135,000	142,301	(7,301) **
Contingency	25,000	25,000	-	25,000
<b>TOTAL EXPENDITURES</b>	<u>1,590,345</u>	<u>1,590,345</u>	<u>1,483,881</u>	<u>106,464</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(23,630)</u>	<u>(23,630)</u>	<u>103,551</u>	<u>127,181</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of property	500	500	-	(500)
Transfers out	(39,390)	(39,390)	(39,390)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(38,890)</u>	<u>(38,890)</u>	<u>(39,390)</u>	<u>(500)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(62,520)	(62,520)	64,161	126,681
<b>FUND BALANCE, Beginning</b>	<u>520,900</u>	<u>520,900</u>	<u>608,395</u>	<u>87,495</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 458,380</u>	<u>\$ 458,380</u>	<u>672,556</u>	<u>\$ 214,176</u>
<b>RECONCILIATION TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</b>				
Capital assets, net of depreciation			603,526	
Net OPEB asset			10,277	
Deferred outflow of resources related to pension			390,249	
Deferred outflow of resources related to OPEB			8,379	
Net pension liability			(1,054,401)	
Other post employment benefits liability			(105,328)	
Deferred inflow of resources related to pension			(86,627)	
Deferred inflow of resources related to OPEB			<u>(17,838)</u>	
<b>NET POSITION, Ending</b>			<u>\$ 420,793</u>	

\*\*PW Administration and Fleet Operations level of budgetary appropriation 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)**  
**CENTRAL SERVICES FUND**  
**For the Fiscal Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>REVENUES</b>				
Licenses and fees	\$ 23,600	\$ 23,600	\$ 27,290	\$ 3,690
Charges for services	3,507,820	3,496,620	3,496,620	-
Intergovernmental	105,800	105,800	103,565	(2,235)
Interest on investments	2,000	2,000	526	(1,474)
Miscellaneous	8,200	8,200	575	(7,625)
<b>TOTAL REVENUES</b>	<u>3,647,420</u>	<u>3,636,220</u>	<u>3,628,576</u>	<u>(7,644)</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	2,451,150	2,474,290	2,398,075	76,215
Materials and services	1,132,350	1,132,350	1,032,584	99,766
Capital outlay	80,000	80,000	58,912	21,088
Contingency	34,340	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>3,697,840</u>	<u>3,686,640</u>	<u>3,489,571</u>	<u>197,069</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(50,420)</u>	<u>(50,420)</u>	<u>139,005</u>	<u>189,425</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(92,330)	(92,330)	(92,330)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(92,330)</u>	<u>(92,330)</u>	<u>(92,330)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(142,750)	(142,750)	46,675	189,425
<b>FUND BALANCE, Beginning</b>	<u>142,750</u>	<u>142,750</u>	<u>143,856</u>	<u>1,106</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	190,531	<u>\$ 190,531</u>
<b>RECONCILIATION TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</b>				
Capital assets, net of depreciation			276,461	
Net OPEB asset			25,978	
Deferred outflow of resources related to pension			986,504	
Deferred outflow of resources related to OPEB			16,357	
Net pension liability			(2,665,407)	
Other post employment benefits liability			(203,057)	
Deferred inflow of resources related to pension			(218,984)	
Deferred inflow of resources related to OPEB			(35,625)	
<b>NET POSITION, Ending</b>			<u>\$ (1,627,242)</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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
<b>EXPENDITURES AND TRANSFERS</b>				
City manager's office	\$ 510,920	\$ 510,920	\$ 502,048	\$ 8,872
Insurance	394,500	394,500	385,569	8,931
Mayor and City Council	54,300	54,300	48,842	5,458
PDC administration	59,270	61,270	60,363	907
Legal	342,330	361,330	352,570	8,760
Finance	819,190	819,190	775,326	43,864
Engineering	479,490	479,490	437,489	42,001
Facilities	740,000	742,140	698,391	43,749
Information technology	263,500	263,500	228,973	34,527
Contingency	34,340	-	-	-
Total expenditures	3,697,840	3,686,640	3,489,571	197,069
Transfers	92,330	92,330	92,330	-
<b>TOTAL EXPENDITURES AND TRANSFERS</b>	<b>\$ 3,790,170</b>	<b>\$ 3,778,970</b>	<b>\$ 3,581,901</b>	<b>\$ 197,069</b>

See auditor's report.



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

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**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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Contributions	\$ 252,500	\$ 252,500	\$ 144,779	\$ (107,721)
Interest on investments	<u>2,500</u>	<u>2,500</u>	<u>263</u>	<u>(2,237)</u>
<b>TOTAL REVENUES</b>	<u>255,000</u>	<u>255,000</u>	<u>145,042</u>	<u>(109,958)</u>
<b>EXPENDITURES</b>				
Current:				
Materials and services	<u>260,000</u>	<u>260,000</u>	<u>123,393</u>	<u>136,607</u>
<b>TOTAL EXPENDITURES</b>	<u>260,000</u>	<u>260,000</u>	<u>123,393</u>	<u>136,607</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(5,000)</u>	<u>(5,000)</u>	<u>21,649</u>	<u>26,649</u>
<b>NET CHANGE IN FUND BALANCE</b>	(5,000)	(5,000)	21,649	26,649
<b>FUND BALANCE, Beginning</b>	<u>5,000</u>	<u>5,000</u>	<u>136</u>	<u>(4,864)</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,785</u>	<u>\$ 21,785</u>

See auditor's report.

## **OTHER FINANCIAL SCHEDULES**

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**CITY OF PENDLETON, OREGON**  
**ALL AGENCY FUNDS**  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**For the fiscal year ended June 30, 2020**

	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
<b>Bail Fund</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 17,443	\$ 6,375	\$ -	\$ 23,818
<b>LIABILITIES AND FUND BALANCE</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 11,524	\$ -	\$ 2,704	\$ 8,820
Due to other governments	5,919	9,079	-	14,998
Total liabilities	<u>\$ 17,443</u>	<u>\$ 9,079</u>	<u>\$ 2,704</u>	<u>\$ 23,818</u>
<b>Pendleton Foundation Trust</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,136	\$ 145,042	\$ 119,448	\$ 30,730
<b>LIABILITIES AND FUND BALANCE</b>				
<b>Liabilities:</b>				
Accounts payable	5,000	3,945	-	\$ 8,945
Due to other governments	136	141,097	119,448	21,785
Total liabilities	<u>\$ 5,136</u>	<u>\$ 145,042</u>	<u>\$ 119,448</u>	<u>\$ 30,730</u>

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF OUTSTANDING DEBT PRINCIPAL AND INTEREST TRANSACTIONS**  
**For the fiscal year ended June 30, 2020**

	Terms			
	Date of Issue	Interest Rate	Maturity Date	Original Amount
<b>Governmental Funds:</b>				
General Obligation Bonds:				
2017 Fire Construction Bonds	09/07/17	2% - 4%	06/15/38	\$ 9,060,000
Refunding Bond Series USDA	03/21/18	3.20%	07/15/30	\$ 625,066
Limited Tax Pension Bonds:				
Series 2005	09/23/05	4.21% - 5.004%	06/01/28	\$ 7,160,000
Urban Renewal Bonds:				
Series 2013	03/31/13	3.75% - 4.75%	01/15/23	\$ 2,150,000
Credit Line	01/03/18	Variable	N/A	\$ 3,500,000
Notes payable:				
Sunridge LID	07/29/09	4.00%	07/29/24	\$ 1,300,000
OR IFA Olney Project	01/02/14	4.56%	01/02/17	\$ 626,067
Eastside Expansion	09/15/14	4.35%	07/15/29	\$ 825,000
Total General Long Term Debt				
<b>Enterprise Funds:</b>				
Water Fund:				
Notes payable:				
Safe Drinking Water State Revolving Loan Fund	06/30/03	4.50%	12/01/22	\$ 4,000,000
Safe Drinking Water State Revolving Loan Fund	06/30/03	4.17%	12/01/22	\$ 1,900,000
Safe Drinking Water State Revolving Loan Fund	06/30/03	1.41%	03/07/47	\$ 14,655,000
Safe Drinking Water State Revolving Loan Fund	03/07/18	1.41%	03/07/47	\$ 14,655,000
Total Water Fund				
Sewer Fund:				
Clean Water State Revolving Fund	09/22/09	0.00%	04/01/31	\$ 4,000,000
Clean Water State Revolving Fund	04/15/10	2.77%	04/01/31	\$ 4,650,000
DEQ Sewer Loan	10/12/18	2.14%	02/01/42	\$ 9,800,000
Refunding Sewer Bond	03/21/18	3.20%	07/15/30	\$ 5,935,713
Total Sewer Fund				
Airport Fund				
OR SRF 13-15-628 UAS	06/15/15	5.00%	01/31/23	\$ 545,000
OR IFA 15009 Hangar Loan	04/06/15	3.40%	12/01/40	\$ 655,000
Community Bank Building	04/13/17	2.79%	04/13/27	\$ 316,000
OR IFA K19001 Hanger 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, 2019	Issued During Year	Transfers and Adjustments	Paid During Year	Outstanding June 30, 2020	Outstanding June 30, 2019	Matured During Year	Paid During Year	Outstanding June 30, 2020
\$ 8,515,000	\$ -	\$ -	\$ 275,000	\$ 8,240,000	\$ -	\$ 318,200	\$ 318,200	\$ -
609,884	-	-	45,033	564,851	-	18,796	18,796	-
4,955,000	-	-	390,000	4,565,000	-	247,383	247,383	-
975,647	-	-	975,647	-	-	34,257	34,257	-
	300,000	-	-	300,000	-	528	528	-
565,894	-	-	102,804	463,090	-	21,498	21,498	-
554,182	-	-	20,522	533,660	-	25,271	25,271	-
625,819	-	-	48,120	577,699	-	27,114	27,114	-
<u>\$ 16,801,426</u>	<u>\$ 300,000</u>	<u>\$ -</u>	<u>\$ 1,857,126</u>	<u>\$ 15,244,300</u>	<u>\$ -</u>	<u>\$ 693,047</u>	<u>\$ 693,047</u>	<u>\$ -</u>
\$ 1,103,000	\$ -	\$ -	\$ 258,000	\$ 845,000	\$ -	\$ 49,635	\$ 49,635	\$ -
513,090	-	-	120,522	392,568	-	21,396	21,396	-
1,015,000	-	-	-	1,015,000	**	-	-	-
2,448,072	1,731,100	-	-	4,179,172	**	-	-	-
<u>5,079,162</u>	<u>1,731,100</u>	<u>-</u>	<u>378,522</u>	<u>6,431,740</u>	<u>-</u>	<u>71,031</u>	<u>71,031</u>	<u>-</u>
1,350,000	-	-	100,000	1,250,000	-	6,750	6,750	-
3,474,502	-	-	215,480	3,259,022	-	112,135	112,135	-
462,184	4,040,964	-	-	4,503,148	**	-	-	-
5,877,856	-	-	510,180	5,367,676	-	179,929	179,929	-
<u>11,164,542</u>	<u>4,040,964</u>	<u>-</u>	<u>825,660</u>	<u>14,379,846</u>	<u>-</u>	<u>298,814</u>	<u>298,814</u>	<u>-</u>
545,000	-	-	-	545,000	**	-	-	-
469,497	-	-	12,968	456,529	-	31,926	31,926	-
254,738	-	-	29,551	225,187	-	6,770	6,770	-
-	38,490	-	-	38,490	**	-	-	-
<u>1,269,235</u>	<u>38,490</u>	<u>-</u>	<u>42,519</u>	<u>1,265,206</u>	<u>-</u>	<u>38,696</u>	<u>38,696</u>	<u>-</u>
<u>\$ 17,512,939</u>	<u>\$ 5,810,554</u>	<u>\$ -</u>	<u>\$ 1,246,701</u>	<u>\$ 22,076,792</u>	<u>\$ -</u>	<u>\$ 408,540</u>	<u>\$ 408,540</u>	<u>\$ -</u>

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF GENERAL OBLIGATION BONDS**  
**DEBT REQUIREMENTS - GOVERNMENTAL FUNDS**  
**June 30, 2020**

Year of Maturity	General Obligation Bonds	
	Principal	Interest
2021	\$ 290,000	\$ 309,950
2022	335,000	301,250
2023	245,000	291,200
2024	265,000	283,850
2025	290,000	275,900
2026-2030	1,900,000	1,189,900
2031-2035	2,740,000	780,000
2036-2039	2,175,000	178,000
	<u>\$ 8,240,000</u>	<u>\$ 3,610,050</u>

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF FUTURE LIMITED TAX PENSION**  
**BONDED DEBT REQUIREMENTS - GOVERNMENTAL FUNDS**  
**June 30, 2020**

Year of Maturity	Limited Tax Pension Bonds	
	Principal	Interest
2020-21	\$ 430,000	\$ 228,433
2021-22	480,000	206,915
2022-23	530,000	182,896
2023-24	585,000	156,375
2024-25	645,000	127,102
2025-26	710,000	94,826
2026-27	775,000	59,297
2027-28	410,000	20,516
	<u>\$ 4,565,000</u>	<u>\$ 1,076,360</u>

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF FUTURE NOTE PAYABLE DEBT REQUIREMENTS**  
**GOVERNMENTAL FUNDS**  
**June 30, 2020**

Year of Maturity	Notes Payable		Sunridge LID	
	Totals		Principal	Interest
	Principal	Interest		
2020-21	\$ 178,477	\$ 66,851	\$ 106,826	\$ 17,476
2021-22	186,082	59,246	111,142	13,160
2022-23	193,937	51,393	115,632	8,670
2023-24	202,123	43,205	120,303	3,998
2024-25	94,635	35,768	9,187	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	67,855	14,544	-	-
2030-31	33,515	12,278	-	-
3031-32	35,043	10,749	-	-
3032-33	36,641	9,152	-	-
3033-34	38,312	7,481	-	-
3034-35	40,059	5,734	-	-
3035-36	41,885	3,907	-	-
3036-37	43,795	1,997	-	-
	<u>\$ 1,574,449</u>	<u>424,320</u>	<u>\$ 463,090</u>	<u>\$ 43,493</u>

OR IFA Olney Project	
Principal	Interest
\$ 21,457	\$ 24,335
22,436	23,356
23,459	22,333
24,529	21,264
25,647	20,145
26,816	18,976
28,040	17,753
29,318	16,474
30,655	15,137
32,053	13,739
33,515	12,278
35,043	10,749
36,641	9,152
38,312	7,481
40,059	5,734
41,885	3,907
43,795	1,997
<u>\$ 533,660</u>	<u>\$ 244,810</u>

PCC Eastside Expansion	
Principal	Interest
\$ 50,194	\$ 25,040
52,504	22,730
54,846	20,390
57,291	17,943
59,801	15,434
62,512	12,722
65,299	9,935
68,211	7,023
71,239	3,995
35,802	805
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
<u>\$ 577,699</u>	<u>\$ 136,017</u>

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF FUTURE NOTE PAYABLE DEBT REQUIREMENTS**  
**WATER FUND**  
**June 30, 2020**

Year of Maturity	Notes Payable Totals		Safe Drinking Water State Revolving Loan Fund			
	Principal	Interest	Principal	Interest	Principal	Interest
2020-21	\$ 394,548	\$ 56,395	\$ 269,000	\$ 38,025	\$ 125,548	\$ 18,370
2021-22	412,783	37,055	282,000	25,920	130,783	11,135
2022-23	430,237	18,911	294,000	13,230	136,237	5,681
	<u>\$ 1,237,568</u>	<u>\$ 112,361</u>	<u>\$ 845,000</u>	<u>\$ 77,175</u>	<u>\$ 392,568</u>	<u>\$ 35,186</u>

See auditor's report.



**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF FUTURE NOTE PAYABLE DEBT REQUIREMENTS**  
**SEWER FUND**  
**June 30, 2020**

Year of Maturity	Totals	
	Principal	Interest
2020-21	\$ 321,491	\$ 88,751
2021-22	327,668	82,574
2022-23	334,018	76,224
2023-24	340,546	69,696
2024-25	347,255	62,987
2025-26	354,151	56,091
2026-27	361,240	49,002
2027-28	368,527	41,715
2028-29	376,016	34,226
2029-30	383,715	26,527
2030-31	391,628	18,614
2031-32	399,762	10,480
2032-33	203,005	2,119
	<u>\$ 4,509,022</u>	<u>\$ 619,006</u>

Year of Maturity	Clean Water State Revolving Fund			
	Principal	Interest	Principal	Interest
2020-21	\$ 221,491	\$ 88,751	\$ 100,000	\$ -
2021-22	227,668	82,574	100,000	-
2022-23	234,018	76,224	100,000	-
2023-24	240,546	69,696	100,000	-
2024-25	247,255	62,987	100,000	-
2025-26	254,151	56,091	100,000	-
2026-27	261,240	49,002	100,000	-
2027-28	268,527	41,715	100,000	-
2028-29	276,016	34,226	100,000	-
2029-30	283,715	26,527	100,000	-
2030-31	291,628	18,614	100,000	-
2031-32	299,762	10,480	100,000	-
2032-33	153,005	2,119	50,000	-
	<u>\$ 3,259,022</u>	<u>\$ 619,006</u>	<u>\$ 1,250,000</u>	<u>\$ -</u>

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF FUTURE NOTE PAYABLE DEBT REQUIREMENTS**  
**AIRPORT FUND**  
**June 30, 2020**

Year of Maturity	Notes Payable Totals		Community Bank Airport Building		Business Oregon UAS Test Range	
	Principal	Interest	Principal	Interest	Principal	Interest
2020-21	\$ 43,842	\$ 34,819	\$ 30,433	\$ 5,888	\$ 13,409	\$ 28,931
2021-22	45,158	33,959	31,293	5,028	13,865	28,931
2022-23	46,513	33,075	32,177	4,144	14,336	28,931
2023-24	47,910	32,165	33,087	3,234	14,823	28,931
2024-25	49,349	31,230	34,022	2,299	15,327	28,931
2025-26	50,832	30,269	34,983	1,338	15,849	28,931
2026-27	45,579	29,517	29,192	586	16,387	28,931
2027-28	16,945	28,931	-	-	16,945	28,931
2028-29	17,521	28,931	-	-	17,521	28,931
2029-30	18,116	28,931	-	-	18,116	28,931
2030-31	18,732	28,931	-	-	18,732	28,931
2031-32	19,369	28,931	-	-	19,369	28,931
2032-33	20,028	28,931	-	-	20,028	28,931
2033-34	20,709	28,931	-	-	20,709	28,931
2034-35	21,413	28,931	-	-	21,413	28,931
2035-36	22,141	28,931	-	-	22,141	28,931
2036-37	22,894	28,931	-	-	22,894	28,931
2037-38	23,672	28,931	-	-	23,672	28,931
2038-39	24,477	28,931	-	-	24,477	28,931
2039-40	25,309	28,931	-	-	25,309	28,931
2040-41	26,170	28,931	-	-	26,170	28,931
2041-42	27,059	28,931	-	-	27,059	28,931
2042-43	27,978	28,931	-	-	27,978	28,931
	<u>\$ 681,716</u>	<u>\$ 687,930</u>	<u>\$ 225,187</u>	<u>\$ 22,517</u>	<u>\$ 456,529</u>	<u>\$ 665,413</u>

Amortization schedules for the SRF loan is not yet available.

## **STATISTICAL SECTION**

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**City of Pendleton**  
**Major Wastewater Accounts FY20**

ACCOUNT	TOTAL ANNUAL REVENUE FY20	% OF TOTAL ANNUAL REV FY20
TRIBES/WILDHORSE	\$386,424	7.19%
EOCI	266,050	4.95%
BRUSSELBACK PROPERTIES	74,470	1.39%
RED LION/WEST COAST HOTELS	49,619	0.92%
HILL MEAT	49,183	0.92%
RON MORRIS/VISTA VILLAGE	44,797	0.83%
WEBB PROPERTY RESOURCES	40,323	0.75%
RIETH SANITARY	38,438	0.72%
UMATILLA COUNTY	34,049	0.63%
1003 HAMILTON LLC	32,778	0.61%
TOTAL	\$1,016,131	18.92%
ALL OTHER CUSTOMERS	4,355,622	81.08%
TOTAL SEWER REVENUE	\$5,371,753	100.00%

City of Pendleton

	Actual										Projections	Projections
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Revenue 3% Expenses 3%	Revenue 3% Expenses 3%
<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	1,537	0	0	0	0	0
Enterprise Revenues:	3,839,656	3,736,322	3,821,177	3,906,275	3,809,996	4,043,311	4,269,318	4,796,279	5,182,008	5,627,719	5,796,550	5,970,447
Intergovernmental revenues:	9,341	16,547	283,499	588,030	0	0	0	0	0	5,008	0	0
<b>Total Operating Revenues</b>	<b>3,848,997</b>	<b>3,752,869</b>	<b>4,104,676</b>	<b>4,494,305</b>	<b>3,809,996</b>	<b>4,043,311</b>	<b>4,270,855</b>	<b>4,796,279</b>	<b>5,182,008</b>	<b>5,632,727</b>	<b>5,796,550</b>	<b>5,970,447</b>
<b>Operating Expenses:</b>												
Personal Services	427,970	437,313	463,542	475,763	500,801	531,925	561,963	594,146	658,213	677,736	698,068	719,010
Materials & Services	1,510,552	1,586,004	1,721,507	1,848,631	1,863,703	2,143,663	2,252,843	2,571,732	2,601,965	2,958,241	3,046,989	3,138,398
Transfers to other fund- OUT	9,730	12,730	13,000	14,690	15,610	13,190	15,290	16,870	45,340	18,320	18,870	19,436
Contingency	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Operating Expenses</b>	<b>1,948,252</b>	<b>2,036,047</b>	<b>2,198,049</b>	<b>2,339,084</b>	<b>2,380,114</b>	<b>2,688,778</b>	<b>2,830,096</b>	<b>3,182,747</b>	<b>3,305,518</b>	<b>3,654,297</b>	<b>3,763,926</b>	<b>3,876,844</b>
<b>Net Operating Income</b>	<b>1,900,745</b>	<b>1,716,822</b>	<b>1,906,627</b>	<b>2,155,221</b>	<b>1,429,882</b>	<b>1,354,533</b>	<b>1,440,759</b>	<b>1,613,531</b>	<b>1,876,490</b>	<b>1,978,430</b>	<b>2,032,624</b>	<b>2,093,603</b>
<b>Non-operating Income (Expenses):</b>												
Sale of Equipment/land	3,727	3,727	0	0	1,450	685	0	1,200	0	0	2,000	2,000
Other miscellaneous	0	0	2	1,667	-9,955	0	-14,550	-17,213	-19,930	0	0	0
Reimbursement of expense	0	0	0	259	736	1,077	240	9,093	11,945	415	1,000	1,000
Investment Income	30,671	32,598	26,464	24,160	9,052	5,115	3,281	1,621	4,463	18,496	5,000	5,000
Sewer Capital Reserve Fund	9,485	4,906	25,507	31,418	37,803	36,707	46,053	51,912	58,120	53,339	50,000	50,000
<b>Total Non-operating Income (Expense)</b>	<b>43,883</b>	<b>41,231</b>	<b>51,973</b>	<b>57,504</b>	<b>49,041</b>	<b>33,629</b>	<b>49,574</b>	<b>49,276</b>	<b>57,315</b>	<b>52,321</b>	<b>58,000</b>	<b>58,000</b>
<b>Net Revenues Avail. For Debt Service</b>	<b>1,944,628</b>	<b>1,758,053</b>	<b>1,958,600</b>	<b>2,212,725</b>	<b>1,478,923</b>	<b>1,388,162</b>	<b>1,490,333</b>	<b>1,662,807</b>	<b>1,933,805</b>	<b>2,030,750</b>	<b>2,090,624</b>	<b>2,151,603</b>
<b>Senior Lien Debt Service:</b>												
OCEDD Special Public Works Fund Loan 72401	0	0	0	0	0	0	0	0	0	0	0	0
Sewer System Full Faith & Credit Bonds 2018	0	0	0	0	0	0	0	0	0	0	0	0
Sewer Refunding Bonds	743,998	742,898	744,598	740,773	744,573	744,698	743,923	865,509	0	0	0	0
CWSRF \$4 million, \$2 million Debt Forgive	0	0	0	0	0	0	0	0	107,250	106,750	106,250	105,750
CWSRF \$4.650 million	0	0	0	0	0	0	0	0	328,663	327,615	326,537	325,430
<b>Total Senior Lien Debt:</b>	<b>743,998</b>	<b>742,898</b>	<b>744,598</b>	<b>740,773</b>	<b>744,573</b>	<b>744,698</b>	<b>743,923</b>	<b>865,509</b>	<b>435,913</b>	<b>434,365</b>	<b>432,787</b>	<b>431,180</b>
<b>Senior Debt Service Coverage Ratio</b>	<b>2.61</b>	<b>2.37</b>	<b>2.63</b>	<b>2.99</b>	<b>1.99</b>	<b>1.86</b>	<b>2.00</b>	<b>1.92</b>	<b>4.44</b>	<b>4.68</b>	<b>4.83</b>	<b>4.99</b>
<b>Secondary Debt Service:</b>												
Interfund fund interest	0	0	50,000	104,875	104,625	108,750	108,250	107,750	7,762	0	0	0
CWSRF \$4 million, \$2 million Debt Forgive	0	0	239,387	321,867	321,411	331,640	330,674	329,682	0	0	0	0
CWSRF \$4.650 million	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	212,051	690,109	689,660	688,452
<b>Total Lien Debt Service</b>	<b>743,998</b>	<b>742,898</b>	<b>1,033,985</b>	<b>1,167,515</b>	<b>1,170,609</b>	<b>1,185,088</b>	<b>1,182,847</b>	<b>1,302,941</b>	<b>655,726</b>	<b>1,124,474</b>	<b>1,122,447</b>	<b>1,119,632</b>
<b>Net Revenues Avail for Other purposes</b>	<b>\$1,200,630</b>	<b>\$1,015,155</b>	<b>\$924,615</b>	<b>1,045,210</b>	<b>308,314</b>	<b>203,074</b>	<b>307,486</b>	<b>359,866</b>	<b>1,278,079</b>	<b>906,277</b>	<b>\$968,178</b>	<b>\$1,031,971</b>
<b>Debt Service Coverage</b>	<b>2.61</b>	<b>2.37</b>	<b>1.89</b>	<b>1.90</b>	<b>1.26</b>	<b>1.17</b>	<b>1.26</b>	<b>1.28</b>	<b>2.95</b>	<b>1.81</b>	<b>1.86</b>	<b>1.92</b>

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

Fiscal Year	Full Faith & Credit Sewer Bonds		CWSRF Loan 1		CWSRF Loan 2		CWSRF Loan 3 Estimated		Total Debt Service
	Principal	Interest	Principal	Loan Fee	Principal	Interest & Fees	Principal	Interest & Fees	
2021	526,315	163,344	100,000	6,250	221,491	105,046	0	0	1,122,446
2022	542,204	146,248	100,000	5,750	227,668	97,762	0	0	1,119,632
2023	557,575	128,652	100,000	5,250	234,018	90,273	205,457	427,277	1,748,502
2024	576,930	110,500	100,000	4,750	240,546	82,575	417,284	242,445	1,775,030
2025	595,784	91,736	100,000	4,250	247,255	74,663	425,925	231,696	1,771,309
2026	614,102	72,378	100,000	3,750	254,151	66,531	434,744	220,725	1,766,381
2027	631,706	52,445	100,000	3,250	261,240	58,171	443,746	209,527	1,760,085
2028	653,373	31,884	100,000	2,750	268,527	49,578	452,934	198,098	1,757,144
2029	669,687	10,715	100,000	2,250	276,016	40,747	462,313	186,431	1,748,159
2030	0	0	100,000	1,750	283,715	31,668	471,886	174,522	1,063,541
2031	0	0	100,000	1,250	291,628	22,336	481,656	162,369	1,059,239
2032	0	0	100,000	750	299,762	12,744	491,629	149,963	1,054,848
2033	0	0	50,000	250	153,005	2,884	501,809	137,299	845,247
2034	0	0	0	0	0	0	512,200	124,373	636,573
2035	0	0	0	0	0	0	522,805	111,181	633,986
2036	0	0	0	0	0	0	533,630	97,715	631,345
2037	0	0	0	0	0	0	544,680	83,969	628,649
2038	0	0	0	0	0	0	555,958	69,940	625,898
2039	0	0	0	0	0	0	567,470	55,619	623,089
2040	0	0	0	0	0	0	579,220	41,003	620,223
2041	0	0	0	0	0	0	591,213	26,084	617,297
2042	0	0	0	0	0	0	603,441	10,855	614,296
<b>Total</b>	<b>\$5,367,676</b>	<b>\$807,902</b>	<b>\$1,250,000</b>	<b>\$42,250</b>	<b>\$3,259,022</b>	<b>\$734,978</b>	<b>\$9,800,000</b>	<b>\$2,961,091</b>	<b>\$24,222,919</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>
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
2012	778,788,356	29,809,127	748,979,229	1,032,087,682	30,962,630	1,355,000	29,607,630

Source: Umatilla County Department of Assessment and Taxation

**Representative Levy Rate - Fiscal Year 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>

years for capital construction. Local option rates compress to zero before there is any compression of district billing rates (see *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>	<b>10.1179</b>	<b>0.5788</b>	<b>0.0000</b>	<b>10.6967</b>
<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>	<b>5.7304</b>	<b>2.3832</b>	<b>0.4000</b>	<b>8.5136</b>
<b>Total Tax Rate</b>	<b>\$ 15.8483</b>	<b>\$ 2.9620</b>	<b>\$ 0.4000</b>	<b>\$ 19.2103</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 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>	<b>10.1179</b>	<b>0.6238</b>	<b>0.0000</b>	<b>10.7417</b>
<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>	<b>5.7304</b>	<b>2.4438</b>	<b>0.4000</b>	<b>8.5742</b>
<b>Total Tax Rate</b>	<b>\$ 15.8483</b>	<b>\$ 3.0676</b>	<b>\$ 0.4000</b>	<b>\$ 19.3159</b>

**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>	<b>10.1179</b>	<b>0.0000</b>	<b>0.0000</b>	<b>10.1179</b>
<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>	<b>5.7304</b>	<b>2.5502</b>	<b>0.4000</b>	<b>8.6806</b>
<b>Total Tax Rate</b>	<b>\$ 15.8483</b>	<b>\$ 2.5502</b>	<b>\$ 0.4000</b>	<b>\$ 18.7985</b>

**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>	<b>10.1179</b>	<b>0.4718</b>	<b>0.0000</b>	<b>10.5897</b>
<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>	<b>5.7304</b>	<b>2.6482</b>	<b>0.4000</b>	<b>8.7786</b>
<b>Total Tax Rate</b>	<b>\$ 15.8483</b>	<b>\$ 3.1200</b>	<b>\$ 0.4000</b>	<b>\$ 19.3683</b>

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

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

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

**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

and credit obligations) tax supported debt. Limited tax pension obligations are included.  
debt. Beginning in FY 2010, the State changed its classification for pension bonds from self  
(3) Source: Oregon State Treasury, Debt Mgmt Division

**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

**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	\$ 17,873,376
Overlapping Direct Debt		<u>46,803,292</u>	<u>44,777,787</u>
Total Direct Debt	\$	<u>64,676,668</u>	\$ <u>62,651,163</u>
<b>Bonded Debt Ratios</b>			
City Direct Debt to Real Market Value		1.48%	1.48%
Total Direct Debt to Real Market Value		5.35%	5.19%
Per Capita City Direct Debt	\$	1,063	\$ 1,063
Per Capita Total Direct Debt	\$	3,848	\$ 3,727

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

**Fiscal Year 2017**

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

**Fiscal Year 2016**

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

**Fiscal Year 2015**

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

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

**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%
<b>Total District</b>			<b>\$ 1,018,970,940</b>	<b>100.08%</b>

Source: Umatilla County Department of Assessment and Taxation

**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%
<b>Total District</b>			<b>\$ 979,647,633</b>	<b>99.67%</b>

Source: Umatilla County Department of Assessment and Taxation

**Fiscal Year 2018  
City of Pendleton**

<b>Taxpayer</b>	<b>Business/Service</b>	<b>Tax</b>	<b>Assessed Value</b>	<b>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%
<b>Total District</b>			<b>\$ 938,181,204</b>	<b>100.00%</b>

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

**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%

**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%

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

**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%

**Fiscal Year 2012  
City of Pendleton**

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

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

Fiscal Year	Percent Collected as of Levy Year <sup>(2)</sup>	6/30/2020 <sup>(3)</sup>
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%
2014	96.80%	99.66%

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

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

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

Source: Umatilla County Department of Assessment and Taxation



**Ending Fiscal Year 2020  
City of Pendleton**

<b>Debt Obligation</b>	<b>Totals</b>
<b>General Obligation Bonds</b>	
Total G O Bonds	\$8,240,000
<b>Limited Tax Pension Bonds</b>	
Series 2005	\$4,565,000
<b>Full Faith and Credit Bonds</b>	
Series 2018 - Police Bldg	\$564,851
<b>Notes Payable</b>	
Sunridge LID/Banner Bank	\$463,090
PCC Eastside Expansion/Banner Bank	577,699
OR IFA Olney Project #L14004	533,661
Total Notes Payable	\$1,574,450
Total General Government Debt Obligations	\$14,944,301



## **ACCOMPANYING INFORMATION**

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## 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, 2020 and have issued our report thereon dated February 24, 2021. 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>\$ 7,204</u>

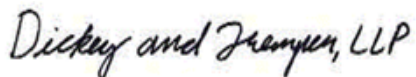
**OAR 162-10-0230 Internal Control**

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

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

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

Dickey and Tremper, LLP



February 24, 2021



Dickey and Tremper, LLP  
Certified Public Accountants and Business Advisors

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**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**

February 24, 2021

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, 2020 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 February 24, 2021.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2020-001 and 2020-002 that we consider to be material weaknesses.

## **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*

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

**Pendleton, Oregon**  
**February 24, 2021**



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

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**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, 2020. 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.

### **Basis for Qualified Opinion on Capitalization Grants for Drinking Water State Revolving Funds Program**

As described in the accompanying schedule of findings and questioned costs, the City of Pendleton did not comply with the requirements regarding CFDA #66.468 Capitalization Grants for Drinking Water State Revolving Funds as described in finding number 2020-003 for Allowable Costs. Compliance with such requirements is necessary, in our opinion, for the City of Pendleton to comply with the requirements applicable to that program.

### **Qualified Opinion on Capitalization Grants for Drinking Water State Revolving Funds Program**

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the City of Pendleton complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Capitalization Grants for Drinking Water State Revolving Funds Program for the year ended June 30, 2020.

### **Unmodified Opinion on Each of the Other 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 other 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, 2020.

### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2020-003. Our opinion on the Capitalization Grants for Drinking Water State Revolving Funds program was modified with respect to this matter.

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 2020-004. 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 2020-003 that we consider to be a material weakness.

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.



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

**Pendleton, Oregon**  
**February 24, 2021**

**CITY OF PENDLETON, OREGON**  
**NOTES TO SCHEDULE OF EXPENDITURES OF**  
**FEDERAL AWARDS**  
**For the Fiscal Year Ended June 30, 2020**

**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, 2020. 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 \$1,606,077 in the 2020 fiscal year, of which, \$814,307 was from federal sources. Reimbursement of some of the costs was not requested until after year end and there was \$1,404 remaining to be reimbursed at June 30, 2020. Total reimbursements received during the year included \$126,427 reimbursement of prior year expenditures. The City has the following net activity on loan balances payable as of June 30, 2020, of which, at least a portion are Federal funds.

Loan Description	Loans Payable At 6/30/19	Loans Issued	Loans (Repaid)	Loans Payable At 6/30/20
Safe Drinking Water State Revolving Loan Fund	\$ 5,079,162	\$ 1,731,100	\$ (378,552)	\$ 6,431,710
Clean Water State Revolving Loan Fund	4,824,502	-	(315,480)	4,509,022

**City of Pendleton, Oregon**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2020**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Grantor Number	Total Federal Expenditures	Passed Through to Sub-Recipients
<b>US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
Passed through State of Oregon Economic Development				
Department:				
Community Development Block Grants	14.228	H16015	\$ 289,643	\$ 289,643
<b>DEPARTMENT OF TRANSPORTATION</b>				
Direct Program:				
Airport Improvement Program	20.106	DOT-FA18NM-0059	33,789	-
Airport Improvement Program	20.106	DOT-FA19NM-0045	5,833,386	-
Airport Improvement Program - COVID-19	20.106	COVID-19	458,914	-
		Sub-total CFDA 20.106	** 6,326,089	-
Passed through Oregon Dept of Transportation -				
Transit Division:				
Formula Grants for Other Than Urbanized Areas	20.509	33408	109,503	-
Formula Grants for Other Than Urbanized Areas	20.509	33408	16,894	-
Formula Grants for Other Than Urbanized Areas - COVID-19	20.509	34184	23,448	-
		Sub-total CFDA 20.509	149,845	-
Federal Transit Cluster:				
Bus and Bus Facilities Formula Program	20.526	32834	3,799	-
Transit Services Program Cluster:				
Enhanced Mobility of Seniors and Individuals With Disabilities	20.513	32170 & 32877	201,609	-
Total U.S. Department of Transportation			6,681,342	-
<b>DEPARTMENT OF TREASURY</b>				
Passed through State of Oregon Department of Admin Services				
Coronavirus Relief Fund	21.019	COVID-19	93,141	-
Total U.S. Department of Justice			93,141	-
<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	112,153	34,230
Total Executive Office of the President			112,153	34,230
<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			34,830	-
<b>DEPARTMENT OF HOMELAND SECURITY</b>				
<b>FEDERAL EMERGENCY MANAGEMENT</b>				
Direct Program:				
Flood Mitigation Assistance	97.029	N/A	61,362	-
Total Department of Homeland Security			61,362	-
<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	** 814,307	-
Total Environmental Protection Agency			814,307	-
<b>TOTAL FEDERAL EXPENDITURES</b>			<b>\$ 8,086,778</b>	<b>\$ 323,873</b>

See auditor's report.

**CITY OF PENDLETON, OREGON**  
**SCHEDULE OF PASSENGER FACILITY CHARGE**  
**RECEIPTS AND DISBURSEMENTS**  
**For The Fiscal Year Ended June 30, 2020**

	Quarter Ended				Year Ended June 30, 2020
	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020	
Passenger facility charge revenues received	\$ 8,467	\$ 8,348	\$ 6,940	\$ 1,947	\$ 25,702
Interest received	-	-	-	-	-
Total passenger facility charge receipts	8,467	8,348	6,940	1,947	25,702
Disbursements applied:					
Application 18-03-C-00-PDT	8,467	8,348	6,940	1,947	25,702
Net increase (decrease) in cash	-	-	-	-	-
Cash balance, beginning	-	-	-	-	-
Cash balance, ending	\$ -	\$ -	\$ -	\$ -	\$ -

The City is collecting PFC's in arrears. All receipts are applied to past disbursements as received.

**CITY OF PENDLETON, OREGON**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**For The Fiscal Year Ended June 30, 2020**

**FINDINGS – FINANCIAL STATEMENTS AUDIT**

Material Weakness

2019-001

*Condition and criteria:* The City has multiple deposit agreements with the Oregon Department of Transportation (ODOT) for the City's portion of costs related to major construction projects performed mainly by ODOT. ODOT provides statements of the funds expended from the deposits and the ending balances and the City has been recording the activity from the statements. There were adjustments made in the prior year to correct the deposit balances reported, which were not reflected in the current year activity causing the ending balances to be misstated.

*Cause:* There were errors in the prior year ODOT statements that the City corrected for financial reporting, which should have cleared out with the current year activity. The prior year correction was not originally incorporated into the adjustments recording the activity and year end deposit balances.

*Effect:* A material adjustment was required to reduce the ODOT deposit in the System Development Fees fund. There were also adjustments needed to capital asset schedules and to reclassify capital outlay between funds related to the deposit agreement.

*Auditor's recommendation:* The year-end balance has been corrected and there should be no further outstanding reconciling items to account for. We recommend that management continue to record the activity from the statements, but to add a procedure to verify the balance remaining of the deposit.

*Current status:* Most of the deposit balances have been used by the end of the fiscal year and the City is waiting for the final close out for the monies to be refunded. The condition was corrected during the year.

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

Type of Finding: Noncompliance – Reporting

2019-002

*Condition and criteria:* Public agencies must provide quarterly reports to carriers collecting PFC revenues for the agency. The Airport uses the FAA online SOAR system as the communication. Program requirements state that the reports must be provided on or before the last day of the calendar month following the calendar quarter. The amounts reported are also normally based on the date collected. The collections reported on the SOAR system have been on the accrual basis, but should

be reported on the cash basis. In addition, the reports for collections in May and June 2019 were submitted September 27, 2019, which is outside the required reporting window.

*Cause:* The Airport has processes in place to report the revenues and expenditures in SOAR but was unaware of the expenditure reporting and other requirements discussed above.

*Effect:* The City's PFC collections are not material to their financial statements in total, but the reporting issues described above provide inaccurate information to the carriers and FAA.

*Auditor's recommendation:* We recommend that Airport management complete the reporting of both collections and disbursements within the required timeline and that the reports are based on the date collected and disbursed.

*Current status:* The Airport was still late in submitting its quarterly reports and is reporting on the accrual basis, which is reported as part of a new finding 2020-004.

**CITY OF PENDLETON, OREGON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For The Fiscal Year Ended June 30, 2020**

**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 Two material weaknesses and no significant deficiencies 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 One material weakness and no 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 the Airport Improvement Program, but a qualified opinion for the Capitalization Grants for Drinking Water State Revolving Funds program.
- 03 There were audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a).
- 04 The programs tested as major programs included:

Capitalization Grants for Drinking Water	
State Revolving Funds	CFDA # 66.468
Airport Improvement Program	CFDA # 20.106

- 05 The threshold for distinguishing Types A and B programs was \$750,000.
- 06 The City of Pendleton was not determined to be a low-risk auditee.

**Passenger Facility Charge Program (PFC)**

- 07 No material weaknesses or significant deficiencies in internal control over the PFC program were disclosed by the audit.
- 08 The auditor's report on compliance expresses an unqualified opinion for the Passenger Facilities Charge Program.
- 09 There was one audit finding required to be reported in other matters, which is described below as 2020-004.



## SECTION II - 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.

*Management's response:* City has instituted all public works related contracts, including street related projects overseen by Community Development Department Engineering Division, to be placed into Tyler Incode under the project accounting module. All infrastructure projects related to water, sewer, storm, and streets are now accounted for in the module as an outcome of this material weakness.

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.

*Management's response:* City has instituted review of disbursement requests and invoicing by Public Works Director and Finance Director prior to submittal to state or federal agency staff. Any discrepancies found on monthly or quarterly disbursement requests will be addressed prior to submittal for reimbursement. All non-bid related items will be executed by change order with full description of the need and summary of charges.

### **SECTION III - 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.

*Management's response:* City has instituted review of disbursement requests and invoicing by Public Works Director and Finance Director prior to submittal to state or federal agency staff. Any discrepancies found on monthly or quarterly disbursement requests will be addressed prior to submittal for reimbursement. All non-bid related items will be executed by change order with full description of the need and summary of charges.

#### **SECTION IV - 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.

*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.