



Bend Park & Recreation District

# Comprehensive Annual Financial Report

For Fiscal Year Ending 2018 - 19

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**Bend Park & Recreation**  
DISTRICT

**BEND METRO PARK AND RECREATION DISTRICT,  
OREGON**

**Comprehensive Annual Financial Report**

**As of and for the Year Ended June 30, 2019**

Report Prepared by the District Finance Department

Lindsey Lombard, Administrative Services Director

Betsy Tucker, Finance Manager



Bend Park &  
Recreation  
DISTRICT

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

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Annual Fourth of July Parade



## **INTRODUCTORY SECTION**



Deschutes River Trail South Canyon



November 30, 2019

To the Honorable Members of the Board of Directors  
and the Citizens of the Bend Park and Recreation District,

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the Bend Metro Park and Recreation District (District) for the fiscal year ended June 30, 2019. This CAFR is prepared in conformance with the guidelines for financial reporting developed by the Government Finance Officers Association of the United States and Canada and the principles established by the Governmental Accounting Standards Board (GASB), including all effective GASB pronouncements.

Responsibility for the completeness and reliability of the information contained in this report rests with the District's management and is based on an internal control structure designed for this purpose. The internal control structure is designed to provide reasonable, rather than absolute, assurance that these objectives are met because the cost of the internal control should not exceed the related benefits. To the best of our knowledge and belief, the enclosed report is accurate in all material respects and is organized in a manner designed to fairly present the financial position and results of operations of the District as measured by the financial activity of its various funds. The accompanying disclosures are necessary to enable the reader to gain the maximum understanding of the District's financial affairs.

The District's financial statements were audited by SGA Certified Public Accountants and Consultants, LLP, a firm of independent certified public accountants. The independent auditors have issued an unmodified opinion on the District's financial statements for the fiscal year ended June 30, 2019. The independent auditors' report is presented in the Financial Section of this report.

These financial statements include the Management's Discussion and Analysis (MD&A), which can be found immediately following the report of the independent auditor. The MD&A provides a narrative introduction, overview, and analysis to accompany the basic financial statements and should be read in conjunction with this letter of transmittal.

## **District Profile**

The District is an Oregon municipal corporation, formed under the Oregon Revised Statutes for special districts on May 28, 1974, to provide park and recreation services for a current population of approximately 91,385, and includes the city of Bend. The District's boundaries and population it serves are slightly larger than that of the city of Bend. The District is located in Central Oregon, just east of the Cascade mountain range, and encompasses an area of 42 square miles. The Deschutes River flows through the center of Bend, which receives an average of only 8 – 15 inches of precipitation per year and enjoys lots of sunny, blue skies, which is one reason why it is ranked among the most desirable places to live by national magazines. Bend is the largest city in Central Oregon, and serves as the seat for Deschutes County and as the hub of economic activity in a three-county region including Deschutes, Jefferson, and Crook counties.

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District Office | Don Horton, Executive Director

799 SW Columbia St., Bend, Oregon 97702 | [www.bendparksandrec.org](http://www.bendparksandrec.org) | (541) 389-7275

The Board of Directors, composed of five elected board members, forms the legislative branch of the District government, and sets policy, adopts the annual budget and hires and directs the Executive Director. The Executive Director is responsible for the administration of the District and manages a staff of four department heads with approximately 232 full-time equivalent employees.

The District maintains and operates 2,955 acres of developed and undeveloped parkland, which includes 91 parks and open spaces, 70 miles of trail, and a whitewater park on the Deschutes River. We offer over 1,000 recreation programs for all ages and abilities throughout the area at the Juniper Swim & Fitness Center, The Pavilion, the Bend Senior Center, and the Art Station. The District also offers several free community events, including the July 4th Festival & Pet Parade and Let's Picnic.

The District's annual budget serves as the foundation for the District's financial planning and control. The District's budget is prepared in accordance with provisions of the Oregon Local Budget Law (ORS Chapter 294), which provides standard procedures for the preparation, presentation, administration and appraisal of budgets. Budget to actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted.

## **Local Economy**

As Oregon's largest city east of the Cascade Mountains, Bend is the commercial, recreational, and innovation center of Central Oregon. Renowned for its scenic setting and year-round recreational activities, the city is rapidly becoming known for its growing economy and entrepreneurial spirit. Bend began as a logging town, but is now a gateway for many outdoor recreational activities such as mountain biking, hiking, golfing, rock climbing, and ice, snow and water sports. Bend's economy is defined by dynamism, entrepreneurship, and diverse businesses that span many sectors. Manufacturing - long the region's economic core - now shares the limelight with software and high tech, craft brewing, bioscience, recreational products, aviation-related enterprises, distilling operations, food production, and tourism.

Since the early 1990s, Bend has experienced a large influx of new residents drawn by the quality of life. Population grew significantly over the last seven years as a result of this in-migration, by an estimated 18.8% from 2012 to 2019, although the rate of growth is showing some slowing. Tourism continues to provide a boost with visitor numbers growing as the opportunities for outdoor recreation increase, national sporting events are selecting Bend for various events, and tourism promotion efforts continue to reach broader markets. The number of average daily visitors to the city of Bend is estimated to be roughly 20,000 individuals. Bend also has a significant portion of its labor force (approximately 47% in 2017) who live outside of the city's geographic boundaries; the average number of workers who come to Bend to work add an additional estimated daily amount of 25,000 individuals.

During the Great Recession Bend was hit especially hard given it experienced one of the nation's biggest housing bubbles; however, most of Bend's economic factors reflect Bend's recovery since that time. Overall, a more diverse economy is better able to withstand different types of recessions, and Bend's evolution from a small timber town to a fast-growing metropolitan area is clearly seen in its industrial diversification data. By 2018, Bend ranked first among 288 US Metropolitan Statistical Areas in the percentage of all employed people working from home – at 12.1 percent.

Bend continues to outperform the other major housing bust areas from around the country in its inflation-adjusted median household income, and poverty rates continue to show improvements. Unemployment levels are at near historic lows (although up 1% from June 2017), 4.2% in June 2019, and the share of the working-age population with a college degree in Bend is now higher than three-fourths of all US metros. 2018 showed Bend at historic highs for the number of middle-wage jobs, and in comparison to the pre-Great Recession peak, by 2018 the number of middle-wage jobs in Bend had increased by nearly 6%.

## **Financial Policies**

The District adopted and adheres to a set of Financial Policies. The District recognizes the need to ensure that it is capable of adequately funding and providing the high level of District services valued by the community on a long-term sustainable basis. The Board of Directors acknowledges the challenge of maintaining a viable level of financial resources to protect against the need to reduce service levels due to temporary revenue shortfalls or unforeseeable one-time expenditures.

One of the strategies to address this challenge that the District has implemented, is to maintain sufficient working capital balances in each fund. The amount of working capital, per fund, is a function of the type of fund. For the General Fund, the level is 17% of that fund's operating budget. Other topics covered in the District's financial policies include revenue, financial planning, financial reporting, investment and debt management, and pension funding among others. The policies are periodically reviewed and amended to ensure they reflect best practices and comply with external requirements such as Generally Accepted Accounting Principles (GAAP) and Local Budget Law.

## **Long-term Financial Planning**

Long-term financial planning ensures the District: can maintain financial sustainability into the future; has sufficient long-term information to guide financial decisions; identifies potential risks to ongoing operations; and identifies changes in revenue or expenditure structures necessary to deliver services or to meet organizational goals and objectives. The District maintains a five-year financial planning horizon and balances requirements to resources over the life of the five-year forecast. The forecast is prepared at least annually prior to the start of the annual budget and capital improvement prioritization processes.

**Minimum Wage Increases** – Oregon Senate Bill 1532 requires Oregon's minimum wage for the city of Bend to increase annually from the current wage of \$11.25 to \$13.50 by July 1, 2022. The District employs over 500 employees, of which nearly 400 are part-time employees employed in positions that will have significant wage increase impacts from this legislation. This staff provides services in programs and facilities that are significantly supported by user fees and charges. Because of this, a substantial portion of the increased wages and related payroll expenses will need to be recovered through increases in user fees, while the remainder will need to be subsidized with property tax revenues.

**Community Growth** – the growth in the Bend community, combined with projections of future growth, comes with increased revenues and increased expenditures. To continue to provide the high level of service the community expects from the District, within the resources that are available, requires increases in employees and in services, paired with continual efficiencies in our organization. It is the District's highest priority to continue to "take care of what we have" through asset management and by focusing resources where there is the greatest need.

## **Major Initiatives**

The District adopted a new 10-year Comprehensive Plan in 2018. This plan is the guiding document for the next ten years of parks and recreation in Bend. In order to build upon its legacy of providing exceptional park and recreation services to the community, the District undertook its most extensive rewrite of the Comprehensive Plan to date. This plan addresses the rapid growth Bend has experienced in the past decade and accommodates another decade of growth by planning for more parks, trails, amenities and another indoor recreation facility, called the Larkspur Community Center. The projects and policies identified in the plan are based upon the needs, desires and ideas identified by the community over a two-year public engagement process in order to ensure that the plan provides direction to address system deficiencies, responds to the needs of a growing and changing community, and to plan for equitable distribution of facilities.

The District completed a major revision of its park system development charge (SDC) methodology, which includes exemptions for deed-restricted affordable housing, and a 30% reduction in fees for multi-family housing. These two initiatives are important for addressing affordable workforce housing that is currently significantly lacking in Bend.

In 2019, the District completed its new Strategic Plan, which is the operational plan that will guide what the District will focus on for the next three to five years. The plan was developed with participation from over 100 staff and the board of directors.

The District is one of only 166 park and recreation agencies in the U.S. to be accredited by the Commission for Accreditation of Park and Recreation Agencies (CAPRA). The District is currently working towards its 5-year re-accreditation, and is striving to complete the process by summer 2020.

### **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded the District with a Certificate of Achievement for Excellence in Financial Reporting for its CAFR for the fiscal year ended June 30, 2017 – the District's second year of application for the award. The Certificate of Achievement is a prestigious national award that is an important recognition of conformance with the highest standards for preparation of state and local government financial reports. In order to receive the award, the District must publish an easily readable and efficiently organized CAFR with contents that conform to program standards. The report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

The District did not apply for the award for the 2018 CAFR. However, we believe our current CAFR continues to conform to program requirements and we are submitting it to GFOA for their consideration of another certificate award.

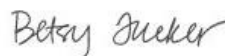
Distinguished Budget Presentation Award – the District has received the Distinguished Budget Presentation Award for its budget document from the GFOA for four years. The award represents the District's commitment to meeting the highest principles of governmental budgeting. The budget is rated in four major categories: as a policy document, an operations guide, a financial plan and a communications device. Budget documents must be rated "proficient" in all four categories to receive the award. The District submitted its 2019-20 budget to GFOA in October 2019 and we believe that budget document will continue to meet the Certificate of Achievement Program requirements.

We wish to thank everyone who contributed to the preparation of this report with special thanks to the Finance Department, for their dedication and contribution to the District's efficient and accurate financial reporting. We would also like to express our appreciation to the District's Board of Directors and the Executive Director whose leadership and commitment strengthen our community's vitality and foster healthy, enriched lifestyles.

Respectfully submitted,



Lindsey Lombard  
Administrative Services Director

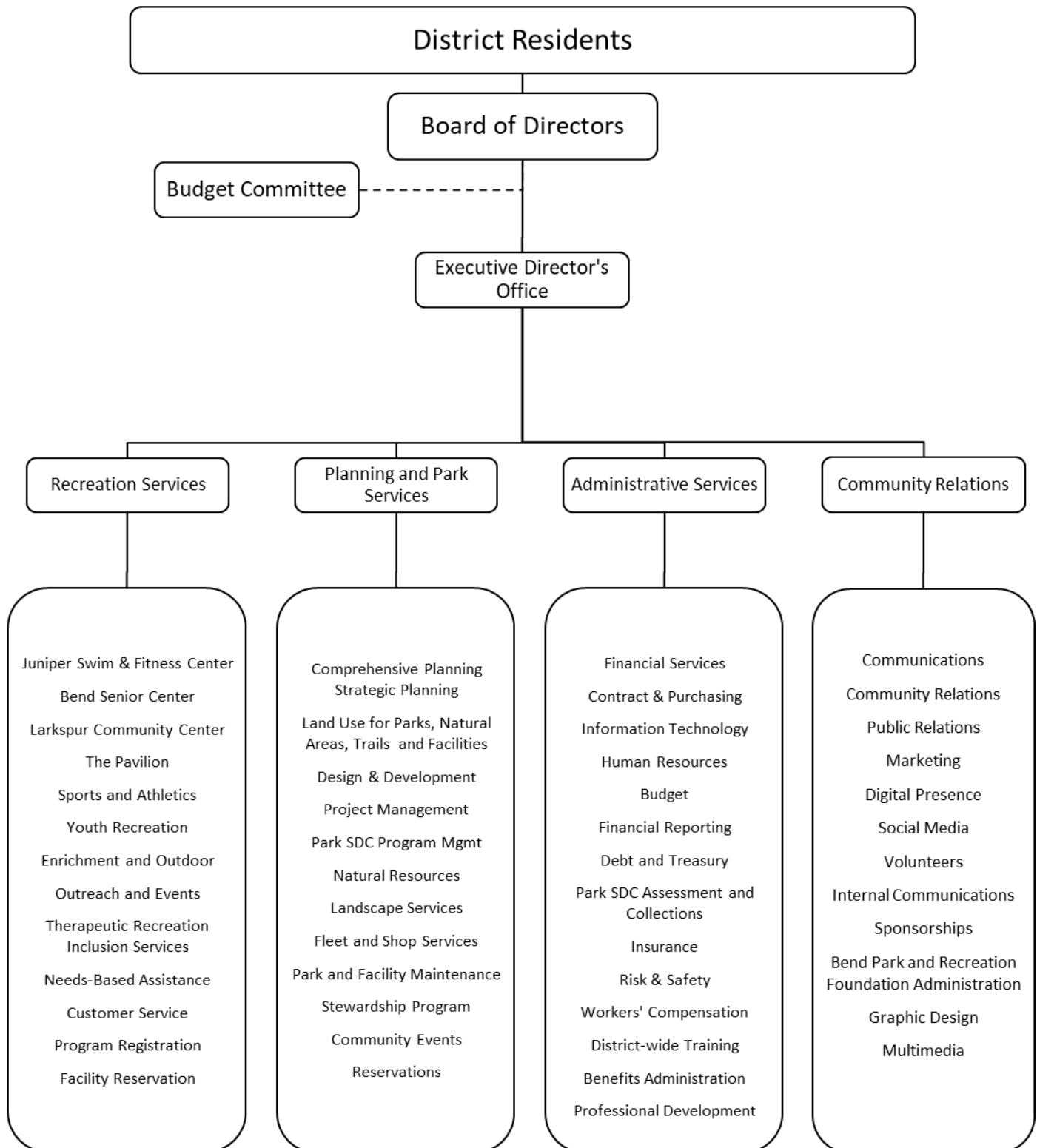


Betsy Tucker  
Finance Manager



# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Organizational Chart For the Year Ended June 30, 2019



BEND METRO PARK AND RECREATION DISTRICT, OREGON

**Directory of District Officials**  
For the Year Ended June 30, 2019

Board of Directors – Fiscal Year 2018-19

<u>Name</u>	<u>Term Expires</u>
Brady Fuller Bend, OR	June 30, 2019
Ellen Grover Bend, OR	June 30, 2019
Nathan Hovekamp Bend, OR	June 30, 2021
Ted Schoenborn Bend, OR	June 30, 2021
Lauren Sprang Bend, OR	June 30, 2021

Registered Agent and Office

Don P. Horton  
Administrative Office  
799 SW Columbia Street  
Bend, OR 97702

Principal Officials

Don P. Horton, Executive Director  
Lindsey Lombard, Administrative Services Director  
Michelle Healy, Planning and Park Services Director  
Matt Mercer, Recreation Services Director  
Julie Brown, Communications and Community Relations Manager



Therapeutic Recreation GRO Campers



St. Patrick's Day Dance at the Bend Senior Center

## **FINANCIAL SECTION**





Youth Girls Softball Program



To the Board of Directors  
Bend Metro Park and Recreation District  
Deschutes County, Oregon

## **INDEPENDENT AUDITORS' REPORT**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Bend Metro Park and Recreation District, Deschutes County, Oregon (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 auditor's 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the District, as of June 30, 2019, and the respective changes in financial position, 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, the Schedule of Proportionate Share of the Net Pension Liability and Net OPEB Liability, the Schedule of Employer Contributions – Pension and OPEB, the Schedule of Changes in Total OPEB Liability and Related Ratios, and the Schedules of Revenues, Expenditures and Changes in Fund Balance for the General Fund and System Development Charges Special Revenue Fund, 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, the Schedule of Proportionate Share of the Net Pension Liability and Net OPEB Liability, the Schedule of Employer Contributions – Pension and OPEB, and the Schedule of Changes in Total OPEB Liability and Related Ratios 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 – General and System Development Charges Special Revenue Fund are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Budgetary Comparison Schedules – General and System Development Charges Special Revenue Fund, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Other Supplementary 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 Other Supplementary Information, as listed in the table of contents, is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Other Supplementary Information, as listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory Section, Statistical Section and Other Information Section, as listed in the table of contents, have 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 them.

**Reports on Other Legal and Regulatory Requirements**

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 30, 2019, 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 our testing of compliance and the results of that testing and not to provide an opinion on compliance.

A handwritten signature in black ink that reads "Brenda Bartlett". The signature is written in a cursive, flowing style.

Brenda Bartlett, CPA  
SGA Certified Public Accountants and Consultants, LLP  
Bend, Oregon

November 30, 2019

## Management's Discussion and Analysis

The management of the Bend Metro Park and Recreation District (District) offers readers of the District's financial statements this narrative overview and analysis of the financial activities and financial position of the District for the fiscal year ended June 30, 2019. Management's Discussion and Analysis (MD&A) focuses on currently known facts, decisions and conditions. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, the basic financial statements and the accompanying notes to those financial statements.

### Financial Highlights

- On a government-wide basis, the District's total assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources (net position) by \$145,115,000 at June 30, 2019. Of this amount, \$43,558,000 may be used to meet the District's on-going obligations to citizens and creditors, compared to \$37,781,000 as of June 30, 2018.
- The District's net position at June 30, 2019 increased by \$9,098,000 from the prior year. This increase in net position is resultant of a combination of: capital assets increasing by \$4.2 million; cash and investments increasing by \$5.7 million; deferred outflows of resources increasing by \$1.2 million; deferred inflows of resources increasing by \$427,000; the net pension liability increasing by \$1.6 million, all other assets increasing by \$72,000, and all other liabilities not materially changing.
- The District's governmental funds reported a combined fund balance of \$47,624,000, an increase of \$4,960,000, from June 30, 2018. Of this balance, \$155,000, or .3%, is nonspendable; \$24,414,000, or 51.3%, is restricted; \$16,619,000, or 34.9%, is committed; \$3,402,000, or 7.1% is assigned; and \$3,034,000, or 6.4% is unassigned.
- The District's assets and deferred outflows of resources totaled \$187.8 million at June 30, 2019 consisting of \$131.7 million in capital assets, \$50.4 million in cash and cash equivalents, \$1.4 million in receivables and other assets, and \$4.2 million in deferred outflows of resources. Total assets and deferred outflows of resources increased by \$11.1 million from the prior year.
- The District's liabilities and deferred inflows of resources totaled \$42.7 million at June 30, 2019 consisting of \$28.6 million in debt, \$1.8 million in accounts payable, \$8.4 million in net pension liability, \$300,000 in OPEB liability, \$2.8 million in other liabilities, and \$800,000 in deferred inflows of resources. Total liabilities and deferred inflows of resources increased by \$2.1 million from the prior year.
- The District generated program revenues of \$15.8 million from its governmental activities. Direct expenses of all programs totaled \$27.3 million. General revenues which include taxes and investment earnings totaled \$20.6 million.
- The District's Assessed Valuation of Taxable Property increased by 6.5%, to approximately \$12.2 billion, in fiscal year ending June 30, 2019.
- Total bonded debt was \$23,785,000 as of June 30, 2019, compared to total bonded debt of \$24,800,000 as of June 30, 2018.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. These basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The *statement of net position* focuses on resources available for future operations. It presents all of the District's assets and deferred outflows of resources and all of its liabilities and deferred inflows of resources, with the difference between them reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. This is only one measure, however, and the

## Management's Discussion and Analysis

reader should consider other indicators such as general economic conditions in the District, changes in property tax base, and the age and condition of capital assets used by the District.

The *statement of activities* focuses on all of the current fiscal year's revenue and expenses. The statement presents information showing how the District's net position changed during the 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 future fiscal periods (i.e. - uncollected taxes). Because it separates program revenue (revenue generated by specific programs through charges for services, grants, and contributions) from general revenue (revenue provided by taxes and other sources not tied to a particular program), it shows to what extent each program relies on taxes or other general revenues for funding.

Both of the government-wide financial statements are divided into two categories:

Governmental activities - *Governmental activities* are supported by general revenue sources such as taxes, charges for services, and grants and contributions. These services include general government services (administration, information technology, human resources, risk management, financial services and community relations), planning and development, facility rental, park services and recreation services.

Component unit - The government-wide financial statements include not only the District itself (known as the *primary government*), but also the Bend Park and Recreation Foundation, a legally separate entity for which the District is financially accountable. Financial information for the Foundation is reported separately from the financial information presented for the primary government.

The government-wide financial statements can be found on pages 26-27 of this report.

**Fund Financial Statements.** A *fund* is a group of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Major funds are separately reported while all others are combined into a single, aggregated presentation. All of the funds of the District can be classified into one category:

Governmental funds - *Governmental funds* are used to account for essentially the same functions as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This short-term view of the District's financial position helps the reader evaluate the District's near-term financial 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, the reader may better understand the long-term impact of the District's near-term funding decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

### Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

The District's governmental funds combined fund balances at June 30, 2019 were \$47,499,000 while the net position was \$145,115,000, a difference of \$97,491,000. The measurement criteria for each statement result in several significant differences between these two statements. Capital assets of \$131,674,000 used in *governmental activities* are not financial resources and therefore are not included in fund balance but are part of *net position*. Liabilities of \$38,083,000 which will be liquidated more than one year from balance sheet date are not reported on the Balance Sheet but are reported on the Statement of Net Position. Deferred outflows and inflows of resources, related primarily to reporting the District's defined benefit pension plan, are reported in the Statement of Net Position but not on the Balance Sheet. The full reconciliation can be found on page 31.

## Management's Discussion and Analysis

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities  
The *fund balances* of the District's governmental funds increased by \$4,960,000 during fiscal year 2018-19 while the *net position* increased by \$9,098,000. This \$4,137,000 difference is due to fiscal year transactions that are reported differently on each statement. Repayments of long-term debt of \$1,533,000 and expenditures for the acquisition and development of capital assets of \$4,163,000 are not reported as expenses on the statement of activities. Instead, they are reductions of noncurrent liabilities and additions to capital assets, respectively. Other reconciling items include accrued expenses and changes in accruals and deferrals netting a reduction in *net position* of \$1,549,000. The full reconciliation can be found on page 35.

The District maintains six individual governmental funds. Governmental funds are further classified as *general*, *special revenue*, *debt service*, and *capital projects* funds. Within each fund-type group, funds are additionally classified as *major* or *nonmajor* funds.

Individual fund 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 District taken as a whole. These financial statements report four *major* funds: General Fund, System Development Charges (SDC) Special Revenue Fund, General Obligation Debt Service Fund, and Facility Reserve Capital Projects Fund. The other two *governmental funds* are combined into a single, aggregated presentation.

The District adopts an annual appropriated budget for all of its funds. To demonstrate compliance with the budget, budgetary comparison statements for all appropriated funds are provided following the notes to the financial statements.

The basic governmental fund financial statements can be found on pages 28-35 of this report.

**Notes to the Financial Statements.** The notes to the financial statements provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 36-63 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budgetary comparisons for the General Fund and major special revenue funds. The required supplementary information also includes historical information regarding the District's pension and other post-employment benefits (OPEB) activities. These schedules and related notes can be found on pages 66-73 of this report.

The combining statements and budget to actual schedules for the other major and nonmajor governmental funds are presented in the "Other Supplementary Information" section, and can be found on pages 76-81 of this report.

## Government-wide Financial Analysis

### Analysis of Net Position

As noted earlier, *net position* may serve over time as a useful indicator of the District's financial position. As of June 30, 2019, the District had a positive net position balance – assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources - of \$145,115,000. This is an increase of \$9,098,000 or 6.7% over the prior year.



## Management's Discussion and Analysis

The following is a condensed statement of net position and an analysis of the change in the District's financial position from the prior year:

<b>Net Position</b>			
<b>June 30</b>			
	<b>2019</b>	<b>2018</b>	<b>Change</b>
Assets other than capital assets	\$ 51,766,687	\$ 46,057,461	\$ 5,709,226
Capital assets, net	131,674,348	127,511,349	4,162,999
Other assets	86,913	31,361	55,552
Total assets	<u>183,527,948</u>	<u>173,600,171</u>	<u>9,927,777</u>
 Deferred outflows of resources	 <u>4,237,305</u>	 <u>3,015,116</u>	 <u>1,222,189</u>
 Current liabilities	 6,162,310	 4,537,375	 1,624,935
Net pension liability	8,386,234	6,735,247	1,650,987
Noncurrent liabilities	27,311,200	28,961,414	(1,650,214)
Total liabilities	<u>41,859,744</u>	<u>40,234,036</u>	<u>1,625,708</u>
 Deferred inflows of resources	 <u>790,837</u>	 <u>364,138</u>	 <u>426,699</u>
 Net position:			
Net investment in capital assets	101,556,879	98,109,854	3,447,025
Restricted	24,413,983	20,170,539	4,243,444
Unrestricted	19,143,810	17,736,720	1,407,090
Total net position	<u><u>\$ 145,114,672</u></u>	<u><u>\$ 136,017,113</u></u>	<u><u>\$ 9,097,559</u></u>

The most significant portion of the District's net position, approximately 70%, or \$101,557,000, represents *its investment in capital assets* (land, buildings, park and trail improvements, and vehicles, equipment and software, net of accumulated depreciation) less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to District residents. Consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, as the capital assets will not be liquidated to service the debt.

The District's portion of net position *restricted* for use in its long-term capital projects and debt service requirements total \$24,414,000 or 17% of the net position. The remaining 13%, or \$19,144,000, of the District's net position is *unrestricted* and may be used to meet the District's future obligations to community citizens and creditors.

### Analysis of Changes in Net Position

As noted previously, the District's total change in net position resulting from operations increased by \$9,098,000 during fiscal year 2018-19. Discussion and analysis of the changes for governmental activities are included below.

## Management's Discussion and Analysis

### Changes in Net Position

	Fiscal Year Ended June 30		Change
	2019	2018	
<b>Revenues</b>			
Program revenues:			
Charges for services	\$ 15,466,880	\$ 14,336,627	\$ 1,130,253
Operating grants and contributions	205,750	214,374	(8,624)
Capital grants and contributions	108,492	420,367	(311,875)
General revenues:			
Property taxes	19,201,865	18,132,642	1,069,223
Investment earnings	1,290,909	747,949	542,960
Other	130,936	186,111	(55,175)
Total revenues	<u>36,404,832</u>	<u>34,038,070</u>	<u>2,366,762</u>
<b>Expenses</b>			
General government	3,971,195	3,693,841	277,354
Planning and development	1,955,340	967,102	988,238
Facility rental	203,359	188,870	14,489
Park services	9,813,318	9,351,964	461,354
Recreation services	10,484,206	9,907,435	576,771
Interest on long-term debt	879,855	918,954	(39,099)
Total expenses	<u>27,307,273</u>	<u>25,028,166</u>	<u>2,279,107</u>
Change in net position	9,097,559	9,009,904	87,655
Net position - beginning of year	<u>136,017,113</u>	<u>127,007,209</u>	<u>9,009,904</u>
Net position - ending	<u>\$ 145,114,672</u>	<u>\$ 136,017,113</u>	<u>\$ 9,097,559</u>

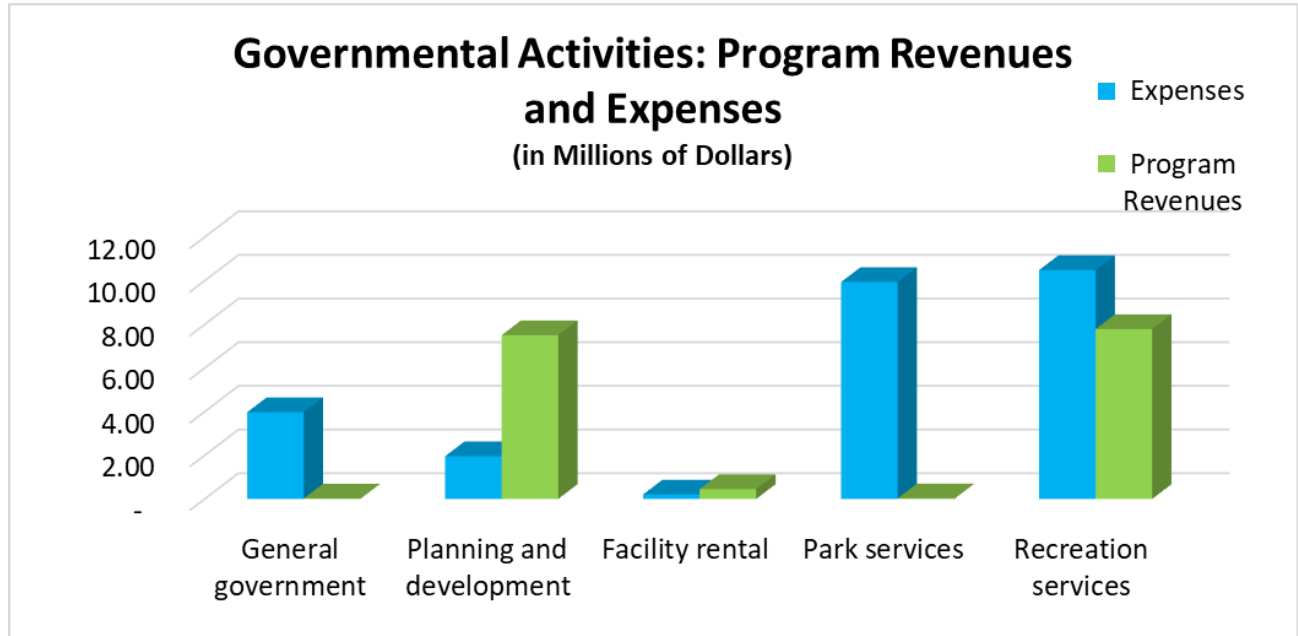
### Governmental Activities

Major impacts on the increase in net position include:

- System development charge revenue, included in charges for services, increased by just over \$1 million from the prior year, due to a combination of growth in the development of multi-family apartment complexes and hotels and slowing in the development of single-family homes.
- The District's property tax revenue from its permanent tax rate increased by \$1,033,000; or 6.3%, this was due to a combination of statutorily allowable increases in assessed value on existing properties and new residential and commercial development.
- Investment earnings were up 73%, or \$543,000, as interest rates continued to increase in 2018-19, and the higher rates were calculated on higher fund balances.
- Expenses for governmental activities increased by 9.1% from last year, or \$2.3 million. Personnel costs and materials and services both increased significantly related to higher costs and growth in services, and depreciation expenses also increased.

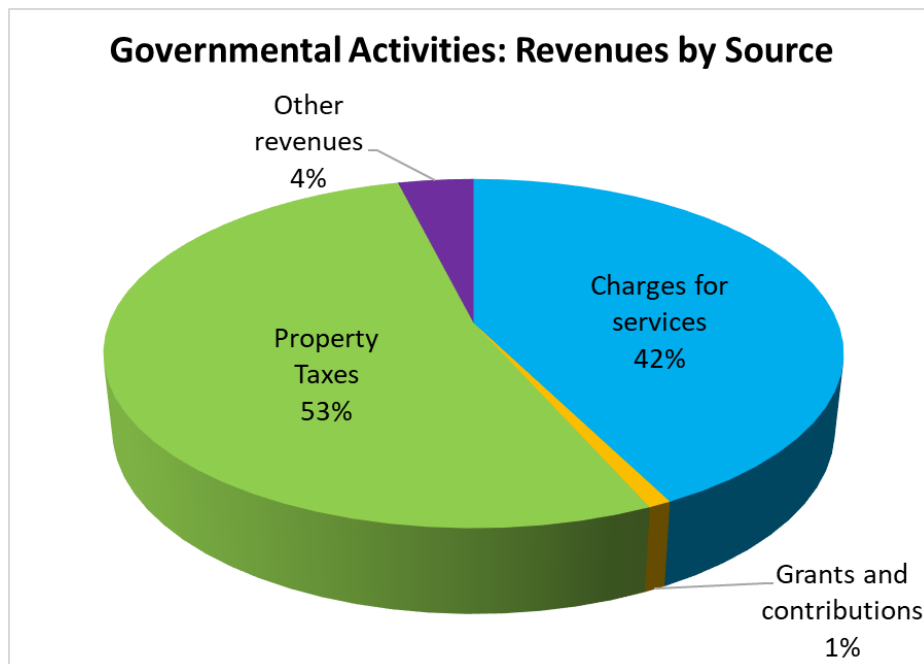
## Management's Discussion and Analysis

All of the District's governmental programs utilize general revenues to support their functions. Some programs such as general government and park services are fully dependent on general revenues to fund operations. Other programs, such as recreation services, are only subsidized by general revenues. The following chart compares the revenues and expenses for each of the District's governmental programs and shows the extent of each program's dependence on general revenues for support in the current year.



Program revenues generated by planning and development include system development charges of \$7,466,000 and capital grants and contributions of \$38,000. These revenues are expended on acquisitions and development of capital assets, and not operational expenses.

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



## Management's Discussion and Analysis

### Financial Analysis of the District's Funds

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### Governmental Funds

The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the District include the General Fund, Special Revenue Funds, Capital Project Funds, and a Debt Service Fund.

As of the end of fiscal year 2018-19, the District's governmental funds reported combined ending fund balances of \$47.6 million, which reflects an increase of approximately \$4.96 million over the prior year's fund balances. Of the combined ending fund balances, \$3,034,000 or 6.4% constitutes the *unassigned fund balance* in the appropriate fund types as shown in the Governmental Funds Balance Sheet on pages 28-29. The remainder of fund balance is classified as *nonspendable, restricted, committed, or assigned*. Amounts classified as restricted or committed are not available for new spending as they can only be used for their restricted or committed purpose. Changes, amounts and percentages, in the fund balances of the governmental funds were:

• General Fund	Increase of \$ 149,000, or 2%
• System Development Charges Special Revenue Fund	Increase of \$ 4,221,000, or 21%
• General Obligation Debt Service Fund	Increase of \$ 22,000, or 17%
• Facility Reserve Capital Projects Fund	Increase of \$ 148,000, or 1%
• Nonmajor other governmental funds	Increase of \$ 420,000, or 31%

#### Significant Changes in Major Funds

##### *General Fund:*

The General Fund is the primary operating fund of the District. Principal sources of revenue are property taxes, charges for services, investment earnings and sponsorships. Primary expenditures are made for personnel, materials and services, debt service - costs necessary to provide quality park maintenance, recreational, and planning, design, and development services for the community, along with general administration of the District's operations. As of June 30, 2019, the fund balance of the General Fund was \$6.6 million. Of this fund balance, \$3,557,000 is nonspendable or assigned for future expenditures and \$3,034,000 is unassigned.

As a measure of the General Fund's liquidity, it may be useful to compare spendable fund balance to total fund expenditures. The General Fund's spendable fund balance (assigned and unassigned fund balances) represents 31% of total General Fund expenditures and 25% of total General Fund combined expenditures plus transfers out, exceeding the District's financial policy guideline of 17%. These percentages were 32% and 27%, respectively, in the prior year.

The General Fund's ending fund balance increased by \$149,000 during fiscal year 2018-19. Revenues exceeded expenditures by \$4,884,000. These net resources along with transfers in were used primarily to fund current and future capital expenditures through transfers to other funds in the amount of \$5,135,000.

As compared to the prior fiscal year, General Fund revenues increased by over \$1.2 million (or 5%), largely due to \$1,033,000 (or 6.3%) in increased property tax collections, \$122,000 (or 1.6%) more in recreation charges for services, and \$120,000 (or 76%) more in investment earnings.

Expenditures increased by \$1,034,000 (or 5.3%). This increase was largely seen in personnel services – partly from adding staff in many areas in order to support the increase in demand for services from the growing community, and partly from increased payroll costs (wages, PERS retirement, and health insurance).

## **Management's Discussion and Analysis**

### *System Development Charges Special Revenue Fund:*

This fund is used to account for development fees assessed on new residential construction within the District boundaries, and is expended on the acquisition and development of parks and trails. Fiscal year 2018-19 experienced an increase in SDC revenues (\$1 million or 16% more than prior fiscal year), following on two consecutive years of revenue decline. As compared to prior fiscal year, the number of building permits for single family homes decreased by 9%, while apartment units and hotel rooms increased significantly (269% and 110%, respectively). Capital outlay in this fund was over \$3.3 million – a 47% decrease from the prior year. This was a year of planning and designing projects that will be constructed over the next few years. The ending fund balance changed by \$4,212,000 from the prior year balance. This fund balance of \$24.3 million is entirely restricted by state law for capacity-enhancing and reimbursement projects for park and trail facilities within the District.

### *General Obligation Bond Debt Service Fund:*

This debt service fund accounts for the accumulation of resources, primarily property tax revenue, to pay principal and interest payments on the 2013 general obligation bonded debt. The fund balance of \$149,000 is restricted by state law for debt service.

### *Facility Reserve Capital Projects Fund:*

This capital projects fund accounts for major capital project activities of the District that are not accounted for in the SDC Fund. The principal financing source is from a transfer of property taxes from the General Fund. It also receives revenues from capital-related grants and contributions. This fund's ending fund balance of \$14.9 million increased slightly by \$148,000 over the prior fiscal year. Capital outlay increased significantly over prior year by \$3.2 million, largely related to starting construction on the Larkspur Community Center project.

The District has annually set aside funds since fiscal year 2013-14 for the purpose of constructing the Larkspur Community Center, in order to not incur debt to fund the project. Over \$5.1 million has been spent on the project as of June 30, 2019, and over \$16.7 million has been either reserved or appropriated in the fiscal year 2019-20 budget (\$5.1 million in this fund and \$11.2 in the SDC Fund). There are also \$2 million in reserves for the purpose of future asset management (major renovation and replacement of capital assets as they end their useful life), and \$4,000,000 in reserves for a new park maintenance facility. The fund balance of \$14,750,000 is committed for the purposes of land acquisitions, park development and other facility-related capital projects.

## **General Fund Budgetary Highlights**

### **Original Budget Compared to Final Budget and Actual Results**

There were no budget adjustments between the General Fund's original budget and the final budget in fiscal year 2019. For the year, actual revenues were higher than budgeted amounts by just under 2%, most of which is due to higher property tax collections and investment earnings than projected. Actual expenditures were 84% of the budgeted expenditures. The significant underspending in expenditures occurred in recreation services and in park services by a total of \$914,000 and not having the need to expend any of the \$2.5 million in operating contingency.

## **Capital Asset and Debt Administration**

### **Capital Assets**

As of June 30, 2019, the District had invested just under \$131.7 million in capital assets (net of accumulated depreciation). The book value of the depreciable assets is 63% of historical cost. This investment in capital assets includes land, parks, trails, buildings and improvements, equipment and furnishings. Capital assets increased by a net amount (additions, deductions and depreciation) of approximately \$4.2 million over the prior year, or 3.3%. The largest majority of the capital expenditures (58%) occurred in the Facility Reserve Capital Projects Fund in the current fiscal year.

## Management's Discussion and Analysis

### Capital Assets (Net of Accumulated Depreciation)

	June 30		
	2019	2018	Change
Land including right-of-way	\$ 57,022,539	\$ 55,314,418	\$ 1,708,121
Construction in progress	8,465,211	2,579,871	5,885,340
Artwork	230,000	230,000	-
Buildings and building improvements	27,662,376	28,717,946	(1,055,570)
Improvements other than buildings	37,006,538	39,247,313	(2,240,775)
Vehicles, equipment and software	1,287,684	1,421,800	(134,116)
Total capital assets	<u>\$ 131,674,348</u>	<u>\$ 127,511,348</u>	<u>\$ 4,163,000</u>

Significant capital asset additions, totaling just under \$8.5 million for fiscal year 2019, were as follows:

- Design, engineering, permits and the start of construction of the Larkspur Community Center in the amount of \$4,112,000,
- Acquisition of land for two future neighborhood park sites for \$1.3 million,
- Design, engineering, and development of community parks, including Alpenglöw, Rockridge and Big Sky, in the amount of \$837,000,
- Asset management and access plan expenditures at Juniper Swim and Fitness Center, Juniper Park, Pioneer Park, Orchard Park and other District facilities in the approximate amount of \$730,000,
- Design, engineering and partial construction of the Pacific Crest Athletic Fields, for \$439,000,
- Design and engineering for the Drake Park Deschutes River trail and bank improvements project, in the amount of \$434,000,
- Design and engineering of two neighborhood parks in the amount of \$128,000,
- Improvements at Shevlin Park in the amount of \$124,000, and
- Purchases of vehicles, equipment and technology totaling \$190,000.

Offsetting these additions were depreciation and retirements of assets.

Additional information on the District's capital assets is included in Note 3 on page 45 of this report.

#### Debt Administration

As of June 30, 2019, the District had \$29,203,200 in debt and other long-term obligations (employee and development-related obligations) outstanding. Debt decreased by \$1,533,000 while other long-term obligations increased by \$751,000.

#### Outstanding Debt and Obligations

	June 30		
	2019	2018	Change
General obligations bonds	\$ 23,785,000	\$ 24,800,000	\$ (1,015,000)
Premium on general obligation bonds	1,294,699	1,387,178	(92,479)
Loan payable	2,788,828	3,214,317	(425,489)
Compensated absences	654,100	583,900	70,200
System development charges credit	680,573	-	680,573
Total outstanding obligations	<u>\$ 29,203,200</u>	<u>\$ 29,985,395</u>	<u>\$ (782,195)</u>



## Management's Discussion and Analysis

The general obligation bonds, related to park and recreation facilities, will be paid off in fiscal year 2033. Of the amount outstanding at year-end, \$1,015,000 is due within one year and will be paid from the GO Bond Debt Service Fund. The loan payable will be paid off in fiscal year 2025. Of the amount outstanding at year-end for the loan payable, \$434,153 is due within one year, and is paid from the General Fund.

Moody's Investors Service has assigned a credit rating of Aa3 to the District for its general obligation bonds.

State statutes limit the amount of general obligation debt that park and recreation districts may issue up to 2.5% of all the real market value (RMV) of all taxable properties within the district as reflected in the last certified assessment roll. With a real market value of \$21.4 billion, the current debt limitation for the District is \$534,400,000. As of June 30, 2019, the District's remaining general obligation debt capacity is \$509,320,000. The District's general obligation debt at June 30, 2019 of \$25,080,000 represents 4.7% of its capacity.

Additional information on the District's long-term debt and other long-term obligations is included in Note 6 on pages 47-48 of this report.

### Key Economic Factors and Budget Information for the Future

- According to the U.S. Bureau of Labor Statistics, the unemployment rate for the Bend Metropolitan Statistical Area in June 2019 was 4.2%. This is slightly higher than the State of Oregon rate of 4% and the City of Portland, Oregon rate of 3.5%.
- The District's General Fund is dependent upon property taxes, charges for services, grants, contributions and investment earnings to support its operations. Property taxes made up approximately 67% of the General Fund's total revenue sources in fiscal year 2018-19, charges for services provided 29%, and investment earnings provided just over 1%. With the local community's population (over 12% growth over the last three years) and economic growth, the District's Assessed Valuation of Taxable Property (which property tax revenue is based on) increased from fiscal year 2018-19 to fiscal year 2019-20 by 6.3% to approximately \$13 billion. The fair market value of taxable property within the District increased by an even greater 9.2% to \$23.3 billion.
- So far in the first four months of the current fiscal year 2020 we have seen a 32% decrease in the number of single-family homes being built and a 116% increase in the number of multi-family units as compared to fiscal year 2019. SDC collections are down \$364,000 as compared to the same time period last year – a decrease of 17%. The community has been and is continuing to experience significant growth, which reflects the need for the District to continue to provide its current level of service in parks, trails and recreation facilities over the upcoming years.
- The District is undergoing a two-year, two-phase Compensation and Pay Equity study. The study is intended to ensure the District is in compliance with a new state law that requires that wages are based upon the comparable character of the work performed, and are not based upon discriminatory practices (intentional or unintentional). The study also assesses the District's wage comparability with other peer organizations. It is too early to know the eventual financial impact of the study's findings; however, an amount of \$500,000 was set aside in the 2019-20 budget to cover the first two years of the necessary adjustments discovered through the study.
- The Oregon Public Employee Retirement System (OPERS) unfunded actuarial liability and employer contribution rates are projected to continue increasing for another 17 years. In order to proactively manage the District's future employer contribution rates and reduce the pension unfunded actuarial liability, in fiscal year 2019-20 the District will contribute to OPERS a one-time payment of \$1,500,000, along with a matching amount from the State of Oregon of \$375,000.
- In order to continue to provide exceptional services for the growing community, the District increased staffing levels in the fiscal year 2019-20 budget by 7.5 full-time equivalents (FTE) - from 244.3 to 251.8 from the prior fiscal year. The majority of this increase is in the recreation services department, largely in part-time and seasonal staffing.

## Management's Discussion and Analysis

The District's budget planning process starts with the District's vision, mission and value statements. These statements serve the purpose of defining for the public, staff and Board of Directors why our organization exists, who we serve and how we serve them. These guiding statements, shown below, drive the District's budgetary priorities.

### Our vision:

To be a leader in building a community connected to nature, active lifestyles and one another.

### Our mission:

To strengthen community vitality and foster healthy, enriched lifestyles by providing exceptional park and recreation services.

### We value:

- **Excellence** by striving to set the standard for quality programs, parks and services through leadership, vision, innovation and dedication to our work.
- **Environmental Sustainability** by helping to protect, maintain and preserve our natural and developed resources.
- **Fiscal Accountability** by responsibly and efficiently managing the financial health of the District today and for generations to come.
- **Inclusiveness** by reducing physical, social and financial barriers to our programs, facilities and services.
- **Partnerships** by fostering an atmosphere of cooperation, trust and resourcefulness with our patrons, coworkers, and other organizations.
- **Customers** by interacting with people in a responsive, considerate and efficient manner.
- **Safety** by promoting a safe and healthy environment for all who work and play in our parks, facilities and programs.
- **Staff** by honoring the diverse contributions of each employee and volunteer, and recognizing them as essential to accomplishing our mission.

## Requests for Information

The District's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning information provided in this report or requests for additional financial information should be addressed to Bend Park & Recreation District Finance Department, 799 SW Columbia Street, Bend, Oregon 97702, or by email to [lindsey@bendparksandrec.org](mailto:lindsey@bendparksandrec.org) or [betsyt@bendparksandrec.org](mailto:betsyt@bendparksandrec.org).

## **BASIC FINANCIAL STATEMENTS**

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Statement of Net Position June 30, 2019

	Primary Government Governmental Activities	Component Unit Bend Park and Recreation Foundation
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 50,466,202	\$ 179,806
Endowment investment	-	186,357
Property taxes receivable	509,190	-
System development fees receivable	449,249	-
Accounts receivable	186,996	-
Prepaid expenses	155,050	-
Total current assets	51,766,687	366,163
Capital assets:		
Land, construction in progress and artwork	65,717,750	-
Other capital assets (net of accumulated depreciation)	65,956,598	-
Total capital assets	131,674,348	-
Other assets:		
Net OPEB asset - PERS RHIA Plan	86,913	-
<b>Total assets</b>	183,527,948	366,163
<b>Deferred outflows of resources</b>		
Deferred charge on refunding	83,767	-
Pension-related	4,112,837	-
OPEB-related	40,701	-
<b>Total deferred outflows of resources</b>	4,237,305	-
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	1,803,458	28,300
Accrued payroll liabilities	690,495	-
Other accrued liabilities	244,935	-
Deposits payable	75,240	-
Accrued interest payable	75,066	-
Unearned revenue	1,078,390	-
Long-term debt - current portion	2,194,726	-
Total current liabilities	6,162,310	28,300
Noncurrent liabilities:		
Net pension liability	8,386,234	-
OPEB liability - Health Insurance Continuation Plan	302,726	-
Compensated absences	654,100	-
Long-term debt due in more than one year	26,354,374	-
Total noncurrent liabilities	35,697,434	-
<b>Total liabilities</b>	41,859,744	28,300
<b>Deferred inflows of resources</b>		
Pension-related	602,697	-
OPEB-related	188,140	-
<b>Total deferred inflows of resources</b>	790,837	-
<b>Net position</b>		
Net investment in capital assets	101,556,879	-
Restricted for:		
Capital projects	24,264,962	-
Debt service	149,021	-
Program activities	-	239,972
Unrestricted	19,143,810	97,891
<b>Total net position</b>	\$ 145,114,672	\$ 337,863

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

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Statement of Activities For the Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Unit
					Governmental Activities	Bend Park and Recreation Foundation
Primary Government:						
Governmental activities:						
General government	\$ 3,971,195	\$ -	\$ 20,000	\$ -	\$ (3,951,195)	\$ -
Planning and development	1,955,340	7,465,749	-	38,492	5,548,901	-
Facility rental	203,359	449,599	-	-	246,240	-
Park services	9,813,318	-	25,666	-	(9,787,652)	-
Recreation services	10,484,206	7,551,532	160,084	70,000	(2,702,590)	-
Interest on long-term debt	879,855	-	-	-	(879,855)	-
Total primary government	<u>\$ 27,307,273</u>	<u>\$ 15,466,880</u>	<u>\$ 205,750</u>	<u>\$ 108,492</u>	<u>\$ (11,526,151)</u>	<u>-</u>
Component unit:						
Bend Park and Recreation						
Foundation	<u>\$ 82,322</u>	<u>\$ -</u>	<u>\$ 49,910</u>	<u>\$ -</u>		<u>(32,412)</u>
General revenues:						
Property taxes:						
Levied for general purposes					17,322,605	-
Levied for bonded debt					1,879,260	-
Investment earnings					1,290,909	11,963
Other revenues					<u>130,936</u>	<u>31,943</u>
Total general revenues					<u>20,623,710</u>	<u>43,906</u>
Change in net position					9,097,559	11,494
Net position, July 1, 2018					<u>136,017,113</u>	<u>326,369</u>
Net position, June 30, 2019					<u>\$ 145,114,672</u>	<u>\$ 337,863</u>

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

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Balance Sheet Governmental Funds June 30, 2019

	General	System Development Charges	General Obligation Debt Service
<b>Assets</b>			
Pooled cash and investments	\$ 8,410,843	\$ 24,044,805	\$ 134,817
Receivables:			
Property taxes	458,453	-	50,737
System development fees	-	449,249	-
Accounts	148,259	-	-
Prepaid items	155,050	-	-
Total assets	<u>\$ 9,172,605</u>	<u>\$ 24,494,054</u>	<u>\$ 185,554</u>
<b>Liabilities</b>			
Accounts payable	\$ 431,683	\$ 229,092	\$ -
Accrued payroll liabilities	690,495	-	-
Other current liabilities payable	129,193	-	-
Deposits payable	-	-	-
Unearned revenue	1,000,542	-	-
Total liabilities	<u>2,251,913</u>	<u>229,092</u>	<u>-</u>
<b>Deferred inflow of resources</b>			
Unavailable revenue - property taxes	<u>329,584</u>	<u>-</u>	<u>36,533</u>
<b>Fund balances</b>			
Nonspendable:			
Prepaid items	155,050	-	-
Restricted for:			
Capital projects	-	24,264,962	-
Debt service	-	-	149,021
Committed to:			
Capital projects - facilities	-	-	-
Facility rental activities	-	-	-
Capital projects - equipment	-	-	-
Assigned:			
Future expenditures	3,401,720	-	-
Unassigned:	3,034,338	-	-
Total fund balances	<u>6,591,108</u>	<u>24,264,962</u>	<u>149,021</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 9,172,605</u>	<u>\$ 24,494,054</u>	<u>\$ 185,554</u>

(continued)

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

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Balance Sheet Governmental Funds, continued June 30, 2019

	Facility Reserve	Other Governmental	Total
<b>Assets</b>			
Pooled cash and investments	\$ 15,981,744	\$ 1,893,993	\$ 50,466,202
Receivables:			
Property taxes	-	-	509,190
System development fees	-	-	449,249
Accounts	23,744	14,993	186,996
Prepaid items	-	-	155,050
Total assets	<u>\$ 16,005,488</u>	<u>\$ 1,908,986</u>	<u>\$ 51,766,687</u>
<b>Liabilities</b>			
Accounts payable	\$ 1,139,768	\$ 2,915	\$ 1,803,458
Accrued payroll liabilities	-	-	690,495
Other current liabilities payable	-	-	129,193
Deposits payable	-	75,240	75,240
Unearned revenue	-	77,848	1,078,390
Total liabilities	<u>1,139,768</u>	<u>156,003</u>	<u>3,776,776</u>
<b>Deferred inflow of resources</b>			
Unavailable revenue - property taxes	-	-	366,117
<b>Fund balances</b>			
Nonspendable:			
Prepaid items	-	-	155,050
Restricted for:			
Capital projects	-	-	24,264,962
Debt service	-	-	149,021
Committed to:			
Capital projects - facilities	14,865,720	-	14,865,720
Facility rental activities	-	1,167,560	1,167,560
Capital projects - equipment	-	585,423	585,423
Assigned:			
Future expenditures	-	-	3,401,720
Unassigned:	-	-	3,034,338
Total fund balances	<u>14,865,720</u>	<u>1,752,983</u>	<u>47,623,794</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 16,005,488</u>	<u>\$ 1,908,986</u>	<u>\$ 51,766,687</u>

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



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# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

June 30, 2019

Total fund balances for governmental funds	\$ 47,623,794
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	131,674,348
Deferred outflows of resources:	
Pension-related costs	4,112,837
OPEB-related costs	40,701
Debt refunding costs, net of amortization	83,767
Net OPEB asset - PERS RHIA Plan	86,913
Some revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and are therefore reported as deferred inflows of resources in the governmental funds, i.e. property taxes.	366,117
Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Interest on bonds and loan payable is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, current and noncurrent, are reported in the Statement of Net Position.	
Balances at June 30, 2019 are:	
Interest payable	\$ (75,066)
Retainage payable	(115,742)
System development charges credit	(680,573)
Net pension liability	(8,386,234)
Total OPEB liability - Health Insurance Continuation Plan	(302,726)
Accrued compensated absences	(654,100)
Loan payable	(2,788,828)
GO bond debt and premium on issuance, net	(25,079,699)
Total noncurrent liabilities and accrued interest	(38,082,968)
Deferred inflows of resources related to pension	(602,697)
Deferred inflows of resources related to OPEB	(188,140)
Net position of governmental activities	<u>\$ 145,114,672</u>

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

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds

For the Year Ended June 30, 2019

	General	System Development Charges	General Obligation Debt Service
<b>Revenues</b>			
Property taxes	\$ 17,329,988	\$ -	\$ 1,881,333
Charges for services	7,629,944	-	-
System development fees	-	7,465,749	-
Contributions	20,000	-	-
Grants	-	-	-
Sponsorships	84,485	-	-
Intergovernmental	75,599	-	-
Investment earnings	278,964	579,217	37,046
Reimbursement for interfund services	44,542	-	-
Miscellaneous	116,771	-	-
Total revenues	<u>25,580,293</u>	<u>8,044,966</u>	<u>1,918,379</u>
<b>Expenditures</b>			
Current:			
Administration and administrative services	2,690,964	-	-
Community relations	728,391	-	-
Facility rental program	-	-	-
Park services	6,419,769	-	-
Recreation services	9,198,423	-	-
Strategic planning and design	1,152,434	114,000	-
Debt service			
Principal	425,489	-	1,015,000
Interest	80,496	-	881,231
Capital Outlay	-	3,309,670	-
Total expenditures	<u>20,695,966</u>	<u>3,423,670</u>	<u>1,896,231</u>
Excess (deficiency) of revenues over expenditures	<u>4,884,327</u>	<u>4,621,296</u>	<u>22,148</u>
<b>Other Financing Sources (Uses)</b>			
Sale of capital assets	-	-	-
Transfers in	400,000	-	-
Transfers out	(5,135,000)	(400,000)	-
Total other financing sources (uses)	<u>(4,735,000)</u>	<u>(400,000)</u>	<u>-</u>
Net change in fund balances	149,327	4,221,296	22,148
Fund balances, July 1, 2018	<u>6,441,781</u>	<u>20,043,666</u>	<u>126,873</u>
Fund balances, June 30, 2019	<u>\$ 6,591,108</u>	<u>\$ 24,264,962</u>	<u>\$ 149,021</u>

(continued)

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

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds, continued For the Year Ended June 30, 2019

	Facility Reserve	Other Governmental	Total
<b>Revenues</b>			
Property taxes	\$ -	\$ -	\$ 19,211,321
Charges for services	-	371,187	8,001,131
System development fees	-	-	7,465,749
Contributions	-	-	20,000
Grants	38,492	-	38,492
Sponsorships	-	-	84,485
Intergovernmental	25,666	-	101,265
Investment earnings	358,802	36,880	1,290,909
Reimbursement for interfund services	-	-	44,542
Miscellaneous	4,815	9,350	130,936
Total revenues	<u>427,775</u>	<u>417,417</u>	<u>36,388,830</u>
<b>Expenditures</b>			
Current:			
Administration and administrative services	-	-	2,690,964
Community relations	-	-	728,391
Facility rental program	-	197,818	197,818
Park services	-	-	6,419,769
Recreation services	-	-	9,198,423
Strategic planning and design	-	-	1,266,434
Debt service			
Principal	-	-	1,440,489
Interest	-	-	961,727
Capital Outlay	4,915,199	307,374	8,532,243
Total expenditures	<u>4,915,199</u>	<u>505,192</u>	<u>31,436,258</u>
Excess (deficiency) of revenues over expenditures	<u>(4,487,424)</u>	<u>(87,775)</u>	<u>4,952,572</u>
<b>Other Financing Sources (Uses)</b>			
Sale of capital assets	-	7,800	7,800
Transfers in	4,635,000	500,000	5,535,000
Transfers out	-	-	(5,535,000)
Total other financing sources (uses)	<u>4,635,000</u>	<u>507,800</u>	<u>7,800</u>
Net change in fund balances	147,576	420,025	4,960,372
Fund balances, July 1, 2018	<u>14,718,144</u>	<u>1,332,958</u>	<u>42,663,422</u>
Fund balances, June 30, 2019	<u>\$ 14,865,720</u>	<u>\$ 1,752,983</u>	<u>\$ 47,623,794</u>

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

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# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2019

Net change in fund balances - total governmental funds	\$ 4,960,372
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Amounts reported for governmental activities in the Statement of Activities are different because:

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. Also, various miscellaneous transactions involving capital assets (i.e. disposals, donations, etc.) impact the net position.

Capital asset additions	\$ 8,489,312	
Depreciation expense	(4,259,803)	
Gain (loss) on disposition of capital assets	(66,509)	
Total net effect of capital assets		4,163,000

Revenues in the Statement of Activities that do not provide current financial resources, are not reported as revenues in the funds (i.e. the change in unavailable revenue - property taxes).	(9,456)
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The issuance of long-term debt (e.g., bonds, notes payable) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

General obligation bonds	\$ 1,015,000	
Amortization of bond premium	92,479	
Loan payable	425,489	
Total net effect of long-term debt		1,532,968

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

Accrued interest payable	\$ 3,354	
Retainage payable	(115,742)	
Accrued compensated absences	(70,200)	
OPEB expense	18,994	
Amortization of deferred charge on refunding	(13,961)	
Pension expense	(691,197)	
System development charge credit	(680,573)	
Total net effect of items that are not expenses		(1,549,325)

Total adjustments for fiscal year ended June 30, 2019	4,137,187
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Change in net position, June 30, 2019	\$ 9,097,559
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*The notes to the financial statements are an integral part of this statement.*

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Notes to Financial Statements

June 30, 2019

### Note 1 – Summary of Significant Accounting Policies

The financial statements of the Bend Metro Park and Recreation District (District) and its component unit have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting standards.

The more significant of the District's policies are described below.

#### A. The Financial Reporting Entity

As defined by GAAP, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable or a legally separate organization that raises and holds economic resources for the direct benefit of the primary government. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose its will on the component unit, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

The accompanying financial statements present the Bend Metro Park and Recreation District, Oregon (the primary government) and its component unit, an entity whose primary purpose is for the financial benefit of the District.

*Discretely Presented Component Unit.* The Bend Park and Recreation Foundation (the Foundation), is a legally separate non-profit corporation, organized in November 1977, dedicated to assisting the District in providing park and recreational opportunities to residents of the District. Since the services of the Foundation are for the direct benefit of the District, the Foundation has been included in the reporting entity. However, as the District has no ability to impose its will over the Foundation's Board of Directors, the elected officials of the District are not financially accountable for the Foundation. Therefore, the Foundation is presented as a discretely presented component unit, and is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government. Separate financial statements for the Foundation can be obtained at the Administrative Office of the Bend Metro Park and Recreation District, 799 SW Columbia Street, Bend, OR 97702.

#### B. Organization

The Bend Metro Park and Recreation District, Oregon, was formed on May 28, 1974, as an Oregon municipal corporation under the Oregon Revised Statutes for special districts. The Board of Directors, composed of five elected board members, forms the legislative branch of the District government, while the Executive Director acts as the administrative head. As its mission, the District acquires, develops, constructs and maintains parks, trails and natural areas for the use and benefit of the District residents; provides a diverse selection of quality recreational programs and classes; and owns, operates and maintains recreational facilities, including the Juniper Swim and Fitness Center, the Bend Senior Center, the Pavilion, the Art Station, Aspen Hall and Hollinshead Barn.

The accounts of the District are organized on the basis of funds. Fund accounting is designed to demonstrate legal compliance and aid financial management by segregating government functions and activities. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balances (net position), revenues, and expenditures (expenses).

#### C. Government-wide and Fund Financial Statements

The government-wide financial statements report information on all activities of the primary government and its component unit. As a general rule, the effect of interfund activity has been eliminated from these statements; however, interfund services provided and used are not eliminated. The primary government is reported separately from the legally separate component unit from which the primary government receives direct benefit.



# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Notes to Financial Statements

June 30, 2019

### Note 1 – Summary of Significant Accounting Policies, continued

#### C. Government-wide and Fund Financial Statements, continued

The Statement of Activities demonstrates the degree to which the direct expenses of a given function is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or program. Program revenues include 1) fees and charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. The major individual governmental funds are reported as separate columns in the fund financial statements.

#### D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. Basis of accounting indicates the timing of transactions or events for recognition in financial statements.

##### Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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 in the year for which the taxes are levied. Non-exchange transactions, in which the District gives, or receives, value without directly receiving or giving equal value in exchange, include property taxes, grants, and contributions. Grants and contributions are recognized when all eligibility requirements imposed by the provider have been satisfied. The effect of interfund activity such as transfers, advances and loans is eliminated.

##### Governmental Fund Financial Statements

The 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 District considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal year. A 60-day availability period is also used for revenue recognition for all other governmental fund revenues susceptible to accrual. Expenditure-driven grants are recorded as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service, compensated absences, certain post-employment benefits, and claims and judgments expenditures are recorded at the time such payment is due. Capital asset transactions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

Property taxes are assessed on a July 1 – June 30 fiscal year basis. The taxes are levied as of July 1 based on assessed values as of January 1. Property tax payments are due in three equal installments, on November 15, February 15 and May 15. A discount of 3% is available if taxes are paid in full by November 15 and a discount of 2% on the unpaid balance is available if taxes are paid in full by February 15. Property taxes attach as an enforceable lien July 1 and are considered delinquent if not paid by the following May 15. The Deschutes County Treasurer is the tax collection agent for the District. The District's 2019 fiscal year permanent tax levy and the General Obligation Bond tax levy were \$17,837,076 and \$1,935,024, respectively.

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Notes to Financial Statements

June 30, 2019

### Note 1 – Summary of Significant Accounting Policies, continued

#### D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

##### Governmental Fund Financial Statements, continued

Tax revenue is considered available for expenditure upon receipt by the County, which serves as the intermediary collection agency. Uncollected property taxes are shown on the governmental balance sheet as receivables. Collections within sixty days subsequent to year-end have been accrued and the remaining taxes receivable are recorded as a deferred inflow of resources on the modified accrual basis of accounting since they are not deemed available to finance operations of the current period.

Only the portion of recreation charges for services, due within the current fiscal year, is considered to be susceptible to accrual as revenue of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the District.

##### Governmental Funds

Governmental funds finance all governmental functions of the District. The acquisition, use, and balances of the District's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in current financial resources, rather than upon net income determination. Currently, the District has only governmental funds, and no proprietary or fiduciary funds. The following are the District's major governmental funds:

**General Fund** – The General Fund is the general operating fund of the District. Principal sources of revenue are property taxes, charges for services, intergovernmental revenues and contributions. Primary expenditures of the General Fund are made for personnel and materials and services costs necessary to provide quality maintenance, recreation, planning, design, and development services for the community, and for the general administration of the District's operations.

**System Development Charges Special Revenue Fund** – The System Development Charges Special Revenue Fund is used to account for the acquisition and development of parks and trails. Financing is provided by a system development fee levied against developing properties. Expenditures are restricted by state law to capacity-enhancing and reimbursement projects for park and trail facilities.

**General Obligation Debt Service Fund** – The General Obligation Debt Service Fund accounts for the accumulation of resources to pay principal and interest on certain general obligation long-term bonded debt. The primary source of revenue is property taxes.

**Facility Reserve Capital Projects Fund** – The Facility Reserve Capital Projects Fund accounts for major capital project activities. Principal revenue is from a transfer in from the General Fund. Primary expenditures of the fund are land acquisitions, park development, asset management, and other facility-related capital projects.

##### Other Governmental Funds

Other governmental funds include all non-major funds of the District. Following are the District's other governmental funds, one special revenue fund and one capital project fund:

Facility Rental Special Revenue Fund  
Equipment Reserve Capital Projects Fund

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Notes to Financial Statements

June 30, 2019

### Note 1 – Summary of Significant Accounting Policies, continued

#### E. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

#### F. Self-insurance

The District retains a portion of the risk of loss for medical, dental and vision employee benefits. Claims expense is reduced by amounts recovered or expected to be recovered. Claims expense is accounted for in the District's basic financial statements in the General Fund.

#### G. Cash, Cash Equivalents and Investments

The District maintains a common cash, cash equivalents and investments pool for substantially all District funds. All short-term, highly-liquid investments, including investments in the State Treasurer's Local Government Investment Pool (LGIP) where the remaining maturity at the time of purchase is one year or less are stated at amortized cost, which approximates fair value. Interest earned on the pooled monies is apportioned and credited to each fund monthly, based on the average daily balances of each participating fund.

#### H. Receivables

All operation and property tax receivables are shown net of an allowance for uncollectible amounts.

#### I. Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the governmental funds and in the government-wide financial statements.

#### J. Capital Assets

Capital assets include land, right-of-way (included with land), artwork, buildings, improvements, vehicles and equipment, and other tangible and intangible assets with an initial individual cost of more than \$5,000 and have initial useful lives extending beyond a single reporting period.

All capital assets have been capitalized in the government-wide financial statements. In accordance with the current financial resources measurement focus, capital assets are not capitalized in the governmental fund financial statements. All constructed and acquired capital assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Historical cost is measured by the cash or cash equivalent price of obtaining an asset including ancillary charges necessary to place the asset into its intended location and condition for use. As required by GASB 72, donated capital assets are reported at acquisition value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Amounts expended for maintenance and repairs are charged to expenditures/expenses in the appropriate funds as incurred and are not capitalized.

Capital assets are depreciated unless they are inexhaustible in nature (e.g., land, rights-of-way and artwork). Depreciation is an accounting process to allocate the cost of capital assets to expense in a systematic and rational manner to those periods expected to benefit from the use of capital assets. Depreciation is not intended to represent an estimate in the decline of fair market value, nor are capital assets, net of accumulated depreciation,

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Notes to Financial Statements

June 30, 2019

### Note 1 – Summary of Significant Accounting Policies, continued

#### J. Capital Assets, continued

intended to represent an estimate of the current condition of the assets or the maintenance requirements needed to maintain the assets at their current level of condition.

Depreciation is computed over the estimated useful lives of the capital assets. All estimates of useful lives are based on actual experience by the District with identical or similar capital assets. Depreciation is calculated on the straight-line basis. The estimated useful lives of the various categories of assets are as follows:

<u>Category</u>	<u>Estimated useful life</u>
Buildings and building improvements	10-50 years
Improvements other than buildings	20 years
Vehicles, equipment and software	5-10 years

Upon disposal of capital assets, cost and accumulated depreciation are removed from the accounts and, if appropriate, a gain or loss on the disposal is recognized.

General capital assets are reported net of accumulated depreciation in the governmental activities column in the government-wide Statement of Net Position. Depreciation expense on general capital assets is reported in the government-wide Statement of Activities as expenses.

#### K. Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the Statement of Net Position reports separate sections for deferred outflows of resources and deferred inflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The separate financial statement element, deferred inflows of resources, represents a generation of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

Deferred inflows of resources are reported on the governmental funds balance sheet as a result of reporting using the modified accrual method. The government funds report unavailable revenues from property taxes; this amount is deferred and recognized as an inflow of resources in the period the amount becomes available.

#### L. Compensated Absences

Liabilities for vacation pay are recorded in the Statement of Net Position when vested or earned by employees. Payment of vacation pay to any employee is liquidated from the General and Facility Rental funds which have been used to record the personnel cost of the employee immediately prior to separation. Sick leave pay does not vest and is recorded as leave is taken.

#### M. Pensions

For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the OPERS and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Notes to Financial Statements

June 30, 2019

### Note 1 – Summary of Significant Accounting Policies, continued

#### N. Post-Employment Benefits Other Than Pensions (OPEB)

The District participates in a multi-employer cost sharing defined benefit plan administered by the Oregon Public Employees Retirement System (OPERS) known as RHIA (other post-employment benefits - OPEB). For purposes of measuring the net OPEB asset or liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPERS and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### O. Unearned, Unavailable Revenue

Governmental funds recognize deferred outflows in connection with receivables that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. The District's unearned revenue is related to payments received prior to June 30 for recreation programs or facility reservations that occur July 1 or after. The District does not record unearned revenue for the annual or quarterly passes for use at its recreation facilities.

#### P. Fund Balance Reporting

The District reports its governmental fund balances in accordance with GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Under GASB 54, fund balances are required to be reported according to the following classifications:

1. Nonspendable fund balance category includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaid amounts, long-term receivables, and property held for,
2. Restricted fund balance category includes resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation),
3. Committed fund balance category includes amounts that can be used only for specific purposes because of a resolution approved by the formal action of the District's governing board (the District's highest level of decision-making authority). Such constraint remains legally binding unless removed in the same manner,
4. Assigned fund balance category is intended to be used by the District for specific purposes but does not meet the criteria to be classified as restricted or committed. Intent is expressed when the District's Board of Directors approves which resources should be "set-aside" during the adoption of the upcoming fiscal year's annual budget. The District's Executive Director uses that information to determine whether those resources should be classified as assigned or unassigned for presentation in the District's Audited Financial Statements, and
5. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications.

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Notes to Financial Statements

June 30, 2019

### Note 1 – Summary of Significant Accounting Policies, continued

#### Q. Fund Balance Policy

The District's Board of Directors adopted a General Fund Minimum Fund Balance Policy. The fund balance of the District's General Fund has been accumulated to meet the purpose of providing stability and flexibility to respond to unexpected adversity and/or opportunities. The target is to maintain an unrestricted fund balance of not less than 17% of annual operating expenditures for the fiscal year. In the event that the General Fund minimum fund balance decreases to a level below the target level established in this policy, the District will develop a plan to restore reserves to the targeted level.

When an expenditure is incurred for purposes for which amounts in any of the fund balance classifications could be used, it shall be the policy of the District to spend the most restricted dollars before less restricted in the following order:

1. Nonspendable (if funds become spendable)
2. Restricted
3. Committed
4. Assigned
5. Unassigned

#### R. Tax Abatements

Governmental Accounting Standards Board's Statement No. 77, *Tax Abatement Disclosures* became effective for those periods beginning after December 15, 2015. The District participates in a number of property tax abatement programs. All such abatement programs are authorized by Oregon revised statutes or by local resolution or ordinance. All programs are initiated by other local governments and state agencies. As the amount of taxes abated during fiscal year ending June 30, 2019 is immaterial, no additional disclosure has been made.

#### S. Appropriation and Budgetary Controls

The District is subject to provisions of the Oregon Revised Statutes, which set forth local budget procedures. A resolution authorizing appropriations for each fund sets the level of control by which expenditures cannot legally exceed appropriations. Appropriations are established by organizational unit or program (community relations, park services, recreation services, etc.). In addition, separate appropriations not established by organizational unit or program are established by object categories (debt service, transfers out, contingency and reserve for future expenditures) for all funds. The District's published budget contains more specific detailed information for the above-mentioned expenditure categories.

The District's Board of Directors may, however, approve additional appropriations for necessary expenditures which could not be reasonably estimated at the time the budget was adopted. Additionally, budgets may be modified during the fiscal year by the use of appropriation transfers between legal categories or appropriation transfers from one fund to another. Such transfers must be authorized by official resolution of the Board of Directors. The resolution must state the need for the transfer, the purpose of the authorized expenditures and the amount of the appropriation transferred.

Transfers of operating contingency appropriations, which in aggregate during a fiscal year exceed 15% of the total appropriations of the fund, may only be made after adoption of a supplemental budget prepared for that purpose. A supplemental budget of less than 10% of the fund's original budget may be adopted at a regular meeting of the Board. A supplemental budget greater than 10% of the fund's original budget requires public hearings, publication in newspapers and approval by the Board. Budget amounts shown in the financial statements include the original budget, supplemental budgets and budget transfers. All appropriations terminate on June 30.

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Notes to Financial Statements

June 30, 2019

### Note 2 – Cash, Cash Equivalents and Investments

The District's investment of cash funds is regulated by Oregon Revised Statutes and the District's Investment Policy, adopted by its Board of Directors. Under these guidelines, cash funds may be invested in bank accounts; certificates of deposit; obligations of the United States, its agencies, and certain states; certain guaranteed investments issued by banks; and the State of Oregon Local Government Investment Pool. During the year, the District did not purchase any repurchase agreements or reverse repurchase agreements.

Cash, cash equivalents, and investments at June 30, 2019, consisted of the following:

	District	Foundation
Cash on hand	\$ 5,540	\$ -
Deposits with banks	1,657,650	179,806
Oregon Community Foundation	-	186,357
Local Government Investment Pool	48,803,012	-
Total pooled cash and investments	<u>\$ 50,466,202</u>	<u>\$ 366,163</u>

#### Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. State statutes require that all bank deposits in excess of the FDIC insurance amount be collateralized through the Oregon State Treasurer's (OST) Public Funds Collateralization Program. This program provides a structure for specified depositories to participate in a shared liability collateral pool. Securities pledged by individual institutions may range from 10% to 110% of public fund deposits depending on the financial institution's level of capitalization as determined by its federal regulatory authority. The aggregate Oregon public fund collateral pledge at June 30, 2019 was \$2,339,141,395 for reported uninsured public funds of \$1,489,403,521. The custodian, Federal Home Loan Bank of Seattle, is the agent for the depository bank. The securities pledged are designated as subject to the Pledge Agreement between the Depository Bank, Custodian Bank and OST and are held for the benefit of OST on behalf of the public depositors. The District's funds were held by financial institutions that participated in the OST program and were in compliance with statutory requirements. The total cash in bank as of June 30, 2019 was \$1,657,650, of these deposits \$1,407,650 was covered through the collateralization program, and not insured by the FDIC.

#### Fair Value Measurements

GASB Statement No. 72, Fair Value Measurement and Application, specifies a hierarchy of valuation classifications based on whether the inputs to the valuation techniques used in each valuation classification are observable or unobservable. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived from or corroborated by an observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability. Level 3 inputs are significant unobservable inputs. The District has no investments that are measured using Level 1 or Level 3 inputs.

#### Investments

The District participates in the Oregon State Treasurer's Local Government Investment Pool (LGIP), a non-SEC regulated, open-ended, no-load diversified portfolio created under ORS 294.805 to 294.895. The LGIP is administered by the State Treasurer and the Oregon Investment Council under the governance of the Oregon Short-Term Fund Board. The LGIP is audited annually by the Oregon Secretary of State, Audits Division. The Oregon State Treasurer's Office has calculated the fair value of the underlying investments of the LGIP and the District's share of fair value is reflected below. At least 10% of the portfolio matures within 30 days, 25% matures within less than one year and 100% matures in less than five years.



# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Notes to Financial Statements

June 30, 2019

### Note 2 – Cash and Investments, continued

#### Investments, continued

<u>Investment</u>	<u>Fair Value</u>
Local Government Investment Pool	\$ 48,803,012

#### Investments – Discretely Presented Component Unit

Investments of the Bend Park and Recreation Foundation at year-end consist of \$186,357 of marketable securities in an endowment fund held by The Oregon Community Foundation (OCF). The fair value was calculated and provided by The Oregon Community Foundation, a Level 2 input source.

<u>Investment</u>	<u>Fair Value</u>	<u>Input</u>
The Oregon Community Foundation	\$ 186,357	Level 2

Investments are carried at fair market value. Donated investments usually consist of stock where the fair market value on date of receipt is determined based on quoted market prices. In the absence of donor stipulations, donated investments may be sold immediately to generate cash for operations. Investment income is recognized when received and classified as unrestricted, unless restricted by the donor. Gains and losses are recorded in the statement of activities as increased or decreased in unrestricted net assets unless their use is restricted by the donor. Investment return is presented net of investment fees.

#### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates and will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's Investment Policy requires that the maximum investment portfolio average maturity be 18 months.

#### Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. Oregon Revised Statutes, Chapter 294, limit investments to obligations of the United States Treasury and United States Government agencies and instrumentalities, certain bankers' acceptances, repurchase agreements, certain high-grade commercial paper and corporate bonds and obligations of states and municipalities. The District's investment policy has been approved by the District Board of Directors and specifies the District's investment objectives, required diversification, certain limitations and reporting requirements.

The State of Oregon Local Government Investment Pool and money market account are unrated.

#### Custodial Credit Risk

Custodial credit risk is the risk that, in the event of failure of the counterparty to a transaction, the government will not be able to recover the value of its investments or collateral securities in the possession of an outside party.

The District's investment in the LGIP is not deemed to be a security, which is a transferable financial instrument that evidences ownership and is, therefore, not subject to custodial credit risk.

#### Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District's investment policy provides that the maximum that may be invested in any one issuer, as a percentage of total investments is 100% for US Treasury, 35% for US Government agencies and 5% per issuer, and in the LGIP, the lesser of 100% or \$49,500,000, the maximum amount allowed imposed by the state statute.

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Notes to Financial Statements

June 30, 2019

### Note 2 – Cash and Investments, continued

#### Concentration of Credit Risk, continued

Governmental accounting standards require that investments be reported at fair value and the change in fair value of investments be reported as revenue in the operating statement. The District's investments consist solely of government pool investments. At June 30, 2019, fair value approximated cost and no change in fair value of investments was recorded.

### Note 3 – Capital Assets

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

	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019
Capital assets not being depreciated:				
Land including right-of-way	\$ 55,314,418	\$ 1,708,121	\$ -	\$ 57,022,539
Construction in progress	2,579,871	6,255,688	(370,348)	8,465,211
Artwork	230,000	-	-	230,000
Total capital assets not being depreciated	<u>58,124,289</u>	<u>7,963,809</u>	<u>(370,348)</u>	<u>65,717,750</u>
Capital assets being depreciated:				
Buildings and building improvements	40,747,713	240,543	(36,282)	40,951,974
Improvements other than buildings	57,453,870	421,281	-	57,875,151
Vehicles, equipment and software	5,210,224	177,071	(88,197)	5,299,098
Total capital assets being depreciated	<u>103,411,807</u>	<u>838,895</u>	<u>(124,479)</u>	<u>104,126,223</u>
Less accumulated depreciation for:				
Buildings and building improvements	(12,029,767)	(1,286,560)	26,729	(13,289,598)
Improvements other than buildings	(18,206,557)	(2,662,056)	-	(20,868,613)
Vehicles, equipment and software	(3,788,424)	(311,187)	88,197	(4,011,414)
Total accumulated depreciation	<u>(34,024,748)</u>	<u>(4,259,803)</u>	<u>114,926</u>	<u>(38,169,625)</u>
Total capital assets being depreciated, net	<u>69,387,059</u>	<u>(3,420,908)</u>	<u>(9,553)</u>	<u>65,956,598</u>
Total capital assets, net	<u>\$ 127,511,348</u>	<u>\$ 4,542,901</u>	<u>\$ (379,901)</u>	<u>\$ 131,674,348</u>

Depreciation expense was charged to functions/programs of the District as follows:

General government	\$ 287,957
Park services	3,026,049
Recreation services	945,797
Total depreciation expense - primary government	<u>\$ 4,259,803</u>

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Notes to Financial Statements

June 30, 2019

### Note 4 – Deferred Outflows of Resources

Deferred outflows – deferred charge on refunding: the difference between the carrying value of refunded debt and its reacquisition price was deferred and is amortized on the straight-line basis over the period benefitted.

Deferred outflows – defined benefit pension and OPEB: the contributions made to OPERS during the year ended June 30, 2019 and other items related to the District's defined benefit pension plan and OPEB have been classified as a deferred outflow of resources.

Deferred Outflows of Resources	Amount
Deferred outflows - Refunding Debt (FF&C 2005)	\$ 83,767
Deferred outflows - Defined Benefit Pension Plan	
Differences between expected and actual experience	285,275
Changes of assumptions	1,949,783
Changes in proportionate share	467,738
Differences between employer contributions and employer's proportionate share of system contributions	339,715
Total (prior to post-measurement date contributions)	3,042,511
Employer contributions subsequent to the measurement date	1,070,326
Total deferred outflows - Defined Benefit Pension Plan	4,112,837
Deferred outflows - OPEB	
Changes in proportionate share	113
Employer contributions subsequent to the measurement date	40,588
Total deferred outflows - OPEB	40,701
Total Deferred Outflows of Resources	\$ 4,237,305

### Note 5 – Interfund Activity

Interfund transfers during fiscal year ended June 30, 2019, consisted of the following:

Description	Amount
From the General Fund to the Facility Capital Projects Fund for land acquisitions, capital development and renovation projects.	\$ 4,635,000
From the General Fund to the Equipment Capital Projects Fund for equipment acquisitions.	500,000
From the System Development Charges Special Revenue Fund to the General Fund for reimbursement of personnel services.	400,000
	\$ 5,535,000

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Notes to Financial Statements

June 30, 2019

### Note 6 – Long-Term Obligations

The District has issued debt for the purpose of supporting its capital financing activities. The types of debt are discussed below and each debt type reports the range of maturities for each of its outstanding debt issue. The District's tax-exempt debt remains in compliance with all Internal Revenue Service arbitrage regulations. Outstanding debt amounts are as of June 30, 2019.

#### General Obligation Bonds

The District issued general obligation bonds to provide financing for the acquisition and construction of major capital facilities and improvements. General obligation bonds, Series 2013, were issued on June 5, 2013, in the amount of \$29,000,000. The District is authorized to levy an unlimited ad valorem tax to pay for these bonds.

Oregon state law limits general obligation debt to 2.5% of real market value. At June 30, 2019 the District's unused debt margin is \$509.3 million.

General obligation bonds currently outstanding are as follows:

	Interest Rate(s) Outstanding Debt	Date of Issue	Years of Maturity	Amount of Original Issue	Outstanding June 30, 2019
Capital Improvements - Series 2013	2% - 4.5%	June 5, 2013	2013 to 2032	\$ 29,000,000	\$ 23,785,000

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending June 30	<u>General Obligation Bond</u>	
	Principal	Interest
2020	\$ 1,080,000	\$ 850,781
2021	1,155,000	818,381
2022	1,225,000	783,732
2023	1,315,000	734,731
2024	1,410,000	682,131
2025-2029	8,645,000	2,458,106
2030-2033	8,955,000	756,370
	<u>\$ 23,785,000</u>	<u>\$ 7,084,232</u>

#### Notes Payable and Lines of Credit

There are no outstanding notes payable or lines of credit at June 30, 2019.

#### Direct Borrowing - Loan Payable

The District entered into a direct borrowing Financing Agreement, Series 2014, for the purpose of refunding the Full Faith and Credit Obligations, Series 2005 (Juniper Swim and Fitness Center Renovation and Expansion Project). The principal balance of this loan on June 30, 2019 is \$2,788,828, with an interest rate of 2.47% with maturities through fiscal year 2025. Details for the activity of the loan payable can be found in the changes in long-term liabilities schedule at the end of this note.

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Notes to Financial Statements

June 30, 2019

### Note 6 – Long-Term Obligations, continued

#### Direct Borrowing - Loan Payable, continued

Annual debt service requirements to maturity for the direct borrowing loan payable is as follows

Year Ending June 30	Direct Borrowing - Loan Payable	
	Principal	Interest
2020	\$ 434,153	\$ 70,032
2021	447,579	58,968
2022	460,083	47,760
2023	471,812	36,238
2024	482,661	24,489
2025	492,540	12,335
	<u>\$ 2,788,828</u>	<u>\$ 249,822</u>

#### System Development Charges Credit

The District has a park development agreement with Lands Bend Corp. (Developer) for the cooperative participation in the development of Stone Creek Park. The Developer fulfilled its responsibility for completion of the park development, and the District is responsible for providing a credit against future system development charges in exchange. The credit expires on July 17, 2028, and as of June 30, 2019, the remaining liability is \$680,573. This liability will be liquidated from the System Development Charges Special Revenue Fund.

#### Changes in Long-Term Liabilities

Changes in long-term liabilities for the year ended June 30, 2019 was as follows:

	June 30, 2018	Increases	Decreases	June 30, 2019	Due Within One Year
General obligations bonds	\$ 24,800,000	\$ -	\$ (1,015,000)	\$ 23,785,000	\$ 1,080,000
Premium on general obligation bond	1,387,178	-	(92,479)	1,294,699	-
Direct borrowing - loan payable	3,214,317	-	(425,489)	2,788,828	434,153
Compensated absences	583,900	693,133	(622,933)	654,100	-
System development charges credit	-	972,576	(292,003)	680,573	680,573
Total long-term obligations	<u>\$ 29,985,395</u>	<u>\$ 1,665,709</u>	<u>\$ (2,447,904)</u>	<u>\$ 29,203,200</u>	<u>\$ 2,194,726</u>

The above liabilities will be liquidated from the funds where the liability was incurred. In prior years, compensated absences have been liquidated by the governmental fund for which the employees who earned the benefits were assigned – which is primarily the General Fund.

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Notes to Financial Statements

June 30, 2019

### Note 7 – Deferred Inflows of Resources and Unearned Revenue

Governmental Funds Balance Sheet:

Unavailable revenues are reported as deferred inflows of resources on the governmental funds balance sheet. These are revenues which are earned, but not available to liquidate liabilities of the current period. Unearned revenues are reported on the governmental funds balance sheet, and are revenues which are available to liquidate liabilities of the current period, but are not yet earned. For the District, these are revenues related to recreation and reservation services. For the year ended June 30, 2019, these balances were:

	Deferred Inflows of Resources - Property Taxes	Unearned Revenue	Total Deferred Inflows of Resources and Unearned Revenue
General Fund	\$ 329,584	\$ 1,000,542	\$ 1,330,126
General Obligation Debt Service Fund	36,533	-	36,533
Nonmajor Funds	-	77,848	77,848
Total Deferred Inflows of Resources and Unearned Revenue	<u>\$ 366,117</u>	<u>\$ 1,078,390</u>	<u>\$ 1,444,507</u>

Statement of Net Position:

An acquisition of net position, applicable to a future reporting period, is reported as deferred inflows of resources on the Statement of Net Position. For the year ended June 30, 2019, these balances all related to the District's defined benefit pension plans by the application of GASB Statement No. 68 and other post-employment benefits (OPEB) by the application of GASB Statement No. 75 are:

Deferred Inflows of Resources	Amount
Deferred inflows - Defined Benefit Pension Plan	
Net difference between projected and actual earnings on pension plan investments	\$ 372,396
Changes in proportionate share	195,185
Differences between employer contributions and employer's proportionate share of system contributions	35,116
Total deferred inflows - Defined Benefit Pension Plan	<u>602,697</u>
Deferred inflows - OPEB	
Differences between expected and actual experience	42,997
Changes of assumptions	125,981
Net difference between projected and actual earnings on investments	18,738
Changes in proportionate share	424
Total deferred inflows - OPEB	<u>188,140</u>
Total Deferred Inflows of Resources	<u>\$ 790,837</u>

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Notes to Financial Statements

June 30, 2019

### Note 8 – Risk Management

The District 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 District is a member of the Special Districts Insurance Services (SDIS). SDIS was created by the Special Districts Association of Oregon in 1984 for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and/or jointly contracting for risk management services. SDIS is fully funded by its members, who pay annual assessments on an experience rated basis, as determined by an outside, independent actuary. The assessment covers loss, loss adjustment, and administrative expenses. The District obtains insurance from SDIS for the following coverages: general liability limit of \$10,000,000 per occurrence; a comprehensive crime policy with a coverage limit of \$500,000; and various real, personal and inland marine property coverage for replacement costs. The District also carries commercial insurance for workers' compensation and employee health, life and disability, and cyber fraud coverages. Settled claims from these risks have not exceeded insurance limits in any of the past three years.

### Note 9 – Public Employees' Retirement System Pension Plan

#### Plan Description

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

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2018-CAFR.pdf>.

#### Benefits Provided

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

#### Pension Benefits

The OPERS retirement allowance is payable monthly for life. Members may select from 13 retirement benefit options that are actuarially equivalent to the base benefit. 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% for police and fire employees, 1.67% for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results. Monthly payments must be a minimum of \$200 per month or the member will receive a lump-sum payment of the actuarial equivalence of benefits to which he or she is entitled.

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. General service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

#### Death Benefits

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



# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Notes to Financial Statements

June 30, 2019

### Note 9 – Public Employees' Retirement System Pension Plan, continued

#### Benefits Provided, continued

##### 1. Tier One/Tier Two Retirement Benefit ORS Chapter 238, continued

#### Death Benefits, continued

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

A member's beneficiary may choose a monthly payment for life instead of the lump-sum or a combination of lump-sum and monthly payments, if eligible. The monthly payment must be a minimum of \$30 per month for deaths that occur July 30, 2003, and earlier; \$200 per month for deaths that occur after July 30, 2003.

#### 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 for disability benefits regardless of the length of OPERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit.

#### Benefit Changes After Retirement

After Retirement Members may choose to continue participation in their Variable Account after retiring and may experience annual benefit fluctuations due to changes in the market value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0%.

##### 2. OPSRP Pension Program

OPSRP (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003, and is a hybrid-plan consisting of two components: the pension program (the defined benefit portion) and the individual account program (the defined contribution portion).

#### Defined Pension Benefits

The pension program 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:

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

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

#### Death Benefits

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse receives for life 50% of the pension that would otherwise have been paid to the deceased member. The surviving spouse or other person may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Notes to Financial Statements

June 30, 2019

### Note 9 – Public Employees' Retirement System Pension Plan, continued

#### Benefits Provided, continued

#### 2. OPSRP Pension Program, continued

##### 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% of the member's salary determined as of the last full month of employment before the disability occurred.

#### 3. Individual Account Program

##### Benefit Terms

An Individual Account Program (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. The accounts fall under Internal Revenue Code Section 401(a).

Upon retirement, a member of the IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Installment amounts vary with market returns as the account remains invested while in distribution. When chosen, the distribution option must result in a \$200 minimum distribution amount, or the frequency of the installments will be adjusted to reach that minimum.

##### Death Benefits

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

##### Recordkeeping

OPERS contracts with VOYA Financial to maintain IAP participant records.

#### Contributions

OPERS' funding policy provides for periodic member and employer contributions at rates established by the OPERS Board, subject to limits set in statute. The rates established for member and employer contributions were approved based on the recommendations of OPERS' third-party actuary. Employer contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the OPERS Defined Benefit Plan and the Other Post-employment Benefit Plans. Ultimate authority for setting and changing the laws governing contributions rests with the Oregon legislature.

Employer contribution rates during the period were based on the December 31, 2015 valuation. The rates, based on a percentage of payroll, first became effective July 1, 2017. The District's employer contributions for the year ended June 30, 2019 were \$1,070,326, excluding amounts to fund employer specific liabilities. The rates, presented as a percentage of covered payroll, for the District in effect for the fiscal year ended June 30, 2019 were: 16.08% for Tier One/Tier Two, and 10.94% for OPSRP Pension Program. Covered employees are required by state statute to contribute 6% of their annual salary for the IAP, but the employer is allowed to pay all or none of the employees' contribution in addition to the required employers' contribution. The District does not contribute the 6% "pick-up" for employees.

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Notes to Financial Statements

June 30, 2019

### Note 9 – Public Employees' Retirement System Pension Plan, continued

#### Pension Liabilities and Pension Expense

At June 30, 2019, the District reported a liability of \$8,386,234 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016.

The basis for the District's proportion is actuarially determined by comparing the District's projected long-term contribution effort to OPERS with the total projected long-term contribution effort of all employers. The projected long-term contribution effort is equal to the sum of the present value of future normal costs (PVFNC) and the unfunded actuarial liability (UAL). The contribution rate for every employer has at least two major components: Normal Cost Rate and UAL Rate.

1. Normal Cost Rate: The projected long-term contribution effort is estimated by projecting the present value of all future normal cost rate contributions. The PVFNC represents the portion of the projected long-term contribution effort related to future service. An employer's PVFNC depends on both the Normal Cost Rates charged on the employer's payrolls, and on the underlying demographics of the respective payrolls. For OPERS funding employers have three different payrolls, each with a different Normal Cost Rate: Tier 1/Tier 2 payroll; OPSRP General Service payroll; and OPSRP Police and Fire payroll.

2. UAL Rate: A UAL exists when OPERS assets are less than the actuarial liability as measured by the OPERS actuarial funding valuations. UAL can arise in a biennium when an event such as experience differing from the assumptions used in the actuarial valuation occurs. An amortization schedule is established to eliminate the UAL that arises in a given biennium over a fixed period of time if future experience follows assumptions. The UAL Rate is the upcoming year's component of the cumulative amortization schedules, stated as a percent of payroll. The UAL represents the portion of the projected long-term contribution effort related to past service. In determining the employer's projected long-term contribution effort to OPERS, the UAL component was adjusted for supplemental lump-sum payments made during the measurement period, if applicable.

After the employer's projected long-term contribution effort is calculated, that amount is reduced by the value of the employer's supplemental lump-sum payments, known as side accounts, transition surpluses and pre-SLGRP (State and Local Government Rate Pool) surpluses as of the valuation date. Side accounts decrease the employer's projected long-term contribution effort because side accounts are effectively pre-paid contributions.

The employer's projected long-term contribution effort does not include payments toward the current value of transition liabilities and pre-SLGRP liabilities, which OPERS has determined meet the definition of separately financed employer liabilities.

If the calculation of the employer's projected long-term contribution effort yields a negative number, the employer's portion of the projected long-term contribution effort will be set to zero and the employer will be allocated no proportionate share of pension amounts. At June 30, 2019, the District's proportion was 0.05536%; this was an increase from the prior measurement period's proportionate share of 0.04996%. For the year ended June 30, 2019, the District recognized pension expense in addition to actual contributions of \$1,757,102.

#### Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Deferred inflows of resources and deferred outflows of resources are calculated at the plan level and are allocated to employers based on their proportionate share. For the measurement period ended June 30, 2018, employers report the following deferred inflows of resources and/or deferred outflows of resources:

- A difference between expected and actual experience
- Changes in assumptions
- Changes in employer proportion since the prior measurement date
- Net difference between projected and actual investment earnings

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Notes to Financial Statements

June 30, 2019

### Note 9 – Public Employees’ Retirement System Pension Plan, continued

#### Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, continued

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 285,275	\$ -
Changes of assumptions	1,949,783	-
Net difference between projected and actual earnings on pension plan investments	-	372,396
Changes in proportionate share	467,738	195,185
Differences between employer contributions and employer's proportionate share of system contributions	339,715	35,116
Total (prior to post-measurement date contributions)	3,042,511	602,697
Employer contributions subsequent to the measurement date	1,070,326	-
Total	<u>\$ 4,112,837</u>	<u>\$ 602,697</u>
Net deferred outflow/(Inflow) of resources	\$ 3,510,140	
Less: contributions made subsequent to measurement date	1,070,326	
Net deferred outflow/(Inflow) of resources	<u>\$ 2,439,814</u>	

Differences between expected and actual experience, changes in assumptions, and changes in employer proportion are amortized over the average remaining service lives of all plan participants, including retirees, determined as of the beginning of the respective measurement period. Employers are required to recognize pension expense based on the balance of the closed period “layers” attributable to each measurement period. The District’s contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liabilities in the following year. The net amount of the District’s remaining deferred outflows of resources and deferred inflows of resources that will be recognized in the District’s pension expense in the subsequent five years in the aggregate are shown in the table below.

Subsequent Fiscal Years	Deferred Outflow/(Inflow) of Resources
1st Fiscal Year - Fiscal Year 2020	\$ 1,182,955
2nd Fiscal Year - Fiscal Year 2021	879,886
3rd Fiscal Year - Fiscal Year 2022	52,462
4th Fiscal Year - Fiscal Year 2023	245,973
5th Fiscal Year - Fiscal Year 2024	78,538
	<u>\$ 2,439,814</u>

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Notes to Financial Statements

June 30, 2019

### Note 9 – Public Employees’ Retirement System Pension Plan, continued

#### Actuarial Assumptions and Methods

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years.

The methods and assumptions shown below are based on the 2016 Experience Study, which reviewed experience for the four-year period ended on December 31, 2016.

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

(Source: June 30, 2018 PERS GASB 68 Audit Report, p. 35)

#### 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 OPERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. The table below shows Milliman’s assumptions for each of the asset classes in which the plans were invested at that time based on the OIC long-term target asset allocation. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Notes to Financial Statements

June 30, 2019

### Note 9 – Public Employees’ Retirement System Pension Plan, continued

#### Long-Term Expected Rate of Return, continued

Asset Class	Target Allocation*	Annual Arithmetic Return	Compounded Annual (Geometric) Return	Standard Deviation
Core Fixed Income	8.00%	3.59%	3.49%	4.55%
Short-Term Bonds	8.00%	3.42%	3.38%	2.70%
Bank/Leveraged Loans	3.00%	5.34%	5.09%	7.50%
High Yield Bonds	1.00%	6.90%	6.45%	10.00%
Large/Mid Cap US Equities	15.75%	7.45%	6.30%	16.25%
Small Cap US Equities	1.31%	8.49%	6.69%	20.55%
Micro Cap US Equities	1.31%	9.01%	6.80%	22.90%
Developed Foreign Equities	13.13%	8.21%	6.71%	18.70%
Emerging Foreign Equities	4.13%	10.53%	7.45%	27.35%
Non-US Small Cap Equities	1.88%	8.67%	7.01%	19.75%
Private Equity	17.50%	11.45%	7.82%	30.00%
Real Estate (Property)	10.00%	6.15%	5.51%	12.00%
Real Estate (REITS)	2.50%	8.26%	6.37%	21.00%
Hedge Fund of Funds - Diversified	2.50%	4.36%	4.09%	7.80%
Hedge Fund - Event driven	0.63%	6.21%	5.86%	8.90%
Timber	1.88%	6.37%	5.62%	13.00%
Farmland	1.88%	6.90%	6.15%	13.00%
Infrastructure	3.75%	7.54%	6.60%	14.65%
Commodities	1.88%	5.43%	3.84%	18.95%
Assumed Inflation - Mean			2.50%	1.85%

\* Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund revised as of June 7, 2017.

(Source: June 30, 2018 OPERS CAFR; p. 72)

#### Discount Rate

The discount rate used to measure the total pension liability was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

#### Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District’s proportionate share of the net pension liability (asset) calculated using the discount rate of 7.20%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.20%) or 1-percentage point higher (8.20%) than the current rate:

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Notes to Financial Statements

June 30, 2019

### Note 9 – Public Employees' Retirement System Pension Plan, continued

#### Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate, continued

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 14,014,981	\$ 8,386,234	\$ 3,740,164

#### Depletion Date Projection

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

The following circumstances justify an alternative evaluation of sufficiency for the plan:

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

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

### Note 10 – Other Postemployment Benefits

The other postemployment benefits (OPEB) for the District combines two separate plans: the District participates in a multi-employer cost sharing defined benefit plan administered by the Oregon Public Employees Retirement System known as the RHIA. The District also provides an implicit rate subsidy for retiree Health Insurance Continuation premiums.

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Notes to Financial Statements

June 30, 2019

### Note 10 – Other Postemployment Benefits, continued

#### OPEB Activity and Balances for the Year Ended June 30, 2019 (RHIA & Health Insurance Continuation)

Category	RHIA	District Health Insurance Continuation	Total
OPEB Liability	\$ -	\$ 302,726	\$ 302,726
Net OPEB Asset	86,913	-	86,913
Deferred Outflows	37,484	3,217	40,701
Deferred Inflows	24,364	163,776	188,140
OPEB Expense (Income)	(8,275)	29,830	21,555

#### Oregon Public Employees Retirement System – Retirement Health Insurance Account (RHIA)

##### Plan Description

As a member of Oregon Public Employees Retirement System (OPERS) the District contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing, multiple-employer, defined benefit, other post-employment benefit plan administered by OPERS. RHIA pays a monthly contribution (currently \$60 per month) 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 hired on or after August 29, 2003. 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. The reports and other related schedules including plan assumptions, methods and plan provisions may also be found on the PERS website at

<https://www.oregon.gov/pers/EMP/Pages/GASB.aspx>.

##### Contributions

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in 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.

Participating public employers are contractually required to contribute to RHIA at a rate assessed each biennium by OPERS, for fiscal year 2019 the rate is 0.07% of annual covered payroll for Tier 1/Tier 2 employees and 0.43% of all PERS-covered salaries to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. The OPERS Board of Trustees sets the net-retiree healthcare rate based on the estimated OPEB expense of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The OPEB expense represents the annual cost allocated to the current year (normal cost) and the amortization of any unfunded accrued liabilities of the plan (UAL cost). The unfunded accrued liabilities



# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Notes to Financial Statements

June 30, 2019

### Note 10 – Other Postemployment Benefits, continued

#### Oregon Public Employees Retirement System – Retirement Health Insurance Account (RHIA), continued

##### Contributions, continued

are amortized over a closed period equal to the average of the expected remaining lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive employees). The District's contributions to RHIA were consistent with the net-retiree healthcare rate as charged by OPERS. Amounts paid for RHIA were included with the payments for the retirement plan described in Note 9 above.

##### Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - RHIA

For the year ended June 30, 2019, the District recognized OPEB income for the RHIA Plan of \$8,275. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB for the RHIA Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 4,926
Changes of assumptions	-	276
Net difference between projected and actual earnings on pension plan investments	-	18,738
Changes in proportionate share	113	424
Contributions subsequent to measurement date	37,371	-
Total	<u>\$ 37,484</u>	<u>\$ 24,364</u>
Net deferred outflow/(inflow) of resources		\$ 13,120
Less: contributions made subsequent to measurement date		37,371
Net deferred outflow/(inflow) of resources		<u>\$ (24,251)</u>

The RHIA plan assets are included in the OPERS retirement system cash management efforts. The District's contributions made subsequent to the measurement date will be recognized in the District's OPEB expense in the following year. The net amount of the District's share of the RHIA remaining deferred outflows of resources and deferred inflows of resources that will be recognized in the District's pension expense in the subsequent five years in the aggregate are shown in the table below.

Subsequent Fiscal Years	Deferred Outflow/(Inflow) of Resources
1st Fiscal Year - Fiscal Year 2020	\$ (8,005)
2nd Fiscal Year - Fiscal Year 2021	(8,024)
3rd Fiscal Year - Fiscal Year 2022	(6,360)
4th Fiscal Year - Fiscal Year 2023	(1,862)
Total	<u>\$ (24,251)</u>

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Notes to Financial Statements

June 30, 2019

### Note 10 – Other Postemployment Benefits, continued

#### Oregon Public Employees Retirement System – Retirement Health Insurance Account (RHIA), continued

##### Actuarial Assumptions and Methods

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

Valuation Date	December 31, 2016
Measurement Date	June 30, 2018
Experience Study	2016, published July 26, 2017
Actuarial Assumptions:	
Actuarial Cost Method	Entry Age Normal
Inflation Rate	2.50 percent
Long-Term Expected Rate of Return*	7.50 percent
Discount Rate	7.20 percent
Projected Salary Increases	3.50 percent
Retiree Healthcare Participation	Healthy retirees: 38%; Disabled retirees: 20%
Healthcare Cost Trend Rate	Not applicable
Mortality	<p><b>Healthy retirees and beneficiaries:</b> RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation.</p> <p><b>Active members:</b> Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.</p> <p><b>Disabled retirees:</b> Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 Sex-distinct, generational per Scale BB, disabled mortality table.</p>

(Source: June 30, 2018 PERS GASB 75 Audit Report, p. 40)

The District's proportionate share of the RHIA plan for fiscal year 2019 is .07786%. The proportionate share for each employer participating in the Plan was determined by the actuaries based upon each employer's contribution to the RHIA program during the measurement period. The District's proportionate share increased from .07515% in the prior measurement period.

##### Sensitivity of the District's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the District's proportionate share of the net OPEB liability (asset) for the RHIA calculated using the discount rate of 7.20%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.20%) or 1-percentage point higher (8.20%) than the current rate:

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
District's Proportionate Share of the Net OPEB Liability (Asset)	\$ (50,605)	\$ (86,913)	\$ (117,819)

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Notes to Financial Statements

June 30, 2019

### Note 10 – Other Postemployment Benefits, continued

#### Health Insurance Continuation

##### Plan Description

The District has a Health Insurance Continuation option available for retirees. It is a substantive post-employment benefits plan offered under Oregon Revised Statutes (ORS) 243. ORS 243.303 requires the District provide retirees with an opportunity to participate in group health and dental insurance from the date of retirement to age 65, and the rate would be calculated using claims experience from retirees and active employees for health plan rating purposes. Providing the same rate to retirees as provided to current employees constitutes an implicit rate subsidy for OPEB. This single-employer “plan” is not a stand-alone plan and does not issue its own financial statements.

##### Contributions

In order to fund the Health Insurance Continuation option, the District collects insurance premiums from participating retirees each month. The premiums are either used to cover the District’s self-insurance costs or paid directly to a third-party health insurance provider, depending on the plan. At the date of the latest actuarial report, the District had no retirees and 153 active eligible employees participating in the plan, and no inactive employees entitled to, but not yet receiving benefits.

##### Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – Health Insurance Continuation

For the year ended June 30, 2019, the District recognized OPEB expense for the Health Insurance Continuation Plan of \$29,830. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB for the Health Insurance Continuation Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 38,071
Changes of assumptions or inputs		125,705
Benefit payments	3,217	-
Total	<u>\$ 3,217</u>	<u>\$ 163,776</u>
Net deferred outflow/(Inflow) of resources		\$ (160,559)
Less: contributions made subsequent to measurement date		3,217
Net deferred outflow/(Inflow) of resources		<u>\$ (163,776)</u>

The District’s contributions made subsequent to the measurement date will be recognized in the District’s OPEB expense in the following year. The net amount of the District’s share of the Health Insurance Continuation Plan remaining deferred outflows of resources and deferred inflows of resources that will be recognized in the District’s pension expense in the subsequent five years in the aggregate are shown in the table below.

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Notes to Financial Statements

June 30, 2019

### Note 10 – Other Postemployment Benefits, continued

#### Health Insurance Continuation, continued

#### Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – Health Insurance Continuation, continued

<u>Subsequent Fiscal Years</u>	<u>Deferred Outflow/(Inflow) of Resources</u>
1st Fiscal Year - Fiscal Year 2020	\$ (24,867)
2nd Fiscal Year - Fiscal Year 2021	(24,867)
3rd Fiscal Year - Fiscal Year 2022	(24,867)
4th Fiscal Year - Fiscal Year 2023	(24,867)
5th Fiscal Year - Fiscal Year 2024	(24,867)
Thereafter	(39,441)
Total	<u>\$ (163,776)</u>

#### Sensitivity of the District's Total OPEB Liability to Changes in the Discount Rate

The following presents the District's total OPEB liability of the Health Continuation Plan calculated using the discount rate of 3.87% as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.87%) or 1-percentage point higher (4.87%) than the current rate. A similar sensitivity analysis is then presented for changes in the health care cost trend assumption, using trend assumptions based on a model circulated by the Society of Actuaries:

	<u>1% Decrease (2.87%)</u>	<u>Current Discount Rate (3.87%)</u>	<u>1% Increase (4.87%)</u>
District's Total OPEB Liability (Health Insurance Continuation)	\$ 330,900	\$ 302,726	\$ 276,847
	<u>1% Decrease</u>	<u>Current Health Care Trend Rate</u>	<u>1% Increase</u>
District's Total OPEB Liability (Health Insurance Continuation)	\$ 267,384	\$ 302,726	\$ 344,573

#### Actuarial Assumptions and Methods

The total OPEB liability for the District's Health Insurance Continuation was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date.

A summary of the economic assumptions used for the July 1, 2018 actuarial valuation are shown below:

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Notes to Financial Statements

June 30, 2019

### Note 10 – Other Postemployment Benefits, continued

#### Health Insurance Continuation, continued

##### Actuarial Assumptions and Methods, continued

Valuation Date	July 1, 2018
Measurement Date	June 30, 2019
Actuarial Assumptions:	
Actuarial Cost Method	Entry Age Normal
Inflation Rate	2.50 percent
Discount Rate	3.87 percent
Projected Salary Increases	3.50 percent
Mortality	<b>Healthy retirees and beneficiaries:</b> RP-2014 healthy annuitant, sex distinct mortality tables blended 50/50 blue collar and white collar, set back one year for males. Mortality is projected on a generational basis using the Unisex Social Security Data Scale.

### Note 11 – Commitments and Contingent Liabilities

At June 30, 2019, the District was committed on outstanding construction, engineering, consulting, and service contracts totaling approximately \$18,022,682.

The District is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. In the opinion of District management, based upon the advice of legal counsel with respect to such litigation and claims, the ultimate disposition of these matters will not have a material adverse effect on the financial position or results of operations of District funds.

### Note 12 – Subsequent Event

The District made a commitment on December 2, 2019 to contribute a one-time payment of \$1,500,000 to OPERS with the intention of paying down a portion of the District's unfunded actuarial liability. The state of Oregon will match the District's contribution with \$375,000. A supplemental budget to the fiscal year 2019-20 adopted budget was adopted in order to comply with Oregon's Local Budget Law for this payment. This commitment will be liquidated from the General Fund in January 2020.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual General Fund

Fiscal Year Ended June 30, 2019

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
<b>Revenues</b>				
Property taxes	\$ 16,717,010	\$ 16,717,010	\$ 17,329,988	\$ 612,978
Charges for services	7,896,966	7,896,966	7,629,944	(267,022)
Investment earnings	175,000	175,000	278,964	103,964
Contributions	20,000	20,000	20,000	-
Sponsorships	102,580	102,580	84,485	(18,095)
Intergovernmental	-	-	75,599	75,599
Reimbursement for interfund services	150,000	150,000	44,542	(105,458)
Miscellaneous	68,408	68,408	116,771	48,363
Total revenues	25,129,964	25,129,964	25,580,293	450,329
<b>Expenditures</b>				
Current:				
Administration and administrative services	2,839,269	2,839,269	2,690,964	(1) 148,305
Community relations	830,260	830,260	728,391	(1) 101,869
Park services	6,868,891	6,868,891	6,419,769	(1) 449,122
Recreation services	9,663,142	9,663,142	9,198,423	(1) 464,719
Strategic planning and design	1,300,091	1,300,091	1,152,434	(1) 147,657
Debt service				
Principal	425,489	425,489	425,489	(1) -
Interest	80,497	80,497	80,496	(1) 1
Contingency	2,500,000	2,500,000	-	(1) 2,500,000
Total expenditures	24,507,639	24,507,639	20,695,966	3,811,673
Excess (deficiency) of revenues over expenditures	622,325	622,325	4,884,327	4,262,002
<b>Other Financing Sources (Uses)</b>				
Transfers in	450,000	450,000	400,000	(50,000)
Transfers out	(5,135,000)	(5,135,000)	(5,135,000)	(1) -
Total other financing sources (uses)	(4,685,000)	(4,685,000)	(4,735,000)	(50,000)
Net change in fund balance	(4,062,675)	(4,062,675)	149,327	4,212,002
Fund balance, July 1, 2018	5,662,675	5,662,675	6,441,781	779,106
Fund balance, June 30, 2019	\$ 1,600,000	\$ 1,600,000	\$ 6,591,108	\$ 4,991,108

(1) Appropriation Level



# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual System Development Charges Special Revenue Fund For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
System development fees	\$ 7,123,535	\$ 7,123,535	\$ 7,465,749	\$ 342,214
Investment earnings	300,000	300,000	579,217	279,217
Total revenues	<u>7,423,535</u>	<u>7,423,535</u>	<u>8,044,966</u>	<u>621,431</u>
<b>Expenditures</b>				
Current:				
Strategic planning and design	<u>28,996,445</u>	<u>28,996,445</u>	<u>3,423,670</u> (1)	<u>25,572,775</u>
Total expenditures	<u>28,996,445</u>	<u>28,996,445</u>	<u>3,423,670</u>	<u>25,572,775</u>
Excess (deficiency) of revenues over expenditures	<u>(21,572,910)</u>	<u>(21,572,910)</u>	<u>4,621,296</u>	<u>26,194,206</u>
<b>Other Financing Uses</b>				
Transfers out	<u>(450,000)</u>	<u>(450,000)</u>	<u>(400,000)</u> (1)	<u>50,000</u>
Total other financing uses	<u>(450,000)</u>	<u>(450,000)</u>	<u>(400,000)</u>	<u>50,000</u>
Net change in fund balance	(22,022,910)	(22,022,910)	4,221,296	26,244,206
Fund balance, July 1, 2018	<u>22,022,910</u>	<u>22,022,910</u>	<u>20,043,666</u>	<u>(1,979,244)</u>
Fund balance, June 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,264,962</u>	<u>\$ 24,264,962</u>

(1) Appropriation Level

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Schedule of the Proportionate Share of the Net Pension Liability (Asset) Last Six Fiscal Years\*

Year Ended June 30,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Proportionate share of the net pension liability (asset) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2019	0.05536%	\$ 8,386,234	\$ 8,761,433	95.72%	82.07%
2018	0.04996%	\$ 6,735,247	\$ 8,132,587	82.82%	83.12%
2017	0.05296%	\$ 7,950,751	\$ 8,161,184	97.42%	80.53%
2016	0.05433%	\$ 3,119,344	\$ 7,132,955	43.73%	91.90%
2015	0.05032%	\$ (1,140,713)	\$ 6,929,756	-16.46%	103.60%
2014	0.05032%	\$ 2,568,133	\$ 5,832,411	44.03%	91.97%

The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date. Because of this, covered payroll are the amounts paid in the prior year, and are off by one year from covered payroll amounts in the Schedule of Employer Contributions. The net pension asset or liability determination is one year old; it was determined as of the measurement date.

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

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Schedule of Employer Pension Contributions Last Six Fiscal Years\*

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	District's covered payroll	Contributions as a percent of covered payroll
2019	\$ 1,070,326	\$ 1,070,326	\$ -	\$ 9,666,470	11.07%
2018	\$ 982,675	\$ 982,675	\$ -	\$ 8,761,433	11.22%
2017	\$ 681,954	\$ 681,954	\$ -	\$ 8,132,587	8.39%
2016	\$ 639,809	\$ 639,809	\$ -	\$ 8,161,184	7.84%
2015	\$ 480,381	\$ 480,381	\$ -	\$ 7,132,955	6.73%
2014	\$ 430,877	\$ 430,877	\$ -	\$ 6,929,756	6.22%

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

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

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Schedule of the Proportionate Share of the Net OPEB Liability (Asset) - RHIA Last Three Fiscal Years\*

Year Ended June 30,	Proportion of the net OPEB liability (asset)	Proportionate share of the net OPEB liability (asset)	District's covered- employee payroll	Proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability (asset)
2019	0.07786%	\$ (86,913)	\$ 8,761,433	-0.99%	123.99%
2018	0.07515%	\$ (31,361)	\$ 8,132,587	-0.39%	108.90%
2017	0.07424%	\$ 20,161	\$ 8,161,184	0.25%	94.20%

The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date. Because of this, covered payroll are the amounts paid in the prior year, and are off by one year from covered payroll amounts in the Schedule of Employer Contributions. The net OPEB asset or liability determination is one year old; it was determined as of the measurement date.

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

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Schedule of Employer OPEB Contributions - RHIA Last Three Fiscal Years\*

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	District's covered- employee payroll	Contributions as a percent of covered- employee payroll
2019	\$ 37,371	\$ 37,371	\$ -	\$ 9,666,470	0.39%
2018	\$ 37,411	\$ 37,411	\$ -	\$ 8,761,433	0.43%
2017	\$ 33,103	\$ 33,103	\$ -	\$ 8,132,587	0.41%

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

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

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Schedule of Changes in Total OPEB Liability Health Insurance Continuation Plan Last Three Fiscal Years\*

Category	2019	2018	2017
Changes for the year:			
Service cost	\$ 38,519	\$ 40,805	N/A
Interest on total OPEB liability	16,178	12,516	N/A
Effect of economic/demographic gains or (losses)	(43,839)	-	N/A
Effect of assumption changes or inputs	(118,356)	(29,974)	N/A
Benefit payments	<u>(6,283)</u>	<u>(10,347)</u>	<u>N/A</u>
Net change in total OPEB liability	<u>(113,781)</u>	<u>13,000</u>	<u>N/A</u>
Total OPEB liability, beginning	416,507	403,507	N/A
Total OPEB liability, ending	<u>\$ 302,726</u>	<u>\$ 416,507</u>	<u>\$ 403,507</u>
Covered payroll	\$ 7,237,082	\$ 6,668,795	\$ 6,140,905
Total OPEB liability as a % of covered payroll	4.18%	6.25%	6.57%

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

## BEND METRO PARK AND RECREATION DISTRICT, OREGON

### **Notes to the Required Supplementary Information** Fiscal Year Ended June 30, 2019

Required Supplementary Information includes schedules related to the District's net pension and other post-employment (OPEB) liabilities, assets, and contributions. It also includes budgetary comparisons for the General Fund and the System Development Charges Special Revenue Fund. The budgetary comparison information for all other funds can be found in Other Supplementary Information which follows this section.

#### **Note 1 – Budgetary Information**

Municipal budgets are adopted on a basis consistent with Oregon Revised Statutes (ORS 294 – Local Budget Law) and generally accepted accounting principles (GAAP). The Executive Director is responsible for submitting a proposed budget to the Budget Committee comprised of the Board of Directors (Board) and an equal number of citizens of the District. The District is required to prepare a budget for each fund that is balanced in accordance with Oregon Revised Statutes. Each fund is budgeted on the modified accrual basis of accounting. The Budget Committee conducts public hearings for the purpose of obtaining citizens' comments, and then approves a budget and submits it to the Board for final adoption. The approved expenditures for each fund may not be increased by more than 10% by the Board without returning to the Budget Committee for a second approval. After the Board adopts the budget and certifies the total ad valorem taxes to be levied, no additional tax levy may be made for that budget period.

The Board legally adopts the budget by resolution before July 1. The resolution establishes appropriations for each fund and sets the level by which expenditures and other uses cannot legally exceed appropriations. For all funds, the levels of budgetary control are personnel services, materials and services, debt service, capital outlay, transfers and operating contingency. Appropriations lapse at the end of the fiscal year for goods or services not yet received. The Board may modify the budget by transferring appropriations between levels of control and by adopting supplemental budgets. Unexpected additional resources may be added to the budget through the use of a supplemental budget. Some supplemental budgets require hearings before the public, publications in newspapers and approval by the Board. All appropriations terminate on June 30.

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## **OTHER SUPPLEMENTARY INFORMATION**

Major and Nonmajor Governmental Funds

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual General Obligation Bond Debt Service Fund For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 1,748,980	\$ 1,748,980	\$ 1,881,333	\$ 132,353
Investment earnings	20,000	20,000	37,046	17,046
Total revenues	<u>1,768,980</u>	<u>1,768,980</u>	<u>1,918,379</u>	<u>149,399</u>
<b>Expenditures</b>				
Debt service				
Principal	1,015,000	1,015,000	1,015,000	-
Interest	881,232	881,232	881,231	1
Total expenditures	<u>1,896,232</u>	<u>1,896,232</u>	<u>1,896,231</u> (1)	<u>1</u>
Net change in fund balance	(127,252)	(127,252)	22,148	149,400
Fund balance, July 1, 2018	<u>127,252</u>	<u>127,252</u>	<u>126,873</u>	<u>(379)</u>
Fund balance, June 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 149,021</u>	<u>\$ 149,021</u>

(1) Appropriation Level

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual Facility Reserve Capital Projects Fund For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Grants	\$ 816,279	\$ 816,279	\$ 38,492	\$ (777,787)
Intergovernmental	-	-	25,666	25,666
Investment earnings	150,000	150,000	358,802	208,802
Miscellaneous	-	-	4,815	4,815
Total revenues	<u>966,279</u>	<u>966,279</u>	<u>427,775</u>	<u>(538,504)</u>
<b>Expenditures</b>				
Current:				
Strategic planning and design	12,013,860	12,013,860	4,915,199 (1)	7,098,661
Reserves	<u>7,517,492</u>	<u>7,517,492</u>	<u>-</u>	<u>7,517,492</u>
Total expenditures	<u>19,531,352</u>	<u>19,531,352</u>	<u>4,915,199</u>	<u>14,616,153</u>
Excess (deficiency) of revenues over expenditures	<u>(18,565,073)</u>	<u>(18,565,073)</u>	<u>(4,487,424)</u>	<u>14,077,649</u>
<b>Other Financing Sources</b>				
Transfers in	<u>4,635,000</u>	<u>4,635,000</u>	<u>4,635,000</u>	<u>-</u>
Total other financing sources	<u>4,635,000</u>	<u>4,635,000</u>	<u>4,635,000</u>	<u>-</u>
Net change in fund balance	(13,930,073)	(13,930,073)	147,576	14,077,649
Fund balance, July 1, 2018	<u>13,930,073</u>	<u>13,930,073</u>	<u>14,718,144</u>	<u>788,071</u>
Fund balance, June 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,865,720</u>	<u>\$ 14,865,720</u>

(1) Appropriation Level

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Combining Balance Sheet Nonmajor Governmental Funds June 30, 2019

	Facility Rental	Equipment Reserve	Total
<b>Assets</b>			
Pooled cash and investments	\$ 1,308,570	\$ 585,423	\$ 1,893,993
Accounts receivable	14,993	-	14,993
Total assets	<u>\$ 1,323,563</u>	<u>\$ 585,423</u>	<u>\$ 1,908,986</u>
<b>Liabilities</b>			
Accounts payable	\$ 2,915	\$ -	\$ 2,915
Deposits payable	75,240	-	75,240
Unearned revenue	77,848	-	77,848
Total liabilities	<u>156,003</u>	<u>-</u>	<u>156,003</u>
<b>Fund balances</b>			
Committed to:			
Facility rental activities	1,167,560	-	1,167,560
Capital equipment	-	585,423	585,423
Total fund balances	<u>1,167,560</u>	<u>585,423</u>	<u>1,752,983</u>
Total liabilities and fund balances	<u>\$ 1,323,563</u>	<u>\$ 585,423</u>	<u>\$ 1,908,986</u>

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended June 30, 2019

	Facility Rental	Equipment Reserve	Total
<b>Revenues</b>			
Charges for services	\$ 371,187	\$ -	\$ 371,187
Investment earnings	31,182	5,698	36,880
Miscellaneous	-	9,350	9,350
Total revenues	<u>402,369</u>	<u>15,048</u>	<u>417,417</u>
<b>Expenditures</b>			
Current:			
Administration and administrative services	-	30,862	30,862
Facility rental program	251,937	-	251,937
Park services	-	121,414	121,414
Recreation services	-	100,979	100,979
Total expenditures	<u>251,937</u>	<u>253,255</u>	<u>505,192</u>
Excess (deficiency) of revenues over expenditures	<u>150,432</u>	<u>(238,207)</u>	<u>(87,775)</u>
<b>Other Financing Sources</b>			
Sale of capital assets	-	7,800	7,800
Transfers in	-	500,000	500,000
Total other financing sources	<u>-</u>	<u>507,800</u>	<u>507,800</u>
Net change in fund balances	150,432	269,593	420,025
Fund balances, July 1, 2018	<u>1,017,128</u>	<u>315,830</u>	<u>1,332,958</u>
Fund balances, June 30, 2019	<u>\$ 1,167,560</u>	<u>\$ 585,423</u>	<u>\$ 1,752,983</u>

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual Facility Rental Special Revenue Fund For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Charges for services	\$ 387,700	\$ 387,700	\$ 371,187	\$ (16,513)
Investment earnings	22,500	22,500	31,182	8,682
Total revenues	<u>410,200</u>	<u>410,200</u>	<u>402,369</u>	<u>(7,831)</u>
<b>Expenditures</b>				
Current:				
Facility rental program	1,166,028	1,166,028	251,937 (1)	914,091
Contingency	<u>225,215</u>	<u>225,215</u>	- (1)	<u>225,215</u>
Total expenditures	<u>1,391,243</u>	<u>1,391,243</u>	<u>251,937</u>	<u>1,139,306</u>
Net change in fund balance	(981,043)	(981,043)	150,432	1,131,475
Fund balance, July 1, 2018	<u>981,043</u>	<u>981,043</u>	<u>1,017,128</u>	<u>36,085</u>
Fund balance, June 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,167,560</u>	<u>\$ 1,167,560</u>

(1) Appropriation Level

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual Equipment Reserve Capital Projects Fund For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Investment earnings	\$ 10,000	\$ 10,000	\$ 5,698	\$ (4,302)
Miscellaneous	-	-	9,350	9,350
Total revenues	10,000	10,000	15,048	5,048
<b>Expenditures</b>				
Current:				
Administration and administrative services	75,920	75,920	30,862 (1)	45,058
Park services	221,106	221,106	121,414 (1)	99,692
Recreation services	176,750	176,750	100,979 (1)	75,771
Reserves	292,405	292,405	-	292,405
Total expenditures	766,181	766,181	253,255	512,926
Excess (deficiency) of revenues over expenditures	(756,181)	(756,181)	(238,207)	517,974
<b>Other Financing Sources</b>				
Sale of capital assets	5,000	5,000	7,800	2,800
Transfers in	500,000	500,000	500,000	-
Total other financing sources	505,000	505,000	507,800	2,800
Net change in fund balance	(251,181)	(251,181)	269,593	520,774
Fund balance, July 1, 2018	251,181	251,181	315,830	64,649
Fund balance, June 30, 2019	\$ -	\$ -	\$ 585,423	\$ 585,423

(1) Appropriation Level

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## **OTHER FINANCIAL SCHEDULES**

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Schedule of Property Tax Transactions For the Year Ended June 30, 2019

<b>Tax Year</b>	<b>Property Taxes Receivable July 1, 2018</b>	<b>Levy as Extended by Assessor</b>	<b>Adjustments, Interest and Discounts</b>	<b>Cash Collections</b>	<b>Property Taxes Receivable June 30, 2019</b>
2018-19	\$ -	\$ 19,772,100	\$ (521,834)	\$ (18,996,037)	\$ 254,229
2017-18	292,510	-	6,276	(138,255)	160,532
2016-17	100,734	-	4,710	(46,988)	58,456
2015-16	50,561	-	4,914	(31,010)	24,465
2014-15	20,610	-	3,745	(19,192)	5,164
2013-14	2,485	-	325	(1,430)	1,381
2012-13	1,339	-	174	(595)	918
2011-12	887	-	148	(483)	552
2010-11	879	-	(46)	(220)	613
2009-10	949	-	(19)	(272)	658
Prior	2,416	-	135	(327)	2,223
	<u>\$ 473,369</u>	<u>\$ 19,772,100</u>	<u>\$ (501,472)</u>	<u>\$ (19,234,808)</u>	<u>\$ 509,190</u>

Reconciliation to revenues:

Collections	\$ 19,234,808
Baja credit	(39,913)
Change in property tax receivable	6,970
Change in deferred property taxes	9,456
Total Property Tax Revenues	<u>\$ 19,211,320</u>

	<b>Revenues</b>	<b>Property Taxes Receivable</b>
Summary by fund:		
General Fund	\$ 17,329,987	\$ 458,453
General Obligation Bonds Debt Service Fund	1,881,333	50,737
Totals	<u>\$ 19,211,320</u>	<u>\$ 509,190</u>

A summary of the General Fund tax levies and collections during the past three years is as follows:

	<b>2018-19</b>	<b>2017-18</b>	<b>2016-17</b>
Current year's levy	\$ 17,837,076	\$ 16,714,727	\$ 15,687,211
Collections on current year's levy	17,186,546	16,134,198	15,032,531
Percentage of collection	96.4%	96.5%	95.8%
Percentage of current year's levy uncollected at end of year	1.3%	1.3%	1.5%

A summary of the General Obligation Bonds Debt Service tax levies and collections during the past three years is as follows:

	<b>2018-19</b>	<b>2017-18</b>	<b>2016-17</b>
Current year's levy	\$ 1,935,024	\$ 1,902,663	\$ 1,870,530
Collections on current year's levy	1,864,540	1,836,689	1,790,961
Percentage of collection	96.4%	96.5%	95.7%
Percentage of current year's levy uncollected at end of year	1.3%	1.3%	1.5%

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Schedule of Future Debt Service Requirements General Obligation Bonds

For the Year Ended June 30, 2019

Year Ending June 30	<u>Primary Government</u>	
	Principal	Interest
2020	\$ 1,080,000	\$ 850,781
2021	1,155,000	818,381
2022	1,225,000	783,732
2023	1,315,000	734,731
2024	1,410,000	682,131
2025	1,510,000	625,731
2026	1,610,000	565,332
2027	1,725,000	492,881
2028	1,840,000	423,881
2029	1,960,000	350,281
2030	2,065,000	291,482
2031	2,175,000	226,950
2032	2,295,000	156,263
2033	2,420,000	81,675
	<u>\$ 23,785,000</u>	<u>\$ 7,084,232</u>

BEND METRO PARK AND RECREATION DISTRICT, OREGON

**Schedule of Future Debt Service Requirements**  
**Loan Payable**

For the Year Ended June 30, 2019

Year Ending June 30	Primary Government	
	Principal	Interest
2020	\$ 434,153	\$ 70,032
2021	447,579	58,968
2022	460,083	47,760
2023	471,812	36,238
2024	482,661	24,489
2025	492,540	12,335
	<u>\$ 2,788,828</u>	<u>\$ 249,822</u>

## **STATISTICAL SECTION**



Supervisor Tool for Award and Recognition (STAR) Award celebration for youth recreation staff

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Statistical Section Contents

June 30, 2019

This part of the District's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

### **Financial Trends (pages 90-97)**

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

### **Revenue Capacity (pages 98-101)**

These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

### **Debt Capacity (pages 102-105)**

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

### **Demographic and Economic Information\* (pages 106-107)**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

### **Operating Information (pages 108-110)**

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

**Sources:** Unless otherwise noted, the information in these schedules is derived from the published annual financial reports for the relevant year. The District implemented GASB Statement No. 65 in fiscal year 2013; schedules containing information for years prior to fiscal year 2013 have not been restated in accordance with GASB Statement No. 65, unless otherwise stated.

\*The information used to prepare our Demographic and Economic Information is based upon data published for the city of Bend, which closely reflects the District's boundaries. The District's boundary is approximately 42 square miles and the city of Bend's is 32.50 square miles within the District's boundary. The roughly 10 square mile difference is primarily made up of low density residential development and park land. No separate data is maintained by other parties for the District's boundary.

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## **Net Position** Last Ten Fiscal Years (*accrual basis of accounting*)

	June 30,				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental activities					
Net Investment in capital assets	\$ 67,678,891	\$ 72,076,860	\$ 74,237,520	\$ 74,747,514	\$ 78,127,746
Restricted	2,660,368	3,200,478	3,840,510	5,402,886	6,956,991
Unrestricted	6,800,190	5,796,712	5,953,024	8,260,838	11,028,891
<b>Total Governmental Activities Net Position</b>	<b>\$ 77,139,449</b>	<b>\$ 81,074,050</b>	<b>\$ 84,031,054</b>	<b>\$ 88,411,238</b>	<b>\$ 96,113,628</b>

(continued)

Totals may not add due to rounding



# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## **Net Position, continued** Last Ten Fiscal Years *(accrual basis of accounting)*

	June 30,				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental activities					
Net Investment in capital assets	\$ 84,459,477	\$ 88,500,022	\$ 93,928,105	\$ 98,109,854	\$ 101,431,762
Restricted	9,002,872	16,362,379	20,110,007	20,170,539	24,404,933
Unrestricted	11,246,749	10,647,984	12,969,097	17,736,720	19,152,861
<b>Total Governmental Activities Net Position</b>	<b>\$ 104,709,098</b>	<b>\$ 115,510,385</b>	<b>\$ 127,007,209</b>	<b>\$ 136,017,113</b>	<b>\$ 144,989,556</b>

Totals may not add due to rounding

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Changes in Net Position Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Year Ended June 30,				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b><u>Expenses</u></b>					
Governmental activities					
General government	\$ 2,160,632	\$ 2,309,789	\$ 2,300,028	\$ 2,598,957	\$ 2,669,407
Planning and development	635,168	581,037	630,029	222,323	661,638
Facility Rental	152,943	158,313	151,516	168,731	205,579
Park Services	4,924,902	5,289,210	5,474,235	6,475,498	6,519,040
Recreation Services	6,406,071	6,507,320	6,456,422	6,687,359	6,989,230
Interest on long-term debt	256,777	246,892	235,911	289,948	1,177,051
<b>Total Governmental Activities Expenses</b>	<b>\$ 14,536,493</b>	<b>\$ 15,092,561</b>	<b>\$ 15,248,141</b>	<b>\$ 16,442,816</b>	<b>\$ 18,221,945</b>
<b><u>Program Revenues</u></b>					
Governmental activities					
Charges for services:					
General government	\$ 68,686	\$ 43,747	\$ 45,098	\$ 88,439	\$ 101,034
Planning and development	529,913	979,457	1,460,267	3,276,002	4,932,741
Facility Rental	114,763	155,896	173,682	219,079	245,793
Park Services	14,998	-	-	-	-
Recreation Services	4,069,088	4,506,243	4,373,218	4,715,539	5,009,488
Operating grants and contributions	154,459	103,928	88,851	90,518	88,817
Capital grants and contributions	821,593	1,091,406	20,000	283,064	664,908
<b>Total Governmental Activities Program Revenues</b>	<b>\$ 5,773,500</b>	<b>\$ 6,880,677</b>	<b>\$ 6,161,116</b>	<b>\$ 8,672,641</b>	<b>\$ 11,042,781</b>
<b>Net (Expense)/Revenue</b>	<b>\$ (8,762,993)</b>	<b>\$ (8,211,884)</b>	<b>\$ (9,087,025)</b>	<b>\$ (7,770,175)</b>	<b>\$ (7,179,164)</b>
<b><u>General Revenues and Other Changes in Net Position</u></b>					
Governmental activities					
Property taxes, levied for general purposes	\$ 11,693,424	\$ 12,035,091	\$ 11,911,448	\$ 12,084,317	\$ 12,780,676
Property taxes, levied for bonded debt	-	-	-	-	1,806,545
Investment earnings	72,414	51,917	49,761	82,350	224,954
Gain on disposition of capital assets	-	-	8,700	10,550	12,745
Other revenues	108,304	59,477	74,120	53,926	56,636
<b>Total Governmental Revenues and Other Changes in Net Position</b>	<b>\$ 11,874,142</b>	<b>\$ 12,146,485</b>	<b>\$ 12,044,029</b>	<b>\$ 12,231,143</b>	<b>\$ 14,881,556</b>
<b>Change in Net Position</b>	<b>\$ 3,111,149</b>	<b>\$ 3,934,601</b>	<b>\$ 2,957,004</b>	<b>\$ 4,460,968</b>	<b>\$ 7,702,392</b>

(continued)

Totals may not add due to rounding

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Changes in Net Position, continued Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Year Ended June 30,				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b><u>Expenses</u></b>					
Governmental activities					
General government	\$ 2,771,181	\$ 3,545,037	\$ 3,568,574	\$ 3,693,841	\$ 3,971,195
Planning and development	538,205	1,146,682	1,042,662	967,102	1,955,340
Facility Rental	176,509	207,824	232,998	188,870	203,359
Park Services	6,522,644	8,301,736	8,328,614	9,351,964	9,938,434
Recreation Services	6,603,770	9,892,216	9,609,321	9,907,436	10,484,206
Interest on long-term debt	1,106,175	1,052,875	947,724	918,954	879,855
<b>Total Governmental Activities Expenses</b>	<b>\$ 17,718,484</b>	<b>\$ 24,146,370</b>	<b>\$ 23,729,893</b>	<b>\$ 25,028,166</b>	<b>\$ 27,432,389</b>
<b><u>Program Revenues</u></b>					
Governmental activities					
Charges for services:					
General government	\$ 35,594	\$ 35,252	\$ 36,770	\$ -	\$ -
Planning and development	5,427,787	10,951,017	9,863,588	6,411,052	7,465,749
Facility Rental	265,622	324,456	329,630	417,356	449,599
Park Services	8,048	-	-	-	-
Recreation Services	5,292,305	6,560,722	7,000,166	7,508,219	7,551,532
Operating grants and contributions	50,151	59,542	87,017	214,374	205,750
Capital grants and contributions	1,441,960	384,646	156,953	420,367	108,492
<b>Total Governmental Activities Program Revenues</b>	<b>\$ 12,521,467</b>	<b>\$ 18,315,635</b>	<b>\$ 17,474,124</b>	<b>\$ 14,971,368</b>	<b>\$ 15,781,122</b>
<b>Net (Expense)/Revenue</b>	<b>\$ (5,197,017)</b>	<b>\$ (5,830,735)</b>	<b>\$ (6,255,769)</b>	<b>\$ (10,056,799)</b>	<b>\$ (11,651,267)</b>
<b><u>General Revenues and Other Changes in Net Position</u></b>					
Governmental activities					
Property taxes, levied for general purposes	\$ 13,574,247	\$ 14,504,627	\$ 15,209,963	\$ 16,279,389	\$ 17,322,605
Property taxes, levied for bonded debt	1,821,101	1,722,094	1,813,541	1,853,253	1,879,260
Investment earnings	206,154	217,531	430,504	747,949	1,290,909
Gain on disposition of capital assets	66,690	27,200	-	-	-
Other revenues	261,552	160,570	240,750	186,111	130,936
<b>Total Governmental Revenues and Other Changes in Net Position</b>	<b>\$ 15,929,744</b>	<b>\$ 16,632,022</b>	<b>\$ 17,694,758</b>	<b>\$ 19,066,702</b>	<b>\$ 20,623,710</b>
<b>Change in Net Position</b>	<b>\$ 10,732,727</b>	<b>\$ 10,801,287</b>	<b>\$ 11,438,989</b>	<b>\$ 9,009,904</b>	<b>\$ 8,972,443</b>

Totals may not add due to rounding

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Fund Balances Last Ten Fiscal Years (modified accrual basis of accounting)

	June 30,				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund					
Nonspendable	\$ 65,682	\$ 75,104	\$ 87,484	\$ 96,271	\$ 78,066
Assigned	-	1,000,000	1,000,000	1,000,000	1,500,000
Unassigned	3,913,990	2,979,476	2,238,567	3,454,665	3,307,120
<b>Total General Fund</b>	<b>\$ 3,979,672</b>	<b>\$ 4,054,580</b>	<b>\$ 3,326,051</b>	<b>\$ 4,550,936</b>	<b>\$ 4,885,186</b>
All Other Governmental Funds					
Reserved/Nonspendable	\$ -	\$ -	\$ -	\$ 409	\$ 30,000
Unreserved, reported in:					
Special revenue funds	5,783,129	-	-	-	-
Total Unreserved	5,783,129	-	-	-	-
Restricted, reported in:					
Special revenue funds	-	3,118,592	3,840,510	34,206,769	30,621,485
Debt service funds	-	-	-	-	59,482
Total Restricted	-	3,118,592	3,840,510	34,206,769	30,680,967
Committed, reported in:					
Special revenue funds	-	892,559	834,642	598,842	403,689
Capital projects funds	-	1,257,652	2,224,931	3,709,465	6,450,570
Total Committed	-	2,150,211	3,059,573	4,308,307	6,854,259
<b>Total All Other Governmental Funds</b>	<b>\$ 5,783,129</b>	<b>\$ 5,268,803</b>	<b>\$ 6,900,083</b>	<b>\$ 38,515,485</b>	<b>\$ 37,565,226</b>

1) In accordance with GASB 54, beginning in 2011 new classifications of fund balance for governmental funds are reported that comprise a hierarchy based primarily on the extent to which the government is found to honor constraints on the specific purposes for which amounts in those funds can be spent.

(continued)

Totals may not add due to rounding

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Fund Balances, continued Last Ten Fiscal Years (modified accrual basis of accounting)

	June 30,				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund					
Nonspendable	\$ 207,491	\$ 93,576	\$ 110,222	\$ 114,379	\$ 155,050
Assigned	1,500,000	1,500,000	2,000,000	4,062,675	3,401,720
Unassigned	3,827,477	3,772,214	3,139,312	2,264,727	3,034,338
<b>Total General Fund</b>	<b>\$ 5,534,968</b>	<b>\$ 5,365,790</b>	<b>\$ 5,249,534</b>	<b>\$ 6,441,781</b>	<b>\$ 6,591,108</b>
All Other Governmental Funds					
Reserved/Nonspendable	\$ 37,500	\$ 30,000	\$ 30,000	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Total Unreserved	-	-	-	-	-
Restricted, reported in:					
Special revenue funds	14,826,801	16,867,173	19,996,753	20,043,666	24,255,912
Debt service funds	138,722	107,793	113,254	126,873	149,021
Total Restricted	14,965,523	16,974,966	20,110,007	20,170,539	24,404,933
Committed, reported in:					
Special revenue funds	481,601	628,271	767,580	1,017,128	1,167,560
Capital projects funds	8,202,927	9,725,059	12,555,744	15,033,974	15,335,077
Total Committed	8,684,528	10,353,330	13,323,324	16,051,102	16,502,637
<b>Total All Other Governmental Funds</b>	<b>\$ 23,687,551</b>	<b>\$ 27,358,296</b>	<b>\$ 33,463,331</b>	<b>\$ 36,221,641</b>	<b>\$ 40,907,570</b>

1) In accordance with GASB 54, beginning in 2011 new classifications of fund balance for governmental funds are reported that comprise a hierarchy based primarily on the extent to which the government is found to honor constraints on the specific purposes for which amounts in those funds can be spent.

Totals may not add due to rounding

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Changes in Fund Balances Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Year Ended June 30,				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b><u>Revenues</u></b>					
Property Taxes	\$ 11,879,729	\$ 12,008,728	\$ 11,958,162	\$ 12,293,207	\$ 14,666,894
Charges for services	4,267,535	4,705,886	4,611,791	5,023,056	5,356,315
System development fees	529,913	979,456	1,460,267	3,276,002	4,824,247
Contributions	158,625	100,928	88,851	135,274	401,067
Grants	8,204	3,000	20,000	238,308	47,186
Sponsorships	-	-	-	-	-
Intergovernmental	341,073	314,202	-	-	-
Investment earnings	72,414	51,917	49,761	82,349	224,952
Reimbursement for interfund services	98,128	56,899	18,454	30,120	108,494
Miscellaneous	48,304	59,477	54,327	53,926	56,636
<b>Total Revenue</b>	<b>\$ 17,403,925</b>	<b>\$ 18,280,493</b>	<b>\$ 18,261,613</b>	<b>\$ 21,132,242</b>	<b>\$ 25,685,791</b>
<b><u>Expenditures</u></b>					
Personnel services	\$ 8,603,546	\$ 8,768,415	\$ 8,711,179	\$ 9,100,512	\$ 10,114,224
Materials and services	3,784,411	3,886,982	3,930,158	4,577,809	4,293,628
Administration and administrative services	-	-	-	-	-
Community relations	-	-	-	-	-
Facility rental program	-	-	-	-	-
Park services	-	-	-	-	-
Recreation services	-	-	-	-	-
Strategic planning and design	-	-	-	-	-
Debt service					
Principal	280,000	290,000	305,000	315,000	1,095,000
Interest	257,558	247,758	236,883	224,682	1,163,419
Capital Outlay	5,630,406	5,526,756	4,184,342	4,935,375	9,750,540
<b>Total Expenditures</b>	<b>\$ 18,555,921</b>	<b>\$ 18,719,911</b>	<b>\$ 17,367,562</b>	<b>\$ 19,153,378</b>	<b>\$ 26,416,811</b>
<b>Excess of revenues over (under) expenditures</b>	<b>\$ (1,151,996)</b>	<b>\$ (439,418)</b>	<b>\$ 894,051</b>	<b>\$ 1,978,864</b>	<b>\$ (731,020)</b>
<b><u>Other Financing Sources (Uses)</u></b>					
Sales of capital assets	\$ 60,000	\$ -	\$ 8,700	\$ 11,850	\$ 115,010
Transfers in	4,737,392	5,025,365	6,081,767	4,238,613	5,203,419
Transfers out	(4,737,392)	(5,025,365)	(6,081,767)	(4,238,613)	(5,203,419)
Insurance proceeds	217,436	-	-	-	-
Bonds issued	-	-	-	29,000,000	-
Premium on bonds issued	-	-	-	1,849,573	-
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 277,436</b>	<b>\$ -</b>	<b>\$ 8,700</b>	<b>\$ 30,861,423</b>	<b>\$ 115,010</b>
<b>Net Change in Fund Balances</b>	<b>\$ (874,560)</b>	<b>\$ (439,418)</b>	<b>\$ 902,751</b>	<b>\$ 32,840,287</b>	<b>\$ (616,010)</b>
Debt Service as a percentage of noncapital expenses	4.16%	4.08%	4.11%	3.80%	13.55%

(continued)

Totals may not add due to rounding

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Changes in Fund Balances, continued Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Year Ended June 30,				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b><u>Revenues</u></b>					
Taxes	\$ 15,450,783	\$ 16,239,950	\$ 16,960,463	\$ 18,154,301	\$ 19,211,321
Charges for services	5,593,521	6,920,430	7,366,566	7,925,575	8,001,131
System development fees	5,305,916	10,951,017	9,863,589	6,411,052	7,465,749
Contributions	1,359,424	82,111	60,725	33,752	20,000
Grants	132,687	362,077	183,245	366,665	38,492
Sponsorships	-	-	-	116,682	84,485
Intergovernmental	-	-	-	117,642	101,265
Investment earnings	206,154	217,531	430,504	747,949	1,290,909
Reimbursement for interfund services	129,919	102,498	105,889	136,072	44,542
Miscellaneous	261,552	160,570	234,871	142,178	130,936
<b>Total Revenue</b>	<b>\$ 28,439,956</b>	<b>\$ 35,036,184</b>	<b>\$ 35,205,852</b>	<b>\$ 34,151,867</b>	<b>\$ 36,388,830</b>
<b><u>Expenditures</u></b>					
Personnel services	\$ 10,994,835	\$ 12,433,135	\$ 12,863,494	\$ 14,063,002	\$ -
Materials and services	4,533,869	4,934,159	5,153,160	5,291,275	-
Administration and administrative services	-	-	-	-	2,690,964
Community relations	-	-	-	-	728,391
Facility rental program	-	-	-	-	197,818
Park services	-	-	-	-	6,419,769
Recreation services	-	-	-	-	9,198,423
Strategic planning and design	-	-	-	-	1,266,434
Debt service					
Principal	1,128,147	1,210,051	1,291,049	1,366,047	1,440,489
Interest	1,116,967	1,055,012	1,028,516	1,000,647	961,727
Capital Outlay	23,963,996	11,929,460	9,027,403	8,524,273	8,657,359
<b>Total Expenditures</b>	<b>\$ 41,737,814</b>	<b>\$ 31,561,817</b>	<b>\$ 29,363,622</b>	<b>\$ 30,245,243</b>	<b>\$ 31,561,374</b>
<b>Excess of revenues over (under) expenditures</b>	<b>\$ (13,297,858)</b>	<b>\$ 3,474,367</b>	<b>\$ 5,842,230</b>	<b>\$ 3,906,624</b>	<b>\$ 4,827,456</b>
<b><u>Other Financing Sources (Uses)</u></b>					
Sales of capital assets	\$ 69,965	\$ 27,200	\$ 5,879	\$ 43,933	\$ 7,800
Transfers in	3,884,714	5,985,235	5,899,641	4,217,821	5,535,000
Transfers out	(3,884,714)	(5,985,235)	(5,899,641)	(4,217,821)	(5,535,000)
Insurance proceeds	-	-	-	-	-
Bonds issued	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 69,965</b>	<b>\$ 27,200</b>	<b>\$ 5,879</b>	<b>\$ 43,933</b>	<b>\$ 7,800</b>
<b>Net Change in Fund Balances</b>	<b>\$ (13,227,893)</b>	<b>\$ 3,501,567</b>	<b>\$ 5,848,109</b>	<b>\$ 3,950,557</b>	<b>\$ 4,835,256</b>
Debt Service as a percentage of noncapital expenses	12.63%	11.54%	11.41%	10.90%	10.49%

Totals may not add due to rounding

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Assessed and Estimated Actual Value of Taxable Property Last Ten Fiscal Years (amounts expressed in thousands)

Fiscal Year Ended June 30,	Real Property		Personal Property		Public Utilities		Total		Total Direct Tax Rate	Percent of TAV to RMV
	RMV	TAV	RMV	TAV	RMV	TAV	RMV	TAV		
2010	15,069,546	7,926,146	262,909	262,881	156,499	155,963	15,488,954	8,344,990	1.46	53.88%
2011	10,671,121	8,024,823	248,769	248,764	163,239	162,036	11,083,129	8,435,622	1.46	76.11%
2012	9,691,157	7,970,128	237,693	237,668	168,507	166,616	10,097,357	8,374,412	1.46	82.94%
2013	9,632,594	8,133,058	234,273	234,268	163,958	162,362	10,030,824	8,529,688	1.46	85.03%
2014	10,470,173	8,589,968	231,174	231,173	173,014	171,399	10,874,361	8,992,539	1.67	82.69%
2015	12,357,186	9,148,218	242,439	242,437	195,885	193,188	12,795,510	9,583,842	1.65	74.90%
2016	14,239,207	9,710,226	253,991	253,981	345,810	339,712	14,839,008	10,303,919	1.63	69.44%
2017	16,069,163	10,266,567	261,567	261,566	259,885	257,203	16,590,615	10,785,336	1.63	65.01%
2018	18,447,755	10,942,076	285,988	285,988	265,075	262,054	18,998,817	11,490,117	1.63	60.48%
2019	20,779,302	11,645,522	303,377	303,377	293,304	288,788	21,375,983	12,237,687	1.62	57.25%

RMV - Real Market Value

TAV - Total Assessed Value

Source: Deschutes County Assessor's Office

Totals may not add due to rounding



# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(rate per \$1,000 assessed value)

Fiscal Year Ended June 30,	District Rates			Overlapping Rates							
	Bend Metro Park and Recreation District	General Obligation Rate	Total	City of Bend	Bend Urban Renewal District	Deschutes County	County Library	Education Service District	Central Oregon Community College	Bend La-Pine Administrative School District #1	Total
2010	1.46	-	1.46	2.77	0.44	2.98	0.54	0.09	0.61	6.44	15.34
2011	1.46	-	1.46	2.76	0.48	2.94	0.54	0.09	0.72	6.49	15.49
2012	1.46	-	1.46	3.00	0.23	2.92	0.54	0.10	0.74	6.26	15.25
2013	1.46	-	1.46	3.04	0.12	2.96	0.54	0.10	0.75	6.18	15.15
2014	1.46	0.21	1.67	3.00	0.12	2.84	0.54	0.10	0.74	6.16	15.17
2015	1.46	0.19	1.65	3.19	0.13	2.72	0.54	0.10	0.73	6.20	15.26
2016	1.46	0.17	1.63	3.17	0.13	2.78	0.54	0.10	0.73	6.18	15.27
2017	1.46	0.17	1.63	3.16	0.12	2.77	0.54	0.10	0.74	6.17	15.25
2018	1.46	0.17	1.63	3.15	0.13	2.63	0.54	0.10	0.73	6.62	15.52
2019	1.46	0.16	1.62	3.14	0.14	2.65	0.54	0.10	0.72	6.61	15.53

Source: Deschutes County Assessor's Office

### Notes:

Property tax rates are for a representative tax code area (1-001) within the District's boundary and include operating and debt service levels.

Deschutes County includes the following: Deschutes County, Countywide Law Enforcement, County Extension/4H, 911 and 911 Local Option 2013.

Totals may not add due to rounding

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Principal Taxpayers Current Fiscal Year and Nine Years Ago (amounts expressed in thousands)

Taxpayer	Fiscal Year Ended June 30, 2019			Fiscal Year Ended June 30, 2010		
	Rank	Taxable Assessed Value	Percentage of Total District Taxable Assessed Value (1)	Rank	Taxable Assessed Value	Percentage of Total District Taxable Assessed Value (1)
TDS Baja Broadband (Previously Bend Cable)	1	\$ 64,787	0.53%	10	\$ 34,673	0.42%
Touchmark at Mt. Bachelor Village	2	48,589	0.40%	-	-	0.00%
Suterra LLC	3	50,473	0.41%	-	-	0.00%
CVSC LLC	4	43,086	0.35%	8	34,816	0.42%
Pacificorp (PP&L)	5	44,928	0.37%	1	71,084	0.85%
Deschutes Brewery Inc	6	38,275	0.31%	-	-	-
CenturyLink	7	76,373	0.62%	-	-	-
River Vale Limited Partnership	8	2,516	0.02%			-
Cascade Natural Gas Corp	9	68,665	0.56%	4	49,835	0.60%
Forum Holdings, LLC	10	28,773	0.24%	-	-	-
Gas Transmission Northwest Corp	-	-	-	2	69,079	0.83%
Qwest Corporation	-	-	-	3	52,701	0.63%
Pronghorn Investors LLC	-	-	-	7	35,374	0.42%
Eagle Crest Inc.	-	-	-	5	38,847	0.47%
Sunriver Resort Limited Partnership	-	-	-	6	39,758	0.48%
TD Cascade Highlands LLC	-	-	-	9	38,979	0.47%
<b>Total</b>		<b>\$ 466,466</b>	<b>3.81%</b>		<b>\$ 465,146</b>	<b>5.57%</b>

Source: Deschutes County Assessor's Office

Notes: (1) Percent of total net assessed valuation represents percent of taxpayer's net assessed value to the District's total net assessed value of \$12,237,687,000 for 2019 and \$8,344,990 for 2010.

Totals may not add due to rounding

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Property Tax Levies and Collections Last Ten Fiscal Years

Fiscal Year Ended June 30,	Collected within the Fiscal Year of Levy			Collections in Subsequent Years	Total Collections to Date	
	Total Tax Levy	Amount Collected	Percent of Levy Collected		Amount Collected	Percent of Levy Collected
2010	12,081,740	11,177,973	92.52%	646,856	11,824,829	97.87%
2011	12,205,946	11,370,070	93.15%	535,255	11,905,325	97.54%
2012	12,136,549	11,394,352	93.88%	407,738	11,802,090	97.24%
2013	12,416,086	11,733,561	94.50%	305,396	12,038,957	96.96%
2014	14,977,277	14,271,827	95.29%	308,801	14,580,628	97.35%
2015	15,814,457	15,111,157	95.55%	253,879	15,365,036	97.16%
2016	16,773,856	15,963,151	95.17%	200,159	16,163,310	96.36%
2017	17,557,740	16,751,965	95.41%	169,538	16,921,503	96.38%
2018	18,617,391	17,886,988	96.08%	44,305	17,931,294	96.31%
2019	19,772,100	19,234,808	97.28%	-	19,234,808	97.28%

Source: Deschutes County Assessor's Office

Totals may not add due to rounding

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

(amounts expressed in thousands, except per capita)

Fiscal Year Ended June 30,	General Obligation Bonds	Full Faith and Credit Obligations	Loan payable	Total Outstanding Debt	Total Debt Percentage of Personal Income	Total Debt Per Capita	Personal Income	Population
2010	\$ -	\$ 5,875	\$ -	\$ 5,875	0.20%	\$ 71	\$ 2,896,585	82,280
2011	-	5,585	-	5,585	0.20%	73	2,749,347	76,639
2012	-	5,280	-	5,280	0.19%	69	2,759,607	76,925
2013	30,850	4,965	-	35,815	1.20%	462	2,977,990	77,455
2014	29,987	4,640	-	34,627	1.17%	442	2,955,383	78,280
2015	29,115	-	4,431	33,546	1.06%	419	3,155,888	79,985
2016	28,207	-	4,036	32,244	0.95%	397	3,388,594	81,310
2017	27,230	-	3,630	30,860	0.80%	356	3,855,403	86,765
2018	26,187	-	3,214	29,401	0.66%	328	4,464,599	89,505
2019	25,080	-	2,789	27,869	0.61%	305	4,587,070	91,385

Notes: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

(1) Refer to Demographic and Economic Statistics Schedule in this document for calculation of Personal Income.

(2) Population figures obtained from Portland State University Population Research Center's Certified Population Estimates.

Totals may not add due to rounding

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

(amounts expressed in thousands, except per capita)

Fiscal Year Ended June 30,	General Obligation Bonded Debt (1)	Less: Amounts Available in Debt Service Fund (2)	Net General Obligation Bonded Debt	Percentage of Estimated Actual Taxable Value of Property (3)	Total Debt Per Capita (4)
2010	\$ -	\$ -	\$ -	0.00%	\$ -
2011	-	-	-	0.00%	-
2012	-	-	-	0.00%	-
2013	30,850	-	30,850	0.31%	398
2014	29,987	59	29,928	0.28%	382
2015	29,115	139	28,976	0.23%	362
2016	28,207	108	28,099	0.19%	346
2017	27,230	113	27,116	0.16%	313
2018	26,187	127	26,060	0.14%	291
2019	25,080	149	24,931	0.12%	273

Notes: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

(1) This is the only general bonded debt of the District.

(2) This is the amount restricted for debt service principal payments.

(3) See the Schedule of Assessed Value and the Estimated Actual Value of Taxable Property.

(4) Population data can be found in the Schedule of Ratios of Outstanding Debt by Type.

Totals may not add due to rounding

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Direct and Overlapping Debt June 30, 2019 (amounts expressed in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Amount Applicable to Primary Government</u>
<b>Debt repaid with property taxes</b>			
City of Bend	\$ 40,355	99.63%	\$ 40,206
Bend-LaPine Administrative School District No. 1	370,018	71.07%	262,972
Central Oregon Community College	51,170	43.86%	22,443
Deschutes County	13,470	51.70%	6,964
High Desert ESD	3,313	47.39%	1,570
Subtotal, overlapping debt			334,154
Bend Metro Park and Recreation District direct debt			27,869
<b>Total direct and overlapping debt</b>			<b>\$ 362,023</b>

Sources: Oregon State Treasury, Debt Management Information System

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses within the District's boundary. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore, responsible for repaying the debt of each overlapping government. Net property-tax backed debt was used as the Debt Outstanding which is derived from the gross property-tax backed debt less self-supported unlimited general obligations and self supporting limited tax general obligation debt. The direct debt is the total amount of the governmental activities from the "Ratios of Outstanding Debt by Type" Schedule.

Totals may not add due to rounding

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Legal Debt Margin Information Last Ten Fiscal Years

	<b>Fiscal Year Ended June 30, 2019</b>
Real Market Value	\$ 21,375,982,755
	x 2.5%
General obligation debt limit at 2.5% of real market value	<u>534,399,569</u>
Debt applicable to limit:	
General obligation bonds	<u>25,079,699</u>
Total net debt applicable to limit	<u>25,079,699</u>
Legal debt margin	<u>\$ 509,319,870</u>
Debt capacity percent	95%

<b>Fiscal Year Ended June 30,</b>	<b>2.5% Debt Limit</b>	<b>Net Debt Subject to 2.5% Limit</b>	<b>Legal Debt Margin</b>	<b>Debt Capacity Percent</b>
2010	\$ 387,223,854	\$ -	\$ 387,223,854	100%
2011	277,078,221	-	277,078,221	100%
2012	252,433,927	-	252,433,927	100%
2013	250,770,607	30,849,573	219,921,034	88%
2014	271,859,037	29,987,094	241,871,943	89%
2015	319,887,758	29,114,615	290,773,143	91%
2016	370,975,205	28,207,136	342,768,069	92%
2017	414,765,372	27,229,657	387,535,715	93%
2018	474,970,425	26,187,178	448,783,247	94%
2019	534,399,569	25,079,699	509,319,870	95%

Source: Real Market Value obtained from Deschutes County Assessor's Office

Oregon Revised Statutes (ORS) 266.512 states: Park and Recreation districts may issue up to an aggregate amount up to 2.5% of all the real market value of all taxable properties within the District as reflected in the last certified assessment roll per ORS 308.207.

Totals may not add due to rounding

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Demographic and Economic Statistics Last Ten Fiscal Years

Fiscal Year Ended June 30,	Population (1)	Area (Square Miles)	Average Density (person/ square miles)	Personal Income (expressed in thousands)	Per Capita Income (2)	School Enrollment (3)	Unemployment Rate (4)
2010	82,280	32.5	2,532	\$ 2,896,585	\$ 35,204	15,719	14.7%
2011	76,639	32.5	2,358	2,749,347	35,874	15,818	13.4%
2012	76,925	32.5	2,367	2,759,607	35,874	15,519	12.0%
2013	77,455	32.5	2,383	2,977,990	38,448	16,473	10.5%
2014	78,280	32.5	2,409	2,955,383	37,754	16,863	10.0%
2015	79,985	32.5	2,461	3,155,888	39,456	17,163	8.1%
2016	81,310	32.5	2,502	3,388,594	41,675	17,534	5.2%
2017	86,765	32.5	2,670	3,855,403	44,435	18,034	3.2%
2018	89,505	32.5	2,754	4,464,599	49,881	18,375	3.9%
2019	91,385	32.5	2,812	4,587,070	50,195	18,637	4.2%

### Sources:

(1) Population figures obtained from Portland State University Population Research Center's Certified Population Estimates.

(2) Per capita personal income figures are for the Bend Metropolitan Statistical Area and are obtained from the U.S. Department of Commerce, Bureau of Economic Analysis. Although the Bureau of Economic Analysis provides annual revisions to prior year data, the District, for consistency, continues to report the data that was originally reported in prior years.

(3) School enrollment figures obtained from Bend-LaPine Administrative School District No. 1.

(4) Unemployment rates represent June seasonally adjusted unemployment rates for the Bend Metropolitan Statistical Area obtained from the U.S. Department of Labor, Bureau of Labor Statistics. Seasonally adjusted data for metropolitan areas and metropolitan divisions based on the 2010 Office of Management and Budget (OMB) delineations were introduced on July 1, 2015.

Totals may not add due to rounding



# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Principal Employers Current Year and Nine Years Ago

Employer	Product or Service	2019			2010		
		Rank	Employees	Percent of Population Employed (1)	Rank	Employees	Percent of Population Employed (1)
St. Charles Medical Center	Health Care	1	3,408	3.7%	1	3,028	3.7%
Bend-LaPine School District No. 1	Education	2	2,200	2.4%	2	1,783	2.2%
Deschutes County	Government	3	1,118	1.2%	4	950	1.2%
Sunriver Resort	Recreation	4	1,000	1.1%	5	850	1.0%
Mt. Bachelor Ski Resort	Recreation	5	975	1.1%	7	750	0.9%
COCC - Bend Campus	Education	6	957	1.0%	-	-	-
City of Bend	Government	7	674	0.7%	-	-	-
Summit Medical Group, formerly Bend Memorial Clinic	Health Care	8	581	-	-	-	-
Safeway	Retail	9	572	0.6%	10	578	0.7%
Department of Forestry	Government	10	550	0.6%	-	-	-
Les Schwab Tire	Tire Manufacturer	-	-	-	3	1,500	1.8%
T-Mobile	Call Center	-	-	-	6	850	1.0%
Walmart	Retail	-	-	-	8	700	0.9%
TRG Customer Solutions	Call Center	-	-	-	9	650	0.8%
Total			12,035	12.5%		11,639	14.1%

Source: Economic Development for Central Oregon, Central Oregon Profile

Note: The above listing of principal employers represents major employers in Central Oregon.

(1) Percent of population employed represents percent of top 10 employers' employees to total population for the Bend Metropolitan Statistical Area of 91,385 for June 2019 and 82,280 for June 2010 (obtained from Portland State University Population Research Center's Certified Population Estimates).

Totals may not add due to rounding

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Full Time Equivalent District Employees by Program Last Ten Fiscal Years

	Full-time Equivalent Employees for Fiscal Year Ended June 30,									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>General Government</b>										
Executive	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Administrative	7.0	7.1	7.2	7.9	9.3	11.5	12.7	12.4	13.5	14.3
Community Relations	4.5	4.7	4.5	4.7	5.2	4.2	4.8	4.5	4.7	5.0
Strategic Planning and Design	8.9	7.6	7.4	4.3	4.9	10.2	10.5	10.2	10.2	10.3
Park Services	47.9	46.7	44.2	49.4	55.8	58.2	59.6	64.9	63.6	67.1
Recreation	104.2	105.2	99.2	101.4	100.8	103.9	120.2	128.1	136.1	139.0
Facility Rental	2.2	2.1	1.7	1.7	1.7	1.7	2.3	2.7	2.5	2.1
<b>Total</b>	<b>175.7</b>	<b>174.3</b>	<b>165.1</b>	<b>170.4</b>	<b>178.6</b>	<b>190.6</b>	<b>210.9</b>	<b>223.9</b>	<b>231.6</b>	<b>238.9</b>

Totals may not add due to rounding

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Operating Indicators by Recreation Program and Facility Last Nine Fiscal Years\*

		Fiscal Year Ended June 30,								
<u>By Recreation Program</u>		<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Youth Recreation</b>										
	# of Participants <sup>(1)</sup>	671	692	749	938	1,051	1,172	1,839	2,347	1,604
	# of Programs Held	137	153	78	89	87	182	114	120	132
<b>Adult Enrichment</b>										
	# of Participants	880	734	1,018	1,198	1,570	1,651	1,261	1,267	857
	# of Programs Held	121	118	219	200	268	284	250	243	134
<b>Sports</b>										
	# of Participants	9,958	8,467	8,525	9,808	10,343	10,979	12,093	11,583	12,356
	# of Programs Held	766	751	760	823	885	915	1,086	980	843
<b>Therapeutic Recreation</b>										
	# of Participants	682	836	693	903	1,063	984	1,108	1,215	959
	# of Programs Held	69	85	92	103	103	91	108	126	107
<b>Aquatics</b>										
	# of Participants	7,422	7,810	9,479	6,695	8,755	7,521	8,201	7,100	8,984
	# of Programs Held	816	763	834	757	874	850	866	770	864
<b>Youth Enrichment</b>										
	# of Participants	5,432	5,152	4,880	4,896	4,779	4,806	3,747	5,312	3,373
	# of Programs Held	1,205	1,177	953	966	659	652	618	623	495
<b>Youth Outdoor Recreation</b>										
	# of Participants	299	249	478	563	698	700	586	825	2,404
	# of Programs Held	49	75	85	65	79	84	86	92	96
<b>Adult Outdoor Recreation</b>										
	# of Participants	1,424	1,218	1,003	1,069	934	707	665	613	623
	# of Programs Held	197	195	187	182	192	125	127	126	57
<b>Pavilion</b>										
	# of Participants		No Programs Available before Fall 2015				3,698	7,591	9,238	8,746
	# of Programs Held						373	716	717	823
<b>Art Station</b>										
	# of Participants		No Programs Available before Fall 2016					468	1,946	1,912
	# of Programs Held							138	332	285
<b>Total # of Participants</b>		<b>26,768</b>	<b>25,158</b>	<b>26,825</b>	<b>26,070</b>	<b>29,193</b>	<b>32,218</b>	<b>37,559</b>	<b>41,446</b>	<b>41,818</b>
<b>Total # of Programs Held</b>		<b>3,360</b>	<b>3,317</b>	<b>3,208</b>	<b>3,185</b>	<b>3,147</b>	<b>3,556</b>	<b>4,109</b>	<b>4,129</b>	<b>3,836</b>
<b>Recreation Facility Visitation by Location</b>		<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Bend Senior Center		15,142	23,453	29,582	34,930	35,040	43,058	46,583	53,356	49,914
Juniper Swim and Fitness Center		399,190	406,876	414,282	414,747	416,129	417,318	419,240	423,878	420,568
The Pavilion			Opened in December 2015				25,063	26,396	34,566	32,403
<b>Total Annual Visitation</b>		<b>414,332</b>	<b>430,329</b>	<b>443,864</b>	<b>449,677</b>	<b>451,169</b>	<b>485,439</b>	<b>492,219</b>	<b>511,800</b>	<b>502,885</b>

\* The District changed software systems during Fiscal Year 2010; information prior to Fiscal Year 2011 is not available.

(1) Youth Rec programs run for 10 months. The number of participants were divided by 10 for each fiscal year presented.

Totals may not add due to rounding

# BEND METRO PARK AND RECREATION DISTRICT, OREGON

## Capital Asset Statistics by Program Last Ten Fiscal Years

	June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Outdoor Recreation</b>										
Number of Parks	78	82	82	82	83	86	88	90	90	91
Completed Park Sites	74	74	74	74	75	78	79	84	84	84
Park Sites to be Developed	4	8	8	8	8	8	9	6	6	7
Acres of Developed Park Land	2,666	2,666	2,666	2,666	2,669	2,716	2,725	2,955	2,955	2,955
Developed Acres per 1,000 Residents	32	35	35	34	34	34	34	34	33	32
Miles of Trails	61	61	61	63	63	63	65	65	70	70
Bend Whitewater Park (number)	-	-	-	-	-	1	1	1	1	1
<b>Indoor Recreation</b>										
Indoor Recreation Facilities	2	2	2	2	2	3	3	4	4	4
Square Footage of Facilities:										
Juniper Swim & Fitness Center*	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Bend Senior Center	14,067	14,067	14,067	14,067	14,067	14,067	14,067	14,067	14,067	14,067
The Pavilion	-	-	-	-	-	-	47,780	47,780	47,780	47,780
Art Station	-	-	-	-	-	-	-	2,292	2,292	2,292

\* Square footage includes outdoor activity pool and surrounding deck area

Totals may not add due to rounding

## **AUDIT COMMENTS AND DISCLOSURES**

**INDEPENDENT AUDITORS' REPORT**  
**REQUIRED BY OREGON STATE REGULATIONS**

Board of Directors  
Bend Metro Park and Recreation District  
Deschutes County, Oregon

We have audited the basic financial statements of the Bend Metro Park and Recreation District, Deschutes County, Oregon (the District) as of and for the year ended June 30, 2019 and have issued our report thereon dated November 30, 2019. 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 District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **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 District 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 District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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

A handwritten signature in black ink that reads "Brenda Bartlett". The signature is written in a cursive, flowing style.

Brenda Bartlett, CPA  
SGA Certified Public Accountants and Consultants, LLP  
Bend, Oregon

November 30, 2019



Shevlin Park



