



**City of Sutherlin
Regular Council Meeting
Monday, December 10, 2018
Civic Auditorium – 7:00 p.m.
AGENDA**

Mayor Todd McKnight
Council President Luzier
Councilors Boggs, Stone, Sumner, Tomlinson, and Vincent

- 1. CALL TO ORDER / FLAG SALUTE**
- 2. ROLL CALL**
- 3. INTRODUCTION OF MEDIA**
- 4. PUBLIC COMMENT**

[The purpose of citizen comment is to allow citizens to present information regarding agenda items only. A time limit of three minutes per citizen shall apply.]

5. PRESENTATIONS

- a. Audit Report

6. CONSENT AGENDA

- a. November 13, 2018 Minutes – Regular Meeting

7. PUBLIC HEARING

- a. Street Vacation – Ault Court

8. COUNCIL BUSINESS

- a. Ordinance – Street Vacation – Ault Court (first reading, title only)
- b. Resolution 2018.22 – Supplemental Budget Adjustment – Ford's Pond Appraisal
- c. Resolution 2018.23 – IFA Loan Approval and Safe Drinking Water Grant
- d. Resolution 2018.24 – Election Canvass
- e. Liquor License Approval – Central Foodmart

9. REPORTS

- a. Public Safety Update

10. CITY COUNCIL COMMENT

11. PUBLIC COMMENT

[The purpose of citizen comment is to allow citizens to present information regarding items off the agenda. A time limit of three minutes per citizen shall apply.]

12. ADJOURN

Members of the audience who wish to address the Council will be invited to do so. Speakers must use the microphone stating their name and address prior to addressing the Council.

If you have a disability that requires special materials, service, or assistance, please call 541.459.2856 at least 48 hours prior to the meeting to arrange for accommodations



Call to Order & Flag Salute





ROLL CALL





Introduction Of Media





PUBLIC COMMENT

Agenda Items only





Presentations and/or Proclamations





126 E. Central Avenue
Sutherlin, OR 97479
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City of Sutherlin

STAFF REPORT					
Re: 2018 Audit				Meeting Date:	12/10/18
Purpose:	Action Item <input type="checkbox"/>	Workshop <input type="checkbox"/>	Report Only <input checked="" type="checkbox"/>	Discussion <input type="checkbox"/>	Update <input type="checkbox"/>
Submitted By: Dan Wilson, Finance Director				City Manager Review	<input checked="" type="checkbox"/>
Attachments: 2018 Communication to the Governing Body and 2018 Financial Report					

WHAT IS BEING ASKED OF COUNCIL?

No action is being asked of council at this time. This report is to update the council as to the final status of the annual audit for the 2018 fiscal year. The Council will be presented the audit by Chris O'Dell, CPA who is the lead auditor on the city audit team this year for Pauly, Rogers and Co., P.C. Bound copies of the audit will be disbursed at the meeting.

EXPLANATION

Staff has reviewed the final Financial Report for the year ended June 30, 2018 and is pleased to report that the city earned an unqualified opinion on the City's financial statements which is commonly referred to as a "clean" audit; meaning that the auditor's have issued an opinion that is with no reservations. Some highlights of the audit are:

From the Communication to the Governing Body letter

- Audit opinion letter – an unqualified opinion on the City's financial statements has been issued. This means we have given a "clean" opinion with no reservations. (p. 2)
- State minimum standards for audits – We found no exceptions or issues requiring comment. (p. 2)
- Qualitative Aspects of Accounting Practices – The disclosures in the financial statements are neutral, consistent, and clear. (P. 2)
- Difficulties Encountered in Performing the Audit – We encountered no significant difficulties in dealing with management in performing and completing our audit. (P. 2)
- Corrected and Uncorrected Misstatements – There were no uncorrected misstatements noted during the audit. (P. 2)
- Disagreements with Management – We are pleased to report that no such disagreements arose during the course of our audit. (P. 2)
- Supplementary Information within Documents Containing Audited Financial Statements – the information is appropriate and complete in relation to our audit of the financial statements. (P. 3)

- Other Information in Documents Containing Audited Financial Statements – Our results noted no material inconsistencies or misstatements of facts. (P. 3)
- The financial affairs have been professionally conducted. The accounting records were in good condition... (P. 3)

From the Financial Report

- Note 2. DEPOSITS AND INVESTMENTS – Custodial Credit Risk – Investments – None of the City’s investments have custodial credit risk. (P. 19)
- Note 6. DEFINED BENEFIT PENSION PLAN – This note provides a large amount of new information which was first introduced in fiscal year (2014-15) and should be reviewed. (P. 22-29)
- Note 7. OTHER POST-EMPLOYMENT BENEFIT PLAN-(RHIA) – This is a new note included in this years’ audit report. It should be reviewed thoroughly. (p. 29-30)
- Note 8. RISK MANAGEMENT – Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. (P. 30)
- Note 13. OTHER POST-EMPLOYMENT BENEFITS (OPEB) - This is a new note included in this years’ audit report. It should be reviewed thoroughly. (p. 32-33)

From the Independent Auditors’ Report Required by Oregon State Requirements

- In connection with our testing nothing came to our attention that caused us to believe the City of Sutherlin 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. (P. 68)

Subsequent Actions Taken by Staff Pertaining to the 2018 Audit

- Filed the report with the Oregon Department of Revenue, Division of Audits and has paid the filing fee.
- Filed the report on the Municipal Securities Rulemaking Board’s (MSRB) web portal as part of our ongoing disclosure requirements with previously issued debt.
- Filed the report with Rural Development and DEQ as part of the annual reporting requirements for issued debt held by these entities.

OPTIONS

N/A

SUGGESTED MOTION(S)

N/A

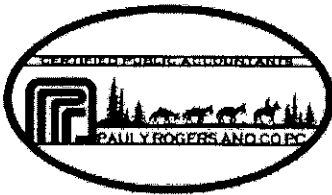
**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

COMMUNICATION TO THE GOVERNING BODY

FOR THE YEAR ENDED JUNE 30, 2018



12700 SW 72nd Ave.
Tigard, OR 97223



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October 22, 2018

To the City Council
City of Sutherlin

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sutherlin for the year ended June 30, 2018. Professional standards require that we provide you with the information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Purpose of the Audit

Our audit was conducted using sampling, inquiries and analytical procedures to opine on the fair presentation of the financial statements and compliance with:

- generally accepted accounting principles and auditing standards
- the Oregon Municipal Audit Law and the related administrative rules

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting.

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions examined and the areas to be tested.

Our audit included obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We also communicated any internal control related matters that are required to be communicated under professional standards.

Results of Audit

1. Audit opinion letter - an unmodified opinion on the City's financial statements has been issued. This means we have given a "clean" opinion with no reservations.
2. State minimum standards for audits - We found no exceptions or issues requiring comment.
3. Management letter - No separate management letter was issued.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2018, except for the implementation of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were Management's estimate of Accounts Receivable, the Net Pension Asset, and Capital Asset Depreciation, which are based on estimated collectability of receivables and useful lives of assets. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements or determined that their effects are immaterial. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole. There were no uncorrected misstatements noted during the audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Supplementary Information within Documents Containing Audited Financial Statements


With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Other Information in Documents Containing Audited Financial Statements

With respect to the other information accompanying the financial statements, we read the information to identify if any material inconsistencies or misstatement of facts existed with the audited financial statements. Our results noted no material inconsistencies or misstatement of facts.

The financial affairs have been professionally conducted. The accounting records were in good condition and we commend the staff for their assistance and support during the audit.

This information is intended solely for the use of the City Council and management of the City of Sutherlin and is not intended to be and should not be used by anyone other than these specified parties.



Kenneth Allen, CPA
Municipal Auditor
PAULY, ROGERS AND CO., P.C.

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2018



12700 SW 72nd Ave.
Tigard, OR 97223

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

FINANCIAL REPORT

**WITH
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED JUNE 30, 2018**

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

Mayor & City Council

June 30, 2018

<u>Name</u>	<u>POSITION</u>	<u>TERM EXPIRES</u>
Todd McKnight	Mayor	December 31, 2018
Wayne Luzier	Council President	December 31, 2018
Forrest Stone	City Councilor	December 31, 2020
Michelle Sumner	City Councilor	December 31, 2018
Tom Boggs	City Councilor	December 31, 2018
Seth Vincent	City Councilor	December 31, 2020
Travis Tomlinson	City Councilor	December 31, 2020

All council members will receive mail at the following address:

City of Sutherlin
126 East Central Ave.
Sutherlin, Oregon 97479

ADMINISTRATION

Jerry Gilliam, City Manager
Dan Wilson, Finance Director

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

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CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

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October 22, 2018

To the City Council
City of Sutherlin
Sutherlin, Oregon

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Sutherlin as of and for the year ended June 30, 2018, and the related notes to the financial statements which collectively comprise the basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Sutherlin at June 30, 2018 and the results of its operations and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the required supplementary information, as listed in 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 Management's Discussion and Analysis, as listed in the table of contents, in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison schedules presented as Required Supplementary Information, as listed in the table of contents, have 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 records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary and other information, as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, is fairly stated in all material respects in relation to the financial statements as a whole.

The listing of Council members containing their term expiration dates, located before the table of contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Reports on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated October 22, 2018 on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



Kenneth Allen, CPA
Municipal Auditor
PAULY, ROGERS AND CO., P.C.

CITY OF SUTHERLIN
Management's Discussion and Analysis
For the Year Ended June 30, 2018

The management of the City of Sutherlin, Oregon presents this narrative overview and analysis to facilitate both a short and a long-term analysis of the financial activities of the City for the fiscal year ended June 30, 2018. This Management's Discussion and Analysis (MD&A) is based on currently known facts, decisions, and conditions that existed as of the date of the independent auditor's report.

Financial Highlights

- The City's total assets increased \$1,994,625 from \$43,521,888 to \$45,516,513, or 4.6%. Capital assets, net of depreciation and related debt decreased \$1.71 million, or 5.1%. Additionally, cash and investments increased by \$235,742 from \$8,139,602 to \$8,375,344, or 2.9%.
- The City's total liabilities increased \$1,380,171 from \$16,505,842 to \$17,886,013. This is largely due to an increase in accounts payable, \$1,562,299.
- The total net position of the City (assets minus liabilities) decreased \$149,801 from \$28,375,801 to \$28,226,000, or (0.5%). Unrestricted net position ended the year at \$3,572,728, a decrease of \$2,132,628, or (37.4%). At the end of last fiscal year the City had received funds from ODOT for street improvements which were expended during this fiscal year causing the decrease in unrestricted funds.
- The City's governmental funds reported combined ending fund balances of \$4,402,688, a decrease of \$1,993,337, or (31.2%). This decrease was largely due to the expenditure of ODOT funds received at the end of last fiscal year for street improvements as mentioned above. \$2,034,740 is unassigned and available for spending at the government's discretion. This is an increase of \$326,483, or 19.1%, over last year.
- The General Fund's unassigned ending fund balance is \$2,034,740. This represents 45.2% of total General Fund expenditures for the year. Last year was at 37.8%.

Overview of the Financial Statements

The City's basic financial statements comprise three components:

1. Government-wide financial statements,
2. Fund financial statements, and
3. Notes to the basic financial statements.

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 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 the 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 result in cash flows in a future fiscal period. Examples of such items include earned (assessed/levied), but uncollected property taxes, and earned, but unused compensated absences.

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 the following:

- General Government
- Public Safety
- Highways and Streets
- Culture and Recreation
- Tourism

The Business-type activities of the City include the following:

- Wastewater
- Water

The government-wide financial statements can be found on pages 2 through 3-A in the basic financial statements section.

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 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 activities where the emphasis is placed on available financial resources, rather than upon net income determination. Therefore, unlike the government-wide financial statements,

governmental fund financial statements focus on the acquisition and use of current 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 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 financial 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. These reconciliations can be found on pages four through seven in the basic financial statements.

The City maintains 16 individual 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 those funds that are considered significant (major) to the City taken as a whole. These financial statements report two major funds: General and Street Construction. Data for the other 14 governmental funds are aggregated into a single column in the fund financials.

Summary fund data by fund-type for these non-major governmental funds is provided in the form of combining statements on pages 42 through 43-A. Individual fund data for each of these non-major governmental funds is provided as supplementary information in the form of schedules of revenues, expenditures and changes in fund balance on pages 44 through 57.

In order to provide prudent and responsible control over city expenditures and revenues, the City adopts an annual budget for all governmental funds. To demonstrate compliance with the budget, budgetary comparison statements have been provided for the General Fund and the other major funds as required supplementary information on pages 36 and 37. Budgetary comparisons for all other governmental funds have been provided as other supplementary information on pages 44 through 57.

The governmental fund financial statements can be found on pages 4 through 7 in the basic financial statements.

Proprietary funds. Proprietary funds are used to account for activities where the emphasis is placed on net income determination. The City maintains two types of proprietary funds; namely, enterprise funds and internal service funds.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water utility and wastewater utility operations. The enterprise funds are

reported separately in the proprietary fund financial statements in the basic financial statements and can be found on pages 8 through 10-A.

Internal service funds act like a rental agency of personnel, equipment and materials to support the activities of other funds. Internal service funds are supported by direct charges to other funds and do not accrue a cash balance. The City uses an internal service fund to support the city building/facilities, streets/drainage, water, and wastewater activities. The internal service fund is reported separately in the proprietary fund financial statements in the basic financial statements and can be found on pages 8 through 10-A.

In order to provide prudent and responsible control over City expenditures and revenues, the City adopts an annual budget for all proprietary funds. To demonstrate compliance with the budget, budgetary comparison statements have been provided for the enterprise and internal service funds as other supplementary information on pages 38 through 41 and 61 through 66.

Fiduciary funds. Fiduciary funds of the City are agency funds which hold assets on behalf of others. The City maintains one agency fund: Municipal Court.

Since the fund is held in trust for other parties the City does not budget these funds. The funds are however audited and corresponding information on their activities can be found on pages 11 and 67.

Notes to the basic financial statements. The notes provide additional information that is essential for 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 can be found on pages 12 through 33.

Other supplementary information. The combining statements and schedules referred to earlier follow the notes in this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$28,226,000 at the close of the most recent fiscal year.

The largest portion of the City's net position, 79.2% reflects its investment in capital assets (e.g., land and right of way, buildings, improvements, equipment, and infrastructure, net of accumulated depreciation), less any related debt used to acquire those assets that are still outstanding. 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 used to liquidate these liabilities.

City of Sutherlin's Net Position						
	Governmental Activities		Business-Type Activities		Totals	
	2017	2018	2017	2018	2017	2018
Assets						
Current assets	\$ 6,082,450	\$ 5,300,462	\$ 3,756,670	\$ 4,818,516	\$ 9,839,120	\$ 10,118,978
Noncurrent Assets	7,024,471	9,376,335	26,658,297	26,021,200	33,682,768	35,397,535
Total assets	13,106,921	14,676,797	30,414,967	30,839,716	43,521,888	45,516,513
Deferred Outflows of Resources	1,518,754	845,245	-	-	1,518,754	845,245
Liabilities						
Current liabilities	647,988	1,885,884	628,091	987,400	1,276,079	2,873,284
Other liabilities	3,785,363	3,385,402	11,444,400	11,627,327	15,229,763	15,012,729
Total liabilities	4,433,351	5,271,286	12,072,491	12,614,727	16,505,842	17,886,013
Deferred Inflows of Resources	158,999	249,745	-	-	158,999	249,745
Net Position						
Invested in capital assets, net of related debt	5,950,884	8,325,345	14,851,594	14,017,836	20,802,478	22,343,181
Restricted	660,308	490,779	1,207,659	1,819,312	1,867,967	2,310,091
Unrestricted	3,422,133	1,184,887	2,283,223	2,387,841	5,705,356	3,572,728
Total Net Position	\$ 10,033,325	\$ 10,001,011	\$ 18,342,476	\$ 18,224,989	\$ 28,375,801	\$ 28,226,000

An additional portion of the City's assets, 8.2% represents resources that are subject to external restrictions on how they may be used. The remaining balance of the unrestricted net position \$3,572,728 may be used to meet the government's ongoing obligations to citizens and creditors.

The City's current asset position increased by \$279,858 and the total noncurrent assets increased by \$1,714,767. The increase in Noncurrent Assets is due to the addition of capital assets, mainly in the Streets section, using funds largely received from ODOT last fiscal year.

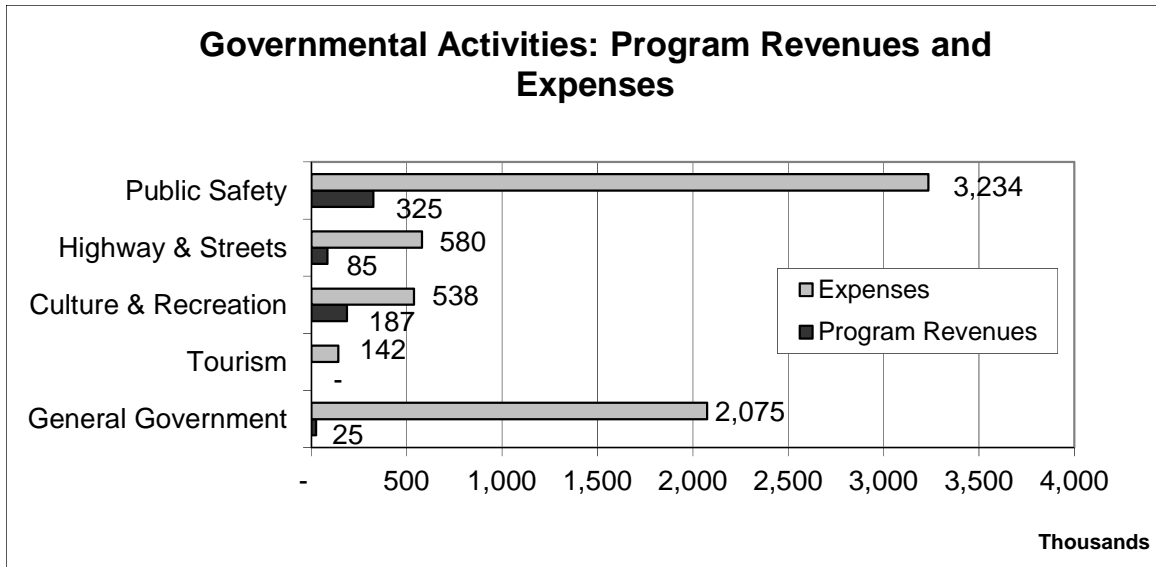
Deferred Outflows of resources, pension and post-retirement related benefits, decreased by \$673,509. Deferred Inflows of Resources, pension and post-retirement related benefits, increased by \$90,746. For additional information regarding these line items, see notes 6 and 13 in the Notes to Basic Financial Statements.

City of Sutherlin's Change in Net Position						
	Governmental		Business-Type		Totals	
	2017	2018	2017	2018	2017	2018
Revenues:						
Program						
Fines, fees, and charges for services	\$ 415,861	\$ 455,690	\$ 4,187,618	\$ 4,340,499	\$ 4,603,479	\$ 4,796,189
Operating grants and contributions	2,453,438	166,292	-	-	2,453,438	166,292
Capital grants and contributions	-	-	-	-	-	-
General						
Property Taxes	2,776,747	2,854,365	-	-	2,776,747	2,854,365
Franchise fees	443,213	452,104	-	-	443,213	452,104
Intergovernmental	1,589,003	1,550,252	-	-	1,589,003	1,550,252
Interest	56,999	100,173	19,672	42,298	76,671	142,471
Miscellaneous	323,027	181,390	-	2	323,027	181,392
Gain (loss) On Disposal	5,750	25,876	-	-	5,750	25,876
Total revenues	8,064,038	5,786,142	4,207,290	4,382,799	12,271,328	10,168,941
Expenses:						
General government	1,643,491	2,075,288	-	-	1,643,491	2,075,288
Public safety	2,778,110	3,234,227	-	-	2,778,110	3,234,227
Highway and streets	3,741,038	579,971	-	-	3,741,038	579,971
Culture and recreation	495,181	537,949	-	-	495,181	537,949
Tourism	114,628	141,758	-	-	114,628	141,758
Interest on long-term debt	19,422	36,238	-	-	19,422	36,238
Wastewater	-	-	1,868,276	1,803,237	1,868,276	1,803,237
Water	-	-	1,704,808	1,770,842	1,704,808	1,770,842
Ambulance	-	-	-	-	-	-
Total expenses	8,791,870	6,605,431	3,573,084	3,574,079	12,364,954	10,179,510
Increase (decrease) in Net Position before transfers	(727,832)	(819,289)	634,206	808,720	(93,626)	(10,569)
Transfers	847,678	926,207	(847,678)	(926,207)	-	-
Change in Net Position	119,846	106,918	(213,472)	(117,487)	(93,626)	(10,569)
Net Position July 1, Restated	9,913,479	9,894,093	18,555,948	18,342,476	28,469,427	28,236,569
Prior Period Adjustment	-	-	-	-	-	-
Net Position June 30	\$ 10,033,325	\$ 10,001,011	\$ 18,342,476	\$ 18,224,989	\$ 28,375,801	\$ 28,226,000

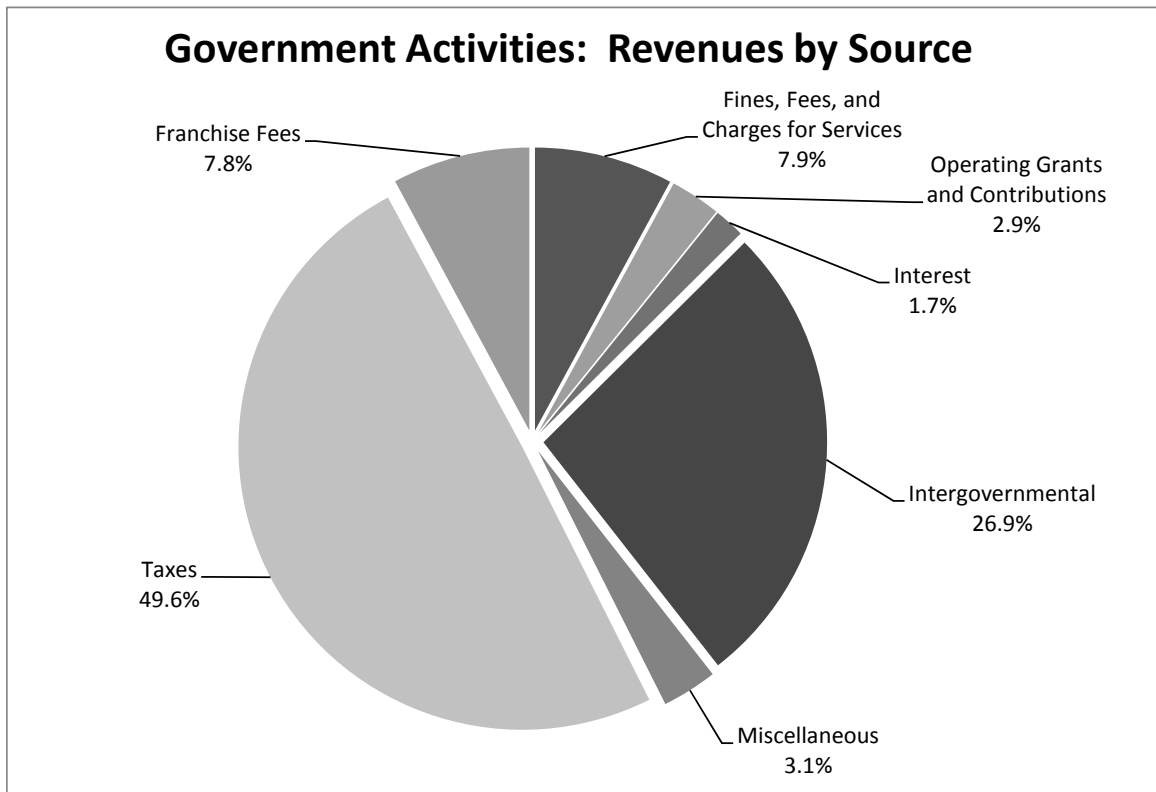
Expenses above include the indirect expenses as allocated in the Statement of Activities on page 3 and 3-A of the basic financial statements.

Governmental activities. Governmental-type activities decreased the City's total net position by \$32,314. Total depreciation attributed to the governmental activities (primarily street infrastructure) was \$531,615 as detailed on page 20 of the notes to basic financial statements.

The next chart compares program revenues and expenses for the individual governmental activities for the fiscal year. As the chart reflects, all governmental activities relied on general revenues to support their functions.

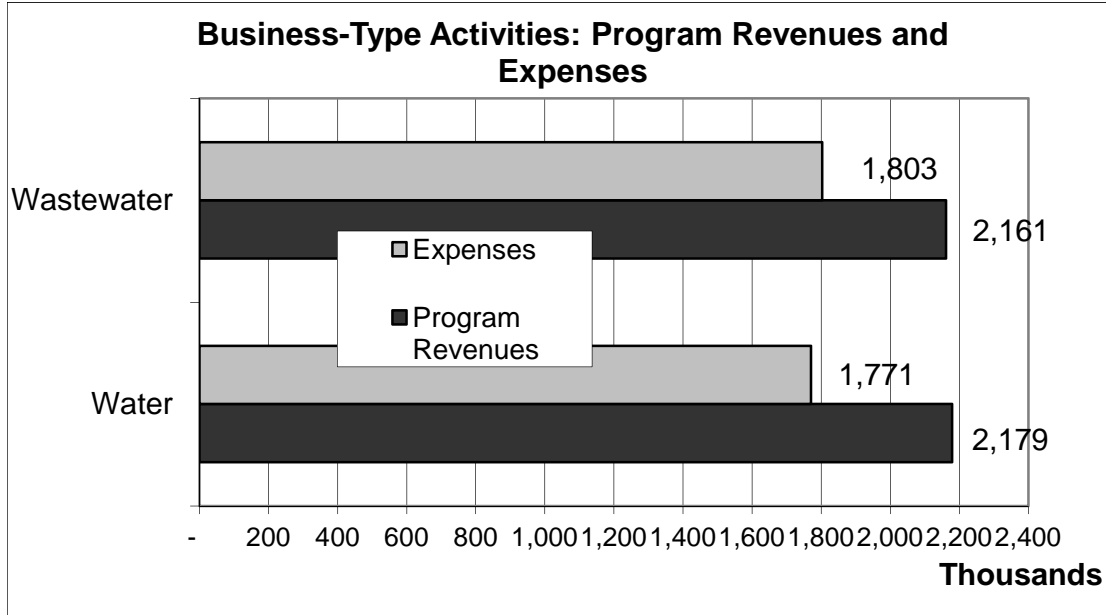


The next chart shows the percent of the total for each source of revenue supporting governmental activities.

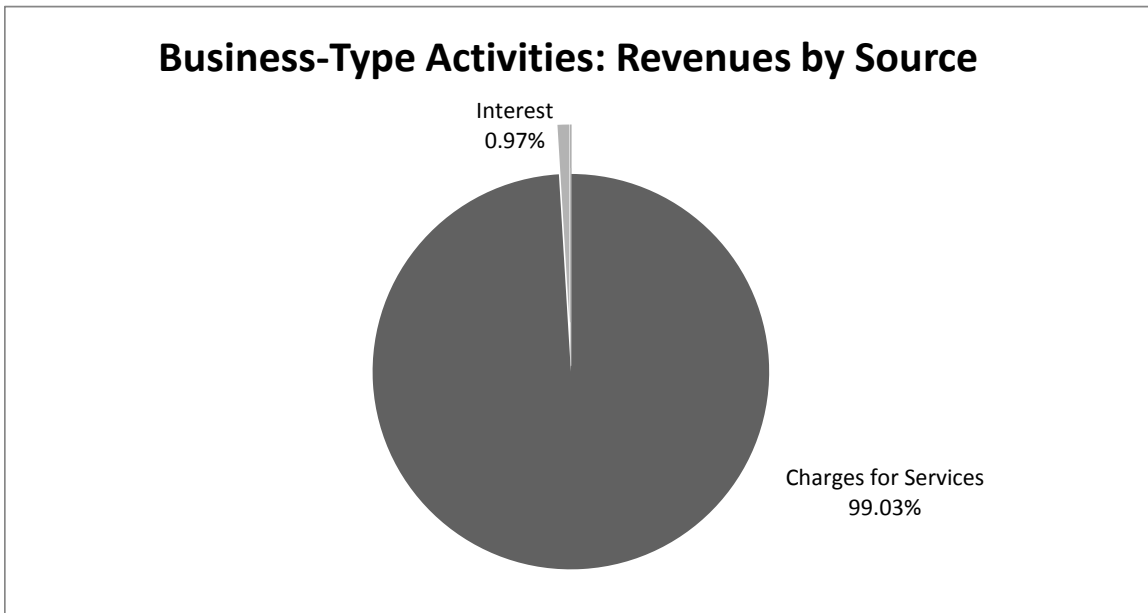


Business-type activities. Business-type activities decreased the City's net position by \$117,487. Total depreciation attributed to the business-type funds was \$1.10 million as detailed on page 20 of the notes to basic financial statements.

The following chart compares program revenues to expenses by individual business-type activity for the current year. These business-type activities recover more costs through program revenues than governmental activities. As the chart shows, annual revenues for both the Wastewater and Water enterprises exceeded expenses.



The following chart shows that nearly 100% of revenues for business-type activities, for the year, were generated by charges for services.



Capital assets. The City’s investment in capital assets for its governmental and business-type activities amounted to \$35.40 million (net of accumulated depreciation) or an increase of \$1.71 million when compared to last year. This investment in capital

assets includes land, right-of-way (included with land), construction in progress, infrastructure (water distribution lines, wastewater collection lines, pump stations, reservoirs, etc.), water rights (development of), buildings and plant (includes the water treatment plants and the wastewater treatment plant), and vehicles and equipment.

City of Sutherlin's Capital Assets, Net of Accumulated Depreciation						
	Governmental Activities		Business-Type Activities		Totals	
	2017	2018	2017	2018	2017	2018
Land	\$ 1,116,919	\$ 1,116,919	\$ 3,281,776	\$ 3,281,776	\$ 4,398,695	\$ 4,398,695
Construction in progress	524,619	2,260,248	2,691,978	3,046,861	3,216,597	5,307,109
Water Rights	-	-	629,901	635,414	629,901	635,414
Infrastructure	3,202,486	3,676,685	19,768,178	18,786,002	22,970,664	22,462,687
Buildings and plant	1,660,454	1,951,549	216,268	204,531	1,876,722	2,156,080
Vehicles and equipment	519,993	370,934	70,196	66,616	590,189	437,550
	<u>\$ 7,024,471</u>	<u>\$ 9,376,335</u>	<u>\$ 26,658,297</u>	<u>\$ 26,021,200</u>	<u>\$ 33,682,768</u>	<u>\$ 35,397,535</u>

Major capital asset events during the fiscal year included the following:

- Upgrades to the Wastewater Treatment Plant (In Progress at Year-End)
- Central Avenue Improvement Construction (In Progress at Year-End)
- Completion of Central Park Playground and Splash pad improvements
- New Public Safety Equipment
- New Public Safety Vehicles (4)
- New Public Works Vehicle
- Completion of Ford's Pond park master plan
- Various Building Improvement Projects
- Various pavement overlay projects

Additional information on the City's capital assets can be found in note three to the basic financial statements (page 20).

Long-term obligations. At the end of the fiscal year, the City had total long-term obligations totaling \$13,054,354. Outstanding long-term obligations include: \$5,719,986 to be serviced by water user rates and connection fees, \$5,747,043 to be serviced by wastewater user rates and connection fees (all backed by the full faith and credit of the City), and \$536,335 in notes payable to be serviced by water and wastewater revenues. The remaining \$1,050,990 in long-term obligations, or 8.1% of the total long-term obligations, is to be paid by existing general government revenue sources.

City of Sutherlin's Long-Term Obligations						
	Governmental Activities		Business-Type Activities		Total	
	2017	2018	2017	2018	2017	2018
General obligation bonds	\$ 390,000	350,000	-	-	390,000	350,000
Revenue bonds	-	-	5,910,321	5,719,986	5,910,321	5,719,986
Refunding bonds	-	-	465,000	400,000	465,000	400,000
Note payables	505,000	505,000	5,431,382	5,883,378	5,936,382	6,388,378
Capital leases	-	-	-	-	-	-
Accumulated compensated absences	178,587	195,990	-	-	178,587	195,990
	<u>\$ 1,073,587</u>	<u>1,050,990</u>	<u>11,806,703</u>	<u>12,003,364</u>	<u>12,880,290</u>	<u>13,054,354</u>

The City's total long-term debt obligation increased by \$174,064 over last fiscal year's ending balance. The increase is largely due to receipt of interim loan proceeds from DEQ for the wastewater treatment plan upgrade. Accumulated compensated absences netted an increase of \$17,403.

ORS 223.295 limits the amount of general obligation assessment bonded debt which a city may have outstanding at any one time to three percent (3.00%) of the Real Market Value of the City. The City had only the refunding bonds and the Library GO bond as outstanding bonded debt at June 30, 2018. The City's outstanding obligations subject to bonded debt limitations was \$750,000 or 3.7% of debt capacity.

City of Sutherlin's Remaining Debt Capacity		
Real Market Value (fiscal year 2017-2018 Douglas County)	\$	682,452,506
Debt capacity (3.00% of RMV)		20,473,575
Outstanding Obligations	-	<u>750,000</u>
Remaining Debt Capacity	\$	<u><u>19,723,575</u></u>

Additional information on the City's long-term obligations can be found in note 5 to the basic financial statements (see pages 21 and 22).

Fund-based Financial Analysis

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

Governmental funds: The focus of the City'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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the fiscal year, the City's governmental funds reported combined ending fund balances of \$4,402,688, a decrease of (\$1,993,037) in comparison with the prior

year. Approximately 46.2% of this total amount, \$2,034,740, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance has some level of restrictions placed upon them, as follows:

- *Nonspendable fund balance* (amounts that are not in a spendable form or are required to be maintained intact) was \$0
- *Restricted fund balance* (amounts constrained to specific purposes by their providers such as grantors, bondholders, and higher levels of government, through constitutional provisions, or by enabling legislation) was \$490,779
- *Committed fund balance* (amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint) was \$993,985
- *Assigned fund balance* (amounts a government *intends* to use for a specific purpose) was \$883,184

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$2,034,740. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 45.2% of total General Fund expenditures.

The General Fund's overall fund balance increased by \$549,402 due to increased revenues and cost management.

The fund balance of the Street Construction fund decreased by \$885,490 during the fiscal year. As previously mentioned, funds received from ODOT last fiscal year for street improvements were expended this fiscal year.

Finally, the fund balance for all other governmental funds decreased (\$1,656,949). This decrease is also related to the ODOT funds expended as noted above.

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 position and its percent to total net position of each proprietary fund are as follows:

• Water	214,929	3.1%
• Wastewater	575,100	7.3%
• Water Construction Fund	0	0.0%
• Wastewater Construction Fund	0	0.0%
• Other Non-Major Funds	469,983	33.3%

Restrictions on net position exist in the first four funds above totaling \$879,532 all due to capital projects restrictions in the Water and Wastewater Construction Funds.

Restrictions on net position exist in the Other Non-Major Enterprise Funds totaling \$939,780; debt service restrictions total \$246,738 and capital projects restrictions total \$693,042. These restrictions generally limit the use of monies in the funds to related activities.

Total business-type net position decreased \$117,487 during the fiscal year.

Other factors concerning the finances of proprietary funds can be found in the previous discussion of the City's business-type activities.

General Fund Budgetary Highlights

The difference between the original general fund budget and the final amended budget was neutral. Adjustments to the General Fund were as follows:

Revenues:

- There were no changes in the budgeted revenues for the fiscal year

Expenditures:

- Non-Departmental increased \$10,000 due to funding the Library Operations Manager position which was not anticipated at the time the budget was prepared
- City Recorder/HR increased by \$18,500 due to departmental restructuring in response to the pending retirement of the current City Recorder
- Finance increased by \$34,500 due to departmental restructuring and response to the pending retirement of the current Utility Billing Clerk
- Contingency decreased \$63,000 to accommodate these increases

There were variations between the final amended budget and the actual year-end amounts in the General Fund; actual expenditures were \$833,848 (16.8%) less than the adjusted budget. This was largely due to cost management in the Fire and Police Departments. Revenues were greater than the adjusted budget by \$108,919 2.8%. This was due to greater amounts received than anticipated for Fines and Forfeitures and Miscellaneous Revenues. Actual transfers in were the same as the final amended budget.

During the year, prior to transfers in and out, actual expenditures exceeded actual revenues by \$159,176. Net transfers in and out of the General Fund amounted to \$479,100. The net effect of revenues, expenditures, and transfers was a \$319,924 increase in fund balance.

Economic Factors and Next Year's Budgets and Rates

During the preparation of the budget for the ensuing fiscal year, the long-term impacts of the local economy were examined in conjunction with business decisions made by the City. The following are the major assumptions used in developing the FY 2018-2019 budget:

- Last fiscal year the increase in property tax revenue was 3.5% and real market value increased 4.1%. The city chose to increase budgeted tax revenue for the 2018-2019 fiscal year by 2.0% based on recent historical trends.
- Cost of Living Adjustment (COLA) is calculated to be 2.0% for all sworn police officers, fire department employees, and those who supervise them and 2.0% for all other represented and non-represented employees.
- Water rates will be increased by 3.6% as of August 1, 2018 for the annual CPI adjustment. Wastewater rates were completely revised during fiscal year 2014-15 in order to provide equity among the rate classes. The new rates were effective December 1, 2015 and will then increase every August 1 for the following five years thereafter. The rate of increase/decrease will vary depending on the rate class. The overall projected increase for the year equates to 17.2% over last year's budgeted amount. These increases are needed to support the future debt service for the wastewater treatment plant upgrade.
- While hopeful for the future we expect the local economy will continue to see limited growth.
- Interest rates on investments will average during the fiscal year to 1.0%.

Requests for Information

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

Dan Wilson,
Finance Director
City of Sutherlin
126 E. Central Ave.
Sutherlin, OR 97479

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON
BASIC FINANCIAL STATEMENTS

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

STATEMENT OF NET POSITION
June 30, 2018

	PRIMARY GOVERNMENT		
	GOVERNMENTAL	BUSINESS TYPE	TOTAL
ASSETS			
Cash and Investments	\$ 5,553,700	\$ 2,821,644	\$ 8,375,344
Receivables	913,809	801,137	1,714,946
Prepays	-	28,688	28,688
Interfund Loans	(39,218)	39,218	-
Internal Balances	(1,127,829)	1,127,829	-
Total Current Assets	5,300,462	4,818,516	10,118,978
Noncurrent Assets:			
Capital Assets, net	9,376,335	26,021,200	35,397,535
Total Assets	14,676,797	30,839,716	45,516,513
DEFERRED OUTFLOWS OF RESOURCES			
OPEB Deferrals - Implicit Subsidy	7,661	-	7,661
Pension Related Deferrals - Oregon PERS	837,584	-	837,584
Total Deferred Outflows	845,245	-	845,245
LIABILITIES			
Accounts Payable	1,640,708	489,348	2,130,056
Accrued Expenses	9,186	-	9,186
Customer Deposits	-	73,656	73,656
Accrued Interest Payable	-	48,359	48,359
Long-term Debt:			
OPEB Net Pension Liability - Implicit Subsidy	145,603	-	145,603
Proportionate Share of Net Pension Liability	2,424,799	-	2,424,799
Due Within One Year	240,990	376,037	617,027
Due In More Than One Year	810,000	11,627,327	12,437,327
Total Liabilities	5,271,286	12,614,727	17,886,013
DEFERRED INFLOWS OF RESOURCES			
OPEB Deferrals - Implicit Subsidy	8,381	-	8,381
Pension Related Deferrals - Oregon PERS	241,364	-	241,364
Total Deferred Inflows	249,745	-	249,745
NET POSITION:			
Net Investment in			
Capital Assets	8,521,335	14,017,836	22,539,171
Restricted for:			
Bond Covenants	-	201,638	201,638
Debt Service	15,200	45,100	60,300
Capital Projects	475,579	1,572,574	2,048,153
Unrestricted	988,897	2,387,841	3,376,738
Total Net Position	\$ 10,001,011	\$ 18,224,989	\$ 28,226,000

The accompanying notes are an integral part of the basic financial statements.

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2018**

		Program Revenues		
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs	Expenses			
Governmental Activities				
General Government	\$ 2,075,288	\$ 24,311	\$ 500	\$ -
Public Safety & Fire	3,234,227	317,354	7,500	-
Highways and Streets	579,971	85,492	-	-
Culture and Recreation	537,949	28,533	158,292	-
Tourism	141,758	-	-	-
Interest on Long-term Debt	36,238	-	-	-
Total Governmental Activities	6,605,431	455,690	166,292	-
Business-Type Activities				
Wastewater	1,803,237	2,161,187	-	-
Water	1,770,842	2,179,312	-	-
Total Business Activities	3,574,079	4,340,499	-	-
Total Primary Government	\$ 10,179,510	\$ 4,796,189	\$ 166,292	\$ -
General Revenues:				
Property Taxes				
Franchise Taxes				
Intergovernmental				
Miscellaneous				
Interest				
Gain/(Loss) On Disposal				
Transfers				
Total General Revenues and Transfers				
Change in Net Position				
Beginning Net Position, Restated				
Ending Net Position				

The accompanying notes are an integral part of the basic financial statements.

Net Revenues (Expenses) and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (2,050,477)	\$ -	\$ (2,050,477)
(2,909,373)	-	(2,909,373)
(494,479)	-	(494,479)
(351,124)	-	(351,124)
(141,758)	-	(141,758)
(36,238)	-	(36,238)
(5,983,449)	-	(5,983,449)
-	357,950	357,950
-	408,470	408,470
-	766,420	766,420
(5,983,449)	766,420	(5,217,029)
2,854,365	-	2,854,365
452,104	-	452,104
1,550,252	-	1,550,252
181,390	2	181,392
100,173	42,298	142,471
25,876	-	25,876
926,207	(926,207)	-
6,090,367	(883,907)	5,206,460
106,918	(117,487)	(10,569)
9,894,093	18,342,476	28,236,569
<u>\$ 10,001,011</u>	<u>\$ 18,224,989</u>	<u>\$ 28,226,000</u>

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2018

	GENERAL FUND	STREET CONSTRUCTION FUND	OTHER GOVERNMENTAL FUNDS	TOTAL
ASSETS				
Cash and Cash Equivalents	\$ 2,784,906	\$ 1,954,714	\$ 701,086	\$ 5,440,706
Accounts Receivable	432,295	374,569	105,612	912,476
Prepays	-	-	-	-
Total Assets	<u>\$ 3,217,201</u>	<u>\$ 2,329,283</u>	<u>\$ 806,698</u>	<u>\$ 6,353,182</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 47,483	\$ 1,528,327	\$ 58,100	\$ 1,633,910
Interfund Payable	-	-	39,218	39,218
Accrued Expenses	9,186	-	-	9,186
Total Liabilities	56,669	1,528,327	97,318	1,682,314
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	262,344	-	5,836	268,180
Total Liabilities and Deferred Inflows	<u>319,013</u>	<u>1,528,327</u>	<u>103,154</u>	<u>1,950,494</u>
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	-	-	490,779	490,779
Committed	-	800,956	193,029	993,985
Assigned	863,448	-	19,736	883,184
Unassigned	2,034,740	-	-	2,034,740
Total Fund Balances	<u>2,898,188</u>	<u>800,956</u>	<u>703,544</u>	<u>4,402,688</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 3,217,201</u>	<u>\$ 2,329,283</u>	<u>\$ 806,698</u>	<u>\$ 6,353,182</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

**RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO STATEMENT OF NET POSITION**

June 30, 2018

Explanation of certain differences between the governmental fund balance sheet
and the government-wide statement of net position.

Fund Balances	\$ 4,402,688
The cost of capital assets (land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress) is reported as an expenditure in governmental funds. The statement of net position includes those capital assets among the assets of the City as a whole.	
Net Capital Assets	9,376,335
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position.	
Long-term Obligations	(1,050,990)
The Net Pension Asset (Liability), and deferred inflows and outflows related to the Net Pension Asset is the difference between the total pension liability and assets set aside to pay benefits earned to past and current employees and beneficiaries	
	(1,974,902)
The internal service fund is not reported in the governmental funds but is included in the government-wide governmental activities.	
Net Position of internal service fund	(1,020,300)
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	
Unearned/Unavailable Revenue	<u>268,180</u>
Total Net Position	<u>\$ 10,001,011</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2018

	GENERAL FUND	STREET CONSTRUCTION FUND	OTHER GOVERNMENTAL FUNDS	TOTAL
REVENUES				
Property Taxes	\$ 2,808,881	\$ -	\$ 51,000	\$ 2,859,881
Franchise Fees	452,104	-	-	452,104
System Development Charges	-	-	110,492	110,492
Assessments	-	-	182,510	182,510
Grants and Contributions	-	-	161,958	161,958
Licences, Permits and Fees	2,275	-	-	2,275
Fines and Forfeitures	109,019	-	-	109,019
Charges for Services	22,885	-	-	22,885
Intergovernmental	494,460	570,000	513,701	1,578,161
Interest	43,595	28,962	27,616	100,173
Miscellaneous	45,910	-	135,917	181,827
Total Revenues	3,979,129	598,962	1,183,194	5,761,285
EXPENDITURES				
Current:				
General Government	1,552,382	-	-	1,552,382
Culture and Recreation	148,545	-	112,229	260,774
Tourism	-	-	109,795	109,795
Highways and Streets	-	-	123,616	123,616
Public Safety and Fire	2,419,804	-	-	2,419,804
Debt Service	-	-	58,784	58,784
Capital Outlay	383,971	3,385,039	175,532	3,944,542
Total Expenditures	4,504,702	3,385,039	579,956	8,469,697
Excess of Revenues Over, (Under) Expenditures	(525,573)	(2,786,077)	603,238	(2,708,412)
OTHER FINANCING SOURCES, (USES)				
Interfund Loans	-	-	-	-
Loan Proceeds	-	-	-	-
Surplus Property	25,875	-	-	25,875
Transfers In	1,610,100	1,900,587	30,000	3,540,687
Transfers Out	(561,000)	-	(2,290,187)	(2,851,187)
Total Other Financing Sources, (Uses)	1,074,975	1,900,587	(2,260,187)	715,375
Net Change in Fund Balance	549,402	(885,490)	(1,656,949)	(1,993,037)
Beginning Fund Balance	2,348,786	1,686,446	2,360,493	6,395,725
Ending Fund Balance	\$ 2,898,188	\$ 800,956	\$ 703,544	\$ 4,402,688

The accompanying notes are an integral part of the basic financial statements.

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS - TO STATEMENT OF ACTIVITIES**
For the Year Ended June 30, 2018

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities

Excess of Revenues over Expenditures \$ (1,993,037)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital Outlay	2,908,621
Depreciation Expense	(531,615)

The Pension Expense and the changes in deferred inflows and outflows related to the Net Pension Asset represents the changes in Net Pension Asset (Liability) from year to year due to changes in total pension liability and the fair value of pension plan net position available to pay pension benefits. (265,062)

Internal service funds are used by management to charge the costs of various function to the individual funds. The net revenue (expense) of the internal service fund is allocated between governmental and business-type activities. (3,928)

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when financial resources are available. This adjustment combines the net changes in liability balances.

Principal payments on long-term obligations/Accrued Vacation	(2,545)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Unearned/Unavailable Revenue	<u>(5,516)</u>
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Change in Net Position	<u><u>\$ 106,918</u></u>
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The accompanying notes are an integral part of the basic financial statements.

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

STATEMENT OF PROPRIETARY NET POSITION
June 30, 2018

	WATER FUND	WASTEWATER FUND	WATER CONSTRUCTION FUND
ASSETS			
Current Assets			
Cash and Investments	\$ 173,437	\$ 432,638	\$ 743,265
Accounts Receivable, net	218,620	180,805	-
Interfund Loan	-	-	-
Prepays	-	-	-
Total Current Assets	<u>392,057</u>	<u>613,443</u>	<u>743,265</u>
Noncurrent Assets			
Bond Issue Costs, net	-	-	-
Capital Assets, Net	<u>13,015,295</u>	<u>13,005,905</u>	<u>-</u>
Total Noncurrent Assets	13,015,295	13,005,905	-
Total Assets	<u>\$ 13,407,352</u>	<u>\$ 13,619,348</u>	<u>\$ 743,265</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 55,113	\$ 38,343	\$ -
Accrued Expenses	-	-	-
Bond Premium, net	-	-	-
Customer Deposits	73,656	-	-
Accrued Interest Payable	48,359	-	-
Long Term Debt, Current Position	<u>221,093</u>	<u>154,944</u>	<u>-</u>
Total Current Liabilities	<u>398,221</u>	<u>193,287</u>	<u>-</u>
Long-term Liabilities			
Long Term Debt, Net of Current Position	<u>6,035,228</u>	<u>5,592,099</u>	<u>-</u>
Total Long-term Liabilities	<u>6,035,228</u>	<u>5,592,099</u>	<u>-</u>
Total Liabilities	<u>6,433,449</u>	<u>5,785,386</u>	<u>-</u>
NET POSITION			
Invested in Capital Assets, Net of Related Debt	6,758,974	7,258,862	-
Restricted for:			
Bond Covenants	-	-	-
Debt Services	-	-	-
Capital Projects	-	-	743,265
Unrestricted	<u>214,929</u>	<u>575,100</u>	<u>-</u>
Total Net Position	<u>6,973,903</u>	<u>7,833,962</u>	<u>743,265</u>
Total Liabilities and Fund Equity	<u>\$ 13,407,352</u>	<u>\$ 13,619,348</u>	<u>\$ 743,265</u>

The accompanying notes are an integral part of the basic financial statement

WASTEWATER CONSTRUCTION FUND	OTHER NONMAJOR FUNDS	TOTAL	INTERNAL SERVICE FUND	
\$ 370,817	\$ 1,101,487	\$ 2,821,644	\$ 112,994	
161,342	240,370	801,137	1,331	
-	39,218	39,218	-	
-	28,688	28,688	-	
532,159	1,409,763	3,690,687	114,325	
-	-	-	-	
-	-	26,021,200	-	
-	-	26,021,200	-	
\$ 532,159	\$ 1,409,763	\$ 29,711,887	\$ 114,325	
\$ 395,892	\$ -	\$ 489,348	\$ 2,863	
-	-	-	3,935	
-	-	-	-	
-	-	73,656	-	
-	-	48,359	-	
-	-	376,037	-	
395,892	-	987,400	6,798	
-	-	11,627,327	-	
-	-	11,627,327	-	
395,892	-	12,614,727	6,798	
-	-	14,017,836	-	
-	201,638	201,638	-	
-	45,100	45,100	-	
136,267	693,042	1,572,574	-	
-	469,983	1,260,012	107,527	
136,267	1,409,763	17,097,160	107,527	
\$ 532,159	\$ 1,409,763	\$ 29,711,887	\$ 114,325	
Net Position Above			17,097,160	
Internal Service Activities related to Business Typ			1,127,829	
Total Net Position Business Type Activitie			18,224,989	

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2018

	WATER FUND	WASTEWATER FUND	WATER CONSTRUCTION FUND
OPERATING REVENUES			
Charges for Services	\$ 2,080,543	\$ 2,127,720	\$ -
Miscellaneous	499	14,218	-
Total Operating Revenues	2,081,042	2,141,938	-
OPERATING EXPENSES			
Personal Service	-	-	-
Materials and Services	357,566	561,745	10,547
Depreciation and Amortization	462,987	639,783	-
Total Operating Expenses	820,553	1,201,528	10,547
Operating Income -Loss	1,260,489	940,410	(10,547)
NONOPERATING REVENUES, (EXPENSES)			
Interest	6,051	6,771	7,755
Debt Proceeds	-	-	-
Interest Expense	-	-	-
System Development Charges	10,127	-	88,143
Invergovernmental	-	-	-
Miscellaneous	-	-	-
Total Nonoperating Revenues (Expenses)	16,178	6,771	95,898
Capital Contributions	283,728	(12,481)	-
Transfers In	-	-	450,000
Transfers Out	(1,856,400)	(1,329,100)	-
Change in Net Position	(296,005)	(394,400)	535,351
Net Position (Deficit), Beginning of Year, Restated	7,269,908	8,228,362	207,914
Net Position (Deficit), end of yea	\$ 6,973,903	\$ 7,833,962	\$ 743,265

The accompanying notes are an integral part of the basic financial statements.

WASTEWATER CONSTRUCTION FUND	OTHER NONMAJOR FUNDS	TOTAL	INTERNAL SERVICE FUND
\$ -	\$ 24,429	\$ 4,232,692	\$ -
-	-	14,717	3,993
-	24,429	4,247,409	3,993
-	-	-	1,159,880
792,352	46,366	1,768,576	47,619
-	-	1,102,770	-
792,352	46,366	2,871,346	1,207,499
(792,352)	(21,937)	1,376,063	(1,203,506)
4,910	14,840	40,327	2,473
609,181	-	609,181	-
-	(633,274)	(633,274)	-
7,301	-	105,571	-
-	-	-	-
-	2	2	-
621,392	(618,432)	121,807	2,473
-	-	271,247	-
100,000	780,000	1,330,000	1,291,000
-	-	(3,185,500)	(125,000)
(70,960)	139,631	(86,383)	(35,033)
207,227	1,270,132	17,183,543	142,560
\$ 136,267	\$ 1,409,763	\$ 17,097,160	\$ 107,527

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2018**

	WATER FUND	WASTEWATER FUND	WATER CONSTRUCTION FUND
Cash Flows from Operating Activities:			
Cash Received from Customers	\$ 2,077,864	\$ 2,120,803	\$ -
Cash Paid to Suppliers	(344,082)	(553,455)	(41,613)
Net Cash Provided (Used) by Operating Activities	1,733,782	1,567,348	(41,613)
Cash Flows from Noncapital Financing Activities:			
Miscellaneous	10,127	-	88,143
Interfund Loans	-	-	-
Transfers	(1,856,400)	(1,329,100)	450,000
Net Cash Provided (Used) by Noncapital Financing Activities	(1,846,273)	(1,329,100)	538,143
Cash Flows from Capital and Related Financing Activities:			
Bond Proceeds	-	-	-
Interfund Loan	25,142	-	-
Payments on debt	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	25,142	-	-
Cash Flows from Investing Activities:			
Purchase of Capital Assets	-	-	-
Earnings on Investments	6,051	6,771	7,755
Net Increase (Decrease) in Cash and Cash Equivalents	(81,298)	245,019	504,285
Cash and Investments at Beginning of Year	254,735	187,619	238,980
Cash and Investments at End of Year	\$ 173,437	\$ 432,638	\$ 743,265
Reconciliation of Operating Income to			
Net Cash Provided by Operating Activities			
Operating Income, (Loss)	\$ 1,260,489	\$ 940,410	\$ (10,547)
Noncash Items Included in Income:			
Depreciation	462,987	639,783	-
Decrease (Increase) in Accounts Receivable	(8,117)	(21,135)	-
Increase (Decrease) in Accounts Payable and Accrued Liabilities	13,484	8,290	(31,066)
Increase (Decrease) in Customer Deposits	4,939	-	-
Net Cash Provided (Used) by Operating Activities	\$ 1,733,782	\$ 1,567,348	\$ (41,613)

Noncash Transactions:

All of the enterprise funds have their debt and capital assets purchased/paid for them. The funds recognized capital contributions on the Statement of Revenues and Expenses to account for this activity. The Water and Wastewater funds had the following noncash transactions for capital contributions: \$312,697 and \$596,700, respectively.

The accompanying notes are an integral part of the basic financial statements.

WASTEWATER CONSTRUCTION FUND	OTHER NONMAJOR FUNDS	TOTAL	INTERNAL SERVICE FUND
\$ (161,342)	\$ 63,489	\$ 4,100,814	\$ 3,993
(441,414)	(47,376)	(1,427,940)	(1,208,001)
(602,756)	16,113	2,672,874	(1,204,008)
7,301	-	105,571	-
-	33,282	33,282	-
100,000	780,000	(1,855,500)	1,166,000
107,301	813,282	(1,716,647)	1,166,000
609,181	-	609,181	-
-	-	25,142	-
-	(633,274)	(633,274)	-
609,181	(633,274)	1,049	-
4,910	17,140	42,627	2,473
118,636	213,261	999,903	(35,535)
252,181	888,226	1,821,741	148,529
\$ 370,817	\$ 1,101,487	\$ 2,821,644	\$ 112,994
\$ (792,352)	\$ (21,937)	\$ 1,376,063	\$ (1,203,506)
-	-	1,102,770	-
(161,342)	38,050	(152,544)	-
350,938	-	341,646	(502)
-	-	4,939	-
\$ (602,756)	\$ 16,113	\$ 2,672,874	\$ (1,204,008)

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

STATEMENT OF FIDUCIARY ASSETS
FIDUCIARY FUNDS
June 30, 2018

	<u>Agency</u>
ASSETS	
Cash and Cash Equivalents	\$ (7,788)
Accounts Receivable	<u>1,872</u>
Total Assets	<u><u>\$ (5,916)</u></u>
LIABILITIES	
Accounts Payable	\$ 7,358
Amounts held in trust	<u>(13,274)</u>
Total Liabilities	<u><u>\$ (5,916)</u></u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ORGANIZATION (REPORTING ENTITY)

The City was incorporated in 1911. Control of the City is vested in its mayor and council members who are elected to office by voters within the City. Administrative functions are delegated to individuals who report to and are responsible to the Mayor and Council. The chief administrative officer is the City Manager.

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 this criteria, the City is a primary government with no includable component units.

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 nonfiduciary activities of the City. 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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.

Internally dedicated resources are reported as general revenues rather than as program revenues. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary 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 & FINANCIAL STATEMENT 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 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.

The government-wide statements and proprietary funds have applied all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict Governmental Accounting Standards Board (GASB) pronouncements. The City has elected not to follow FASB pronouncements issued after November 30, 1989.

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING & FINANCIAL STATEMENT PRESENTATION (CONTINUED)

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the functions of the City, the elimination of which would distort the direct costs and program revenues reported for the various functions concerned.

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 are charges to customers for sales and services. Operating expenses for proprietary 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 nonoperating revenues and expenses.

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

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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Significant revenues, which are susceptible to accrual under the modified accrual basis of accounting, include property taxes and federal and state grants. Other revenue items are considered to be measurable and available when received by the City.

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.

The basis of accounting described above is in accordance with accounting principles generally accepted in the United States of America.

The City reports the following major governmental funds:

General - accounts for all financial resources of the City, except those required to be accounted for in another fund. Principal sources of revenue are property taxes, franchise fees, and state shared revenues. Expenditures are primarily for general government operations, highways and streets, public safety, tourism, and culture and recreation.

Street Construction - accounts for the cost of construction of City streets and storm water drainage systems.

The City reports the following major proprietary funds:

Water - accounts for the operation of the water system.

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING & FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Wastewater – accounts for the operation of the wastewater treatment plant and collection system.

Water Construction – accounts for the receipt and disbursement of funds for major replacement or additions to the water system infrastructure. The principal sources of revenues are transfers from the Water fund and water system development charges.

Wastewater Construction – accounts for the receipt and disbursement of funds for major replacement or additions to the wastewater system infrastructure. The principal sources of revenues are loan proceeds.

The City also includes the following fund types as other governmental funds and other enterprise funds:

Special revenue – accounts for revenue derived from specific taxes or other revenue sources, which are legally restricted to particular functions or activities. When a special revenue fund is not an operating fund, transfers are made from the special revenue fund to the operating funds authorized to make expenditures.

Debt service – accounts for repayment of principal and interest on its outstanding loan.

Capital projects – accounts for expenditures on major construction projects. The principal sources of revenues are proceeds from donations.

Enterprise – accounts for the operations of predominantly self-supporting activities. Enterprise funds account for services rendered to the public on a user charge basis, and internal service funds account for services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.

Agency – accounts for resources received and held by the City in a fiduciary capacity. Disbursements from these funds are made in accordance with applicable legislative enactment.

D. BUDGETS POLICIES AND BUDGETARY CONTROL

Generally, Oregon Local Budget Law requires annual budgets be adopted for all funds except agency funds. The modified accrual basis of accounting is used for all budgets. All annual appropriations lapse at fiscal year end.

The City begins its budgeting process by appointing Budget Committee members in the fall of each year. Budget recommendations are developed by management through 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. Expenditure appropriations may not be legally over-expended, except in the case of grant receipts and bond sale proceeds which could not be reasonably estimated at the time the budget was adopted.

The resolution authorizing appropriations for each fund sets the level at which expenditures cannot legally exceed appropriations. The City established the levels of budgetary control at the personal services, materials and services, capital outlay, operating contingencies, debt service, and all other requirement levels for all funds.

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. BUDGETS POLICIES AND BUDGETARY CONTROL (CONTINUED)

Budget amounts shown in the basic financial statements have been revised since the original budget amounts were adopted. The City council must authorize all appropriation transfers and supplementary budgetary appropriations. The City's disbursements did not exceed appropriations.

E. COMPENSATED ABSENCES - SICK LEAVE

The City has a policy which permits full-time employees to accumulate sick leave at the rate of one day per month up to 2,000 hours.

F. USE OF ESTIMATES

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

G. CASH AND CASH EQUIVALENTS

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, checking, savings and money market accounts, and any highly-liquid debt instruments purchased with a maturity of three months or less.

H. RECEIVABLES

Property taxes are assessed and become a lien on all taxable property as of July 1. Property taxes are levied on November 15. Collection dates are November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Property taxes receivable collected within 60 days subsequent to year-end are considered measurable and available, and are recognized as revenues. All other property taxes receivable are offset by deferred revenue because they are not deemed available to finance operations of the current period.

Receivables for federal and state grants and state, county, and local shared revenue are recorded as revenue in all fund types as earned. Receivables of the Proprietary Funds are recorded as revenue in all funds as earned. The allowance for doubtful accounts is established on a historical view of delinquencies.

I. CAPITAL ASSETS

Capital assets purchased or acquired are reported at historical cost or estimated historical cost. Contributed fixed assets are recorded at estimated fair market value at the time received. Public domain (infrastructure) capital assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems acquired since July 1, 2003 are recorded at cost. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. CAPITAL ASSETS (CONITNUED)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Net revenue bond interest cost incurred during the construction periods is capitalized when material.

Capital assets are depreciated using the straight line method over the following estimated useful lives.

Assets	10- 50
Buildings	20-40
Improvements other than buildings	4-10
Equipment	20-30
Streets	20-50
Distribution and collection systems	18

J. FUND EQUITY

In March 2009, the GASB issued Statement No. 54, Fund Balance Reporting and Governmental Fund-type Definitions. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications – nonspendable, restricted, committed, assigned, and unassigned.

- Nonspendable fund balance represents amounts that are not in a spendable form. The nonspendable fund balance represents prepaid items.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. The City Council has granted the City Manager and the Finance Director the authority to classify portions of ending fund balance as Assigned.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

The Council has approved the following order of spending regarding fund balance categories: Restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and unassigned.

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. FUND EQUITY

To preserve a sound financial system and to provide a stable financial base, the Council has adopted the following fund balance policy: The City shall strive to maintain the General Fund undesignated fund balance at 35% or four months of regular general fund operating expenditures. In enterprise funds, the City shall strive to maintain positive retained earnings positions to provide sufficient reserves for emergencies and revenue shortfalls. Specifically, in the Water and Sewer Enterprise Fund, an operating reserve will be established and maintained at 20 percent of the current year's budget appropriation for operation and maintenance, which is defined as the total budget less debt service and capital projects expenditures. The City shall not regularly maintain positive retained earnings in internal service funds. When an internal service fund builds up retained earnings, the City shall transfer it to other operating funds. The City shall maintain sufficient reserves in its debt service funds which shall equal or exceed the reserve fund balances required by bond ordinances.

K. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element 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.

L. RETIREMENT PLANS

Substantially all of the City's employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. 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. GASB Statements 68 and 71 have been implemented as of July 1, 2015.

M. FAIR VALUE INPUTS AND METHODOLOGIES AND HIERARCHY

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

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

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

2. DEPOSITS AND INVESTMENTS

The City maintains a pool of cash and investments that are available for use by all funds. Each fund's portion of this pool is displayed on the financial statements as cash and investments. Interest earned on pooled cash and investments is allocated to participating funds based upon their combined cash and investment balances.

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2018. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it approximates fair value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. As of June 30, 2018, the fair value of the position in the LGIP is 100.57% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized.

Credit risk: Oregon statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-I by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the state treasurer's investment pool.

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

2. DEPOSITS AND INVESTMENTS (CONTINUED)

As of June 30, 2018, the City had the following investments:

Investment Type	Fair Value	Investment Maturities (in months)		
		Less than 3	3-18	More than 18
State Treasurer's Investment Pool	\$ 7,999,501	\$ 7,999,501	\$ -	\$ -
Total	\$ 7,999,501	\$ 7,999,501	\$ -	\$ -

Interest Rate Risk: The City's policy to manage its exposure to fair-value losses arising from increases in interest rates is to limit investment maturities to 18 months.

Concentration of Credit Risk: The City policy does not allow for an investment in anyone issuer that is in excess of 50 percent of the City's total investments with the exception of the LGIP, Treasury Direct, or the City's banking institution.

Custodial Credit Risk - Investments: This is the risk that, in the event of the failure of a counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. None of the City's investments have custodial credit risk. The City's policy does not limit the amount of investments that can be held by counterparties.

Custodial Credit Risk - Deposits: This is the risk that, in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides Insurance for the City's deposits with financial institutions up to \$250,000 each for the aggregate of all non-interest bearing accounts and the aggregate of all interest bearing accounts at each institution. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program. Oregon Revised Statutes and City policy require depository institutions to maintain on deposit, with the collateral pool manager, securities having a value not less than 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. As of June 30, 2018, the total bank balance per the bank statements was \$538,012. Of these deposits, \$250,000 was covered by federal depository insurance. The remainder, if any, is collateralized the Oregon Public Funds Collateralization Program (PFCP). The City's deposits and investments at June 30, 2018 are as follows:

Deposits with Financial Institutions:

Petty Cash	\$ 500
Demand Deposits	367,555
Investments	7,999,501
Total cash and Investments	<u>\$ 8,367,556</u>

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

3. CAPITAL ASSETS

Changes in Governmental Capital Assets for the year ended June 30, 2018 are as follows:

<u>Governmental Activities</u>	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>
Land*	\$ 1,116,919	\$ -	\$ -	\$ 1,116,919
Construction in Progress*	524,619	1,989,494	(253,865)	2,260,248
Infrastructure	101,421,297	747,128	-	102,168,425
Buildings and Improvements	3,998,756	402,054	-	4,400,810
Vehicles and Equipment	2,589,144	-	(172,693)	2,416,451
Total Capital Assets	109,650,735	3,138,676	(426,558)	112,362,853
Accumulated Depreciation:				
Infrastructure	98,218,811	272,929		98,491,740
Buildings and Improvements	2,338,302	110,959		2,449,261
Vehicles and Equipment	2,069,151	147,727	(171,361)	2,045,517
Total Accumulated Depreciation	102,626,264	531,615	(171,361)	102,986,518
Total Net Capital Assets	\$ 7,024,471			\$ 9,376,335
Depreciation expense was charged to functions/programs of the City as follows:				
General Government		\$ 75,628		
Public Safety		128,172		
Highways and Streets		235,442		
Culture and Recreation		91,549		
Tourism		825		
Total		\$ 531,616		

Changes in Business-Type Capital Assets for the year ended June 30, 2018 are as follows:

	<u>Balances July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>
Capital Assets not being depreciated				
Land	\$ 3,281,776	-	\$ -	\$ 3,281,776
Construction in progress	2,691,978	432,337	(77,455)	3,046,860
Water Rights	629,901	5,513	-	635,414
Total capital assets not being depreciated	6,603,655	437,850	(77,455)	6,964,050
Capital assets being depreciated				
Infrastructure and plant	51,356,211	84,290	-	51,440,501
Buildings	330,213	-	-	330,213
Vehicles and equipment	1,106,945	31,473	(242,893)	895,525
Total capital assets being depreciated	52,793,369	115,763	(242,893)	52,666,239
Less accumulated depreciation for:				
Infrastructure and Plant	31,588,033	1,066,466	-	32,654,499
Buildings	113,945	11,737	-	125,682
Vehicles and equipment	1,036,749	24,566	(232,407)	828,908
Total	32,738,727	1,102,769	(232,407)	33,609,089
Total capital assets being depreciated, net	20,054,642	(987,006)	(10,486)	19,057,150
Total capital assets, net	\$ 26,658,297	\$ (549,156)	\$ (87,941)	\$ 26,021,200

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

4. RECEIVABLES

The City's receivables at June 30, 2018 are shown below:

Property Taxes	\$	286,558
Accounts		1,028,963
Utility Accounts		<u>399,425</u>
	\$	<u><u>1,714,946</u></u>

5. LONG-TERM OBLIGATIONS

A. Transactions for governmental activities for the year ended June 30, 2018 were as follows:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Due within One Year
General Obligation Bonds (original amount \$800,000, & 3-5% interest	390,000	-	40,000	350,000	45,000
ODOT Note Payable \$505k, 1.61%	505,000	-	-	505,000	-
Compensated Absences	<u>178,587</u>	<u>195,990</u>	<u>178,587</u>	<u>195,990</u>	<u>195,990</u>
Total	<u>\$ 1,073,587</u>	<u>\$ 195,990</u>	<u>\$ 225,770</u>	<u>\$ 1,050,990</u>	<u>\$ 240,990</u>

Transactions for business-type activities for the year ended June 30, 2018 were as follows:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Due within One Year
Water Revenue Series 2008 (original amount \$2,360,000, 3.75-5%)	1,525,000	-	115,000	1,410,000	115,000
2012 Refunding Bonds (original amount \$795,000, 1.85-3.6%)	465,000	-	65,000	400,000	70,000
USDA Revenue Bonds (\$4,601,000, 2.375%)	4,385,321	-	75,335	4,309,986	77,124
OECD (original amount \$779,697, 3-4.75%)	610,795	-	74,460	536,335	28,969
IFA Loan, October 2014 (original amount \$2,625,000, 2.67%)	<u>2,342,105</u>	<u>-</u>	<u>82,725</u>	<u>2,259,380</u>	<u>84,944</u>
Total	<u>\$ 9,328,221</u>	<u>\$ -</u>	<u>\$ 412,520</u>	<u>\$ 8,915,701</u>	<u>\$ 376,037</u>

Governmental:

2005 Bonds			2017 ODOT Note	
Year	Principal	Interest	Principal	Interest
2018-2019	45,000	16,656	-	8,131
2019-2020	45,000	14,856	-	8,131
2020-2021	45,000	13,000	23,373	12,197
2021-2022	50,000	10,750	47,312	7,565
2022-2023	50,000	8,250	48,077	6,800
2023-2028	115,000	8,750	252,297	22,087
2028-2032			<u>133,941</u>	<u>3,031</u>
	<u>350,000</u>	<u>72,262</u>	<u>505,000</u>	<u>67,942</u>

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

5. LONG-TERM OBLIGATIONS (CONTINUED)

Business-Type

2012 Refunding Bonds			2009 OECDD Loan			
Year	Principal	Interest	Principal	Interest		
2018-2019	70,000	11,841	24,138	24,961		
2019-2020	75,000	9,593	24,324	23,975		
2020-2021	70,000	7,345	29,497	22,802		
2021-2022	40,000	5,640	29,722	21,327		
2022-2023	40,000	4,400	29,957	19,841		
2023-2028	105,000	5,670	168,547	74,947		
2028-2032	-	-	201,181	30,815		
2032-2036	-	-	-	-		
	<u>\$ 400,000</u>	<u>\$ 44,489</u>	<u>\$ 507,366</u>	<u>\$ 218,668</u>		

2008 Water Revenue Bonds			2013 USDA Revenue Bonds		2014 IFA Loan	
Year	Principal	Interest	Principal	Interest	Principal	Interest
2018-2019	115,000	57,374	77,124	102,362	84,944	60,325
2019-2020	120,000	52,774	78,956	100,530	87,202	58,058
2020-2021	125,000	47,976	80,831	98,655	89,530	55,729
2021-2022	130,000	42,974	82,750	96,736	91,920	53,339
2022-2023	140,000	37,774	84,716	94,770	94,375	50,885
2023-2028	780,000	92,196	454,732	442,698	511,043	215,255
2028-2033	-	-	511,358	386,072	583,009	143,286
2033-2038	-	-	575,035	322,395	665,111	61,189
2038-2043	-	-	646,642	250,788	52,246	1,393
2043-2048	-	-	727,165	170,265	-	-
2048-2053	-	-	817,716	79,714	-	-
2053-2058	-	-	172,961	4,108	-	-
	<u>\$ 1,410,000</u>	<u>\$ 331,068</u>	<u>\$ 4,309,986</u>	<u>\$ 2,149,093</u>	<u>\$ 2,259,380</u>	<u>\$ 699,459</u>

The City entered into a loan agreement with Oregon DEQ, the total amount to be received is \$18,500,000, at an interest rate of 1.47%. At June 30, 2018 the City has drawn down \$3,087,663, all of which is classified as due in more than one year.

6. DEFINED BENEFIT PENSION PLAN

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Comprehensive Annual Financial Report which can be found at:

<http://www.oregon.gov/pers/documents/financials/CAFR/2017-CAFR.pdf>

If the link is expired please contact Oregon PERS for this information.

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

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

- i. **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 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 benefits results. A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 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 2 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.
- ii. **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following contributions are met:
- member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
- iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
- iv. **Benefit Changes After Retirement.** Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.
- b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
- i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:
- Police and fire:* 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

- ii. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.
- iii. **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.
- iv. **Benefit Changes After Retirement.** Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2015 actuarial valuation, which became effective July 1, 2017. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2018 were \$218,437, excluding amounts to fund employer specific liabilities. In addition approximately \$156,381 in employee contributions were paid or picked up by the City in fiscal 2018. At June 30, 2018, the City reported a net pension liability of \$2,424,799 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2015. 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 employers, actuarially determined. As of the measurement date of June 30, 2017, the City's proportion was .02 percent. Pension expense for the year ended June 30, 2018 was \$374,818.

The rates in effect for the year ended June 30, 2018 were:

- (1) Tier 1/Tier 2 – 13.42%
- (2) OPSRP general services – 9.69%

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 117,264	\$ -
Changes in assumptions	441,998	-
Net difference between projected and actual earnings on pension plan investments	24,981	-
Net changes in proportionate share	34,904	153,917
Differences between City contributions and proportionate share of contributions	-	87,447
Subtotal - Amortized Deferrals (below)	619,147	241,364
City contributions subsequent to measuring date	218,437	-
Deferred outflow (inflow) of resources	\$ 837,584	\$ 241,364

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2019.

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2017	\$ 60,082
2018	257,398
2019	158,202
2020	(92,880)
2021	(5,019)
Thereafter	-
Total	\$ 377,783

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated February 16, 2018. Oregon PERS produces an independently audited CAFR which can be found at:

<http://www.oregon.gov/pers/documents/financials/CAFR/2017-CAFR.pdf>

Actuarial Valuations – The employer contribution rates effective July 1, 2017 through June 30, 2019, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year),

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

(b) an actuarially determined amount for funding a disability benefit component, and (c) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2015 rolled forward to June 30, 2017
Experience Study Report	2014, Published September 23, 2015
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset valuation method	Market value of assets
Inflation rate	2.50 percent
Investment rate of return	7.50 percent
Projected salary increase	3.5 percent overall payroll growth
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/.15%) in accordance with Moro decision, blend based on service.
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and setbacks as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (70% for males and 95% for females) of the RP-2000 sex-distinct, generational per scale BB, disabled mortality table.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2015 Experience Study which is reviewed for the four-year period ending December 31, 2015.

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Cash	0.0%	3.0%	0.0%
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Real Estate	9.5%	15.5%	12.5%
Private Equity	14.0%	21.0%	17.5%
Alternative Equity	0.0%	12.5%	12.5%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			100%

(Source: June 30, 2017 PERS CAFR; p. 92)

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Long-Term Expected Rate of Return:

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

Asset Class	Target	Compound Annual Return (Geometric)
Core Fixed Income	8.00%	4.00%
Short-Term Bonds	8.00%	3.61%
Bank/Leveraged Loans	3.00%	5.42%
High Yield Bonds	1.00%	6.20%
Large/Mid Cap US Equities	15.75%	6.70%
Small Cap US Equities	1.31%	6.99%
Micro Cap US Equities	1.31%	7.01%
Developed Foreign Equities	13.13%	6.73%
Emerging Market Equities	4.12%	7.25%
Non-US Small Cap Equities	1.88%	7.22%
Private Equity	17.50%	7.97%
Real Estate (Property)	10.00%	5.84%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	2.50%	4.64%
Hedge Fund - Event-driven	0.63%	6.72%
Timber	1.88%	5.85%
Farmland	1.88%	6.37%
Infrastructure	3.75%	7.13%
Commodities	1.88%	4.58%
<i>Assumed Inflation - Mean</i>		2.50%

(Source: June 30, 2017 PERS CAFR; p. 69)

Discount Rate – The discount rate used to measure the total pension liability was 7.50 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate – The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$ 4,132,300	\$ 2,424,799	\$ 997,012

Changes Subsequent to the Measurement Date

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, Paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer's reporting date that are expected to have a significant effect on the employer's share of the collective Net Pension Liability, along with an estimate of the resulting change, if available.

At its July 28, 2017 meeting, the PERS Board lowered the assumed rate to 7.2 percent. For member transactions, this rate will take effect January 1, 2018. The current assumed rate is 7.5 percent and has been in effect for member transactions since January 1, 2016.

Deferred Compensation Plan

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the City for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of death, disability, resignation, or retirement. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is one which is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the City.

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

Employees of the City are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member's IAP account. OPSRP is part of OPERS, and is administered by the OPERS Board.

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Benefits:

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. 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 IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits:

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

Contributions:

Employees of the City pay six (6) percent of their covered payroll. The City did not make any optional contributions to member IAP accounts for the year ended June 30, 2018.

7. OTHER POST-EMPLOYMENT BENEFIT PLAN – (RHIA)

Plan Description:

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, PO Box 23700, Tigard, OR 97281-3700.

Funding Policy:

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 dollars 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 dollars 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 OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS 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 OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

7. OTHER POST-EMPLOYMENT BENEFIT PLAN – (RHIA) (CONTINUED)

Participating cities are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the City currently contributes 0.49% of annual covered OPERF payroll and 0.42% of OPSRP payroll under a contractual requirement in effect until June 30, 2019. The OPERS Board of Trustees sets the employer contribution rates based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. 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 contribution to RHIA for the year ended June 30, 2018 was \$11,796 which equaled the required contributions each year.

At June 30, 2018, the City's net OPEB liability/(asset) and deferred inflows and outflows were not considered significant by management and were not accrued on the government wide statements.

8. INTERFUND TRANSFERS

Cash transfers are indicative of funding for capital projects, debt service, subsidies of various city operations, and re-allocations of special revenues. Transfers are netted on the Statement of Activities as required by GASB 34. The following schedule briefly summarizes the City's transfer activity for the year ended June 30, 2018:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 1,610,100	\$ 561,000
Street Construction	1,900,587	-
Other Governmental	30,000	2,290,187
Water	-	1,856,400
Wastewater	-	1,329,100
Water Construction	450,000	-
Wastewater Construction	100,000	-
Other Business Type	780,000	-
Internal Service	1,291,000	125,000
Total	<u>\$ 6,161,687</u>	<u>\$ 6,161,687</u>

Please note that the "Internal Balances" noted on the Statement of Net Position is not an interfund balance, but a representation over time that represents the amount of use the internal service fund allocates to the governmental and business type activities.

9. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance for such risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

10. FUND BALANCE CONSTRAINTS

The specific purposes for each of the categories of fund balance as of June 30, 2018 are as follows:

	General Fund	Street Construction Fund	Other Governmental Funds	Total
Fund Balances:				
<u>Nonspendable:</u>				
Prepays	\$ -	\$ -	\$ -	\$ -
<u>Restricted:</u>				
Street Storm Drainage Maintenance	-	-	168,955	168,955
System Development Charges	-	-	306,624	306,624
Debt Payments	-	-	15,200	15,200
	-	-	490,779	490,779
<u>Committed to:</u>				
Street Construction	-	800,956	-	800,956
Tourism	-	-	161,837	161,837
Parks Capital Projects	-	-	31,192	31,192
	-	800,956	193,029	993,985
<u>Assigned to:</u>				
General City	863,448	-	-	863,448
Library	-	-	327	327
Dial A Ride	-	-	19,409	19,409
Library Capital Projects	-	-	-	-
	863,448	-	19,736	883,184
Unassigned:	2,034,740	-	-	2,034,740
Total Fund Balances	\$ 2,898,188	\$ 800,956	\$ 703,544	\$ 4,402,688

11. COMMITMENTS AND CONTINGENCIES

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government's counsel, the resolution of these matters will not have a material adverse cash effect of the financial condition of the government.

12. TAX ABATEMENTS

As of June 30, 2018, the City provides tax abatements through one significant program: Enterprise Zone, ORS 285C.175.

The Oregon Enterprise Zone program is a State of Oregon economic development program established, that allows for property tax exemptions for up to five years. In exchange for receiving property tax exemption, participating firms are required to meet the program requirements set by state statute and the local sponsor.

The Enterprise Zone program allows industrial firms that will be making a substantial new capital investment a waiver of 100% of the amount of real property taxes attributable to the new investment for a 5-year period after completion. Land or existing machinery or equipment is not tax exempt; therefore, there is no loss of current property tax levies to local taxing jurisdiction.

For the fiscal year ended June 30, 2018, the City abated property taxes totaling \$160,608 under this program.

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

13. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Post-employment Health Insurance Subsidy

Plan Description

The City administers a single-employer defined benefit healthcare plan that covers both active and retired participants. The plan provides post-retirement healthcare benefits for eligible retirees and their dependents through the City's group health insurance plans. The City's post-retirement plan was established in accordance with Oregon Revised Statutes (ORS) 243.303 which states, in part, that for the purposes of establishing healthcare premiums, the calculated rate must be based on the cost of all plan members, including both active employees and retirees. Because claim costs are generally higher for retiree groups than for active members, the premium amount does not represent the full cost of coverage for retirees. The resulting additional cost, or implicit subsidy, is required to be valued under GASB Statement 75 related to Other Post-Employment Benefits (OPEB). Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations of the OPEB plan reflect a long-term perspective. The valuation date was July 1, 2016 and the measurement date was June 30, 2017.

Funding Policy

The City has not established a trust fund to finance the cost of post-employment health care benefits related to implicit rate subsidies. Premiums are paid by retirees based on the rates established for active employees. Additional costs related to an implicit subsidy are paid by the City on a pay-as-you-go basis. There is no obligation on the part of the City to fund these benefits in advance.

Actuarial Methods and Assumptions

The City engaged an actuary to perform a valuation as of June 30, 2017 using the Entry Age Normal, level percent of salary Actuarial Cost Method. Mortality rates were based on the RP-2000 healthy white collar male and female mortality tables, set back one year for males. Mortality is projected on a generational basis using Scale BB for males and females. Demographic assumptions regarding retirement, mortality, and turnover are based on Oregon PERS valuation assumptions as of December 31, 2015. Election rate and lapse assumptions are based on experience implied by valuation data for this and other Oregon public employers.

Changes in the Net OPEB Liability

	<u>Increase/ (Decrease)</u>
Total OPEB Liability at June 30, 2017	139,232
Changes for the year:	
Service cost	17,235
Interest	4,377
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other input	(9,403)
Benefit payments	(5,838)
Balance as of June 30, 2018	145,603

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

13. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Trend Rates

The following analysis presents the net OPEB liability using a discount rate of 3.58%, as well as what the City's net OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (2.58%) or one percentage point higher (4.58%) than the current rate:

	1% Decrease 2.58%	Current Discount Rate 3.58%	1% Increase 4.58%
Total OPEB Liability	\$ 158,501	\$ 145,603	\$ 133,740

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Benefits:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Changes in assumptions	-	8,381
City contributions subsequent to measuring date	7,661	-
Deferred outflow (inflow) of resources	\$ 7,661	\$ 8,381

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2018	\$ (1,022)
2019	(1,022)
2020	(1,022)
2021	(1,022)
2022	(1,022)
Thereafter	(3,271)
Total	\$ (8,381)

The beginning Net position for governmental funds was restated due to the City's implementation of GASB 75 for the implicit rate subsidy. Net position was decreased by \$139,232.

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2018**

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2018	0.02 %	\$ 2,424,799	\$ 2,649,160	92%	83.1 %
2017	0.02	2,930,363	2,477,286	118	80.5
2016	0.02	1,190,449	2,268,510	52.48	91.9
2015	0.02	(385,502)	2,224,914	(17.0)	103.6
2014	0.02	867,896	2,156,450	39.0	92.0

The amounts presented for each fiscal year were actuarial determined at 12/31 and rolled forward to the measurement date.

These schedules are 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.

SCHEDULE OF CONTRIBUTIONS

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2018	\$ 218,437	\$ 218,437	\$ -	\$ 2,715,431	8.0 %
2017	168,464	168,464	-	2,649,160	6.4
2016	154,896	154,896	-	2,477,286	6.3
2015	153,399	153,399	-	2,268,510	6.9
2014	159,387	159,387	-	2,224,914	7.4

The amounts presented for each fiscal year were actuarial determined at 12/31 and rolled forward to the measurement date.

These schedules are 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 SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF CHANGES IN OTHER POST-EMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS
For the Year Ended June 30, 2018**

Total Other Post Employment Benefits Liability at June 30, 2017	\$ 139,232
<u>Changes for the year:</u>	
Service Cost	17,235
Interest	4,377
Changes in Benefit Terms	-
Differences between expected and actual experience	-
Changes in assumptions or other input	(9,403)
Employer Contributions	-
Benefit Payments	<u>(5,838)</u>
Net changes for the year	<u>6,371</u>
 Total Other Post Employment Benefits Liability at June 30, 2018	 <u><u>\$ 145,603</u></u>
 Fiduciary Net Position - Beginning	 \$ -
Contributions - Employer	5,838
Contributions - Employee	-
Net Investment Income	-
Benefit Payments	(5,838)
Administrative Expense	<u>-</u>
Net changes for the year	<u>-</u>
 Fiduciary Net Position - Ending	 <u>\$ -</u>
 Net Liability for Other Post Employment Benefits - End of Year	 <u><u>\$ 145,603</u></u>
 Fiduciary Net Position as a percentage of the total Single Employer Pension Liability	 0%
Covered Payroll	\$ 2,732,858
Net Single Employer Pension Plan as a Percentage of Covered Payroll	5%

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2018**

	<u>GENERAL FUND</u>			VARIANCE POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES				
Property Taxes	\$ 2,802,000	\$ 2,802,000	\$ 2,808,881	\$ 6,881
Franchise Fees	450,000	450,000	452,104	2,104
Licences, Permits and Fees	-	-	2,275	2,275
Fines and Forfeitures	-	-	109,019	109,019
Charges for Services	21,500	21,500	22,885	1,385
Intergovernmental	450,085	450,085	489,260	39,175
Interest	-	-	31,170	31,170
Miscellaneous	129,000	129,000	45,910	(83,090)
Total Revenues	<u>3,852,585</u>	<u>3,852,585</u>	<u>3,961,504</u>	<u>108,919</u>
EXPENDITURES				
City Manager's Office	139,892	139,892 (1)	134,582	5,310
City Attorney	68,500	68,500 (1)	36,378	32,122
Mayor & Council	4,000	4,000 (1)	3,423	577
Non-Departmental	284,000	294,000 (1)	284,942	9,058
City Recorder/HR	204,306	222,806 (1)	218,950	3,856
Municipal Court	161,852	161,852 (1)	153,880	7,972
Finance	359,730	394,230 (1)	388,138	6,092
Planning	366,442	366,442 (1)	332,038	34,404
Police	2,115,593	2,115,593 (1)	1,802,360	313,233
Parks/Facilities	177,370	177,370 (1)	148,545	28,825
Fire	872,843	872,843 (1)	617,444	255,399
Contingency	200,000	137,000 (1)	-	137,000
Total Expenditures	<u>4,954,528</u>	<u>4,954,528</u>	<u>4,120,680</u>	<u>833,848</u>
Excess of Revenues Over, (Under) Expenditures	(1,101,943)	(1,101,943)	(159,176)	942,767
OTHER FINANCING SOURCES, (USES)				
Transfers Out	(561,000)	(561,000) (1)	(561,000)	-
Transfers In	1,040,100	1,040,100	1,040,100	-
Net Change in Fund Balance	(622,843)	(622,843)	319,924	942,767
Beginning Fund Balance	<u>1,550,000</u>	<u>1,550,000</u>	<u>1,714,816</u>	<u>164,816</u>
Ending Fund Balance	<u>\$ 927,157</u>	<u>\$ 927,157</u>	<u>\$ 2,034,740</u>	<u>\$ 1,107,583</u>
Reconciliation to GAAP Fund Balance:				
Ending Fund Balances				
Bicycle / Footpath Fund			15,453	
Police Reserve			77,154	
Public Works Operations Reserve			178,064	
Public Works Operations Reserve - Interfund Loan			-	
Fire Reserve Fund			451,544	
Parks Facilities Reserve Fund			141,233	
			<u>\$ 2,898,188</u>	

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2018**

<u>STREET CONSTRUCTION FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Intergovernmental	\$ 400,000	\$ 770,000	\$ 570,000	\$ (200,000)
Interest	800	800	28,962	28,162
Total Revenues	<u>400,800</u>	<u>770,800</u>	<u>598,962</u>	<u>(171,838)</u>
EXPENDITURES				
Capital Outlay	3,750,000	4,120,000 (1)	3,385,039	734,961
Contingency	<u>24,800</u>	<u>24,800</u> (1)	<u>-</u>	<u>24,800</u>
Total Expenditures	<u>3,774,800</u>	<u>4,144,800</u>	<u>3,385,039</u>	<u>759,761</u>
Excess of Revenues Over, (Under) Expenditures	(3,374,000)	(3,374,000)	(2,786,077)	587,923
OTHER FINANCING SOURCES, (USES)				
Loan Proceeds	505,000	505,000	-	(505,000)
Transfers Out		- (1)	-	-
Transfers In	<u>1,871,000</u>	<u>1,871,000</u>	<u>1,900,587</u>	<u>29,587</u>
Total Other Financing Sources, (Uses)	2,376,000	2,376,000	1,900,587	29,587
Net Change in Fund Balance	(998,000)	(998,000)	(885,490)	112,510
Beginning Fund Balance	<u>998,000</u>	<u>998,000</u>	<u>1,686,446</u>	<u>688,446</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 800,956</u>	<u>\$ 800,956</u>

(1) Appropriation Level

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

SUPPLEMENTARY INFORMATION

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2018**

<u>WATER OPERATIONS FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Charges for Services	\$ 2,016,500	\$ 2,015,500	\$ 2,069,591	\$ 54,091
System Development Charges	-	1,500	10,127	8,627
Interest	1,200	1,200	6,051	4,851
Miscellaneous	25,141	25,141	25,641	500
Total Revenues	2,042,841	2,043,341	2,111,410	68,069
EXPENDITURES				
Materials and Services	439,250	439,250 (1)	357,566	81,684
Capital Outlay	1,000	1,000 (1)	-	1,000
Contingency	53,191	53,191 (1)	-	53,191
Total Expenditures	493,441	493,441	357,566	53,191
Excess of Revenues Over, (Under) Expenditures	1,549,400	1,549,900	1,753,844	203,944
OTHER FINANCING SOURCES, (USES)				
Interfund Loan	-	-	-	-
Transfers Out	(1,856,400)	(1,856,400) (1)	(1,856,400)	-
Total Other Financing Sources, (Uses)	(1,856,400)	(1,856,400)	(1,856,400)	-
Net Change in Fund Balance	(307,000)	(306,500)	(102,556)	203,944
Beginning Fund Balance	307,000	307,000	347,164	40,164
Ending Fund Balance	\$ -	\$ 500	244,608	\$ 244,108
Reconciling Items:				
Capital Assets, Net			13,015,295	
Deferred Revenue			18,680	
Accrued Interest			(48,359)	
Interfund Loan			-	
Long-Term Obligations			(6,256,321)	
Net Position			\$ 6,973,903	

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2018**

WASTEWATER OPERATIONS FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Charges for Services	\$ 2,007,000	\$ 2,007,000	\$ 2,112,898	\$ 105,898
Interest	1,500	1,500	6,771	5,271
Miscellaneous	-	-	14,218	14,218
Total Revenues	2,008,500	2,008,500	2,133,887	125,387
EXPENDITURES				
Materials and Services	647,850	647,850 (1)	561,745	86,105
Capital Outlay	1,000	1,000 (1)	-	1,000
Contingency	239,550	239,550 (1)	-	239,550
Total Expenditures	888,400	888,400	561,745	326,655
Excess of Revenues over Expenditures	1,120,100	1,120,100	1,572,142	(201,268)
OTHER FINANCING SOURCES, (USES)				
Transfers Out	(1,329,100)	(1,329,100) (1)	(1,329,100)	-
Net Change in Fund Balance	(209,000)	(209,000)	243,042	125,387
Beginning Fund Balance	209,000	209,000	309,258	100,258
Ending Fund Balance	\$ -	\$ -	\$ 552,300	\$ 552,300
Reconciling Items:				
Capital Assets, Net			13,005,905	
Deferred Revenue			22,800	
Long-Term Obligations			(5,747,043)	
Net Position			\$ 7,833,962	

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2018**

WATER CONSTRUCTION FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
System Development Charges	\$ 30,000	\$ 30,000	\$ 88,143	\$ 58,143
Interest	1,500	1,500	7,755	6,255
Total Revenues	31,500	31,500	95,898	64,398
EXPENDITURES				
Capital Outlay	953,000	953,000 (1)	10,547	942,453
Contingency	384,500	384,500 (1)	-	384,500
Total Expenditures	1,337,500	1,337,500	10,547	1,326,953
Excess of Revenues Over, (Under) Expenditures	(1,306,000)	(1,306,000)	85,351	1,391,351
OTHER FINANCING SOURCES, (USES)				
Debt Proceeds	650,000	650,000	-	(650,000)
Transfers In	450,000	450,000	450,000	-
Net Change in Fund Balance	(206,000)	(206,000)	535,351	741,351
Beginning Fund Balance	206,000	206,000	207,914	1,914
Ending Fund Balance	\$ -	\$ -	\$ 743,265	\$ 743,265

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2018**

WASTEWATER CONSTRUCTION FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
System Development Charges	\$ 2,000	\$ 2,000	\$ 7,301	\$ 5,301
Interest	2,000	2,000	4,910	2,910
Total Revenues	4,000	4,000	12,211	8,211
EXPENDITURES				
Capital Outlay	4,005,000	4,005,000 (1)	792,352	3,212,648
Contingency	662,000	662,000 (1)	-	662,000
Total Expenditures	4,667,000	4,667,000	792,352	3,874,648
Excess of Revenues Over, (Under) Expenditures	(4,663,000)	(4,663,000)	(780,141)	3,882,859
OTHER FINANCING SOURCES, (USES)				
Loan Proceeds	4,005,000	4,005,000	609,181	(3,395,819)
Transfers In	100,000	100,000	100,000	-
Net Change in Fund Balance	(558,000)	(558,000)	(70,960)	487,040
Beginning Fund Balance	558,000	558,000	207,227	(350,773)
Ending Fund Balance	\$ -	\$ -	\$ 136,267	\$ 136,267

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2018**

	STREET STORM DRAINAGE FUND	STREET SDC FUND	TOURISM MOTEL TAX	LIBRARY BOARD FUND	DIAL A RIDE FUND
ASSETS					
Cash and Equivalents	\$ 127,399	\$ 306,624	\$ 221,393	\$ 327	\$ (1,049)
Prepays	-	-	-	-	-
Accounts Receivable	49,687	-	22,916	-	27,173
Total Assets	<u>\$ 177,086</u>	<u>\$ 306,624</u>	<u>\$ 244,309</u>	<u>\$ 327</u>	<u>\$ 26,124</u>
LIABILITIES					
Accounts Payable	\$ 8,131	\$ -	\$ 43,254	\$ -	\$ 6,715
Interfund Loan	-	-	39,218	-	-
Deferred Revenue	-	-	-	-	-
Total Liabilities	<u>8,131</u>	<u>-</u>	<u>82,472</u>	<u>-</u>	<u>6,715</u>
FUND BALANCES					
Restricted	168,955	306,624	-	-	-
Committed	-	-	161,837	-	-
Assigned	-	-	-	327	19,409
Total Fund Balances	<u>168,955</u>	<u>306,624</u>	<u>161,837</u>	<u>327</u>	<u>19,409</u>
Total Liabilities and Fund Balances	<u>\$ 177,086</u>	<u>\$ 306,624</u>	<u>\$ 244,309</u>	<u>\$ 327</u>	<u>\$ 26,124</u>

STREET MAINTENANCE FUND	CENTRAL AVENUE FUND	CAPITAL PROJECTS FUNDS		TOTAL
		DEBT SERVICE LIBRARY GO BOND FUND	PARKS CONSTRUCTION FUND	
\$ -	\$ -	\$ 15,200	\$ 31,192	\$ 701,086
-	-	-	-	-
-	-	5,836	-	105,612
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,036</u>	<u>\$ 31,192</u>	<u>\$ 806,698</u>
\$ -	\$ -	\$ -	\$ -	\$ 58,100
-	-	-	-	39,218
-	-	5,836	-	5,836
-	-	5,836	-	103,154
-	-	15,200	-	490,779
-	-	-	31,192	193,029
-	-	-	-	19,736
-	-	15,200	31,192	703,544
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,036</u>	<u>\$ 31,192</u>	<u>\$ 806,698</u>

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2018**

	STREET STORM DRAINAGE FUND	STREET SDC FUND	TOURISM MOTEL TAX	LIBRARY BOARD FUND	DIAL A RIDE FUND
REVENUES					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
System Development Charges	-	85,492	-	-	-
Assessments	-	-	182,510	-	-
Grants and Contributions	-	-	-	133	112,225
Intergovernmental	513,701	-	-	-	-
Interest	3,970	4,716	3,510	4	114
Miscellaneous	135,917	-	-	-	-
Total Revenues	<u>\$ 653,588</u>	<u>\$ 90,208</u>	<u>\$ 186,020</u>	<u>\$ 137</u>	<u>\$ 112,339</u>
EXPENDITURES					
Current					
Materials and Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	112,229
Tourism	-	-	109,795	-	-
Highways and Streets	123,616	-	-	-	-
Capital Outlay	40,819	-	-	-	-
Debt Service	-	-	528	-	-
Total Expenditures	<u>164,435</u>	<u>-</u>	<u>110,323</u>	<u>-</u>	<u>112,229</u>
Excess of Revenues Over, (Under) Expenditures	489,153	90,208	75,697	137	110
OTHER FINANCING SOURCES, (USES)					
Transfers In	-	-	-	-	-
Transfers Out	(626,900)	(115,000)	(44,500)	-	(18,200)
Total Other Financing Sources, (Uses)	<u>(626,900)</u>	<u>(115,000)</u>	<u>(44,500)</u>	<u>-</u>	<u>(18,200)</u>
NET CHANGE IN FUND BALANCES	(137,747)	(24,792)	31,197	137	(18,090)
BEGINNING FUND BALANCES	<u>306,702</u>	<u>331,416</u>	<u>130,640</u>	<u>190</u>	<u>37,499</u>
ENDING FUND BALANCES	<u><u>\$ 168,955</u></u>	<u><u>\$ 306,624</u></u>	<u><u>\$ 161,837</u></u>	<u><u>\$ 327</u></u>	<u><u>\$ 19,409</u></u>

STREET MAINTENANCE FUND	CENTRAL AVENUE FUND	DEBT SERVICE	CAPITAL PROJECTS FUNDS	TOTAL
		LIBRARY GO BOND FUND	PARKS CONSTRUCTION FUND	
\$ -	\$ -	\$ 51,000	\$ -	\$ 51,000
-	-	-	25,000	110,492
-	-	-	-	182,510
-	-	-	49,600	161,958
-	-	-	-	513,701
2,513	12,207	266	316	27,616
-	-	-	-	135,917
<u>\$ 2,513</u>	<u>\$ 12,207</u>	<u>\$ 51,266</u>	<u>\$ 74,916</u>	<u>\$ 1,183,194</u>
-	-	-	-	-
-	-	-	-	112,229
-	-	-	-	109,795
-	-	-	-	123,616
-	-	-	134,713	175,532
-	-	58,256	-	58,784
<u>-</u>	<u>-</u>	<u>58,256</u>	<u>134,713</u>	<u>579,956</u>
2,513	12,207	(6,990)	(59,797)	603,238
-	-	-	30,000	30,000
<u>(255,076)</u>	<u>(1,230,511)</u>	<u>-</u>	<u>-</u>	<u>(2,290,187)</u>
<u>(255,076)</u>	<u>(1,230,511)</u>	<u>-</u>	<u>30,000</u>	<u>(2,260,187)</u>
(252,563)	(1,218,304)	(6,990)	(29,797)	(1,656,949)
<u>252,563</u>	<u>1,218,304</u>	<u>22,190</u>	<u>60,989</u>	<u>2,360,493</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,200</u>	<u>\$ 31,192</u>	<u>\$ 703,544</u>

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2018**

<u>STREET / STORM DRAINAGE</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Intergovernmental	\$ 500,000	\$ 500,000	\$ 513,701	\$ 13,701
Miscellaneous	135,500	135,500	135,917	417
Interest	300	300	3,970	3,670
Total Revenues	<u>635,800</u>	<u>635,800</u>	<u>653,588</u>	<u>17,788</u>
EXPENDITURES				
Materials and Services	156,000	156,000 (1)	123,616	32,384
Capital Outlay	50,000	50,000 (1)	40,819	9,181
Contingency	<u>15,900</u>	<u>15,900 (1)</u>	<u>-</u>	<u>15,900</u>
Total Expenditures	<u>221,900</u>	<u>221,900</u>	<u>164,435</u>	<u>57,465</u>
Excess of Revenues Over, (Under) Expenditures	413,900	413,900	489,153	75,253
OTHER FINANCING SOURCES, (USES)				
Transfers Out	<u>(626,900)</u>	<u>(626,900) (1)</u>	<u>(626,900)</u>	<u>-</u>
Net Change in Fund Balance	(213,000)	(213,000)	(137,747)	75,253
Beginning Fund Balance	<u>213,000</u>	<u>213,000</u>	<u>306,702</u>	<u>93,702</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 168,955</u>	<u>\$ 168,955</u>

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2018**

STREET SDC SPECIAL REVENUE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
System Development Charges	\$ 30,000	\$ 30,000	\$ 85,492	\$ 55,492
Interest	3,000	3,000	4,716	1,716
Total Revenues	33,000	33,000	90,208	57,208
EXPENDITURES				
Contingency	236,000	236,000 (1)	-	236,000
Total Expenditures	236,000	236,000	-	236,000
Excess of Revenues Over, (Under) Expenditures	(203,000)	(203,000)	90,208	293,208
OTHER FINANCING SOURCES, (USES)				
Transfers Out	(150,000)	(150,000) (1)	(115,000)	35,000
Net Change in Fund Balance	(353,000)	(353,000)	(24,792)	328,208
Beginning Fund Balance	353,000	353,000	331,416	(21,584)
Ending Fund Balance	\$ -	\$ -	\$ 306,624	\$ 306,624

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2018**

<u>TOURISM - MOTEL TAX FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Assessments	\$ 175,000	\$ 175,000	\$ 182,510	\$ 7,510
Interest	1,000	1,000	3,510	2,510
Total Revenues	<u>176,000</u>	<u>176,000</u>	<u>186,020</u>	<u>10,020</u>
EXPENDITURES				
Materials and Services	110,025	110,025 (1)	109,795	230
Capital Outlay	-	- (1)	-	-
Debt Service	33,830	33,830 (1)	33,808	22
Contingency	<u>164,645</u>	<u>164,645 (1)</u>	<u>-</u>	<u>164,645</u>
Total Expenditures	<u>308,500</u>	<u>308,500</u>	<u>143,603</u>	<u>164,897</u>
Excess of Revenues Over, (Under) Expenditures	(132,500)	(132,500)	42,417	174,917
OTHER FINANCING SOURCES, (USES)				
Transfers Out	(44,500)	(44,500) (1)	(44,500)	-
Interfund Loan Proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(177,000)	(177,000)	(2,083)	174,917
Beginning Fund Balance	<u>177,000</u>	<u>177,000</u>	<u>203,138</u>	<u>26,138</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 201,055</u>	<u>\$ 201,055</u>
Reconciliation to GAAP:				
Interfund Loan			<u>\$ (39,218)</u>	
GAAP Net Position			<u>\$ 161,837</u>	

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2018**

	<u>LIBRARY BOARD FUND</u>			
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Grants and Contributions	\$ -	\$ -	\$ 133	\$ 133
Interest	\$ -	\$ -	\$ 4	\$ 4
Total Revenues	<u>-</u>	<u>-</u>	<u>137</u>	<u>137</u>
Net Change in Fund Balance	-	-	137	137
Beginning Fund Balance	<u>-</u>	<u>-</u>	<u>190</u>	<u>190</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 327</u>	<u>\$ 327</u>

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2018**

<u>DIAL-A-RIDE FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Grants and Contributions	\$ 119,593	\$ 119,593	\$ 112,225	\$ (7,368)
Miscellaneous	6,000	6,000	-	(6,000)
Interest	100	100	114	14
Total Revenues	<u>125,693</u>	<u>125,693</u>	<u>112,339</u>	<u>(13,354)</u>
EXPENDITURES				
Materials and Services	113,750	121,250 (1)	112,229	9,021
Capital Outlay	-	- (1)	-	-
Contingency	<u>8,743</u>	<u>1,243 (1)</u>	<u>-</u>	<u>1,243</u>
Total Expenditures	<u>122,493</u>	<u>122,493</u>	<u>112,229</u>	<u>10,264</u>
Excess of Revenues Over, (Under) Expenditures	3,200	3,200	110	(3,090)
OTHER FINANCING SOURCES, (USES)				
Transfers Out	<u>(18,200)</u>	<u>(18,200) (1)</u>	<u>(18,200)</u>	<u>-</u>
Net Change in Fund Balance	(15,000)	(15,000)	(18,090)	(3,090)
Beginning Fund Balance	<u>15,000</u>	<u>15,000</u>	<u>37,499</u>	<u>22,499</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,409</u>	<u>\$ 19,409</u>

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2018**

STREET MAINTENANCE RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Interest	\$ -	\$ 1,100	\$ 2,513	\$ 1,413
Total Revenues	-	1,100	2,513	1,413
EXPENDITURES				
Contingency	-	- (1)	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over, (Under) Expenditures	-	1,100	2,513	1,413
OTHER FINANCING SOURCES, (USES)				
Transfers Out	(254,000)	(255,100) (1)	(255,076)	24
Transfers In		-	-	-
Net Change in Fund Balance	(254,000)	(254,000)	(252,563)	1,437
Beginning Fund Balance	254,000	254,000	252,563	(1,437)
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2018**

CENTRAL AVENUE RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Interest	-	63,550	12,207	(51,343)
Total Revenues	-	63,550	12,207	(51,343)
EXPENDITURES				
Contingency	-	- (1)	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over, (Under) Expenditures	-	63,550	12,207	(51,343)
OTHER FINANCING SOURCES, (USES)				
Transfers Out	(1,167,000)	(1,230,550) (1)	(1,230,511)	39
Net Change in Fund Balance	(1,167,000)	(1,167,000)	(1,218,304)	(51,304)
Beginning Fund Balance	1,167,000	1,167,000	1,218,304	51,304
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2018**

<u>LIBRARY GO BOND FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Property Taxes	\$ 56,000	\$ 56,000	\$ 51,000	\$ (5,000)
Interest	200	200	266	66
Total Revenues	<u>56,200</u>	<u>56,200</u>	<u>51,266</u>	<u>(4,934)</u>
EXPENDITURES				
Debt Service	<u>58,260</u>	<u>58,260</u> (1)	<u>58,256</u>	<u>4</u>
Total Expenditures	<u>58,260</u>	<u>58,260</u>	<u>58,256</u>	<u>4</u>
Net Change in Fund Balance	(2,060)	(2,060)	(6,990)	(4,930)
Beginning Fund Balance	<u>22,000</u>	<u>22,000</u>	<u>22,190</u>	<u>190</u>
Ending Fund Balance	<u>\$ 19,940</u>	<u>\$ 19,940</u>	<u>\$ 15,200</u>	<u>\$ (4,740)</u>

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2018**

<u>PARKS CONSTRUCTION FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
System Development Charges	\$ 7,500	\$ 7,500	\$ 25,000	\$ 17,500
Grants and Contributions	-	-	49,600	49,600
Interest	250	250	316	66
Total Revenues	<u>7,750</u>	<u>7,750</u>	<u>74,916</u>	<u>67,166</u>
EXPENDITURES				
Capital Outlay	135,000	135,000 (1)	134,713	287
Contingency	<u>33,750</u>	<u>33,750 (1)</u>	<u>-</u>	<u>33,750</u>
Total Expenditures	<u>168,750</u>	<u>168,750</u>	<u>134,713</u>	<u>34,037</u>
Excess of Revenues Over, (Under) Expenditures	(161,000)	(161,000)	(59,797)	101,203
OTHER FINANCING SOURCES, (USES)				
Transfers In	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Net Change in Fund Balance	(131,000)	(131,000)	(29,797)	101,203
Beginning Fund Balance	<u>131,000</u>	<u>131,000</u>	<u>60,989</u>	<u>(70,011)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,192</u>	<u>\$ 31,192</u>

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2018**

<u>BICYCLE FOOTPATH FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Intergovernmental	\$ 5,000	\$ 5,000	\$ 5,200	\$ 200
Interest	30	30	176	146
Total Revenues	<u>5,030</u>	<u>5,030</u>	<u>5,376</u>	<u>346</u>
EXPENDITURES				
Contingency	<u>15,030</u>	<u>15,030 (1)</u>	<u>-</u>	<u>15,030</u>
Total Expenditures	<u>15,030</u>	<u>15,030</u>	<u>-</u>	<u>15,030</u>
Excess of Revenues Over, (Under) Expenditures	(10,000)	(10,000)	5,376	15,376
Beginning Fund Balance	<u>10,000</u>	<u>10,000</u>	<u>10,077</u>	<u>77</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,453</u>	<u>\$ 15,453</u>

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2018**

<u>POLICE RESERVE FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Interest	\$ 1,000	\$ 1,000	\$ 1,456	\$ 456
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>1,456</u>	<u>456</u>
EXPENDITURES				
Capital Outlay	186,000	186,000 (1)	177,784	8,216
Contingency	<u>50,000</u>	<u>50,000 (1)</u>	<u>-</u>	<u>50,000</u>
Total Expenditures	<u>236,000</u>	<u>236,000</u>	<u>177,784</u>	<u>58,216</u>
Excess of Revenues Over, (Under) Expenditures	(235,000)	(235,000)	(176,328)	58,672
OTHER FINANCING SOURCES, (USES)				
Surplus Property Sales	-	-	17,460	17,460
Transfers In	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net Change in Fund Balance	(135,000)	(135,000)	(58,868)	76,132
Beginning Fund Balance	<u>135,000</u>	<u>135,000</u>	<u>136,022</u>	<u>1,022</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,154</u>	<u>\$ 77,154</u>

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2018**

	<u>FIRE RESERVE FUND</u>			
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Interest	800	800	5,534	4,734
Total Revenues	800	800	5,534	4,734
EXPENDITURES				
Capital Outlay	160,500	160,500 (1)	85,238	75,262
Contingency	364,300	364,300 (1)	-	364,300
Total Expenditures	524,800	524,800	85,238	439,562
Excess of Revenues Over, (Under) Expenditures	(524,000)	(524,000)	(79,704)	444,296
OTHER FINANCING SOURCES, (USES)				
Surplus Property Sales	-	-	8,415	8,415
Transfers In	265,000	265,000	265,000	-
Net Change in Fund Balance	(259,000)	(259,000)	193,711	452,711
Beginning Fund Balance	259,000	259,000	257,833	(1,167)
Ending Fund Balance	\$ -	\$ -	\$ 451,544	\$ 451,544

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2018**

PUBLIC WORKS OPERATIONS RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Interest	\$ 100	\$ 100	\$ 2,010	\$ 1,910
Total Revenues	100	100	2,010	1,910
EXPENDITURES				
Debt Service	25,260	25,260 (1)	25,193	67
Capital Outlay	95,000	95,000 (1)	-	95,000
Contingency	77,840	77,840 (1)	-	77,840
Total Expenditures	198,100	198,100	25,193	172,907
Excess of Revenues Over, (Under) Expenditures	(198,000)	(198,000)	(23,183)	174,817
OTHER FINANCING SOURCES, (USES)				
Transfers In	125,000	125,000	125,000	-
Net Change in Fund Balance	(73,000)	(73,000)	101,817	174,817
Beginning Fund Balance	73,000	73,000	76,247	3,247
Ending Fund Balance	\$ -	\$ -	\$ 178,064	\$ 178,064

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2018**

PARKS/FACILITIES RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Interest	\$ 1,000	\$ 1,000	\$ 3,249	\$ 2,249
Total Revenues	1,000	1,000	3,249	2,249
EXPENDITURES				
Capital Outlay	208,000	208,000 (1)	120,949	87,051
Contingency	25,000	25,000 (1)	-	25,000
Total Expenditures	233,000	233,000	120,949	112,051
Excess of Revenues Over, (Under) Expenditures	(232,000)	(232,000)	(117,700)	114,300
OTHER FINANCING SOURCES, (USES)				
Transfers In	80,000	80,000	80,000	-
Net Change in Fund Balance	(152,000)	(152,000)	(37,700)	114,300
Beginning Fund Balance	152,000	152,000	178,933	26,933
Ending Fund Balance	\$ -	\$ -	\$ 141,233	\$ 141,233

(1) Appropriation Level

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

COMBINING STATEMENT OF NET POSITION -
NONMAJOR ENTERPRISE FUNDS
June 30, 2018

	WATER RESERVE FUND	WASTEWATER RESERVE FUND	KNOLLS ESTATE STEP SURCHARGE FUND
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and Cash Equivalents	\$ 315,941	\$ 85,048	\$ 29,776
Accounts Receivable	-	-	-
Interfund Loan Receivable	39,218	-	-
Prepays	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u><u>\$ 355,159</u></u>	<u><u>\$ 85,048</u></u>	<u><u>\$ 29,776</u></u>
LIABILITIES			
Current Liabilities			
Accounts Payable	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Restricted for Bond Covenant	\$ -	\$ -	\$ -
Restricted for Debt Service	-	-	-
Restricted for Capital Projects	-	-	-
Unrestricted	<u>355,159</u>	<u>85,048</u>	<u>29,776</u>
Total Net Position	<u>355,159</u>	<u>85,048</u>	<u>29,776</u>
Total Liabilities and Net Position	<u><u>\$ 355,159</u></u>	<u><u>\$ 85,048</u></u>	<u><u>\$ 29,776</u></u>

WATER DEBT SERVICE FUND	WASTEWATER DEBT SERVICE FUND	TOTAL
\$ 218,050	\$ 452,672	\$ 1,101,487
-	240,370	240,370
-	-	39,218
28,688	-	28,688
<u>\$ 246,738</u>	<u>\$ 693,042</u>	<u>\$ 1,409,763</u>
-	-	-
-	-	-
\$ 201,638	\$ -	\$ 201,638
45,100	-	45,100
-	693,042	693,042
-	-	469,983
<u>246,738</u>	<u>693,042</u>	<u>1,409,763</u>
<u>\$ 246,738</u>	<u>\$ 693,042</u>	<u>\$ 1,409,763</u>

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - NONMAJOR ENTERPRISE FUNDS**

For the Year Ended June 30, 2018

	<u>WATER RESERVE FUND</u>	<u>WASTEWATER RESERVE FUND</u>	<u>KNOLLS ESTATE STEP SURCHARGE FUND</u>
OPERATING REVENUES			
Charges for Services	\$ -	\$ -	\$ 16,373
OPERATING EXPENSES			
Materials and Services	<u>15,737</u>	<u>15,736</u>	<u>14,893</u>
Operating income (loss)	(15,737)	(15,736)	1,480
NONOPERATING REVENUES (EXPENSES)			
Interest	5,560	1,365	435
Interest Expense	-	-	-
Transfers In	-	15,000	-
Miscellaneous	2	-	-
Total Nonoperating Revenues (Expenses)	<u>5,562</u>	<u>16,365</u>	<u>435</u>
Change in Net Position	(10,175)	629	1,915
Beginning Net Position	<u>365,334</u>	<u>84,419</u>	<u>27,861</u>
Ending Net Position	<u><u>\$ 355,159</u></u>	<u><u>\$ 85,048</u></u>	<u><u>\$ 29,776</u></u>

WATER DEBT SERVICE FUND	WASTEWATER DEBT SERVICE FUND	TOTAL
<u> </u>	<u> </u>	<u> </u>
\$ -	\$ 8,056	\$ 24,429
<u>-</u>	<u>-</u>	<u>46,366</u>
-	8,056	(21,937)
2,225	5,255	14,840
(409,488)	(223,786)	(633,274)
425,000	340,000	780,000
-	-	2
<u>17,737</u>	<u>121,469</u>	<u>161,568</u>
17,737	129,525	139,631
<u>229,001</u>	<u>563,517</u>	<u>1,270,132</u>
<u>\$ 246,738</u>	<u>\$ 693,042</u>	<u>\$ 1,409,763</u>

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2018

	WATER RESERVE FUND	WASTEWATER RESERVE FUND	KNOLLS ESTATE STEP SURCHARGE FUND
Cash Flows from Operating Activities:			
Cash from Customers	\$ -	\$ -	\$ 16,373
Cash paid to Suppliers	(15,737)	(15,736)	(15,903)
Cash flow from Operations	(15,737)	(15,736)	470
Cash Flows from Investing Activities:			
Earnings on Investments and Other	5,560	1,365	435
Cash Flows from Noncapital Financing Activities:			
Miscellaneous	-		-
Interfund Loans	33,282		
Transfers	-	15,000	-
Cash flow from Noncapital Financing	33,282	15,000	-
Cash Flows from Capital and Related Financing Activities:			
Payments on long term debt	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	23,105	629	905
Cash and Cash Equivalents, Beginning	292,836	84,419	28,871
Cash and Cash Equivalents, Ending	315,941	85,048	29,776
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating Income, (Loss)	(15,737)	(15,736)	1,480
Noncash Items Included in Income:			
(Increase), Decrease in Assets	-	-	(1,010)
Net Cash Provided (Used) by Operating Activities	\$ (15,737)	\$ (15,736)	\$ 470

WATER DEBT SERVICE FUND	WASTEWATER DEBT SERVICE FUND	TOTAL
\$ -	\$ 47,116	\$ 63,489
-	-	(47,376)
-	47,116	16,113
4,525	5,255	17,140
-	-	-
-	-	33,282
425,000	340,000	780,000
425,000	340,000	813,282
(409,488)	(223,786)	(633,274)
20,037	168,585	213,261
198,013	284,087	888,226
218,050	452,672	1,101,487
-	8,056	(21,937)
-	39,060	38,050
\$ -	\$ 47,116	\$ 16,113

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2018

WATER RESERVE FUND
A NONMAJOR ENTERPRISE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Interest	\$ 2,530	\$ 2,530	\$ 5,560	\$ 3,030
Miscellaneous	33,300	33,300	33,282	(18)
Total Revenues	35,830	35,830	38,842	3,012
EXPENDITURES				
Capital Outlay	17,000	17,000 (1)	15,737	1,263
Contingency	309,830	309,830 (1)	-	309,830
Total Expenditures	326,830	326,830	15,737	311,093
Excess of Revenues Over, (Under) Expenditures	(291,000)	(291,000)	23,105	314,105
OTHER FINANCING SOURCES, (USES)				
Interfund Loans		-	-	-
Net Change in Fund Balance	(291,000)	(291,000)	23,105	314,105
Beginning Fund Balance	291,000	291,000	292,836	1,836
Ending Fund Balance	\$ -	\$ -	\$ 315,941	\$ 315,941
Reconciliation to GAAP:				
			\$ 39,218	
			\$ 355,159	

(1) Appropriation Level

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2018

PUBLIC WORKS WASTEWATER RESERVE FUND
A NONMAJOR ENTERPRISE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Interest	\$ 500	\$ 500	\$ 1,365	\$ 865
Total Revenues	500	500	1,365	865
EXPENDITURES				
Capital Outlay	17,000	17,000 (1)	15,736	1,264
Contingency	82,500	82,500 (1)	-	82,500
Total Expenditures	99,500	99,500	15,736	83,764
Excess of Revenues Over, (Under) Expenditures	(99,000)	(99,000)	(14,371)	84,629
OTHER FINANCING SOURCES, (USES)				
Transfers In	15,000	15,000	15,000	-
Net Change in Fund Balance	(84,000)	(84,000)	629	84,629
Beginning Fund Balance	84,000	84,000	84,419	419
Ending Fund Balance	\$ -	\$ -	\$ 85,048	\$ 85,048

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2018**

KNOLLS ESTATE STEP SURCHARGE FUND
A NONMAJOR ENTERPRISE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Charges for Services	\$ 16,000	\$ 16,000	\$ 16,373	\$ 373
Interest	200	200	435	235
Total Revenues	16,200	16,200	16,808	608
EXPENDITURES				
Materials and Services	15,000	15,000 (1)	14,893	107
Contingency	26,200	26,200 (1)	-	26,200
Total Expenditures	41,200	41,200	14,893	26,307
Net Change in Fund Balance	(25,000)	(25,000)	1,915	26,915
Beginning Fund Balance	25,000	25,000	27,861	2,861
Ending Fund Balance	\$ -	\$ -	\$ 29,776	\$ 29,776

(1) Appropriation Level

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2018

WATER DEBT SERVICE FUND
A NONMAJOR ENTERPRISE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Interest	\$ 1,500	\$ 1,500	\$ 2,225	\$ 725
Total Revenues	1,500	1,500	2,225	725
EXPENDITURES				
Debt Service	409,505	409,505 (1)	409,488	17
Contingency	8,220	8,220 (1)	-	8,220
Total Expenditures	417,725	417,725	409,488	8,237
Excess of Revenues Over, (Under) Expenditures	(416,225)	(416,225)	(407,263)	8,962
OTHER FINANCING SOURCES, (USES)				
Transfers In	425,000	425,000	425,000	-
Net Change in Fund Balance	8,775	8,775	17,737	8,962
Beginning Fund Balance	229,000	229,000	229,001	1
Ending Fund Balance	\$ 237,775	\$ 237,775	\$ 246,738	\$ 8,963

(1) Appropriation Level

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2018

WASTEWATER DEBT SERVICE FUND
A NONMAJOR ENTERPRISE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Assesments	\$ 39,000	\$ 39,000	\$ 47,116	\$ 8,116
Interest	9,320	9,320	5,255	(4,065)
Total Revenues	48,320	48,320	52,371	4,051
EXPENDITURES				
Debt Service	263,800	263,800 (1)	223,786	40,014
Contingency	389,520	389,520 (1)	-	389,520
Total Expenditures	653,320	653,320	223,786	429,534
Excess of Revenues Over, (Under) Expenditures	(605,000)	(605,000)	(171,415)	433,585
OTHER FINANCING SOURCES, (USES)				
Transfers In	340,000	340,000	340,000	-
Net Change in Fund Balance	(265,000)	(265,000)	168,585	433,585
Beginning Fund Balance	265,000	265,000	284,087	19,087
Ending Fund Balance	\$ -	\$ -	\$ 452,672	\$ 452,672

Reconciliation to GAAP:

Deferred Revenue \$ 240,370

GAAP Net Position \$ 693,042

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2018**

PUBLIC WORKS OPERATIONS FUND - INTERNAL SERVICE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Earnings on Investments	\$ 1,000	\$ 1,000	\$ 2,473	\$ 1,473
Miscellaneous	-	-	3,993	3,993
Total Revenues	1,000	1,000	6,466	5,466
EXPENDITURES				
Personnel	\$ 1,204,464	\$ 1,204,464 (1)	\$ 1,159,880	\$ 44,584
Materials and Services	79,000	79,000 (1)	47,619	31,381
Contingency	20,536	20,536 (1)	-	20,536
Total Expenditures	1,304,000	1,304,000	1,207,499	96,501
Excess of Revenues Over, (Under) Expenditures	(1,303,000)	(1,303,000)	(1,201,033)	101,967
OTHER FINANCING SOURCES, (USES)				
Transfers Out	(125,000)	(125,000) (1)	(125,000)	-
Transfers In	1,291,000	1,291,000	1,291,000	-
Net Change in Fund Balance	(137,000)	(137,000)	(35,033)	101,967
Beginning Fund Balance	137,000	137,000	142,560	5,560
Ending Fund Balance	\$ -	\$ -	\$ 107,527	\$ 107,527

(1) Appropriation Level

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
For the Year Ended June 30, 2018

	Balance at June 30, 2017	Additions	Deductions	Balance at June 30, 2018
Municipal Court				
Assets				
Cash	\$ 5,291	\$ -	\$ 13,079	\$ (7,788)
Accounts Receivable	-	1,872	-	1,872
	<u>-</u>	<u>1,872</u>	<u>-</u>	<u>1,872</u>
Total Assets	<u>\$ 5,291</u>	<u>\$ 1,872</u>	<u>\$ 13,079</u>	<u>\$ (5,916)</u>
Liabilities				
Accounts Payable	\$ 13,787	\$ 7,358	\$ 13,787	\$ 7,358
Amounts held in trust	(8,496)	-	4,778	(13,274)
	<u>(8,496)</u>	<u>-</u>	<u>4,778</u>	<u>(13,274)</u>
Total Liabilities	<u>\$ 5,291</u>	<u>\$ 7,358</u>	<u>\$ 18,565</u>	<u>\$ (5,916)</u>
Total Agency Funds				
Assets				
Cash	\$ 5,291	\$ -	\$ 13,079	\$ (7,788)
Accounts Receivable	-	1,872	-	1,872
	<u>-</u>	<u>1,872</u>	<u>-</u>	<u>1,872</u>
Total Assets	<u>\$ 5,291</u>	<u>\$ 1,872</u>	<u>\$ 13,079</u>	<u>\$ (5,916)</u>
Liabilities				
Accounts Payable	\$ 13,787	\$ 7,358	\$ 13,787	\$ 7,358
Amounts held in trust	(8,496)	-	4,778	(13,274)
	<u>(8,496)</u>	<u>-</u>	<u>4,778</u>	<u>(13,274)</u>
Total Liabilities	<u>\$ 5,291</u>	<u>\$ 7,358</u>	<u>\$ 18,565</u>	<u>\$ (5,916)</u>

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT REQUIRED BY
OREGON STATE REGULATIONS



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October 20, 2018

Independent Auditors' Report Required by Oregon State Requirements

We have audited the basic financial statements of the City of Sutherlin as of and for the year ended June 30, 2018, and have issued our report thereon dated October 20, 2018. We conducted our audit in accordance with auditing standards generally accepted in the United States of America..

Compliance

As part of obtaining reasonable assurance about whether the 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:

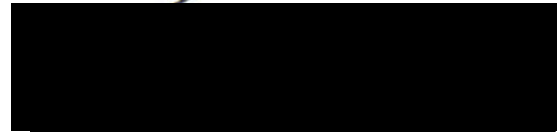
- **Deposit of public funds with financial institutions (ORS Chapter 295)**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Highway revenues used for public highways, roads, and streets.**
- **Programs funded from outside sources.**
- **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 Sutherlin 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.

OAR 162-10-0230 Internal Control

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

This report is intended solely for the information and use of the City Council, management and the Oregon Secretary of State, and is not intended to be and should not be used by anyone other than these parties.



Kenneth Allen, CPA
PAULY, ROGERS AND CO., P.C.



Consent Agenda



CITY OF SUTHERLIN
Regular/Workshop City Council Meeting
Sutherlin Civic Auditorium
Monday, November 13, 2018 – 6:30pm

COUNCIL MEMBERS:

Tom Boggs, Wayne Luzier, Forrest Stone, Michelle Sumner, Travis Tomlinson, Seth Vincent
MAYOR: Todd McKnight

CITY STAFF: City Manager, Jerry Gillham
Assistant CM/Finance Director, Dan Wilson
Sr. City Recorder, Debbie Hamilton
City Recorder, Diane Harris
Deputy City Recorder, Melanie Masterfield
Community Development Director, Brian Elliott
City Planner, Jamie Chartier
Community Development Specialist, Kristi Gilbert
Public Works Director, Aaron Swan
Facilities Division Supervisor, Gary Fugate
Water Division Supervisor, Randy Harris
Wastewater Division Supervisor, John Bachman
Police Captain, Kurt Sorenson
Fire Chief, Mike Lane
Deputy Fire Chief, Scott McKnight

AUDIENCE: Tami Trowbridge, Pat Lynch, Melissa Shreeve, Sandi Smick, Sandy Moulton

Meeting called to order by Mayor McKnight at 6:30pm.

Flag Salute:

Roll Call: Excused – Councilor Stone

Introduction of Media: None

PUBLIC COMMENT (agenda items only)

After receiving no public comment requests for agenda items only, Mayor McKnight informed members of the audience they are invited to comment during the workshop.

SPECIAL PRESENTATION

In recognition of over 25-years of service, Mayor McKnight presented Senior City Recorder, Debbie Hamilton, with her 25-year pin. Mayor stated his father was the Mayor 25 years ago when Hamilton was hired and now he is Mayor when she retires. Hamilton's many roles while working at the City was shared.

Hamilton – It's been a great 25-years working for the City. After her November 30th retirement date, Hamilton will continue working on a contracted part-time basis managing the City's social media websites and monthly newsletters.

City Manager, Jerry Gillham, introduced 2 recently hired employees, part-time Deputy Fire Chief, Scott McKnight, and Melanie Masterfield, who will be promoted from Accounting Clerk to Deputy City Recorder, December 1st.

CONSENT AGENDA

- **October 8, 2018 Minutes – Regular Meeting**

MOTION made by Councilor Boggs to approve the Consent Agenda as presented; second by Councilor Tomlinson.

In Favor: Councilors Sumner, Vincent, Boggs, Tomlinson, Luzier, and Mayor McKnight.

Opposed: None

Motion carried unanimously.

PUBLIC HEARING

- **Withdrawal of Territory**

Mayor McKnight opened the Public Hearing at 6:35pm for the withdrawal of 202+ and 100+ acre parcels of land from the City of Sutherlin boundaries.

- Do any members of Council wish to disclose any conflicts of interest, ex-parte contact, or personal bias? *None received.*

Staff Report – Community Development Specialist, Kristi Gilbert, deferred to the Staff Report.

- Are there any testimonies in favor? *None received.*
- Are there any testimonies in opposition? *None received.*
- Are there any neutral parties who wish to speak? *None received.*
- Are there any additional comments from staff? *None received.*
- Are there any questions or comments from Council? *None received.*

Mayor McKnight closed the Public Hearing at 6:37pm.

COUNCIL BUSINESS

- **Ordinance No. 1067 – Withdrawal of Territory – Ford’s Pond Property (second reading & adoption)**

Mayor McKnight asked City Recorder, Diane Harris, to read the ordinance by title only.

Harris – “An ordinance providing for the withdrawal of a 202+ acre parcel of land known as the Ford’s Pond property from the City of Sutherlin boundaries by consent of the real property owners, and directing the filing of instruments of record with the Secretary of State, the Department of Revenue, and the Douglas County Assessor.”

Staff Report – No additional information added.

MOTION made by Councilor Luzier to approve second reading and adoption of Ordinance No. 1067 for the withdrawal of 202+ acre parcel known as Ford’s Pond Property from the City of Sutherlin boundaries; second by Councilor Tomlinson.

Discussion: None

In Favor: Councilors Sumner, Vincent, Boggs, Tomlinson, Luzier, and Mayor McKnight.

Opposed: None

Motion carried unanimously.

- **Ordinance No. 1068 – Withdrawal of Territory – Mountain View Estates (second reading & adoption)**

Mayor McKnight asked Harris, to read the ordinance by title only.

Harris – “An ordinance providing for the withdrawal of a 100+ acre parcel of land from the City of Sutherlin boundaries by consent of the real property owners, and directing the filing of instruments of record with the Secretary of State, the Department of Revenue and the Douglas County Assessor.”

Staff Report – No additional information added.

MOTION made by Councilor Sumner to approve second reading and adoption of Ordinance No. 1068 for the withdrawal of 100+ acre parcel of Mountain View Estates Property from the City of Sutherlin boundaries; second by Councilor Vincent.

Discussion: None

In Favor: Councilors Sumner, Vincent, Boggs, Tomlinson, Luzier, and Mayor McKnight.

Opposed: None

Motion carried unanimously.

WORKSHOP

- **Council Priorities and Initiatives**

City Manager, Jerry Gillham, explained the Council Priority Workshop processes, explaining 2 key concerns he has heard from Council Members:

- What are we doing to look long-term at the ramifications of a number of things and how can the Council be more included proactively?

In response to their concerns, 3 Council/Staff working committees consisting of 2 Councilors & the Mayor will be created tonight for Community Development/Public Works, Finance, and Human Resources.

Gillham explained there are 3 drivers of action in this process:

- Those that are required;
- important objectives; and
- policy directives.

Councilor Boggs suggested slowing the process down and feels in the last year and a half, staff has accomplished a huge amount and Council needs to step back and allow them to work on things they've had to push aside while working on some major projects.

Gillham assured Councilors, this process will allow them to make the decision to not create any priorities this year and only work on smaller projects.

Facilitator, Pat Lynch, explained the purpose of this process is to get more immediate feedback from Councilors regarding their priorities. Public Safety: Police, Fire, and EOC (Emergency Operations Center) will make their presentations at the December 10th meeting. Council members dispersed into the various designated areas to meet with Staff at 7:02.

Groups reconvened at 7:40pm.

Lynch asked Council members to establish the preferred groups they would like to work with:

- Finance – Councilor Sumner and incoming Councilor Becky Wattles
- Community Development/Public Works – Councilors Boggs and Tomlinson
- Human Resources – Councilors Vincent and Stone

The established committees met to discuss Councilor's preferred priorities.

Groups reconvened at 8:10pm to report on the following top priorities.

- Human Resources:
 - Continue updating Sutherlin's Municipal Code;
 - To complete AFSCME union required classification and compensation survey prior to 2019 COLA (Cost of Living Adjustment) increase;
 - Review of Employee Policy Handbook before final approval.
- Finance Department:
 - Funding strategies for street maintenance;
 - System Development Charge (SDC) review for methodology and funding;
 - Urban Renewal feasibility study.
- CDD – Planning/Engineering/Economic Development:
 - Urban Renew District and trailer parks (create a district base on IAMP (Interchange Area Management Plan) Boundaries;
 - Commercial and Industrial Development recruitment and retention (large and small);
 - Contract with engineering firm for Plan Review/Subdivisions;
 - Street inventory and funding options – part of the TSP (Transportation System Plan) update.
- Public Works/CDD – Transportation/Streets:
 - Complete TSP;
 - Implement a 10-year non-compliance ADA (American Disability Act) ramp plan;
 - Duke Street extension;
 - Explore options to re-designate segment of highway 138 to address sidewalk and bicycle facility's needs; rural to urban
- Public Works – Parks:
 - Add more benches around Central Park playground/splash pad;
 - Install larger signage and security cameras (in process);
 - Repair and replace deteriorated sidewalks at Central Park;
 - Repair, replace and bring ADA Ramps up to current compliance standards;
 - Amphitheatre behind Fire Station.
- Public Works – Facilities:
 - Long term facility upgrades and replacements.
- Utilities – Water/Wastewater:
 - Nonpareil WTP (Water Treatment Plant) upgrade;
 - Potential water services outside city limits;

- Cooper Creek WTP intake and transmission line improvements;
- Upon WWTP (Wastewater Treatment Plant) completion, implement an aggressive Inflow & Infiltration program.
- Direction on future of City owned property at 271 E. Everett.

Gillham – Staff will build templates showing priorities, timelines and expectations. The committees will meet, edit and review for Council’s approval by the end of January. Will ultimately build next years’ budget around those priorities.

PUBLIC COMMENT –

None.

ADJOURNMENT –

With no further business meeting adjourned at 8:13pm.

Approved: _____

Jerry Gillham, City Manager

Respectfully submitted by,

Diane Harris, CMC, City Recorder

Todd McKnight, Mayor



PUBLIC HEARING





City of Sutherlin

STAFF REPORT					
Re: Public Hearing - Street Vacation – Ault Court (Wansley, Stephanie), Planning File No. 18-S015				Meeting Date:	12/10/2018
Purpose:	Action Item <input checked="" type="checkbox"/>	Workshop <input type="checkbox"/>	Report Only <input type="checkbox"/>	Discussion <input type="checkbox"/>	Update <input type="checkbox"/>
Submitted By: Jamie Chartier, City Planner, Brian Elliott, Community Development Director				City Manager Review	<input checked="" type="checkbox"/>
Attachments: Planning Commission Findings of Fact, and maps of property					

WHAT IS BEING ASKED OF COUNCIL?

The Council will conduct a public hearing and receive written and oral testimony from parties in favor and/or opposition, as well as neutral comments for the above referenced application. Council will then close the public portion of the hearing and deliberate to a decision.

EXPLANATION

Stephanie Wansley submitted an application and petition with the City on August 27, 2018, requesting that the City of Sutherlin vacate the entire platted “Ault Court” right-of-way, located south of Glen Avenue.

Ault Court is a platted, unimproved right-of-way, platted as part of Grace Subdivision (Volume 15, Page 12), and dated November 20, 1974.

The Sutherlin Planning Commission held the first evidentiary public hearing on October 16, 2018 to consider the requested vacation. The Planning Commission declared parties and received written and oral testimony. The Planning Commission then closed the public hearing and passed a motion to recommend that the City Council approve the requested vacation, subject to the Planning Commission’s Findings of Fact.

Pursuant to ORS 271, notice of a second public hearing before the City Council was provided at least 20 days prior to the hearing. The second public hearing on the requested street right-of-way vacation is to be conducted on December 10, 2018.

Following this Staff Report, City Council should accept public comment, close the public hearing and deliberate to a decision.

OPTIONS

1. Close the public hearing, approve the Application and petition for the vacation of “Ault Court” right-of-way, located south of Glen Avenue, or
2. Close the public hearing; deny the Application and petition for the vacation of “Ault Court” right-of-way, located south of Glen Avenue.

SUGGESTED MOTION(S)

Close the public hearing, approve the Application and petition for the vacation of “Ault Court” right-of-way, located south of Glen Avenue.



Community Development
126 E. Central Avenue
Sutherlin, OR 97479
(541) 459-2856
Fax (541) 459-9363
www.ci.sutherlin.or.us

City of Sutherlin

NOTICE OF PUBLIC HEARING STREET VACATION – AULT COURT

Date of Notice: November 20, 2018

NOTICE IS HEREBY GIVEN that the Sutherlin City Council will conduct a public hearing on **Monday, December 10, 2018 at 7:00 p.m.** in the Sutherlin Civic Auditorium, 175 E. Everett Street. The purpose of the public hearing is to take public testimony, either written or oral, while considering the following land use application:

STEPHANIE WANSLEY, has petitioned the City of Sutherlin to vacate the entire Ault Court right-of-way. Ault Court is a platted, unimproved right-of-way platted as part of Grace Subdivision (Volume 15, Page 12). The said street is described on Douglas County Assessor's Map, Section 16CC, T25S, R5W, and W.M. The street is located in a Medium Density Comprehensive Plan and Medium Density Residential (R-2) zone district. **PLANNING DEPARTMENT FILE NO. 18-S015.**

Pursuant to Section 4.4.200 of the Sutherlin Development Code (SDC) and Chapter 271 of the Oregon Revised Statutes (ORS). During the public hearing, the City Council will review the above-referenced application for conformance with the applicable criteria. The Sutherlin Planning Commission conducted a public hearing to review the above-referenced application on October 16, 2018 for conformance with the applicable criteria, and moved to forward a favorable recommendation to City Council to approve the request. On December 10, 2018, the City Council will conduct a public hearing to consider the proposed request and, after the public hearing, will make a decision on the matter.

Pursuant to Sections 4.2.150.G of the Sutherlin Development Code, notice of this land use action before the City Council has been mailed to the applicant and property owners of the subject property, those persons or agencies who provided testimony during the Planning Commission proceedings, and those persons who requested notice of the Planning Commission recommendation. Written statements must contain the name, address and telephone number of the person filing the statement; how the person qualifies as a party; comments the party wishes to make concerning the application, and whether the person desires to appear and be heard at the hearing. Written statements must be filed with the Community Development Department, 126 E. Central Avenue, Sutherlin, Oregon, 97479, no later than 4:30 p.m. on December 4, 2018.

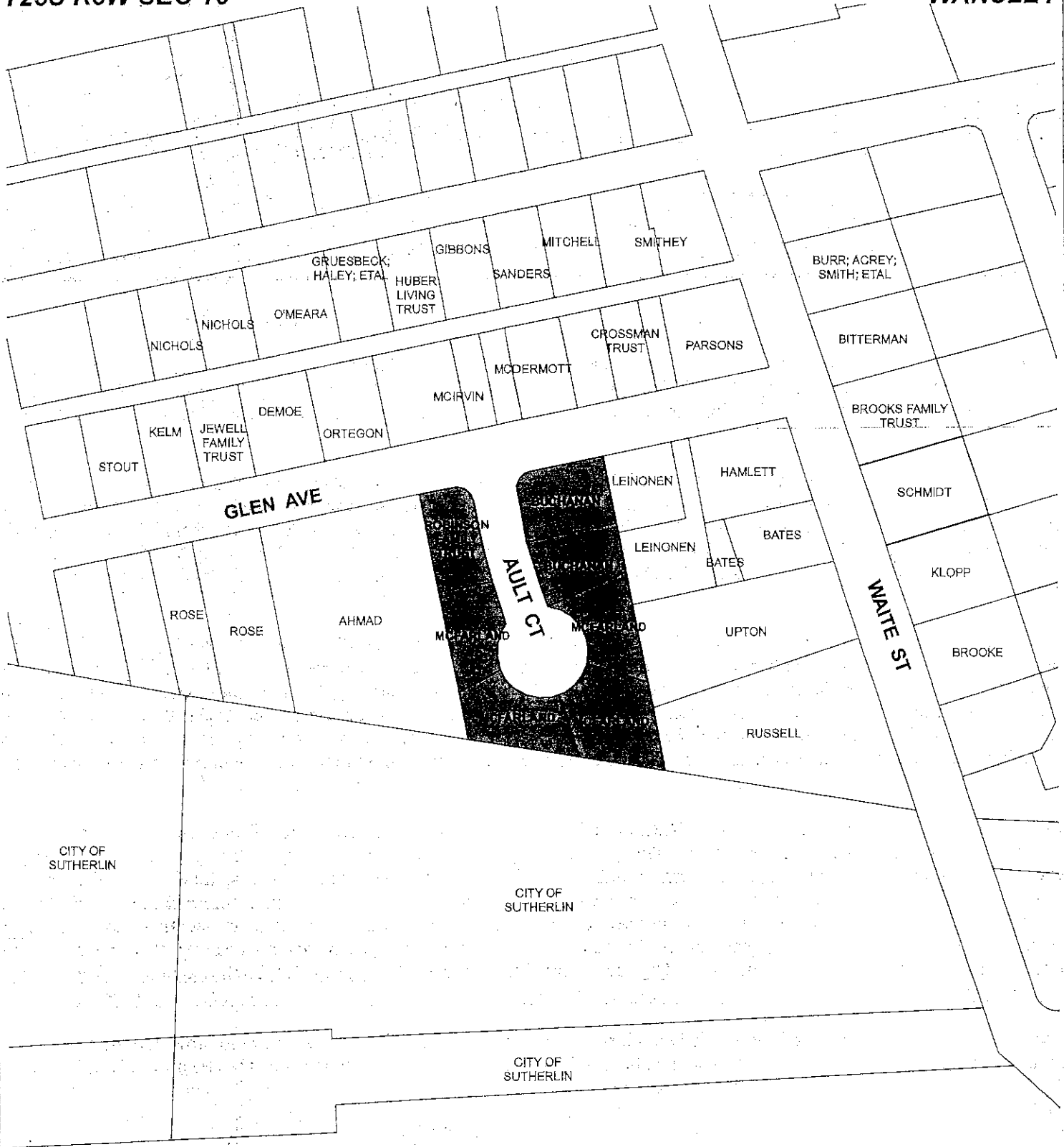
The public hearing will include presentations of the City staff and the applicant. Parties in support, opposition or with neutral comments will then be heard, as well as rebuttal by the applicant. Failure of an issue to be raised at the hearing, whether in writing or by oral testimony, or failure to provide statements or evidence in sufficient specificity to afford the City Council and parties an opportunity to respond to the issue, will preclude an appeal on that issue and may thereafter bar any legal standing in the event of an appeal.

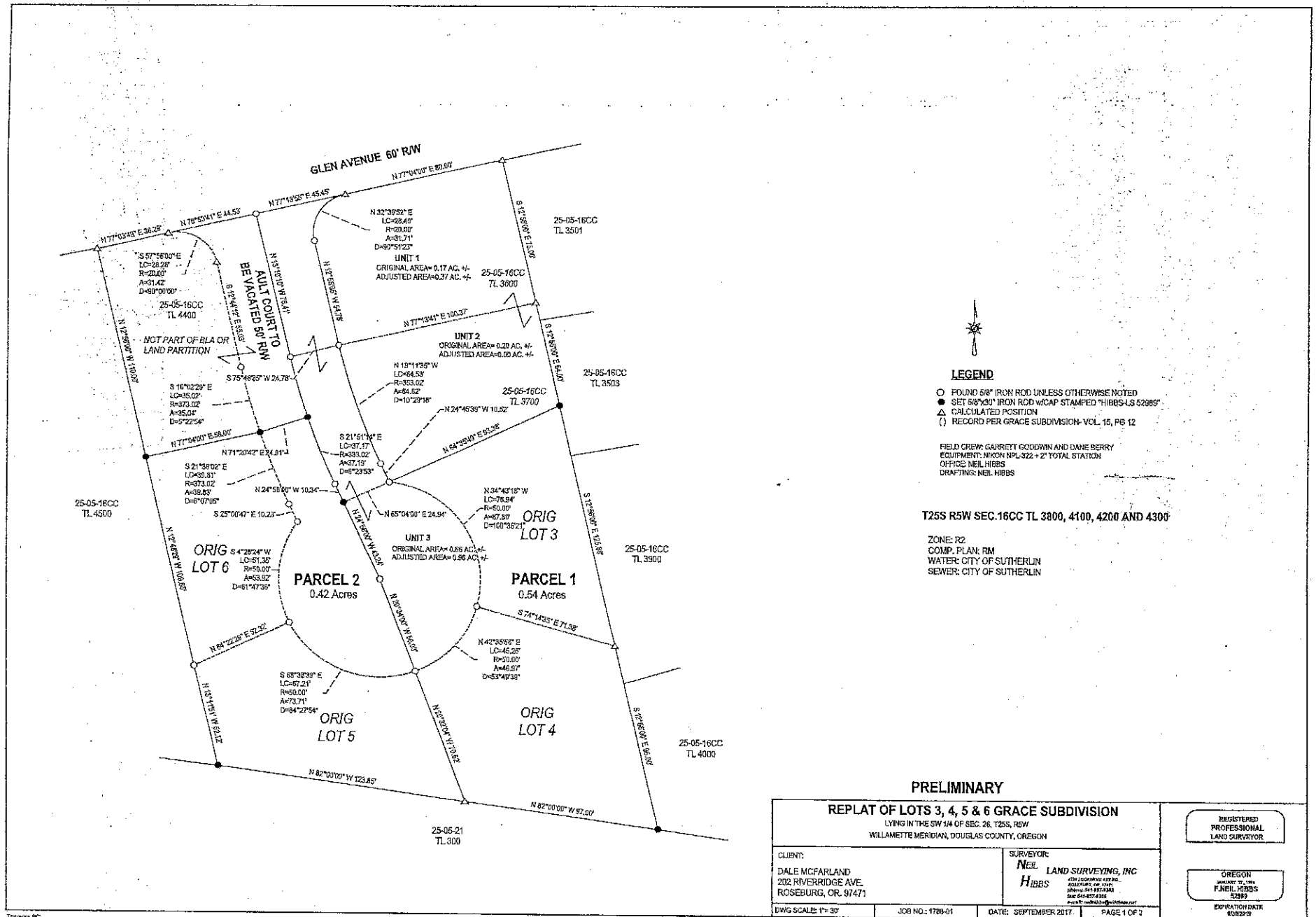
A copy of the application and supporting documents and evidence, and the applicable criteria are available for inspection at no cost and copies can be provided at reasonable cost. The City Council staff report will be available for inspection at no cost at least seven days prior to the hearing and copies can be provided at reasonable cost. For more information on this application, please contact Jamie Chartier in the Community Development Department at 541-459-2856 during normal business hours or by email: j.chartier@ci.sutherlin.or.us



**ASSESSOR MAP
T25S R5W SEC 16**

**18-S015
WANSLEY**







Community Development

126 E. Central Avenue

Sutherlin, OR 97479

541- 459-2856

Fax 541- 459-9363

www.ci.sutherlin.or.us

City of Sutherlin

November 13, 2018

TO: Applicant and All Parties

FROM: Jamie Chartier, City Planner

RE: **STEPHANIE WANSLEY**, has petitioned the City of Sutherlin to vacate the entire Ault Court right-of-way (approximately 50 feet wide, 240± feet in length). Ault Court is a platted, unimproved right-of-way platted as part of Grace Subdivision (Volume 15, Page 12). The said street is described on Douglas County Assessor's Map, Section 16CC, T25S, R5W, and W.M. The street is located in a Medium Density Comprehensive Plan and Medium Density Residential (R-2) zone district. **PLANNING DEPARTMENT FILE NO. 18-S015.**

Official notice is hereby given of the decision of the Sutherlin Planning Commission in the above referenced request for which a public hearing was held on October 16, 2018.

The Planning Commission took action on the requested Street Vacation on the subject property. The Planning Commission **RECOMMEND** to the City Council approval of the Ault Court right-of-way vacation.

A copy of the Sutherlin Planning Commission Findings of Fact and Decision are enclosed with this notice. This decision will become effective fifteen (15) days from the date the decision was mailed unless review is sought pursuant to Section 4.2.140.H of the Sutherlin Development Code. An information sheet for appeal is attached to this notice.

Enclosures

BEFORE THE PLANNING COMMISSION OF THE CITY OF SUTHERLIN

IN THE MATTER of the City of Sutherlin
receiving a petition to vacate the entire Ault
Court right-of-way (approximately 50 feet
wide, 240± feet in length). Ault Court is a
platted, unimproved right-of-way platted as
part of Grace Subdivision (Volume 15, Page
12). The said street is described on Douglas
County Assessor's Map, Section 16CC,
T25S, R5W, and W.M.

FINDINGS OF FACT AND DECISION

Applicant: Stephanie Wansley
Re: Street Vacation (Ault Court)
File No.: 18-S015

PROCEDURAL FINDINGS OF FACT

1. The requested application was filed with the City on August 27, 2018, and deemed complete on September 5, 2018.
2. The petitioner provided documented consent of 33 property owners totaling more than the required 2/3 of the land area within the designated distance described in ORS 271.080, including all owners of property abutting the Ault Court right-of-way.
3. The application was reviewed by the City of Sutherlin Public Works, Police, Fire and Community Development Departments. Each department recommended that the requested Ault Court right-of-way vacation be approved.
4. Notice of a Public Hearing on the Vacation of a Street application before the Planning Commission was given in accordance with ORS 271 procedure. Notice was sent to affected property owners of record within 300 feet of the subject property, service providers, and governmental agencies on September 18, 2018.
5. The Planning Commission held a public hearing on this matter on October 16, 2018.
6. At the public hearing on October 16, 2018, there were no declarations of ex parte contact, bias or other conflicts of interest made by the Planning Commission. No objections were raised by the audience, and the Commission was qualified to hear the matter.
7. The Planning Commission declared the following as parties to the hearing:
Bea Buchanan, adjacent land owner
John McDonald, Oregon Department of Transportation
8. Reference was made to the October 9, 2018 Staff Report, and criteria and procedures for approving a right-of-way vacation as provided in Oregon State Statue (ORS 271).
9. Planning Staff presented a summary of the Staff Report dated October 9, 2018, and entered Staff Exhibits 1-10 into the record.
10. The Planning Commission provided opportunity to receive clarifying oral testimony from the applicant. No persons were present.

11. The Planning Commission provided opportunity to receive clarifying questions and oral testimony from persons in favor or neutral to the application. Bea Buchanan, adjacent land owner was present and gave testimony in favor.
12. The Planning Commission provided opportunity to receive clarifying questions and oral testimony from persons in opposition to the application. No persons were present.
13. The Planning Commission provided opportunity to receive clarifying questions and oral testimony in rebuttal to the application. None was provided.
14. The Planning Commission closed the public portion of the hearing and commenced discussion on the application.

FINDINGS OF FACT RELATED TO DECISION

1. The Planning Commission expressed no objections to the proposed request.
2. The procedural findings noted above are adequate to support the Planning Commission's recommendation to City Council on the petition to vacate the Ault Court right-of-way.

FINDINGS OF FACT

Finding No. 1. Stephanie Wansley has petitioned the City to vacate the entire Ault Court right-of-way, which is located south of Glen Avenue. Mrs. Wansley contends that the proposed vacation is necessary to facilitate residential development of this property. The petitioner states that the unnecessary and unimproved right-of-way which bisects the property creates a greater obstacle to effectively develop the property.

Finding No. 2. The Planning Commission finds the subject property is designated Medium Density by the Sutherlin Comprehensive Plan and zoned (R-2) Medium Density Residential by the Sutherlin Development Code.

Finding No. 3. The Planning Commission adopts by reference the findings of the Staff Report dated October 9, 2018.

Finding No. 4. The Planning Commission finds the requested Street Vacation was processed in accordance with Oregon Revised Statue (ORS 271) applicable criteria.

Finding No. 5. The subject property is approximately 50 feet wide and approximately 240 feet long, constituting the entire platted Ault Court right-of-way.

Finding No. 6. Access to the proposed reconfigured lots will be via direct access onto Glen Avenue (flag lot, proposed Parcel 1), while proposed Parcel 2 will be via a 25 foot easement across proposed Parcel 2 (per File No. 18-S016).

Finding No. 7. The Planning Commission finds, based upon the staff report and submitted application materials, and oral testimony provided, that due to the nature of the proposed use, it is found to be compatible with the existing uses in the vicinity.

CONCLUSION

Based on the evidence received, a motion was made by Commissioner Price and seconded by Commissioner Robinson to approve the application per Action Alternative #1 and **RECOMMEND** to City Council approval of the Ault Court right-of-way vacation requested by Stephanie Wansley; the motion passed unanimously.

NOW, THEREFORE, based upon the foregoing findings of fact and the oral testimony provided, the Sutherlin Planning Commission **RECOMMENDS** to the City Council **approval** of the Ault Court right-of-way vacation request.

DATED THE _____ DAY OF _____, 2018.

JOHN LUSBY, CHAIR

18-S015_Wansley_VACATION PC_findings.docx



COUNCIL BUSINESS





126 E. Central Avenue
Sutherlin, OR 97479
541-459-2856
Fax: 541-459-9363
www.cityofsutherlin.com

City of Sutherlin

STAFF REPORT					
Re: Ordinance No. – Street Vacation – Ault Court (Stephanie Wansley), Planning File 18-S015				Meeting Date:	12-10-2018
Purpose:	Action Item <input checked="" type="checkbox"/>	Workshop <input type="checkbox"/>	Report Only <input type="checkbox"/>	Discussion <input checked="" type="checkbox"/>	Update <input type="checkbox"/>
Submitted By: Jamie Chartier, City Planner and Brian Elliott, Community Development Director				City Manager Review	<input checked="" type="checkbox"/>
Attachments: Ordinance, Planning Commission Findings of Fact & Exhibits					

WHAT IS BEING ASKED OF COUNCIL?

The Council to approve the first reading of Ordinance adopting vacation of “Ault Court” unimproved right-of-way.

EXPLANATION

Council closed the public hearing, deliberated to a decision. The Council shall consider the first reading of the ordinance adopting the vacation of “Ault Court” unimproved right-of-way.

OPTIONS

1. Approve the first reading of the Ordinance adopting the vacation of “Ault Court” unimproved right-of-way, or
2. Not to approve the first reading of Ordinance adopting the vacation of “Ault Court” unimproved right-of-way.

SUGGESTED MOTION(S)

To approve the first reading of Ordinance adopting the vacation of “Ault Court” unimproved right-of-way.



Administration
126 E. Central Avenue
Sutherlin, OR 97479
(541) 459-2856
Fax (541) 459-9363
www.cityofsutherlin.com

City of Sutherlin

NOTICE OF ORDINANCE ENACTMENT

ORDINANCE NO.

AN ORDINANCE VACATING THE ENTIRE AULT COURT RIGHT-OF-WAY (APPROXIMATELY 50 FEET WIDE, 240 \pm FEET IN LENGTH), LOCATED SOUTH OF GLEN AVENUE IN THE CITY OF SUTHERLIN, OREGON.

THIS ORDINANCE WILL BE CONSIDERED BY COUNCIL AT THE REGULAR COUNCIL MEETING OF

FIRST READING: MONDAY, DECEMBER 10, 2018 @ 7PM

**SECOND READING (if first reading approved): MONDAY,
JANUARY 14, 2019 @ 7PM**

CIVIC AUDITORIUM - 175 E. EVERETT AVENUE

Questions or copies of this Ordinance may be viewed by interested persons at the office of City Recorder, 126 E. Central Avenue, Sutherlin, Oregon, between the hours of 9:00 a.m. and 5:00 p.m., weekdays. A copy of this Ordinance may be purchased by interested persons for a sum determined to cover the City's expense for providing the copy.

Pursuant to Section 30 (b) (c) of the Sutherlin City Charter, this notice has been posted at the following locations: Sutherlin City Hall; Sutherlin Post Office; Sutherlin Visitor's Center and the City's website (www.cityofsutherlin.com).

Posted this day, December 3, 2018
By Melanie Masterfield
Deputy City Recorder

ORDINANCE NO.

**AN ORDINANCE VACATING THE ENTIRE AULT COURT RIGHT-OF-WAY
(APPROXIMATELY 50 FEET WIDE, 240± FEET IN LENGTH), LOCATED SOUTH OF GLEN
AVENUE IN THE CITY OF SUTHERLIN, OREGON.**

The City Council of the City of Sutherlin finds that:

- A. Stephanie Wansley submitted an application and petition with the City on August 27, 2018, requesting that the City of Sutherlin vacate the entire platted “Ault Court” right-of-way, located south of Glen Avenue.
- B. Ault Court is a platted, unimproved right-of-way, platted as part of Grace Subdivision (Volume 15, Page 12), and dated November 20, 1974.
- C. The Sutherlin Planning Commission held a public hearing on October 16, 2018 to consider the requested vacation. Following the public hearing, the Planning Commission passed a motion to recommend that the City Council approve the requested vacation.
- D. Pursuant to ORS 271, notice of a second public hearing before the City Council was given and the second public hearing on the requested street right-of-way vacation was conducted on December 10, 2018.
- E. The vacation petition was found by the Sutherlin City Council to comply with the vacation procedures of ORS 271.
- F. The vacation of Ault Court right-of-way was found by the Sutherlin City Council to be compatible with the existing uses in the vicinity, due to the nature of the property.

THE CITY OF SUTHERLIN ORDAINS AS FOLLOWS:

Section 1. Based on the above findings and the public hearings before the Planning Commission and the City Council, the Ault Court right-of-way described on Exhibit A and depicted in Exhibit B, both exhibits being attached hereto and made part of this ordinance, is hereby proclaimed by the Sutherlin City Council to be vacated, and the title to such vacated land shall revert pursuant to the statutes of the State of Oregon.

PASSED BY THE COUNCIL ON THIS ____ DAY OF JANUARY, 2019.

APPROVED BY THE MAYOR ON THIS ____ DAY OF JANUARY, 2019.

Todd McKnight, Mayor

ATTEST:

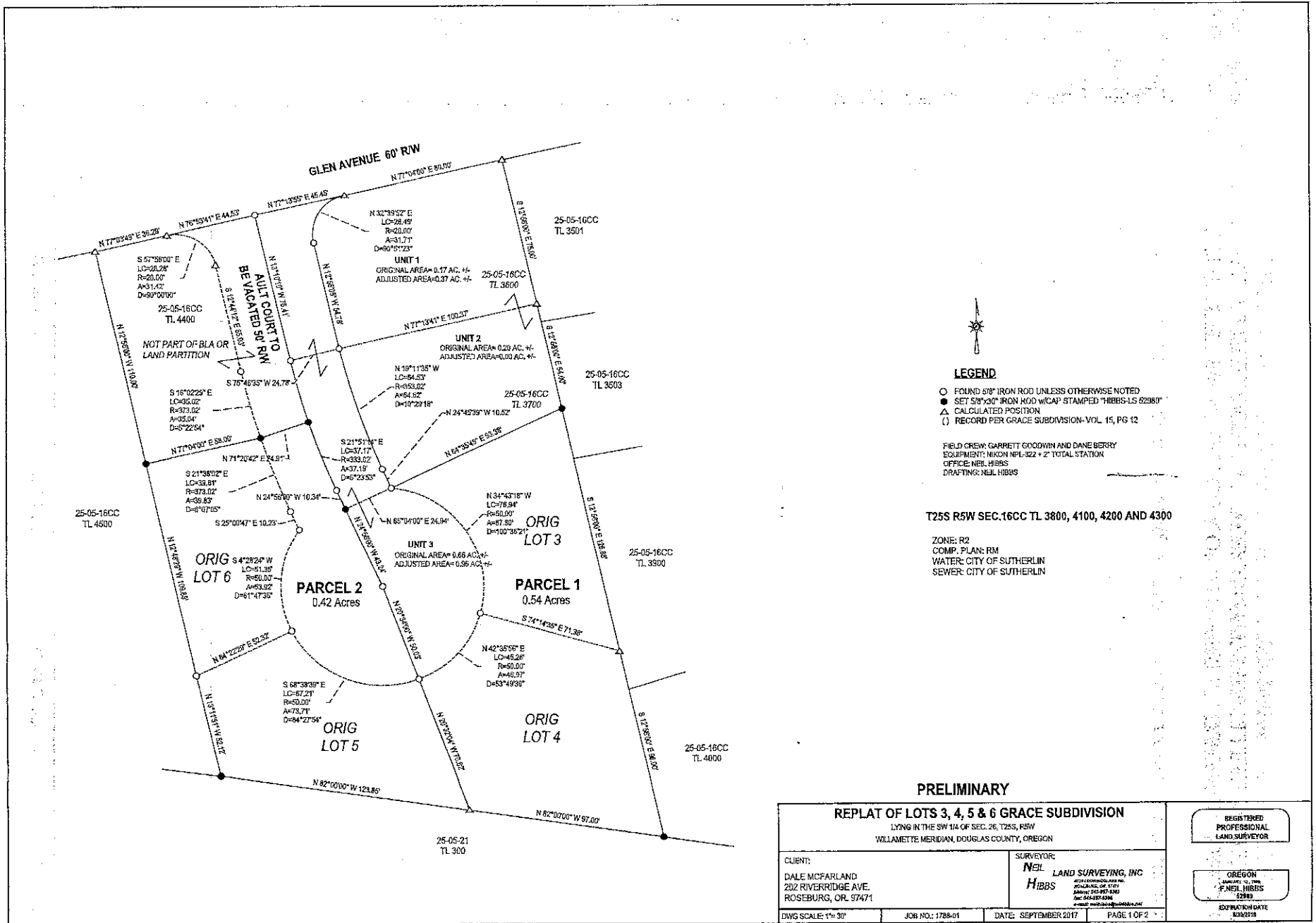
Diane Harris, City Recorder, CMC

EXHIBIT “A”

*Vacation of Ault Court
Per Planning Dept. File No. 18-S015*

A parcel of land lying in the Southwest quarter of Section 16, Township 25 South, Range 5 West, Willamette Meridian, Douglas County, Oregon. Said parcel being a portion of **GRACE SUBDIVISION**, as recorded per Volume 15, Page 12 of the Plat Records of Douglas County, Oregon and being more particularly described as follows.

The dedicated road shown as Ault Court per **GRACE SUBDIVISION**, as recorded per Volume 15, Page 12 of the Plat Records of Douglas County, Oregon.





City of Sutherlin

STAFF REPORT					
Re: Budget appropriation adjustments for fiscal year 2018-19				Meeting Date:	12/10/18
Purpose:	Action Item <input checked="" type="checkbox"/>	Workshop <input type="checkbox"/>	Report Only <input type="checkbox"/>	Discussion <input type="checkbox"/>	Update <input type="checkbox"/>
Submitted By: Dan Wilson, Finance Director				City Manager Review	<input checked="" type="checkbox"/>
Attachments: Resolution No. 2018.22					

WHAT IS BEING ASKED OF COUNCIL?

Consider approving resolution to adjust appropriations for fiscal year 2018-19.

EXPLANATION

Please see attached resolution. This is a “unique-to-the-circumstance” situation, and the budget is in need of an adjustment as stated within the resolution and described in more detail below.

Tourism-Motel Tax Fund

At the October 8, 2018 City Council meeting a discussion was made regarding the desire for an appraisal on Ford’s Pond to be completed in order to allow the value to be used as an “in-kind” match for potential park grants. The approximate cost will be \$8,500. The Friends of Fords Pond will be contributing \$2,000 towards this cause. During that meeting it was suggested that Tourism funds should be used for the appraisal. After a discussion with the City Attorney it was determined that this would be an appropriate use of Tourism funds. City Council approved this expenditure and therefore this resolution is needed to amend the budget.

OPTIONS

Adopt Resolution as Presented

Adopt Resolution with Changes

Do Not Adopt Resolution

SUGGESTED MOTION(S)

Move that Resolution 2018.22 be adopted as presented.

RESOLUTION NO. 2018.22

**A RESOLUTION TRANSFERRING APPROPRIATION AUTHORITY, AMENDING
THE 2018-2019 BUDGET AND AMENDING RESOLUTION 2018.06.**

The City Council of Sutherlin finds that:

- A.** That OAR 294.463 permits local jurisdictions to increase total expenditures of a fund or an object classification by transferring appropriation authority from one object classification to another.
- B.** That OAR 294.463(3) requires the adoption of a resolution or ordinance to authorize an appropriation transfer. The resolution or ordinance must state the need for the transfer, the purpose of the expenditure, and the amount to be transferred.
- C.** Due to unforeseen events at the time of adoption of the fiscal year 2018-19 budget including but not limited to the following:
 - a. Tourism-Motel Tax Fund
 - 1. Additional expenditures in the Tourism-Motel Tax Fund for the unanticipated cost of an appraisal of Ford's Pond to be used as matching funds for potential park grants. City Council approved this expenditure at the October 8, 2018 meeting: \$10,000.
- D.** That these transfers of appropriation authority are in compliance with Oregon Budget Law.

NOW, THEREFORE, based upon the above findings,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUTHERLIN, a
municipal Corporation of the State of Oregon, as follows:**

Section 1. That the budget for the City of Sutherlin for the fiscal year 2018 - 2019, which was adopted by the City Council on May 14, 2018 and is now on file in the office of the City Recorder of the City of Sutherlin, be hereby amended as follows:

<u>Tourism-Motel Tax Fund</u>	<u>Adjustment</u>	<u>As Amended</u>
Appropriations		
Materials & Services	\$10,000	\$126,075
Contingency	<u>(\$10,000)</u>	\$214,795
	<u><u>\$0</u></u>	

PASSED BY THE CITY COUNCIL, ON THIS 10th DAY OF DECEMBER, 2018

APPROVED BY THE MAYOR ON THIS 10th DAY OF DECEMBER, 2018

Todd McKnight, Mayor

ATTEST:

Diane Harris, City Recorder



City of Sutherlin

STAFF REPORT					
Re: Approval of Resolution 2018.23 Authorizing a Loan From The Safe Water Revolving Loan Fund and Giving the City Manager the authority to execute the Financing Contract Documents				Meeting Date:	12-10-18
Purpose:	Action Item <input checked="" type="checkbox"/>	Workshop <input type="checkbox"/>	Report Only <input type="checkbox"/>	Discussion <input type="checkbox"/>	Update <input type="checkbox"/>
Submitted By: Brian Elliott, Community Development Director				City Manager Review	<input checked="" type="checkbox"/>
Attachments:	Resolution 2018.23 Authorizing a Loan From The Safe Water Revolving Loan Fund and Giving the City Manager the authority to execute the Financing Contract Documents				

WHAT IS BEING ASKED OF COUNCIL?

City Council is being asked to approve Resolution 2018.23 Authorizing a Loan from the Safe Water Revolving Loan Fund and Giving the City Manager the authority to execute the Financing Contract Documents.

EXPLANATION

City of Sutherlin submitted an application to Business Oregon on May 19, 2018 for funding opportunities for the Schoon Mountain Storage Tank and the 6th & Oak Pump Station improvements.

On August 6, 2018 City of Sutherlin was notified by Business Oregon that we were successful with our application and the award for the Safe Drinking Water Revolving Loan Fund, Schoon Mountain Water Storage Tank and 6th & Oak Pump Station Improvements.

Schoon Mountain Storage Tanks (2-12,000 gallon steel tanks) will be replaced with a single 135,000 gallon glass-fused-to-steel tank. 6th & Oak Pump Station below ground will be replaced with a new above ground pump station.

The award consists of a loan of \$387,990 and a grant \$447,990. The interest rate on the loan will be 1.0 % for a maximum term of 30 years.

OPTIONS

Approve Resolution 2018.23 Authorizing a Loan from the Safe Water Revolving Loan Fund and Giving the City Manager the authority to execute the Financing Contract Documents.

Not approve resolution 2018.23 Authorizing a Loan from the Safe Water Revolving Loan Fund and Giving the City Manager the authority to execute the Financing Contract Documents.

SUGGESTED MOTION(S)

Approve Resolution 2018.23 Authorizing a Loan from the Safe Water Revolving Loan Fund and giving the City Manager the authority to execute the Financing Contract Documents.

RESOLUTION NO. 2018.23

RESOLUTION OF THE CITY OF SUTHERLIN AUTHORIZING A LOAN FROM THE SAFE DRINKING WATER REVOLVING LOAN FUND BY ENTERING INTO A FINANCING CONTRACT WITH THE OREGON INFRASTRUCTURE FINANCE AUTHORITY

The City Council (the “Governing Body”) of the City of Sutherlin (the “Recipient”) finds:

A. The Recipient is a community or nonprofit non-community water system as defined in Oregon Administrative Rule 123-049-0010.

B. The Safe Drinking Water Act Amendments of 1996, Pub. L. 104-182, as amended (the “Act”), authorize any community or nonprofit non-community water system to file an application with the Oregon Infrastructure Finance Authority of the Business Development Department (“OBDD”) to obtain financial assistance from the Safe Drinking Water Revolving Loan Fund.

C. The Recipient has filed an application with the OBDD to obtain financial assistance for a “safe drinking water project” within the meaning of the Act, and the OBDD has approved the Recipient’s application for financial assistance.

D. The Recipient is required, as a prerequisite to the receipt of financial assistance from the OBDD, to enter into a Financing Contract with the OBDD, number S19006, substantially in the form attached hereto as Exhibit 1. The project is described in Exhibit C to that Financing Contract (the “Project”).

E. Notice relating to the Recipient’s consideration of the adoption of this Resolution No. 2018.23 was published in full accordance with the Recipient’s charter and laws for public notification.

NOW THEREFORE, BE IT RESOLVED by the Governing Body of the Recipient as follows:

1. Financing Loan Authorized. The Governing Body authorizes the City Manager to execute the Financing Contract (the “Financing Documents”) and such other documents as may be required to obtain financial assistance including a loan from the OBDD on the condition that the principal amount of the loan from the OBDD to the Recipient is not more than \$835,980 (with \$447,990 eligible for principal forgiveness if contract conditions are met) and the interest rate is not more than 1% if contract conditions are met (and 3.11% if not met). The proceeds of the loan from the OBDD must be applied solely to the “Costs of the Project” as such term is defined in the Financing Contract.

2. Sources of Repayment. Amounts payable by the Recipient are payable from the sources described in Section 4 of the Financing Contract and the Oregon Revised Statutes Section 285A.213(5) which include:

- (a) Revenue from Recipient’s water system, including special assessment revenue;
- (b) Amounts withheld under subsection 285A.213(6);
- (c) The general fund of the Recipient;
- (d) Any combination of sources listed in paragraphs (a) to (c) of this subsection; or
- (e) Any other source.

3. Additional Documents. The City Manager is hereby authorized to enter into any agreements and to execute any documents or certificates which may be required to obtain financial assistance from the OBDD for the Project pursuant to the Financing Documents.

4. Tax-Exempt Status. The Recipient covenants not to take any action or omit to take any action if the taking or omission would cause interest paid by the Recipient pursuant to the Financing Documents not to qualify for the exclusion from gross income provided by Section 103(a) of the Internal Revenue Code of 1986, as amended. The City Manager of the Recipient may enter into covenants on behalf of the Recipient to protect the tax-exempt status of the interest paid by the Recipient pursuant to the Financing Documents and may execute any Tax Certificate, Internal Revenue Service forms or other documents as may be required by the OBDD or their bond counsel to protect the tax-exempt status of such interest.

APPROVED BY THE COUNCIL, ON THIS 10TH DAY OF DECEMBER, 2018

APPROVED BY THE MAYOR, ON THIS 10TH DAY OF DECEMBER, 2018

Todd McKnight, Mayor

ATTEST:

Diane Harris, CMC, City Recorder



126 E. Central Avenue
Sutherlin, OR 97479
541-459-2856
Fax: 541-459-9363
www.cityofsutherlin.com

City of Sutherlin

STAFF REPORT					
Re: Resolution 2018.24 – Election Canvass of Votes				Meeting Date:	12/10/2018
Purpose:	Action Item <input checked="" type="checkbox"/>	Workshop <input type="checkbox"/>	Report Only <input type="checkbox"/>	Discussion <input type="checkbox"/>	Update <input type="checkbox"/>
Submitted By: City Recorder, Diane Harris				City Manager Review <input checked="" type="checkbox"/>	
Attachments: Resolution 2018.24, Notice of Election Canvass, Election Results, and Certificates of Election					

WHAT IS BEING ASKED OF COUNCIL?

Council is being asked to acknowledge and certify the official results of the General Election held on Tuesday, November 6, 2018, as reported by the Office of the Douglas County Clerk and the Douglas County Elections Division.

EXPLANATION

Acknowledge, certify, and accept results of City of Sutherlin Mayoral and Council election of November 6, 2018 General Election by resolution.

OPTIONS

Office of City Recorder requests approval and adoption of Resolution 2018.24 – Canvass of Votes as presented.

Further, the City Recorder will issue the attached Certificates of Election from the City to the individuals who were elected at the November 6, 2018 General Election and will be presented at the January 8, 2019 City Council Meeting.

SUGGESTED MOTION(S)

Motion to adopt Resolution 2018.24 – Canvass of Votes with attachments from the November 6, 2018 General Election as presented.

Motion to adopt Resolution 2018.24 – Canvass of Votes with attachments from the November 6, 2018 General Election with amendments.

Motion to not adopt Resolution 2018.24 – Canvass of Votes with attachments from the November 6, 2018 General Election as presented.



Office of the Douglas County Clerk

Patricia K. Hitt, County Clerk
Elections Department
1036 SE Douglas Ave Room 124
PO Box 10
Roseburg, OR 97470
(541)440-4252

NOTICE OF ELECTION CANVASS

NOVEMBER 6, 2018 GENERAL ELECTION

City of Sutherlin hereby notifies the Douglas County Clerk, that the election results have been canvassed from the Official Abstract and agrees with the results as listed.



Title: Elections Officer

Date: 11/26/2018

Please complete and return this form to Douglas County Elections.

Thank you.

RESOLUTION NO. 2018.24

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUTHERLIN, OREGON, CERTIFYING THE RESULTS OF THE NOVEMBER 6, 2018, GENERAL ELECTION.

WHEREAS, the election results from the November 6, 2018 General Election have been certified by the Office of the Douglas County Clerk and the Douglas County Elections Division

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sutherlin that:

Section 1: That the votes cast by electors of the City of Sutherlin for Mayor and Council members at the general election of November 6, 2018, are hereby found, determined and declared to be as follows:

MAYOR

Todd McKnight	2509
Write-ins	124

COUNCIL MEMBERS

Tom Boggs	2078
Michelle Sumner	1961
Becky Wattles	1961
Miscellaneous write-ins	160

Section 2: Pursuant to the foregoing election results, certified to by the Douglas County Clerk and canvassed and ratified by the City Council by this resolution, it is hereby found, determined and declared that the following are the official results of the general election held on November 6, 2018. Certified election results, attached incorporated herein as "Exhibit A" and, are hereby made a part of the record of proceedings of the City Council. This Council Resolution is effective upon adoption.

Section 3. The City Recorder is hereby directed to issue certificates of election to the persons declared elected in Section 1 above within thirty (30) days after the effective date of this resolution.

PASSED BY THE CITY COUNCIL, ON THIS 10TH DAY OF DECEMBER, 2018

APPROVED BY THE MAYOR ON THIS 10TH DAY OF DECEMBER, 2018

Mayor, Todd McKnight

ATTEST:

City Recorder, Diane Harris, CMC

Final Election Results - Abstracts
Douglas County 2018 General Election, Nov 06, 2018
All Precincts, All Districts, All ScanStations, All Contests, All Boxes
Total Ballots Cast: 49987
28 precincts reported out of 28 total

Page: 46 of 72
2018-11-23
15:08:13

City of Sutherlin Mayor (Vote for 1)

Precinct	Total Votes	Todd McKnight	Write-in
Precinct 17	2633	2509	124
Total	2633	2509	124



I certify the votes recorded on this
abstract correctly summarize the tally
of votes cast at the election indicated.

Patricia K. Hitt

DOUGLAS COUNTY CLERK

Date: _____

11/26/18

Final Election Results - Abstracts
Douglas County 2018 General Election, Nov 06, 2018
All Precincts, All Districts, All ScanStations, All Contests, All Boxes
Total Ballots Cast: 49987
28 precincts reported out of 28 total

Page: 47 of 72
2018-11-23
15:08:13

City of Sutherlin Councilor (Vote for 3)

Precinct	Total Votes	Becky Wattles	Tom Boggs	Michelle Sumner	Write-in	Write-in	Write-in
Precinct 17	6160	1961	2078	1961	102	37	21
Total	6160	1961	2078	1961	102	37	21



I certify the votes recorded on this
abstract correctly summarize the tally
of votes cast at the election indicated.
Patricia K. Hitt
DOUGLAS COUNTY CLERK

Date: 11/26/18



City of Sutherlin, Oregon Certificate of Election

It appears from the official canvass of the votes cast at the General Election for the City of Sutherlin held within and for the City of Sutherlin, County of Douglas, State of Oregon, on Tuesday, the 6th day of November 2018, that


Tom Boggs

of Sutherlin, State of Oregon, was the candidate for the office of City Councilor, of the City of Sutherlin at said Election.

*NOW, THEREFORE, I, Diane Harris, City Recorder of the City of Sutherlin, State of Oregon, by virtue of the authority vested in me under the statute for the State of Oregon, Chapter 254.565, do hereby grant this **Certificate of Election** and declare said, Tom Boggs, of Sutherlin, State of Oregon, to be duly elected to the Office of City Councilor, for the City of Sutherlin, with his 4-year term beginning on January 8th, 2019.*

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Seal of said, City of Sutherlin, to be hereunto affixed this 26th day of November, 2018.




Diane Harris, CMC
City Recorder – Elections Officer
City of Sutherlin, Oregon



City of Sutherlin, Oregon **Certificate of Election**

It appears from the official canvass of the votes cast at the General Election for the City of Sutherlin held within and for the City of Sutherlin, County of Douglas, State of Oregon, on Tuesday, the 6th day of November 2018, that


Becky Wattles

of Sutherlin, State of Oregon, was the candidate for the office of City Councilor, of the City of Sutherlin at said Election.

*NOW, THEREFORE, I, Diane Harris, City Recorder of the City of Sutherlin, State of Oregon, by virtue of the authority vested in me under the statute for the State of Oregon, Chapter 254.565, do hereby grant this **Certificate of Election** and declare said, Becky Wattles, of Sutherlin, State of Oregon, to be duly elected to the Office of City Councilor, for the City of Sutherlin, with her 4-year term beginning on January 8th, 2019.*

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Seal of said, City of Sutherlin, to be hereunto affixed this 26th day of November, 2018.




Diane Harris, CMC
City Recorder – Elections Officer
City of Sutherlin, Oregon



City of Sutherlin, Oregon **Certificate of Election**

It appears from the official canvass of the votes cast at the General Election for the City of Sutherlin held within and for the City of Sutherlin, County of Douglas, State of Oregon, on Tuesday, the 6th day of November 2018, that


Michelle Sumner

of Sutherlin, State of Oregon, was the candidate for the office of City Councilor, of the City of Sutherlin at said Election.

*NOW, THEREFORE, I, Diane Harris, City Recorder of the City of Sutherlin, State of Oregon, by virtue of the authority vested in me under the statute for the State of Oregon, Chapter 254.565, do hereby grant this **Certificate of Election** and declare said, Michelle Sumner, of Sutherlin, State of Oregon, to be duly elected to the Office of City Councilor, for the City of Sutherlin, with her 4-year term beginning on January 8th, 2019.*

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Seal of said, City of Sutherlin, to be hereunto affixed this 26th day of November, 2018.




Diane Harris, CMC
City Recorder – Elections Officer
City of Sutherlin, Oregon



City of Sutherlin, Oregon Certificate of Election

It appears from the official canvass of the votes cast at the General Election for the City of Sutherlin held within and for the City of Sutherlin, County of Douglas, State of Oregon, on Tuesday, the 6th day of November 2018, that

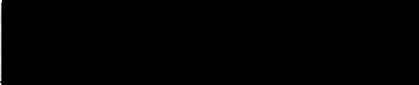
Todd McKnight

of Sutherlin, State of Oregon, was the candidate for the office of Mayor, of the City of Sutherlin at said Election.

***NOW, THEREFORE,** I, Diane Harris, City Recorder of the City of Sutherlin, State of Oregon, by virtue of the authority vested in me under the statute for the State of Oregon, Chapter 254.565, do hereby grant this **Certificate of Election** and declare said, Todd McKnight, of Sutherlin, State of Oregon, to be duly elected to the Office of Mayor, for the City of Sutherlin, with his 2-year term beginning on January 8th, 2019.*

***IN TESTIMONY WHEREOF,** I have hereunto set my hand and caused the Seal of said, City of Sutherlin, to be hereunto affixed this 26th day of November, 2018.*




Diane Harris, CMC
City Recorder – Elections Officer
City of Sutherlin, Oregon

About Overvotes and Undervotes

When votes are counted for an election, there are instances in which individual ballots do not contain valid votes. This can happen for two reasons: overvoting and undervoting. When overvotes and undervotes occur, it can mean that your votes are canceled or you do not cast as many votes as you are permitted to.

Overvotes

An Overvote happens when you vote for more candidates than the number of candidates you are permitted to vote for in a particular office race.

Overvotes can only occur when voting on an optical scan or paper ballot voting system. Overvotes cannot occur when voting on a direct recording electronic voting system.

How to Avoid an Overvote

To avoid overvoting when using an optical scan or paper ballot voting system:

Be sure to read the voting instructions for the voting system used in your election district. Examples of instructions for voting include: "Vote for One," "Vote for not more than Two," or "Vote for not more than Three."

If you accidentally vote for more than the allowed number of candidates for a particular office, ask for a new ballot before the defective ballot is cast. If you have not cast the ballot, the District Board of Elections is obligated to provide you with a replacement ballot upon request.

Undervoting

Undervoting means that you cast fewer votes for a particular office race than you are permitted to cast. Unlike overvoting, you have the right to undervote if you choose to do so. No ballot or vote will be canceled as a result of an undervote.

Ask for Help

If you are confused as to whether you have overvoted or undervoted, please do not hesitate to ask for assistance from a member of the Douglas County Elections Department.



126 E. Central Avenue
Sutherlin, OR 97479
541-459-2856
Fax: 541-459-9363
www.ci.sutherlin.or.us

City of Sutherlin

STAFF REPORT					
Re: Central Foodmart 125 W. Central Ave., Sutherlin				Meeting Date:	12/10/2018
Purpose:	Action Item <input checked="" type="checkbox"/>	Workshop <input type="checkbox"/>	Report Only <input type="checkbox"/>	Discussion <input type="checkbox"/>	Update <input type="checkbox"/>
Submitted By: Troy A. Mills, Chief of Police and Gayla J. Holley, Public Safety Office Supervisor				City Manager Review	<input type="checkbox"/>
Attachments: Application					

WHAT IS BEING ASKED OF COUNCIL?

Central Foodmart has made application, under the requirements of the Oregon Liquor Control Commission (OLCC), for an "Off-Premises Sales" of alcoholic beverages at 1021 E. Central Ave. Unit A. This request is the result of a new retail business within the City of Sutherlin. The individual applying for the license is RD Sharma Inc.

EXPLANATION

The police department has found no information that would be viewed as disqualifying by the Oregon Liquor Control Commission (OLCC).

OPTIONS

- 1) Provide OLCC a recommendation that this license be approved and granted for "Off-Premises Sales" to Central Foodmart, Sutherlin with the listed owner shown as RD Sharma Inc.
- 2) Provide OLCC a recommendation that this license not be approved or granted for "Off-Premises Sales" to Central Foodmart, Sutherlin with the listed owner shown RD Sharma Inc.

SUGGESTED MOTION(S)

Motion to approve

Motion to not approve



LIQUOR LICENSE APPLICATION

LICENSE FEE: Do not include the license fee with the application (the license fee will be collected at a later time).

APPLICATION: Application is being made for:

- ☐ Brewery
☐ Brewery-Public House
☐ Distillery
☐ Full On-Premises, Commercial
☐ Full On-Premises, Caterer
☐ Full On-Premises, Passenger Carrier
☐ Full On-Premises, Other Public Location
☐ Full On-Premises, Nonprofit Private Club
☐ Full On-Premises, For-Profit Private Club
☐ Grower Sales Privilege
☐ Limited On-Premises
☒ Off-Premises
☐ Off-Premises with Fuel Pumps
☐ Warehouse
☐ Wholesale Malt Beverage & Wine (WMBW)
☐ Winery

CITY AND COUNTY USE ONLY

Date application received _____

Name of City or County _____

Recommends this license be ____ Granted ____ Denied

By _____

Date _____

OLCC USE

Application received by OLC

Date 11/06/18

License Action:

New Outlet

1. LEGAL ENTITY (example: corporation or LLC) or INDIVIDUAL(S) applying for the license:

Applicant #1

RD SHARMA INC

Applicant #2

Applicant #3

Applicant #4

2. Trade Name of the Business (the name customers will see):

CENTRAL FOODMART

3. Business Location: Number and Street 1021 EAST CENTRAL AVE UNIT 1A

City SUTHERLIN

County DOUGLAS

ZIP 97479

4. Is the business at this location currently licensed by the OLCC? ☐ Yes ☒ No5. Mailing Address (where the OLCC will send your mail): 142 OAK VALLEY LOOP

PO Box, Number, Street, Rural Route

City WINCHESTER

State OR

ZIP 97495

6. Phone Number of the Business Location:

7. Contact Person for this Application: RAJ KUMAR

Name RAJ KUMAR

Phone Number 541. 870. 7997

Mailing Address, City, State, ZIP 142 OAK VALLEY LOOP WINCHESTER OR 97495

Email raj.kumar771@gmail.com

I understand that marijuana (such as use, consumption, ingestion, inhalation, samples, give-away, sale, etc.) is prohibited on the licensed premises.

Signature of Applicant #1

Signature of Applicant #2

Signature of Applicant #3

Signature of Applicant #4



REPORTS





PUBLIC SAFETY UPDATES (Verbal & Powerpoint)





126 E. Central Avenue
Sutherlin, OR 97479
541-459-2856
Fax: 541-459-9363
www.cityofsutherlin.com

City of Sutherlin

STAFF REPORT					
Re: Fire Services Update				Meeting Date:	8/27/2018
Purpose:	Action Item <input type="checkbox"/>	Workshop <input type="checkbox"/>	Report Only <input checked="" type="checkbox"/>	Discussion <input checked="" type="checkbox"/>	Update <input type="checkbox"/>
Submitted By: Mike Lane, Fire Chief				City Manager Review	<input checked="" type="checkbox"/>
Attachments: N/A					

WHAT IS BEING ASKED OF COUNCIL?

Listen to and watch a presentation on the status of the Fire Services in the City of Sutherlin. Some history is provided in the explanation portion of this Staff Report. The updated status, required by Resolution, will be presented in a PowerPoint presentation. The Resolution requires a bi-annual report to Council on response types, response times, and number of personnel responding.

EXPLANATION

History:

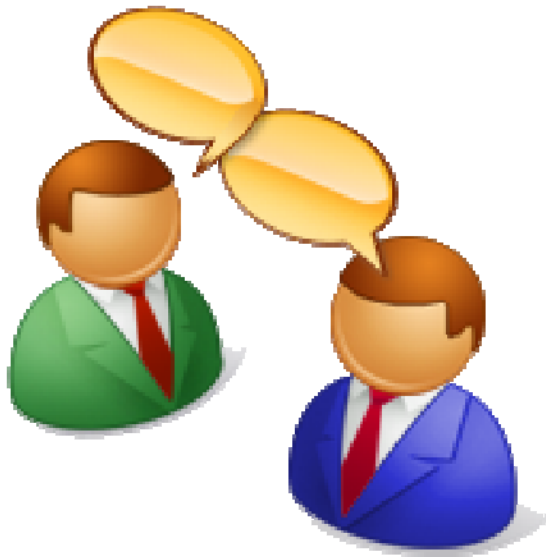
On July 1st, 2015, the City of Sutherlin Fire Department began serving the citizens of Sutherlin as a “Fire Only” fire department. Although the department was “Fire Only”, they responded to most calls except EMS first response. The department only responded to EMS calls at the request of the responding ambulance. During this time period the department utilized career staff during the daytime, and response from home after 5:00pm. The Department operated this way until September 1, 2018. After a series of meetings of the Fire Service Work Group, and with consent of the City Council, a plan was put in place to transition from a fire only department to a “Full Service” Fire Department.

On September 1st, 2018, Twenty-four hour staffing of the fire station began. This was accomplished with the addition of 1.5 FTE, a minor reorganization of career staff, increased Volunteer participation, and Fire Science/Paramedic scholarship students at Umpqua Community College.

The department currently responds to all calls normally associated with a full service fire department, including emergency medical calls.



COUNCIL COMMENTS





PUBLIC COMMENT





ADJOURNMENT





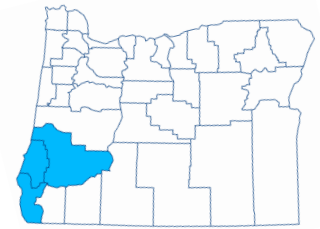
FOR YOUR INFORMATION



Southwestern Oregon Economic Indicators

November 2018 (October 2018 Data)

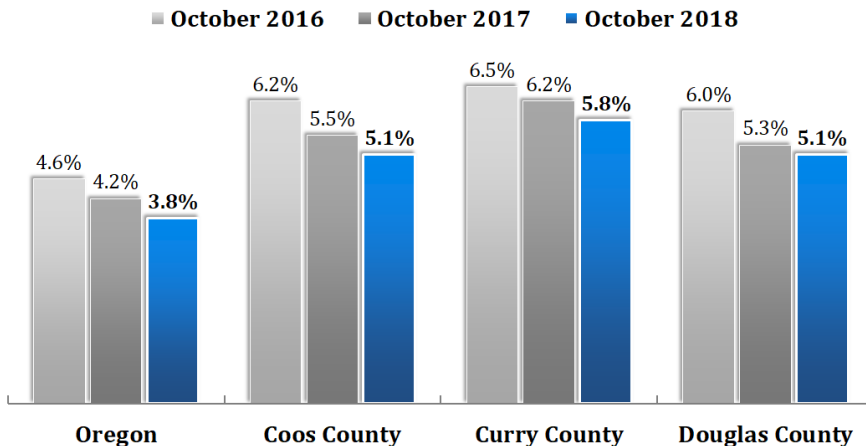
For data or publications on Southwestern Oregon, visit us at: Qualityinfo.org/southwestern-oregon



Local and State Unemployment Rates

(Seasonally-adjusted)

Source: Oregon Employment Department, LAUS

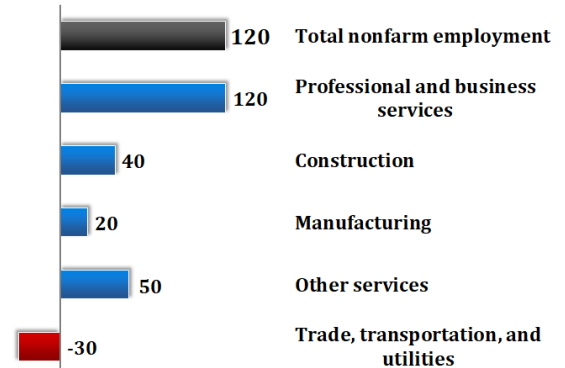


Industry Gains and Losses

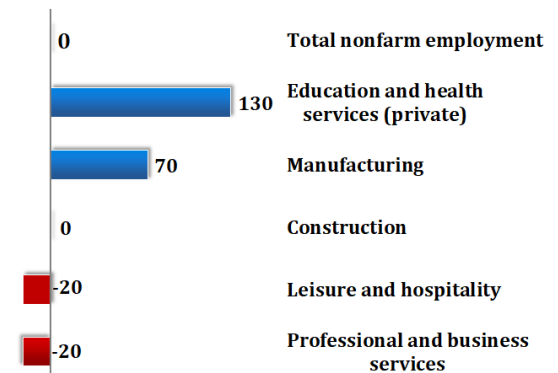
(Over-the-year net change in employment)

Source: Oregon Employment Department, CES

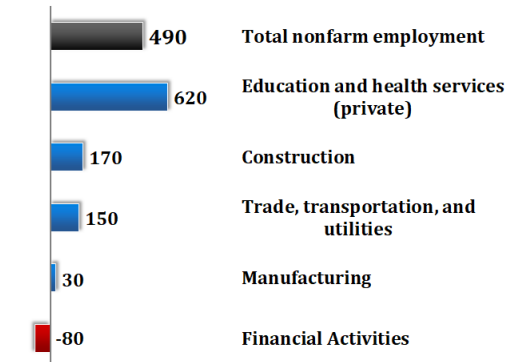
Coos County Net Job Growth



Curry County Net Job Growth



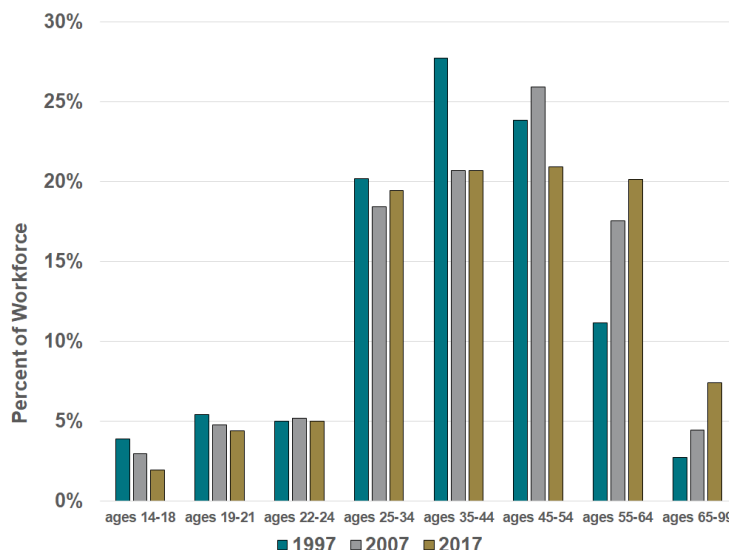
Douglas County Net Job Growth



Graph of the Month

Southwestern Oregon's Aging Workforce

Source: Quarterly Workforce Indicators, U.S. Census Bureau



Regional economist Annette Shelton-Tideman has taken a look at Southwestern Oregon's population and workforce in her recent article "Age and Employment in Southwestern Oregon." Youth workforce participation peaked at four percent in the mid-1990s and has dropped steadily since. In 2017, only two percent of Southwestern workers were between 14 and 18 in age. In contrast, workforce participation for those aged 65 to 99 increased by 34 percent since 1992. Age groups between the ages of 25 and 54 all experienced drops in their workforce share. With a large percentage of the population preparing for retirement and declines in the age groups who may have the skills to replace them, we are left with the question: "As the more mature workers age out the workforce, who will be available to fill their shoes?" Read the full article [here](#).



City of Sutherlin

STAFF REPORT					
Re: 2018 SDC Summary Report				Meeting Date:	12/10/18
Purpose:	Action Item <input type="checkbox"/>	Workshop <input type="checkbox"/>	Report Only <input checked="" type="checkbox"/>	Discussion <input type="checkbox"/>	Update <input type="checkbox"/>
Submitted By: Dan Wilson, Finance Director				City Manager Review	<input checked="" type="checkbox"/>
Attachments: SDC Annual Report					

WHAT IS BEING ASKED OF COUNCIL?

As this is only an informational report no action is being asked of council.

EXPLANATION

ORS 223.311 states that "The local government shall provide an annual accounting for system development charges showing the total amount of system development charge revenues collected for each system and the projects that were funded in the previous fiscal year".

The attached report is meant to satisfy the requirements of ORS 223.311.

ORS 223.229 (2) & (3) distinguishes between Improvement SDCs and Reimbursement SDCs. Currently the City of Sutherlin only charges for Improvement SDCs which are to be used for future capital improvements to the City. Reimbursement SDCs are repayments for capital improvements already completed.

OPTIONS

N/A

SUGGESTED MOTION(S)

N/A

System Development Charges

Annual Report



In accordance with ORS 223.311 the City shall provide an annual accounting of revenue collected and amount spent on each project funded in whole or in part by SDC revenue.

For FY 2017-2018 the following was recognized:

Street SDC

Improvement SDC Balance 07/01/2017:	312,571
Reimbursement SDC Balance 07/01/2017:	-
Revenue:	
Improvement SDC	85,492
Reimbursement SDC	-
Expenditures:	
Improvement SDC Projects	
Dovetail Right Turn Lane	115,000
Reimbursement SDC Projects	-
Improvement balance 06/30/2018:	<u>283,062</u>
Reimbursement balance 06/30/2018:	<u>-</u>

Parks SDC

Improvement SDC Balance 07/01/2017:	-
Reimbursement SDC Balance 07/01/2017:	-
Revenue:	
Improvement SDC	25,000
Reimbursement SDC	-
Expenditures:	
Improvement SDC Projects	
Central Park Improvements	25,000
Reimbursement SDC Projects	-
Improvement balance 06/30/2018:	<u>-</u>
Reimbursement balance 06/30/2018:	<u>-</u>

System Development Charges

Annual Report; Continued



Water SDC

Improvement SDC Balance 07/01/2017:	72,696
Reimbursement SDC Balance 07/01/2017:	-
Revenue:	
Improvement SDC	98,270
Reimbursement SDC	-
Expenditures:	
Improvement SDC Projects	
Reimbursement SDC Projects	-
Improvement balance 06/30/2018:	<u>170,966</u>
Reimbursement balance 06/30/2018:	<u>-</u>

Wastewater SDC

Improvement SDC Balance 07/01/2017:	-
Reimbursement SDC Balance 07/01/2017:	-
Revenue:	
Improvement SDC	7,301
Reimbursement SDC	-
Expenditures:	
Improvement SDC Projects	
Wastewater Treatment Plant Upgrade	7,301
Reimbursement SDC Projects	-
Improvement balance 06/30/2018:	<u>-</u>
Reimbursement balance 06/30/2018:	<u>-</u>

Diane Harris

From: Diane Harris
Sent: Wednesday, December 05, 2018 8:45 AM
To: 'Ashley KQEN News (ashley@bciradio.com)'; 'DC Commissioners'; 'KUGN'; 'KYLE-KQUEN'; 'News Desk (newsdesk@nrtoday.com)'; 'Register Guard'; 'Roseburg Beacon'; 'Vera Westbrook (vwestbrook@nrtoday.com)'
Subject: Public Meeting Notice
Attachments: CC DEC 10.18 Meeting.pdf

Good morning!

Please see attached Agenda for the December 10th Sutherlin City Council meeting.

Have a great day,

Diane Harris, CMC

City Recorder/HR Manager
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d.harris@ci.sutherlin.or.us