

CITY OF PENDLETON, OREGON

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2022





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ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 2022**

TABLE OF CONTENTS

	<u>Page</u>
OFFICIALS OF THE CITY	i
<u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITOR’S REPORT	1-4
MANAGEMENT’S DISCUSSION AND ANALYSIS	5-20
BASIC FINANCIAL STATEMENTS:	
Government – Wide Financial Statements:	
Statement of Net Position	21
Statement of Activities	22
Fund Financial Statements:	
Balance Sheet – Governmental Funds	24
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	25
Statement of Revenues, Expenditures, and Changes In Fund Balance – Governmental Funds	26
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	27
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) – General Fund	28
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	
Street Fund	29
Urban Renewal District Operating Fund	30
Statement of Net Position – Proprietary Funds	32
Reconciliation of the Proprietary Funds Statement of Net Position to the Statement of Net Position	33
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	34
Reconciliation of the Statement of Revenues, Expenses, and Changes In Fund Net Position of Enterprise Funds to the Statement of Activities	35
Statement of Cash Flows – Proprietary Funds	36-37
Statement of Fiduciary Net Position – Fiduciary Funds	39
Notes to the Basic Financial Statements	40-97
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of City’s Proportionate Share of the Net Pension Liability (Asset)	98
Schedule of City’s Contributions to the Oregon Public Employee Retirement System	98
Schedule of City’s Proportionate Share of Net OPEB Liability (Asset) OPERS Retirement Health Insurance Account	99
Schedule of Contributions OPERS Retirement Health Insurance Account	99
Schedule of Changes in City’s OPEB Liability and Related Ratios	100
Notes to Required Supplementary Information	101-102
SUPPLEMENTAL INFORMATION	
Combining and Individual Fund Statements and Schedules	
Combining Balance Sheet – Non-Major Governmental Funds	105
Sub-Combining Balance Sheet:	
Non-Major Special Revenue Funds	106-107
Non-Major Capital Projects Funds	108

	<u>Page</u>
Non-Major Debt Service Funds	109
Non-Major Permanent Trust Funds	110
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Non-Major Governmental Funds	111
Sub-Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance:	
Non-Major Special Revenue Funds	112-113
Non-Major Capital Projects Funds	114
Non-Major Debt Service Funds	115
Non-Major Permanent Trust Funds	116
Combining Balance Sheet – Combined General Fund	117
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Combined General Fund	118
Combining Balance Sheet – Internal Service Funds	120
Combining Schedule of Revenues, Expenses, and Changes in Net Position – Internal Service Funds	121
Combining Schedule of Cash Flows – Internal Service Funds	122-123
Combining Schedule of Fiduciary Net Position – Agency Funds	125
Schedule of Expenditures and Transfers – Budget and Actual (Non-GAAP Budgetary Basis), by Department – General Fund	127
Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	
Governmental Funds:	
Special Revenue Funds:	
Bike Fund	129
Library Fund	130
Library Trust Fund	131
Transportation Services Fund	132
Community Development Block Grant Fund	133
Community Rehabilitation Fund	134
Sidewalk Repair Loan Fund	135
Pendleton Convention Center Fund	136
PCC TPAC Fund	137
Police Interagency Special Revolving Fund	138
Parks Trust Fund	139
Horne Trust Fund	140
Parks Recreation Cemetery Special Projects Fund	141
Building Maintenance Fund	142
Debt Service Fund:	
Debt Service Fund	143
Urban Renewal District Debt Service Fund	144
Permanent Trust Funds:	
Library Permanent Trust Fund	145
Cemetery Perpetual Care Trust Fund	146
Capital Projects Funds:	
System Development Fees Fund	147
Parks Capital Reserve Fund	148
Public Safety Capital Reserve Fund	149
L.I.D. Construction Fund	150
Fire Bond Capital Construction Fund	151
Unmanned Aerial Systems Capital Improvement Fund	152
Proprietary Funds:	
Enterprise Funds:	
All Water Funds:	

	<u>Page</u>
Water Fund	154
Water Capital Reserve Fund	155
Reconciliation to Generally Accepted Accounting Principles	156
All Sewer Funds:	
Sewer Fund	157
Sewer Capital Reserve Fund	158
Reconciliation to Generally Accepted Accounting Principles	159
Airport Fund	160
Internal Service Funds:	
PW Administration and Fleet Fund	161
Central Services Fund	162
Schedule of Expenditures and Transfers – Budget and Actual (Non-GAAP Budgetary Basis) – Central Services Fund	163
Fiduciary Funds:	
Agency Funds:	
Pendleton Foundation Trust	165
Other Financial Schedules:	
Schedule of Changes in Assets and Liabilities – All Agency Funds	166
Schedule of Outstanding Debt Principal and Interest Transactions	167
Schedule of Future General Obligation Bonds Debt Requirements – Governmental Funds	168
Schedule of Future Limited Tax Pension Bonded Debt Requirements – Governmental Funds	169
Schedule of Future Note Payable Debt Requirements – Governmental Funds	170
Water Fund	171
Sewer Fund	172

STATISTICAL SECTION

Major Wastewater Accounts FY22	173
Coverage Table – Historical and Projected Operating Results	174
Sewer Fund Projected Debt Service Requirements	175
Taxable Property Values and GO Debt Capacity	176
Representative Levy Rates	177-179
Debt Ratios	180-181
Major Taxpayers	182-184
Tax Collections	185
Debt Obligation – General Government	186

ACCOMPANYING INFORMATION

Independent Auditor's Comments Required by Oregon State Regulations	187-188
Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	189-190
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	191-194
Notes to Schedule of Expenditures of Federal Awards	195
Schedule of Expenditures of Federal Awards	196
Schedule of Passenger Facility Charge Receipts and Disbursements	197
Schedule of Prior Year Audit Findings	198-203
Schedule of Findings and Questioned Costs	204-210



**CITY OF PENDLETON, OREGON
OFFICIALS OF THE CITY
AS OF JUNE 30, 2022**

MAYOR AND CITY COUNCIL

<u>Name and Address</u>	<u>Term Expires December 31,</u>
John Turner, Mayor 701 NW 23 rd Street Pendleton, OR 97801	2024
Kevin Martin, Council Member 604 NW Bailey Pendleton, OR 97801	2024
Linda Neuman, Council Member 2216 SW Perkins Avenue Pendleton, OR 97801	2022
Sally Brandsen, Council Member 719 NW 5 th St Pendleton, OR 97801	2024
McKennon McDonald, Council President 806 NW 8 th Street Pendleton, OR 97801	2022
Carol Innes, Council Member 222 ½ NW Despain Ave Pendleton, OR 97801	2022
Dale Primmer, Council Member 101 SW Quinney Place Pendleton, OR 97801	2024
Steve Campbell, Council Member (At Large) 719 NW 6 th St Pendleton, OR 97801	2022
Jacob Cambier, Council Member (At Large) 1324 NW King Pendleton, OR 97801	2022

CITY STAFF

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

CITY ADDRESS

Administrative Offices
500 SW Dorion Avenue
Pendleton, Oregon 97801



FINANCIAL SECTION



Dickey and Tremper, LLP
Certified Public Accountants and Business Advisors

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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 (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows and the budgetary comparison for the General Fund, Street Fund, and Urban Renewal District Operating Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibility section of our report. We are required to be independent of the City and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note IV.E to the financial statements, in the fiscal year ending June 30, 2022, the City adopted new accounting guidance, GASB Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters we identified during the audit.

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.

Supplemental 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 accompanying combining and individual nonmajor fund financial statements, budgetary comparison schedules, other financial schedules, schedule of expenditures of federal awards 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 schedule of expenditures of passenger facility charges as specified in the *Passenger Facility Charge Guide for Public Agencies*, issued by the Federal Aviation Administration, are presented for additional analysis and are not a required part of the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules, other financial schedules, and the schedule of expenditures of federal awards are fairly presented in all material respects in relation to the basic financial statements as a whole.

The schedule of passenger facility charges is the responsibility of management and was derived from and relates 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 charges is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the statistical section but does not include the basis financial statements and our auditor's opinion thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2023, 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 May 17, 2023, on our consideration of the City of Pendleton's internal control over financial reporting and on tests of its compliance with the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-000 to 162-10-320. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.



Dickey and Tremper, LLP
Certified Public Accountants

Pendleton, OR
May 17, 2023



MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENTS DISCUSSION AND ANALYSIS

As management of the City of Pendleton, we offer readers of the City's Annual Financial Report, this narrative overview and analysis of the financial activities of the City of the fiscal year ended June 30, 2022. 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 \$8,447,878 or thirty three percent. Property taxes increased by 6.5% for the general-purpose property tax. Capital grants and contributions increased by over \$5,387,278. ARPA and FEMA revenue contributed to the increase in revenues for the City. The City passed through thousands of dollars to the Chamber of Commerce to promote tourism in Pendleton
- Business-type activities revenue decreased by \$2,386,297. Charges for Services increased by \$969,353 with UAS range rents over \$684,020. Capital Grants and Contributions went down at the Airport by over \$132,000 as FAA Airport Improvement projects were winding down. Expenditures decreased by \$197,756, less than 1% for the year. Water had an increase in expenditures of \$34,099, while Sewer and Airport both saw expenditures decrease from the prior year.
- The unassigned fund balance for the combined General Fund was \$2,996,816 and the total fund balance was \$3,489,747 or approximately 21% of total general fund expenditures & transfers out. The ending fund balance increased by 56% from the previous year.
- The City's governmental activities total debt decreased by \$1,783,347 or 9.2% over FY2020-21. The decrease was attributed paying off principal balances on current loans while not taking out any additional loans. The largest governmental debt is the general obligation bond issue for the construction of a new fire station at \$7.615 million at the end of FY22. The PERS limited tax pension obligation bonds remain with \$3.655 million left.
- Enterprise fund debt increased to a total of \$25,591,577 million. The City has three current open loans with the State of Oregon for water, sewer, and airport infrastructure. Drawdowns on the State debt in FY22 totaled approximately \$2.55 million.
- The water fund contributed approximately \$2.93 million towards the construction of a new reservoir and booster pump station near the airport.
- The airport continues to use CARES Act grant monies to make improvements throughout the airport property. Drawdowns in FY22 totaled approximately \$1.51 million.

Overview of Financial Statements

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

A. Government-wide financial statements

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

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

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

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

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

B. Fund financial statements

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

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

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

The City maintains 26 governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues,

expenditures, and changes in fund balances for the General Fund, State Tax Street Fund and Urban Renewal District Operating Fund which are considered to be *major funds*. Two governmental funds are combined with the General Fund as sub-funds. Data from the other 21 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these *nonmajor* governmental funds is provided in the form of *combining statements* in the supplemental information section of this report.

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

The basic governmental fund financial statements can be found on pages 24-30 of this report.

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

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

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its construction and repair, administration, legal, finance, engineering, insurance and facilities. The services stated above except for construction and repair predominately benefit governmental rather than business-type functions, therefore, they have been included within *governmental activities* in the government-wide financial statements. Of the 7 proprietary funds, two are *Internal Service funds*.

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

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

The basic agency fund financial statements can be found on page 39 of this report.

C. **Notes to the financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. They are an integral part of the financial statements and should be read in conjunction with them. The notes to the financial statements can be found on pages 40-97 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 \$82,627,413 at the close of the FY2021-22 year. Restricted net assets in the governmental funds include \$42,241 for debt service, \$122,368 for environmental remediation \$27,892 street tax monies reserved for street operations and construction, \$1,228,770 for program services and grants, \$6,131 for library services and \$833,336 of restricted funds for the Cemetery Perpetual Care funds. Proprietary Funds have a restricted balance of \$341,382 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 \$80,765,693 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**

Governmental Activities			
	FY 2020-21	FY 2021-22	Change
Assets			
Current and other assets	\$18,065,755	\$21,732,778	\$3,667,023
Capital assets	\$45,470,346	\$51,944,483	6,474,137
Total assets	\$63,536,101	\$73,677,261	10,141,160
Deferred Outflow of Resources	\$6,327,359	\$5,650,970	(\$676,389)
Liabilities			
Long-term liabilities outstanding	\$39,305,581	\$29,314,269	(\$9,991,312)
Other liabilities	2,816,751	4,723,026	1,906,275
Total liabilities	\$42,122,332	\$34,037,295	(8,085,037)
Deferred Inflow of Resources	\$1,397,772	\$10,523,957	\$9,126,185
Net Position			
Invested in capital assets, net of related debt	\$34,722,991	\$42,223,770	\$7,500,779
Restricted	2,159,616	2,260,738	101,122
Unrestricted (deficit)	(10,757,037)	(9,717,529)	1,039,508
Total Net Position	\$26,343,356	\$34,766,979	\$8,423,623

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

	<u>FY 2020-21</u>	<u>FY 2021-22</u>	<u>Change</u>
Assets			
Current and other assets	\$14,828,278	\$17,545,275	\$2,716,997
Capital assets	60,273,100	64,292,816	4,019,716
Total assets	<u>\$75,101,378</u>	<u>\$81,838,091</u>	<u>\$6,736,713</u>
Deferred Outflow of Resources	<u>\$1,311,157</u>	<u>\$1,285,680</u>	<u>(\$25,477)</u>
Liabilities			
Long-term liabilities outstanding	\$28,437,284	\$28,431,570	(\$5,714)
Other liabilities	2,406,446	3,473,494	1,067,048
Total liabilities	<u>\$30,843,730</u>	<u>\$31,905,064</u>	<u>\$1,061,334</u>
Deferred Inflow of Resources	<u>\$305,185</u>	<u>\$3,358,273</u>	<u>\$3,053,088</u>
Net Position			
Invested in capital assets, net of related debt	\$35,954,536	\$38,541,923	\$2,587,387
Restricted	407,937	341,382	(66,555)
Unrestricted	8,901,147	8,977,129	75,982
Total Net Position	<u><u>\$45,263,620</u></u>	<u><u>\$47,860,434</u></u>	<u><u>\$2,596,814</u></u>

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

	<u>FY 2020-21</u>	<u>FY 2021-22</u>	<u>Change</u>
Assets			
Current and other assets	32,894,033	39,278,053	6,384,020
Capital assets	105,743,446	116,237,299	10,493,853
Total assets	<u>138,637,479</u>	<u>155,515,352</u>	<u>16,877,873</u>
Deferred Outflow of Resources	<u>7,638,516</u>	<u>6,936,650</u>	<u>(701,866)</u>
Liabilities			
Long-term liabilities outstanding	67,742,865	57,745,839	(9,997,026)
Other liabilities	5,223,197	8,196,520	2,973,323
Total liabilities	<u>72,966,062</u>	<u>65,942,359</u>	<u>(7,023,703)</u>
Deferred Inflow of Resources	<u>1,702,957</u>	<u>13,882,230</u>	<u>12,179,273</u>
Net Positions			
Invested in capital assets, net of related debt	70,677,527	80,765,693	10,088,166
Restricted	2,567,553	2,602,120	34,567
Unrestricted (deficit)	(1,855,890)	(740,400)	1,115,490
Total Net Positions	<u><u>71,606,976</u></u>	<u><u>82,627,413</u></u>	<u><u>11,020,437</u></u>

An additional portion of the City's net position \$2,602,120 approximately three 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 \$740,400. Unrestricted net position increased from the previous year by \$1,115,490, 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**

Governmental Activities			
	FY 2020-21	FY 2021-22	Change
Revenues			
<i>Program revenues:</i>			
Charges for services	\$4,867,505	\$5,923,327	\$1,055,822
Operating grants & contributions	3,903,590	4,880,612	977,022
Capital grants & contributions	3,554,012	8,941,290	5,387,278
<i>General revenues:</i>			
Property taxes	7,757,330	8,260,243	502,913
Franchise fees	4,775,238	5,486,559	711,321
Investment earnings	187,852	(26,321)	(214,173)
Other	333,761	361,456	27,695
Total revenues	\$25,379,288	\$33,827,166	\$8,447,878
Expenditures			
General government	\$5,370,244	\$5,632,680	\$262,436
Public safety	12,393,577	10,732,095	(1,661,482)
Highways & streets	4,221,188	4,739,742	518,554
Culture & recreation	3,350,433	3,716,702	366,269
Interest on long-term debt	664,707	698,654	33,947
Total expenses	\$26,000,149	\$25,519,873	(\$480,276)
Change in net position	(\$620,861)	\$8,307,293	\$8,928,154
Transfers	(355,058)	116,330	471,388
Change in net position	(975,919)	8,423,623	9,399,542
Net Position -- beginning	\$27,319,275	\$26,343,356	(\$975,919)
Net Position -- ending	\$26,343,356	\$34,766,979	\$8,423,623

Table 2-B

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

Business-type Activities

	<u>FY 2020-21</u>	<u>FY 2021-22</u>	<u>Change</u>
Revenues			
<i>Program revenues:</i>			
Charges for services	\$13,654,704	\$14,624,057	\$969,353
Operating grants & contributions	4,875,411	1,604,662	(3,270,749)
Capital grants & contributions	746,279	613,801	(132,478)
<i>General revenues:</i>			
Investment earnings	86,636	93,136	6,500
Other	3,673	44,750	41,077
Total revenues	<u>\$19,366,703</u>	<u>\$16,980,406</u>	<u>(\$2,386,297)</u>
Expenses			
Water	\$5,009,520	\$5,043,619	\$34,099
Sewer	6,080,356	6,061,234	(19,122)
Airport	3,375,142	3,162,409	(212,733)
Total expenses	<u>\$14,465,018</u>	<u>\$14,267,262</u>	<u>(\$197,756)</u>
Change in net position	\$4,901,685	\$2,713,144	(\$2,188,541)
Transfers	355,058	(116,330)	(471,388)
Change in net position	5,256,743	2,596,814	(2,659,929)
Net Position -- beginning	<u>\$40,006,877</u>	<u>\$45,263,620</u>	<u>\$5,256,743</u>
Net position -- ending	<u><u>\$45,263,620</u></u>	<u><u>\$47,860,434</u></u>	<u><u>\$2,596,814</u></u>

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

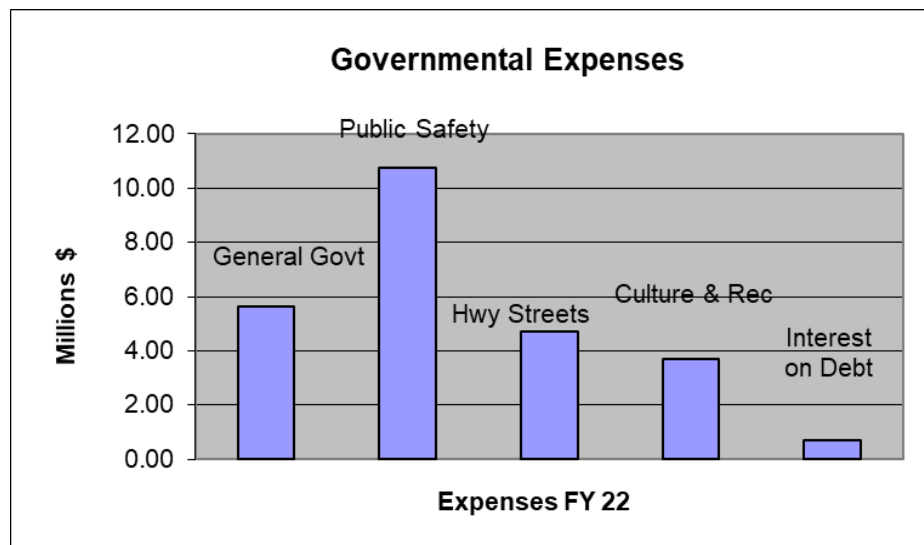
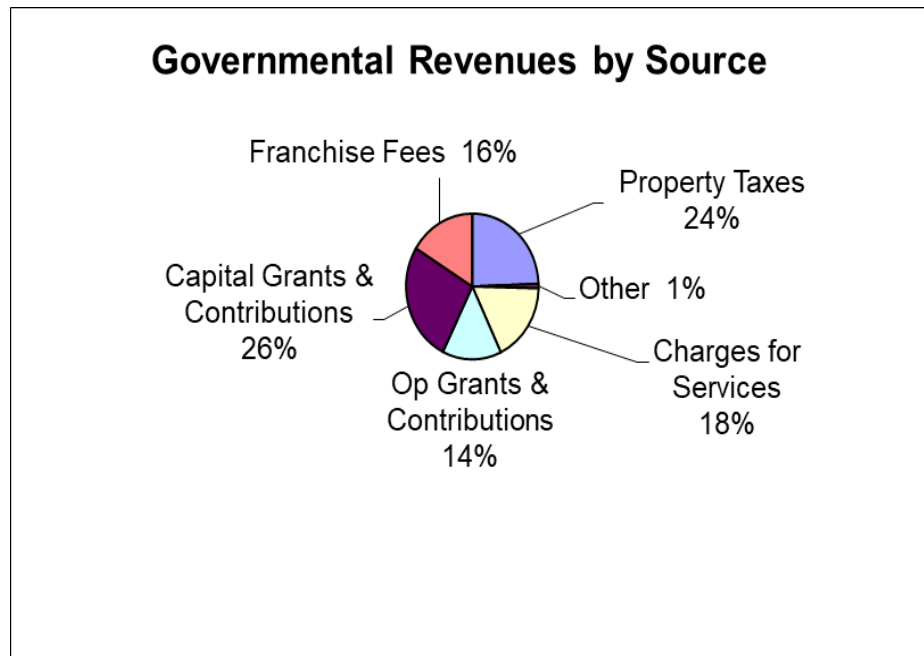
Total Net Assets

	<u>FY 2020-21</u>	<u>FY 2021-22</u>	<u>Change</u>
Revenues			
<i>Program revenues:</i>			
Charges for services	\$18,522,209	\$20,547,384	\$2,025,175
Operating grants & contributions	8,779,001	6,485,274	(2,293,727)
Capital grants & contributions	4,300,291	9,555,091	5,254,800
<i>General revenues:</i>			
Property taxes	7,757,330	8,260,243	502,913
Franchise fees	4,775,238	5,486,559	711,321
Investment earnings	274,488	66,815	(207,673)
Other	337,434	406,206	68,772
Total revenues	<u>\$44,745,991</u>	<u>\$50,807,572</u>	<u>\$6,061,581</u>
Expenses			
General government	\$5,370,244	\$5,632,680	\$262,436
Public safety	12,393,577	10,732,095	(1,661,482)
Highways & streets	4,221,188	4,739,742	518,554
Culture & recreation	3,350,433	3,716,702	366,269
Interest on long-term debt	664,707	698,654	33,947
Water	5,009,520	5,043,619	34,099
Sewer	6,080,356	6,061,234	(19,122)
Airport	3,375,142	3,162,409	(212,733)
Total expenses	<u>\$40,465,167</u>	<u>\$39,787,135</u>	<u>(\$678,032)</u>
Change in net position	\$4,280,824	\$11,020,437	\$6,739,613
Transfers	0	0	0
Change in net position	4,280,824	11,020,437	6,739,613
Net Position -- beginning	<u>\$67,326,152</u>	<u>\$71,606,976</u>	<u>\$4,280,824</u>
Net position -- ending	<u>\$71,606,976</u>	<u>\$82,627,413</u>	<u>\$11,020,437</u>

As noted above, the City of Pendleton's overall net position increased by \$11,020,437 during FY2021-22. This increase is explained in the following government and business-type activities discussion.

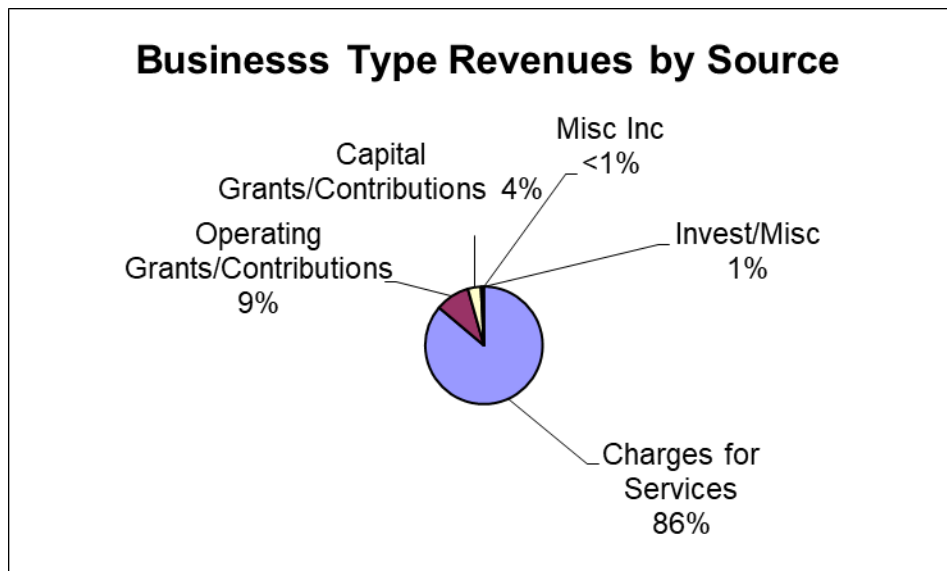
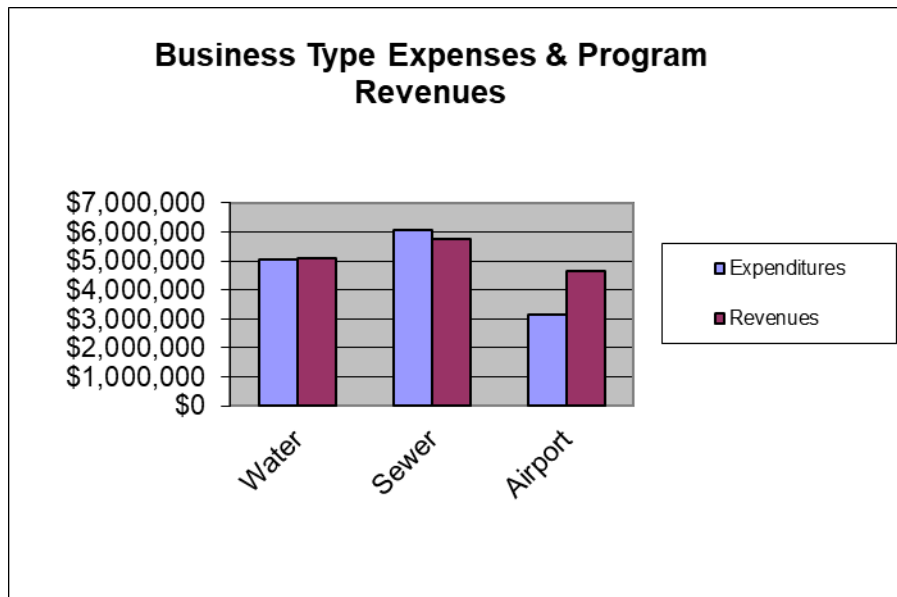
Governmental activities. The major factor for the governmental activities net asset increase was the acceptance of 8th Street Bridge, which had a positive impact of approximately \$8.24 million. Expenditures decreased by two percent, while revenues increased by 33 percent from the previous year, the revenues outpaced the expenditures by \$8,307,293 Public Safety saw the largest decrease of \$1,661,482 in expenditures from the previous year. The net affect was net position ending balance of \$34,766,979, a 33% percent increase. Charges for services were \$1.05 million higher than the previous year and total grants and contribution were up \$8.44 million over FY2020-21.

The following graphs provide visual representation of the expenses and revenues for governmental activities for FY2021-22.



Business-type activities. Business-type activities increased the City's net assets by \$2,596,814 from FY21. Capital Grants and Contributions decreased by \$132,478 overall with increases in one enterprise funds, Airport. The Water, Sewer and Airport funds took in more revenue than expenses during FY22. Grants include Airport Improvement Project (AIP) FAA dollars for airport improvements for \$294,119 in grant dollars and the receipt of Airport CARES Act dollars of \$1.48 million. Total combined revenues taken in were more than total combined expenses by \$2,713,144 for FY22.

The following graphs provide visual representation of the expenses and revenues for business-type activities for FY2021-22.



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 \$10,426,930, a decrease of \$1,105,778. Of the combined ending fund balances, \$2,996,816 or 29 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 non-spendable. Ending fund balance also includes: 1) State street tax and contributions of \$500,591 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 \$839,467; 3) to pay for future debt service of \$42,241, 4) environmental remediation of \$122,368, and 5) non-spendable 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 \$2,996,816.

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 22 percent of total General Fund expenditures and transfers out.

The combined General Fund balance increased by \$1,252,314 during FY2021-22 as compared to the increase of \$677,710 in FY21. Key factors in that affected fund balance are as follows:

- Revenues received by the General Fund increased by 11%, taking in \$17,002,596 for the year. Most of the revenue categories were somewhat stable between FY21 and FY22. Intergovernmental revenues went up due to increased ARPA grant monies and new state programs which supplement lost revenue for ambulance transfers. Franchise Fees stayed stable while property taxes increased by 4.5%.
- Expenditures increased slightly over the last year for a total of \$15,817,590, total increase of \$1,090,534. Public safety, culture and recreation, and debt service increased over last year. General government decreased slightly by \$142,449.
- General Fund capital outlay of \$191,262 was increased quite a bit from the prior year. This was a result of building improvements funded through ARPA grant monies.

See pages 105-118 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 \$4,763,465, \$5,044,816 and \$632,412 respectively. The Water Fund owed \$430,237 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 \$1,490,077 during FY22, for a total debt of \$7.545 million at the end of the year. The Sewer Fund has a balance of \$3.86 million in FY22 from a prior Clean Water State Revolving Loan Fund (CWSRF) for the wastewater treatment plant upgrades required by the DEQ along with the remaining \$4.30 million in sewer bonds. A new Sewer CWSRF loan had \$276,963 advanced for sewer system developments and repairs in FY22 for a total balance of \$6.29 million. The Airport has two loans from the State of Oregon for Unmanned Aircraft Systems (UAS) development for \$3.17 million. Total net position for enterprise funds increased by \$2,408,812.

See Combining Statements on pages 120-123 for the internal service funds, and pages 154-160 for the proprietary funds budgetary schedules.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

- Increase police budget \$37,100 for building maintenance repairs at the police station
- Increase economic development by \$5,000 and non-departmental by \$6,000 for consulting fees. Reduced contingency to balance.
- Increase revenue for ARPA funds received by \$17,000 and miscellaneous revenues for \$17,000 from Wildhorse grant for the AED purchase and decrease contingency to balance.
- Increase Parks, Rec et al by \$100,000 expenses which correlate with the increased revenues for operations of the department
- Increase Fire Department appropriations by \$20,000 with expected revenues to match

The net change in appropriations during the year was an increase of \$154,000 in expenditures or contingency.

CAPITAL ASSETS AND DEBT ADMINISTRATION

A. Capital Assets

The City's investment in capital assets for its governmental and business type activities as of June 30, 2022, amounts to \$116,237,299 (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 \$10,493,853 or a ten percent change (a 14 percent increase for governmental activities and a 7 percent increase for business-type activities).

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

- The City replaced the roof of the Quonset Hut for \$31,035, remodeled the break room in City Hall for \$19,725 using ARPA funding, replaced flooring throughout the police department for \$34,382 and painted the interior of the OSP building for \$24,180.
- The City and PDC contributed a combined \$242,098 towards the Til-Taylor splash pad. The project was completed in early FY22 with a final total cost of \$767,823.
- The Police department purchased a new vehicle for \$29,000 and the Fire department purchased a new chassis and remounted a previously owned box for \$183,102.
- The Recreation department purchased a used 15 passenger van to transport kids to different recreation activities for \$25,000.
- Street overlays and reconstruction totaled \$1,858,015. The reconstruction of SE Byers Avenue was completed for \$1,353,210 using funding from the PDC.
- The City formally accepted the 8th Street Bridge during FY22. The final cost of the bridge \$8,630,390 with funding provided from both the City and ODOT.
- Water, sewer & storm drainage master planning was progressing with a total cost in FY22 of \$751,573.
- The Waste Water Treatment Plant (WWTP) made improvements to the chlorination building totaling \$489,635. They have also started replacing drying beds and replacing the rail car bridge impacted by the flood. The YTD costs as of June 30th were \$130,878 and 19,280, respectively.
- Airport Improvement Projects 29 (design engineering), and 30 (hotspot mitigation) saw \$294,562 in expenses with expected grants to cover 95% of the costs.

- The airport began on a number of improvement projects that are being funded with revenue received from the CARES Act. Improvements still in progress as of June 30th include; WWII Hangar Improvements (\$52,230), Barracks Remodeling (\$143,357), Terminal and Tower Maintenance (\$391,203), Taxi Lane Improvements (\$32,090) and Lillian Lane Road Improvements (\$45,328).
- Depreciation for governmental activities expense for FY22 was \$3,134,586 versus capital outlay expenditures of \$9,608,724. Depreciation for business-type activities expense for FY22 was \$3,980,530 versus capital outlay expenditures of \$8,000,246.

The following table provides comparative information on the City's capital assets for FY2020-21 and FY2021-22.

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

Governmental Activities

Asset Category	FY 2020-21	FY 2021-22	Change
Land	\$4,110,549	\$4,110,549	\$0
Assets available for sale	461,261	386,261	(75,000)
Buildings	25,335,412	25,575,185	239,773
Equipment	9,134,871	9,220,150	85,280
Improvements	35,804,236	46,463,344	10,659,108
Infrastructure	21,285,650	21,285,650	0
Work in progress	1,628,207	327,770	(1,300,437)
Accumulated depreciation & amort.	<u>(52,289,841)</u>	<u>(55,424,427)</u>	<u>(3,134,586)</u>
Total	<u>\$45,470,346</u>	<u>\$51,944,483</u>	<u>\$6,474,137</u>

Business-type Activities

Asset Category	FY 2020-21	FY 2021-22	Change
Land	\$337,598	\$337,598	\$0
Buildings	18,945,640	22,389,176	3,443,536
Equipment	19,809,985	20,752,928	942,943
Improvements	75,010,258	79,057,914	4,047,656
Work in progress	9,408,317	8,974,428	(433,889)
Accumulated depreciation & amort.	<u>(63,238,698)</u>	<u>(67,219,228)</u>	<u>(3,980,530)</u>
Total	<u>\$60,273,100</u>	<u>\$64,292,816</u>	<u>\$4,019,716</u>

Total Net Capital Assets

Asset Category	FY 2020-21	FY 2021-22	Change
Land	\$4,448,147	\$4,448,147	\$0
Assets available for sale	461,261	386,261	(75,000)
Buildings	44,281,052	47,964,361	3,683,309
Equipment	28,944,855	29,973,078	1,028,223
Improvements	110,814,494	125,521,258	14,706,764
Infrastructure	21,285,650	21,285,650	0
Work in progress	11,036,524	9,302,198	(1,734,326)
Accumulated depreciation & amort.	(115,528,539)	(122,643,654)	(7,115,115)
Total	<u>\$105,743,446</u>	<u>\$116,237,299</u>	<u>\$10,493,853</u>

Additional information on the City of Pendleton's capital assets can be found in footnote III.E. on pages 64-66 of this report.

B. Debt Administration

As of June 30, 2022, the City had \$7,615,000 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 FY22 saw the fifth 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, 2022, the PERS debt outstanding is \$3,655,000. Principal payment of \$480,000 was made on time.

The remaining \$356,405 construction loan for the local improvement district (LID) construction at Sunridge Estates was paid off during FY22. 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 \$470,416. 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 was paid in full during FY22. 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 30th was \$475,725

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

In addition, the Water Fund owed \$430,237 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 \$7,545,192 for capital infrastructure improvements at June 30th, over \$1 million is forgivable.

The City sold Wastewater Revenue Bonds to finance costs of improvements to the City's sanitary sewerage facilities for \$9,980,000 in December 07. Sewer rates were increased to cover the debt service required in the future. This loan was refinanced as a full faith and credit loan for a lower interest rate and the balance is now \$4,299,158. The City has also obtained Clean Water Revolving Loan funds for the wastewater treatment plan upgrades. The loan balances as of June 30th was \$3,859,863. The newer sewer loan with DEQ had additional borrowings of \$276,963, bringing the loan balance as of June 30th to \$6,287,300.

The Airport had two loans out through the State of Oregon for development of the UAS site and related hanger construction. One of the two loans is forgivable and had a balance of \$545,000 on June 30th. New borrowings on the newest DEQ loan totaled \$788,628 in FY22. The loan balance as of June 30th was \$2,624,828.

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

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

Governmental Activities

Debt Category	FY 2020-21	FY 2021-22	Change
General Obligation Bonds	\$7,950,000	\$7,615,000	(\$335,000)
General Obligation Bonds - PDC	5,334,625	5,334,625	0
Limited Tax Pension Obligation Bonds	4,135,000	3,655,000	(480,000)
Notes Payable	1,396,112	475,726	(920,386)
Full Faith & Credit Bonds	518,377	470,416	(47,961)
Total	\$19,334,114	\$17,550,767	(\$1,783,347)

Business-type Activities

Debt Category	FY 2020-21	FY 2021-22	Change
Full Faith & Credit Bonds	\$4,841,361	\$4,299,158	(\$542,203)
Notes Payable	19,477,204	21,292,419	1,815,215
Total	\$24,318,565	\$25,591,577	\$1,273,012

Total Outstanding Debt

Debt Category	FY 2020-21	FY 2021-22	Change
General Obligation Bonds	\$7,950,000	\$7,615,000	(\$335,000)
General Obligation Bonds - PDC	5,334,625	5,334,625	0
Limited Tax Pension Obligation Bonds	4,135,000	3,655,000	(480,000)
Full Faith & Credit Bonds	4,841,361	4,769,574	(71,787)
Notes Payable	21,391,693	21,768,145	376,452
Total	\$43,652,679	\$43,142,344	(\$510,335)

The City's total debt decreased by \$510,335 (1.2 percent) during the current fiscal year. Debt for governmental activities decreased by \$1,783,347 due to paying off the LID construction and Olney Housing project loans. Debt for business-type activities increased by \$1,273,012. The business-type activities increased due to draw downs from the Safe Drinking Water Loan (Water fund) and the Clean Water Loan (Sewer fund.)

Oregon Revised Statutes provides a limit on non-self-supporting general obligation debt of 3% of the real market value of all taxable property within the City's boundaries. Based on the City's FY2021-22 real market value, this debt limitation is \$40,487,465. The amount of outstanding City debt subject to this limitation is \$16,039,574

Additional information on the City of Pendleton's bonded debt can be found in the notes to the basic financial statements on pages 68-74.

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 FY2022 budget:

- Assessed values, the basis of property tax revenues, will grow by 3%.
- Property tax rate is set at 6.5771 as a permanent rate due to Measure 50.
- Health insurance rates expected a 1% increase and Workers Comp rates would stay flat.
- Fire salaries would increase by 2.5% in July.
- SEIU would increase by 2.5% in July.
- Exempt salaries would increase 4.5% in July.
- Police salaries would increase by 4.5% in July.
- General Fund capital improvements budgeted would be based on maintenance deferred priorities and availability of remaining ARPA grant funds.
- Water and sewer rates would increase by CPI% based on the Master Plans for both approved by Council.

REQUESTS FOR INFORMATION

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

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



BASIC FINANCIAL STATEMENTS

CITY OF PENDLETON, OREGON
STATEMENT OF NET POSITION
June 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 12,667,551	\$ 12,208,044	\$ 24,875,595
Investments	-	483,754	483,754
Receivables:			
Accounts, net	3,603,706	2,930,891	6,534,597
Property taxes	280,308	-	280,308
Assessments	117,239	-	117,239
Notes	458,663	34,116	492,779
Leases	2,427,879	1,537,122	3,965,001
Interest	43	122	165
Internal balances	931,601	(931,601)	-
Prepaid items	152,624	38,943	191,567
Inventories	7,461	708,437	715,898
Prepaid bond insurance	7,891	-	7,891
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	59,135	-	59,135
Investments	-	341,382	341,382
Permanently restricted:			
Cash and cash equivalents	22,686	-	22,686
Investments	816,781	-	816,781
Net OPEB asset	175,689	39,428	215,117
Lease assets, net	3,521	154,637	158,158
Capital assets:			
Land	4,110,550	337,598	4,448,148
Assets available for sale	386,261	-	386,261
Construction in progress	327,770	8,974,428	9,302,198
Depreciable assets, net of depreciation	47,119,902	54,980,790	102,100,692
Total assets	<u>73,677,261</u>	<u>81,838,091</u>	<u>155,515,352</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred outflows related to pension	5,514,924	1,237,648	6,752,572
Deferred outflows related to OPEB	136,046	48,032	184,078
Total deferred outflow of resources	<u>5,650,970</u>	<u>1,285,680</u>	<u>6,936,650</u>
LIABILITIES			
Accounts payable and accrued expenses	1,901,123	2,688,605	4,589,728
Deposits	2,625,636	4,506	2,630,142
Retainage payable	84,918	159,911	244,829
Accrued interest payable	111,349	620,472	731,821
Long-term obligations:			
Due within one year:			
Long-term liabilities	1,449,896	1,668,247	3,118,143
Due in more than one year:			
Net pension liability	9,351,486	2,098,640	11,450,126
Net OPEB liability	1,126,298	430,925	1,557,223
Long-term liabilities	17,386,589	24,233,758	41,620,347
Total liabilities	<u>34,037,295</u>	<u>31,905,064</u>	<u>65,942,359</u>
DEFERRED INFLOW OF RESOURCES			
Deferred inflows related to lease receivables	2,393,272	1,514,241	3,907,513
Deferred inflows related to pension	7,959,014	1,786,146	9,745,160
Deferred inflows related to OPEB	171,671	57,886	229,557
Total deferred inflows of resources	<u>10,523,957</u>	<u>3,358,273</u>	<u>13,882,230</u>
NET POSITION			
Net investment in capital assets	42,223,770	38,541,923	80,765,693
Restricted for:			
Debt service	42,241	341,382	383,623
Environmental remediation	122,368	-	122,368
Highways and streets	27,892	-	27,892
Program services and grants	1,228,770	-	1,228,770
Library services	6,131	-	6,131
Cemetery perpetual care permanent trust	833,336	-	833,336
Unrestricted	(9,717,529)	8,977,129	(740,400)
Total net position	<u>\$ 34,766,979</u>	<u>\$ 47,860,434</u>	<u>\$ 82,627,413</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, 2022

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
Governmental activities:							
General government	\$ 5,632,680	\$ 1,863,201	\$ 649,161	\$ 526,163	\$(2,594,155)	\$ -	\$ (2,594,155)
Public safety	10,732,095	2,189,111	1,737,163	305,909	(6,499,912)	-	(6,499,912)
Highways and streets	4,739,742	1,157,121	1,617,550	7,896,959	5,931,888	-	5,931,888
Culture and recreation	3,716,702	713,894	876,738	212,259	(1,913,811)	-	(1,913,811)
Interest on long-term obligations	<u>698,654</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(698,654)</u>	<u>-</u>	<u>(698,654)</u>
Total governmental activities	<u>25,519,873</u>	<u>5,923,327</u>	<u>4,880,612</u>	<u>8,941,290</u>	<u>(5,774,644)</u>	<u>-</u>	<u>(5,774,644)</u>
Business-type activities:							
Water	5,043,619	6,318,780	106,108	58,500	-	1,439,769	1,439,769
Sewer	6,061,234	6,314,065	16,784	261,182	-	530,797	530,797
Airport	<u>3,162,409</u>	<u>1,991,212</u>	<u>1,481,770</u>	<u>294,119</u>	<u>-</u>	<u>604,692</u>	<u>604,692</u>
Total business-type activities	<u>14,267,262</u>	<u>14,624,057</u>	<u>1,604,662</u>	<u>613,801</u>	<u>-</u>	<u>2,575,258</u>	<u>2,575,258</u>
Total primary government	<u>\$39,787,135</u>	<u>\$20,547,384</u>	<u>\$6,485,274</u>	<u>\$ 9,555,091</u>	<u>(5,774,644)</u>	<u>2,575,258</u>	<u>(3,199,386)</u>
General revenues:							
Property taxes levied for:							
General purposes					6,605,034	-	6,605,034
Debt service					1,655,209	-	1,655,209
Franchise and public services taxes					5,486,559	-	5,486,559
Interest and investment earnings					(26,321)	93,136	66,815
Miscellaneous					361,456	44,750	406,206
Transfers					<u>116,330</u>	<u>(116,330)</u>	<u>-</u>
Total general revenues and transfers					<u>14,198,267</u>	<u>21,556</u>	<u>14,219,823</u>
Change in net position					8,423,623	2,596,814	11,020,437
Net Position, beginning, as restated					<u>26,343,356</u>	<u>45,263,620</u>	<u>71,606,976</u>
Net Position, ending					<u>\$34,766,979</u>	<u>\$47,860,434</u>	<u>\$ 82,627,413</u>

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



FUND FINANCIAL STATEMENTS

Major Governmental Funds

General Fund

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

Street Fund

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

Urban Renewal District Operating Fund

Accounts for the City's urban renewal projects. Revenues are from issuance of debt, and expenditures are for elimination of blighted conditions and urban development as defined in the City's Urban Renewal Plan.

CITY OF PENDLETON, OREGON
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022

	Combined General Fund	Street Fund	Urban Renewal District Operating Fund	Other Governmental Funds	Totals
ASSETS					
Cash and cash equivalents	\$ 3,703,837	\$ 2,756,501	\$ 1,584,648	\$ 4,162,290	\$ 12,207,276
Investments	-	-	-	816,781	816,781
Receivables:					
Property taxes	225,271	-	-	55,037	280,308
Accounts, net	2,296,390	441,775	-	695,517	3,433,682
Interest	43	-	-	-	43
Assessments	9,391	-	-	107,848	117,239
Notes	43,794	-	414,869	-	458,663
Leases	2,371,429	13,250	-	43,200	2,427,879
Advances to other funds	118,060	-	-	-	118,060
Assets available for sale	-	-	-	45,000	45,000
Prepaid items	120,521	8,186	-	5,381	134,088
Inventory	-	7,461	-	-	7,461
Total assets	<u>\$ 8,888,736</u>	<u>\$ 3,227,173</u>	<u>\$ 1,999,517</u>	<u>\$ 5,931,054</u>	<u>\$ 20,046,480</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 692,329	\$ 661,313	\$ 212,340	\$ 209,394	\$ 1,775,376
Deposits	791,799	1,766,227	-	48,489	2,606,515
Retainage payable	-	84,918	-	-	84,918
Advances from other funds	14,000	-	-	104,060	118,060
Total liabilities	<u>1,498,128</u>	<u>2,512,458</u>	<u>212,340</u>	<u>361,943</u>	<u>4,584,869</u>
DEFERRED INFLOWS OF RESOURCES					
Lease receivables related	2,337,072	13,000	-	43,200	2,393,272
Unavailable revenue	1,563,789	201,124	414,869	461,627	2,641,409
Total deferred inflows of resources	<u>3,900,861</u>	<u>214,124</u>	<u>414,869</u>	<u>504,827</u>	<u>5,034,681</u>
FUND BALANCES (DEFICIT)					
Nonspendable	238,581	-	-	833,336	1,071,917
Restricted	122,368	-	1,372,308	1,321,928	2,816,604
Committed	24,938	-	-	1,797,170	1,822,108
Assigned	107,044	500,591	-	1,111,850	1,719,485
Unassigned	2,996,816	-	-	-	2,996,816
Total fund balances	<u>3,489,747</u>	<u>500,591</u>	<u>1,372,308</u>	<u>5,064,284</u>	<u>10,426,930</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,888,736</u>	<u>\$ 3,227,173</u>	<u>\$ 1,999,517</u>	<u>\$ 5,931,054</u>	<u>\$ 20,046,480</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, 2022

Fund balances - total governmental funds	\$ 10,426,930
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	51,721,957
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.	(9,935,209)
Other long-term assets are not available to pay for current period expenditures, and, therefore, are deferred in the fund statements.	2,641,409
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.	(791,543)
Accrued compensated absences are not due and payable in the current period, and, therefore, are not reported in the funds.	(446,455)
Accrued interest payable is not due and payable in the current period, and, therefore, is not reported in the fund statements.	(111,349)
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.	(18,255,603)
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	\$ 542,096
Accounts receivable, net	170,024
Prepaid items	18,536
Internal balances	931,601
Net OPEB asset	27,709
Capital assets, net	177,466
Deferred outflows related to pension	869,800
Deferred outflows related to OPEB	25,262
Accounts payable and accrued expenses	(125,747)
Deposits	(19,121)
Net pension liability	(1,474,892)
Other post employment benefits liability	(216,376)
Compensated absences payable	(122,955)
Deferred inflows related to pension	(1,255,275)
Deferred inflows related to OPEB	<u>(31,286)</u>
Total internal service funds	<u>(483,158)</u>
Net position of governmental activities	<u>\$ 34,766,979</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
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2022

	Combined General Fund	Street Fund	Urban Renewal District Operating Fund	Other Governmental Funds	Totals
REVENUES					
Property taxes	\$ 6,609,830	\$ -	\$ -	\$ 1,655,314	\$ 8,265,144
Other taxes	606,024	-	-	552,949	1,158,973
Franchise fees	2,727,794	-	-	-	2,727,794
Licenses and fees	1,461,581	-	-	154,046	1,615,627
Charges for services	2,022,507	1,144,808	-	994,047	4,161,362
Intergovernmental	3,060,958	1,618,484	68,995	2,161,640	6,910,077
Fines and forfeitures	274,940	-	-	-	274,940
Assessments	932	-	-	72,458	73,390
Loan repayments	7,920	-	88,772	-	96,692
Contributions	55,874	-	-	119,631	175,505
Interest on investments	48,562	11,900	12,669	(100,960)	(27,829)
Miscellaneous	125,674	12,313	-	50,624	188,611
TOTAL REVENUES	<u>17,002,596</u>	<u>2,787,505</u>	<u>170,436</u>	<u>5,659,749</u>	<u>25,620,286</u>
EXPENDITURES					
Current:					
General government	2,219,925	-	1,564,847	1,817,668	5,602,440
Public safety	10,082,940	-	-	159,174	10,242,114
Culture and recreation	2,572,662	-	-	765,577	3,338,239
Highways and streets	-	1,229,318	-	-	1,229,318
Capital outlay	191,262	1,795,895	1,559,132	513,451	4,059,740
Debt service	750,801	-	-	2,744,489	3,495,290
TOTAL EXPENDITURES	<u>15,817,590</u>	<u>3,025,213</u>	<u>3,123,979</u>	<u>6,000,359</u>	<u>27,967,141</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,185,006</u>	<u>(237,708)</u>	<u>(2,953,543)</u>	<u>(340,610)</u>	<u>(2,346,855)</u>
OTHER FINANCING SOURCES (USES)					
Sale of property	12,670	7,340	-	-	20,010
Issuance of debt	-	-	1,000,000	-	1,000,000
Transfers in	263,838	-	-	209,231	473,069
Transfers out	(209,200)	(15,280)	-	(27,519)	(251,999)
TOTAL OTHER FINANCING SOURCES (USES)	<u>67,308</u>	<u>(7,940)</u>	<u>1,000,000</u>	<u>181,712</u>	<u>1,241,080</u>
NET CHANGE IN FUND BALANCE	1,252,314	(245,648)	(1,953,543)	(158,898)	(1,105,775)
FUND BALANCE, Beginning	<u>2,237,433</u>	<u>746,239</u>	<u>3,325,851</u>	<u>5,223,182</u>	<u>11,532,705</u>
FUND BALANCE, Ending	<u>\$ 3,489,747</u>	<u>\$ 500,591</u>	<u>\$ 1,372,308</u>	<u>\$ 5,064,284</u>	<u>\$ 10,426,930</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, 2022

Net change in fund balance - governmental funds \$ (1,105,775)

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 413,198

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.

2,783,347

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.

(1,000,000)

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 (18,096)

 Change in accrued interest payable (33,703)

 Amortization of bond insurance (1,515)

 Amortization of bond premium 46,993

 Change in pension liability and related deferred outflows and inflows 402,598

 Change in OPEB asset/liability and related deferred outflows and inflows (13,202)

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

 Capital asset purchases \$ 2,201,666

 Capital asset contributions 7,806,609

 Depreciation expense (3,392,292)

6,615,983

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.

333,795

Change in net position - governmental activities **\$ 8,423,623**

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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
REVENUES				
Property taxes	\$ 6,474,045	\$ 6,474,045	\$ 6,609,830	\$ 135,785
Other taxes	590,550	590,550	606,024	15,474
Franchise fees	2,814,600	2,814,600	2,727,794	(86,806)
Licenses and fees	1,055,300	1,155,300	1,461,581	306,281
Charges for services	1,687,870	1,687,870	2,022,507	334,637
Intergovernmental	3,557,000	3,594,000	3,060,958	(533,042)
Fines and forfeitures	350,100	350,100	274,940	(75,160)
Contributions	26,650	43,650	55,874	12,224
Interest on investments	15,000	15,000	47,756	32,756
Miscellaneous	112,100	112,100	125,674	13,574
TOTAL REVENUES	<u>16,683,215</u>	<u>16,837,215</u>	<u>16,992,938</u>	<u>155,723</u>
EXPENDITURES				
Current:				
General government	2,250,315	2,273,315	2,149,347	123,968 *
Public safety	10,342,205	10,362,205	10,082,940	279,265 *
Culture and recreation	2,576,320	2,664,320	2,572,662	91,658 *
Capital outlay	17,000	88,600	191,262	(102,662) *
Debt service	750,920	750,920	750,697	223
Contingency	2,055,820	2,007,220	-	2,007,220
TOTAL EXPENDITURES	<u>17,992,580</u>	<u>18,146,580</u>	<u>15,746,908</u>	<u>2,399,672</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,309,365)</u>	<u>(1,309,365)</u>	<u>1,246,030</u>	<u>2,555,395</u>
OTHER FINANCING SOURCES (USES)				
Sale of property	-	-	12,670	12,670
Transfers in	286,440	286,440	263,838	(22,602)
Transfers out	(2,265,200)	(2,265,200)	(209,200)	2,056,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,978,760)</u>	<u>(1,978,760)</u>	<u>67,308</u>	<u>2,046,068</u>
NET CHANGE IN FUND BALANCE	(3,288,125)	(3,288,125)	1,313,338	4,601,463
FUND BALANCE, Beginning	<u>3,288,125</u>	<u>3,288,125</u>	<u>2,082,350</u>	<u>(1,205,775)</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,395,688</u>	<u>\$ 3,395,688</u>

* Level of budgetary appropriation not exceeded.

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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
REVENUES				
Charges for services	\$ 938,760	\$ 938,760	\$ 1,144,808	\$ 206,048
Intergovernmental	3,069,225	3,069,225	1,618,484	(1,450,741)
Interest on investments	10,000	10,000	11,900	1,900
Miscellaneous	-	-	12,313	12,313
TOTAL REVENUES	<u>4,017,985</u>	<u>4,017,985</u>	<u>2,787,505</u>	<u>(1,230,480)</u>
EXPENDITURES				
Current:				
Highways and streets:				
Personal services	515,150	515,150	496,105	19,045
Materials and services	772,656	772,656	733,213	39,443
Capital outlay	2,221,000	2,221,000	1,795,895	425,105
Contingency	354,544	354,544	-	354,544
TOTAL EXPENDITURES	<u>3,863,350</u>	<u>3,863,350</u>	<u>3,025,213</u>	<u>838,137</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>154,635</u>	<u>154,635</u>	<u>(237,708)</u>	<u>(392,343)</u>
OTHER FINANCING SOURCES (USES)				
Sale of property	-	-	7,340	7,340
Transfers out	(15,280)	(15,280)	(15,280)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(15,280)</u>	<u>(15,280)</u>	<u>(7,940)</u>	<u>7,340</u>
NET CHANGE IN FUND BALANCE	139,355	139,355	(245,648)	(385,003)
FUND BALANCE, Beginning, as restated	<u>510,645</u>	<u>510,645</u>	<u>746,239</u>	<u>235,594</u>
FUND BALANCE, Ending	<u>\$ 650,000</u>	<u>\$ 650,000</u>	<u>\$ 500,591</u>	<u>\$ (149,409)</u>

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

CITY OF PENDLETON, OREGON
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
URBAN RENEWAL DISTRICT OPERATING FUND
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 68,995	\$ 68,995
Loan repayments	45,750	45,750	88,772	43,022
Interest on investments	975	975	12,669	11,694
TOTAL REVENUES	<u>46,725</u>	<u>46,725</u>	<u>170,436</u>	<u>123,711</u>
EXPENDITURES				
Current:				
General government:				
Materials and services	3,530,000	3,530,000	1,564,847	1,965,153
Capital outlay	2,497,700	2,497,700	1,559,132	938,568
Contingency	182,300	182,300	-	182,300
TOTAL EXPENDITURES	<u>6,210,000</u>	<u>6,210,000</u>	<u>3,123,979</u>	<u>3,086,021</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(6,163,275)</u>	<u>(6,163,275)</u>	<u>(2,953,543)</u>	<u>3,209,732</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	5,800,000	5,800,000	1,000,000	(4,800,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>5,800,000</u>	<u>5,800,000</u>	<u>1,000,000</u>	<u>(4,800,000)</u>
NET CHANGE IN FUND BALANCE	(363,275)	(363,275)	(1,953,543)	(1,590,268)
FUND BALANCE, Beginning	<u>363,275</u>	<u>363,275</u>	<u>3,325,851</u>	<u>2,962,576</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,372,308</u>	<u>\$ 1,372,308</u>

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

FUND FINANCIAL STATEMENTS

Proprietary Funds

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

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

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

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

- **Water Funds**
 - Water Fund
 - Water Capital Reserve Fund
- **Sewer Funds**
 - Sewer Fund
 - Sewer Capital Reserve Fund

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

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

CITY OF PENDLETON, OREGON
STATEMENT OF NET POSITION
PROPRIETARY FUNDS

June 30, 2022

	Business - type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	All Water Funds	All Sewer Funds	Airport Fund	Total	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 6,148,371	\$ 4,754,237	\$ 660,296	\$11,562,904	\$ 1,187,236
Investments	-	483,754	-	483,754	-
Receivables:					
Accounts, net	927,408	1,027,744	971,817	2,926,969	173,946
Notes	-	-	34,116	34,116	-
Lease receivables, current portion	9,380	6,278	106,026	121,684	3,836
Interest	-	122	-	122	-
Prepaid items	6,930	5,134	11,975	24,039	33,440
Inventories	591,639	116,798	-	708,437	-
Total current assets	<u>7,683,728</u>	<u>6,394,067</u>	<u>1,784,230</u>	<u>15,862,025</u>	<u>1,398,458</u>
Noncurrent assets:					
Restricted investments	-	341,382	-	341,382	-
Net OPEB asset	8,527	8,184	8,648	25,359	41,778
Lease receivables, net of current portion	32,270	11,948	1,357,970	1,402,188	9,414
Lease assets, net	-	-	154,637	154,637	-
Capital assets, net	<u>22,607,042</u>	<u>22,861,822</u>	<u>18,003,198</u>	<u>63,472,062</u>	<u>998,220</u>
Total noncurrent assets	<u>22,647,839</u>	<u>23,223,336</u>	<u>19,524,453</u>	<u>65,395,628</u>	<u>1,049,412</u>
Total assets	<u>30,331,567</u>	<u>29,617,403</u>	<u>21,308,683</u>	<u>81,257,653</u>	<u>2,447,870</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pension	267,675	256,892	271,464	796,031	1,311,417
Deferred outflows related to OPEB	10,357	11,552	9,631	31,540	41,754
Total deferred inflows of resources	<u>278,032</u>	<u>268,444</u>	<u>281,095</u>	<u>827,571</u>	<u>1,353,171</u>
Total assets and deferred outflows of resources	<u>\$30,609,599</u>	<u>\$29,885,847</u>	<u>\$21,589,778</u>	<u>\$82,085,224</u>	<u>\$ 3,801,041</u>
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 1,990,855	\$ 284,042	\$ 349,917	\$ 2,624,814	\$ 189,538
Retainage payable	143,961	7,485	8,465	159,911	-
Accrued interest payable	220,049	368,499	31,924	620,472	-
Deposits	4,506	-	-	4,506	19,121
Compensated absences payable	36,877	41,771	26,457	105,105	174,236
Current portion of long-term liabilities	<u>430,237</u>	<u>1,022,350</u>	<u>59,274</u>	<u>1,511,861</u>	<u>-</u>
Total current liabilities	2,826,485	1,724,147	476,037	5,026,669	382,895
Noncurrent liabilities:					
Other post employment benefits liability	92,880	105,555	85,314	283,749	363,552
Net pension liability	453,888	435,603	460,312	1,349,803	2,223,729
Noncurrent portion of long-term liabilities	<u>7,545,192</u>	<u>13,423,971</u>	<u>3,264,595</u>	<u>24,233,758</u>	<u>-</u>
Total liabilities	<u>10,918,445</u>	<u>15,689,276</u>	<u>4,286,258</u>	<u>30,893,979</u>	<u>2,970,176</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to lease receivables	41,249	17,851	1,442,141	1,501,241	13,000
Deferred inflows related to pension	386,303	370,740	391,770	1,148,813	1,892,608
Deferred inflows related to OPEB	<u>12,485</u>	<u>13,766</u>	<u>11,696</u>	<u>37,947</u>	<u>51,225</u>
Total deferred inflows of resources	<u>440,037</u>	<u>402,357</u>	<u>1,845,607</u>	<u>2,688,001</u>	<u>1,956,833</u>
NET POSITION					
Net investment in capital assets	14,487,652	8,408,016	14,825,501	37,721,169	998,220
Restricted for debt service	-	341,382	-	341,382	-
Unrestricted	<u>4,763,465</u>	<u>5,044,816</u>	<u>632,412</u>	<u>10,440,693</u>	<u>(2,124,188)</u>
Total net position	<u>19,251,117</u>	<u>13,794,214</u>	<u>15,457,913</u>	<u>48,503,244</u>	<u>(1,125,968)</u>
Total liabilities, deferred inflows, and net position	<u>\$30,609,599</u>	<u>\$29,885,847</u>	<u>\$21,589,778</u>	<u>\$82,085,224</u>	<u>\$ 3,801,041</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, 2022

Net position- total enterprise funds \$ 48,503,244

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	\$ 645,140	
Accounts receivable, net	3,922	
Prepaid items	14,904	
Leases receivable	13,250	
Internal balances	(931,601)	
Net OPEB asset	14,069	
Capital assets, net	820,754	
Deferred outflows related to pension	441,617	
Deferred outflows related to OPEB	16,492	
Accounts payable and accrued expenses	(63,791)	
Net pension liability	(748,837)	
Compensated absences payable	(51,281)	
Other post employment benefits liability	(147,176)	
Deferred inflows related to lease receivables	(13,000)	-
Deferred inflows related to pension	(637,333)	-
Deferred inflows related to OPEB	(19,939)	-
	(642,810)	(642,810)

Net position of business - type activities \$ 47,860,434

CITY OF PENDLETON, OREGON
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2022

	Business - type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	All Water Funds	All Sewer Funds	Airport Fund	Total	
OPERATING REVENUES					
Charges for services	\$ 6,253,124	\$ 6,161,589	\$ 1,949,789	\$ 14,364,502	\$ 5,397,975
Licenses and fees	-	-	-	-	43,774
Miscellaneous	65,404	152,728	41,422	259,554	1,380
TOTAL OPERATING REVENUES	<u>6,318,528</u>	<u>6,314,317</u>	<u>1,991,211</u>	<u>14,624,056</u>	<u>5,443,129</u>
OPERATING EXPENSES					
Personal services	941,589	919,274	878,626	2,739,489	3,223,643
Materials and services	3,227,902	3,125,734	1,050,526	7,404,162	1,562,588
Depreciation and amortization	831,965	1,713,433	1,223,892	3,769,290	204,364
TOTAL OPERATING EXPENSES	<u>5,001,456</u>	<u>5,758,441</u>	<u>3,153,044</u>	<u>13,912,941</u>	<u>4,990,595</u>
OPERATING INCOME (LOSS)	<u>1,317,072</u>	<u>555,876</u>	<u>(1,161,833)</u>	<u>711,115</u>	<u>452,534</u>
NON-OPERATING INCOME (EXPENSES)					
Intergovernmental	106,108	16,784	1,481,770	1,604,662	210,135
Gain (loss) on disposal of capital assets	-	500	12,500	13,000	-
Interest on investments	31,954	29,251	28,148	89,353	5,293
Interest expense	(122,496)	(373,652)	(52,071)	(548,219)	-
TOTAL NON-OPERATING INCOME (EXPENSES)	<u>15,566</u>	<u>(327,117)</u>	<u>1,470,347</u>	<u>1,158,796</u>	<u>215,428</u>
NET INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	1,332,638	228,759	308,514	1,869,911	667,962
CAPITAL CONTRIBUTIONS					
Intergovernmental	-	215,739	294,119	509,858	-
Capital asset contributions	58,500	45,443	-	103,943	-
TRANSFERS					
Transfers in	1,000,000	-	-	1,000,000	-
Transfers out	(1,028,110)	(20,830)	(25,960)	(1,074,900)	(146,170)
CHANGE IN NET POSITION	1,363,028	469,111	576,673	2,408,812	521,792
NET POSITION, Beginning	<u>17,888,089</u>	<u>13,325,103</u>	<u>14,881,240</u>	<u>46,094,432</u>	<u>(1,647,760)</u>
NET POSITION, Ending	<u>\$ 19,251,117</u>	<u>\$ 13,794,214</u>	<u>\$ 15,457,913</u>	<u>\$ 48,503,244</u>	<u>\$ (1,125,968)</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, 2022

Change in net position - total enterprise funds \$ 2,408,812

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.

188,002

Change in net position of business - type activities \$ 2,596,814

CITY OF PENDLETON, OREGON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2022

	Business-type Activities - Enterprise Funds			Totals	Governmental
	All Water Funds	All Sewer Funds	Airport Fund		Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 6,556,905	\$ 6,181,679	\$ 1,838,242	\$14,576,826	\$ 47,202
Receipts from interfund services provided	-	-	-	-	5,397,975
Payments to suppliers	(1,885,897)	(1,353,608)	(873,948)	(4,113,453)	(2,713,370)
Payments to employees	(587,020)	(546,008)	(564,540)	(1,697,568)	(2,450,820)
Payments for interfund services used	(1,826,413)	(2,142,990)	(287,830)	(4,257,233)	(33,430)
Net cash provided from (used by) operating activities	<u>2,257,575</u>	<u>2,139,073</u>	<u>111,924</u>	<u>4,508,572</u>	<u>247,557</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	1,000,000	-	-	1,000,000	-
Transfers out	(1,028,110)	(20,830)	(25,960)	(1,074,900)	(146,170)
Net cash provided from (used by) non-capital financing activities	<u>(28,110)</u>	<u>(20,830)</u>	<u>(25,960)</u>	<u>(74,900)</u>	<u>(146,170)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from intergovernmental revenue	93,527	175,802	1,843,437	2,112,766	157,195
Proceeds from issuance of debt	1,490,077	276,963	970,142	2,737,182	-
Proceeds from sale of capital assets	-	500	12,500	13,000	-
Interfund loan proceeds	-	375,000	-	375,000	-
Acquisition of capital assets	(3,235,690)	(1,024,773)	(2,868,179)	(7,128,642)	(206,383)
Principal paid on long-term obligations	(412,783)	(869,872)	(27,474)	(1,310,129)	-
Interest paid on long-term obligations	(37,055)	(249,760)	(29,558)	(316,373)	-
Net cash provided from (used by) capital and related financing activities	<u>(2,101,924)</u>	<u>(1,316,140)</u>	<u>(99,132)</u>	<u>(3,517,196)</u>	<u>(49,188)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Net sales (purchases) of investments	-	(906)	-	(906)	-
Interest on investments	31,954	29,335	28,148	89,437	5,293
Net cash provided (used) by investing activities	<u>31,954</u>	<u>28,429</u>	<u>28,148</u>	<u>88,531</u>	<u>5,293</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	159,495	830,532	14,980	1,005,007	57,492
CASH AND CASH EQUIVALENTS, Beginning	<u>5,988,876</u>	<u>3,923,705</u>	<u>645,316</u>	<u>10,557,897</u>	<u>1,129,744</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 6,148,371</u>	<u>\$ 4,754,237</u>	<u>\$ 660,296</u>	<u>\$11,562,904</u>	<u>\$ 1,187,236</u>
COMPRISED AS FOLLOWS:					
Cash and cash equivalents	<u>\$ 6,148,371</u>	<u>\$ 4,754,237</u>	<u>\$ 660,296</u>	<u>\$11,562,904</u>	<u>\$ 1,187,236</u>
	<u>\$ 6,148,371</u>	<u>\$ 4,754,237</u>	<u>\$ 660,296</u>	<u>\$11,562,904</u>	<u>\$ 1,187,236</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, 2022

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	All Water Funds	All Sewer Funds	Airport Fund	Totals	
Reconciliation of operating income (loss) to net cash provided from (used by) operating activities					
Operating income (loss)	\$ 1,317,072	\$ 555,876	\$(1,161,833)	\$ 711,115	\$ 452,534
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation and amortization	831,965	1,713,433	1,223,892	3,769,290	204,364
(Increase) decrease in assets and deferred outflows:					
Receivables	236,116	(132,263)	(131,114)	(27,261)	(3,864)
Lease receivables	(41,650)	(18,226)	(1,463,996)	(1,523,872)	(13,250)
Prepaid	2,820	2,066	(4,900)	(14)	742
Inventories	(216,513)	(59,056)	-	(275,569)	-
Net OPEB asset	(3,088)	(3,128)	(2,682)	(8,898)	(7,018)
Deferred outflows related to pension	(14,676)	(21,748)	6,025	(30,399)	305,363
Deferred outflows related to OPEB	476	(2,697)	(956)	(3,177)	3,506
Increase (decrease) in liabilities and deferred inflows:					
Accounts payable and accrued expenses	25,459	(42,437)	177,443	160,465	85,744
Deposits	2,662	-	-	2,662	6,162
Compensated absences payable	1,349	990	1,422	3,761	(9,732)
Other post employment benefits liability	4,060	33,970	16,828	54,858	12,300
Net pension liability	(265,154)	(232,698)	(328,340)	(826,192)	(2,371,303)
Deferred inflows related lease receivables	41,249	17,851	1,442,141	1,501,241	13,000
Deferred inflows related to pension	336,143	324,120	336,754	997,017	1,572,062
Deferred inflows related to OPEB	(715)	3,020	1,240	3,545	(3,053)
Net cash provided from (used by) operating activities	<u>\$ 2,257,575</u>	<u>\$ 2,139,073</u>	<u>\$ 111,924</u>	<u>\$ 4,508,572</u>	<u>\$ 247,557</u>
Capital asset contributions	<u>\$ 58,500</u>	<u>\$ 45,443</u>	<u>\$ -</u>	<u>\$ 103,943</u>	<u>\$ -</u>

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



FUND FINANCIAL STATEMENTS

Fiduciary Funds

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

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

CITY OF PENDLETON, OREGON
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2022

	Agency
ASSETS	
Cash and cash equivalents	\$ 34,329
Total assets	\$ 34,329
LIABILITIES	
Accounts payable	\$ 6,388
Due to other governments	27,941
Total liabilities	\$ 34,329

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PENDLETON, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

Pendleton Development Commission

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

B. Government – Wide and Fund Financial Statements

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

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

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

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

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

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

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

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

The City reports the following major governmental funds:

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

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

The *urban renewal district operating fund* accounts for the City's urban renewal projects. Revenues are from issuance of debt, and expenditures are for elimination of blighted conditions and urban development as defined in the City's Urban Renewal plan.

The City reports the following major proprietary funds:

The *water fund* and *water capital reserve* funds are collapsed into “all water funds” for presentation in the financial statements. These funds account for the activities associated with the water distribution system and capital improvements to the system.

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

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

Additionally, the City reports the following fund types:

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

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

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

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

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

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

D. Assets, Liabilities, and Equity

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables and Payables

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

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

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

3. Lease Receivables

Lease receivables are recognized at the net present value of the leased assets at a borrowing rate either explicitly described in the agreement or implicitly determined by the City, reduced by principal payments received.

4. 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.

5. Restricted Assets

The Debt Service Fund is legally restricted to debt service and the Sewer funds has monies restricted for debt service. Unspent bond proceeds 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.

6. 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

7. Lease Assets

Lease assets are assets which the City leases for a term of more than one year. The value of leases is determined by the net present value of the leases at the City's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

8. 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.

9. Leases Payable

In the government-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources in the year the lease commenced.

10. 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.

11. 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.

12. 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.

13. 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 and PCC TPAC 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, 2022, 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>\$ 13,042</u>

C. Deficit fund balances

Funds having a deficit fund balance on the budgetary basis at June 30, 2022 are as follows:

<u>General Fund Sub-Funds</u>	
Sidewalk Repair Loan Fund	<u>\$ (12,985)</u>

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

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits. The Governmental Accounting Standards Board has adopted accounting principles generally accepted in the United States of America (GAAP), which includes standards to categorize deposits to give an indication of the level of custodial credit risk assumed by the City at June 30, 2022. 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, 2022, the carrying amount of the City and Urban Renewal Agency's deposits, including certificates of deposit categorized as investments of \$825,136 was \$2,501,760 and the bank balance was \$2,973,250. All deposits are held in the name of the City or the Pendleton Development Commission (blended component unit). Of the bank balance, \$1,250,997 was covered by federal depository insurance. The remaining \$1,722,253 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, 2022, the amount held in the escrow account for future scheduled payments was \$25.

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

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

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

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

Concentration of Credit Risk. The City is required to provide information about the concentration of credit risk associated with its investments in one issuer that represent 5 percent or more of the total investments, excluding investments in external investment pools or those issued and explicitly guaranteed by the U.S. Government. The City has Certificates of Deposit at Banner Bank, which represent 5.5% 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, 2022 include Certificates of Deposit with Banner Bank totaling \$825,136. 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><u>\$ 816,781</u></u>

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

Cash on hand	\$ 3,495
Cash with Police Department	35,325
Deposits with financial institutions	1,676,624
Local Government Investment Pool	<u>23,276,301</u>
Total cash and cash equivalents	<u><u>\$ 24,991,745</u></u>
Funds:	
General	\$ 3,703,837
Street	2,756,501
Urban Renewal District Operating Fund	1,584,648
Non - major Governmental funds	4,162,290
Water	6,148,371
All Sewer funds	4,754,237
Airport	660,296
Internal Service funds	1,187,236
Fiduciary funds	<u>34,329</u>
Total cash and cash equivalents	<u><u>\$ 24,991,745</u></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 2021-2022, the City levied property taxes in the amount of \$6,754,985. The tax rate was \$0.65771 per \$1,000 of assessed value before compression due to constitutional limits. The City also levied \$651,803 for debt service at a tax rate of \$0.5895 per \$1,000. The assessed value for the City was \$1,096,692,860. The Pendleton Development Commission, a blended component unit of the City, levied taxes at its maximum taxing authority resulting in a net levy of \$1,146,403.

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

	Combined General	Street	Urban Renewal Operating Fund	Other Governmental Funds	Internal Service	Total Governmental Activities
Property taxes	\$ 225,271	\$ -	\$ -	\$ 55,037	\$ -	\$ 280,308
Special assessments	9,391	-	-	107,848	-	117,239
Accounts	3,505,818	123,691	-	425,075	8,841	4,063,425
Intergovernmental	469,254	318,084	-	270,442	161,183	1,218,963
Interest	43	-	-	-	-	43
Notes	43,794	-	414,869	-	-	458,663
Gross Receivables	4,253,571	441,775	414,869	858,402	170,024	6,138,641
Less: Allowance for Uncollectibles	(1,678,682)	-	-	-	-	(1,678,682)
Net Total Receivables	<u>\$ 2,574,889</u>	<u>\$ 441,775</u>	<u>\$ 414,869</u>	<u>\$ 858,402</u>	<u>\$ 170,024</u>	<u>\$ 4,459,959</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	\$ 918,882	\$ 975,447	\$ 150,085	\$ 3,922	\$ 2,048,336
Intergovernmental	12,581	56,721	837,584	-	906,886
Assessments	-	-	-	-	-
Interest	-	122	-	-	122
Gross Receivables	931,463	1,032,290	987,669	3,922	2,955,344
Less: Allowance for Uncollectibles	(4,055)	(4,424)	(15,852)	-	(24,331)
Net Total Receivables	\$ 927,408	\$ 1,027,866	\$ 971,817	\$ 3,922	\$ 2,931,013

C. Lease Receivables

For the year ended 6/30/2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. 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. For additional information, refer to the disclosures below.

On 07/01/2021, City of Pendleton, OR entered into a 164-month lease as Lessor for the use of Simplicity Tower Leases. An initial lease receivable was recorded in the amount of \$429,339.46. As of 06/30/2022, the value of the lease receivable is \$401,679.68. The lessee is required to make monthly fixed payments of \$2,619.63. The lease has an interest rate of 1.0400%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$398,026.21, and City of Pendleton, OR recognized lease revenue of \$31,313.25 during the fiscal year. The lessee has 1 extension option(s), each for 120 months.

On 07/01/2021, City of Pendleton, OR entered into a 41-month lease as Lessor for the use of Schubert Diesel Service - Ground Rent - Airport. An initial lease receivable was recorded in the amount of \$13,073.81. As of 06/30/2022, the value of the lease receivable is \$9,275.25. The lessee is required to make monthly fixed payments of \$322.75. The lease has an interest rate of 0.7268%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$9,247.33, and City of Pendleton, OR recognized lease revenue of \$3,826.48 during the fiscal year. The lessee has 2 extension option(s), each for 120 months.

On 07/01/2021, City of Pendleton, OR entered into a 103-month lease as Lessor for the use of Rod Anderson Construction: Land Lease - 4531 NW A Ave. An initial lease receivable was recorded in the amount of \$82,079.86. As of 06/30/2022, the value of the lease receivable is \$73,170.81. The lessee is required to make monthly fixed payments of \$782.57. The lease has an interest rate of 0.7268%. The building's estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$72,563.36, and City of Pendleton, OR recognized lease

revenue of \$9,516.51 during the fiscal year. The lessee has 2 extension option(s), each for 36 months.

On 07/01/2021, City of Pendleton, OR entered into a 120-month lease as Lessor for the use of OSP Storage - 618 NW Airport Road. An initial lease receivable was recorded in the amount of \$48,000.00. As of 06/30/2022, the value of the lease receivable is \$43,200.00. The lessee is required to make monthly fixed payments of \$400.00. The lease has an interest rate of 0.0000%. The building's estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$43,200.00, and City of Pendleton, OR recognized lease revenue of \$4,800.00 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

On 07/01/2021, City of Pendleton, OR entered into a 120-month lease as Lessor for the use of OSP Building - 618 NW Airport Road. An initial lease receivable was recorded in the amount of \$1,670,391.46. As of 06/30/2022, the value of the lease receivable is \$1,529,425.07. The lessee is required to make monthly fixed payments of \$13,077.50. The lease has an interest rate of 1.0586%. The building's estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$1,503,352.31, and City of Pendleton, OR recognized lease revenue of \$167,039.15 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

On 07/01/2021, City of Pendleton, OR entered into a 191-month lease as Lessor for the use of American Towers Pendleton South Tower Lease. An initial lease receivable was recorded in the amount of \$236,306.53. As of 06/30/2022, the value of the lease receivable is \$224,013.15. The lessee is required to make monthly fixed payments of \$880.00. Additionally, there are monthly other reasonably certain payments of \$200.00. The lease has an interest rate of 0.3160%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$221,493.66, and City of Pendleton, OR recognized lease revenue of \$14,812.88 during the fiscal year. The lessee has 3 extension option(s), each for 60 months.

On 07/01/2021, City of Pendleton, OR entered into a 224-month lease as Lessor for the use of Building 404 Ground. An initial lease receivable was recorded in the amount of \$16,874.17. As of 06/30/2022, the value of the lease receivable is \$16,190.65. The lessee is required to make monthly fixed payments of \$85.35. The lease has an interest rate of 2.3005%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$15,970.20, and City of Pendleton, OR recognized lease revenue of \$903.97 during the fiscal year.

On 07/01/2021, City of Pendleton, OR entered into a 366-month lease as Lessor for the use of McCormack Construction: Ground Lease - 4915 NW B Ave. An initial lease receivable was recorded in the amount of \$119,899.90. As of 06/30/2022, the value of the lease receivable is \$118,363.08. The lessee is required to make monthly fixed payments of \$158.74. The lease has an interest rate of 1.5550%. The building's estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$115,968.75, and City of Pendleton, OR recognized lease revenue of \$3,931.14 during the fiscal year. The lessee has 1 extension option(s), each for 360 months.

On 07/01/2021, City of Pendleton, OR entered into a 53-month lease as Lessor for the use of PSD 16R: SE Byers Storage. An initial lease receivable was recorded in the amount of \$67,221.12. As of 06/30/2022, the value of the lease receivable is \$53,000.90. The lessee is required to make monthly fixed payments of \$1,226.00. The lease has an interest rate of 0.8927%. The building's estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$52,001.24, and City of Pendleton, OR recognized lease revenue of \$15,219.88 during the fiscal year.

On 07/01/2021, City of Pendleton, OR entered into a 80 month lease as Lessor for the use of 3711 Westgate Dr. An initial lease receivable was recorded in the amount of \$82,009.82. As of 06/30/2022, the value of the lease receivable is \$70,254.36. The lessee is required to make monthly fixed payments of \$1,059.53. The lease has an interest rate of 1.3746%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$69,779.69, and City of Pendleton, OR recognized lease revenue of \$12,230.13 during the fiscal year.

On 07/01/2021, City of Pendleton, OR entered into a 72-month lease as Lessor for the use of Umatilla County: Radio Tower Lease. An initial lease receivable was recorded in the amount of \$33,899.10. As of 06/30/2022, the value of the lease receivable is \$28,400.10. The lessee is required to make annual fixed payments of \$5,499.00. The lease has an interest rate of 1.2166%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$28,249.25, and City of Pendleton, OR recognized lease revenue of \$5,649.85 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

On 07/01/2021, City of Pendleton, OR entered into a 117-month lease as Lessor for the use of American Sprinklers: Land Lease - 1700 NW 49th Street. An initial lease receivable was recorded in the amount of \$12,637.12. As of 06/30/2022, the value of the lease receivable is \$11,414.73. The lessee is required to make monthly fixed payments of \$116.59. The lease has an interest rate of 1.6037%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$11,341.01, and City of Pendleton, OR recognized lease revenue of \$1,296.12 during the fiscal year. The lessee has 2 extension option(s), each for 120 months.

On 07/01/2021, City of Pendleton, OR entered into a 8 month lease as Lessor for the use of 543 NW 21st St. An initial lease receivable was recorded in the amount of \$249.61. As of 06/30/2022, the value of the lease receivable is \$0.00. The lessee is required to make annual fixed payments of \$250.00. The lease has an interest rate of 0.3160%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$0.00, and City of Pendleton, OR recognized lease revenue of \$249.61 during the fiscal year. The lessee has 1 extension option(s), each for 24 months.

On 07/01/2021, City of Pendleton, OR entered into a 82 month lease as Lessor for the use of Elk Horn Media - Radio Tower Ground Lease. An initial lease receivable was recorded in the amount of \$7,218.38. As of 06/30/2022, the value of the lease receivable is \$6,230.88. The lessee is required to make monthly fixed payments of \$88.69. The lease has an interest rate of 1.3750%. The Land estimated useful life was 0 months as of the

contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$6,162.03, and City of Pendleton, OR recognized lease revenue of \$1,056.35 during the fiscal year. The lessee has 2 extension option(s), each for 60 months.

On 07/01/2021, City of Pendleton, OR entered into a 35-month lease as Lessor for the use of WWTP - Pasture Lease. An initial lease receivable was recorded in the amount of \$7,382.12. As of 06/30/2022, the value of the lease receivable is \$4,976.12. The lessee is required to make annual fixed payments of \$2,406.00. The lease has an interest rate of 0.7268%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$4,851.11, and City of Pendleton, OR recognized lease revenue of \$2,531.01 during the fiscal year.

On 07/01/2021, City of Pendleton, OR entered into a 202-month lease as Lessor for the use of Elkhorn Media Group - Building Lease -2003 NW 56th Drive. An initial lease receivable was recorded in the amount of \$376,552.30. As of 06/30/2022, the value of the lease receivable is \$356,125.21. The lessee is required to make monthly fixed payments of \$2,086.84. The lease has an interest rate of 1.3750%. The building's estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$354,182.85, and City of Pendleton, OR recognized lease revenue of \$22,369.44 during the fiscal year. The lessee has 2 extension option(s), each for 60 months.

On 07/01/2021, City of Pendleton, OR entered into a 569-month lease as Lessor for the use of Horse Valley Hotel Site. An initial lease receivable was recorded in the amount of \$334,022.95. As of 06/30/2022, the value of the lease receivable is \$338,823.22. The lessee is required to make monthly fixed payments of \$1,043.75. The lease has an interest rate of 2.5830%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$326,985.95, and City of Pendleton, OR recognized lease revenue of \$7,037.00 during the fiscal year.

On 08/01/2021, City of Pendleton, OR entered into a 12-month lease as Lessor for the use of The Furniture Lady: Building Lease - 1816 NW 51st Street. An initial lease receivable was recorded in the amount of \$5,861.26. As of 06/30/2022, the value of the lease receivable is \$489.14. The lessee is required to make monthly fixed payments of \$489.29. The lease has an interest rate of 0.3713%. The building's estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$488.44, and City of Pendleton, OR recognized lease revenue of \$5,372.82 during the fiscal year. The lessee has 2 extension option(s), each for 12 months.

On 07/01/2021, City of Pendleton, OR entered into a 152-month lease as Lessor for the use of Wildhorse Helicopters: Land Lease - Building 307. An initial lease receivable was recorded in the amount of \$27,292.85. As of 06/30/2022, the value of the lease receivable is \$25,350.82. The lessee is required to make monthly fixed payments of \$201.30. The lease has an interest rate of 1.8360%. The building's estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$25,148.50, and City of Pendleton, OR recognized lease revenue of \$2,144.35 during the fiscal year.

On 07/01/2021, City of Pendleton, OR entered into a 35-month lease as Lessor for the use of Pace Wood Products: Tract I, Tract II & Tract III Leases. An initial lease receivable

was recorded in the amount of \$2,794.91. As of 06/30/2022, the value of the lease receivable is \$1,867.79. The lessee is required to make monthly fixed payments of \$78.26. The lease has an interest rate of 0.7268%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$1,836.66, and City of Pendleton, OR recognized lease revenue of \$958.26 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

On 03/01/2022, City of Pendleton, OR entered into a 12-month lease as Lessor for the use of Metcalf Painting: Land Rent - 4507 NW A Ave. An initial lease receivable was recorded in the amount of \$8,621.18. As of 06/30/2022, the value of the lease receivable is \$5,756.93. The lessee is required to make monthly fixed payments of \$725.00. The lease has an interest rate of 1.9910%. The building's estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$5,747.45, and City of Pendleton, OR recognized lease revenue of \$2,873.73 during the fiscal year. The lessee has 1 extension option(s), each for 1 month.

On 07/01/2021, City of Pendleton, OR entered into a 54-month lease as Lessor for the use of American Sprinklers, Inc: Land Lease - 1701 NW 48th Street. An initial lease receivable was recorded in the amount of \$8,623.26. As of 06/30/2022, the value of the lease receivable is \$6,736.36. The lessee is required to make monthly fixed payments of \$163.45. The lease has an interest rate of 1.0586%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$6,706.98, and City of Pendleton, OR recognized lease revenue of \$1,916.28 during the fiscal year.

On 07/01/2021, City of Pendleton, OR entered into a 180-month lease as Lessor for the use of Randy Severe Saddlery - Ground Lease - Contract 198 - Block 5 - Pend Air Plat. An initial lease receivable was recorded in the amount of \$13,639.76. As of 06/30/2022, the value of the lease receivable is \$12,830.27. The lessee is required to make monthly fixed payments of \$87.57. The lease has an interest rate of 1.9908%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$12,730.44, and City of Pendleton, OR recognized lease revenue of \$909.32 during the fiscal year. The lessee has 2 extension option(s), each for 60 months.

On 07/01/2021, City of Pendleton, OR entered into a 60-month lease as Lessor for the use of Pilot House. An initial lease receivable was recorded in the amount of \$5,846.62. As of 06/30/2022, the value of the lease receivable is \$4,697.77. The lessee is required to make monthly fixed payments of \$100.00. The lease has an interest rate of 1.0586%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$4,677.30, and City of Pendleton, OR recognized lease revenue of \$1,169.32 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

On 07/01/2021, City of Pendleton, OR entered into an 81-month lease as Lessor for the use of Building 410. An initial lease receivable was recorded in the amount of \$8,035.00. As of 06/30/2022, the value of the lease receivable is \$6,883.26. The lessee is required to make monthly fixed payments of \$103.81. The lease has an interest rate of 1.3750%. The building's estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$6,844.63, and City of Pendleton, OR recognized lease revenue of \$1,190.37 during the fiscal year.

On 07/01/2021, City of Pendleton, OR entered into a 30-month lease as Lessor for the use of US Cellular - Ground Rent. An initial lease receivable was recorded in the amount of \$2,331.35. As of 06/30/2022, the value of the lease receivable is \$1,403.65. The lessee is required to make monthly fixed payments of \$78.26. The lease has an interest rate of 0.7268%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$1,398.81, and City of Pendleton, OR recognized lease revenue of \$932.54 during the fiscal year.

On 07/01/2021, City of Pendleton, OR entered into a 50-month lease as Lessor for the use of NWK Avenue. An initial lease receivable was recorded in the amount of \$8,110.68. As of 06/30/2022, the value of the lease receivable is \$6,241.74. The lessee is required to make monthly fixed payments of \$159.44. The lease has an interest rate of 0.8927%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$6,164.11, and City of Pendleton, OR recognized lease revenue of \$1,946.56 during the fiscal year. The lessee has 1 extension option(s), each for 120 months.

On 07/01/2021, City of Pendleton, OR entered into a 45-month lease as Lessor for the use of Pend-Air Plat. An initial lease receivable was recorded in the amount of \$8,143.46. As of 06/30/2022, the value of the lease receivable is \$6,041.37. The lessee is required to make monthly fixed payments of \$180.01. The lease has an interest rate of 0.8927%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$5,986.25, and City of Pendleton, OR recognized lease revenue of \$2,157.21 during the fiscal year. The lessee has 1 extension option(s), each for 10 months.

On 07/01/2021, City of Pendleton, OR entered into a 156-month lease as Lessor for the use of Lots 2N320500-00318 and 2N320600-00100A2. An initial lease receivable was recorded in the amount of \$363,783.24. As of 06/30/2022, the value of the lease receivable is \$338,847.10. The lessee is required to make monthly fixed payments of \$2,436.62. The lease has an interest rate of 1.8360%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$335,799.92, and City of Pendleton, OR recognized lease revenue of \$27,983.33 during the fiscal year.

On 07/01/2021, City of Pendleton, OR entered into a 54-month lease as Lessor for the use of Vert Oregon East Symphony. An initial lease receivable was recorded in the amount of \$16,250.13. As of 06/30/2022, the value of the lease receivable is \$12,791.00. The lessee is required to make monthly fixed payments of \$300.00. The lease has an interest rate of 1.0586%. The building's estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$12,638.99, and City of Pendleton, OR recognized lease revenue of \$3,611.14 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

On 07/01/2021, City of Pendleton, OR entered into an 81-month lease as Lessor for the use of 3711 Westgate Dr. An initial lease receivable was recorded in the amount of \$154,699.50. As of 06/30/2022, the value of the lease receivable is \$133,265.32. The lessee is required to make monthly fixed payments of \$1,922.90. The lease has an interest rate of 1.3746%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$131,781.06, and City of Pendleton, OR recognized lease revenue of \$22,918.44 during the fiscal year.

On 07/01/2021, City of Pendleton, OR entered into a 122-month lease as Lessor for the use of Old West Design: Land Lease - 49th & F Street. An initial lease receivable was recorded in the amount of \$10,853.16. As of 06/30/2022, the value of the lease receivable is \$9,849.16. The lessee is required to make monthly fixed payments of \$96.34. The lease has an interest rate of 1.6037%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$9,785.63, and City of Pendleton, OR recognized lease revenue of \$1,067.52 during the fiscal year. The lessee has 2 extension option(s), each for 120 months.

On 07/01/2021, City of Pendleton, OR entered into a 177-month lease as Lessor for the use of David Lloyd: Land Lease - 4907 N.W. "H" Avenue. An initial lease receivable was recorded in the amount of \$15,782.14. As of 06/30/2022, the value of the lease receivable is \$14,827.66. The lessee is required to make monthly fixed payments of \$102.80. The lease has an interest rate of 1.9910%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$14,712.17, and City of Pendleton, OR recognized lease revenue of \$1,069.98 during the fiscal year.

On 12/01/2021, City of Pendleton, OR entered into a 12-month lease as Lessor for the use of Lanier Transport: Land Lease - 1822 51st Street Lanier. An initial lease receivable was recorded in the amount of \$2,719.10. As of 06/30/2022, the value of the lease receivable is \$1,137.51. The lessee is required to make monthly fixed payments of \$228.60. The lease has an interest rate of 1.9300%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$1,132.96, and City of Pendleton, OR recognized lease revenue of \$1,586.14 during the fiscal year. The lessee has 10 extension option(s), each for 12 months.

On 07/01/2021, City of Pendleton, OR entered into a 177-month lease as Lessor for the use of David Lloyd: Land Lease - 1412 N.W. 48th Drive. An initial lease receivable was recorded in the amount of \$15,782.14. As of 06/30/2022, the value of the lease receivable is \$14,827.66. The lessee is required to make monthly fixed payments of \$102.80. The lease has an interest rate of 1.9910%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$14,712.17, and City of Pendleton, OR recognized lease revenue of \$1,069.98 during the fiscal year.

On 07/01/2021, City of Pendleton, OR entered into a 177-month lease as Lessor for the use of David Lloyd: Land Lease - 1515 N.W. 49th Drive. An initial lease receivable was recorded in the amount of \$15,782.14. As of 06/30/2022, the value of the lease receivable is \$14,827.66. The lessee is required to make monthly fixed payments of \$102.80. The lease has an interest rate of 1.9910%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$14,712.17, and City of Pendleton, OR recognized lease revenue of \$1,069.98 during the fiscal year.

On 07/01/2021, City of Pendleton, OR entered into a 48-month lease as Lessor for the use of OzCorp Lease 12-49 Airport Mini Storage - Land Lease. An initial lease receivable was recorded in the amount of \$31,374.65. As of 06/30/2022, the value of the lease receivable is \$23,835.90. The lessee is required to make monthly fixed payments of \$642.23. The lease has an interest rate of 0.8927%. The Land estimated useful life was 0

months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$23,530.99, and City of Pendleton, OR recognized lease revenue of \$7,843.66 during the fiscal year. The lessee has 2 extension option(s), each for 60 months.

On 07/01/2021, City of Pendleton, OR entered into a 45-month lease as Lessor for the use of Jake Broyles-Webb Property Mgmt: Building Lease -5102 NW "B" Avenue. An initial lease receivable was recorded in the amount of \$3,697.49. As of 06/30/2022, the value of the lease receivable is \$2,748.31. The lessee is required to make monthly fixed payments of \$80.69. The lease has an interest rate of 0.8930%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$2,711.49, and City of Pendleton, OR recognized lease revenue of \$986.00 during the fiscal year. The lessee has 1 extension option(s), each for 120 months.

On 07/01/2021, City of Pendleton, OR entered into a 47-month lease as Lessor for the use of John Blessinger: Building Lease - Tract of Land at Block 10. An initial lease receivable was recorded in the amount of \$4,450.93. As of 06/30/2022, the value of the lease receivable is \$3,381.46. The lessee is required to make monthly fixed payments of \$91.11. The lease has an interest rate of 0.8930%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$3,324.91, and City of Pendleton, OR recognized lease revenue of \$1,126.03 during the fiscal year. The lessee has 1 extension option(s), each for 120 months.

On 07/01/2021, City of Pendleton, OR entered into a 40 month lease as Lessor for the use of PRIM County LLC - 4407 NW "C" Avenue. An initial lease receivable was recorded in the amount of \$5,559.75. As of 06/30/2022, the value of the lease receivable is \$3,928.39. The lessee is required to make monthly fixed payments of \$138.58. The lease has an interest rate of 0.7268%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$3,891.82, and City of Pendleton, OR recognized lease revenue of \$1,667.92 during the fiscal year. The lessee has 2 extension option(s), each for 120 months.

On 07/01/2021, City of Pendleton, OR entered into a 176-month lease as Lessor for the use of Thews - Joe Kuehn: 1816 NW 48th St. An initial lease receivable was recorded in the amount of \$29,700.03. As of 06/30/2022, the value of the lease receivable is \$27,892.34. The lessee is required to make monthly fixed payments of \$194.40. The lease has an interest rate of 1.9908%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$27,675.03, and City of Pendleton, OR recognized lease revenue of \$2,025.00 during the fiscal year. The lessee has 2 extension option(s), each for 60 months.

Lease receivables for governmental activities as of the fiscal year end for the City are summarized as follows:

Description	Original Amount	Outstanding July 1, 2021	Increases	Decreases	Outstanding June 30, 2022
Land	\$ 902,355	\$ 902,355	\$ -	\$ (73,142)	\$ 829,213
Buildings	1,751,447	1,751,447	-	(152,781)	1,598,666
Total	<u>\$ 2,653,802</u>	<u>\$ 2,653,802</u>	<u>\$ -</u>	<u>\$ (225,923)</u>	<u>\$ 2,427,879</u>

Future maturities are as follows:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 234,747	\$ 23,015	\$ 257,761
2024	241,507	20,549	262,057
2025	248,377	18,011	266,388
2026	251,164	15,408	266,572
2027	254,698	12,786	267,484
2028 - 2032	1,023,815	27,478	1,051,293
2033 - 2037	173,571	2,014	175,585
	<u>\$ 2,427,879</u>	<u>\$ 119,262</u>	<u>\$ 2,547,141</u>

Lease receivables for business-type activities as of the fiscal year end are summarized as follows:

Description	Original Amount	Outstanding July 1, 2021	Increases	Decreases	Outstanding June 30, 2022
Land	\$ 971,363	\$ 971,363	\$ 2,719	\$ (62,850)	\$ 911,232
Buildings	664,276	664,276	14,482	(52,868)	625,890
Total	<u>\$ 1,635,639</u>	<u>\$ 1,635,639</u>	<u>\$ 17,201</u>	<u>\$ (115,718)</u>	<u>\$ 1,537,122</u>

Future maturities are as follows:

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 125,520	\$ 26,017	\$ 151,537
2024	119,346	24,376	143,723
2025	113,017	22,774	135,791
2026	91,018	21,280	112,298
2027	84,927	19,933	104,860
2028 - 2032	379,348	80,193	459,541
2033 - 2037	260,925	51,286	312,210
2038 - 2042	74,018	37,864	111,881
2043 - 2047	58,507	31,785	90,293
2048 - 2052	62,377	25,149	87,526
2053 - 2057	43,622	19,003	62,625
2058 - 2062	49,628	12,997	62,625
2063 - 2067	56,462	6,163	62,625
2068 - 2069	18,407	379	18,788
	<u>\$ 1,537,122</u>	<u>\$ 379,199</u>	<u>\$ 1,916,321</u>

Regulated Leases Receivable

On 07/01/2021, City of Pendleton, OR entered into a 24 month Regulated lease as Lessor for the use of AIR-ARINC. As of 06/30/2022, the value of the expected future minimum receipts is \$905.10. The lessee is required to make monthly fixed payments of \$71.50. The Land estimated useful life was 0 months as of the contract commencement. City of Pendleton, OR recognized lease revenue of \$877.53 during the fiscal year.

On 04/01/2022, City of Pendleton, OR entered into a 360 month Regulated lease as Lessor for the use of Dusty Pace, DBA South County Construction: Land Lease 5238 NW A Ave. Pace. As of 06/30/2022, the value of the expected future minimum receipts is \$64,827.63. The lessee is required to make monthly fixed payments of \$181.59. The Land estimated useful life was 0 months as of the contract commencement. City of Pendleton, OR recognized lease revenue of \$544.77 during the fiscal year.

On 07/01/2021, City of Pendleton, OR entered into a 35 month Regulated lease as Lessor for the use of UAS Pad #12 AATI. As of 06/30/2022, the value of the expected future minimum receipts is \$8,625.00. The lessee is required to make monthly fixed payments of \$375.00. The Land estimated useful life was 0 months as of the contract commencement. City of Pendleton, OR recognized lease revenue of \$4,500.00 during the fiscal year. The lessee has 2 extension option(s), each for 12 months.

On 10/01/2021, City of Pendleton, OR entered into a 24 month Regulated lease as Lessor for the use of UAS Industrial Park. As of 06/30/2022, the value of the expected future minimum receipts is \$65,325.00. The lessee is required to make monthly fixed payments of \$4,355.00. The Land estimated useful life was 0 months as of the contract commencement. City of Pendleton, OR recognized lease revenue of \$39,195.00 during the fiscal year. The lessee has 3 extension option(s), each for 12 months.

On 07/01/2021, City of Pendleton, OR entered into a 124 month Regulated lease as Lessor for the use of South County Helicopters - Tract 1 Ground Lease. As of 06/30/2022, the value of the expected future minimum receipts is \$28,575.68. The lessee is required to make monthly fixed payments of \$255.14. The Land estimated useful life was 0 months as of the contract commencement. City of Pendleton, OR recognized lease revenue of \$3,061.68 during the fiscal year.

On 07/01/2021, City of Pendleton, OR entered into a 70 month Regulated lease as Lessor for the use of Pendleton Municipal Airport. As of 06/30/2022, the value of the expected future minimum receipts is \$4,926.52. The lessee is required to make monthly fixed payments of \$84.94. The Land estimated useful life was 0 months as of the contract commencement. City of Pendleton, OR recognized lease revenue of \$1,019.28 during the fiscal year. The lessee has 1 extension option(s), each for 120 months.

On 07/01/2021, City of Pendleton, OR entered into a 217 month Regulated lease as Lessor for the use of Life Flight Network LLC: Helicopter Hangar & Parking Spaces. As of 06/30/2022, the value of the expected future minimum receipts is \$328,282.90. The lessee is required to make monthly fixed payments of \$1,601.38. The Buildings estimated useful life was 0 months as of the contract commencement. City of Pendleton, OR recognized lease revenue of \$19,216.56 during the fiscal year. The lessee has 5 extension option(s), each for 60 months.

On 07/01/2021, City of Pendleton, OR entered into a 12 month Regulated lease as Lessor for the use of Eastern Oregon Regional Airport UAS Portion. As of 06/30/2022, the value of the expected future minimum receipts is \$0.00. The lessee is required to make monthly fixed payments of \$400.00. The Land estimated useful life was 0 months as of the contract commencement. City of Pendleton, OR recognized lease revenue of \$4,800.00 during the fiscal year. The lessee has 2 extension option(s), each for 12 months.

On 07/01/2021, City of Pendleton, OR entered into a 348 month Regulated lease as Lessor for the use of Eastern Oregon Regional Airport. As of 06/30/2022, the value of the expected future minimum receipts is \$26,083.68. The lessee is required to make monthly fixed payments of \$77.63. The Land estimated useful life was 0 months as of the contract commencement. City of Pendleton, OR recognized lease revenue of \$931.56 during the fiscal year. The lessee has 2 extension option(s), each for 120 months.

On 07/01/2021, City of Pendleton, OR entered into a 24 month Regulated lease as Lessor for the use of Owl Building & MCIC. As of 06/30/2022, the value of the expected future minimum receipts is \$6,675.00. The lessee is required to make monthly fixed payments of \$589.58. The Buildings estimated useful life was 0 months as of the contract commencement. City of Pendleton, OR recognized lease revenue of \$6,908.31 during the fiscal year. The lessee has 2 extension option(s), each for 12 months.

On 07/01/2021, City of Pendleton, OR entered into a 360 month Regulated lease as Lessor for the use of Aviation Hangar - 5101 NW A Ave LRH Hagglund. As of 06/30/2022, the value of the expected future minimum receipts is \$294,627.92. The lessee is required to make monthly fixed payments of \$167.14. The Buildings estimated useful life was 0 months as of the contract commencement. City of Pendleton, OR recognized lease revenue of \$7,982.98 during the fiscal year.

On 07/01/2021, City of Pendleton, OR entered into a 348 month Regulated lease as Lessor for the use of Dusty Pace Box Hangar Aviation Site. As of 06/30/2022, the value

of the expected future minimum receipts is \$26,083.68. The lessee is required to make monthly fixed payments of \$77.63. The Land estimated useful life was 0 months as of the contract commencement. City of Pendleton, OR recognized lease revenue of \$931.56 during the fiscal year. The lessee has 2 extension option(s), each for 120 months.

On 07/01/2021, City of Pendleton, OR entered into a 15 month Regulated lease as Lessor for the use of FAA Avionics Room Lease - Antenna and Rack Space . As of 06/30/2022, the value of the expected future minimum receipts is \$1,200.00. The lessee is required to make monthly fixed payments of \$400.00. The Buildings estimated useful life was 0 months as of the contract commencement. City of Pendleton, OR recognized lease revenue of \$4,800.00 during the fiscal year.

On 07/01/2021, City of Pendleton, OR entered into a 15 month Regulated lease as Lessor for the use of Cubic ISR Corp: Land Rent - 5301 NW A Avenue. As of 06/30/2022, the value of the expected future minimum receipts is \$8,576.91. The lessee is required to make monthly fixed payments of \$2,858.97. The Buildings estimated useful life was 0 months as of the contract commencement. City of Pendleton, OR recognized lease revenue of \$34,307.64 during the fiscal year. The lessee has 1 extension option(s), each for 12 months.

On 08/01/2021, City of Pendleton, OR entered into a 360 month Regulated lease as Lessor for the use of Pendleton Aircraft Service, LLC: Land Lease - 5053 NW A Avenue. As of 06/30/2022, the value of the expected future minimum receipts is \$191,890.67. The lessee is required to make monthly fixed payments of \$549.83. The Land estimated useful life was 0 months as of the contract commencement. City of Pendleton, OR recognized lease revenue of \$5,498.30 during the fiscal year.

On 07/01/2021, City of Pendleton, OR entered into a 30 month Regulated lease as Lessor for the use of Albi Fly LLC. - UAS - 1901 Land Use . As of 06/30/2022, the value of the expected future minimum receipts is \$531,272.70. The lessee is required to make monthly fixed payments of \$33,108.29. The Buildings estimated useful life was 0 months as of the contract commencement. City of Pendleton, OR recognized lease revenue of \$400,279.44 during the fiscal year. The lessee has 3 extension option(s), each for 12 months.

On 07/01/2021, City of Pendleton, OR entered into a 30 month Regulated lease as Lessor for the use of Hangar - Mission Control And Innovation Center. As of 06/30/2022, the value of the expected future minimum receipts is \$232,968.72. The lessee is required to make monthly fixed payments of \$8,545.29. The Buildings estimated useful life was 0 months as of the contract commencement. City of Pendleton, OR recognized lease revenue of \$103,312.50 during the fiscal year. The lessee has 3 extension option(s), each for 12 months.

On 07/01/2021, City of Pendleton, OR entered into a 346 month Regulated lease as Lessor for the use of South County Construction, Inc: Aviation Ground Lease . As of 06/30/2022, the value of the expected future minimum receipts is \$29,906.36. The lessee is required to make monthly fixed payments of \$89.54. The Land estimated useful life was 0 months as of the contract commencement. City of Pendleton, OR recognized lease revenue of \$1,074.48 during the fiscal year. The lessee has 2 extension option(s), each for 120 months.

Future Minimum Expected Receipts until Maturity	
Fiscal Year	Business-Type Activities
	Future Minimum Expected Receipts
2023	\$ 620,236
2024	323,693
2025	44,191
2026	44,191
2027	44,021
2028 - 2032	214,733
2033 - 2037	205,138
2038 - 2042	150,099
2043 - 2047	114,103
2048 - 2052	90,350
	\$ 1,850,754

D. 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	Urban Renewal District Operating	Other Governmental Funds	Total Governmental Activities
Property taxes	\$ 200,359	\$ -	\$ -	\$ 48,897	\$ 249,256
Intergovernmental	196,457	201,124	-	102,771	500,352
Notes and assessments	53,185	-	414,869	107,848	575,902
Ambulance receivables	198,062	-	-	-	198,062
Court receivables	671,817	-	-	-	671,817
Other	243,909	-	-	202,111	446,020
	<u>\$ 1,563,789</u>	<u>\$ 201,124</u>	<u>\$ 414,869</u>	<u>\$ 461,627</u>	<u>\$ 2,641,409</u>

E. Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2022 was as follows:

Description	Beginning Balance, as restated	Increases	Transfers	Decreases	Ending Balance
Capital assets not being depreciated:					
Land	\$ 4,110,550	\$ -	\$ -	\$ -	\$ 4,110,550
Land/assets available for sale	461,261	-	-	(75,000)	386,261
Construction in progress	1,628,207	28,209	-	(1,328,646)	327,770
Total non-depreciable	<u>6,200,018</u>	<u>28,209</u>	<u>-</u>	<u>(1,403,646)</u>	<u>4,824,581</u>
Capital assets being depreciated:					
Buildings	25,335,412	239,773	-	-	25,575,185
Equipment	9,134,868	421,932	(113,859)	(222,794)	9,220,147
Improvements	35,804,237	10,659,107	-	-	46,463,344
Infrastructure	21,285,650	-	-	-	21,285,650
Total depreciable	<u>91,560,167</u>	<u>11,320,812</u>	<u>(113,859)</u>	<u>(222,794)</u>	<u>102,544,326</u>
Accumulated depreciation					
Buildings	(10,846,547)	(917,684)	-	-	(11,764,231)
Equipment	(6,366,904)	(657,013)	113,859	222,794	(6,687,264)
Improvements	(14,663,930)	(1,364,401)	-	-	(16,028,331)
Infrastructure	(20,412,457)	(532,141)	-	-	(20,944,598)
Total accumulated depreciation	<u>(52,289,838)</u>	<u>(3,471,239)</u>	<u>113,859</u>	<u>222,794</u>	<u>(55,424,424)</u>
Total capital assets being depreciated, net	<u>39,270,329</u>	<u>7,849,573</u>	<u>-</u>	<u>(14,426)</u>	<u>47,119,902</u>
Governmental activities capital assets, net	<u>\$ 45,470,347</u>	<u>\$ 7,877,782</u>	<u>\$ -</u>	<u>\$ (1,418,072)</u>	<u>\$ 51,944,483</u>

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

General government	\$ 325,087
Public safety	980,791
Highways and streets	1,623,024
Culture and recreation	463,389
Internal service - Central Services	<u>78,948</u>

Total depreciation for governmental activities \$ 3,471,239

Capital asset activity for business-type activities for the year ended June 30, 2022 was as follows:

<u>Description</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Transfers</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:					
Land	\$ 337,598	\$ -	\$ -	\$ -	\$ 337,598
Construction in progress	9,408,317	4,642,828	-	(5,076,717)	8,974,428
Total non-depreciable	<u>9,745,915</u>	<u>4,642,828</u>	<u>-</u>	<u>(5,076,717)</u>	<u>9,312,026</u>
Capital assets being depreciated:					
Buildings	18,945,640	3,443,536	-	-	22,389,176
Equipment	19,809,985	830,242	113,859	(1,157)	20,752,929
Improvements	75,010,258	4,047,658	-	-	79,057,916
Total depreciable	<u>113,765,883</u>	<u>8,321,436</u>	<u>113,859</u>	<u>(1,157)</u>	<u>122,200,021</u>
Accumulated depreciation					
Buildings	(8,644,656)	(532,164)	-	-	(9,176,820)
Equipment	(18,291,708)	(332,070)	(113,859)	1,157	(18,736,480)
Improvements	(36,302,335)	(3,003,596)	-	-	(39,305,931)
Total accumulated depreciation	<u>(63,238,699)</u>	<u>(3,867,830)</u>	<u>(113,859)</u>	<u>1,157</u>	<u>(67,219,231)</u>
Total capital assets being depreciated, net	<u>50,527,184</u>	<u>4,453,606</u>	<u>-</u>	<u>-</u>	<u>54,980,790</u>
Business-type activities capital assets, net	<u>\$ 60,273,099</u>	<u>\$ 9,096,434</u>	<u>\$ -</u>	<u>\$ (5,076,717)</u>	<u>\$ 64,292,816</u>

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

Water	\$ 831,965
Sewer	1,713,433
Airport	1,197,014
Internal service - PW Administration and Fleet	<u>125,418</u>
 Total depreciation for business-type activities	 <u><u>\$ 3,867,830</u></u>

F. Lease Assets

Lease asset activity for governmental activities for the year ended June 30, 2022 is as follows:

Description	Beginning Balance	Additions	Deletion/ Transfer	Ending Balance
Equipment	\$ 4,695	\$ -	\$ -	\$ 4,695
Accumulated amortization		<u>(1,174)</u>	-	<u>(1,174)</u>
Governmental activities leased assets, net	<u>\$ 4,695</u>	<u>\$ (1,174)</u>	<u>\$ -</u>	<u>\$ 3,521</u>

Amortization expense charged to government functions is as follows:

Public safety	<u>\$ 1,174</u>
 Total amortization for governmental activities	 <u><u>\$ 1,174</u></u>

Lease asset activity for business-type activities is as follows:

Description	Beginning Balance	Additions	Deletion/ Transfer	Ending Balance
Equipment	\$ 181,515	\$ -	\$ -	\$ 181,515
Accumulated amortization		<u>(26,878)</u>	-	<u>(26,878)</u>
Business-Type activities Leased assets, net	<u>\$ 181,515</u>	<u>\$ (26,878)</u>	<u>\$ -</u>	<u>\$ 154,637</u>

Amortization expense charged to business-type functions is as follows:

Airport	\$ 26,878
	<hr/>
Total amortization for governmental activities	<u>\$ 26,878</u>

G. 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 \$931,601. At June 30, 2022, amounts due from other funds in the fund financial statements are as follows:

General Fund receivable from:			
TPAC	\$ 6,000		
Sidewalk Repair Loan Fund	14,000		
PCC	98,060		<u>118,060</u>
Total Interfund Receivables			<u>\$ 118,060</u>

Interfund loans were made for capital purposes in the Pendleton Convention Center Fund for \$98,060 and operating purposes for all other funds, loans do accrue interest. The loans are renewed on an annual basis through City Council resolution. The sources of repayment for the loans are future loan/assessment collections and charges for services.

H. Transfers

Net transfers between governmental activities and business-type activities in the government-wide financial statements consist of transfers into the governmental activities and transfers out of the business-type activities in the amounts of \$116,330. A reconciliation of transfers in the budgetary fund financial statements is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 263,838	\$ 209,200
State Tax Street Fund	-	15,280
Non-major governmental funds	209,231	27,519
Enterprise Funds:		
Water Fund	1,000,000	1,028,110
Sewer Fund	-	20,830
Airport Fund	-	25,960
Internal Service Funds:		
PW Administrations and Fleet	-	41,430
Central Services Fund	-	104,740
Total all funds	<u>\$ 1,473,069</u>	<u>\$ 1,473,069</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.

I. 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
2023	\$ 530,000	\$ 182,896
2024	585,000	156,375
2025	645,000	127,102
2026	710,000	94,826
2027	775,000	59,297
2028	410,000	20,516
	<u>\$ 3,655,000</u>	<u>\$ 641,012</u>

2. Urban Renewal Bonds

The City entered into the Financing Agreement (Riverfront Downtown Urban Renewal Area) in January 2018, with a maximum principal amount of \$3,500,000. Tax Increment Revenues will be used to pay amounts due. In May 2021, the City entered into a new agreement to open a line of credit with a principal balance not to exceed \$10,000,000 and paid off the previous line of credit. The loan is structured as two separate, non-revolving lines of credit with the first \$5,000,000 being taxable and the second \$5,000,000 being tax exempt. Each line of credit has a 60 month term. As of June 30, 2022, the City has drawn \$3,010,553 against the tax exempt line and \$3,324,072 against the taxable line and paid back \$1,000,000. The tax exempt draw rate is 2.20% annually and the taxable draw rate is 2.80% annually. At any time during the draw period, the Commission can elect to convert all or a portion of the outstanding principal balance of not less than \$1,000,000 to an applicable converted rate with an extended maturity date of 5, 10, or 15 years. The tax exempt converted rate is a fixed rate equal to the FHLB Regular Advance Rate of corresponding maturity plus a spread of .39% - 1.17% depending upon the term of the converted draw. The taxable converted rate also includes a fixed rate equal to the FHLB Regular Advance Rate of corresponding maturity plus a spread of 1.19% - 1.78% depending on the term of the converted draw.

3. General Obligation Bonds

The City issued General Obligation Bonds, Series 2017 in September of 2017 in the amount of \$9,060,000, with interest rates ranging from 2% to 4%. The bond issuance is secured by the full faith and credit of the City, with final payments due June 15,

2038. These bonds were issued to finance capital projects related to the replacement of the fire station, the replacement of obsolete safety, medical, and fire equipment, and to pay the costs of issuance of the bonds. The bond is to be repaid by property taxes.

Future maturities of the outstanding loans are as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 245,000	\$ 291,200
2024	265,000	283,850
2025	290,000	275,900
2026	320,000	264,300
2027	345,000	251,500
2028-2032	2,210,000	1,048,500
2033-2037	3,165,000	552,600
2038	775,000	31,000
	<u>\$ 7,615,000</u>	<u>\$ 2,998,850</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:

<u>Year Ending</u> <u>June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 49,496	\$ 14,261
2024	51,079	12,652
2025	52,714	10,991
2026	54,401	9,278
2027	56,142	7,509
2028-2031	206,584	11,774
	<u>\$ 470,416</u>	<u>\$ 66,466</u>

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

Year Ending June 30	Business-Type	
	Principal	Interest
2023	\$ 557,575	\$ 128,652
2024	576,930	110,500
2025	595,784	91,736
2026	614,102	72,378
2027	631,706	52,445
2028-2030	1,323,060	42,599
	<u>\$ 4,299,157</u>	<u>\$ 498,310</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
2023	\$ 430,237	\$ 18,911
	<u>\$ 430,237</u>	<u>\$ 18,911</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
2023	\$ 334,018	\$ 76,224
2024	340,546	69,696
2025	347,255	62,987
2026	354,151	56,091
2027	361,240	49,002
2028-2032	1,919,648	131,562
2033	203,005	2,119
	<u>\$ 3,859,863</u>	<u>\$ 447,681</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%. The note was paid in full as of June 30, 2022.

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. The loan was paid in full as of June 30, 2022.

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
2023	\$ 54,846	\$ 20,390
2024	57,291	17,943
2025	59,801	15,434
2026	62,512	12,722
2027	65,299	9,935
2028-2030	175,977	11,823
	<u>\$ 475,726</u>	<u>\$ 88,247</u>

The City was awarded a Strategic Reserve Fund loan from the State of Oregon to provide facilities and equipment for the UAS test range. The total loan award was for \$545,000 and is forgivable as long as the City meets the specific requirements, which include completing the project by January 1, 2017, unless further extended, and continuing to market and operate the program until December 31, 2022. If the requirements are not met, the City is required to repay the portions of the loan not forgiven on January 31, 2023 with interest at a rate of 5% per year. As of, June 30, 2021, the City had recognized the full loan proceeds of \$545,000.

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 June 30, 2021 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, 2022, \$6,530,192 has been drawn down. An amortization schedule is not yet available.

The City signed the Clean Water State Revolving Fund Loan Agreement in October of 2018 in the amount of \$9,800,000, with an annual interest rate of 2.14%. The project completion date is two years after the effective date and is estimated as November 30, 2021. Starting on the loan repayment date and then each succeeding payment date, the City shall make level installments of principal and interest to fully amortize the loan over a period of 20 years. Final payment is due February 2042. The City has pledged its Net Revenues to secure payment of and to pay the amounts due under this loan. This loan's purpose is to install a suite of point source pollution control projects. The loan funds are disbursed on a cost reimbursement basis. As of June 30, 2022, \$6,287,300 has been drawn down.

Future maturities are as follows:

Year Ending June 30	Business-Type Activities	
	Principal	Interest
2023	\$ 130,757	\$ 393,297
2024	265,726	130,336
2025	271,443	124,619
2026	277,283	118,779
2027	283,249	112,813
2028-2032	1,510,317	469,993
2033-2037	1,679,927	300,383
2038-2042	1,868,598	111,724
	<u>\$ 6,287,300</u>	<u>\$ 1,761,944</u>

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, 2022, \$2,624,828 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, 2022 is as follows:

	June 30, 2021	Increases	Decreases	June 30, 2022	Due Within One Year
Governmental activities:					
Governmental bonds:					
General Obligation, Series 2017	\$ 7,950,000	\$ -	\$ (335,000)	\$ 7,615,000	\$ 245,000
Full Faith and Credit Refunding, Series 2018	518,377	-	(47,961)	470,416	49,496
Limited Tax Pension	4,135,000	-	(480,000)	3,655,000	530,000
Deferred Premium	759,720	-	(46,993)	712,727	-
Total governmental bonds	13,363,097	-	(909,954)	12,453,143	824,496
Governmental loans/notes from direct borrowings:					
Banner Bank	356,405	-	(356,405)	-	-
Eastside Expansion	527,504	-	(51,778)	475,726	54,846
Oregon Infrastructure Authority	512,203	-	(512,203)	-	-
Banner Bank \$10M Credit Line	5,334,625	1,000,000	(1,000,000)	5,334,625	-
Total governmental loans/notes	6,730,737	1,000,000	(1,920,386)	5,810,351	54,846
Compensated absences	552,782	16,629	-	569,411	569,411
Governmental activities total long-term liabilities	\$ 20,646,616	\$ 1,016,629	\$ (2,830,340)	\$ 18,832,905	\$ 1,448,753
Business-type activities:					
Enterprise bonds					
Full Faith and Credit Refunding, Series 2018	\$ 4,841,361	\$ -	\$ (542,204)	\$ 4,299,157	\$ 557,575
Total enterprise bonds	4,841,361	-	(526,315)	4,299,157	557,575
Enterprise loans/notes from direct borrowings					
Safe Drinking Water	5,040,115	1,490,077	-	6,530,192	-
Safe Drinking Water	1,015,000	-	-	1,015,000	-
Safe Drinking Water	576,000	-	(282,000)	294,000	294,000
Safe Drinking Water	267,020	-	(130,783)	136,237	136,237
Clean Water State Revolving	6,010,337	276,963	-	6,287,300	130,757
Clean Water State Revolving	1,150,000	-	(100,000)	1,050,000	100,000
Clean Water State Revolving	3,037,531	-	(227,668)	2,809,863	234,018
State of Oregon Strategic Reserve	545,000	-	-	545,000	-
Special Public Works	1,836,200	788,628	-	2,624,828	-
Total enterprise loans/notes	19,477,203	2,555,668	(740,451)	21,292,420	895,012
Compensated absences	160,890	-	(4,504)	156,386	156,386
Total business-type activities	\$ 24,474,950	\$ 2,555,668	\$ (1,271,270)	\$ 25,747,963	\$ 1,608,973
Total City	\$ 43,354,848	\$ 3,572,297	\$ (4,101,610)	\$ 44,580,868	\$ 3,057,726
Lease liabilities				157,622	60,418
Total long-term obligations				\$ 44,738,490	\$ 3,118,144

The central services internal service fund predominantly serves the governmental funds. Accordingly, long-term liabilities for compensated absences in the amount of \$122,955 are included in the above amounts. The PW administration and fleet internal service fund predominantly serves the business-type activities and \$51,281 of long-term liabilities for compensated absences have been included in the totals for business-type activities.

J. Leases Payable

For the year ended 6/30/2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. 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. For additional information, refer to the disclosures below.

On 09/01/2021, City of Pendleton, OR entered into a 36-month lease as Lessee for the use of John Deere 2021 Gator Side by Side. An initial lease liability was recorded in the amount of \$21,601.03. As of 06/30/2022, the value of the lease liability is \$15,791.64. The City is required to make monthly fixed payments of \$633.33. The lease has an interest rate of 3.7500%. The Equipment estimated useful life was 36 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$21,601.03 with accumulated amortization of \$6,000.29 is included with Equipment on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$0.78.

On 07/01/2021, City of Pendleton, OR entered into a 48-month lease as Lessee for the use of Kyrocera Fire Station #1 Copier. An initial lease liability was recorded in the amount of \$4,694.65. As of 06/30/2022, the value of the lease liability is \$3,580.78. City of Pendleton, OR is required to make monthly fixed payments of \$105.99. The lease has an interest rate of 4.1700%. The Computer Equipment estimated useful life was 48 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$4,694.65 with accumulated amortization of \$1,173.66 is included with Computer Equipment on the Lease Class activities table found below.

On 02/10/2022, City of Pendleton, OR entered into a 36-month lease as Lessee for the use of John Deere Airport Various Equipment. An initial lease liability was recorded in the amount of \$159,914.09. As of 06/30/2022, the value of the lease liability is \$138,249.66. City of Pendleton, OR is required to make monthly fixed payments of \$4,655.49. The lease has an interest rate of 3.2500%. The Equipment estimated useful life was 36 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$159,914.09 with accumulated amortization of \$20,877.67 is included with Equipment on the Lease Class activities table found below. City of Pendleton, OR has the option to purchase the Equipment for \$1.35.

Leases payable transactions for governmental activities for the year ended June 30, 2022 are summarized as follows:

Governmental Activities:					
Description	Beginning Balance	Increases	Deletion/ Decreases	Ending Balance	Due Within One Year
Equipment	\$ 4,695	\$ -	\$ (1,114)	\$ 3,581	\$ 1,144
Total	\$ 4,695	\$ -	\$ (1,114)	\$ 3,581	\$ 1,144

Future maturities are as follows:

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
2023	\$ 1,144	\$ 128	\$1,272
2024	1,193	79	1,272
2025	1,244	28	1,272
	<u>\$ 3,581</u>	<u>\$ 235</u>	<u>\$3,816</u>

Leases payable transactions for business type activities for the year ended June 30, 2022 are summarized as follows:

Business Type Activities:					
Description	Beginning Balance	Increases	Deletion/ Decreases	Ending Balance	Due Within One Year
Equipment	\$ -	\$ 181,515	\$ (27,474)	\$ 154,041	\$ 59,274
Total	\$ -	\$ 181,515	\$ (27,474)	\$ 154,041	\$ 59,274

Future maturities are as follows:

Fiscal Year	Business Type Activities		
	Principal	Interest	Total
2023	\$ 59,274	\$4,192	\$ 63,466
2024	61,266	2,200	63,466
2025	33,501	356	33,857
	<u>\$ 154,041</u>	<u>\$6,748</u>	<u>\$ 160,789</u>

K. Fund Balance Classifications

Fund balances by classification for the year ended June 30, 2022 were as follows:

Fund Balances:	Combined General	Street	Urban Renewal District Operating Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable					
Prepays/Contracts	\$ 120,521	\$ -	\$ -	\$ -	\$ 120,521
Permanent Trust	-	-	-	833,336	833,336
Interfund loans	118,060	-	-	-	118,060
Assets available for sale	-	-	-	-	-
Restricted					
Debt service	-	-	-	42,241	42,241
Highways and streets	-	-	-	27,892	27,892
Capital Projects	-	-	-	33,886	33,886
Library services	-	-	-	709,468	709,468
Public safety	-	-	-	419,145	419,145
Program grants	-	-	-	89,296	89,296
Environmental remediation	122,368	-	-	-	122,368
Urban renewal	-	-	1,372,308	-	1,372,308
Committed					
Community enhancement	24,938	-	-	-	24,938
Building Maintenance	-	-	-	335,256	335,256
Highways and streets	-	-	-	821,963	821,963
Capital projects	-	-	-	482,197	482,197
Library services	-	-	-	120,267	120,267
Pendleton Convention Center	-	-	-	37,487	37,487
Assigned					
Program operations	-	500,591	-	853,654	1,354,245
Park improvements	-	-	-	138,556	138,556
Economic development	107,044	-	-	119,640	226,684
Unassigned	2,996,816	-	-	-	2,996,816
Total Fund Balances	\$ 3,489,747	\$ 500,591	\$ 1,372,308	\$ 5,064,284	\$ 10,426,930

IV. Other Information

A. Risk Management

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

B. Other Postemployment Benefits

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

Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agency Employers and Agent Multiple-Employer Plans.

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

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

Health Insurance Continuation

Plan Description. The City does not have a formal post-employment benefits plan for any employee groups. However, the City is required by Oregon Revised Statutes 243.303 to provide retirees with group health insurance from the date of retirement to age 65 at the same rate provided to current employees, which is considered a single employer plan. Although the City does not pay any portion of the retirees' healthcare insurance, a retired employee receives the implicit benefit of a lower healthcare premium which is subsidized among the premium cost of coverage for active employees. GASB Statement 75 is applicable to the City for this implicit rate subsidy. This "plan" is not a stand-alone plan and therefore does not issue its own financial statements. A separate, audited GAAP-basis postemployment benefit plan report is not available for this plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of statement 75. The City had 8 retired members and 134 active members in its plan on July 1, 2020, the date of its most recent actuarial valuation.

Outline of Plan Provisions

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

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

Total OPEB Liability

The City's total OPEB liability of \$1,557,223 was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020.

Actuarial assumptions and other inputs

The total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Valuation Date	July 1, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry age normal
Actuarial Assumptions:	
Inflation rate	2.5 percent per year
Discount rate	2.16 percent, based on a 20-year general obligation bond yield index published by The Bond Buyer
Projected salary increases	3.5 percent per year.
Health Cost Trend	Medical and vision: 2020-3.75%, 2021-5.75% and between 4% and 5% for the subsequent 40+ years. Dental: -1.25% for 2020, 4% per year thereafter
Cost of living adjustment (COLA)	3.5 percent per year, based on general inflation and the likelihood of raises throughout participants' careers
Health mortality	Pub-210 General and Safety Employee and Healthy Retiree tables, sex distinct for members and dependents, with one-year setback for male general service employees and female safety employees.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at June 30, 2021	<u>\$ 1,445,807</u>
Changes for the year:	
Service cost	123,011
Interest	34,092
Economic/demographic gains or losses	-
Changes in assumptions or other inputs	6,979
Benefit payments	<u>(52,666)</u>
Net changes	<u>111,416</u>
Balance at June 30, 2021	<u><u>\$ 1,557,223</u></u>

Sensitivity of the total OPEB liability to changes in the discount and trend rates. The following presents the total OPEB liability of the City's, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current discount rate:

	<u>1% Decrease (1.16%)</u>	<u>Current Discount Rate (2.16%)</u>	<u>1% Increase (3.16%)</u>
Total OPEB liability	\$1,702,048	\$1,557,223	\$1,423,455

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

	<u>1% Decrease</u>	<u>Healthcare Current Trend Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$1,356,736	\$1,557,223	\$1,799,134

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

For the year ended June 30, 2022, the City recognized OPEB expense of \$139,146. At June 30, 2022, 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	\$ -	\$ 99,696
Changes in assumptions or inputs	<u>100,679</u>	<u>69,549</u>
Total (Pior to post MD contributions)	100,679	169,245
Contributions subsequent to the measurement date	<u>52,293</u>	<u>-</u>
Net Deferred Outflow/(Inflow) of Resources	<u>\$ 152,972</u>	<u>\$ 169,245</u>

\$52,293 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:	
2023	\$ (17,957)
2024	(17,957)
2025	(17,957)
2026	(17,957)
2027	(9,523)
Thereafter	<u>12,785</u>
Total	<u>\$ (68,566)</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 0.05% 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, 2022, 2021 and 2020 were \$2,685, \$1,676, and \$5,613, respectively, 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, 2022, the City reported an asset of \$215,117 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2021, and the total OPEB asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to June 30, 2021. 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, 2021, the City's proportion was 0.06264316 percent, which was decreased from its proportion of 0.07859917 percent measured as of June 30, 2020.

For the year ended June 30, 2022, the City's recognized OPEB expense (income) of \$(18,714). At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 5,985
Changes in assumptions	4,233	3,200
Net difference between projected and actual earnings on investments	-	51,123
Changes in proportionate share	<u>24,188</u>	<u>4</u>
Total (prior to post-MD contributions)	28,421	60,312
Contributions subsequent to the measurement date	<u>2,685</u>	<u>-</u>
Net Deferred Outflow/(Inflow) of Resources	<u>\$ 31,106</u>	<u>\$ 60,312</u>

\$2,685 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:	
2023	\$ (1,817)
2024	(2,256)
2025	(11,672)
2026	<u>(16,146)</u>
Total	<u><u>\$(31,891)</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, 2019
Measurement Date	June 30, 2021
Experience Study Report	2018, published July 24, 2019
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.4 percent
Long-Term Expected Rate of Return	6.9 percent
Discount Rate	6.9 percent
Projected Salary Increases	3.4 percent overall payroll growth
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: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active Members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 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
Debt Securities	15.0%	25.0%	20.0%
Public Equity	27.5%	37.5%	32.5%
Real Estate	9.5%	15.5%	12.5%
Private Equity	14.0%	21.0%	17.5%
Alternative Portfolio	7.5%	17.5%	15.0%
Opportunity Portfolio	0.0%	5.0%	0.0%
Risk parity	0.0%	2.5%	2.5%
Total			100.0%
			Compounded Annual Return (Geometric)
Asset Class		Target Allocation	
Global Equity		30.62%	5.85%
Private Equity		25.50%	7.71%
Core Fixed Income		23.75%	2.73%
Real Estate		12.25%	5.66%
Master Limited Partnerships		0.75%	5.71%
Infrastructure		1.50%	6.26%
Commodities		0.63%	3.10%
Hedge Fund of Funds - Multistrategy		1.25%	5.11%
Hedge Fund Equity - Hedge		0.63%	5.31%
Hedge Fund - Macro		5.62%	5.06%
US Cash		-2.50%	1.76%
Total		100%	
Assumed Inflation - Mean			2.40%

Discount rate

The discount rate used to measure the total OPEB asset was 6.9 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. The actuary's opinion is that the plan's fiduciary net position is projected to be sufficient 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 6.9 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 (5.9 percent) or 1-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease (5.9%)	Current Discount Rate (6.9%)	1% Increase (7.9%)
Total OPEB (asset) liability	\$ (190,239)	\$ (215,117)	\$ (236,368)

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, 2021 measurement period that require disclosure, except that the discount rate decreased from 7.2 percent to 6.9 percent.

Changes in Plan Provisions Subsequent to Measurement Date

We are not aware of any changes subsequent to the June 30, 2021 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	\$ 1,557,223	\$ 152,972	\$ 169,245	\$ 139,146
Retirement Health Insurance Account (RHIA)	(215,117)	31,106	60,312	(18,714)
Aggregate amounts related to OPEB	<u>\$ 1,342,106</u>	<u>\$ 184,078</u>	<u>\$ 229,557</u>	<u>\$ 120,432</u>

C. Defined Benefit Pension Plan – Public Employees Retirement System

Plan Description

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

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

Benefits Provided

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

Pension Benefits

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981), or a money match computation if a greater benefit results. Monthly payments must be a minimum of \$200 per month or the member will receive a lump-sum payment of the actuarial equivalent of benefits to which he or she is entitled.

Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of Final Average Salary will be limited for all members beginning in 2020. The limit will be equal to \$197,730 in 2021, and will be indexed with inflation in later years.

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

Death Benefits

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

account balance, provided one or more of the following conditions are met:

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

Disability Benefits

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

Benefit Changes After Retirement

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

2. OPSRP Defined Benefit Pension Program (OPSRP DB)

Pension Benefits

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

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

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

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

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

Death Benefits

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

Disability Benefits

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

Benefit Changes After Retirement

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

3. OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits

The IAP is an individual account-based program under the PERS tax-qualified governmental plan as defined under ORS 238A.400. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

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

Death Benefits

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

Recordkeeping

OPERS contracts with VOYA Financial to maintain IAP participant records.

Contributions

1. Employer Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation, which became effective July 1, 2021. Effective January 1, 2020, Senate Bill 1049 required employers to pay contributions on re-employed PERS retirees' salary as if they were an active member, excluding IAP (6 percent) contributions. Employer contributions for the year ended June 30, 2022 were \$2,636,394 excluding \$2,685 to fund the retirement health insurance account (RHIA).

The rates in effect for the fiscal year ended June 30, 2022 excluding the RHIA rate of .05% Tier One/Tier Two and .00% OPRSP, were 24.08 percent for Tier One/Tier Two General Service Member, 16.57 percent for OPSRP Pension Program General Service Members, and 20.93 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 4.18% credit.

2. Employee Contributions

Beginning January 1, 2004, all employee contributions were placed in the OPSRP Individual Account Program (IAP), a defined contribution pension plan established by the Oregon Legislature. Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set by statute at 6.0 or 7.0 percent of salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the member's behalf. The IAP member accounts represent member contributions made on or after January 1, 2004, plus earnings allocations less disbursements for refunds, death benefits, and retirements. As permitted, the City has opted to pick-up the contributions on behalf of employees; contributions were \$423,539 for the year ended June 30, 2022 and are included in employer contributions above.

Starting July 1, 2020, Senate Bill 1049 required a portion of member contributions to their IAP accounts to be redirected to the Defined Benefit fund. If the member earns more than \$2,500 per month (increased to \$2,535 per month on January 1, 2021), 0.75 percent (if OPSRP member) or 2.5 percent (if Tier One/Tier Two member) of the member's contributions that were previously contributed to the member's IAP now fund the new Employee Pension Stability Accounts (EPSA). The EPSA accounts will be used to fund the cost of future pension benefits without changing those benefits, which means reduced contributions to the member's IAP account. Members may elect to make voluntary IAP contributions equal to the amount redirected.

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

At June 30, 2022, the City reported a liability of \$11,450,126 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019 rolled forward to June 30, 2021. 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, 2022, the City's proportion was 0.09568500 percent, which was a decrease from its proportion of 0.09701032 percent measured as of June 30, 2021.

For the year ended June 30, 2022, the City's recognized pension expense (income) of \$1,476,436. At June 30, 2022, 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	\$ 1,071,807	\$ -
Changes of assumptions	2,866,311	30,134
Net difference between projected and actual earnings on investments	-	8,476,440
Changes in proportionate share	605,766	748,662
Differences between employer contributions and employer's share of system contributions	16,641	489,924
Total (prior to post-MD contributions)	4,560,525	9,745,160
Contributions subsequent to the measurement date	2,192,047	-
Net Deferred Outflow/(Inflow) of Resources	<u>\$ 6,752,572</u>	<u>\$ 9,745,160</u>

\$2,192,047 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:	
2023	\$ (928,810)
2024	(910,706)
2025	(1,413,633)
2026	(2,166,069)
2027	234,583
Total	<u>\$ (5,184,635)</u>

Actuarial assumptions

The employer contribution rates effective July 1, 2021, through June 30, 2022, 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, 2019 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2019
Measurement Date	June 30, 2021
Experience Study Report	2018, published July 24, 2019
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.4 percent
Long-Term Expected Rate of Return	6.9 percent
Discount Rate	6.9 percent
Projected Salary Increases	3.4 percent overall payroll growth
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25/0.15%) in accordance with Moro decision; blend based on service
Mortality	<p>Health retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active Members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

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

Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 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
Debt Securities	15.0%	25.0%	20.0%
Public Equity	27.5%	37.5%	32.5%
Real Estate	9.5%	15.5%	12.5%
Private Equity	14.0%	21.0%	17.5%
Alternative Portfolio	7.5%	17.5%	15.0%
Opportunity Portfolio	0.0%	5.0%	0.0%
Risk Parity	0.0%	2.5%	2.5%
Total			100.0%

Asset Class	Target Allocation	Compounded Annual Return (Geometric)
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds - Multistrategy	1.25%	5.11%
Hedge Fund Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	-2.50%	1.76%
Total	100.00%	
Assumed Inflation - Mean		2.40%

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 6.9 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 6.9percent, 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 (5.9 percent) or 1 percentage-point higher (7.9 percent) than the current rate:

	<u>1% Decrease (5.9%)</u>	<u>Discount Rate (6.9%)</u>	<u>1% (Increase (7.9%)</u>
City's proportionate share of the net pension liability (asset)	\$22,485,309	\$ 11,450,126	\$ 2,217,684

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 \$234,278 to the pension plan.

Changes in Plan Provisions During the Measurement Period

A legislative change that occurred during the measurement period affected the plan provisions reflected for financial reporting purposes. Senate Bill 1049, enacted in June 2021, provides an increased pre-retirement death benefit for members who die on or after their early retirement age. For GASB 67 and 68, the benefits valued in the Total Pension Liability are required to be in accordance with the benefit terms legally in effect as of the relevant fiscal year-end for the plan. As a result, Senate Bill 111 was reflected in the June 30, 2021 Total Pension Liability.

Changes in Plan Provisions Subsequent to Measurement Date

There were no changes subsequent to the June 30, 2021 measurement period that require disclosure, except that the discount rate decreased from 7.2 percent to 6.9 percent.

D. Tax Abatement Disclosures

The City enters into property tax abatement agreements with local businesses under the Pendleton Enterprise Zone authorized by Oregon Statute 285C.175. The Pendleton Enterprise Zone is largely contiguous to City limits and allows eligible (generally non-retail) businesses that expand into the area to receive total exemption from the property taxes normally assessed on new plant and equipment for three years. For the basic three-year property tax exemption, the business needs to increase full-time, permanent employment by one new job or 10%, whichever is greater; have no concurrent job losses outside of, but inside of Oregon; and maintain the employment level during the exemption period. The City has one tax abatement agreement with an electrical manufacturer and distributor for which the City's abated tax portion amounted to \$82,928 for the fiscal year ended June 30, 2022.

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

E. GASB Pronouncements

It is the City's policy to implement new GASB pronouncements no later than the required effective date. Upcoming pronouncements which may have an effect on the City, are listed below:

GASB Statement No. 87, Leases. This Statement was issued June 2017 to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments and increases the usefulness of governments' financial statements. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. GASB Statement No. 87 was implemented by the City for fiscal year ending June 30, 2022. On implementation, the City recorded beginning lease receivables of \$2,653,802 for governmental activities and \$1,635,639 for business-type activities and equivalent amounts for deferred inflows of resources. Lease assets and offsetting lease liabilities were recorded at \$4,695 for governmental activities and \$181,515 for business-type activities. Implementation resulted in a zero net restatement for the City.

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

F. Commitments and Contingencies

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

The Pendleton Development Commission has committed funds to various projects;

- The program has committed to funding two large private buildings projects expected to cost \$1.2 million - \$1.4 million.
- Funding of \$1.5 million has been committed for a street repair project and will begin paying out in the second half of calendar year 2023.
- The urban renewal program has committed to fund three prizes of \$20,000 each for Path to Success business plan competition winners.

H. Construction in Progress

The City is committed under various construction contracts at June 30, 2022. Major projects in progress at June 30, 2022 are as follows:

The City has incurred engineering costs related to the I-84/Exit 209 Interchange Area Management Plan of \$298,533. Costs are being shared with ODOT Region 5 and federal grants are being applied for. The project is currently 60% complete and will not progress further until federal grant funding is received.

The City has also incurred engineering costs for the SW Perkins Extension, which is a part of the project described above. Funds expended to date are \$300,589. If federal grant monies become available for this project, the City will be obligated for a \$2 million match. The project is expected to take 4 years to complete.

The City and PDC has expended \$202 towards road reconstruction done on SW 10th St. The project had just started at the end of the fiscal year and is less than 1% complete. Total costs are expected to be \$20,200.

The Sewer Fund expended \$130,878 for drying bed upgrades at the Wastewater Treatment and Resource Recovery Facility. The project is 7.8% complete at June 30, 2022 and is expected to cost a total of \$1,616,785.

The Water and Sewer Funds expended funds for a water line replacement and a storm drain replacement on SE Byers between SE 4th and Main Street. \$53,737 has been expended for the water line as of June 30, 2022 and \$73,098 for the storm drain. Both projects were 90% complete.

The City incurred costs to replace a railcar bridge for WWTRRF access to Wrightson's property after damages caused during the April 2019 flood event for which FEMA did not approve reimbursement. The amount expended in FY 2022 is \$19,280 which is approximately 10% of the total expected cost of \$186,207.

The Airport Fund expended \$2,939,418 towards an airport reservoir and booster pump station. This represents approximately 28% of the total expected cost of \$10,565,000.

The Water Fund expended \$1,195 for the Houtama 16-inch water line construction project. The project is less than 1% complete as of June 30, 2022 and is expected to cost a total of \$1,073,815.

The Airport Fund has expended \$461,073 as of June 30, 2022 toward the terminal and tower maintenance and remodel project. The entire project is expected to cost \$3,892,761 and is 11.8% complete.

The Airport Fund is also working on reconfiguring taxi lanes and adding utilities. \$252,969 has been expended as of June 30, 2022. The total cost of this project is estimated at \$1.25-\$1.5 million. Also expended by the Airport Fund is \$143,357 for a barracks remodel, \$52,230 for WWII hangar improvements, and \$45,328 for road improvements to Lillian Lane.

The City is also in the process of completing the Water and Sewer Master Plans and has incurred expenditures of \$2,526,214 for Water and \$2,266,240 for Sewer to date

I. Related Party Transactions

The Pendleton Development Commission owed the City of Pendleton \$160,736 for administrative services during the year. In addition, the Commission provided funds to City capital projects of \$183,581 for Til Taylor Park improvements, \$22,341 for Happy Canyon Rooms improvements, and \$1,353,210 for street improvements and has committed additional funding over the next several years.

J. Subsequent Events

The City received a FEMA grant of \$300,000 for basin analysis. The City also received an additional FEMA grant of \$3 million for bank armoring and gravel removal on McKay Creek.

City Council approved a New Taxi-lanes and Apron Rehabilitation bid award to High Desert Aggregate for \$6,695,891. The project is funded by AIP grant monies, CARES Act monies and a portion covered by the City which would amount to \$268,856.

City Council approved a purchase order in the amount of \$2,049,620 for ZENON Environmental Corporation for replacement of membranes, on-site support and programming upgrades.

City Council awarded a contract to McCormack Construction for construction management services for the Bus Barn Facility Project. The monthly estimate for managing and performing the project is \$28,281 per month.

City Council awarded a bid to Tapani of \$643,346 for the SE 3rd Street Water Line Project. Design and reconstruction plans were completed with Urban Renewal Agency funding and the remaining water line project costs will be expended from the Water Fund. Work is to be completed by June 30, 2023.

A bid was awarded to Braun Northwest for the purchase of a new ambulance for a total cost of \$264,213. The Public Safety Equipment Fund is funding the purchase.

City Council authorized an early termination payment to AMERESCO for the Street Light LED Conversion Project in the amount not to exceed \$544,275. The early payoff saves the City \$165,725 in interest payments.

City Council approved a resolution to provide a local funding match of up to \$2,000,000 towards I-84 Exit 209 Improvements. The project is dependent on the receipt of grants, for which the City is partnering with ODOT and Umatilla County to apply.

A bid was awarded to Precision Paving Plus for \$276,408 for the SW Tutuilla Road Sewer Line construction project. The addition of the sewer line will allow new subdivisions and homes to be built which can pay back the cost over time with hook on fees.

City Council authorized the purchase of a new ladder truck for the fire department. The cost of \$1.7 million will initially be funded by the building maintenance fund and will be paid back with ARPA funds.

The City applied for and was awarded a 100% project grant of up to \$850,000 for the installation of battery storage at Buckaroo 1 Solar Array, which is a community solar project by Sunthurst Energy.

K. Prior Period Adjustment

The City recorded a prior period adjustment to correct beginning accumulated depreciation for governmental activities due to a formula error in the prior year calculation. Beginning accumulated depreciation was decreased \$217,786 and beginning net position was increased by the same amount.



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PENDLETON, OREGON

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF NET PENSION
LIABILITY (ASSET)
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last 10 Fiscal Years***

	2021	2020	2019	2018	2017	2016	2015	2014	2013
City's proportion of the net pension liability (asset)	0.09568500%	0.09701032%	0.10105649%	0.08918086%	0.09757879%	0.09467864%	0.09979010%	0.10082423%	0.10082423%
City's proportionate share of the net pension liability (asset)	11,450,126	21,170,989	17,480,353	13,509,728	13,153,658	14,213,462	\$ 5,729,410	\$ (2,285,398)	\$ 5,145,208
City's covered-employee payroll	\$10,963,243	\$10,895,327	10,561,480	10,126,700	9,429,388	9,295,475	\$ 8,844,514	\$ 8,357,553	\$ 8,573,271
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	104.44%	194.31%	165.51%	133.41%	139.50%	152.91%	64.78%	-27.35%	60.01%
Plan fiduciary net position as a percentage of total pension liability	87.60%	75.79%	80.23%	82.07%	83.12%	80.50%	91.90%	103.60%	91.97%

CITY OF PENDLETON, OREGON

**SCHEDULE OF CITY'S CONTRIBUTIONS TO THE
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last 10 Fiscal Years***

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions	\$ 2,636,394	\$ 2,190,903	\$ 2,130,524	\$ 1,603,244	\$ 1,559,190	\$ 1,036,593	\$ 1,066,370	\$ 968,667	\$ 907,640
Contributions in relation to the contractually required contributions	<u>2,636,394</u>	<u>2,190,903</u>	<u>2,130,524</u>	<u>(1,603,244)</u>	<u>(1,559,190)</u>	<u>(1,036,593)</u>	<u>(1,066,370)</u>	<u>(968,667)</u>	<u>(907,640)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$11,798,131	\$10,963,243	\$10,895,327	\$10,561,480	\$10,126,700	\$ 9,429,388	\$ 9,295,475	\$ 8,844,512	\$ 8,357,553
Contributions as a percentage of covered-employee payroll	22.35%	19.98%	19.55%	15.18%	15.40%	10.99%	11.47%	10.95%	10.86%

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

CITY OF PENDLETON, OREGON

**SCHEDULE OF CITY'S PROPORTIONATE SHARE OF NET OPEB LIABILITY (ASSET)
OPERS RETIREMENT HEALTH INSURANCE ACCOUNT
Last 10 Fiscal Years***

Measurement Date June 30,	(a) City's proportion of the net OPEB pension liability (asset)	(b) City's proportionate share of the net OPEB pension liability (asset)	(c) City's covered payroll	Share of the OPEB pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2021	0.06264%	\$ (215,117)	\$ 10,963,243	-1.96%	183.90%
2020	0.07860%	\$ (160,154)	\$ 10,895,327	-1.47%	150.07%
2019	0.08817%	\$ (170,371)	\$ 10,561,480	-1.61%	144.36%
2018	0.08789%	\$ (98,107)	\$ 10,126,700	-0.97%	124.00%
2017	0.08288%	\$ (34,587)	\$ 9,429,388	-0.37%	108.88%
2016	0.08910%	\$ 24,190	\$ 9,295,475	0.26%	94.15%

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

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

CITY OF PENDLETON, OREGON

**SCHEDULE OF CONTRIBUTIONS
OPERS RETIREMENT HEALTH INSURANCE ACCOUNT
Last 10 Fiscal Years***

	2022	2021	2020	2019	2018	2017
Contractually required contributions	\$ 2,685	\$ 1,676	\$ 5,613	\$ 43,697	\$ 42,556	\$ 41,430
Contributions in relation to the contractually required contributions	(2,685)	(1,676)	(5,613)	(43,697)	(42,556)	(41,430)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$11,798,131	\$10,963,243	\$10,895,327	\$10,561,480	\$10,126,700	\$9,429,388
Contributions as a percentage of covered payroll	0.02%	0.02%	0.05%	0.41%	0.42%	0.44%

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

CITY OF PENDLETON, OREGON

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability						
Service cost	\$ 123,011	\$ 91,647	\$ 81,135	\$ 86,696	\$ 93,711	N/A
Interest	34,092	48,366	48,963	49,500	40,060	N/A
Effect of economic/demographic gains or losses	-	-	-	(124,539)	-	N/A
Effect of changes to benefit terms	-	-	-	-	-	N/A
Differences between expected and actual experience	-	-	-	-	-	N/A
Effect of assumptions changes or inputs	6,979	46,754	43,586	(53,737)	(85,316)	N/A
Benefit payments	<u>(52,666)</u>	<u>(61,848)</u>	<u>(73,020)</u>	<u>(66,763)</u>	<u>(62,125)</u>	N/A
Net change in total OPEB liability	111,416	124,919	100,664	(108,843)	(13,670)	N/A
Total OPEB liability - beginning	<u>1,445,807</u>	<u>1,320,888</u>	<u>1,220,224</u>	<u>1,329,067</u>	<u>1,342,737</u>	N/A
Net OPEB liability - ending	<u>1,557,223</u>	<u>1,445,807</u>	<u>1,320,888</u>	<u>1,220,224</u>	<u>1,329,067</u>	<u>1,342,737</u>
Covered payroll	<u>\$11,798,131</u>	<u>\$10,963,243</u>	<u>\$10,895,327</u>	<u>\$10,561,480</u>	<u>\$10,126,700</u>	<u>\$9,429,388</u>
Total OPEB liability, as a percentage of covered payroll	13.20%	13.19%	12.12%	11.55%	13.12%	14.24%

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

CITY OF PENDLETON
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2022

A. Net Pension Liability (Asset)

Changes in Benefit Terms

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

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

A legislative change that occurred after the December 31, 2019 actuarial valuation date affected the plan provisions reflected for June 30, 2021 financial reporting liability calculations. Senate Bill 111, enacted in June 2021, provides an increased pre-retirement death benefit for members who die on or after their early retirement age. For GASB 68, the benefits valued in the Total Pension Liability are required to be in accordance with the benefit terms legally in effect as of the relevant fiscal year-end for the plan. As a result, Senate Bill 111 was reflected in the June 30, 2021 Total Pension Liability. While Senate Bill 111 also made changes to certain aspects of the System's funding and administration, the change in the death benefit provision is the only difference between June 30, 2020 and June 30, 2021 in the plan provisions basis used to determine the Total Pension Liability as of those two respective measurement dates.

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. The PERS Board selected a lower long-term expected rate of investment return assumption of 6.9 percent (reduced from 7.20 percent) on July 23, 2021 to be used in the December 31, 2020 and December 31, 2021 actuarial valuations for funding purposes. At the same time, the PERS Board reduced the inflation and payroll growth assumptions to

2.4 percent and 3.4 percent respectively. In addition, the healthy 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, 2021 and June 30, 2022 reporting dates is 3.5 percent, which increased from 2.25 percent from 2020 and 2021.

SUPPLEMENTAL INFORMATION



COMBINING STATEMENTS

Non-Major Governmental Funds

Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Debt Service Funds

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

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

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

Permanent Funds

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

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

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

Capital Project Funds

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

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

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

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

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

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

UNMANNED AERIAL SERVICES CAPITAL IMPROVEMENT FUND - Accounts for the development of the UAS Industrial Park improvements and the associated utilities and streets in the area.

CITY OF PENDLETON, OREGON
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2022

	Special Revenue	Capital Projects	Debt Service	Permanent Trust	Totals
ASSETS					
Cash and cash equivalents	\$ 2,747,079	\$ 1,333,804	\$ 59,400	\$ 22,007	\$ 4,162,290
Investments	-	-	-	816,781	816,781
Receivables:					
Property taxes	-	-	55,037	-	55,037
Accounts	658,396	36,442	-	679	695,517
Assessments	-	107,848	-	-	107,848
Leases	43,200	-	-	-	43,200
Assets available for sale	-	45,000	-	-	45,000
Prepaid items	5,381	-	-	-	5,381
	<u>3,454,056</u>	<u>1,523,094</u>	<u>114,437</u>	<u>839,467</u>	<u>5,931,054</u>
Total assets	<u>\$ 3,454,056</u>	<u>\$ 1,523,094</u>	<u>\$ 114,437</u>	<u>\$ 839,467</u>	<u>\$ 5,931,054</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 186,094	\$ -	\$ 23,300	\$ -	\$ 209,394
Deposits	48,489	-	-	-	48,489
Advances from other funds	104,060	-	-	-	104,060
	<u>338,643</u>	<u>-</u>	<u>23,300</u>	<u>-</u>	<u>361,943</u>
Total liabilities	<u>338,643</u>	<u>-</u>	<u>23,300</u>	<u>-</u>	<u>361,943</u>
DEFERRED INFLOWS OF RESOURCES					
Lease receivables related	43,200	-	-	-	43,200
Unavailable revenue	304,883	107,848	48,896	-	461,627
	<u>348,083</u>	<u>107,848</u>	<u>48,896</u>	<u>-</u>	<u>504,827</u>
Total deferred inflows of resources	<u>348,083</u>	<u>107,848</u>	<u>48,896</u>	<u>-</u>	<u>504,827</u>
FUND BALANCES (DEFICIT)					
Nonspendable	-	-	-	833,336	833,336
Restricted	1,239,670	33,886	42,241	6,131	1,321,928
Committed	535,450	1,261,720	-	-	1,797,170
Assigned	992,210	119,640	-	-	1,111,850
	<u>2,767,330</u>	<u>1,415,246</u>	<u>42,241</u>	<u>839,467</u>	<u>5,064,284</u>
Total fund balances	<u>2,767,330</u>	<u>1,415,246</u>	<u>42,241</u>	<u>839,467</u>	<u>5,064,284</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,454,056</u>	<u>\$ 1,523,094</u>	<u>\$ 114,437</u>	<u>\$ 839,467</u>	<u>\$ 5,931,054</u>

See auditor's report.

CITY OF PENDLETON, OREGON
SUB-COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
June 30, 2022

	Bike Fund	Library Fund	Library Trust Fund	Transportation Services Fund	Community Development Block Grant Fund	Pendleton Convention Center Fund
ASSETS						
Cash and cash equivalents	\$ 26,710	\$ 688,883	\$ 120,559	\$ 804,673	\$ 2,966	\$ 69,556
Receivables:						
Accounts	1,182	29,859	2,135	236,207	-	332,489
Leases	-	-	-	-	-	-
Prepaid items	-	3,024	-	-	-	2,357
 Total assets	 <u>\$ 27,892</u>	 <u>\$ 721,766</u>	 <u>\$ 122,694</u>	 <u>\$ 1,040,880</u>	 <u>\$ 2,966</u>	 <u>\$ 404,402</u>
LIABILITIES						
Accounts payable and accrued liabilities	\$ -	\$ 18,429	\$ 2,427	\$ 87,420	\$ -	\$ 66,744
Deposits	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	98,060
 Total liabilities	 <u>-</u>	 <u>18,429</u>	 <u>2,427</u>	 <u>87,420</u>	 <u>-</u>	 <u>164,804</u>
DEFERRED INFLOWS OF RESOURCES						
Lease receivables related	-	-	-	-	-	-
Unavailable revenue	-	-	-	102,772	-	202,111
 Total deferred inflows of resources	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>102,772</u>	 <u>-</u>	 <u>202,111</u>
FUND BALANCES (DEFICIT)						
Restricted	27,892	703,337	-	-	-	-
Committed	-	-	120,267	-	-	37,487
Assigned	-	-	-	850,688	2,966	-
 Total fund balances	 <u>27,892</u>	 <u>703,337</u>	 <u>120,267</u>	 <u>850,688</u>	 <u>2,966</u>	 <u>37,487</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 27,892</u>	 <u>\$ 721,766</u>	 <u>\$ 122,694</u>	 <u>\$ 1,040,880</u>	 <u>\$ 2,966</u>	 <u>\$ 404,402</u>

See auditor's report.

PCC TPAC Fund	Police Interagency Special Revolving Fund	Parks Trust Fund	Horne Trust Fund	Parks Recreation Cemetery Special Projects Fund	Building Maintenance Fund	Totals
\$ 18,468	\$ 453,327	\$ 138,449	\$ 20,500	\$ 63,036	\$ 339,952	\$2,747,079
29,972	20,534	258	-	5,760	-	658,396
-	43,200	-	-	-	-	43,200
-	-	-	-	-	-	5,381
<u>\$ 48,440</u>	<u>\$ 517,061</u>	<u>\$ 138,707</u>	<u>\$ 20,500</u>	<u>\$ 68,796</u>	<u>\$ 339,952</u>	<u>\$3,454,056</u>
\$ -	\$ 6,227	\$ 151	\$ -	\$ -	\$ 4,696	\$ 186,094
-	48,489	-	-	-	-	48,489
6,000	-	-	-	-	-	104,060
6,000	54,716	151	-	-	4,696	338,643
-	43,200	-	-	-	-	43,200
-	-	-	-	-	-	304,883
-	43,200	-	-	-	-	348,083
-	419,145	-	20,500	68,796	-	1,239,670
42,440	-	-	-	-	335,256	535,450
-	-	138,556	-	-	-	992,210
42,440	419,145	138,556	20,500	68,796	335,256	2,767,330
<u>\$ 48,440</u>	<u>\$ 517,061</u>	<u>\$ 138,707</u>	<u>\$ 20,500</u>	<u>\$ 68,796</u>	<u>\$ 339,952</u>	<u>\$3,454,056</u>

See auditor's report.

CITY OF PENDLETON, OREGON
SUB-COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
June 30, 2022

	System Development Fees Fund	Parks Capital Reserve Fund	Public Safety Capital Reserve Fund	LID Construction Fund	Fire Bond Capital Construction Fund	Unmanned Aerial Services Capital Improvement Fund	Totals
ASSETS							
Cash and cash equivalents	\$ 821,963	\$ 57,895	\$ 345,420	\$ 74,640	\$ 16,894	\$ 16,992	\$1,333,804
Receivables:							
Accounts	-	-	36,442	-	-	-	36,442
Assessments	40,927	-	-	66,921	-	-	107,848
Assets available for sale	-	-	-	45,000	-	-	45,000
Total assets	<u>\$ 862,890</u>	<u>\$ 57,895</u>	<u>\$ 381,862</u>	<u>\$ 186,561</u>	<u>\$ 16,894</u>	<u>\$ 16,992</u>	<u>\$1,523,094</u>
LIABILITIES							
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF							
Unavailable revenue	40,927	-	-	66,921	-	-	107,848
Total deferred inflows of resources	<u>40,927</u>	<u>-</u>	<u>-</u>	<u>66,921</u>	<u>-</u>	<u>-</u>	<u>107,848</u>
FUND BALANCES (DEFICIT)							
Restricted	-	-	-	-	16,894	16,992	33,886
Committed	821,963	57,895	381,862	-	-	-	1,261,720
Assigned	-	-	-	119,640	-	-	119,640
Total fund balances	<u>821,963</u>	<u>57,895</u>	<u>381,862</u>	<u>119,640</u>	<u>16,894</u>	<u>16,992</u>	<u>1,415,246</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 862,890</u>	<u>\$ 57,895</u>	<u>\$ 381,862</u>	<u>\$ 186,561</u>	<u>\$ 16,894</u>	<u>\$ 16,992</u>	<u>\$1,523,094</u>

See auditor's report.

**CITY OF PENDLETON, OREGON
SUB-COMBINING BALANCE SHEET
NON-MAJOR DEBT SERVICE FUNDS
June 30, 2022**

	Debt Service Fund	Urban Renewal Debt Service Fund	Totals
ASSETS			
Cash and cash equivalents	\$ 25,536	\$ 33,864	\$ 59,400
Receivables:			
Property taxes	21,502	33,535	55,037
Total assets	\$ 47,038	\$ 67,399	\$ 114,437
LIABILITIES			
Accounts payable and accrued liabilities	\$ -	\$ 23,300	\$ 23,300
Total liabilities	-	23,300	23,300
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	19,110	29,786	48,896
Total deferred inflows of resources	19,110	29,786	48,896
FUND BALANCES			
Restricted	27,928	14,313	42,241
Total fund balances	27,928	14,313	42,241
Total liabilities, deferred inflows of resources, and fund balances	\$ 47,038	\$ 67,399	\$ 114,437

**CITY OF PENDLETON, OREGON
SUB-COMBINING BALANCE SHEET
NON-MAJOR PERMANENT TRUST FUNDS
June 30, 2022**

	Library Permanent Trust Fund	Cemetery Perpetual Care Trust Fund	Totals
ASSETS			
Cash and cash equivalents	\$ 6,131	\$ 15,876	\$ 22,007
Investments	-	816,781	816,781
Receivables:			
Accounts	-	679	679
Total assets	\$ 6,131	\$ 833,336	\$ 839,467
 FUND BALANCES			
Nonspendable	\$ -	\$ 833,336	\$ 833,336
Restricted	6,131	-	6,131
Total fund balances	6,131	833,336	839,467
Total fund balances	\$ 6,131	\$ 833,336	\$ 839,467

See auditor's report.

CITY OF PENDLETON, OREGON
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2022

	Special Revenue	Capital Projects	Debt Service	Permanent Trust	Totals
REVENUES					
Property taxes	\$ -	\$ -	\$ 1,655,314	\$ -	\$ 1,655,314
Other taxes	552,949	-	-	-	552,949
Licenses and fees	139,878	-	-	14,168	154,046
Charges for services	527,770	466,277	-	-	994,047
Intergovernmental	1,963,731	197,909	-	-	2,161,640
Assessments	-	72,458	-	-	72,458
Contributions	119,631	-	-	-	119,631
Interest on investments	22,013	6,419	1,822	(131,214)	(100,960)
Miscellaneous	50,459	165	-	-	50,624
TOTAL REVENUES	<u>3,376,431</u>	<u>743,228</u>	<u>1,657,136</u>	<u>(117,046)</u>	<u>5,659,749</u>
EXPENDITURES					
Current:					
General government	1,794,368	-	23,300	-	1,817,668
Public safety	159,174	-	-	-	159,174
Culture and recreation	765,577	-	-	-	765,577
Capital outlay	298,536	214,915	-	-	513,451
Debt service	78,525	896,162	1,769,802	-	2,744,489
TOTAL EXPENDITURES	<u>3,096,180</u>	<u>1,111,077</u>	<u>1,793,102</u>	<u>-</u>	<u>6,000,359</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>280,251</u>	<u>(367,849)</u>	<u>(135,966)</u>	<u>(117,046)</u>	<u>(340,610)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	204,231	5,000	-	-	209,231
Transfers out	(25,090)	-	-	(2,429)	(27,519)
TOTAL OTHER FINANCING SOURCES (USES)	<u>179,141</u>	<u>5,000</u>	<u>-</u>	<u>(2,429)</u>	<u>181,712</u>
NET CHANGE IN FUND BALANCE	459,392	(362,849)	(135,966)	(119,475)	(158,898)
FUND BALANCE, Beginning	<u>2,307,938</u>	<u>1,778,095</u>	<u>178,207</u>	<u>958,942</u>	<u>5,223,182</u>
FUND BALANCE, Ending	<u>\$ 2,767,330</u>	<u>\$ 1,415,246</u>	<u>\$ 42,241</u>	<u>\$ 839,467</u>	<u>\$ 5,064,284</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, 2022

	Bike Fund	Library Fund	Library Trust Fund	Transpor- tation Services Fund	Community Development Block Grant Fund	Pendleton Convention Center Fund
REVENUES						
Other taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 450,721
Licenses and fees	-	9,782	-	-	-	63,332
Charges for services	-	-	-	19,559	-	503,411
Intergovernmental	13,706	686,770	-	739,619	-	-
Contributions	-	53,160	31,792	-	-	10,000
Interest on investments	125	3,628	9,413	3,944	15	695
Miscellaneous	-	205	-	1,976	-	29,610
TOTAL REVENUES	<u>13,831</u>	<u>753,545</u>	<u>41,205</u>	<u>765,098</u>	<u>15</u>	<u>1,057,769</u>
EXPENDITURES						
Current:						
General government	-	-	-	678,090	-	1,115,978
Public safety	-	-	-	-	-	-
Culture and recreation	-	636,789	31,783	-	-	-
Capital outlay	7,202	114,027	-	-	-	11,913
Debt service	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>7,202</u>	<u>750,816</u>	<u>31,783</u>	<u>678,090</u>	<u>-</u>	<u>1,127,891</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>6,629</u>	<u>2,729</u>	<u>9,422</u>	<u>87,008</u>	<u>15</u>	<u>(70,122)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	114,200	31	15,000	-	65,000
Transfers out	-	(13,790)	-	-	-	(11,300)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>100,410</u>	<u>31</u>	<u>15,000</u>	<u>-</u>	<u>53,700</u>
NET CHANGE IN FUND BALANCE	6,629	103,139	9,453	102,008	15	(16,422)
FUND BALANCE, Beginning	<u>21,263</u>	<u>600,198</u>	<u>110,814</u>	<u>748,680</u>	<u>2,951</u>	<u>53,909</u>
FUND BALANCE, Ending	<u>\$ 27,892</u>	<u>\$ 703,337</u>	<u>\$ 120,267</u>	<u>\$ 850,688</u>	<u>\$ 2,966</u>	<u>\$ 37,487</u>

See auditor's report.

PCC TPAC Fund	Police Interagency Special Revolving Fund	Parks Trust Fund	Home Trust Fund	Parks Recreation Cemetery Special Projects Fund	Building Maintenance Fund	Totals
\$102,228	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 552,949
-	-	66,764	-	-	-	139,878
-	4,800	-	-	-	-	527,770
-	352,002	21,821	-	70,641	79,172	1,963,731
-	-	4,010	-	20,669	-	119,631
74	1,413	483	104	420	1,699	22,013
-	-	7,819	-	-	10,849	50,459
<u>102,302</u>	<u>358,215</u>	<u>100,897</u>	<u>104</u>	<u>91,730</u>	<u>91,720</u>	<u>3,376,431</u>
-	-	-	300	-	-	1,794,368
-	125,641	-	-	-	33,533	159,174
-	-	-	-	97,005	-	765,577
-	-	83,322	-	7,300	74,772	298,536
<u>78,525</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,525</u>
<u>78,525</u>	<u>125,641</u>	<u>83,322</u>	<u>300</u>	<u>104,305</u>	<u>108,305</u>	<u>3,096,180</u>
<u>23,777</u>	<u>232,574</u>	<u>17,575</u>	<u>(196)</u>	<u>(12,575)</u>	<u>(16,585)</u>	<u>280,251</u>
-	-	-	-	10,000	-	204,231
-	-	-	-	-	-	(25,090)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>179,141</u>
23,777	232,574	17,575	(196)	(2,575)	(16,585)	459,392
<u>18,663</u>	<u>186,571</u>	<u>120,981</u>	<u>20,696</u>	<u>71,371</u>	<u>351,841</u>	<u>2,307,938</u>
<u>\$ 42,440</u>	<u>\$ 419,145</u>	<u>\$ 138,556</u>	<u>\$ 20,500</u>	<u>\$ 68,796</u>	<u>\$ 335,256</u>	<u>\$ 2,767,330</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, 2022

	System Development Fees Fund	Parks Capital Reserve Fund	Public Safety Capital Reserve Fund	LID Construction Fund	Fire Bond Capital Construction Fund	Unmanned Aerial Services Capital Improvement Fund	Totals
REVENUES							
Charges for services	\$ 240,290	\$ -	\$ 225,987	\$ -	\$ -	\$ -	\$ 466,277
Intergovernmental	-	-	-	-	-	197,909	197,909
Assessments	6,217	-	-	66,241	-	-	72,458
Interest on investments	3,206	299	1,341	1,420	153	-	6,419
Miscellaneous	-	-	-	165	-	-	165
TOTAL REVENUES	<u>249,713</u>	<u>299</u>	<u>227,328</u>	<u>67,826</u>	<u>153</u>	<u>197,909</u>	<u>743,228</u>
EXPENDITURES							
Capital outlay	509	25,000	183,102	-	6,304	-	214,915
Debt service	-	-	-	894,003	-	2,159	896,162
TOTAL EXPENDITURES	<u>509</u>	<u>25,000</u>	<u>183,102</u>	<u>894,003</u>	<u>6,304</u>	<u>2,159</u>	<u>1,111,077</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>249,204</u>	<u>(24,701)</u>	<u>44,226</u>	<u>(826,177)</u>	<u>(6,151)</u>	<u>195,750</u>	<u>(367,849)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	5,000	-	-	-	-	5,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000</u>
NET CHANGE IN FUND BALANC	249,204	(19,701)	44,226	(826,177)	(6,151)	195,750	(362,849)
FUND BALANCE, Beginning	<u>572,759</u>	<u>77,596</u>	<u>337,636</u>	<u>945,817</u>	<u>23,045</u>	<u>(178,758)</u>	<u>1,778,095</u>
FUND BALANCE, Ending	<u>\$ 821,963</u>	<u>\$ 57,895</u>	<u>\$ 381,862</u>	<u>\$ 119,640</u>	<u>\$ 16,894</u>	<u>\$ 16,992</u>	<u>\$ 1,415,246</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, 2022

	Debt Service Fund	Urban Renewal Debt Service Fund	Totals
REVENUES			
Property taxes	\$ 636,830	\$ 1,018,484	\$ 1,655,314
Interest on investments	<u>1,430</u>	<u>392</u>	<u>1,822</u>
TOTAL REVENUES	<u>638,260</u>	<u>1,018,876</u>	<u>1,657,136</u>
EXPENDITURES			
Current:			
General government	-	23,300	23,300
Debt service	<u>636,250</u>	<u>1,133,552</u>	<u>1,769,802</u>
TOTAL EXPENDITURES	<u>636,250</u>	<u>1,156,852</u>	<u>1,793,102</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>2,010</u>	<u>(137,976)</u>	<u>(135,966)</u>
NET CHANGE IN FUND BALANCE	2,010	(137,976)	(135,966)
FUND BALANCE, Beginning	<u>25,918</u>	<u>152,289</u>	<u>178,207</u>
FUND BALANCE, Ending	<u><u>\$ 27,928</u></u>	<u><u>\$ 14,313</u></u>	<u><u>\$ 42,241</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, 2022

	Library Permanent Trust Fund	Cemetery Perpetual Care Trust Fund	Totals
REVENUES			
Licenses and fees	\$ -	\$ 14,168	\$ 14,168
Interest on investments	<u>31</u>	<u>(131,245)</u>	<u>(131,214)</u>
TOTAL REVENUES	<u>31</u>	<u>(117,077)</u>	<u>(117,046)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(31)</u>	<u>(2,398)</u>	<u>(2,429)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(31)</u>	<u>(2,398)</u>	<u>(2,429)</u>
NET CHANGE IN FUND BALANCE	-	(119,475)	(119,475)
FUND BALANCE, Beginning	<u>6,131</u>	<u>952,811</u>	<u>958,942</u>
FUND BALANCE, Ending	<u>\$ 6,131</u>	<u>\$ 833,336</u>	<u>\$ 839,467</u>

**CITY OF PENDLETON, OREGON
COMBINING BALANCE SHEET
COMBINED GENERAL FUND
June 30, 2022**

	General Fund	Community Rehabilitation Fund	Sidewalk Repair Fund	Totals
ASSETS				
Cash and cash equivalents	\$ 3,595,778	\$ 107,044	\$ 1,015	\$ 3,703,837
Receivables:				
Property taxes	225,271	-	-	225,271
Accounts	2,296,390	-	-	2,296,390
Interest	43	-	-	43
Assessments	-	-	9,391	9,391
Notes	-	43,794	-	43,794
Leases	2,371,429	-	-	2,371,429
Advances to other funds	118,060	-	-	118,060
Prepaid items	120,521	-	-	120,521
	<u>8,727,492</u>	<u>150,838</u>	<u>10,406</u>	<u>8,888,736</u>
Total assets	<u>\$ 8,727,492</u>	<u>\$ 150,838</u>	<u>\$ 10,406</u>	<u>\$ 8,888,736</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 692,329	\$ -	\$ -	\$ 692,329
Deposits	791,799	-	-	791,799
Advances from other funds	-	-	14,000	14,000
	<u>1,484,128</u>	<u>-</u>	<u>14,000</u>	<u>1,498,128</u>
Total liabilities	<u>1,484,128</u>	<u>-</u>	<u>14,000</u>	<u>1,498,128</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to lease receivables	2,337,072	-	-	2,337,072
Unavailable revenue	1,510,604	43,794	9,391	1,563,789
	<u>3,847,676</u>	<u>43,794</u>	<u>9,391</u>	<u>3,900,861</u>
Total deferred inflows of resources	<u>3,847,676</u>	<u>43,794</u>	<u>9,391</u>	<u>3,900,861</u>
FUND BALANCES				
Nonspendable	238,581	-	-	238,581
Restricted	122,368	-	-	122,368
Committed	24,938	-	-	24,938
Assigned	-	107,044	-	107,044
Unassigned	3,009,801	-	(12,985)	2,996,816
	<u>3,395,688</u>	<u>107,044</u>	<u>(12,985)</u>	<u>3,489,747</u>
Total fund balances	<u>3,395,688</u>	<u>107,044</u>	<u>(12,985)</u>	<u>3,489,747</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,727,492</u>	<u>\$ 150,838</u>	<u>\$ 10,406</u>	<u>\$ 8,888,736</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, 2022

	General Fund	Community Rehabilitation Fund	Sidewalk Repair Fund	Totals
REVENUES				
Property taxes	\$ 6,609,830	\$ -	\$ -	\$ 6,609,830
Other taxes	606,024	-	-	606,024
Franchise fees	2,727,794	-	-	2,727,794
Licenses and fees	1,461,581	-	-	1,461,581
Charges for services	2,022,507	-	-	2,022,507
Intergovernmental	3,060,958	-	-	3,060,958
Fines and forfeitures	274,940	-	-	274,940
Assessments	-	-	932	932
Loan repayments	-	7,920	-	7,920
Contributions	55,874	-	-	55,874
Interest on investments	47,756	803	3	48,562
Miscellaneous	125,674	-	-	125,674
TOTAL REVENUES	<u>16,992,938</u>	<u>8,723</u>	<u>935</u>	<u>17,002,596</u>
EXPENDITURES				
Current:				
General government	2,149,347	70,578	-	2,219,925
Public safety	10,082,940	-	-	10,082,940
Culture and recreation	2,572,662	-	-	2,572,662
Capital outlay	191,262	-	-	191,262
Debt service	750,697	-	104	750,801
TOTAL EXPENDITURES	<u>15,746,908</u>	<u>70,578</u>	<u>104</u>	<u>15,817,590</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,246,030</u>	<u>(61,855)</u>	<u>831</u>	<u>1,185,006</u>
OTHER FINANCING SOURCES (USES)				
Sale of property	12,670	-	-	12,670
Transfers in	263,838	-	-	263,838
Transfers out	(209,200)	-	-	(209,200)
TOTAL OTHER FINANCING SOURCES (USES)	<u>67,308</u>	<u>-</u>	<u>-</u>	<u>67,308</u>
NET CHANGE IN FUND BALANCE	1,313,338	(61,855)	831	1,252,314
FUND BALANCE (DEFICIT), Beginning	<u>2,082,350</u>	<u>168,899</u>	<u>(13,816)</u>	<u>2,237,433</u>
FUND BALANCE (DEFICIT), Ending	<u>\$ 3,395,688</u>	<u>\$ 107,044</u>	<u>\$ (12,985)</u>	<u>\$ 3,489,747</u>

See auditor's report.

COMBINING STATEMENTS

Internal Service Funds

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

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

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

**CITY OF PENDLETON, OREGON
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
June 30, 2022**

	PW Administration and Fleet Fund	Central Services Fund	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 645,140	\$ 542,096	\$ 1,187,236
Receivables:			
Accounts	3,922	170,024	173,946
Lease receivables, current portion	3,836	-	3,836
Prepaid items	<u>14,904</u>	<u>18,536</u>	<u>33,440</u>
Total current assets	<u>667,802</u>	<u>730,656</u>	<u>1,398,458</u>
Noncurrent assets:			
Net OPEB asset	14,069	27,709	41,778
Lease receivables, net of current portion	9,414	-	9,414
Capital assets:			
Depreciable assets, net of depreciation	<u>820,754</u>	<u>177,466</u>	<u>998,220</u>
Total noncurrent assets	<u>844,237</u>	<u>205,175</u>	<u>1,049,412</u>
Total assets	<u>1,512,039</u>	<u>935,831</u>	<u>2,447,870</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred outflows related to pension	441,617	869,800	1,311,417
Deferred outflows related to OPEB	<u>16,492</u>	<u>25,262</u>	<u>41,754</u>
Total deferred outflows of resources	<u>458,109</u>	<u>895,062</u>	<u>1,353,171</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	63,791	125,747	189,538
Deposits	-	19,121	19,121
Compensated absences payable	<u>51,281</u>	<u>122,955</u>	<u>174,236</u>
Total current liabilities	115,072	267,823	382,895
Long-term debt, net of current portion			
Other post employment benefits liability	147,176	216,376	363,552
Net pension liability	<u>748,837</u>	<u>1,474,892</u>	<u>2,223,729</u>
Total liabilities	<u>1,011,085</u>	<u>1,959,091</u>	<u>2,970,176</u>
DEFERRED INFLOW OF RESOURCES			
Deferred inflows related to lease receivables	13,000	-	13,000
Deferred inflows related to pension	637,333	1,255,275	1,892,608
Deferred inflows related to OPEB	<u>19,939</u>	<u>31,286</u>	<u>51,225</u>
Total deferred inflows of resources	<u>670,272</u>	<u>1,286,561</u>	<u>1,956,833</u>
NET POSITION			
Net investment in capital assets	820,754	177,466	998,220
Unrestricted	<u>(531,963)</u>	<u>(1,592,225)</u>	<u>(2,124,188)</u>
Total net position	<u>\$ 288,791</u>	<u>\$ (1,414,759)</u>	<u>\$ (1,125,968)</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, 2022

	PW Administration and Fleet Fund	Central Services Fund	Totals
OPERATING REVENUES			
Charges for services	\$ 1,739,945	\$ 3,658,030	\$ 5,397,975
Licenses and fees	-	43,774	43,774
Miscellaneous	184	1,196	1,380
TOTAL OPERATING REVENUES	<u>1,740,129</u>	<u>3,703,000</u>	<u>5,443,129</u>
OPERATING EXPENSES			
Personal services	1,213,307	2,010,336	3,223,643
Materials and services	374,247	1,188,341	1,562,588
Depreciation	125,417	78,947	204,364
TOTAL OPERATING EXPENSES	<u>1,712,971</u>	<u>3,277,624</u>	<u>4,990,595</u>
OPERATING INCOME (LOSS)	<u>27,158</u>	<u>425,376</u>	<u>452,534</u>
NON-OPERATING INCOME (EXPENSES)			
Intergovernmental	40,907	169,228	210,135
Interest on investments	3,784	1,509	5,293
TOTAL NON-OPERATING INCOME (EXPENSES)	<u>44,691</u>	<u>170,737</u>	<u>215,428</u>
NET INCOME (LOSS) BEFORE TRANSFERS	<u>71,849</u>	<u>596,113</u>	<u>667,962</u>
TRANSFERS			
Transfers out	(41,430)	(104,740)	(146,170)
TOTAL TRANSFERS	<u>(41,430)</u>	<u>(104,740)</u>	<u>(146,170)</u>
CHANGE IN NET POSITION	30,419	491,373	521,792
NET POSITION, Beginning	<u>258,372</u>	<u>(1,906,132)</u>	<u>(1,647,760)</u>
NET POSITION, Ending	<u>\$ 288,791</u>	<u>\$ (1,414,759)</u>	<u>\$ (1,125,968)</u>

See auditor's report.

CITY OF PENDLETON, OREGON
COMBINING SCHEDULE OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2022

	PW Administration and Fleet Fund	Central Services Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ (3,930)	\$ 51,132	\$ 47,202
Receipts from interfund services provided	1,739,945	3,658,030	5,397,975
Payments to suppliers	(779,303)	(1,934,067)	(2,713,370)
Payments to employees	(818,363)	(1,632,457)	(2,450,820)
Payments for interfund services used	(33,430)	-	(33,430)
Net cash provided from (used by) operating activities	<u>104,919</u>	<u>142,638</u>	<u>247,557</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers out	<u>(41,430)</u>	<u>(104,740)</u>	<u>(146,170)</u>
Net cash provided from (used by) non-capital financing activities	<u>(41,430)</u>	<u>(104,740)</u>	<u>(146,170)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from intergovernmental revenue	40,907	116,288	157,195
Acquisition of capital assets	<u>(194,340)</u>	<u>(12,043)</u>	<u>(206,383)</u>
Net cash provided from (used by) capital and related financing activities	<u>(153,433)</u>	<u>104,245</u>	<u>(49,188)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	<u>3,784</u>	<u>1,509</u>	<u>5,293</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(86,160)	143,652	57,492
CASH AND CASH EQUIVALENTS, Beginning	<u>731,300</u>	<u>398,444</u>	<u>1,129,744</u>
CASH AND CASH EQUIVALENTS, Ending	<u><u>\$ 645,140</u></u>	<u><u>\$ 542,096</u></u>	<u><u>\$ 1,187,236</u></u>

CITY OF PENDLETON, OREGON
COMBINING SCHEDULE OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2022

	PW Administration and Fleet Fund	Central Services Fund	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED FROM (USED BY) OPERATING ACTIVITIES			
Operating income (loss)	\$ 27,158	\$ 425,376	\$ 452,534
Adjustments to reconcile operating income (loss) to net cash provided (used in) operating activities			
Depreciation	125,417	78,947	204,364
(Increase) decrease in assets and deferred outflows:			
Receivables	(3,864)	-	(3,864)
Leases Receivable	(13,250)	-	(13,250)
Prepaid Items	(2,333)	3,075	742
Net OPEB asset	(3,301)	(3,717)	(7,018)
Deferred outflows - pension	59,235	246,128	305,363
Deferred outflows - OPEB	(182)	3,688	3,506
Increase (decrease) in liabilities and deferred inflows:			
Accounts payable and accrued expenses	29,950	55,794	85,744
Deposits	-	6,162	6,162
Net pension liability	(674,625)	(1,696,678)	(2,371,303)
Compensated absences payable	(8,264)	(1,468)	(9,732)
Other post employment benefits liability	17,693	(5,393)	12,300
Deferred inflows - lease related	13,000	-	13,000
Deferred inflows - pension	538,033	1,034,029	1,572,062
Deferred inflows - OPEB	252	(3,305)	(3,053)
Net cash provided from (used by) operating activities	<u>\$ 104,919</u>	<u>\$ 142,638</u>	<u>\$ 247,557</u>



COMBINING STATEMENTS

Agency Funds

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

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

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

CITY OF PENDLETON, OREGON
COMBINING SCHEDULE OF FIDUCIARY NET POSITION
AGENCY FUNDS
June 30, 2022

	Bail Fund	Pendleton Foundation Trust Fund	Totals
ASSETS			
Cash and cash equivalents	\$ 10,717	\$ 23,612	\$ 34,329
Total assets	\$ 10,717	\$ 23,612	\$ 34,329
LIABILITIES			
Accounts payable	\$ 6,388	\$ -	\$ 6,388
Due to other governments	4,329	23,612	27,941
Total liabilities	\$ 10,717	\$ 23,612	\$ 34,329

See auditor's report.

BUDGETARY COMPARISON SCHEDULES

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

In accordance with GASB Statement No. 34, the City's General Fund and any major special revenue fund (currently only the State Tax Street Fund and Urban Renewal District Operating 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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
EXPENDITURES AND TRANSFERS				
Planning and building	\$ 801,050	\$ 801,050	\$ 762,380	\$ 38,670
Municipal court	480,320	480,320	474,522	5,798
Economic development	43,320	48,320	43,675	4,645
Police	5,289,985	5,327,085	5,123,536	203,549
Fire / Ambulance	5,424,800	5,444,800	5,378,361	66,439
Parks and recreation	2,559,650	2,639,650	2,566,624	73,026
Non-departmental	3,270,515	3,331,015	1,274,908	2,056,107
Debt service	332,320	332,320	332,102	218
Contingency	2,055,820	2,007,220	-	2,007,220
TOTAL EXPENDITURES AND TRANSFERS	\$ 20,257,780	\$ 20,411,780	\$ 15,956,108	\$ 4,455,672

See auditor's report.

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

Governmental Funds

Special Revenue Funds

- Bike
- Library
- Library Trust
- Transportation Services
- Community Development Block Grant
- Community Rehabilitation
- Sidewalk Repair Loan Fund
- Pendleton Convention Center
- PCC TPAC
- Police Interagency Special Revolving
- Parks Trust
- Horne Trust
- Parks Recreation Cemetery Special Projects
- Building Maintenance Fund

Debt Service Fund

- Debt Service
- Urban Renewal District Debt Service

Permanent Trust Funds

- Library Permanent Trust
- Cemetery Perpetual Care Trust

Capital Projects Funds

- System Development Fees
- Parks Capital Reserve
- Public Safety Capital Reserve
- L.I.D. Construction
- Fire Bond Capital Construction
- Unmanned Aerial Systems Capital Improvement

CITY OF PENDLETON, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
BIKE FUND
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
REVENUES				
Intergovernmental	\$ 13,175	\$ 13,175	\$ 13,706	\$ 531
Interest on investments	150	150	125	(25)
TOTAL REVENUES	<u>13,325</u>	<u>13,325</u>	<u>13,831</u>	<u>506</u>
EXPENDITURES				
Capital outlay	<u>25,720</u>	<u>25,720</u>	<u>7,202</u>	<u>18,518</u>
TOTAL EXPENDITURES	<u>25,720</u>	<u>25,720</u>	<u>7,202</u>	<u>18,518</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(12,395)</u>	<u>(12,395)</u>	<u>6,629</u>	<u>19,024</u>
NET CHANGE IN FUND BALANCE	(12,395)	(12,395)	6,629	19,024
FUND BALANCE, Beginning	<u>12,395</u>	<u>12,395</u>	<u>21,263</u>	<u>8,868</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,892</u>	<u>\$ 27,892</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
REVENUES				
Licenses and fees	\$ 13,000	\$ 13,000	\$ 9,782	\$ (3,218)
Intergovernmental	601,100	744,600	686,770	(57,830)
Contributions	35,000	67,000	53,160	(13,840)
Interest on investments	4,000	4,000	3,628	(372)
Miscellaneous	530	530	205	(325)
TOTAL REVENUES	<u>653,630</u>	<u>829,130</u>	<u>753,545</u>	<u>(75,585)</u>
EXPENDITURES				
Current:				
Culture and recreation:				
Personal services	444,445	444,445	438,931	5,514
Materials and services	194,900	213,100	197,858	15,242
Capital outlay	48,000	205,300	114,027	91,273
Contingency	617,285	617,285	-	617,285
TOTAL EXPENDITURES	<u>1,304,630</u>	<u>1,480,130</u>	<u>750,816</u>	<u>729,314</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(651,000)</u>	<u>(651,000)</u>	<u>2,729</u>	<u>653,729</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	114,200	114,200	114,200	-
Transfers out	(13,790)	(13,790)	(13,790)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>100,410</u>	<u>100,410</u>	<u>100,410</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(550,590)	(550,590)	103,139	653,729
FUND BALANCE, Beginning	<u>550,590</u>	<u>550,590</u>	<u>600,198</u>	<u>49,608</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 703,337</u>	<u>\$ 703,337</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
REVENUES				
Contributions	\$ 30,000	\$ 30,000	\$ 31,792	\$ 1,792
Interest on investments	<u>2,500</u>	<u>2,500</u>	<u>9,413</u>	<u>6,913</u>
TOTAL REVENUES	<u>32,500</u>	<u>32,500</u>	<u>41,205</u>	<u>8,705</u>
EXPENDITURES				
Current:				
Culture and recreation:				
Materials and services	<u>44,000</u>	<u>44,000</u>	<u>31,783</u>	<u>12,217</u>
TOTAL EXPENDITURES	<u>44,000</u>	<u>44,000</u>	<u>31,783</u>	<u>12,217</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(11,500)</u>	<u>(11,500)</u>	<u>9,422</u>	<u>20,922</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>75</u>	<u>75</u>	<u>31</u>	<u>(44)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>75</u>	<u>75</u>	<u>31</u>	<u>(44)</u>
NET CHANGE IN FUND BALANCE	(11,425)	(11,425)	9,453	20,878
FUND BALANCE, Beginning	<u>107,650</u>	<u>107,650</u>	<u>110,814</u>	<u>3,164</u>
FUND BALANCE, Ending	<u>\$ 96,225</u>	<u>\$ 96,225</u>	<u>\$ 120,267</u>	<u>\$ 24,042</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
REVENUES				
Charges for services	\$ 10,000	\$ 10,000	\$ 19,559	\$ 9,559
Intergovernmental	766,555	766,555	739,619	(26,936)
Interest on investments	3,045	3,045	3,944	899
Miscellaneous	<u>3,500</u>	<u>3,500</u>	<u>1,976</u>	<u>(1,524)</u>
TOTAL REVENUES	<u>783,100</u>	<u>783,100</u>	<u>765,098</u>	<u>(18,002)</u>
EXPENDITURES				
Current:				
General government:				
Materials and services	818,200	818,200	678,090	140,110
Contingency	<u>49,900</u>	<u>49,900</u>	<u>-</u>	<u>49,900</u>
TOTAL EXPENDITURES	<u>868,100</u>	<u>868,100</u>	<u>678,090</u>	<u>190,010</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(85,000)</u>	<u>(85,000)</u>	<u>87,008</u>	<u>172,008</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(70,000)	(70,000)	102,008	172,008
FUND BALANCE, Beginning	<u>70,000</u>	<u>70,000</u>	<u>748,680</u>	<u>678,680</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 850,688</u>	<u>\$ 850,688</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
REVENUES				
Intergovernmental	\$ 165,000	\$ 165,000	\$ -	\$ (165,000)
Interest on investments	-	-	15	15
TOTAL REVENUES	<u>165,000</u>	<u>165,000</u>	<u>15</u>	<u>(164,985)</u>
EXPENDITURES				
Current:				
Materials and services	<u>167,950</u>	<u>167,950</u>	-	<u>167,950</u>
TOTAL EXPENDITURES	<u>167,950</u>	<u>167,950</u>	<u>-</u>	<u>167,950</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(2,950)</u>	<u>(2,950)</u>	<u>15</u>	<u>2,965</u>
NET CHANGE IN FUND BALANCE	(2,950)	(2,950)	15	2,965
FUND BALANCE, Beginning	<u>2,950</u>	<u>2,950</u>	<u>2,951</u>	<u>1</u>
FUND BALANCE, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,966</u></u>	<u><u>\$ 2,966</u></u>

See auditor's report.

CITY OF PENDLETON, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY REHABILITATION FUND
(SUB-FUND OF THE GENERAL FUND)
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
REVENUES				
Loan repayments	5,100	5,100	7,920	2,820
Interest on investments	100	100	803	703
TOTAL REVENUES	<u>5,200</u>	<u>5,200</u>	<u>8,723</u>	<u>3,523</u>
EXPENDITURES				
Current:				
General government:				
Materials and services	163,950	163,950	70,578	93,372
TOTAL EXPENDITURES	<u>163,950</u>	<u>163,950</u>	<u>70,578</u>	<u>93,372</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(158,750)</u>	<u>(158,750)</u>	<u>(61,855)</u>	<u>96,895</u>
OTHER FINANCING SOURCES (USES)				
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(158,750)</u>	<u>(158,750)</u>	<u>(61,855)</u>	<u>96,895</u>
FUND BALANCE, Beginning	<u>158,750</u>	<u>158,750</u>	<u>168,899</u>	<u>10,149</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 107,044</u>	<u>\$ 107,044</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
REVENUES				
Assessments	\$ 1,975	\$ 1,975	\$ 932	\$ (1,043)
Interest on investments	<u>25</u>	<u>25</u>	<u>3</u>	<u>(22)</u>
TOTAL REVENUES	<u>2,000</u>	<u>2,000</u>	<u>935</u>	<u>(1,065)</u>
EXPENDITURES				
Current:				
General government:				
Materials and services	300	300	-	300
Debt service	<u>500</u>	<u>500</u>	<u>104</u>	<u>396</u>
TOTAL EXPENDITURES	<u>800</u>	<u>800</u>	<u>104</u>	<u>696</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,200</u>	<u>1,200</u>	<u>831</u>	<u>(369)</u>
OTHER FINANCING SOURCES (USES)				
Interfund loan proceeds	22,800	22,800	14,000	(8,800)
Interfund loan repayment	<u>(24,000)</u>	<u>(24,000)</u>	<u>(14,000)</u>	<u>10,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,200)</u>	<u>(1,200)</u>	<u>-</u>	<u>1,200</u>
NET CHANGE IN FUND BALANCE	-	-	831	831
FUND BALANCE (DEFICIT), Beginning	<u>-</u>	<u>-</u>	<u>(13,816)</u>	<u>(13,816)</u>
FUND BALANCE (DEFICIT), Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,985)</u>	<u>\$ (12,985)</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
REVENUES				
Other taxes	\$ 456,000	\$ 456,000	\$ 450,721	\$ (5,279)
Licenses and fees	50,000	50,000	63,332	13,332
Charges for services	346,500	466,500	503,411	36,911
Contributions	25,000	25,000	10,000	(15,000)
Interest on investments	800	800	695	(105)
Miscellaneous	15,400	25,000	29,610	4,610
TOTAL REVENUES	<u>893,700</u>	<u>1,023,300</u>	<u>1,057,769</u>	<u>34,469</u>
EXPENDITURES				
Current:				
General government:				
Personal services	374,765	374,765	382,912	(8,147) *
Materials and services	692,685	839,485	733,066	106,419 *
Capital outlay	-	-	11,913	(11,913) *
Contingency	29,950	12,750	-	12,750
TOTAL EXPENDITURES	<u>1,097,400</u>	<u>1,227,000</u>	<u>1,127,891</u>	<u>99,109</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(203,700)</u>	<u>(203,700)</u>	<u>(70,122)</u>	<u>133,578</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	65,000	65,000	65,000	-
Interfund loan repayment	-	-	(13,042)	(13,042)
Transfers out	(11,300)	(11,300)	(11,300)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>53,700</u>	<u>53,700</u>	<u>40,658</u>	<u>(13,042)</u>
NET CHANGE IN FUND BALANCE	(150,000)	(150,000)	(29,464)	120,536
Budgetary basis adjustment	-	-	13,042	13,042
FUND BALANCE, Beginning	<u>150,000</u>	<u>150,000</u>	<u>53,909</u>	<u>(96,091)</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,487</u>	<u>\$ 37,487</u>

*PCC Operations budgetary appropriation level not exceeded

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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
REVENUES				
Other taxes	\$ 84,600	\$ 99,600	\$ 102,228	\$ 2,628
Interest on investments	100	100	74	(26)
TOTAL REVENUES	<u>84,700</u>	<u>99,700</u>	<u>102,302</u>	<u>2,602</u>
EXPENDITURES				
Debt service	51,260	79,510	78,525	985
TOTAL EXPENDITURES	<u>51,260</u>	<u>79,510</u>	<u>78,525</u>	<u>985</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>33,440</u>	<u>20,190</u>	<u>23,777</u>	<u>3,587</u>
OTHER FINANCING SOURCES (USES)				
Interfund loan proceeds	-	-	6,000	6,000
Interfund loan repayment	(24,000)	(24,000)	(21,000)	3,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>(24,000)</u>	<u>(24,000)</u>	<u>(15,000)</u>	<u>9,000</u>
NET CHANGE IN FUND BALANCE	9,440	(3,810)	8,777	12,587
Budgetary basis adjustment	-	-	15,000	15,000
FUND BALANCE, Beginning	<u>-</u>	<u>13,250</u>	<u>18,663</u>	<u>5,413</u>
FUND BALANCE, Ending	<u>\$ 9,440</u>	<u>\$ 9,440</u>	<u>\$ 42,440</u>	<u>\$ 33,000</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
REVENUES				
Charges for services	\$ 4,800	\$ 4,800	\$ 4,800	\$ -
Intergovernmental	155,000	155,000	352,002	197,002
Interest on investments	500	500	1,413	913
Miscellaneous	100	100	-	(100)
TOTAL REVENUES	<u>160,400</u>	<u>160,400</u>	<u>358,215</u>	<u>197,815</u>
EXPENDITURES				
Current:				
Public safety:				
Materials and services	<u>320,630</u>	<u>320,630</u>	<u>125,641</u>	<u>194,989</u>
TOTAL EXPENDITURES	<u>320,630</u>	<u>320,630</u>	<u>125,641</u>	<u>194,989</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(160,230)</u>	<u>(160,230)</u>	<u>232,574</u>	<u>392,804</u>
NET CHANGE IN FUND BALANCE	(160,230)	(160,230)	232,574	392,804
FUND BALANCE, Beginning	<u>160,230</u>	<u>160,230</u>	<u>186,571</u>	<u>26,341</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 419,145</u>	<u>\$ 419,145</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
REVENUES				
Licenses and fees	\$ 3,000	\$ 3,000	\$ 66,764	\$ 63,764
Intergovernmental	65,725	65,725	21,821	(43,904)
Contributions	2,600	2,600	4,010	1,410
Interest on investments	2,000	2,000	483	(1,517)
Miscellaneous	-	-	7,819	7,819
TOTAL REVENUES	<u>73,325</u>	<u>73,325</u>	<u>100,897</u>	<u>27,572</u>
EXPENDITURES				
Capital outlay	<u>140,000</u>	<u>140,000</u>	<u>83,322</u>	<u>56,678</u>
TOTAL EXPENDITURES	<u>140,000</u>	<u>140,000</u>	<u>83,322</u>	<u>56,678</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(66,675)</u>	<u>(66,675)</u>	<u>17,575</u>	<u>84,250</u>
NET CHANGE IN FUND BALANCE	(66,675)	(66,675)	17,575	84,250
FUND BALANCE, Beginning	<u>161,650</u>	<u>161,650</u>	<u>120,981</u>	<u>(40,669)</u>
FUND BALANCE, Ending	<u>\$ 94,975</u>	<u>\$ 94,975</u>	<u>\$ 138,556</u>	<u>\$ 43,581</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
REVENUES				
Interest on investments	\$ 300	\$ 300	\$ 104	\$ (196)
TOTAL REVENUES	<u>300</u>	<u>300</u>	<u>104</u>	<u>(196)</u>
EXPENDITURES				
Current:				
General government:				
Materials and services	<u>300</u>	<u>300</u>	<u>300</u>	<u>-</u>
TOTAL EXPENDITURES	<u>300</u>	<u>300</u>	<u>300</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(196)</u>	<u>(196)</u>
NET CHANGE IN FUND BALANCE	-	-	(196)	(196)
FUND BALANCE, Beginning	<u>20,865</u>	<u>20,865</u>	<u>20,696</u>	<u>(169)</u>
FUND BALANCE, Ending	<u>\$ 20,865</u>	<u>\$ 20,865</u>	<u>\$ 20,500</u>	<u>\$ (365)</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
REVENUES				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 70,641	\$ (29,359)
Contributions	50,000	50,000	20,669	(29,331)
Interest on investments	<u>1,000</u>	<u>1,000</u>	<u>420</u>	<u>(580)</u>
TOTAL REVENUES	<u>151,000</u>	<u>151,000</u>	<u>91,730</u>	<u>(59,270)</u>
EXPENDITURES				
Current:				
Culture and recreation:				
Materials and services	155,000	155,000	97,005	57,995 *
Capital outlay	<u>-</u>	<u>-</u>	<u>7,300</u>	<u>(7,300) *</u>
TOTAL EXPENDITURES	<u>155,000</u>	<u>155,000</u>	<u>104,305</u>	<u>50,695</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(4,000)</u>	<u>(4,000)</u>	<u>(12,575)</u>	<u>(8,575)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	6,000	6,000	(2,575)	(8,575)
FUND BALANCE, Beginning	<u>29,000</u>	<u>29,000</u>	<u>71,371</u>	<u>42,371</u>
FUND BALANCE, Ending	<u>\$ 35,000</u>	<u>\$ 35,000</u>	<u>\$ 68,796</u>	<u>\$ 33,796</u>

* Parks Special Operations level of budgetary 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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 79,172	\$ 79,172
Interest on investments	5,000	5,000	1,699	(3,301)
Miscellaneous	-	-	10,849	10,849
TOTAL REVENUES	<u>5,000</u>	<u>5,000</u>	<u>91,720</u>	<u>86,720</u>
EXPENDITURES				
Current:				
Public safety:				
Materials and services	56,000	56,000	33,533	22,467
Capital outlay	2,000,000	2,000,000	74,772	1,925,228
TOTAL EXPENDITURES	<u>2,056,000</u>	<u>2,056,000</u>	<u>108,305</u>	<u>1,947,695</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(2,051,000)</u>	<u>(2,051,000)</u>	<u>(16,585)</u>	<u>2,034,415</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,056,000	2,056,000	-	(2,056,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,056,000</u>	<u>2,056,000</u>	<u>-</u>	<u>(2,056,000)</u>
NET CHANGE IN FUND BALANCE	5,000	5,000	(16,585)	(21,585)
FUND BALANCE, Beginning	<u>349,625</u>	<u>349,625</u>	<u>351,841</u>	<u>2,216</u>
FUND BALANCE, Ending	<u>\$ 354,625</u>	<u>\$ 354,625</u>	<u>\$ 335,256</u>	<u>\$ (19,369)</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
REVENUES				
Property taxes	\$ 612,750	\$ 612,750	\$ 636,830	\$ 24,080
Interest on investments	<u>500</u>	<u>500</u>	<u>1,430</u>	<u>930</u>
TOTAL REVENUES	<u>613,250</u>	<u>613,250</u>	<u>638,260</u>	<u>25,010</u>
EXPENDITURES				
Debt service	<u>636,250</u>	<u>636,250</u>	<u>636,250</u>	<u>-</u>
TOTAL EXPENDITURES	<u>636,250</u>	<u>636,250</u>	<u>636,250</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(23,000)</u>	<u>(23,000)</u>	<u>2,010</u>	<u>25,010</u>
NET CHANGE IN FUND BALANCE	(23,000)	(23,000)	2,010	25,010
FUND BALANCE, Beginning	<u>23,000</u>	<u>23,000</u>	<u>25,918</u>	<u>2,918</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,928</u>	<u>\$ 27,928</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
REVENUES				
Property taxes	\$ 960,000	\$ 1,006,000	\$ 1,018,484	\$ 12,484
Interest on investments	<u>1,000</u>	<u>1,000</u>	<u>392</u>	<u>(608)</u>
TOTAL REVENUES	<u>961,000</u>	<u>1,007,000</u>	<u>1,018,876</u>	<u>11,876</u>
EXPENDITURES				
Current:				
General government:				
Materials and services	173,130	23,300	23,300	-
Debt service	<u>900,000</u>	<u>1,136,000</u>	<u>1,133,552</u>	<u>2,448</u>
TOTAL EXPENDITURES	<u>1,073,130</u>	<u>1,159,300</u>	<u>1,156,852</u>	<u>2,448</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(112,130)</u>	<u>(152,300)</u>	<u>(137,976)</u>	<u>14,324</u>
NET CHANGE IN FUND BALANCE	(112,130)	(152,300)	(137,976)	14,324
FUND BALANCE, Beginning	<u>143,300</u>	<u>152,300</u>	<u>152,289</u>	<u>(11)</u>
FUND BALANCE, Ending	<u>\$ 31,170</u>	<u>\$ -</u>	<u>\$ 14,313</u>	<u>\$ 14,313</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
REVENUES				
Interest on investments	\$ 75	\$ 75	\$ 31	\$ (44)
TOTAL REVENUES	<u>75</u>	<u>75</u>	<u>31</u>	<u>(44)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(75)</u>	<u>(75)</u>	<u>(31)</u>	<u>44</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(75)</u>	<u>(75)</u>	<u>(31)</u>	<u>44</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, Beginning	<u>6,130</u>	<u>6,130</u>	<u>6,131</u>	<u>1</u>
FUND BALANCE, Ending	<u>\$ 6,130</u>	<u>\$ 6,130</u>	<u>\$ 6,131</u>	<u>\$ 1</u>

See auditor's report.

CITY OF PENDLETON, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
CEMETERY PERPETUAL CARE FUND
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
REVENUES				
Licenses and fees	\$ 3,100	\$ 3,100	\$ 14,168	\$ 11,068
Interest on investments	<u>25,000</u>	<u>25,000</u>	<u>(131,245)</u>	<u>(156,245)</u>
TOTAL REVENUES	<u>28,100</u>	<u>28,100</u>	<u>(117,077)</u>	<u>(145,177)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(25,000)</u>	<u>(25,000)</u>	<u>(2,398)</u>	<u>22,602</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(25,000)</u>	<u>(25,000)</u>	<u>(2,398)</u>	<u>22,602</u>
NET CHANGE IN FUND BALANCE	3,100	3,100	(119,475)	(122,575)
FUND BALANCE, Beginning	<u>818,500</u>	<u>818,500</u>	<u>952,811</u>	<u>134,311</u>
FUND BALANCE, Ending	<u><u>\$ 821,600</u></u>	<u><u>\$ 821,600</u></u>	<u><u>\$ 833,336</u></u>	<u><u>\$ 11,736</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
REVENUES				
Charges for services	\$ 60,000	\$ 60,000	\$ 240,290	\$ 180,290
Assessments	6,200	6,200	6,217	17
Interest on investments	<u>2,500</u>	<u>2,500</u>	<u>3,206</u>	<u>706</u>
TOTAL REVENUES	<u>68,700</u>	<u>68,700</u>	<u>249,713</u>	<u>181,013</u>
EXPENDITURES				
Capital outlay	590,000	590,000	509	589,491
Contingency	<u>1,700</u>	<u>1,700</u>	<u>-</u>	<u>1,700</u>
TOTAL EXPENDITURES	<u>591,700</u>	<u>591,700</u>	<u>509</u>	<u>591,191</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(523,000)</u>	<u>(523,000)</u>	<u>249,204</u>	<u>772,204</u>
OTHER FINANCING SOURCES (USES)				
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(523,000)	(523,000)	249,204	772,204
FUND BALANCE, Beginning	<u>523,000</u>	<u>523,000</u>	<u>572,759</u>	<u>49,759</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 821,963</u>	<u>\$ 821,963</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
REVENUES				
Interest on investments	\$ 500	\$ 500	\$ 299	\$ (201)
TOTAL REVENUES	<u>500</u>	<u>500</u>	<u>299</u>	<u>(201)</u>
EXPENDITURES				
Capital outlay	<u>30,000</u>	<u>70,000</u>	<u>25,000</u>	<u>45,000</u>
TOTAL EXPENDITURES	<u>30,000</u>	<u>70,000</u>	<u>25,000</u>	<u>45,000</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(29,500)</u>	<u>(69,500)</u>	<u>(24,701)</u>	<u>44,799</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(24,500)	(64,500)	(19,701)	44,799
FUND BALANCE, Beginning	<u>47,430</u>	<u>77,430</u>	<u>77,596</u>	<u>166</u>
FUND BALANCE, Ending	<u>\$ 22,930</u>	<u>\$ 12,930</u>	<u>\$ 57,895</u>	<u>\$ 44,965</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
REVENUES				
Charges for services	\$ 215,000	\$ 215,000	\$ 225,987	\$ 10,987
Interest on investments	<u>2,000</u>	<u>2,000</u>	<u>1,341</u>	<u>(659)</u>
TOTAL REVENUES	<u>217,000</u>	<u>217,000</u>	<u>227,328</u>	<u>10,328</u>
EXPENDITURES				
Capital outlay	<u>234,000</u>	<u>234,000</u>	<u>183,102</u>	<u>50,898</u>
TOTAL EXPENDITURES	<u>234,000</u>	<u>234,000</u>	<u>183,102</u>	<u>50,898</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(17,000)</u>	<u>(17,000)</u>	<u>44,226</u>	<u>61,226</u>
OTHER FINANCING SOURCES (USES)				
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(17,000)	(17,000)	44,226	61,226
FUND BALANCE, Beginning	<u>341,000</u>	<u>341,000</u>	<u>337,636</u>	<u>(3,364)</u>
FUND BALANCE, Ending	<u><u>\$ 324,000</u></u>	<u><u>\$ 324,000</u></u>	<u><u>\$ 381,862</u></u>	<u><u>\$ 57,862</u></u>

See auditor's report.

CITY OF PENDLETON, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
L.I.D. CONSTRUCTION FUND
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
REVENUES				
Assessments	\$ 1,000	\$ 1,000	\$ 66,241	\$ 65,241
Interest on investments	500	500	1,420	920
Miscellaneous	-	-	165	165
TOTAL REVENUES	<u>1,500</u>	<u>1,500</u>	<u>67,826</u>	<u>66,326</u>
EXPENDITURES				
Current:				
General Government:				
Materials and services	1,200	1,200	-	1,200
Capital outlay	600,000	600,000	-	600,000
Debt service	<u>532,500</u>	<u>991,100</u>	<u>894,003</u>	<u>97,097</u>
TOTAL EXPENDITURES	<u>1,133,700</u>	<u>1,592,300</u>	<u>894,003</u>	<u>698,297</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,132,200)</u>	<u>(1,590,800)</u>	<u>(826,177)</u>	<u>764,623</u>
OTHER FINANCING SOURCES (USES)				
Sale of property	45,000	45,000	-	(45,000)
Issuance of debt	<u>600,000</u>	<u>600,000</u>	<u>-</u>	<u>(600,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>645,000</u>	<u>645,000</u>	<u>-</u>	<u>(645,000)</u>
NET CHANGE IN FUND BALANCE	(487,200)	(945,800)	(826,177)	119,623
FUND BALANCE, Beginning	<u>487,200</u>	<u>945,800</u>	<u>945,817</u>	<u>17</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 119,640</u>	<u>\$ 119,640</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
REVENUES				
Interest on investments	\$ -	\$ -	\$ 153	\$ 153
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>153</u>	<u>153</u>
EXPENDITURES				
Capital outlay	<u>24,000</u>	<u>24,000</u>	<u>6,304</u>	<u>17,696</u>
TOTAL EXPENDITURES	<u>24,000</u>	<u>24,000</u>	<u>6,304</u>	<u>17,696</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(24,000)</u>	<u>(24,000)</u>	<u>(6,151)</u>	<u>17,849</u>
NET CHANGE IN FUND BALANCE	(24,000)	(24,000)	(6,151)	17,849
FUND BALANCE, Beginning	<u>24,000</u>	<u>24,000</u>	<u>23,045</u>	<u>(955)</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,894</u>	<u>\$ 16,894</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
REVENUES				
Intergovernmental	\$ 1,629,300	\$ 1,629,300	\$ 197,909	\$ (1,431,391)
TOTAL REVENUES	<u>1,629,300</u>	<u>1,629,300</u>	<u>197,909</u>	<u>(1,431,391)</u>
EXPENDITURES				
Capital outlay	3,035,000	2,655,000	-	2,655,000
Debt service	-	380,000	2,159	377,841
TOTAL EXPENDITURES	<u>3,035,000</u>	<u>3,035,000</u>	<u>2,159</u>	<u>3,032,841</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,405,700)</u>	<u>(1,405,700)</u>	<u>195,750</u>	<u>1,601,450</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	1,450,000	1,450,000	-	(1,450,000)
Transfers in	163,950	163,950	-	(163,950)
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,613,950</u>	<u>1,613,950</u>	<u>-</u>	<u>(1,613,950)</u>
NET CHANGE IN FUND BALANCE	208,250	208,250	195,750	(12,500)
FUND BALANCE, Beginning	<u>(208,250)</u>	<u>(208,250)</u>	<u>(178,758)</u>	<u>29,492</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,992</u>	<u>\$ 16,992</u>

See auditor's report.



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

Proprietary Funds

Enterprise Funds

- All Water Funds
 - Water
 - Water Capital Reserve
- All Sewer Funds
 - Sewer
 - Sewer Capital Reserve
- Airport

Internal Service Funds

- PW Administration and Fleet
- Central Services

CITY OF PENDLETON, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER FUND
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 6,739,900	\$ 6,739,900	\$ 6,253,124	\$ (486,776)
Intergovernmental	-	-	106,108	106,108
Interest on investments	50,000	50,000	20,513	(29,487)
Miscellaneous	45,500	45,500	65,404	19,904
TOTAL REVENUES	<u>6,835,400</u>	<u>6,835,400</u>	<u>6,445,149</u>	<u>(390,251)</u>
EXPENDITURES				
Current:				
Personal services	894,780	894,780	884,543	10,237 **
Materials and services	3,241,922	3,241,922	3,171,206	70,716 **
Capital outlay	17,770,000	17,770,000	4,978,029	12,791,971 **
Debt service	1,203,900	1,203,900	449,838	754,062
Contingency	2,765,990	2,765,990	-	2,765,990
TOTAL EXPENDITURES	<u>25,876,592</u>	<u>25,876,592</u>	<u>9,483,616</u>	<u>16,392,976</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(19,041,192)</u>	<u>(19,041,192)</u>	<u>(3,038,467)</u>	<u>16,002,725</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	15,300,100	15,300,100	1,490,077	(13,810,023)
Transfers out	(1,090,610)	(1,090,610)	(1,028,110)	62,500
TOTAL OTHER FINANCING SOURCES (USES)	<u>14,209,490</u>	<u>14,209,490</u>	<u>461,967</u>	<u>(13,747,523)</u>
NET CHANGE IN FUND BALANCE	(4,831,702)	(4,831,702)	(2,576,500)	2,255,202
FUND BALANCE, Beginning	<u>5,515,500</u>	<u>5,515,500</u>	<u>4,788,274</u>	<u>(727,226)</u>
FUND BALANCE, Ending	<u>\$ 683,798</u>	<u>\$ 683,798</u>	<u>\$ 2,211,774</u>	<u>\$ 1,527,976</u>

**Water Operations level of budgetary appropriation not exceeded.

CITY OF PENDLETON, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER CAPITAL RESERVE FUND
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
REVENUES				
Interest on investments	\$ 15,000	\$ 15,000	\$ 11,441	\$ (3,559)
TOTAL REVENUES	<u>15,000</u>	<u>15,000</u>	<u>11,441</u>	<u>(3,559)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>15,000</u>	<u>15,000</u>	<u>11,441</u>	<u>(3,559)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	1,015,000	1,015,000	1,011,441	(3,559)
FUND BALANCE, Beginning	<u>2,276,300</u>	<u>2,276,300</u>	<u>2,275,336</u>	<u>(964)</u>
FUND BALANCE, Ending	<u>\$ 3,291,300</u>	<u>\$ 3,291,300</u>	<u>\$ 3,286,777</u>	<u>\$ (4,523)</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, 2022**

BUDGETARY BASIS FUND BALANCE (NON-GAAP):

Water	\$ 2,211,774
Water Capital Reserve	<u>3,286,777</u>
	5,498,551

Adjustments:

Capital assets, net of depreciation	22,607,042
Net OPEB asset	8,527
Deferred outflow of resources related to pension	267,675
Deferred outflow of resources related to OPEB	10,357
Accrued interest payable	(220,049)
Other post employment benefits liability	(92,880)
Net pension liability	(453,888)
Long-term debt	(7,975,430)
Deferred inflow of resources related to pension	(386,303)
Deferred inflow of resources related to OPEB	<u>(12,485)</u>

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

\$ 19,251,117

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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
REVENUES				
Charges for services	\$ 5,905,800	\$ 5,905,800	\$ 6,161,589	\$ 255,789
Intergovernmental	500,000	500,000	232,523	(267,477)
Interest on investments	12,500	12,500	6,039	(6,461)
Miscellaneous	1,500	1,500	152,728	151,228
TOTAL REVENUES	<u>6,419,800</u>	<u>6,419,800</u>	<u>6,552,879</u>	<u>133,079</u>
EXPENDITURES				
Current:				
Personal services	895,370	895,370	818,433	76,937 **
Materials and services	3,013,007	3,013,007	3,067,880	(54,873) **
Capital outlay	4,365,000	4,365,000	1,214,007	3,150,993 **
Debt service	1,524,195	1,524,195	1,119,632	404,563
Contingency	330,923	330,923	-	330,923
TOTAL EXPENDITURES	<u>10,128,495</u>	<u>10,128,495</u>	<u>6,219,952</u>	<u>3,908,543</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(3,708,695)</u>	<u>(3,708,695)</u>	<u>332,927</u>	<u>4,041,622</u>
OTHER FINANCING SOURCES (USES)				
Sale of property	1,000	1,000	500	(500)
Issuance of debt	500,000	500,000	276,963	(223,037)
Transfers in	2,000,000	2,000,000	-	(2,000,000)
Transfers out	(83,330)	(83,330)	(20,830)	62,500
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,417,670</u>	<u>2,417,670</u>	<u>256,633</u>	<u>(2,161,037)</u>
NET CHANGE IN FUND BALANCE	(1,291,025)	(1,291,025)	589,560	1,880,585
FUND BALANCE, Beginning	<u>1,291,025</u>	<u>1,291,025</u>	<u>1,647,123</u>	<u>356,098</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,236,683</u>	<u>\$ 2,236,683</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
REVENUES				
Interest on investments	\$ 15,000	\$ 15,000	\$ 23,212	\$ 8,212
TOTAL REVENUES	<u>15,000</u>	<u>15,000</u>	<u>23,212</u>	<u>8,212</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>15,000</u>	<u>15,000</u>	<u>23,212</u>	<u>8,212</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>-</u>	<u>2,000,000</u>
NET CHANGE IN FUND BALANCE	(1,985,000)	(1,985,000)	23,212	2,008,212
FUND BALANCE, Beginning	<u>4,131,000</u>	<u>4,131,000</u>	<u>4,136,352</u>	<u>5,352</u>
FUND BALANCE, Ending	<u>\$ 2,146,000</u>	<u>\$ 2,146,000</u>	<u>\$ 4,159,564</u>	<u>\$ 2,013,564</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, 2022**

BUDGETARY BASIS FUND BALANCE (NON-GAAP):

Sewer	\$ 2,236,683
Sewer Capital Reserve	<u>4,159,564</u>
	6,396,247

Adjustments:

Capital assets, net of depreciation	22,861,822
Net OPEB asset	8,184
Deferred outflow of resources related to pension	256,892
Deferred outflow of resources related to OPEB	11,552
Accrued interest payable	(368,499)
Other post employment benefits liability	(105,555)
Net pension liability	(435,603)
Long-term debt	(14,446,320)
Deferred inflow of resources related to pension	(370,740)
Deferred inflow of resources related to OPEB	<u>(13,766)</u>

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

\$ 13,794,214

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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
REVENUES				
Charges for services	\$ 1,596,000	\$ 1,596,000	\$ 1,949,789	\$ 353,789
Intergovernmental	12,480,250	12,480,250	1,775,889	(10,704,361)
Contributions	15,000	15,000	-	(15,000)
Interest on investments	-	-	28,148	28,148
Miscellaneous	100,000	100,000	41,422	(58,578)
TOTAL REVENUES	<u>14,191,250</u>	<u>14,191,250</u>	<u>3,795,248</u>	<u>(10,396,002)</u>
EXPENDITURES				
Current:				
Personal services	859,710	859,710	849,752	9,958 **
Materials and services	945,480	945,480	1,050,526	(105,046) **
Capital outlay	9,300,000	9,300,000	1,541,387	7,758,613 **
Debt service	3,000,000	3,000,000	27,425	2,972,575
TOTAL EXPENDITURES	<u>14,105,190</u>	<u>14,105,190</u>	<u>3,469,090</u>	<u>10,636,100</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>86,060</u>	<u>86,060</u>	<u>326,158</u>	<u>240,098</u>
OTHER FINANCING SOURCES (USES)				
Sale of property	-	-	12,500	12,500
Issuance of debt	-	-	788,628	788,628
Transfers out	(64,910)	(64,910)	(25,960)	38,950
TOTAL OTHER FINANCING SOURCES (USES)	<u>(64,910)</u>	<u>(64,910)</u>	<u>775,168</u>	<u>840,078</u>
NET CHANGE IN FUND BALANCE	21,150	21,150	1,101,326	1,080,176
FUND BALANCE (DEFICIT), Beginning	<u>53,000</u>	<u>53,000</u>	<u>213,897</u>	<u>160,897</u>
FUND BALANCE (DEFICIT), Ending	<u>\$ 74,150</u>	<u>\$ 74,150</u>	1,315,223	<u>\$ 1,241,073</u>
RECONCILIATION TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES				
Capital assets, net of depreciation			18,003,198	
Lease assets, net of amortization			154,637	
Net OPEB asset			8,648	
Deferred outflow of resources related to pension			271,464	
Deferred outflow of resources related to OPEB			9,631	
Net pension liability			(460,312)	
Accrued interest payable			(31,924)	
Other post employment benefits liability			(85,314)	
Lease liabilities			(154,041)	
Long-term debt			(3,169,831)	
Deferred inflow of resources related to pension			(391,770)	
Deferred inflow of resources related to OPEB			(11,696)	
NET POSITION Ending			<u>\$ 15,457,913</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 1,739,365	\$ 1,739,365	\$ 1,739,945	\$ 580
Intergovernmental	-	-	40,907	40,907
Interest on investments	10,000	10,000	3,784	(6,216)
Miscellaneous	1,000	1,000	184	(816)
TOTAL REVENUES	<u>1,750,365</u>	<u>1,750,365</u>	<u>1,784,820</u>	<u>34,455</u>
EXPENDITURES				
Current:				
Personal services	1,342,885	1,342,885	1,276,201	66,684 **
Materials and services	260,270	260,270	374,247	(113,977) **
Capital outlay	256,000	256,000	194,340	61,660 **
Contingency	200,000	200,000	-	200,000
TOTAL EXPENDITURES	<u>2,059,155</u>	<u>2,059,155</u>	<u>1,844,788</u>	<u>214,367</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(308,790)</u>	<u>(308,790)</u>	<u>(59,968)</u>	<u>248,822</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(41,430)	(41,430)	(41,430)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(41,430)</u>	<u>(41,430)</u>	<u>(41,430)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(350,220)	(350,220)	(101,398)	248,822
FUND BALANCE, Beginning	<u>608,545</u>	<u>608,545</u>	<u>650,542</u>	<u>41,997</u>
FUND BALANCE, Ending	<u>\$ 258,325</u>	<u>\$ 258,325</u>	549,144	<u>\$ 290,819</u>
RECONCILIATION TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES				
Capital assets, net of depreciation			820,754	
Net OPEB asset			14,069	
Deferred outflow of resources related to pension			441,617	
Deferred outflow of resources related to OPEB			16,492	
Net pension liability			(748,837)	
Other post employment benefits liability			(147,176)	
Deferred inflow of resources related to pension			(637,333)	
Deferred inflow of resources related to OPEB			<u>(19,939)</u>	
NET POSITION, Ending			<u>\$ 288,791</u>	

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

CITY OF PENDLETON, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CENTRAL SERVICES FUND
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
REVENUES				
Licenses and fees	\$ 28,150	\$ 28,150	\$ 43,774	\$ 15,624
Charges for services	3,658,030	3,658,030	3,658,030	-
Intergovernmental	173,130	173,130	169,228	(3,902)
Interest on investments	1,500	1,500	1,509	9
Miscellaneous	70,000	70,000	1,196	(68,804)
TOTAL REVENUES	<u>3,930,810</u>	<u>3,930,810</u>	<u>3,873,737</u>	<u>(57,073)</u>
EXPENDITURES				
Current:				
Personal services	2,729,110	2,729,110	2,435,579	293,531
Materials and services	1,280,460	1,335,460	1,188,341	147,119
Capital outlay	67,000	67,000	12,043	54,957
Contingency	53,620	23,620	-	23,620
TOTAL EXPENDITURES	<u>4,130,190</u>	<u>4,155,190</u>	<u>3,635,963</u>	<u>519,227</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(199,380)</u>	<u>(224,380)</u>	<u>237,774</u>	<u>462,154</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(104,740)	(104,740)	(104,740)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(104,740)</u>	<u>(104,740)</u>	<u>(104,740)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(304,120)	(329,120)	133,034	462,154
FUND BALANCE, Beginning	<u>304,120</u>	<u>329,120</u>	<u>329,799</u>	<u>679</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	462,833	<u>\$ 462,833</u>
RECONCILIATION TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES				
Capital assets, net of depreciation			177,466	
Net OPEB asset			27,709	
Deferred outflow of resources related to pension			869,800	
Deferred outflow of resources related to OPEB			25,262	
Net pension liability			(1,474,892)	
Other post employment benefits liability			(216,376)	
Deferred inflow of resources related to pension			(1,255,275)	
Deferred inflow of resources related to OPEB			(31,286)	
NET POSITION, Ending			<u>\$ (1,414,759)</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive / (Negative)
EXPENDITURES AND TRANSFERS				
City manager's office	\$ 549,730	\$ 549,730	\$ 535,152	\$ 14,578
Insurance	488,000	543,000	479,972	63,028
Mayor and City Council	54,300	54,300	39,967	14,333
PDC administration	97,950	97,950	97,643	307
Legal	373,100	373,100	350,009	23,091
Finance	874,100	874,100	810,566	63,534
Engineering	579,740	579,740	418,464	161,276
Facilities	802,650	802,650	720,330	82,320
Information technology	257,000	257,000	183,860	73,140
Contingency	53,620	23,620	-	23,620
	<u>4,130,190</u>	<u>4,155,190</u>	<u>3,635,963</u>	<u>519,227</u>
Total expenditures				
Transfers	<u>104,740</u>	<u>104,740</u>	<u>104,740</u>	<u>-</u>
TOTAL EXPENDITURES AND TRANSFERS	<u><u>\$ 4,234,930</u></u>	<u><u>\$ 4,259,930</u></u>	<u><u>\$ 3,740,703</u></u>	<u><u>\$ 519,227</u></u>

See auditor's report.



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

Fiduciary Funds

Agency Fund

- Pendleton Foundation Trust

CITY OF PENDLETON, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PENDLETON FOUNDATION TRUST FUND
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
REVENUES				
Contributions	\$ 252,500	\$ 252,500	\$ 102,419	\$ (150,081)
Interest on investments	<u>2,500</u>	<u>2,500</u>	<u>250</u>	<u>(2,250)</u>
TOTAL REVENUES	<u>255,000</u>	<u>255,000</u>	<u>102,669</u>	<u>(152,331)</u>
EXPENDITURES				
Current:				
Materials and services	<u>260,000</u>	<u>260,000</u>	<u>89,229</u>	<u>170,771</u>
TOTAL EXPENDITURES	<u>260,000</u>	<u>260,000</u>	<u>89,229</u>	<u>170,771</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(5,000)</u>	<u>(5,000)</u>	<u>13,440</u>	<u>18,440</u>
NET CHANGE IN FUND BALANCE	(5,000)	(5,000)	13,440	18,440
FUND BALANCE, Beginning	<u>5,000</u>	<u>5,000</u>	<u>10,172</u>	<u>5,172</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,612</u>	<u>\$ 23,612</u>

See auditor's report.

OTHER FINANCIAL SCHEDULES



**CITY OF PENDLETON, OREGON
ALL AGENCY FUNDS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
For the fiscal year ended June 30, 2022**

	<u>Balance</u> <u>June 30, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2022</u>
Bail Fund				
ASSETS				
Cash and cash equivalents	\$ 14,812	\$ -	\$ 4,095	\$ 10,717
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 7,231	\$ -	\$ 843	\$ 6,388
Due to other governments	7,581	-	3,252	4,329
Total liabilities	<u>\$ 14,812</u>	<u>\$ -</u>	<u>\$ 4,095</u>	<u>\$ 10,717</u>
Pendleton Foundation Trust				
ASSETS				
Cash and cash equivalents	\$ 10,172	\$ 102,669	\$ 89,229	\$ 23,612
LIABILITIES AND FUND BALANCE				
Liabilities:				
Due to other governments	10,172	102,669	89,229	23,612
Total liabilities	<u>\$ 10,172</u>	<u>\$ 102,669</u>	<u>\$ 89,229</u>	<u>\$ 23,612</u>

See auditor's report.

CITY OF PENDLETON, OREGON
SCHEDULE OF OUTSTANDING DEBT PRINCIPAL AND INTEREST TRANSACTIONS
For the fiscal year ended June 30, 2022

	Terms			
	Date of Issue	Interest Rate	Maturity Date	Original Amount
Governmental Funds:				
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:				
Banner Bank \$10mm CL	05/13/21	Variable	N/A	\$ 10,000,000
Notes payable:				
Sunridge LID	07/29/09	4.00%	07/29/24	\$ 1,300,000
OR IFA Olney Project	01/02/14	4.56%	01/02/17	\$ 626,067
Eastside Expansion	09/15/14	4.35%	07/15/29	\$ 825,000
Total General Long Term Debt				
Enterprise Funds:				
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 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, 2021	Issued During Year	Transfers and Adjustments	Paid During Year	Outstanding June 30, 2022	Outstanding June 30, 2021	Matured During Year	Paid During Year	Outstanding June 30, 2022
\$ 7,950,000	\$ -	\$ -	\$ 335,000	\$ 7,615,000	\$ -	\$ 301,250	\$ 301,250	\$ -
518,377	-	-	47,961	470,416	-	15,820	15,820	-
4,135,000	-	-	480,000	3,655,000	-	209,615	209,615	-
5,334,625	1,000,000	-	1,000,000	5,334,625 **	-	133,552	133,552	-
356,405	-	-	356,405	-	-	10,797	10,797	-
512,203	-	-	512,203	-	-	14,598	14,598	-
527,504	-	-	51,778	475,726	-	23,456	23,456	-
<u>\$ 19,334,114</u>	<u>\$ 1,000,000</u>	<u>\$ -</u>	<u>\$ 2,783,347</u>	<u>\$ 17,550,767</u>	<u>\$ -</u>	<u>\$ 709,088</u>	<u>\$ 709,088</u>	<u>\$ -</u>
\$ 576,000	\$ -	\$ -	\$ 282,000	\$ 294,000	\$ -	\$ 25,920	\$ 25,920	\$ -
267,020	-	-	130,783	136,237	-	11,135	11,135	-
1,015,000	-	-	-	1,015,000 **	-	-	-	-
5,040,115	1,490,077	-	-	6,530,192 **	-	-	-	-
<u>6,898,135</u>	<u>1,490,077</u>	<u>-</u>	<u>412,783</u>	<u>7,975,429</u>	<u>-</u>	<u>37,055</u>	<u>37,055</u>	<u>-</u>
1,150,000	-	-	100,000	1,050,000	-	5,750	5,750	-
3,037,531	-	-	227,668	2,809,863	-	97,762	97,762	-
6,010,337	276,963	-	-	6,287,300	-	-	-	-
4,841,361	-	-	542,204	4,299,157	-	145,481	145,481	-
<u>15,039,229</u>	<u>276,963</u>	<u>-</u>	<u>869,872</u>	<u>14,446,320</u>	<u>-</u>	<u>248,993</u>	<u>248,993</u>	<u>-</u>
545,000	-	-	-	545,000 **	-	-	-	-
1,836,200	788,628	-	-	2,624,828 **	-	27,425	27,425	-
<u>2,381,200</u>	<u>788,628</u>	<u>-</u>	<u>-</u>	<u>3,169,828</u>	<u>-</u>	<u>27,425</u>	<u>27,425</u>	<u>-</u>
<u>\$ 24,318,564</u>	<u>\$ 2,555,668</u>	<u>\$ -</u>	<u>\$ 1,282,655</u>	<u>\$ 25,591,577</u>	<u>\$ -</u>	<u>\$ 313,473</u>	<u>\$ 313,473</u>	<u>\$ -</u>

CITY OF PENDLETON, OREGON
SCHEDULE OF GENERAL OBLIGATION BONDS
DEBT REQUIREMENTS - GOVERNMENTAL FUNDS
June 30, 2022

Year of Maturity	General Obligation Bonds	
	Principal	Interest
2023	\$ 245,000	\$ 291,200
2024	265,000	283,850
2025	290,000	275,900
2026	320,000	264,300
2027	345,000	251,500
2028-2032	2,210,000	1,048,500
2033-2037	3,165,000	552,600
2038	775,000	31,000
	<u>\$ 7,615,000</u>	<u>\$ 2,998,850</u>

CITY OF PENDLETON, OREGON
SCHEDULE OF FUTURE LIMITED TAX PENSION
BONDED DEBT REQUIREMENTS - GOVERNMENTAL FUNDS
June 30, 2022

Year of Maturity	Limited Tax Pension Bonds	
	Principal	Interest
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>\$ 3,655,000</u>	<u>\$ 641,012</u>

See auditor's report.

CITY OF PENDLETON, OREGON
SCHEDULE OF FUTURE NOTE PAYABLE DEBT REQUIREMENTS
GOVERNMENTAL FUNDS
June 30, 2022

Year of Maturity	Notes Payable		PCC Eastside Expansion	
	Totals		Principal	Interest
	Principal	Interest		
2022-23	\$ 54,846	\$ 20,390	\$ 54,846	\$ 20,390
2023-24	57,291	17,943	57,291	17,943
2024-25	59,801	15,434	59,801	15,434
2025-26	62,512	12,722	62,512	12,722
2026-27	65,299	9,935	65,299	9,935
2027-28	68,211	7,023	68,211	7,023
2028-29	71,239	3,995	71,239	3,995
2029-30	36,527	805	36,527	805
2030-31	-	-	-	-
3031-32	-	-	-	-
3032-33	-	-	-	-
3033-34	-	-	-	-
3034-35	-	-	-	-
3035-36	-	-	-	-
3036-37	-	-	-	-
	<u>\$ 475,726</u>	<u>88,247</u>	<u>\$ 475,726</u>	<u>\$ 88,247</u>

CITY OF PENDLETON, OREGON
SCHEDULE OF FUTURE NOTE PAYABLE DEBT REQUIREMENTS
WATER FUND
June 30, 2022

Year of Maturity	Notes Payable Totals		Safe Drinking Water State Revolving Loan Fund			
	Principal	Interest	Principal	Interest	Principal	Interest
2022-23	\$ 430,237	\$ 18,911	\$ 294,000	\$ 13,230	\$ 136,237	\$ 5,681
	<u>\$ 430,237</u>	<u>\$ 18,911</u>	<u>\$ 294,000</u>	<u>\$ 13,230</u>	<u>\$ 136,237</u>	<u>\$ 5,681</u>

See auditor's report.

CITY OF PENDLETON, OREGON
SCHEDULE OF FUTURE NOTE PAYABLE DEBT REQUIREMENTS
SEWER FUND
June 30, 2022

Year of Maturity	Totals	
	Principal	Interest
2022-23	\$ 464,775	\$ 469,521
2023-24	606,272	200,032
2024-25	618,698	187,606
2025-26	631,434	174,870
2026-27	644,489	161,815
2027-28	657,869	148,435
2028-29	671,583	134,721
2029-30	685,642	120,662
2030-31	700,051	106,253
2031-32	714,820	91,484
2033-2037	1,679,927	300,383
2038-2042	1,868,598	111,724
	<u>\$ 9,944,158</u>	<u>\$ 2,207,506</u>

Year of Maturity	Clean Water State Revolving Fund					
	Principal	Interest	Principal	Interest	Principal	Interest
2022-23	\$ 130,757	\$ 393,297	\$ 234,018	\$ 76,224	\$ 100,000	\$ -
2023-24	265,726	130,336	240,546	69,696	100,000	-
2024-25	271,443	124,619	247,255	62,987	100,000	-
2025-26	277,283	118,779	254,151	56,091	100,000	-
2026-27	283,249	112,813	261,240	49,002	100,000	-
2027-28	289,342	106,720	268,527	41,715	100,000	-
2028-29	295,567	100,495	276,016	34,226	100,000	-
2029-30	301,927	94,135	283,715	26,527	100,000	-
2030-31	308,423	87,639	291,628	18,614	100,000	-
2031-32	315,058	81,004	299,762	10,480	100,000	-
2033-2037	1,679,927	300,383	-	-	-	-
2038-2042	1,868,598	111,724	-	-	-	-
	<u>\$ 6,287,300</u>	<u>\$ 1,761,944</u>	<u>\$ 2,656,858</u>	<u>\$ 445,562</u>	<u>\$ 1,000,000</u>	<u>\$ -</u>

See auditor's report.

STATISTICAL SECTION

City of Pendleton
Major Wastewater Accounts FY22

ACCOUNT	TOTAL ANNUAL REVENUE FY22	% OF TOTAL ANNUAL REV FY22
CTUIR PUBLIC WORKS	\$432,098	7.35%
DEPT OF CORRECTIONS	266,050	4.53%
BRUSSELBACK PROPERTIES	79,397	1.35%
WESTCOAST HOSPITALITY	53,059	0.90%
WEBB PROPERTIES	51,951	0.88%
REITH SANITARY DISTRICT	41,104	0.70%
BLUE MOUNTAIN VILLAGE LLC	35,028	0.60%
ROBERT ALAN PROPERTY MANAG	33,040	0.56%
UMATILLA COUNTY	30,304	0.52%
SHADEVIEW MHP	29,190	0.50%
TOTAL	1,051,221	17.89%
ALL OTHER CUSTOMERS	4,826,027	82.11%
TOTAL SEWER REVENUE	\$5,877,248	100.00%

City of Pendleton

	Actual											Projections	Projections	
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		
Operating Revenues:													Revenue 3%	Revenue 3%
Transfers from Other Funds - IN	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Expenses 3%	Expenses 3%
State Revenues:	0	0	0	0	1,537	0	0	0	0	0	0	0		
Enterprise Revenues:	3,821,177	3,906,275	3,809,996	4,043,311	4,269,318	4,796,279	5,182,008	5,627,719	5,702,506	6,180,765	6,366,188	6,557,174		
Intergovernmental revenues:	283,499	588,030	0	0	0	0	0	5,008	0	0	0	0		
Total Operating Revenues	4,104,676	4,494,305	3,809,996	4,043,311	4,270,855	4,796,279	5,182,008	5,632,727	5,702,506	6,180,765	6,366,188	6,557,174		
Operating Expenses:														
Personal Services	463,542	475,763	500,801	531,925	561,963	594,146	658,213	677,736	698,748	824,862	849,608	875,096		
Materials & Services	1,721,507	1,848,631	1,863,703	2,143,663	2,252,843	2,571,732	2,601,965	2,958,241	3,185,888	3,067,878	3,159,914	3,254,712		
Transfers to other fund- OUT	13,000	14,690	15,610	13,190	15,290	16,870	45,340	18,320	18,770	20,830	21,455	22,099		
Contingency	0	0	0	0	0	0	0	0	0	0	0	0		
Total Operating Expenses	2,198,049	2,339,084	2,380,114	2,688,778	2,830,096	3,182,747	3,305,518	3,654,297	3,903,406	3,913,570	4,030,977	4,151,906		
Net Operating Income	1,906,627	2,155,221	1,429,882	1,354,533	1,440,759	1,613,531	1,876,490	1,978,430	1,799,100	2,267,195	2,335,211	2,405,267		
Non-operating Income (Expenses):														
Sale of Equipment/land	0	0	1,450	685	0	1,200	0	0	0	500	2,000	2,000		
Other miscellaneous	2	1,667		-9,955	0	-14,550	-17,213	-19,930	-11,053	-19,429	0	0		
Reimbursement of expense	0	259	736	1,077	240	9,093	11,945	415	3,907	152,728	1,000	1,000		
Investment Income														
Sewer Fund	26,464	24,160	9,052	5,115	3,281	1,621	4,463	18,496	9,750	5,916	7,500	7,500		
Sewer Capital Reserve Fund	25,507	31,418	37,803	36,707	46,053	51,912	58,120	53,339	23,894	23,212	35,000	35,000		
Total Non-operating Income (Expense)	51,973	57,504	49,041	33,629	49,574	49,276	57,315	52,321	26,498	162,927	45,500	45,500		
Net Revenues Avail. For Debt Service	1,958,600	2,212,725	1,478,923	1,388,162	1,490,333	1,662,807	1,933,805	2,030,750	1,825,599	2,430,122	2,380,711	2,450,767		
Senior Lien Debt Service:														
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	744,598	740,773	744,573	744,698	743,923	865,509	0	0	0	0	0	0		
CWSRF \$4 million, \$2 million Debt Forgive	0	0	0	0	0	0	107,250	106,750	106,250	105,750	105,250	104,750		
CWSRF \$4.650 million	0	0	0	0	0	0	328,663	327,615	326,537	325,430	324,291	323,121		
CWSRF \$6.287 million	0	0	0	0	0	0	0	0	0	0	555,491	426,184		
Total Senior Lien Debt:	744,598	740,773	744,573	744,698	743,923	865,509	435,913	434,365	432,787	431,180	985,032	854,055		
Senior Debt Service Coverage Ratio	2.63	2.99	1.99	1.86	2.00	1.92	4.44	4.68	4.22	5.64	2.42	2.87		
Secondary Debt Service:														
Interfund fund interest							7,762	0			0	0		
CWSRF \$4 million, \$2 million Debt Forgive	50,000	104,875	104,625	108,750	108,250	107,750	0	0	0	0	0	0		
CWSRF \$4.650 million	239,387	321,867	321,411	331,640	330,674	329,682	0	0	0	0	0	0		
Sewer System Full Faith & Credit Bonds 2018	0	0	0	0	0	0	212,051	690,109	689,660	688,452	686,227	687,430		
Total Lien Debt Service	1,033,985	1,167,515	1,170,609	1,185,088	1,182,847	1,302,941	655,726	1,124,474	1,122,447	1,119,632	1,671,259	1,541,485		
Net Revenues Avail for Other purposes	\$924,615	1,045,210	308,314	203,074	307,486	359,866	1,278,079	906,277	703,152	1,310,490	\$709,452	\$909,282		
Debt Service Coverage	1.89	1.90	1.26	1.17	1.26	1.28	2.95	1.81	1.63	2.17	1.42	1.59		

**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		Total Debt Service
	Principal	Interest	Principal	Loan Fee	Principal	Interest & Fees	Principal	Interest & Fees	
2023	\$ 557,575	\$ 128,652	\$ 100,000	\$ 5,250	\$ 234,018	\$ 90,273	\$ 130,757	\$ 424,734	\$ 1,671,259
2024	576,930	110,500	100,000	4,750	240,546	82,575	265,726	160,458	1,541,485
2025	595,784	91,736	100,000	4,250	247,255	74,663	271,443	153,398	1,538,529
2026	614,102	72,378	100,000	3,750	254,151	66,531	277,283	146,186	1,534,381
2027	631,706	52,445	100,000	3,250	261,240	58,171	283,249	138,819	1,528,880
2028	653,373	31,884	100,000	2,750	268,527	49,578	289,342	131,295	1,526,749
2029	669,687	10,715	100,000	2,250	276,016	40,747	295,567	123,608	1,518,590
2030	-	-	100,000	1,750	283,715	31,668	301,927	115,754	834,814
2031	-	-	100,000	1,250	291,628	22,336	308,423	107,732	831,369
2032	-	-	100,000	750	299,762	12,744	315,058	99,538	827,852
2033	-	-	50,000	250	153,005	2,884	321,836	91,168	619,143
2034	-	-	-	-	-	-	328,760	82,618	411,378
2035	-	-	-	-	-	-	335,833	73,884	409,717
2036	-	-	-	-	-	-	343,059	64,960	408,019
2037	-	-	-	-	-	-	350,439	55,847	406,286
2038	-	-	-	-	-	-	357,979	46,536	404,515
2039	-	-	-	-	-	-	365,680	37,026	402,706
2040	-	-	-	-	-	-	373,548	27,310	400,858
2041	-	-	-	-	-	-	381,585	17,385	398,970
2042	-	-	-	-	-	-	389,806	7,248	397,054
Total	\$4,299,157	\$498,310	\$1,050,000	\$30,250	\$2,809,863	\$532,170	\$6,287,300	\$2,105,504	\$19,854,632

City of Pendleton - Taxable Property Values and GO Debt Capacity

Fiscal Year	Total Assessed Value	Urban Renewal Excess	Net Assessed Value	M5 Real Market Value	GO Bond Capacity (3.00% of RMV)	GO Bonds Outstanding	Remaining Capacity
2022	\$ 1,096,692,860	\$ 66,584,465	\$ 1,030,108,395	\$ 1,450,139,386	\$ 43,504,182	\$ 7,615,000	\$ 35,889,182
2021	1,064,288,764	61,682,495	1,002,606,269	1,372,128,144	41,163,844	7,950,000	33,213,844
2020	1,018,970,940	55,440,427	963,530,513	1,292,942,005	38,788,260	8,240,000	30,548,260
2019	979,647,633	57,294,594	922,353,039	1,262,493,605	37,874,808	8,515,000	29,359,808
2018	938,181,204	51,929,312	886,251,892	1,207,877,796	36,236,334	8,760,000	27,476,334
2017	912,267,028	49,779,584	862,487,444	1,130,963,994	33,928,920	9,060,000	24,868,920
2016	891,139,667	48,902,352	842,237,315	1,102,473,659	33,074,210	-	33,074,210
2015	857,971,207	43,738,510	814,232,697	1,069,201,230	32,076,037	230,000	31,846,037
2014	827,546,238	39,737,018	787,809,220	1,055,355,036	31,660,651	445,000	31,215,651
2013	800,015,230	33,136,923	766,878,307	1,021,860,177	30,655,805	910,000	29,745,805

Source: Umatilla County Department of Assessment and Taxation

Representative Levy Rate - Fiscal Year 2022
(Rates Per \$1,000 of Assessed Value)

General Government	Permanent Rate	Bond Levy Rate	Local Option Rate⁽¹⁾	Consolidated Rate
Umatilla County	\$ 2.6699	\$ 0.0000	\$ 0.0000	\$ 2.6699
City of Pendleton	6.1642	0.4708	0.0000	6.6350
Port of Umatilla	0.1443	0.0000	0.0000	0.1443
County Radio District	0.1594	0.0000	0.0000	0.1594
Umatilla Special Library District	0.3451	0.0000	0.0000	0.3451
Pendleton Urban Renewal	0.9947	0.0000	0.0000	0.9947
Total General Government	10.4776	0.4708	0.0000	10.9484
Education				
Intermountain ESD	0.5770	0.0000	0.0000	0.5770
Blue Mountain Community College	0.6196	0.1886	0.0000	0.8082
Pendleton School District No. 16	4.1741	2.1388	0.0000	6.3129
Total Education	5.3707	2.3274	0.0000	7.6981
Total Tax Rate	\$ 15.8483	\$ 2.7982	\$ 0.0000	\$ 18.6465

Representative Levy Rate - Fiscal Year 2021
(Rates Per \$1,000 of Assessed Value)

General Government	Permanent Rate	Bond Levy Rate	Local Option Rate⁽¹⁾	Consolidated Rate
Umatilla County	\$ 2.6758	\$ 0.0000	\$ 0.0000	\$ 2.6758
City of Pendleton	6.1778	0.5895	0.0000	6.7673
Port of Umatilla	0.1446	0.0000	0.0000	0.1446
County Radio District	0.1597	0.0000	0.0000	0.1597
Umatilla Special Library District	0.3459	0.0000	0.0000	0.3459
Pendleton Urban Renewal	0.9619	0.0000	0.0000	0.9619
Total General Government	10.4657	0.5895	0.0000	11.0552
Education				
Intermountain ESD	0.5783	0.0000	0.0000	0.5783
Blue Mountain Community College	0.6210	0.1978	0.0000	0.8188
Pendleton School District No. 16	4.1833	2.1019	0.0000	6.2852
Total Education	5.3826	2.2997	0.0000	7.6823
Total Tax Rate	\$ 15.8483	\$ 2.8892	\$ 0.0000	\$ 18.7375

(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 2020
(Rates Per \$1,000 of Assessed Value)

General Government	Permanent Rate	Bond Levy Rate	Local Option Rate⁽¹⁾	Consolidated Rate
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
Total General Government	10.4295	0.6041	0.0000	11.0336
Education				
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
Total Education	5.4188	2.3062	0.4000	8.1250
Total Tax Rate	\$ 15.8483	\$ 2.9103	\$ 0.4000	\$ 19.1586

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

General Government	Permanent Rate	Bond Levy Rate	Local Option Rate⁽¹⁾	Consolidated Rate
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
Total General Government	10.1179	0.5788	0.0000	10.6967
Education				
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
Total Education	5.7304	2.3832	0.4000	8.5136
Total Tax Rate	\$ 15.8483	\$ 2.9620	\$ 0.4000	\$ 19.2103

(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)

General Government	Permanent Rate	Bond Levy Rate	Local Option Rate⁽¹⁾	Consolidated Rate
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
Total General Government	10.1179	0.6238	0.0000	10.7417
Education				
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
Total Education	5.7304	2.4438	0.4000	8.5742
Total Tax Rate	\$ 15.8483	\$ 3.0676	\$ 0.4000	\$ 19.3159

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

General Government	Permanent Rate	Bond Levy Rate	Local Option Rate⁽¹⁾	Consolidated Rate
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
Total General Government	10.1179	0.0000	0.0000	10.1179
Education				
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
Total Education	5.7304	2.5502	0.4000	8.6806
Total Tax Rate	\$ 15.8483	\$ 2.5502	\$ 0.4000	\$ 18.7985

(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 2022

Real Market Value	\$	1,450,139,386	
Estimated Population		17,118	
Per Capita Real Market Value	\$	84,714	
	Debt Information	Gross Direct Debt⁽¹⁾	Net Direct Debt⁽²⁾
City Direct Debt	\$	16,039,574	\$ 11,740,416
Overlapping Direct Debt		43,333,885	42,018,209
Total Direct Debt	\$	<u>59,373,459</u>	<u>\$ 53,758,625</u>
Bonded Debt Ratios			
City Direct Debt to Real Market Value		1.11%	0.81%
Total Direct Debt to Real Market Value		4.09%	3.71%
Per Capita City Direct Debt	\$	937	\$ 686
Per Capita Total Direct Debt	\$	3,468	\$ 3,140

Fiscal Year 2021

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

Fiscal Year 2020

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

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

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

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

City of Pendleton, Oregon - Debt Ratios

Fiscal Year 2019

Real Market Value	\$	1,262,493,605	
Estimated Population		16,810	
Per Capita Real Market Value	\$	75,104	
	Debt Information	Gross Direct Debt⁽¹⁾	Net Direct Debt⁽²⁾
City Direct Debt	\$	19,957,740	\$ 14,079,884
Overlapping Direct Debt		45,887,576	43,982,758
Total Direct Debt	\$	65,845,316	\$ 58,062,642
Bonded Debt Ratios			
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

Fiscal Year 2018

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

Fiscal Year 2017

Real Market Value	\$	1,130,963,994	
Estimated Population		16,880	
Per Capita Real Market Value	\$	67,000	
	Debt Information	Gross Direct Debt⁽¹⁾	Net Direct Debt⁽²⁾
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
Bonded Debt Ratios			
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

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

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

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

City of Pendleton, Oregon - Major Taxpayers

**Fiscal Year 2022
City of Pendleton**

Taxpayer	Business/Service	Tax	Assessed Value	Value
Hill Meat Company	Food processing	\$337,511	\$18,963,050	2.02%
Pacificorp	Utility	270,515	15,199,000	1.62%
Atkore Acquisition Company	Manufacturing	243,587	13,685,530	1.46%
Keystone RV Company	RV Manufacturing	193,664	10,813,780	1.15%
Charter Communications	Telecommunications	182,147	10,234,000	1.09%
Wal-Mart	Department store	162,424	8,985,400	0.96%
CenturyLink	Telecommunications	142,528	8,008,000	0.85%
St. Anthony Hospital	Healthcare	140,561	7,827,670	0.83%
Brusselback Properties LLC	Property Management	132,293	7,347,730	0.78%
Union Pacific Railroad Co	Railroad	125,428	6,726,670	0.72%
Subtotal - ten of City's largest taxpayers			107,790,830	9.83%
All other City taxpayers			988,902,030	90.17%
Total District			\$ 1,096,692,860	100.00%

**Fiscal Year 2021
City of Pendleton**

Taxpayer	Business/Service	Tax	Assessed Value	Value
Hill Meat Company	Food processing	\$346,644	\$19,377,130	2.07%
Atkore Acquisition Company (Centurylink)	Manufacturing	289,728	6,205,159	0.66%
Pacificorp	Utility	230,592	12,890,000	1.37%
Charter Communications	Telecommunications	168,463	9,417,000	1.00%
Keystone RV Company	Manufacturing	167,391	9,299,300	0.99%
Lumen Technologies Inc.	Telecommunications	154,670	8,646,000	0.92%
Wal-Mart	Department store	153,542	8,582,930	0.91%
Brusselback Properties LLC	Multi-Family Properties	132,601	7,076,740	0.75%
St. Anthony Hospital	Healthcare	132,293	7,347,730	0.78%
Union Pacific Railroad Co	Railroad	121,130	6,464,600	0.69%
Subtotal - ten of City's largest taxpayers			95,306,589	8.95%
All other City taxpayers			968,982,175	91.05%
Total District			\$ 1,064,288,764	100.00%

**Fiscal Year 2020
City of Pendleton**

Taxpayer	Business/Service	Tax	Assessed Value	Value
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	9.02%
All other City taxpayers			927,077,270	90.98%
Total District			\$ 1,018,970,940	100.00%

Source: Umatilla County Department of Assessment and Taxation

City of Pendleton, Oregon - Major Taxpayers

**Fiscal Year 2019
City of Pendleton**

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

**Fiscal Year 2018
City of Pendleton**

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

**Fiscal Year 2017
City of Pendleton**

Taxpayer	Business/Service	Tax	Assessed Value	Percent of Value
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%

Source: Umatilla County Department of Assessment and Taxation

City of Pendleton, Oregon - Major Taxpayers

**Fiscal Year 2016
City of Pendleton**

Taxpayer	Business/Service	Tax	Assessed Value	Percent of Value
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**

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

**Fiscal Year 2014
City of Pendleton**

Taxpayer	Business/Service	Tax	Assessed Value	Percent of Value
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%

Source: Umatilla County Department of Assessment and Taxation

Umatilla County
Tax Collections ⁽¹⁾

Fiscal Year	Percent Collected as of Levy Year ⁽²⁾	6/30/2022 ⁽³⁾
2022	97.00%	97.00%
2021	97.20%	97.20%
2020	95.00%	95.00%
2019	94.50%	94.50%
2018	94.70%	94.70%
2017	96.70%	96.70%
2016	97.03%	98.84%

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

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

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

Source: Umatilla County Department of Assessment and Taxation

**Ending Fiscal Year 2022
City of Pendleton**

Debt Obligation	Totals
General Obligation Bonds	
Total G O Bonds	\$7,615,000
Limited Tax Pension Bonds	
Series 2005	\$3,655,000
Full Faith and Credit Bonds	
Series 2018 - Police Bldg	\$470,416
Notes Payable	
Sunridge LID/Banner Bank	\$0
PCC Eastside Expansion/Banner Bank	\$475,726
OR IFA Olney Project #L14004	\$0
Total Notes Payable	\$475,726
Total General Government Debt Obligations	\$12,216,142



ACCOMPANYING INFORMATION



Dickey and Tremper, LLP
Certified Public Accountants and Business Advisors

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

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, 2022 and have issued our report thereon dated May 17, 2023. 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>\$ 13,042</u>

There were contracting issues with some of the contractors performing improvements on the airport barracks project and the contracts were not performed under federal prevailing wage provisions, as required.

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



May 17, 2023



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

**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**

May 17, 2023

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, 2022 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 May 17, 2023.

Report on Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2022-001, 2022-002 and 2022-003 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2022-004 to be a significant deficiency.

Report on 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, Oregon's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City'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 the response.

Purpose of this Report

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



Dickey and Tremper, LLP
Certified Public Accountants

Pendleton, Oregon
May 17, 2023



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

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

Qualified and Unmodified Opinions

We have audited the City of Pendleton, Oregon's (City) 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's major federal programs for the year ended June 30, 2022. 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.

Qualified Opinion on Airport Improvement Program

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the City of Pendleton, Oregon complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Airport Improvement Program for the year ended June 30, 2022.

Unmodified Opinion on Coronavirus State and Local Fiscal Recovery Funds – COVID19(ARPA)

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 the Coronavirus State and Local Fiscal Recovery Funds – COVID19 (ARPA) program for the year ended June 30, 2022.

Basis for Qualified and Unmodified Opinions

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* (PFC Guide). Our responsibilities under those standards, the Uniform Guidance, and the PFC Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Pendleton and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and passenger facility charges. Our audit does not provide a legal determination of the City of Pendleton's compliance with the requirements referred to above.

Matter(s) Giving Rise to Qualified Opinion on Airport Improvement Program

As described in the accompanying schedule of findings and questioned costs, the City of Pendleton, Oregon did not comply with requirements regarding Assistance Listing No. 20.106 Airport Improvement Program as described in finding number 2022-005 for Special Tests relating to prevailing wage requirements.

Compliance with such requirements is necessary, in our opinion, for the City to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Pendleton's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Pendleton's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the PFC Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Pendleton's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the PFC Guide we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Pendleton's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Pendleton's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which is required to be reported in accordance with the PFC Guide and which is described in the accompanying schedule of findings and questioned costs as item 2022-008. Our opinion on the PFC program was not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on 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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-005 to be a material weakness.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-006 and 2022-007 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the City of Pendleton's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Dickey and Tremper, LLP

Dickey and Tremper, LLP
Certified Public Accountants

Pendleton, Oregon
May 17, 2023



**CITY OF PENDLETON, OREGON
NOTES TO SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2022**

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, 2022. 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 has the following net activity on loan balances payable as of June 30, 2021, of which, at least a portion are Federal funds.

Loan Description	Loans Payable At 6/30/21	Loans Issued	Loans (Repaid)	Loans Payable At 6/30/22
Safe Drinking Water State Revolving Loan Fund	\$ 6,898,135	\$ 1,490,077	\$ (412,783)	\$ 7,975,429
Clean Water State Revolving Loan Fund	4,187,531	-	(327,668)	3,859,863

City of Pendleton, Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Grantor Number	Total Federal Expenditures	Passed Through to Sub-Recipients
DEPARTMENT OF TRANSPORTATION				
Direct Program:				
Airport Improvement Program	20.106	DOT-FA21NW-00253	\$ 285,715	\$ -
Airport Improvement Program	20.106	DOT-FA22NM-0148	8,404	-
Airport Improvement Program: CARES Act - COVID-19	20.106	COVID-19	1,479,786	-
		Sub-total CFDA 20.106	** 1,773,905	-
Passed through Oregon Dept of Transportation -				
Transit Division:				
Formula Grants for Other Than Urbanized Areas	20.509	33408	41,859	-
Formula Grants for Other Than Urbanized Areas - COVID-19	20.509	34841	154,149	-
		Sub-total CFDA 20.509	196,008	-
Transit Services Program Cluster:				
Enhanced Mobility of Seniors and Individuals With Disabilities	20.513	33554 & 32877	134,180	-
Total U.S. Department of Transportation			2,104,093	-
DEPARTMENT OF TREASURY				
Direct Program:				
Coronavirus State and Local Fiscal Recovery Funds - COVID-19 (ARPA)	21.027	COVID-19	1,074,877	-
Total Department of Treasury			** 1,074,877	-
EXECUTIVE OFFICE OF THE PRESIDENT				
Office of the National Drug Control Policy				
Direct Program:				
High Intensity Drug Trafficking Area-HIDTA	95.001	DOJ-HIDTA	117,391	32,491
Total Executive Office of the President			117,391	32,491
DEPARTMENT OF HOMELAND SECURITY				
FEDERAL EMERGENCY MANAGEMENT				
Direct Program:				
Assistance to Firefighters Grant	97.044	EMW-2017-FO-04432	111,345	-
Disaster Grants - Public Assistance	97.036	FEMA-DR-4499-OR	655,563	-
Total Department of Homeland Security			766,908	-
TOTAL FEDERAL EXPENDITURES			\$ 4,063,269	\$ 32,491

** Signifies major program

CITY OF PENDLETON, OREGON
SCHEDULE OF PASSENGER FACILITY CHARGE
RECEIPTS AND DISBURSEMENTS
For The Fiscal Year Ended June 30, 2022

	Quarter Ended				Year Ended June 30, 2022
	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022	
Passenger facility charge revenues received	\$ 3,326	\$ 7,711	\$ 3,848	\$ 5,156	\$ 20,041
Interest received	-	-	-	-	-
Total passenger facility charge receipts	3,326	7,711	3,848	5,156	20,041
Disbursements applied:					
Application 18-03-C-00-PDT	3,326	7,711	3,848	5,156	20,041
Net increase (decrease) in cash	-	-	-	-	-
Cash balance, beginning	-	-	-	-	-
Cash balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

CITY OF PENDLETON, OREGON
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For The Fiscal Year Ended June 30, 2022

PRIOR YEAR FINDINGS – FINANCIAL STATEMENTS AUDIT

Material Weakness

2021-001

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

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

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

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

Current Status: City staff will review consultant's reimbursement requests prior to submitting to EDA. When grant funds are received, there will be additional communication to ensure these dollars are being coded to the correct fund and project codes. Year-end reconciliation of expenditures and revenues will be done to ensure expenditures and revenues are where they belong. There were no expenditures made during FY22 therefore no reimbursement requests to review.

2021-002

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

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

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

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

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

Current Status: The City and Urban Renewal Assistant Director will have better communication and a defined workflow to help ensure projects and programs with grant reimbursement requests are done timely. Communication to the Finance Department for the total scope of the project will be initiated at the beginning of the project. Additional reviews and procedures will be put in place to monitor and communicate new projects and programs. Currently, the City is not getting response from the entity providing this project service. They are under reduced staffing and no one is directly overseeing this program. Finance is reviewing all expenses monthly and accounting for them in a spreadsheet. Finance is requesting the entity to provide their information for verification but nothing has been received. This program had limited activity for FY22.

2021-003

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

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

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

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

Current Status: Finance, City Manager, and Public Works, had a meeting to review these criteria and address this issue before expending additional SDC funds. Additional reviews and procedures were put into place to ensure costs charged against this fund are allowable costs. Management put corrective actions into place In March 2022. Corrective steps to alleviate future findings are in effect now. Public Works and the City Manager are reviewing all projects prior to SDC designation to make sure the project fits the requirements of the SDC program.

Significant Deficiency

2021-004

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

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

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

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

Current Status: City did work all staff responsible for entering payment requests into their accounting system to ensure they understand what qualifies as a capital expense and where to code those expenditures. Also, a review of all repair and maintenance accounts as well as a yearly review of expenditures above the capital threshold is ongoing and corrections made if necessary. Extra effort was made to educate the departments which enter the account number for expenses what constitutes a capital expense.

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

US DEPARTMENT OF COMMERCE

Investments for Public Works and Economic Development

Significant Deficiency

2021-005

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

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

Context and Effect: There were two SF425 Federal Financial Reports related to the project for the current fiscal year and we performed tests of 100% of the reports and support. One report was filed on time and the other was filed about 2 months late. In addition, costs had been incurred and paid but there were no expenditures to date included in the reports.

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

Current Status: The City is in communication with GEODC with all grant administrators to ensure reporting is being done timely and accurately. Any discrepancies found will be addressed prior to reporting deadlines. There were no new expenditures to request during FY22 and staff has asked GEODC to provide any quarterly reports that they have made. GEODC lost substantial staff within the last year and response times have been slower. They are the designated project managers and are responsible for the reporting. The City is trying to get information on a timely basis.

US DEPARTMENT OF TRANSPORTATION

Airport Improvement Program – CARES Act

Significant Deficiency

2021-006

Condition and criteria: Internal control procedures should be in place to identify allowable costs for reimbursement, which include secondary review processes to

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

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

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

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

Current Status: Airport Office Specialist prepares the reimbursement claim documentation and then has Airport Manager and/or Economic Development Director check CARES Act reimbursements before submission. Either the director or the manager physically signs off on the documents to show their approval. Note: Airport Manager from FY21 was not here a full year (June 2022), so a new airport manager, Dan Bandel, was hired in February 2023. He has been made aware of the review signoff requirement.

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

Type of Finding: Noncompliance – Reporting

2021-007

Condition and criteria: Public agencies must provide quarterly reports to carriers collecting PFC revenues for the agency. The Airport uses the FAA online SOAR system as the communication. Program requirements state that the reports must be provided on or before the last day of the calendar month following the calendar quarter. The PFC reporting to the FAA is required to be on the cash basis, but was accrual basis for part of the year and sporadic for the last part of the year. There was improvement in reporting and making payments, but the air carrier has still been late in making and reporting payments, and the airport has been late on reporting receipts and disbursements to the FAA.

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

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

Auditor's recommendation: We recommend that Airport management complete the reporting of both collections and disbursements within the required timeline and that the reports are based on the date collected and disbursed. We also recommend that the Airport work with Boutique Airlines to ensure that PFC payments and reporting are timely in the future.

Current Status: Simply put, the Airport Staff have very limited control of when the air carrier actually pays their PFC's. The primary action the Airport Office Specialist can do is to invoice the air carrier quickly after the month ends. That is reportedly being done. Enplanements are reported within five days of the end of each month and Airport Office Specialist invoices shortly thereafter. However, if the air carrier fails to pay in a timely fashion, then there is very little the Airport can do, other than threaten fines or late fees. Airport Management suspects that PFC's present a cash flow problem, especially for small struggling air carriers. Thus, management would be very surprised if the delayed payment of PFC's was not a common problem in many places. That said, staff are earnest in their desire to see the PFC's get paid and reported on time, as required, so we will do whatever we can to pressure Boutique Air to pay PFC's on time.

**CITY OF PENDLETON, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Fiscal Year Ended June 30, 2022**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

- 01 The auditor's report expresses an unmodified opinion on the basic financial statements of the City of Pendleton.
- 02 Three material weaknesses and one significant deficiency were discovered by the audit of the basic financial statements of the City of Pendleton, Oregon.
- 03 No instances of noncompliance material to the financial statements of the City of Pendleton, Oregon, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

Federal Awards

- 01 One material weakness and two significant deficiencies in internal control over major federal programs were disclosed by the audit.
- 02 The auditor's report on compliance expresses a qualified opinion on the AIP (Airport Improvement Program), but an unqualified opinion for the ARPA program.
- 03 Audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a) are reported in this schedule.

- 04 The programs tested as major programs included:

Airport Improvement Program	CFDA # 20.106
<i>Coronavirus State and Local Fiscal Recovery Funds – COVID19(ARPA)</i>	<i>CFDA # 21.027</i>

- 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 2022-008.

SECTION II - FINDINGS – FINANCIAL STATEMENTS AUDIT

Material Weaknesses

2022-001

Condition and criteria: In our fieldwork, we noted that the capital asset records had not been updated to reflect that the 8th St Bridge had been placed in service and we requested that management update the records for this addition along with any other contributed assets. Management updated the records, but only included the portion of the bridge paid directly by the City and not the portion paid for and contributed by ODOT. Other contributed assets were also not included. Management prepared a final version that included the full contributed value of the 8th St Bridge and other contributed assets, which had a material effect on the financial statements.

Cause: The City was waiting for the assets to be officially accepted but there were delays in bringing the acceptance to Council that extended past the date that the assets were placed into service and use as a City asset.

Effect: There were material adjustments required to correct the capital assets records for contributed assets.

Auditor's recommendation: We recommend that management have City Council approve all contributed assets as a tool to help these items get recognized in the financial records and to allow Council to accept the assets and any potential commitments that come with them. We also recommend that assets placed in service and use by the City be added to the capital asset records.

Management's Response: Management agrees with the recommendation and the City has been practicing that recommendation for a while. This project took an excessive amount of time to officially close out through ODOT who provided the majority of funding and management oversight. The City recorded the City expense portion of the project timely. But the extended closeout by ODOT by several years was overlooked this year by City staff to report as final closure for ODOT contributions. The true fiscal effect of this three minute prep and enter journal entry fix is minimal to none. Fixed assets are not a portion of whether a lending institution would lend to the City. The actual asset is a street, it is not an item the City could sell. Lending institutions lend on the ability of revenue resources, not how many streets are on the asset books. The long term effect is that this is another street for maintenance requirements as it ages.

2022-002

Condition and criteria: There were several changes to the Schedule of Expenditures of Federal Awards prepared by management, to change the amounts reported for AIP, transit services, bullet proof vest grants, provider relief funds and Coronavirus Relief Fund. In addition, the SEFA did not foot properly due to omitting ARPA funds (about \$1.1 million) from the total.

Cause: The City has processes in place to identify the programs and cost for most of its activities, but there have been requirements added to the SEFA elements in the last couple of years and other special requirements related to COVID awards. In

addition, there were changes in allowable costs identified during the audit, reconciling differences in expenditures related to deferred inflows, and additional secondary review needed as part of the process.

Effect: Material adjustments were required to properly report the SEFA and to assess major programs subject to audit.

Auditor's recommendation: We recommend that additional reviews and procedures be put in place to ensure that all expenditures of federal funds are correctly and completely reported on the SEFA.

Management's response: Management agrees with the auditors recommendations that additional reviews and procedures be put in place to ensure that all expenditures of federal funds are correctly and completely reported on the SEFA. There may have been a lack of communication in this audit period for management to stay up on the changes that were being made.

2022-003

Condition and criteria: The City implemented new GASB Standard No. 87 *Leases* in the current fiscal year. The City contracted with an outside vendor to help maintain a database for leases and assist in implementing the new standard. However, significant corrections were required to add leases originally omitted, adjust for regulated leases exempt from the standard, incorporate extension periods, correct for other contract provisions, change allocations between funds and activities, and to correct amortization of leased assets.

Cause: It is the first year of both implementing a new standard and working with the contractor to assist with the program. It also appears that additional input was needed from management for some of the assumptions and reviews performed by management were not adequate to catch the errors.

Effect: Material adjustments were needed to properly report lease receivables and related deferred inflows of resources, lease assets and lease liabilities.

Auditor's recommendation: We recommend that management implement additional procedures and reviews to ensure that all information regarding lease activity prepared by the outside contractor is being reported according to the new standard.

Management's response: The City agrees with the recommendation. This is a new Governmental Accounting Standards Board (GASB) requirement (#87) which seems to do nothing to benefit the City but add a lot of extra work for staff and therefore for the auditor. The City paid for a software subscription with reporting services to help with this new requirement and the information provided was ultimately lacking and the City did miss a few lease contracts to add to the multiple leases that the City has. This was a learning experience for all and it doesn't seem to have any accounting benefit for the City from prior years when this GASB rule was not in effect. The City was leaning on the knowledge on the subscription lease based program and their accountants on staff to help guide the City through this new extensive requirement. This GASB requirement will be on going and consumes extensive staff time. The benefit for the City is null as far as Finance staff is concerned but it is required. The

software also helped provide written information for the financial notes section that our auditor has been preparing for the audit.

Significant Deficiency

2022-004

Condition and criteria: There was a prior year error in capital assets records and a large excess amount of depreciation was recorded for the cemetery due to a formula error. There was also a formula error in the “check” section intended to show if an asset had been over depreciated or not and this formula error masked the issue of the over depreciation.

Cause: Formula errors in the spreadsheet caused depreciation to be incorrectly recorded. It also appears that management review was not adequate to catch the errors.

Effect: A large adjustment was required to correct the error, which was reported as a prior period adjustment.

Auditor’s recommendation: We recommend that additional reviews of fixed asset records take place to ensure that prior year numbers roll forward to the next year correctly, that formulas are working as intended and that depreciation is calculated accurately.

Management’s response: The City agrees with the auditor’s recommendation but the Finance staff is short on time. There are only two Finance employees that have audit preparation experience and have accounting experience to do the reviews. Sometimes the work papers do not get a second review due to time restrictions. The City has many projects going on and with only two management Finance staff, time is in short supply. Along with audit prep, the accounting supervisor was having to spend time training, as in the last two years 50 percent of the staff has turned over for better paying jobs, retirement, or opportunity to transfer to a different department, all leaving on good terms. But training takes time. This error was most likely due to the demands that are on the accounting supervisor being pulled in many directions. ARPA funds, FEMA Funds, employee training, recruitment, everyday supervision and other responsibilities are all pulling at that position. The actual fiscal impact on how it really affects the City is null. There is not a real financial impact on the City, it takes a few minutes to correct with a Journal Entry and the City moves on. This is another “learning experience” that won’t happen again. Finance is not down playing the requirements of the accounting principals and that they are important, but the real impact, the everyday existence of life for the City, and on how it affects the City is immaterial. To the average citizen, this deficiency changes nothing to service provided, the financial resources of the ability to provide the services or the actual usage of the capital assets won’t change.

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

DEPARTMENT OF TRANSPORTATION

Airport Improvement Program – CARES Act

Compliance and Material Weakness – Special Tests

2022-005

Condition and criteria: There were contracting issues with some of the contractors performing barracks improvements and none of the contracts were performed under prevailing wage provisions, as required. The costs appear to be allowable costs and activities, but approximately \$118k should have been performed under prevailing wage standards, which is material to the program.

Cause: There were contracting issues with the contractors, and it appears the City was not effectively monitoring this requirement.

Context and Effect: The costs appear to be allowable costs and activities, but approximately \$118k should have been performed under prevailing wage standards, which is material to the program.

Auditor's recommendation: We recommend that additional reviews and procedures be put in place to ensure that all contracts with prevailing wage requirements are performed accordingly.

Management's response: Economic Development & Airport Director has clearly instructed new Airport Manager on City's purchasing procedures and stressed the importance of abiding by them.

Significant Deficiencies

2022-006

Condition and criteria: The airport is allowed to submit payroll costs for reimbursement as part of the CARES Act program. There has not been a secondary review process on this portion of the expenses claimed and there were errors found in the amounts claimed for January, February and April claims. The overall amount claimed was less than the amount that was available and the funding level had been reached by year end.

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

Context and Effect: The overall amount claimed was less than the amount that was available and the funding level had been reached by year end.

Auditor's recommendation: This is an ongoing finding and we continue to recommend a secondary review and double checks of amounts claimed in the future.

Management's response: Economic Development & Airport Director believes that the double checking (of the calculations) was clearly instructed to previous airport manager, however, the step was apparently not followed last year. It is unlikely that any additional payroll will be reimbursed through CARES Act, but the new Airport Manager has been clearly instructed that all calculations must be doubled checked before submission. Note: This was a somewhat insignificant amount of money related to a part-time worker's pay. It was also a minor under-collection (less than the City could have collected), which should have been double-checked, but may have possibly been intentional. Staff is unaware of any amount of payroll for which it was required to ask for reimbursement on, so this finding seems subjective and immaterial

2022-007

Condition and criteria: The Airport claimed costs under the CARES Act that were originally determined to be deferred maintenance and not requiring an addendum for a development agreement. However, the taxi lanes and portions of the terminal rehabilitation projects are now required to go through a development addendum, which the FAA had not approved at the time of the audit.

Cause: Guidance related to CARES Act dollars has changed several times since inception of the program.

Context and Effect: Costs of \$32,091 were disallowed by the FAA and adjustments were required to correct revenue reported on the SEFA since the addendum and \$9.6 million grants were not yet approved.

Auditor's recommendation: We recommend that additional procedures and reviews be put in place to monitor projects that may require development addendums and that the addendums be obtained prior to performing the project.

Management's response: Economic Development & Airport Director believes very strongly that there is no way that Airport Staff could have foreseen the FAA procedural change as it relates to addendums being required for CARES Act projects. Staff understands the seriousness of the cash flow challenges this FAA procedural change created for the City, but still does not see any way it could have been avoided. If anything, someone on the FAA's side made a serious mistake in telling Airport Staff that our projects did not require addendum agreements.

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

Type of Finding: Noncompliance – Reporting

2022-008

Condition and criteria: Public agencies must provide quarterly reports to carriers collecting PFC revenues for the agency. The Airport uses the FAA online SOAR system as the communication. Program requirements state that the reports must be provided on or before the last day of the calendar month following the calendar quarter.

| The PFC reporting to the FAA is required to be on the cash basis, but accrual basis was reported. There was improvement in reporting and making payments, but most of the payments received/owed were still outside the required window. There were also some small discrepancies in the amounts reported.

Cause: The disbursements section of the FAA system has an error message that the “user will not be able to edit the disbursements until the project(s) with overdue Estimated Dates are corrected” and the City has not been able to post all of the disbursements/collections of PFC’s.

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 completion dates be corrected and finalized for Runway 7-25 construction and administration and that the disbursements that are entered to date be updated.

Management’s response: Airport accepts the auditor’s recommendation and will be reviewed by the Airport Office Specialist and the Airport Manager.