



Sunset Empire Transportation District

BOARD OF COMMISSIONERS

BOARD MEETING AGENDA

THURSDAY APRIL 25, 2019

9:00 AM

Astoria Transit Center, 900 Marine Drive Astoria, OR

AGENDA:

1. CALL TO ORDER; PLEDGE OF ALLEGIANCE
2. ROLL CALL
3. CHANGES TO AGENDA
4. PUBLIC COMMENT (3 minute limit)
5. APPROVAL OF BOARD MEETING MINUTES
6. REPORTS FROM CHAIR AND COMMISSIONERS
7. FINANCIAL REPORTS
8. OLD BUSINESS
 - a. FY 2018 AUDIT PRESENTATION
 - b. ADOPTION OF STRATEGIC PRIORITIES PLAN
9. NEW BUSINESS
 - a. CREATION OF STATEWIDE TRANSPORTATION IMPROVEMENT FUNDS
 - b. LETTER OF COMMITMENT FOR LOW OR NO GRANT
 - c. LETTER IN OPPOSITION TO HB 3099
10. CORRESPONDENCE
11. EXECUTIVE DIRECTOR REPORT
12. LEADERSHIP TEAM REPORTS
13. PUBLIC COMMENT (3 minute limit)
14. EXECUTIVE SESSION – ORS 192.660(2)(i) To review and evaluate the job performance of a chief executive officer, other officers, employees, and staff, if the person whose performance is being reviewed does not request an open hearing. ORS 192.660 (2)(d) “to conduct deliberations with persons designated by the governing body to carry on labor negotiations”.
15. OTHER ACTIONS

SUNSET EMPIRE TRANSPORTATION DISTRICT
COMMONLY USED ACRONYM LIST

APRIL

2019

AASHTO	AMERICAN ASSOCIATION OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS
ACT	ACTUAL
ACCTS	ACCOUNTS
ADA	AMERICANS WITH DISABILITIES ACT
ADS	ADVERTISEMENTS
AP	ACCOUNTS PAYABLE
APTA	AMERICAN PUBLIC TRANSPORTATION ASSOCIATION
AR	ACCOUNTS RECEIVABLE
ASC	ASTORIA SENIOR CENTER
BG	BACKGROUND
BLDGING	BUILDING
BOC	BOARD OF COMMISSIONERS
BS	BALANCE SHEET
BUS REG FEE	BUS REGISTRATION FEE
CCC	CLATSOP COMMUNITY COLLEGE
CCCHD	CLATSOP CARE CENTER HEALTH DISTRICT
CCO	COORDINATED CARE ORGANIZATION
CK	CHECK
COMP	COMPUTER
CONF	CONFERENCE
CPCCO	COLUMBIA PACIFIC COORDINATED CARE ORGANIZATION
CRS	CLATSOP REHABILITATION SERVICES
CSR	CUSTOMER SERVICE REPRESENTATIVE
CTAA	COMMUNITY TRANSPORTATION ASSOCIATION OF AMERICA
CTE	CENTER FOR TRANSPORTATION AND THE ENVIRONMENT
DAV	DISABLED AMERICAN VETERANS
DHS	DEPARTMENT OF HUMAN SERVICES
DIST	DISTRICT
DLSM	DRIVE LESS SAVE MORE
DMAP	DIVISION OF MEDICAL ASSISTANCE PROGRAM
DOJ	DEPARTMENT OF JUSTICE
DOT	DEPARTMENT OF TRANSPORTATION
EQUIP	EQUIPMENT
FHWA	FEDERAL HIGHWAY ADMINISTRATION
FTA	FEDERAL TRANSIT ADMINISTRATION
GF	GENERAL FUND
HR	HUMAN RESOURCES
IGA	INTERGOVERNMENTAL AGREEMENT
INFO	INFORMATION
INT	INTEREST
IS	INCOME STATEMENT
ISN	INTEGRATED NETWORK SYSTEM
IT	INFORMATION TECHNOLOGY

SUNSET EMPIRE TRANSPORTATION DISTRICT
COMMONLY USED ACRONYM LIST

APRIL

2019

LGIP	LOCAL GOVERNMENT INVESTMENT POOL
LGPI	LOCAL GOVERNMENT PERSONNEL INSTITUTE
LRCTP	LONG RANGE COMPREHENSIVE TRANSPORTATION PLAN
MAINT	MAINTENANCE
MBRC	MILES BETWEEN ROAD CALLS
MISC	MISCELLANEOUS
MM	MOBILITY MANAGEMENT
MOS	MONTH
MOU	MEMORANDUM OF UNDERSTANDING
NADTC	NATIONAL AGING AND DISABILITY TRANSPORTATION CENTER
NEMT	NON-EMERGENT MEDICAL TRANSPORTATION
NRTAP	NATIONAL RURAL TRANSIT ASSISTANCE PROGRAM
NTI	NATIONAL TRANSIT INSTITUTE
NWACT	NORTHWEST AREA COMMISSION ON TRANSPORTATION
NWOTA	NORTHWEST OREGON TRANSIT ALLIANCE
ODOT	OREGON DEPARTMENT OF TRANSPORTATION
OHA	OREGON HEALTH AUTHORITY
OHP	OREGON HEALTH PLAN
OPTC	OREGON PUBLIC TRANSPORTATION CONFERENCE
OPTIS	OREGON PUBLIC TRANSIT INFORMATION SYSTEM
OPTP	OREGON PUBLIC TRANSPORTATION PLAN
OR	OREGON
OTA	OREGON TRANSIT ASSOCIATION
OTC	OREGON TRANSPORTATION COMMISSION
P&L	PROFIT AND LOSS
PARA	PARA-TRANSIT
PCA	PERSONAL CARE ATTENDANT
PTAC	PUBLIC TRANSPORTATION ADVISORY COMMITTEE
QE	QUALIFIED ENTITY
QTR	QUARTER
RAC	RULES ADVISORY COMMITTEE
RAC	RIDECARE ADVISORY COMMITTEE
RC	RIDECARE
REHAB	REHABILITATION
RFP	REQUEST FOR PROPOSALS
RFQ	REQUEST FOR QUOTES
RIBTC	RURAL AND INTERCITY BUS TRANSPORTATION CONFERENCE
RPTD	RAIL AND PUBLIC TRANSIT DIVISION
SDAO	SPECIAL DISTRICTS ASSOCIATION OF OREGON
SDIS	SPECIAL DISTRICTS INSURANCE SERVICES
SETD	SUNSET EMPIRE TRANSPORTATION DISTRICT
SETD GF	SUNSET EMPIRE TRANSPORTATION DISTRICT GENERAL FUND
SETD GEN	SUNSET EMPIRE TRANSPORTATION DISTRICT GENERAL FUND

SUNSET EMPIRE TRANSPORTATION DISTRICT
COMMONLY USED ACRONYM LIST

APRIL

2019

SIP	SERVICE IMPROVEMENT PROGRAM
SSP/0401	ACCOUNT FROM OREGON DEPARTMENT OF HUMAN SERVICES
STF	SPECIAL TRANSPORTATION FUND
STIF	SPECIAL TRANSPORTATION IMPROVEMENT FUND
STIP	SPECIAL TRANSPORTATION IMPROVEMENT PROGRAM
STP	SURFACE TRANSPORTATION PROGRAM
STS	SUNSET TRANSPORTATION SERVICES (NAME CHANGE THAT DIDN'T HAPPEN)
TAC	TECHNICAL ADVISORY COMMITTEE
TAC	TRANSPORTATION ADVISORY COMMITTEE (STF/5310/STIF)
TECH	TECHNOLOGY
TGM	TRANSPORTATION GRANTS MANAGEMENT
TO	TRANSPORTATION OPTIONS
TPAC	TRANSPORTATION PLAN ADVISORY COMMITTEE
TPJCC	TONGUE POINT JOB CORPS CENTER
TRB	TRANSPORTATION RESEARCH BOARD
TSP	TRANSPORTATION SYSTEMS PLAN
YTD	YEAR TO DATE
ZEB	ZERO EMISSION BUS
ZEP	ZERO EMISSION PROPULSION
ZEBRA	ZERO EMISSION BUS RESOURCE ALLIANCE



**Sunset Empire Transportation District
Board of Commissioners Meeting Minutes
Seaside City Hall
March 28, 2019**

1. CALL TO ORDER- Chair Kathy Kleczek called the meeting to order at 5:30 PM
2. ROLL CALL:
Present: Chair Kathy Kleczek, Vice Chair Bryan Kidder, Secretary/Treasurer Lylla Gaebel, Commissioner Kevin Widener, Commissioner Tracy MacDonald, Commissioner Carol Gearin.
Commissioner Pamela Alegria excused.

Staff: Executive Director Jeff Hazen, Chief Operating Officer Paul Lewicki, Financial Officer Tracy Lofstrom, Human Resources Tami Carlson, Executive Assistant Mary Parker
3. CHANGES TO AGENDA-None.
4. PUBLIC COMMENT- No comments
5. EXECUTIVE SESSION- At 5:34 PM Chair Kleczek announced the opening of Executive Session for ORS 192.660 (2) (d) – “To conduct deliberations with persons designated by the Governing body to carry on labor negotiations.” The Board and staff moved to a private conference room for the Executive Session.
Executive Session was completed and Chair Kleczek called the Board meeting back to order at 6:10 PM.
6. APPROVAL OF THE February 28, 2019 BOARD MEETING MINUTES-
Commissioner Gaebel moved to approve the February 2019 Board Meeting Minutes.
Commissioner MacDonald seconded the motion
Discussion- None
Motion passed unanimously
Commissioner Gearin abstained due to her being unable to attend the February 2019 meeting.
7. REPORTS FROM CHAIR AND COMMISSIONERS
 - a. Commissioner Widener- No Report
 - b. Commissioner MacDonald- No Report
 - c. Secretary/Treasurer Gaebel- No Report
 - d. Commissioner Gearin- No Report
 - e. Vice Chair Kidder- Reported that the Board will be hearing information from Transportation Advisory Committee about STIF options and wanted to say that the committee really dug into some good information, asked lots of good questions and he was hopeful that the Board will appreciate the work that went into it and accept the good deliberations that were made.
 - f. Chair Kleczek- Reported she is looking forward to receiving the Strategic Plan report. She has also been working with the Executive Director Evaluation Committee and we are looking forward to having it completed and presented at the next Board meeting. Chair Kleczek also attended the NWACT meeting.

8. FINANCIAL REPORTS- Financial Officer Tracy Lofstrom reviewed the February Financial Exceptions Report had gave the Board a corrected financial report because the original did not have the Grants broken out. Tracy reported that salaries and wages are over budget. Executive Director Hazen commented that we will have to do another supplemental Budget for personnel services. Chair Kleczek stated her concern over being over budget on salary and wages which are incrementally increasing every month.

Commissioner Gaebel moved to accept the financials as presented
Commissioner Widener seconded the motion
Discussion- None
Motion passed unanimously

9. OLD BUSINESS- None

10. NEW BUSINESS

a. Appointment of SETD Budget Officer FY 2020- Executive Director Hazen announced that a Budget Officer needed to be designated for the upcoming SETD Budget cycle

Commissioner Gaebel moved to appoint Executive Director Jeff Hazen as the Budget Officer for SETD Budget process for Fiscal Year 2020.
Commissioner Gearin seconded the motion
Discussion- None
Motion passed unanimously

b. Approval of FY 2020 Budget Meeting Dates- Executive Director Hazen presented a list of possible dates for the upcoming SETD FY 2020 Budget meetings. Following Board discussion, the following dates were approved.

- Budget Training Wednesday May 8th 9:30 AM
- First Budget Meeting Wednesday May 15th 9:30 AM - 4:00 PM
- Second Budget Meeting Wednesday May 22nd 10:00 AM – 3:00 PM
- Budget Hearing/Board Meeting Thursday June 27th 9:00 AM

Commissioner Kidder moved to accept the Budget Meeting dates and added times for the meetings.

Commissioner MacDonald seconded the motion
Discussion-None
Motion passed unanimously

c. Financial Software Purchase- Tracy Lofstrom reviewed the report she had prepared comparing three new Financial Software programs for possible purchase for SETD. Tracy reviewed the proposals submitted by Avail, Abila and AccuFund detailing the differences in each of the programs and how the newer technology would benefit supervisors and staff. She recommended procuring the AccuFund software. The plan is to go live with the new program on July 1, 2019.

Commissioner Kidder moved to authorize the Executive Director to purchase the AccuFund software for an estimated cost of \$72,000 for the first year and authorize the Executive Director and Board Chair to sign agreement.
Commissioner MacDonald seconded the motion

Discussion-None
Motion passed unanimously

- d. Statewide Transportation Improvement Fund (STIF) Project Recommendations- Executive Director Hazen explained that the STIF Fund requires that submitted projects must be included in a locally adopted plan prior to being submitted. Hazen explained that the proposed projects that are before the Board today are included in the SETD Long-Range Comprehensive Transportation Plan. The proposed projects went before the Transportation Advisory Committee (TAC) who determined which projects they would recommend for the 100% list and the 130% list that may be used if SETD receives more funding than anticipated. Executive Director Hazen reviewed each of the individual projects listed.

Commissioner Gaebel moved to approve and adopt the TAC STIF recommendations
Commissioner Widener seconded the motion

Discussion –Commissioner Widener commented that we have tried the shopper shuttle before. Hazen said we did try it before, but we are going to try it again.

Commissioner Gaebel called for the question
Motion passed unanimously

- e. Executive Director Travel FY 2020- Executive Director Hazen submitted a list of the meetings and conferences he would be attending in fiscal year 2020. Commissioner Gaebel asked why the costs were not included. Hazen said that the costs will be presented with the FY 2020 Budget. Hazen said that this is the same list that was presented last year. Chair Kleczek stated that it was requested that the Executive Director present the proposed travel schedule to the Board prior to the Budget so that the Board could weigh in prior to the Budget. Chair Kleczek also said this is the same report that was submitted to the Board last year and there were no numbers attached to the report last year. Commissioner Gaebel suggested that maybe the Board of Commissioners travel and training costs should be separated from the employees travel costs in the budget.

- f. Commissioner Job Description- Executive Director Hazen reported that he had taken the comments and recommendations made at the Board Workshop and updated the job description presented.

Commissioner Kidder moved to approve the Board of Commissioners Job Description
Commissioner Widener seconded the motion

Discussion- Discussion was held regarding some of the wording. Commissioner Kidder stated that this pretty much mirrors what our discussion came up with in the meeting.

Commissioner Kidder moved to amend his motion to have the signing line say “expected” instead of “required”.

Commissioner Widener seconded the amended motion
Motion passed unanimously

11. CORRESPONDENCE- Each Commissioner received an invitation to the CEDR awards dinner. Executive Director Hazen read several Driver Thank You cards that riders had wrote to the drivers on Driver Appreciation Day.

12. EXECUTIVE DIRECTOR REPORT- Executive Director Hazen reported that House Bill 2174 had a hearing and now has been sent over for a work session. Boldt Carlisle and Smith have sent a letter saying they will no longer be providing Audit services for SETD. IFocus has completed an audit of our

system and has sent a list of what needs to be done with number one being the improvement of our back up system. The total cost to bring us up to where we need to be is about \$40,000. Bill Anderson sent us a draft of the updated Strategic Plan which has been sent back to him with a few more changes.

13. LEADERSHIP TEAM REPORTS- Reports submitted: Operations- Paul Lewicki, Ride Assist- Jennifer Geisler, Marketing and Outreach- Mary Parker, Mobility Management- Jason Jones, Human Resources- Tami Carlson and Transportation Options- Matthew Weintraub.

Commissioner Kidder asked about having the buses washed by the same cleaning crew being used to clean the buildings. Executive Director Hazen said that the cleaners that clean OPS and the Transit Center are at capacity. Paul Lewicki commented that Operations is working on establishing a regimen for washing the buses when they are at the yard, but the rainy weather makes it difficult to keep them clean.

14. PUBLIC COMMENT- None

15. OTHER ITEMS- None

Meeting was adjourned 8:10 PM

Mary Parker, Recording Secretary

Secretary Treasurer Lylla Gaebel

Date _____

An audio recording of the Sunset Empire Transportation District's Board Meeting is available at: www.ridethebus.org-Board of Commissioners- Monthly Meeting Minutes- March 28, 2019



**Sunset Empire Transportation District
Board of Commissioners Work Session Meeting Minutes
March 13, 2019
Seaside Oregon
Draft**

1. CALL TO ORDER- Chair Kathy Kleczek called the meeting to order at 9:00 AM

2. ROLL CALL:

Present: Chair Kathy Kleczek, Vice Chair Bryan Kidder, Secretary/Treasurer Lylla Gaebel, Commissioner Kevin Widener, Commissioner Tracy MacDonald, Commissioner Pamela Alegria and Commissioner Carol Gearin.

Staff: Executive Director Jeff Hazen, Chief Operating Officer Paul Lewicki Executive Assistant Mary Parker

Special District Association of Oregon Facilitators- Bill Anderson and John Stein.

3. CHANGES TO AGENDA- None

4. PUBLIC COMMENT- No comments

5. EXECUTIE SESSION – At 9:10 AM Chair Kleczek announced the Board would be going into Executive Session under ORS 192.660(2)(f) “to consider information or records that are exempt by law from public inspection.”

The regular meeting was called back to order 9:35AM

Commissioner Gaebel move to authorize the Executive Director to proceed with the letter of agreement and negotiate in the best interest of the District and authorize the Executive Director and the Board Chair to sign agreement
Commissioner Kidder seconded the motion
Discussion-None
Motion passed Commissioner Widener abstained due to bias.

6. Chair Kleczek called a recess at 9:45 AM to allow the Board to sign a card that will be presented to the Drivers on Driver Appreciation Day which we will be celebrated on March 18th.

Chair Kleczek called the meeting back to order at 10’00 AM.

7. WORK SESSION- UPDATE STRATEGIC PLAN- Executive Director Hazen welcomed Bill Anderson and John Stein who facilitated the work session to update Strategic Plan. Bill explained that the Strategic Plan had last been updated in 2017 and said that the Board would be looking at what had been accomplished since then and determine what they wanted to add or change in the plan. Bill added that the Board should be using the updated Strategic Plan to evaluate Executive Director Hazen on his accomplishments and how the District is addressing the goals and objectives. Executive Director Hazen reviewed the current plan and accomplishments since last updated. Board discussion and recommendations were recorded by Bill and John. They will make updates and changes and send draft

to Executive Director Hazen for final editing. The updated Strategic Plan will be presented to the Board at the April 25th Board meeting.

8. COMMISSIONER JOB SUMMARY- Executive Director Hazen presented a draft of the Commissioner Job Description. Hazen explained that the draft was just a starting point and that 1-12 are Board responsibilities and 13-20 are what the Board as a group does. Chair Kleczek commented that the description is a document that will assist prospective Board members in understanding what the Board does. Hazen asked the Board for input.

There was Board discussion and the following changes and additions were requested:

- “Follow Robert’s Rules of Order”? Staff will check if in Board Policies
- #3 Operate “within”
- Place 1-12 under heading of “Individual Commissioners Responsibilities”
- Change 13 to 20 to 1-8 under heading of “Board Responsibilities”
- Combine #14 and #15 to say “Select, support and evaluate the Executive Director”
- Ensure adequate resources add (and fiscal responsibilities)
- #5 add “in advance”
- #3 add per Board Policy and ORS

Executive Director Hazen will update the Job Summary draft and bring it before the Board for approval.

9. PUBLIC COMMENT- None

10. OTHER ITEMS- None

- 11.

Meeting was adjourned at 2:30 PM

Mary Parker, Recording Secretary

Secretary Treasurer Lylla Gaebel

Date _____

An audio recording of the Sunset Empire Transportation District’s Board Meeting is available at: www.ridethebus.org-Board of Commissioners- Monthly Meeting Minutes- Work Session March 13, 2019

Sunset Empire Transportation District
MARCH FINANCIAL EXCEPTIONS & INFORMATION REPORT
For the APRIL 2019 Board of Commissioner's Meeting

NOTE on Reviewing Financials: Month 9 = 75% of Fiscal Year Budget*

Preliminary General Fund Profit and Loss

The District's General Fund Total Year to Date (YTD) Income was \$2,125,377 (\$157,320 more than budget), 92% of annual budget and 108% of monthly budget. YTD Total Materials & Services was \$696,198 (\$43,962 less than budget), 74% of annual budget and 94% of monthly budget.

Revenue

- 4000 Fares: Revenues for the month were \$13,158; \$6,558 less than monthly budget and \$15,854 less YTD.
- 4015 Paratransit Fares: Revenues for the month were \$5,393; \$1,110 more than monthly budget and \$6,690 more YTD. We received payment from NW Rides for previous months for a total of \$4,461.
- 4090 Donations/Commissions: Under budget YTD by \$3,670.
- 4100 Contract Service-IGA: Cannon Beach billing for December-February in the amount of \$9,832 was received 3/25. \$30,076 better than YTD.
- 4200 Taxes: \$21,037 in was received during March. \$30,552 over budget YTD.
- 4271 Billboard Lease: Payment of \$1200 was received in January 2019.
- 4272 Parking: All parking spaces are leased out.
- 4273 Charging Station: Payment of \$343.75 was received on June 5, 2018
- 4300 Interest: March interest for General Fund was \$1153. RC interest was \$729.
- 4310 Misc. Income: \$16 for laminating.

Expense

- 6005 Salaries & Wages: Under budget for the month \$22,303. Health insurance was paid on April 3rd. YTD over by \$17,616.
- 7000 VET Provider Payments: All Veteran provider rides. Actual for March was \$712.
- 8020 Bldg & Grounds Maint: Under budget for the month by \$965 and over budget YTD \$4,383.
- 8031 Website/On-line SW Sub: \$466 for email accounts. \$257 for other online subscriptions. April's iFocus was paid in the amount of \$4090. \$1,437 over budget for the month and over budget YTD \$15,737. \$15,883 is for the EcoLane software we are sharing with Tillamook.
- 8050 Dues Subscriptions & Fees: \$135 for Daily Astorian Renewal. Over budget YTD \$586.

***Disclaimer:** The percentage of the year's budget cited above is just to be used as a basic benchmark for the fiscal year. Individual budget line items will vary based on expenditure time cycles. Items such as Fuel, Wages, & Bldg. Grounds and Maintenance are more consistent on a monthly basis and can be used to gauge against the percentage. However, other items such as Insurance and Legal Counsel have irregular payment cycles and therefore are not as good to judge against the percentage.

Sunset Empire Transportation District

MARCH FINANCIAL EXCEPTIONS & INFORMATION REPORT

For the APRIL 2019 Board of Commissioner's Meeting

- *SETD Expense con't*
- 8075 Fuel: Under budget \$3,379 for the month and under budget YTD \$27,398.
- 8096 Uninsured Loss: Settlement on claim.
- 8139 Professional Services: Over budget for month \$580. Over budget YTD \$2,987.
- 8165 Utilities: Over budget for March \$696. Over budget YTD \$2,837.
- 8170 Vehicle Maint & Repairs: Month over budget by \$1311 and over budget YTD by \$8,387.
- END

** Materials & Services are under budget for the month by \$23,055 and under budget \$43,962 for the year.

Follow up items:

***Disclaimer:** The percentage of the year's budget cited above is just to be used as a basic benchmark for the fiscal year. Individual budget line items will vary based on expenditure time cycles. Items such as Fuel, Wages, & Bldg. Grounds and Maintenance are more consistent on a monthly basis and can be used to gauge against the percentage. However, other items such as Insurance and Legal Counsel have irregular payment cycles and therefore are not as good to judge against the percentage.

Sunset Empire Transportation District
Profit & Loss Budget Performance-SETD
March 2019

	Month Actual	Month Budget	YTD Actual	YTD Budget	YTD Budget to YTD Actual	Annual Budget	YTD Act to Budget
Ordinary Income/Expense					Better		
Income					(Worse)		
4000 FARES	13,157.54	20,016.00	159,234.82	175,089.00	\$ (15,854.18)	228,600.00	70%
4015 PARATRANSIT FARES	5,393.00	4,283.00	45,241.00	38,551.00	\$ 6,690.00	51,400.00	88%
4090 DONATIONS/COMMISSIONS	709.75	1,178.00	8,184.04	11,854.00	\$ (3,669.96)	16,100.00	51%
4100 CONTRACTED SERVICES-IGA	9,832.00	0.00	64,076.00	34,000.00	\$ 30,076.00	34,000.00	188%
4200 TAXES					\$ -		
4205 PROPERTY TAXES	20,033.12	17,226.00	938,387.99	911,920.00	\$ 26,467.99	940,000.00	100%
4207 PRIOR YR PROPERTY TAX	1,003.61	1,191.00	20,738.84	16,825.00	\$ 3,913.84	22,000.00	94%
4210 LAND SALES	0.00	0.00	0.00	0.00	\$ -	0.00	
4215 US FISH & WILDLIFE	0.00	0.00	170.04	0.00	\$ 170.04	0.00	
Total 4200 TAXES	21,036.73	18,417.00	959,296.87	928,745.00	\$ 30,551.87	962,000.00	100%
4250 TIMBER SALES	0.00	43,050.00	204,991.11	167,247.00	\$ 37,744.11	220,000.00	93%
4260 MASS TRANSIT ASSESSMENT	0.00	0.00	48,630.81	45,562.00	\$ 3,068.81	65,000.00	75%
4270 RENTAL INCOME					\$ -		
4271 BILLBOARD LEASE	0.00	0.00	1,200.00	1,200.00	\$ -	1,200.00	100%
4272 PARKING SPACES	760.00	760.00	6,840.00	6,740.00	\$ 100.00	9,020.00	76%
4273 CHARGING STATION	0.00	0.00	0.00	0.00	\$ -	280.00	0%
Total 4270 RENTAL INCOME	760.00	760.00	8,040.00	7,940.00	\$ 100.00	10,500.00	77%
4300 INTEREST	1,152.62	665.00	9,399.98	6,005.00	\$ 3,394.98	8,000.00	117%
4310 MISC INCOME	16.00	0.00	3,045.15	0.00	\$ 3,045.15	0.00	
4500 RC PROVIDER SERVICE REIM	0.00	0.00	0.00	0.00	\$ -	0.00	
5000 GRANTS					\$ -		
5001 ODOT GRANTS	0.00	0.00	542,557.00	553,064.00	\$ (10,507.00)	726,840.00	75%
5000 GRANTS - Other	0.00		2,750.00		\$ 2,750.00		
Total 5000 GRANTS	0.00	0.00	545,307.00	553,064.00	\$ (7,757.00)	726,840.00	75%
5080 OREGON STF FUNDS	0.00	0.00	69,930.00	0.00	\$ 69,930.00	0.00	
Other Types of Income					\$ -		
Miscellaneous Revenue	0.00	0.00	0.00	0.00	\$ -	0.00	
Total Other Types of Income	0.00	0.00	0.00	0.00	\$ -	0.00	
Total Income	52,057.64	88,369.00	2,125,376.78	1,968,057.00	\$ 157,319.78	2,322,440.00	92%

Sunset Empire Transportation District
Profit & Loss Budget Performance-SETD
March 2019

	Month Actual	Month Budget	YTD Actual	YTD Budget	YTD Budget to YTD Actual	Annual Budget	YTD Act to Budget
Gross Profit	52,057.64	88,369.00	2,125,376.78	1,968,057.00	\$ 157,319.78	2,322,440.00	92%
Expense							
1. PERSONNEL SERVICES							
6005 SALARIES & WAGES	179,711.84	177,899.76	1,170,566.01	1,185,998.48	\$ 15,432.47	1,541,798.00	76%
6200 PAYROLL EXPENSES	16,865.30	16,326.93	125,024.23	108,846.14	\$ (16,178.09)	141,500.00	88%
6300 EMPLOYEE BENEFITS	438.51	25,091.67	242,695.09	225,824.99	\$ (16,870.10)	301,100.00	81%
Total 1. PERSONNEL SERVICES	197,015.65	219,318.36	1,538,285.33	1,520,669.61	\$ (17,615.72)	1,984,398.00	78%
2. MATERIALS & SERVICES					\$ -		
7000 VET PROVIDER PAYMENTS	712.24	0.00	5,136.40	0.00	\$ (5,136.40)	0.00	
7030 BUS PASSES	0.00	0.00	0.00	0.00	\$ -	0.00	
7050 DMAP/CCO Annual Adjustment	0.00	0.00	0.00	0.00	\$ -	0.00	
7750 DMAP Trip Reimb-Other	0.00	0.00	0.00	0.00	\$ -	0.00	
8005 AUDIT	0.00	6,250.00	2,942.15	16,750.00	\$ 13,807.85	16,750.00	18%
8006 ADS (HR JOB POSTING)	0.00	100.00	760.42	900.00	\$ 139.58	1,000.00	76%
8010 BANK FEES	153.34	161.25	1,225.83	1,457.25	\$ 231.42	2,000.00	61%
8020 BLDING & GROUNDS MAINT	4,225.42	5,190.00	37,818.88	33,436.00	\$ (4,382.88)	45,200.00	84%
8030 COMP-INFO-TECH SERVICES					\$ -		
8031 WEBSITE/ON-LINE SW SUB	722.82	1,166.00	26,083.34	11,677.00	\$ (14,406.34)	14,290.00	183%
8032 SUPPORT SERVICES/CONTRACTS	8,180.00	6,300.00	117,490.48	116,160.00	\$ (1,330.48)	135,060.00	87%
8030 COMP-INFO-TECH SERVICES - Other	0.00	0.00	0.00	0.00	\$ -	0.00	
Total 8030 COMP-INFO-TECH SERVICES	8,902.82	7,466.00	143,573.82	127,837.00	\$ (15,736.82)	149,350.00	96%
8035 CONF TRAINING & TRAVEL	1,494.22	295.00	17,490.95	18,106.00	\$ 615.05	19,000.00	92%
8040 DONATIONS/CONTRIBUTIONS	0.00	0.00	0.00	0.00	\$ -	0.00	
8045 DRUG/ALCOHOL/BG CHECKS	126.75	276.00	1,837.75	1,950.00	\$ 112.25	2,500.00	74%
8050 DUES SUBSCRIPTIONS & FEES	187.50	100.00	11,101.89	10,516.00	\$ (585.89)	13,500.00	82%
8053 IGA - DUES AND FEES	0.00	0.00	9,000.00	9,000.00	\$ -	12,000.00	75%
8055 DURABLE EQUIP/SMALL TOOLS	1,553.99	0.00	11,544.72	12,079.00	\$ 534.28	15,000.00	77%
8061 EQUIPMENT LEASE/RENT	188.00	192.00	2,009.00	1,736.00	\$ (273.00)	2,300.00	87%
8065 EDUCATION/OUTREACH	1,564.43	1,299.00	3,636.32	5,485.00	\$ 1,848.68	12,500.00	29%
8070 EMPLOYEE RECOGNITION	27.93	351.00	3,818.03	3,647.00	\$ (171.03)	5,000.00	76%
8072 ELECTION FEES	0.00	0.00	0.00	5,500.00	\$ 5,500.00	5,500.00	0%

Sunset Empire Transportation District
Profit & Loss Budget Performance-SETD
March 2019

	<u>Month Actual</u>	<u>Month Budget</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>YTD Budget to YTD Actual</u>	<u>Annual Budget</u>	<u>YTD Act to Budget</u>
8075 FUEL	13,410.13	16,789.00	131,938.93	159,337.00	\$ 27,398.07	212,675.00	62%
8080 INSURANCE	-4,785.00	18,158.00	26,687.71	66,842.00	\$ 40,154.29	85,000.00	31%
8090 LEGAL ADS	54.60	38.00	714.00	408.00	\$ (306.00)	800.00	89%
8095 LEGAL COUNSEL	3,185.52	6,000.00	48,882.98	55,000.00	\$ 6,117.02	73,000.00	67%
8096 UNINSURED LOSS	7,231.52		11,963.61		\$ (11,963.61)		
8100 MEETING EXPENSE	312.35	19.00	1,343.36	944.00	\$ (399.36)	1,000.00	134%
8120 OFFICE SUPPLIES	1,295.79	1,573.00	9,598.08	11,488.00	\$ 1,889.92	15,000.00	64%
8130 PAYROLL PROCESSING FEES	821.44	547.00	6,211.02	5,470.00	\$ (741.02)	7,000.00	89%
8135 PRINTING	0.00	750.00	6,722.92	7,972.00	\$ 1,249.08	10,000.00	67%
8139 PROFESSIONAL SERVICES	1,920.00	1,340.00	17,967.40	14,980.00	\$ (2,987.40)	19,000.00	95%
8150 TAXES/LICENSES/BUS REG FEE	0.00	42.00	1,977.27	374.00	\$ (1,603.27)	500.00	395%
8155 TELEPHONE/INTERNET SERVICE	3,791.38	4,500.00	38,390.02	40,500.00	\$ 2,109.98	54,000.00	71%
8160 UNIFORMS	155.18	155.00	4,228.04	1,992.00	\$ (2,236.04)	5,000.00	85%
8165 UTILITIES	2,422.26	1,726.00	18,805.54	15,969.00	\$ (2,836.54)	20,000.00	94%
8170 VEHICLE MAINT & REPAIRS	9,710.53	8,400.00	118,870.62	110,484.00	\$ (8,386.62)	137,675.00	86%
Total 2. MATERIALS & SERVICES	58,662.34	81,717.25	696,197.66	740,159.25	\$ 43,961.59	942,250.00	74%
Total Expense	255,677.99	301,035.61	2,234,482.99	2,260,828.86	\$ 26,345.87	2,926,648.00	76%
Net Ordinary Income	-203,620.35	-212,666.61	-109,106.21	-292,771.86	\$ (183,665.65)	-604,208.00	18%
Other Income/Expense					\$ -		
Other Income					\$ -		
9150 TRANSFER IN	0.00	0.00	0.00	122,455.00	\$ 122,455.00	122,455.00	0%
Total Other Income	0.00	0.00	0.00	122,455.00	\$ 122,455.00	122,455.00	0%
Other Expense					\$ -		
3. OTHER EXPENSES	0.00	6,573.50	52,620.64	59,161.50	\$ 6,540.86	78,882.00	67%
9600 DEBT SERVICE & INTERES-FEE	0.00	0.00	258.40	175.00	\$ (83.40)	175.00	148%
9625 SDAO FLEXLEASE-PRINCIPAL	0.00	0.00	41,800.00	45,291.15	\$ 3,491.15	45,291.15	92%
9626 SDAO FLEXLEASE-INTEREST	0.00	0.00	2,294.25	2,294.25	\$ -	3,490.85	66%
9700 CAPITAL EXPENSE	0.00	0.00	0.00	122,455.00	\$ 122,455.00	122,455.00	0%
9800 CONTINGENCY	0.00	0.00	0.00	0.00	\$ -	0.00	
9850 TRANSFER OUT	0.00	0.00	0.00	40,455.00	\$ 40,455.00	40,455.00	0%
Total Other Expense	0.00	6,573.50	96,973.29	269,831.90	\$ 172,858.61	290,749.00	33%

Sunset Empire Transportation District
Profit & Loss Budget Performance-SETD
 March 2019

	Month Actual	Month Budget	YTD Actual	YTD Budget	YTD Budget to YTD Actual	Annual Budget	YTD Act to Budget
Net Other Income	0.00	-6,573.50	-96,973.29	-147,376.90	\$ (50,403.61)	-168,294.00	58%
	<u>-203,620.35</u>	<u>-219,240.11</u>	<u>-206,079.50</u>	<u>-440,148.76</u>	<u>\$ (234,069.26)</u>	<u>-772,502.00</u>	<u>27%</u>

Sunset Empire Transportation District
Balance Sheet
 As of March 31, 2019

	<u>Mar 31, 19</u>		
ASSETS		LIABILITIES & EQUITY	
Current Assets		Liabilities	
Checking/Savings	906,449.81	Current Liabilities	198,956.56
Accounts Receivable		Long Term Liabilities	
1200 ACCOUNTS RECEIVABLES	12,672.00	2800 INTERCOMPANY DUE TO/FROM	
1250 PROPERTY TAX RECEIVABLES	44,218.23	2810 DUE TO RIDE CARE	(37,934.82)
1251 PASS TRANSIT RECEIVABLES	7.00	2815 DUE TO/(FROM) SETD G F	37,934.82
Total Accounts Receivable	<u>56,897.23</u>	Total 2800 INTERCOMPANY DUE TO/FROM	<u>0.00</u>
Other Current Assets		Total Long Term Liabilities	<u>0.00</u>
1400 PREPAID EXPENSES	484.81	Total Liabilities	198,956.56
1500 UNDEPOSITED FUNDS	1,970.80	Equity	
Total Other Current Assets	<u>2,455.61</u>	3100 NWRC PRIOR PERIOD ADJUST	8,891.00
Total Current Assets	<u>965,802.65</u>	3200 GF PRIOR PERIOD ADJUST	(8,891.00)
TOTAL ASSETS	<u><u>965,802.65</u></u>	3700 FUND BALANCE NWRC-RESTRICT	1,311,117.11
		3800 FUND BALANCE GENERAL FUND	780,850.87
		3900 RETAINED EARNINGS	(1,195,848.51)
		Net Income	<u>(129,273.38)</u>
		Total Equity	<u>766,846.09</u>
		TOTAL LIABILITIES & EQUITY	<u><u>965,802.65</u></u>

Sunset Empire Transportation District
A/R Aging Summary
As of March 31, 2019

	<u>Current</u>	<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>TOTAL</u>
CC PAROL-PROBATION	187.00	0.00	0.00	0.00	187.00
CLATSOP COUNTY TREASURER	0.00	0.00	0.00	0.00	0.00
DHS - CHILD WELFARE-CLATSOP	270.00	540.00	0.00	0.00	810.00
NW RIDES	0.00	1,420.00	3,118.00	0.00	4,538.00
ODOT	0.00	0.00	0.00	0.00	0.00
PROVIDENCE ELDERPLACE	0.00	0.00	60.00	240.00	300.00
Providence Seaside Hospital	0.00	189.00	0.00	0.00	189.00
RC-COLUMBIA PACIFIC	0.00	0.00	0.00	0.00	0.00
RC-PASSES	0.00	0.00	0.00	0.00	0.00
RC-SETD PARA	0.00	0.00	0.00	0.00	0.00
RIDECARE ADMIN	0.00	0.00	0.00	0.00	0.00
SETD	0.00	0.00	0.00	0.00	0.00
TOTAL	<u><u>457.00</u></u>	<u><u>2,149.00</u></u>	<u><u>3,178.00</u></u>	<u><u>240.00</u></u>	<u><u>6,024.00</u></u>

Sunset Empire Transportation District
A/P Aging Summary
As of March 31, 2019

	<u>Current</u>	<u>1 - 30</u>	<u>TOTAL</u>
ALSCO	46.59	41.31	87.90
ASTORIA FORD	1,386.81	0.00	1,386.81
CARD SERVICE CENTER	3,390.24	0.00	3,390.24
CB LAWN CARE	406.00	0.00	406.00
COASTAL LOCK -N- KEY, LLC	384.00	0.00	384.00
E-CURRY, JEFFERY	0.00	95.00	95.00
E-SMITH, SCOTT	0.00	34.20	34.20
E-WEINTRAUB, MATTHEW	0.00	364.24	364.24
EARTH2O	0.00	21.39	21.39
EO MEDIA GROUP	1,516.60	0.00	1,516.60
FISHER & PHILLIPS, LLP	0.00	3,065.52	3,065.52
HOME DEPOT CREDIT SERVICES	300.49	0.00	300.49
INDUSTRIAL DIESEL POWER, INC	2,963.92	0.00	2,963.92
IRON MOUNTAIN	50.62	0.00	50.62
JACKSON & SON OIL, INC.	1,672.59	0.00	1,672.59
MCCALL TIRE CENTER - Warrenton	674.32	0.00	674.32
MTR WESTERN BUS	1,185.84	2,270.32	3,456.16
NORTHWEST COMMUNITY ALLIANCE	0.00	962.00	962.00
NW NATURAL	248.37	0.00	248.37
O'REILLY AUTO PARTS	851.63	0.00	851.63
OFFICE DEPOT	820.45	0.00	820.45
OREGON STATE POLICE	69.25	0.00	69.25
PACIFIC POWER	902.23	476.41	1,378.64
RC-OR DHS	0.00	0.00	0.00
RECOLOGY WESTERN OREGON	100.18	0.00	100.18
REYNOLDS, HEATHER	0.00	120.00	120.00
SETD-Ride Care	0.00	0.00	0.00
SUNSET AUTO PARTS, INC.	0.00	-0.59	-0.59
TIAA	188.00	0.00	188.00
V-CARTER, JOHN	0.00	513.88	513.88
VERIZON WIRELESS	1,191.72	0.00	1,191.72
WARRENTON, CITY OF	328.81	0.00	328.81
WILCOX & FLEGEL	11,826.85	0.00	11,826.85
TOTAL	<u>30,505.51</u>	<u>7,963.68</u>	<u>38,469.19</u>

Sunset Empire Transportation District
Check Detail
March 2019

<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Paid Amount</u>
18783	03/07/2019	TILLAMOOK COUNTY DISTRICT	15,882.75
18787	03/07/2019	WILCOX & FLEGEL	9,118.23
18789	03/18/2019	UNINSURED LOSS	7,231.52
18793	03/19/2019	ANGELTRAX	5,023.20
		Total	37,255.70

Bill

Sunset Empire Transportation District
 900 Marine Drive
 Astoria, OR 97103

Date	Ref. No.
04/07/2019	0342 3/9 - 4/07/19

Vendor
CARD SERVICE CENTER PO BOX 569100 DALLAS TX 75356-9100

PAID

Bill Due	05/02/2019
Terms	NET 20
Memo	3/09 - 4/07/19

Expenses

Account	Memo	Amount	Customer:Job	Class
8065 EDUCATION/OUTREACH	0326 - HAZEN AMAZON - RETURN	-12.89		ADMINISTRATION
8038 TRAVEL	SHELL - GAS/ZEBRA	17.60		ADMINISTRATION
8038 TRAVEL	12TH FAIRWAY - MEAL/ZEBRA	19.38		ADMINISTRATION
8100 MEETING EXPENSE	FRED MEYER - SUPPLIES/BOARD RETREAT	41.49		ADMINISTRATION
8120 OFFICE SUPPLIES	SAFEWAY - SUPPLIES/TC	5.99		ADMINISTRATION
8100 MEETING EXPENSE	BUD'S CAMPGROUND - SUPPLIES/BOARD RETREAT	4.58		ADMINISTRATION
8038 TRAVEL	PARKING - HOUSE HEARING	4.50		ADMINISTRATION
8038 TRAVEL	NEWPORT SEAFOOD GRILL - MEAL/HOUSE HEARING	19.98		ADMINISTRATION
8100 MEETING EXPENSE	UPTOWN CAFE - MEALS/AREA MGR MEETING	157.00		ADMINISTRATION
8038 TRAVEL	DENNY'S - MEAL/OTC MEETING	15.69		ADMINISTRATION
8038 TRAVEL	BEST WESTERN - LODGING/OTC MEETING	139.60		ADMINISTRATION
8038 TRAVEL	PARKING - OTC MEETING	4.50		ADMINISTRATION
8038 TRAVEL	CARL'S JR - MEAL/OTC MEETING	8.89		ADMINISTRATION
8031 WEBSITE/ON-LINE SW SUB	APPLE - STORAGE PLAN	0.99		ADMINISTRATION
8100 MEETING EXPENSE	CEDR - AWARDS	25.00		ADMINISTRATION
8065 EDUCATION/OUTREACH	AMAZON - "DARE TO LEAD"	12.89		ADMINISTRATION
8038 TRAVEL	THE FERN - MEAL/TCTD TAC MEETING	17.45		ADMINISTRATION
8038 TRAVEL	PIETRO'S PIZZA - MEAL/TAC	10.70		ADMINISTRATION
8038 TRAVEL	0961 - WEINTRAUB SQUARE ST CAFE - MEAL	5.00		TRANS OPTIONS
8038 TRAVEL	THE STREET TRUST - MEAL	288.00		TRANS OPTIONS

Bill

Sunset Empire Transportation District
 900 Marine Drive
 Astoria, OR 97103

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04/07/2019	0342 3/9 - 4/07/19

Vendor
CARD SERVICE CENTER PO BOX 569100 DALLAS TX 75356-9100

PAID

Bill Due	05/02/2019
Terms	NET 20
Memo	3/09 - 4/07/19

Expenses

Account	Memo	Amount	Customer:Job	Class
8038 TRAVEL	STARBUCKS - MEAL	16.95		TRANS OPTIONS
8038 TRAVEL	SAFEWAY - MEAL	18.99		TRANS OPTIONS
8038 TRAVEL	TRIED & TRUE CAFE - MEAL	4.00		TRANS OPTIONS
8038 TRAVEL	AMERICAN DREAM PIZZA - MEAL	10.00		TRANS OPTIONS
8038 TRAVEL	SKY HIGH BREWING - MEAL	20.00		TRANS OPTIONS
8038 TRAVEL	TRIED & TRUE CAFE - MEAL	7.25		TRANS OPTIONS
8038 TRAVEL	TRIED & TRUE CAFE - MEAL	3.25		TRANS OPTIONS
8038 TRAVEL	DAYS INN - LODGING	89.75		TRANS OPTIONS
8038 TRAVEL	BLOCK 15 - MEAL	12.07		TRANS OPTIONS
8031 WEBSITE/ON-LINE SW SUB	ADOBE ID	20.99		TRANS OPTIONS
8031 WEBSITE/ON-LINE SW SUB	ADOBE ACROPRO	14.99		TRANS OPTIONS
8038 TRAVEL	SQUARE FIVE RIVERS - MEAL	3.25		TRANS OPTIONS
8070 EMPLOYEE RECOGNITION	1050 - CARLSON NICE BADGE	19.44		ADMINISTRATION
8100 MEETING EXPENSE	FRED MEYER - REFRESHMENTS SUB COMM. MEETING	28.14		ADMINISTRATION
8070 EMPLOYEE RECOGNITION	WALMART - EMPLOYEE RECOGNITION	30.00		ADMINISTRATION
8121 POSTAGE-SHIPPING	1092 - LEWICKI UPS STORE	52.05		OPER 5311
8070 EMPLOYEE RECOGNITION	NICE BADGE - DRIVER APPRECIATION	332.57		OPER 5311
8120 OFFICE SUPPLIES	FRED MEYER	23.99		OPER 5311
8176 PM PARTS	EREPLACEMENT PARTS	50.07		OPER 5311
8070 EMPLOYEE RECOGNITION	NICE BADGE - DRIVER APPRECIATION	19.94		OPER 5311
8120 OFFICE SUPPLIES	SMART FOOD SRV	103.77		OPER 5311

Bill

Sunset Empire Transportation District
 900 Marine Drive
 Astoria, OR 97103

Date	Ref. No.
04/07/2019	0342 3/9 - 4/07/19

Vendor
CARD SERVICE CENTER PO BOX 569100 DALLAS TX 75356-9100

PAID

Bill Due	05/02/2019
Terms	NET 20
Memo	3/09 - 4/07/19

Expenses

Account	Memo	Amount	Customer:Job	Class
8038 TRAVEL	HIGH LIFE ADVENTURES - MEAL	46.00		OPER 5311
8120 OFFICE SUPPLIES	SMART FOOD SRV	55.91		OPER 5311
8120 OFFICE SUPPLIES	JOANN'S	139.88		OPER 5311
8176 PM PARTS	PARTS GEEK	123.38		OPER 5311
8038 TRAVEL	CITY CENTER PARKING	18.00		OPER 5311
8038 TRAVEL	HUBER'S CAFE - MEALS	74.70		OPER 5311
8176 PM PARTS	AMAZON MARKET PLACE	25.98		OPER 5311
8038 TRAVEL	HIGH LIFE ADVENTURE - MEALS	36.00		OPER 5311
8176 PM PARTS	PARTS GEEK	112.41		OPER 5311
8176 PM PARTS	MCMILLAN	140.00		OPER 5311
8176 PM PARTS	MCMILLAN	140.00		OPER 5311
8100 MEETING EXPENSE	BUOY BEER CO - MEALS	101.00		OPER 5311
8121 POSTAGE-SHIPPING	1100 - PARKER STAMPS.COM	15.99		ADMINISTRATION
8100 MEETING EXPENSE	PETER PAN - FOOD/BOARD MEETING	10.50		ADMINISTRATION
8100 MEETING EXPENSE	DUNDEE'S - FOOD/BOARD MEETING	23.00		ADMINISTRATION
8070 EMPLOYEE RECOGNITION	SUPPLIES - DRIVER APPRECIATION	7.99		ADMINISTRATION
8100 MEETING EXPENSE	SAFEWAY - FOOD/BOARD MEETING	71.29		ADMINISTRATION
8100 MEETING EXPENSE	DAISY MAYS - FOOD/BOARD MEETING	140.15		ADMINISTRATION
8070 EMPLOYEE RECOGNITION	PETER PAN - FOOD/DRIVER APPRECIATION	21.00		ADMINISTRATION
8070 EMPLOYEE RECOGNITION	FRED MEYER - FOOD/DRIVER APPRECIATION	65.30		ADMINISTRATION
8070 EMPLOYEE RECOGNITION	DOLLAR TREE - SUPPLIES/DRIVER APPRECIATION	12.00		ADMINISTRATION

Bill

Sunset Empire Transportation District
 900 Marine Drive
 Astoria, OR 97103

Date	Ref. No.
04/07/2019	0342 3/9 - 4/07/19

Vendor
CARD SERVICE CENTER PO BOX 569100 DALLAS TX 75356-9100

PAID

Bill Due	05/02/2019
Terms	NET 20
Memo	3/09 - 4/07/19

Expenses

Account	Memo	Amount	Customer:Job	Class
8100 MEETING EXPENSE	HOME BAKING - FOOD/TRANSPORTATION COMM.	11.80		ADMINISTRATION
8121 POSTAGE-SHIPPING	USPS - BOARD PACKET MAILING	1.75		ADMINISTRATION
8100 MEETING EXPENSE	SAFEWAY - FOOD/BOARD MEETING	11.76		ADMINISTRATION
8100 MEETING EXPENSE	STARBUCKS - FOOD/BOARD MEETING	16.95		ADMINISTRATION
8031 WEBSITE/ON-LINE SW SUB	0103 - LAYTON ADOBE ID CREATIVE	20.99		ADMINISTRATION
8031 WEBSITE/ON-LINE SW SUB	ADOBE ACROBAT	14.99		ADMINISTRATION
8031 WEBSITE/ON-LINE SW SUB	GOOGLE STORAGE	2.99		ADMINISTRATION

Expense Total : 3,129.51

Bill Total : \$3,129.51

April 18, 2019

To: Board of Commissioners

From: Jeff Hazen

Re: Agenda Item 8.a FY 2018 Audit Presentation

Brad Bingenheimer from Boldt Carlisle and Smith will be presenting the 2018 Audit.

Staff recommends that after the audit presentation that the Board accept the Fiscal Year 2018 Audit.



To the Board of Commissioners
Sunset Empire Transportation District
Astoria, Oregon

We have audited the financial statements of Sunset Empire Transportation District as of and for the year ended June 30, 2018, and have issued our report thereon dated April 17, 2019. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies over financial reporting noted during our audit in a separate letter to you dated April 17, 2019.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. The District adopted Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (GASB 75) during the year. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimate affecting the financial statement are:

Management's estimate of the allocation of indirect costs is based on the policy adopted by the Board. We evaluated the key factors and assumptions used to develop the allocation method in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of depreciation expense which is based on the estimated economic useful lives of capital assets. We evaluated the key factors and assumptions used to develop the depreciation estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the other postemployment benefits liability, deferred outflows and deferred inflows are based on an actuarial valuation performed on the District's other postemployment benefits plan. We evaluated the key factors and assumptions used in the actuarial valuation in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements relate to:

The disclosure of cash and cash equivalents in Note 2 to the financial statements as it represents the liquid assets carried over to the ensuing fiscal year.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The material misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by management, are included in the attached schedule.

Disagreements with Management

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

Representations Requested from Management

We have requested and received certain written representations from management in the letter dated April 17, 2019.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

Restriction of Use

This report is intended solely for the information and use of the Board of Commissioners and Management of Sunset Empire Transportation District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Boldt Carlisle & Smith

Boldt Carlisle + Smith
Certified Public Accountants
Salem, Oregon
April 17, 2019

Client: **89475 - Sunset Empire Transportation District**
 Engagement: **AUD 0618 - Sunset Empire Transportation District**
 Period Ending: **6/30/2018**
 Trial Balance: **3010.01 - TB**
 Workpaper: **3070.01 - Adjusting Journal Entries**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 14				
To agree beginning fund balances				
2010A	SETD - A/P		31,839.00	
2820B	SETD		364,487.00	
N1065	CASH - FISCAL AGENT(HRA) - NWRC		877.00	
N1200	NWRC - A/R		243,139.00	
n3100	NWRC - Prior Period Adjustment		8,891.00	
N3850	FUND BALANCE NWRC		435,458.00	
3100	PRIOR PERIOD ADJUSTMENT			8,891.00
3800	FUND BALANCE SETD			711,313.00
N2830A	NWRC			364,487.00
Total			1,084,691.00	1,084,691.00
Adjusting Journal Entries JE # 15				
To balance funds by adjusting due to/from				
2820B	SETD		31,222.00	
N2830A	NWRC			31,222.00
Total			31,222.00	31,222.00
Adjusting Journal Entries JE # 16				
Reverse PY AJE #26				
N2010B	NWRC - A/P		9,913.00	
N7752	PROVIDERS			9,913.00
Total			9,913.00	9,913.00
Adjusting Journal Entries JE # 17				
To accrue for expenses which should have been expensed in June 2018.				
8175	VEHICLE MAINT & REPAIR - Other		5,179.00	
N7752	PROVIDERS		25,300.00	
2010A	SETD - A/P			5,179.00
N2010B	NWRC - A/P			25,300.00
Total			30,479.00	30,479.00
Adjusting Journal Entries JE # 18				
To record invoice for warranty covery as a prepaid				
1400	PREPAID EXPENSES-OTHER		6,752.00	
8030	COMPUTER INFO TECH SERVICES - Other			6,752.00
Total			6,752.00	6,752.00
Adjusting Journal Entries JE # 19				
To remove a negative A/P which was booked in error				
N1080	NWRC Reimb - CCB (3976)		7,482.00	
N2010B	NWRC - A/P			7,482.00
Total			7,482.00	7,482.00
Adjusting Journal Entries JE # 20				
To adjust revenue received on 11/21/17 to actual				
4215	PROPERTY TAXES - Other		3,585.00	
8150	TAXES/LICENSE			3,585.00
Total			3,585.00	3,585.00
Adjusting Journal Entries JE # 21				
To record grant accruals for 4th qtr				
1200A-1	SETD Grants AR		152,713.00	
5001	GRANTS - Other			152,713.00
Total			152,713.00	152,713.00
Adjusting Journal Entries JE # 23				
To remove a negative A/P which should have been expensed in the 17-18 fiscal year				
8155	TELECOMMUNICATIONS		3,666.00	
2010A	SETD - A/P			3,666.00
Total			3,666.00	3,666.00
Adjusting Journal Entries JE # 24				
To record prepaid at 06/30/2018				
1400	PREPAID EXPENSES-OTHER		6,650.00	
8030	COMPUTER INFO TECH SERVICES - Other			6,650.00
Total			6,650.00	6,650.00
Adjusting Journal Entries JE # 25				
To correction allocation of telecommunications expense between funds				
8155	TELECOMMUNICATIONS		3,518.00	
N2830A	NWRC		3,518.00	

2820B	SETD		3,518.00	
N8155	TELECOMMUNICATIONS		3,518.00	
Total		<u>7,036.00</u>	<u>7,036.00</u>	
Adjusting Journal Entries JE # 28				
To reallocate interest to agree payments to amortization schedule		5311.01		
9610A	PRINCIPAL - CCB LOAN		50.00	
9610B	INTEREST - CCB LOAN			50.00
Total		<u>50.00</u>	<u>50.00</u>	
Adjusting Journal Entries JE # 29				
To record Mass Transit Assessment A/R		4203.09		
1200	ACCOUNTS RECEIVABLE - Other		16,477.00	
4300	MASS TRANSIT ASSESSMENT			16,477.00
Total		<u>16,477.00</u>	<u>16,477.00</u>	
Adjusting Journal Entries JE # 30				
To record July and August property taxes not recorded		4202.01		
1205	PROPERTY TAX RECEIVABLE		15,196.00	
4215	PROPERTY TAXES - Other			15,196.00
Total		<u>15,196.00</u>	<u>15,196.00</u>	
Adjusting Journal Entries JE # 31				
To adjust fares and deferred revenue for pre-purchase of passes by DHS		5421.02		
2260	DEFERRED REVENUE		785.00	
4000	FARES			785.00
Total		<u>785.00</u>	<u>785.00</u>	
Adjusting Journal Entries JE # 32				
To reclassify NEMT cost settlement to materials and services rather than debt service payments		5110.11		
N8725	MISCELLANEOUS		165,429.00	
N9655	DMAP - REPAYMENT AGREEMENT			165,429.00
Total		<u>165,429.00</u>	<u>165,429.00</u>	
Adjusting Journal Entries JE # 33				
To reclassify third quarter insurance payments as prepaid expenses		5110.06		
1400	PREPAID EXPENSES-OTHER		12,001.00	
8081	GENERAL LIABILITY			3,638.00
8082	PROPERTY			1,669.00
8083	VEH INS			6,694.00
Total		<u>12,001.00</u>	<u>12,001.00</u>	
Adjusting Journal Entries JE # 34				
To adjust property tax receivable, revenue, and unearned revenue to actual at year end		4202.01		
1205	PROPERTY TAX RECEIVABLE		130.00	
2260	DEFERRED REVENUE		150.00	
4215	PROPERTY TAXES - Other		1,258.00	
1200A	SETD - A/R - Other			803.00
4310	MISC INCOME			735.00
Total		<u>1,538.00</u>	<u>1,538.00</u>	
Adjusting Journal Entries JE # 35				
To remove duplicate reversal of accrual for 6/30/17 year end		5110.09		
N7760	DMAP ANNUAL ADJUSTMENT PAYMENTS		243,139.00	
N1200	NWRC - A/R			243,139.00
Total		<u>243,139.00</u>	<u>243,139.00</u>	
Adjusting Journal Entries JE # 36				
To remove prepaid expenses associated with 2017-18 fiscal year that were not cleared out of the wrong account		4510.06		
1400	PREPAID EXPENSES-OTHER		9,102.00	
N6300	BENEFITS - Other		9,102.00	
6300	BENEFITS - Other			9,102.00
N1400	Prepaid Expense			9,102.00
Total		<u>18,204.00</u>	<u>18,204.00</u>	
Adjusting Journal Entries JE # 37				
To close out prior year prepaid balance paid in 2017		4510.06		
8120	OFFICE SUPPLIES		483.00	
1400	PREPAID EXPENSES-OTHER			483.00
Total		<u>483.00</u>	<u>483.00</u>	
Adjusting Journal Entries JE # 38				
To post prior period adjust for timber revenues received in Aug 2017 for 2016-17 year		4203.08		
4250	TIMBER REVENUES		107,183.00	
3100	PRIOR PERIOD ADJUSTMENT			107,183.00
Total		<u>107,183.00</u>	<u>107,183.00</u>	
Adjusting Journal Entries JE # 39				
To accrue timber revenues received in August 2018 for the 6/30/18 year end		4203.08		
1200	ACCOUNTS RECEIVABLE - Other		111,934.00	
4250	TIMBER REVENUES			111,934.00

Total		<u><u>111,934.00</u></u>	<u><u>111,934.00</u></u>
Adjusting Journal Entries JE # 40			
To record payroll accrual AJE (already recorded by SETD)			
6000	PAYROLL WAGES - Other	50,907.00	
6200	PAYROLL TAXES & W/C - EMPLOYER - Other	4,255.00	
2100	PAYROLL LIABILITIES		55,162.00
Total		<u><u>55,162.00</u></u>	<u><u>55,162.00</u></u>
Adjusting Journal Entries JE # 41			
		4900.05	
To record transfers that were not posted per Tracy			
1040	GENERAL FUND - CCB (3943)	58,500.00	
9850	TRANSFERS OUT	88,500.00	
R1035	CCB LOAN RES ACCT-CCB (2455)	88,500.00	
R9850	TRANSFERS OUT	58,500.00	
1040	GENERAL FUND - CCB (3943)		88,500.00
9150	TRANSFERS IN		58,500.00
R1035	CCB LOAN RES ACCT-CCB (2455)		58,500.00
R9150	TRANSFERS IN		88,500.00
Total		<u><u>294,000.00</u></u>	<u><u>294,000.00</u></u>
Adjusting Journal Entries JE # 42			
		4600.06	
To reclassify bus purchase to capital reserve fund and associated grant reimbursement from general fund			
1040	GENERAL FUND - CCB (3943)	328,734.00	
5001	GRANTS - Other	286,348.00	
R1035	CCB LOAN RES ACCT-CCB (2455)	286,348.00	
R7010	CAPITAL PURCHASES	328,734.00	
1040	GENERAL FUND - CCB (3943)		286,348.00
9700	CAPITAL EXPENSE		328,734.00
R1035	CCB LOAN RES ACCT-CCB (2455)		328,734.00
R5310	GRANTS		286,348.00
Total		<u><u>1,230,164.00</u></u>	<u><u>1,230,164.00</u></u>
Total Adjusting Journal Entries		<u><u>3,615,934.00</u></u>	<u><u>3,615,934.00</u></u>
Total All Journal Entries		<u><u>3,615,934.00</u></u>	<u><u>3,615,934.00</u></u>



To the Board of Commissioners
Sunset Empire Transportation District
Astoria, Oregon

In planning and performing our audit of the basic financial statements of Sunset Empire Transportation District as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible*. The chance of the future event or events occurring is more than remote but less than likely.
- *Probable*. The future event or events are likely to occur.

We did not identify any deficiencies in internal control that we consider to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the entity's internal control to be significant deficiencies:

Internal controls should include processes for ensuring that funds are balances. Without this process, there is a significant risk of a material misstatement, caused by either error or fraud occurring and not being detected or corrected in a timely manner.

Internal controls should include the segregation of duties to provide for the safeguarding of assets and to detect and correct material misstatement caused by error or fraud. The district has only a single person who performs most of the accounting functions. As a result, the segregation of duties is insufficient to provide reasonable assurance about the achievement of the district's objectives with regard to reliability of financial reporting. Review of financial statement work performed by this employee should take place and be documented.

The purpose of this communication, which is an integral part of our audit, is to describe for management and those charged with governance the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

Boldt Carlisle & Smith

Boldt Carlisle + Smith
Certified Public Accountants
Salem, Oregon
April 17, 2019



SUNSET EMPIRE TRANSPORTATION DISTRICT
Astoria, Oregon

ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2018

SUNSET EMPIRE TRANSPORTATION DISTRICT
OFFICERS AND MEMBERS OF THE GOVERNING BODY
For the Year Ended June 30, 2018

EXECUTIVE DIRECTOR

Jeff Hazen

BOARD OF COMMISSIONERS

Kathy Kleczek
PO Box 602
Cannon Beach, OR 97110

Kevin Widener
PO Box 735
Tolovana Park, OR 97145

Carol Gearin
90686 Lewis Rd
Warrenton, OR 97146

Brian Kidder
1558 Jerome Ave
Astoria, OR 97103

Tracy MacDonald
451 Hillside Loop
Seaside, OR 97138

Pamela Alegria
1264 Grand Avenue
Astoria, OR 97103

Lylla Gaebel
5 N. Hwy 101 #402
Warrenton, OR 97146

REGISTERED AGENT

None Identified

REGISTERED ADDRESS

900 Marine Drive
Astoria, OR 97103

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SUNSET EMPIRE TRANSPORTATION DISTRICT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Sunset Empire Transportation District
Astoria, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Sunset Empire Transportation District, as of and for the year ended June 30, 2018, 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

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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.

INDEPENDENT AUDITOR'S REPORT (Continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Sunset Empire Transportation District, as of June 30, 2018, and the respective budgetary comparisons for the General and Ridecare Funds, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis on pages i through v and Schedule of Changes in the District's Total OPEB Liability and Related Ratios on page 24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

The individual fund schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT (Continued)

Reports on Other Legal and Regulatory Requirements

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 17, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Other Reporting Required by Oregon State Regulations

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated April 17, 2019 on our consideration of the District's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Boldt Carlisle + Smith
Certified Public Accountants
Salem, Oregon
April 17, 2019

By:



Bradley G. Bingenheimer, Member

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MANAGEMENT DISCUSSION AND ANALYSIS

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SUNSET EMPIRE TRANSPORTATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

The Sunset Empire Transportation District's (the District) discussion and analysis presents the District's financial performance for the fiscal year ended on June 30, 2018. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's total net position decreased by \$168,215 from \$5,023,635 to \$4,855,420.
- The governmental activities total assets and deferred outflows decreased by \$378,362 and total liabilities and deferred inflows decreased by \$210,147.
- There was a \$594,725 decrease in governmental funds fund balances from \$1,820,828 on June 30, 2017 to \$1,226,103 on June 30, 2018.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of five parts – management's discussion and analysis (this section), basic financial statements, required supplementary information, individual fund schedules and compliance section. The discussion and analysis section is intended to serve as an introduction to the District's basic financial statements. These statements consist of the statement of net position, statement of activities, fund financial statements, and the notes to basic financial statements.

The statement of net position contains information about the District's assets, liabilities and net position. Over time changes in assets and liabilities can be a useful indicator to assess the District's ability to cover its costs and to continue to finance services and new programs in the future versus how much is invested in capital assets or restricted to specific purposes.

The statement of activities contains information about the expenses incurred to provide transportation services and the revenues obtained to finance these services. This statement shows the extent to which services are covered by user fees and how much of the service is financed by property taxes, government grants, and accumulated reserves.

The remaining statements are fund financial statements that include only current or short-term information such as readily available assets and currently due liabilities as well as the revenues and expenses received or expended during the current year or shortly thereafter.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position:

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2018</u>
<u>Assets</u>		
Current and other assets	\$ 2,047,097	\$ 1,532,937
Capital assets, net	<u>3,769,659</u>	<u>3,902,330</u>
Total assets	<u>5,816,756</u>	<u>5,435,267</u>
<u>Deferred outflows of resources</u>	<u>-</u>	<u>3,127</u>
<u>Liabilities</u>		
Other liabilities	183,576	255,430
Long-term liabilities	<u>609,545</u>	<u>317,069</u>
Total liabilities	<u>793,121</u>	<u>572,499</u>
<u>Deferred inflows of resources</u>	<u>-</u>	<u>10,475</u>
<u>Net Position</u>		
Net investment in capital assets	3,428,274	3,787,330
Restricted	433,637	87,614
Unrestricted	<u>1,161,724</u>	<u>980,476</u>
Total net position	<u>\$ 5,023,635</u>	<u>\$ 4,855,420</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (continued)

	<u>Year Ended June 30</u>	
	<u>2017</u>	<u>2018</u>
Revenues		
Program		
Charges for services	\$ 3,459,168	\$ 4,186,194
Operating grants and contributions	1,124,197	679,633
Capital grants and contributions	-	286,348
General		
Property taxes	935,261	962,260
Mass transit assessment	73,909	69,468
Land and timber sales	168,596	395,753
Interest	18,111	20,103
Other Revenue	<u>14,028</u>	<u>43,925</u>
Total revenues	<u>5,793,270</u>	<u>6,643,684</u>
Expenses		
Community service		
Personal services	1,970,444	2,132,929
Materials and services	3,502,843	4,467,978
Depreciation	226,731	196,063
Interest	<u>22,173</u>	<u>14,929</u>
Total expenses	<u>5,722,191</u>	<u>6,811,899</u>
Change in net position	71,079	(168,215)
Net position – beginning	<u>4,952,556</u>	<u>5,023,635</u>
Net position – ending	<u>\$ 5,023,635</u>	<u>\$ 4,855,420</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

GOVERNMENTAL FUNDS

General Fund: Revenues for the District's General Fund increased .3%. Property tax revenue was up 2.7%, Mass Transit Assessment was down 6%. Timber Revenue was up 130.8% and Contracted Service revenue was up 61.4%, Grant revenue was down 33.2%, Fare revenue was up 9.2%, Interest was up 112.1%, and Other Revenue was up 82.1%. Expenses increased 1.5% but well below budgeted amounts by 377,047.

BUDGETARY SUMMARY

GENERAL FUND

Revenues were over projections by \$412,217 (15.66 %). The main contributors were Fares, Property Taxes and State Timber Sales. Expenditures were under appropriations by \$377,047 (14.39%). The District kept materials and services under budget for the eighth consecutive year.

RIDECARE FUND

Revenues were above budget projections by \$107,505 (3 percent). Expenditures were over budget by \$181,806 (4.4%), the result of higher materials and services costs. RideCare was closed August 31, 2018.

CAPITAL AND DEBT ANALYSIS

The District's total investment in capital assets at June 30, 2018 amounted to \$3,902,330 net of \$3,189,048 in accumulated depreciation. Additional information on the District's capital assets may be found in Note 4. The District's long-term obligations consist of flex lease certificate of participation from Special Districts Association of Oregon, State of Oregon Department of Human Services obligation, Clatsop Community Bank loan, and compensated absences. Additional information on the District's long-term obligations may be found in Note 5. Long-term obligations decreased by \$292,476 during 2017-18 to \$317,069.

ECONOMIC FACTORS

The District maintained a stable financial position throughout the 2017-2018 fiscal year. We also delivered transportation services, providing access to multiple destinations throughout Clatsop County. Additionally, by continuing a joint intercity route with Columbia County, the District provided access from the County to many other counties and cities in Oregon and southern Washington. We experienced a decrease of 6% on fixed route ridership due largely to a decrease in cruise ship traffic.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

ECONOMIC FACTORS (continued)

The most notable change for the District was the decision to end our agreement with Columbia Pacific Coordinated Care Organization and close down RideCare. The District will continue to focus resources on education initiatives designed to improve people’s experience with and access to public transportation services. Training programs for individuals and local partnering service organizations to help them understand how the District’s services can best meet theirs and their clients’ travel needs. Another is a broader education effort in Clatsop and neighboring counties for the Oregon Department of Transportation’s Drive Less Save More program which provides tools and information that connects people to multiple local and State-wide options available for all travel needs. The District has adopted a Long-Range Comprehensive Transportation Plan to provide a vision and roadmap for future service enhancements and technology upgrades. Funding for implementation of the transportation plan will begin in FY 2019-2020.

FINANCIAL CONTACT

If you have questions about the report or need additional financial information, please contact the District at 900 Marine Drive, Astoria, Oregon or (503) 861-5399.

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BASIC FINANCIAL STATEMENTS

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SUNSET EMPIRE TRANSPORTATION DISTRICT

STATEMENT OF NET POSITION

June 30, 2018

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 688,474
Receivables	819,060
Prepaid items	25,403
Capital assets:	
Land	586,488
Buildings and equipment, net	<u>3,315,842</u>
TOTAL ASSETS	<u>5,435,267</u>
DEFERRED OUTFLOWS OF RESOURCES	
Other postemployment benefit related items	<u>3,127</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>3,127</u>
LIABILITIES	
Accounts payable	195,005
Payroll liabilities	57,291
Accrued interest	3,134
Long-term obligations:	
Due within one year	219,037
Due in more than one year	<u>98,032</u>
TOTAL LIABILITIES	<u>572,499</u>
DEFERRED INFLOWS OF RESOURCES	
Unearned revenue	10,190
Other postemployment benefit related items	<u>285</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>10,475</u>
NET POSITION	
Net investment in capital assets	3,787,330
Restricted for medicaid transportation	87,614
Unrestricted	<u>980,476</u>
TOTAL NET POSITION	<u>\$ 4,855,420</u>

See accompanying notes

SUNSET EMPIRE TRANSPORTATION DISTRICT

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

	<u>Governmental Activities</u>
PROGRAM EXPENSES	
Community service	
Personnel services	\$ 2,132,929
Material and services	4,467,978
Depreciation	196,063
Interest	<u>14,929</u>
Total program expenses	<u>6,811,899</u>
PROGRAM REVENUES	
Charges for services	4,186,194
Operating grants and contributions	679,633
Capital grants and contributions	<u>286,348</u>
Total program revenues	<u>5,152,175</u>
Net program revenues/(expenses)	<u>(1,659,724)</u>
GENERAL REVENUES	
Property taxes	962,260
State timber sales	395,753
Mass transit assessment	69,468
Interest	20,103
Other	<u>43,925</u>
Total general revenues	<u>1,491,509</u>
Change in net position	(168,215)
Net position - beginning of the year	4,927,336
Prior period adjustment	<u>96,299</u>
Net position - end of the year	<u><u>\$ 4,855,420</u></u>

See accompanying notes

SUNSET EMPIRE TRANSPORTATION DISTRICT

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2018**

	General	RideCare	Capital Reserve	Totals
<u>ASSETS</u>				
Cash and cash equivalents	\$ 351,418	\$ 249,442	\$ 87,614	\$ 688,474
Receivables	654,027	165,033	-	819,060
Prepaid items	25,403	-	-	25,403
Due from other funds	430,126	-	-	430,126
TOTAL ASSETS	\$ 1,460,974	\$ 414,475	\$ 87,614	\$ 1,963,063
<u>LIABILITIES</u>				
Accounts payable	\$ 81,214	\$ 113,791	\$ -	\$ 195,005
Payroll liabilities	57,291	-	-	57,291
Due to other funds	-	430,126	-	430,126
TOTAL LIABILITIES	138,505	543,917	-	682,422
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenue	54,538	-	-	54,538
<u>FUND BALANCES</u>				
Nonspendable	25,403	-	-	25,403
Restricted for medicaid transportation	-	-	87,614	87,614
Unassigned	1,242,528	(129,442)	-	1,113,086
TOTAL FUND BALANCES	1,267,931	(129,442)	87,614	1,226,103
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,460,974	\$ 414,475	\$ 87,614	

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

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	3,902,330
Governmental activities reported deferred outflows of resources contributions and other adjustments for OPEB	3,127
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds	44,348
Long-term obligations, and accrued interest thereon, are not due and payable in the current period and, therefore, are not reported in the funds	(320,203)
Governmental activities report as deferred inflows the effect of differences between projected and actual earnings and changes in proportionate share contributions to OPEB	(285)
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 4,855,420

See accompanying notes

SUNSET EMPIRE TRANSPORTATION DISTRICT

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

	<u>General</u>	<u>RideCare</u>	<u>Capital Reserve</u>	<u>Totals</u>
REVENUES				
Grants	\$ 679,633	\$ -	\$ 286,348	\$ 965,981
DMAP/CPCCO	-	3,692,869	-	3,692,869
Contracted services	144,637	-	-	144,637
Fares	348,688	-	-	348,688
Property taxes	962,110	-	-	962,110
State timber sales	389,104	-	-	389,104
Mass transit assessment	69,468	-	-	69,468
Interest	12,448	7,655	-	20,103
Other	25,496	25,078	-	50,574
	<u>2,631,584</u>	<u>3,725,602</u>	<u>286,348</u>	<u>6,643,534</u>
EXPENDITURES				
Community service				
Personnel services	1,678,664	439,223	-	2,117,887
Materials and services	815,371	3,652,607	-	4,467,978
Capital outlay	-	-	328,734	328,734
Debt service	126,809	196,851	-	323,660
	<u>2,620,844</u>	<u>4,288,681</u>	<u>328,734</u>	<u>7,238,259</u>
Excess (deficiency) of revenues over expenditures	<u>10,740</u>	<u>(563,079)</u>	<u>(42,386)</u>	<u>(594,725)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	58,500	-	88,500	147,000
Transfers out	(88,500)	-	(58,500)	(147,000)
	<u>(30,000)</u>	<u>-</u>	<u>30,000</u>	<u>-</u>
Net change in fund balance	(19,260)	(563,079)	(12,386)	(594,725)
Fund balances at beginning of year	1,180,008	433,637	100,000	1,713,645
Prior period adjustment	107,183	-	-	107,183
	<u>\$ 1,267,931</u>	<u>\$ (129,442)</u>	<u>\$ 87,614</u>	<u>\$ 1,226,103</u>

See accompanying notes

SUNSET EMPIRE TRANSPORTATION DISTRICT

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

Amounts reported for governmental activities in the statement of activities are different because:

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	(594,725)
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Governmental funds report capital outlay as expenditures while governmental activities report depreciation expense to allocate the expense over the life of the assets. The difference between these two amounts is:

Capitalized costs	\$ 328,734		
Depreciation	<u>(196,063)</u>		132,671

The repayment of the principal of debt consumes the current financial resources of governmental funds. This transaction has no effect on net position. This amount is the difference in the treatment of debt. 307,233

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds

Accrued interest	1,498		
Compensated absences	<u>(16,737)</u>		(15,239)

The amount contributed to defined benefit other postemployment benefit plans is reported as an expenditure in the funds while governmental activities reports other postemployment benefit expense as the change in total other postemployment benefit asset or liability, and other postemployment benefit related to deferred outflow of resources and deferred inflows of resources

Decrease in total other postemployment benefit asset or liability	1,980		
Increase in other postemployment benefit related items	<u>(285)</u>		1,695

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds as follows:

Property taxes			<u>150</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>(168,215)</u>
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See accompanying notes

SUNSET EMPIRE TRANSPORTATION DISTRICT

GENERAL FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(BUDGETARY BASIS) - BUDGET AND ACTUAL**

For the Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance
REVENUES			
Grants	\$ 675,247	\$ 679,633	\$ 4,386
Contracted services	123,900	144,637	20,737
Fares	273,000	348,688	75,688
Property taxes	892,000	962,110	70,110
State timber sales	160,000	389,104	229,104
Mass transit assessment	67,000	69,468	2,468
Interest	4,800	12,448	7,648
Other	23,420	25,496	2,076
TOTAL REVENUES	<u>2,219,367</u>	<u>2,631,584</u>	<u>412,217</u>
EXPENDITURES			
Personnel services	1,724,535	1,678,664	45,871
Materials and services	917,633	815,371	102,262
Capital outlay	28,000	-	28,000
Debt service	127,723	126,809	914
Contingency	200,000	-	200,000
TOTAL EXPENDITURES	<u>2,997,891</u>	<u>2,620,844</u>	<u>377,047</u>
Excess (deficiency) of revenues over expenditures	<u>(778,524)</u>	<u>10,740</u>	<u>789,264</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	58,753	58,500	(253)
Transfers out	(104,208)	(88,500)	15,708
TOTAL OTHER FINANCING SOURCES (USES)	<u>(45,455)</u>	<u>(30,000)</u>	<u>15,455</u>
Net change in fund balance	(823,979)	(19,260)	804,719
Fund balance at beginning of year	1,290,131	1,180,008	(110,123)
Prior period adjustment	-	107,183	107,183
Fund balance at end of year	<u>\$ 466,152</u>	<u>\$ 1,267,931</u>	<u>\$ 801,779</u>

See accompanying notes

SUNSET EMPIRE TRANSPORTATION DISTRICT

RIDECARE FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(BUDGETARY BASIS) - BUDGET AND ACTUAL**

For the Year Ended June 30, 2018

	Budget		Actual	Variance
	Original	Final		
REVENUES				
DMAP/CPCCO	\$ 3,230,727	\$ 3,612,697	\$ 3,692,869	\$ 80,172
Interest	5,400	5,400	7,655	2,255
Other	-	-	25,078	25,078
	<u>3,236,127</u>	<u>3,618,097</u>	<u>3,725,602</u>	<u>107,505</u>
TOTAL REVENUES				
EXPENDITURES				
Personnel services	505,456	422,585	439,223	(16,638)
Materials and services	2,924,106	3,514,493	3,652,607	(138,114)
Debt service	160,797	160,797	196,851	(36,054)
Contingency	134,546	9,000	-	9,000
	<u>3,724,905</u>	<u>4,106,875</u>	<u>4,288,681</u>	<u>(181,806)</u>
TOTAL EXPENDITURES				
Net change in fund balance	(488,778)	(488,778)	(563,079)	(74,301)
Fund balance at beginning of year	<u>552,464</u>	<u>552,464</u>	<u>433,637</u>	<u>(118,827)</u>
Fund balance at end of year	<u>\$ 63,686</u>	<u>\$ 63,686</u>	<u>\$ (129,442)</u>	<u>\$ (193,128)</u>

See accompanying notes

SUNSET EMPIRE TRANSPORTATION DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

1. Summary of significant accounting policies

A. Reporting entity

SUNSET EMPIRE TRANSPORTATION DISTRICT was formed on March 24, 1993, for the purpose of providing transportation services to the residents of Clatsop County.

Control of the District is vested in its board of commissioners who are elected to office by voters within the District. Administrative functions are delegated to individuals who report to and are responsible to the board. The chief administrative officer is the executive director.

The accompanying basic financial statements present all funds for which the District is considered to be financially accountable. The criteria used in making this determination includes appointment of a voting majority, imposition of will, financial benefit or burden on the primary government, and fiscal dependency on the primary government. Based upon the evaluation of these criteria, the District is a primary government with no includable component units.

B. Basis of presentation

Government-wide financial statements

The statement of net position and statement of activities display information about the primary government (the District). These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Governmental activities are supported by taxes and intergovernmental revenues.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

Fund financial statements

The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The District reports the following major governmental funds:

- *General* - accounts for all revenues and expenditures necessary to carry out activities of the District that are not accounted for through other funds including activities such as transportation services, assessment, and taxation.
- *RideCare* - accounts for all revenues and expenditures associated with transportation under Oregon's Medicare Program under the Oregon Health Plan.
- *Capital Reserve* - accounts for all revenues and expenditures associated with capital improvement

C. Basis of accounting

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 at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property tax revenues are recognized in the fiscal year for which they were levied, provided they are due and collectable within 60 days after the end of the accounting period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. Capital assets acquisitions are reported as expenditures in governmental funds. Resources from long-term debt and capital leases are reported as other financing sources.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

D. Receivables

Property taxes in the governmental fund types, which have been collected within sixty days following year end, are considered measurable and available and are recognized as revenues. Property taxes not collected within sixty days are considered unavailable, and accordingly, have not been recognized as revenue. Real and personal property are assessed and property taxes become a lien against the property as of July 1 each year. Property taxes are payable in three installments, following the lien date, on November 15, February 15, and May 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

E. Capital assets

Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide statements.

The estimated useful lives are as follows:

Buildings	50 years
Equipment	4 to 15 years

F. Compensated absences

Compensated absences are recorded as expenditures in the governmental funds when paid.

The District has a policy which permits employees to earn sick leave. The District does not compensate employees for unused sick leave upon termination of employment.

Employees earn vacation leave based upon their term of employment. Upon termination, accumulated amounts are paid to the employee.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

G. Budget policies and budgetary control

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

The District begins its budgeting process by appointing budget committee members in the winter of each year. Budget recommendations are developed by management through early spring, with the budget committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June and the hearing is held in June. The Board of Directors adopts the budget, makes appropriations, and declares the tax levy no later than June 30. Expenditure appropriations may not be legally over-expended, except in the case of grant receipts and bond sale proceeds which could not be reasonably estimated at the time the budget was adopted.

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

H. Governmental activities equity classification

The government-wide financial statements utilize a net position presentation. Net position is categorized as invested capital assets (net of related debt), restricted and unrestricted.

- ***Net investment in capital assets***

Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balanced of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

- ***Restricted net position***

Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributor, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

- ***Unrestricted net position***

All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

In the government-wide financial statements, when the District has restricted and unrestricted resources available, it is the District’s policy to expend restricted resources first and then unrestricted resources as needed in determining the amounts to report as restricted and unrestricted net position.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

I. Governmental fund type fund balance reporting

Governmental type fund balances are to be properly reported within the fund balance categories list below:

- ***Non-spendable*** – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- ***Restricted*** – Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- ***Committed*** – Amounts that can be used only for specific purposes determined by a formal action of the District’s Board of Commissioners. The Board is the highest level of decision making authority for the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board.
- ***Assigned*** – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Board, has granted authority to the Executive to assign fund balance amounts.
- ***Unassigned*** – the residual classification for the government’s general fund and includes all spendable amounts not contained in the other classifications. Additionally, other funds may report negative unassigned fund balance in certain circumstances.

In the governmental fund financial statements, when the District has restricted and unrestricted (committed, assigned or unassigned) resources available, it is the District’s policy to expend restricted resources first. Unrestricted resources are then expended in the order of committed, assigned, and unassigned as needed, unless otherwise provided for in actions to commit or assign resources, in determining the amounts to be reported in each of the fund balance categories.

J. New accounting standard implemented

In June 2015, the GASB issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement replaces the requirements of GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, as amended and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans. This statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenditures. This statement also identifies the actuarial methods and assumptions that are required to be used and enhances note disclosures and required supplementary information. The specific accounts impacting the District are detailed below.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

Total OPEB liability – Previous standards defined OPEB liabilities in terms of the Annually Required Contribution. Statement No. 75 defines the Total OPEB liability as the portion of projected benefit payments that is attributed to past periods of employee service provided through a defined benefit OPEB plan that is not administered through a trust.

Deferred inflows of resources and deferred outflows of resources – Statement No. 75 includes recognition of deferred inflows and outflows of resources associated with changes of assumptions. This difference is to be recognized in OPEB expense using a closed period equal to the average expected remaining service lives of all covered active and inactive participants.

Statement No. 75 is effective for financial statement periods beginning after June 15, 2017 with the effects of the accounting change to be applied retroactively by restating the financial statements. The District adopted this new pronouncement in the current year and, accordingly, has restated amounts of effected balances within the financial statements as of June 30, 2017. See note 14 for additional information.

2. Cash and cash equivalents

The District's cash and cash equivalents at June 30, 2018 are as follows:

Deposits with financial institutions	\$	249,566
State of Oregon Local Government Investment Pool		433,850
Cash with fiscal agent		2,967
Cash on hand		<u>2,091</u>
Total cash and cash equivalents	\$	<u>688,474</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

2. Cash and cash equivalents (continued)

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

A. Deposits with financial institutions

Custodial Credit Risk – Deposits: This is the risk that in the event of a bank failure, the District's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the District's deposits with financial institutions up to \$250,000 each for the aggregate of all non-interest bearing accounts and the aggregate of all interest bearing accounts at each institution. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program are collateralized with securities held by the Federal Home Loan Bank of Seattle in the name of the institution. As of June 30, 2018, \$337,863 of the District's bank balances were exposed to custodial credit risk.

B. Local Government Investment Pool

Balances in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value. Fair value is determined at the quoted market price, if available; otherwise the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. The Oregon State Treasury administers the LGIP. The LGIP is an unrated, open-ended, no-load, diversified portfolio offered to any agency, political subdivision or public corporation of the state who by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. To provide regulatory oversight, the Oregon Legislature established the Oregon Short-Term Fund Board and LGIP investments are approved by the Oregon Investment Council. The fair value of the District's position in the LGIP is the same as the value of the pool shares.

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

Concentration of Credit Risk: The District does not have a formal policy that places a limit on the amount that may be invested in any one insurer. 100 percent of the District's investments are in the State of Oregon State and Local Investment Pool.

Interest Rate Risk: The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair-value losses arising from increases in interest rates.

Custodial Credit Risk – Investments: This is the risk that, in the event of the failure of a counterparty, the District will not be able to recover the value of its investments that are in the possession of an outside party. The District does not have a policy which limits the amount of investments that can be held by counterparties.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

3. Receivables

Receivables at June 30, 2018 are as follows:

	<u>General</u>	<u>RideCare</u>	<u>Total</u>
Property taxes	\$ 59,544	\$ -	\$ 59,544
Grants	442,403	-	442,403
Accounts	<u>152,080</u>	<u>165,033</u>	<u>317,113</u>
	<u>\$ 654,027</u>	<u>\$ 165,033</u>	<u>\$ 819,060</u>

4. Capital assets

A. Capital asset activity for the year ended June 30, 2018 was as follows:

	<u>Balances July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances June 30, 2018</u>
Capital assets not being depreciated				
Land	<u>\$ 586,488</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 586,488</u>
Capital assets being depreciated				
Buildings	3,424,425	-	-	3,424,425
Equipment	<u>2,751,731</u>	<u>328,734</u>	<u>-</u>	<u>3,080,465</u>
Total capital assets being depreciated	<u>6,176,156</u>	<u>328,734</u>	<u>-</u>	<u>6,504,890</u>
Less accumulated depreciated for:				
Buildings	909,011	82,415	-	991,426
Equipment	<u>2,083,974</u>	<u>113,648</u>	<u>-</u>	<u>2,197,622</u>
Total accumulated depreciation	<u>2,992,985</u>	<u>196,063</u>	<u>-</u>	<u>3,189,048</u>
Total capital assets being depreciated, net	<u>3,183,171</u>	<u>132,671</u>	<u>-</u>	<u>3,315,842</u>
Governmental activities capital assets, net	<u>\$ 3,769,659</u>	<u>\$ 132,671</u>	<u>\$ -</u>	<u>\$ 3,902,330</u>

B. Depreciation expense totaling \$196,063 was charged to expense for the year ended June 30, 2018.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

5. Long-term obligations

A. Changes in long-term obligations for the year ended June 30, 2018 were as follows:

	Outstanding			Balances	
	July 1, 2017	Additions	Reductions	Outstanding June 30, 2018	Due Within One Year
<u>Long-term debt</u>					
Special Districts Association of Oregon (SDAO), Series 2003D	\$ 170,000	\$ -	\$ 55,000	\$ 115,000	\$ 55,000
Clatsop Community Bank - loan	171,385	-	70,517	100,868	74,867
State of Oregon Department of Human Services (DHS)-loan	181,716	-	181,716	-	-
Total long-term debt obligations	<u>523,101</u>	<u>-</u>	<u>307,233</u>	<u>215,868</u>	<u>129,867</u>
<u>Other long-term obligations</u>					
Other postemployment benefit liability	14,011	-	1,980	12,031	-
Compensated absences	72,433	89,170	72,433	89,170	89,170
Total long-term obligations	<u>\$ 609,545</u>	<u>\$89,170</u>	<u>\$ 381,646</u>	<u>\$ 317,069</u>	<u>\$ 219,037</u>

B. Governmental activities long-term debt obligations

Special Districts Association of Oregon (SDAO) flex lease certificate of participation – The District borrowed \$1,785,000 with interest from 1.3 to 5.25 percent.

Clatsop Community Bank – The District borrowed \$450,000 for operations. The loan is secured by real property. Annual payments of \$78,882 include interest at 6 percent.

State of Oregon Department of Human Services (DHS)– The District is repaying an overpayment of \$1,115,000 in relation to providing non-emergent medical transportation services in accordance with DMAP rules. Quarterly payments are \$36,343. The obligation is non-interest bearing.

C. Future maturities of governmental activities long-term debt obligations

Fiscal Year	SDAO Series 2003D		Clatsop Community Bank Loan		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 55,000	\$ 6,268	\$ 74,867	\$ 4,015	\$ 129,867	\$ 10,283
2020	<u>60,000</u>	<u>3,270</u>	<u>26,001</u>	<u>326</u>	<u>86,001</u>	<u>3,596</u>
	<u>\$ 115,000</u>	<u>\$ 9,538</u>	<u>\$ 100,868</u>	<u>\$ 4,342</u>	<u>\$ 215,868</u>	<u>\$ 13,879</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

6. Lease commitment

The District leases a copier at a monthly rate of \$188. The lease term is sixty months and will expire November 2022. Total lease expense for the year ended June 30, 2018 amounted to \$2,996.

Future minimum lease payments under the operating lease are as follows:

Year Ending <u>June 30,</u>	
2019	\$ 2,256
2020	2,256
2021	2,256
2022	2,256
2023	<u>940</u>
	<u>\$ 9,964</u>

7. Contingencies – sick leave

Portions of amounts accumulated at any point in time can be redeemed before termination of employment however; such redemptions cannot be reasonably estimated. As of June 30, 2018, employees of the District had accumulated 604 days of sick leave.

8. Risk management

The District is exposed to various risks of loss related to theft of, damage to, and destruction of assets; torts; errors and omissions; injuries to employees; and natural disasters.

The District purchases commercial insurance for such risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

9. Retirement plan – deferred compensation

The District sponsors a Section 457(b) deferred compensation plan. All employees become eligible upon their one year anniversary of employment. The District's contribution is 2.5 percent of participant wages. For the year ended June 30, 2018, the District contributed \$36,157.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

10. Other postemployment benefit plans

A. Plan description and benefits provided

The District provides other postemployment benefits (OPEB) for employees, retirees, spouses and dependents through a single employer defined benefit plan in the form of group health insurance benefits. As required by ORS 243.303(2), retirees who were hired after July 1, 2003 are allowed to continue, at the retirees' expense, coverage under the group health insurance plan until age 65. The difference between the premium actually paid by the retirees under the group insurance plan and the premium that they would pay if they were not included in the plan is considered to be an implicit subsidy under the provisions of GASB 75. The plan does not issue a separate stand-alone financial report.

B. Plan membership

As of July 1, 2017, there were 31 active employees, 1 eligible retirees, and no spouses of eligible retirees for a total of 32 plan members.

C. Contributions

The District funds the plan only to the extent of current year insurance premium requirements on a pay-as-you-go basis. The average monthly premium requirements for the District are as follows:

For retirees	\$	825
For spouses of retirees		816

D. Total OPEB liability, changes in total OPEB liability, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB

At June 30, 2018, the District reported a total OPEB liability of \$12,031. The total OPEB liability was measured as of June 30, 2017 and determined by an actuarial valuation as of that date.

Changes in the total OPEB liability is as follows:

	<u>Total OPEB Liability</u>
Balances at June 30, 2017	\$ 14,011
Changes for the year:	
Service cost	1,017
Interest	386
Changes in assumptions or other inputs	(383)
Benefit payments	<u>(3,000)</u>
Balances at June 30, 2018	<u>\$ 12,031</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

10. Other postemployment benefit plans (continued)

For the year ended June 30, 2018, the District recognized OPEB expense of \$1,432. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions or inputs	\$ -	\$ 285
Benefit payments	<u>3,127</u>	<u>-</u>
	<u>\$ 3,127</u>	<u>\$ 285</u>

Deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date in the amount of \$3,127 will be recognized as an adjustment to the Total OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ends June 30:

2019	\$	(98)
2020		(98)
2021		(89)

E. Actuarial valuation

The District's contributions are based on the accruing benefit costs measured using the individual entry age normal actuarial cost method. The present value of benefits is allocated over the service for each active employee from their date of hire to their expected retirement age, as a level percent of the employee's pay. This level percent times pay is referred to as the service cost and is that portion of the present value of benefits attributable to an employee's service in a current year. The service cost equals \$0 for retired members. The total OPEB liability is the present value of benefits less the actuarial present value of future normal costs and represents the liabilities allocated to service up to the valuation date. For retirees, the total OPEB liability is equal to the present value of benefits.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

10. Other postemployment benefit plans (continued)

F. Actuarial methods and assumptions used in developing total OPEB liability

Valuation Date	July 1, 2017
Actuarial Cost Method	Entry Age Normal, Level Percent of Pay
Actuarial Assumptions:	
Inflation Rate	2.5 percent
Projected Salary Increases	3.5 percent
Mortality	Healthy retirees and beneficiaries: RP-2014 white collar male and female set back one year for male, generational per Scale BB for males and females

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.

Discount rate

The discount rate used to measure the total OPEB liability was 3.58 percent. The discount rate is based on the Bond Buyer 20-year General Obligation Bond Index. The discount rate at the prior measurement date was 2.85 percent.

Healthcare cost trend rate

The assumed healthcare cost trend for medical and vision costs is as follows:

<u>Year</u>	<u>Pre-65 Trend</u>
2017	0.50%
2018	5.75%
2019	5.25%
2020-2030	5.00%
2031-2033	5.25%
2034	5.50%
2035	5.75%
2036-2037	6.25%
2038-2043	6.00%
2044-2046	5.75%
2047-2054	5.50%
2055-2064	5.25%
2065-2066	5.00%
2067-2069	4.75%
2070-2072	4.50%
2073+	4.25%

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

10. Other postemployment benefit plans (continued)

Dental costs are assumed to increase 4 percent in all future years.

Sensitivity of the District’s total OPEB liability to changes in the discount and healthcare cost trend rates

The following presents the District’s total OPEB liability calculated using the discount rate of 3.58 percent, 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 (2.58 percent) or 1-percentage-point higher (4.58 percent) than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

	<u>1 Percentage Point Lower</u>	<u>Current Discount Rate</u>	<u>1 Percentage Point Higher</u>
District's total OPEB liability	\$ 12,559	\$ 12,031	\$ 11,533
	<u>1 Percentage Point Lower</u>	<u>Current Trend Rate</u>	<u>1 Percentage Point Higher</u>
District's total OPEB liability	\$ 11,336	\$ 12,031	\$ 12,833

11. Unavailable revenue

Resources owned by the District, which are measurable but not available, consist of the following:

	<u>General</u>
Property taxes	\$ 44,348
Other	<u>10,190</u>
Total	<u>\$ 54,538</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

12. Interfund balances and transfers

Interfund transfers used to reallocate financial resources to funds where they will be expended were as follows:

Fund	Transfers	
	In	Out
General	\$ 58,500	\$ 88,500
Capital Reserve	88,500	58,500
	<u>\$ 147,000</u>	<u>\$ 147,000</u>

The composition of interfund balances as of June 30, 2018, is as follows:

Due to/from other funds:

Due to	Due from	Amount
General	RideCare	\$ 430,126

The outstanding balances between funds results mainly from timing differences between the dates that transactions are recorded in the accounting system and payment between funds are made.

13. Tax abatements

Clatsop County has established an enterprise zone under ORS 285C.050-250 that abates property taxes on new business development within zone. As a result the property taxes that the District will receive for the 2017-18 levy year has been reduced by \$14,132

14. Prior period adjustment

The beginning fund balances have been adjusted to correct for error and new accounting standards as follows:

	As Originally Reported	As Restated	Effect of Change
Statement of Net Position			
Accounts receivable	\$ 350,038	\$ 457,221	\$ 107,183
Deferred outflows of resources – OPEB related	--	3,127	3,127
Total other postemployment benefit liability	--	14,011	(14,011)
Net Position	4,927,336	5,023,635	(96,299)

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

15. Deficit fund balance

As of June 30, 2018 a deficit fund balance existed in the Ridecare Fund in the amount of \$129,442. Management plans to close down the Ridecare operations in the 2018-19 fiscal year and transfer funds to cover the deficit fund balance.

16. Expenditures in excess of appropriation

<u>Fund/Category</u>	<u>Appropriation</u>	<u>Actual</u>	<u>Variance</u>
Ridecare			
Personnel services	\$ 422,585	\$ 439,223	\$ (16,638)
Materials and services	3,514,493	3,652,607	(138,114)
Debt service	160,797	196,851	(36,054)

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REQUIRED SUPPLEMENTARY INFORMATION

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SUNSET EMPIRE TRANSPORTATION DISTRICT

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

	<u>June 30, 2018</u>
Service cost	\$ 1,017
Interest on total OPEB liability	386
Effect of assumptions changes or inputs	(383)
Benefit payments	<u>(3,000)</u>
Net change in total OPEB liability	(1,980)
Total OPEB liability - beginning of year	<u>14,011</u>
Total OPEB liability - end of year	<u>\$ 12,031</u>
Covered payroll	\$ 1,143,222
Total OPEB liability as a percentage of covered payroll	1.1%

Notes to schedule

Information will be accumulated until 10 years are presented.

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INDIVIDUAL FUND SCHEDULES

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SUNSET EMPIRE TRANSPORTATION DISTRICT

**SPECIAL REVENUE - SPECIAL TRANSPORTATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(BUDGETARY BASIS) - BUDGET AND ACTUAL**

For the Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Grants	\$ 171,029	\$ -	\$ (171,029)
TOTAL REVENUES	<u>171,029</u>	<u>-</u>	<u>(171,029)</u>
EXPENDITURES			
Personnel services	95,026	-	95,026
Materials and services	<u>32,958</u>	<u>-</u>	<u>32,958</u>
TOTAL EXPENDITURES	<u>127,984</u>	<u>-</u>	<u>127,984</u>
Excess (deficiency) of revenues over expenditures	<u>43,045</u>	<u>-</u>	<u>(43,045)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>15,708</u>	<u>-</u>	<u>(15,708)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>15,708</u>	<u>-</u>	<u>(15,708)</u>
Net change in fund balance	58,753	-	(58,753)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 58,753</u>	<u>\$ -</u>	<u>\$ (58,753)</u>

SUNSET EMPIRE TRANSPORTATION DISTRICT

CAPITAL RESERVE - CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

(BUDGETARY BASIS) - BUDGET AND ACTUAL

For the Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Grants	\$ 331,500	\$ 286,348	\$ (45,152)
Interest	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
TOTAL REVENUES	<u>332,500</u>	<u>286,348</u>	<u>(46,152)</u>
 EXPENDITURES			
Capital outlay	<u>390,000</u>	<u>328,734</u>	<u>61,266</u>
TOTAL EXPENDITURES	<u>390,000</u>	<u>328,734</u>	<u>61,266</u>
 Excess (deficiency) of revenues over expenditures	<u>(57,500)</u>	<u>(42,386)</u>	<u>15,114</u>
 OTHER FINANCING SOURCES (USES)			
Transfers in	-	88,500	88,500
Transfers out	<u>-</u>	<u>(58,500)</u>	<u>(58,500)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>30,000</u>	<u>30,000</u>
 Net change in fund balance	(57,500)	(12,386)	45,114
Fund balance at beginning of year	<u>100,000</u>	<u>100,000</u>	<u>-</u>
 Fund balance at end of year	<u>\$ 42,500</u>	<u>\$ 87,614</u>	<u>\$ 45,114</u>

COMPLIANCE SECTION

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INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Commissioners
Sunset Empire Transportation District
Astoria, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the **SUNSET EMPIRE TRANSPORTATION DISTRICT** as of and for the year ended June 30, 2018, which collectively comprise the District's basic financial statements and have issued our report thereon dated April 17, 2019.

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 object 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).

**INDEPENDENT AUDITOR’S REPORT REQUIRED BY
OREGON STATE REGULATIONS (Continued)**

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, except that expenditures in excess of appropriations (which is prohibited by ORS 294.456) occurred in the following categories:

<u>Fund/Category</u>	<u>Appropriation</u>	<u>Actual</u>	<u>Variance</u>
Ridecare			
Personnel services	\$ 422,585	\$ 439,223	\$ (16,638)
Materials and services	3,514,493	3,652,607	(138,114)
Debt service	160,797	196,851	(36,054)

OAR 162-10-0230 Internal Control

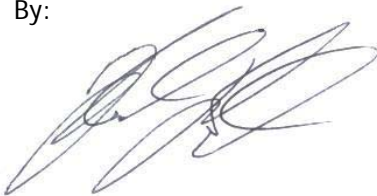
In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the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

Restriction on Use

This report is intended solely for the information and use of the Board of Commissioners and management of Sunset Empire Transportation District and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

Boldt Carlisle + Smith
 Certified Public Accountants
 Salem, Oregon
 April 17, 2019

By:



Bradley G. Bingenheimer, Member



REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Commissioners
Sunset Empire Transportation District
Astoria, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the District as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated April 17, 2019.

Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2018-001 and 2018-002 that we consider to be significant deficiencies.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS (Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

District's Response to Findings

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Boldt Carlisle & Smith

Boldt Carlisle + Smith
Certified Public Accountants
Salem, Oregon
April 17, 2019



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT
ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH THE UNIFORM GUIDANCE**

To the Board of Commissioners
Sunset Empire Transportation District
Astoria, Oregon

Report on Compliance for Each Major Federal Program

We have audited Sunset Empire Transportation District’s compliance with the types of compliance requirements described in the U.S Office of Management and Budget *OMB Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2018. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the District’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District’s compliance.

Opinion on Each Major Federal Program

In our opinion, Sunset Empire Transportation District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT
ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
THE UNIFORM GUIDANCE (Continued)

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2018-003. Our opinion on each major federal program is not modified with respect to this matter.

Sunset Empire Transportation District's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, material weaknesses or significant deficiencies may exist that were not identified.

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

Boldt Carlisle & Smith

Boldt Carlisle + Smith
Certified Public Accountants
Salem, Oregon
April 17, 2019

SUNSET EMPIRE TRANSPORTATION DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2018

Section I- Summary of Auditors' Results

Financial Statements

Type of auditor's report issued:	<i>Unmodified</i>
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	Yes
Noncompliance material to financial statements noted?	No

Federal awards

Internal control over major federal programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major federal programs:	<i>Unmodified</i>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	Yes

Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.509	Formula Grants for Rural Areas

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as a low-risk auditee?	No

Continued on next page

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

Section II - Financial Statement Findings

Finding 2018-001

Criteria: Adequate segregation of duties should exist related to the financial reporting of the District. This should include both supervisory review and approval of financial reporting.

Condition: Currently, a single person at the District has the ability to perform most of the accounting functions and make changes within QuickBooks without approval.

Cause: Adequate internal control does not exist over the financial reporting process.

Effect: Due to lack of segregation of duties, material misstatements could occur and not be detected.

Response: The finance officer currently has the Executive Director approve the JE's. The Finance Office will add one step to include the Executive Director's approval before the JE is made. The Finance Officer will make sure the documentation is attached when the JE is presented to the Executive Director. There is separation of duties as far as payroll, accounts payable, and depositing is concerned. The District is purchasing new financial software, which should help mitigate some risk and allow for better separation of duties. The District will be implementing the new software by July 1, 2019.

Finding 2018-002

Criteria: Internal controls over financial reporting should include a process for ensuring that funds are in balance at any given point during the year.

Condition: Each transaction that crosses funds should include a due to or due from in order to ensure that each fund is always in balance.

Cause: The process of balancing individual funds has not been performed on a transactional basis.

Effect: Lack of balancing funds on a transactional basis could result in a material misstatement that is not detected and corrected in a timely manner.

Response: QB is not fund driven and my research in trying to figure out how to comply with this issue has proven unfruitful. I have found through my research within QB forums that it is almost impossible to balance funds within QB. The District is in the process of purchasing a new financial software package that is fund driven, thus reducing this problem altogether. Targeted rollout for new software is July 1, 2019.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

Section III – Federal Award Findings and Questioned Costs

Finding 2018-003

U.S. DEPARTMENT OF TRANSPORTATION

20.509 Formula grants for rural areas

Criteria: Uniform Guidance Section 200.302 requires non-Federal entity's to maintain record that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation.

Condition: The required documentation supporting the costs claimed in reimbursement requests were not maintained.

Cause: Records do not contain authorization or source documentation to support the amounts claimed on reimbursements.

Effect: Expenditures charged to the grant could be unallowable or could be claimed under other grants available to the District.

Questioned costs: No specific questioned costs were identified.

Context: The total expenditures for the program exceeded the award amount. Accordingly, any unallowable costs should be considered as not included in the costs claimed for reimbursement.

Recommendations: Documentation of costs for the period for which reimbursement is being requested should be maintained with any unallowable costs identified and excluded from the total expenditures.

Views of responsible officials and planned correction action: The District will purchase new financial software for the 2019-20 FY. The chart of accounts will be set up specifically to facilitate grant reporting, which will enable the District to report more accurately. This will help tie out individual expenditures from the initial expense to specific grants, creating clearer more accurate documentation, which will enable improved control and reporting for grants.

SUNSET EMPIRE TRANSPORTATION DISTRICT

SUMMARY SCHEDULE OF PRIOR FINDINGS

For the Year Ended June 30, 2018

2017-001 Lack of segregation of duties related to the monthly journal entries, which are prepared and posted to the general ledger without supervisory review or approval.

Status: This finding is repeated as 2018-001. Management has not yet implemented procedures to ensure supervisory review or approval of journal entries.

2017-002 Transactions that cross fund should include a due to or due from in order to ensure that each fund is always in balance.

Status: This finding is repeated as 2018-002. Management has not yet implemented procedures to ensure funds are always in balance.

SUNSET EMPIRE TRANSPORTATION DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Transportation			
Federal Transit Administration			
Passed Through Oregon Department of Transportation			
Highway Planning and Construction Cluster			
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	30837	\$ 65,771
Federal Transit Cluster			
Bus and Bus Facilities Formula Program	20.526	30418	287,745
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research			
	20.505	31796	22,075
Formula Grants for Rural Areas			
	20.509	30484	340,760
Transit Services Programs Cluster			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	30751	<u>88,359</u>
Total expenditures of federal awards			<u>\$ 804,710</u>

SUNSET EMPIRE TRANSPORTATION DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2018

1. Basis of presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

2. Summary of significant accounting policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The District has not elected to use the 10 percent de minimis indirect cost rate as allowed under Uniform Guidance.

April 18, 2019

To: Board of Commissioners

From: Jeff Hazen

Re: Agenda Item 8.b Adoption of Strategic Plan

At the March 13, 2019 work session, the Board developed the Strategic Priorities Plan for the upcoming biennium.

Staff recommends that the Board adopt the 2019-2021 Strategic Priorities Plan.

March 13, 2019

Sunset Empire Transportation District Mission Statement

“Sunset Empire Transportation District is dedicated to providing safe, reliable, relevant and sustainable transportation services to Clatsop County with professionalism, integrity and courtesy.”

2019-2021 SETD Priorities

Priority One

- Benchmark Services
 - Ridership Increases & Decreases
 - On-time Performance
 - Fleet reliability
 - Employee Retention

- Develop a SETD specific emergency plan.
 - SETD operational specific emergency operation plan
 - Medical emergencies
 - Accidents
 - Behavioral emergencies at facilities and on buses
 - Emergency contact and reporting requirements
 - Strategic county wide transportation plan that integrates into Clatsop County Emergency Plan.

- Develop a Succession Plan for Key Management Positions

- Develop Route Standards
 - Summer Schedule
 - September Through May Schedule

- Develop Demand Management Standards (I’m not sure what this was?)
 - Paratransit
 - Dial a Ride
 - First Mile Last Mile

- Increasing services
 - Fixed routes

Priority One (Continued)

- Improving System
 - Improved lighting at bus shelters
 - Route on-time performances
 - Amenities
- Technologies
 - E-fare
 - Electronic charging stations on buses
 - On-board wi-fi
 - Improve administration
- Improve Appearance
 - Buses
 - Shelters
 - Facilities

Priority Two

- Develop feasibility of moving Warrenton Operations facility
 - Out of the inundation zone
 - Upgrade to include an automatic bus washing system
- Begin to convert the fleet to electric and away from fossil fuels
- Strategically Locate Park and Rides
- Improve District Signage

Priority Three

- Identify new funding opportunities
 - Seek public/private partnerships
 - Continue to explore new Federal/State/Local grant opportunities
 - Rebuild Ride Pal Program and Volunteer Program

Strength – Weaknesses – Opportunities – Threats Analysis

District Strengths

- Keeping buses on the road
- Always seeking ways to improve the system
- Cooperation with other agencies
- Keeping focused on financial status
- Great leadership team
- Great drivers and employees
- Proactive Board
- Providing transportation services to those without other options
- Continued strong presence at the State level
- Caring Culture
- Forward looking
- Improved reputation

District Weakness

- Schedule reliability
 - Route schedule may not be the best to attract more ridership
- Location of Operations center
- Outreach to Eastern part of the District and Miles Crossing area
- Lack of updated Policy and Procedure manual
- Employee turnover
- Lack of Staff
 - Lack of qualified driver applicants
- Phone system
 - Automated phone directory less than desirable
- Lack of frequency on some routes
- Unknown ridership demographics

Opportunities

- Increasing ridership
- Improving the frequency of routes
- Improved funding from STIF (Statewide Transportation Improvement Fund)
- Developing greater transportation education and awareness to the public and ridership
- Improving District system side signage

Threats

- Undependable funding
- Natural Disaster (tsunami, 101 tunnel collapse)
- Catastrophic accident
- Technology crash (computer)
- Serious policy violation
- Financial mismanagement
- Unengaged Board or Board Conflict
- Rising cost of fuel
- Loss of Image with the community
- Decreased ridership

April 18, 2019

To: Board of Commissioners

From: Jeff Hazen

Re: Agenda Item 9.a Creation of Statewide Transportation Improvement Fund (STIF)

Oregon Revised Statute (ORS) 732-040-0020 requires us to set up separate funds for the STIF program. We must have three separate funds; STIF Formula Fund, STIF Discretionary Fund and STIF Intercommunity Fund.

Staff recommends that the Board approves the creation of STIF Formula Fund, STIF Discretionary Fund, and STIF Intercommunity Fund.

April 18, 2019

To: Board of Commissioners

From: Jeff Hazen

Re: Agenda Item 9.b Letter of Commitment for Low or No Emission Grant

As part of the Low or No Emission Grant submission, we must include a letter of commitment from the District. I have submitted the following letter on behalf of the District that references the priority of beginning to convert the fleet to electric and away from fossil fuels that was included in the Board's Strategic Priorities Plan.

No action is required from the Board.

April 18, 2019

To: Board of Commissioners

From: Jeff Hazen

Re: Agenda Item 9.c Letter of Opposition to HB 3099

This letter is in response to the call for action from the SDAO legislative committee. At this time, HB 3099 is scheduled for a third reading on April 22nd in the House.

Staff recommends that the Board approve these letters and authorize the Board Chair to sign them so we can transmit it as soon as possible to Senator Johnson and Representative Mitchell.



SUNSET EMPIRE TRANSPORTATION DISTRICT
900 Marine Drive Astoria, Oregon 97103

April 25, 2019

The Honorable Senator Betsy Johnson
900 Court St. NE, S-209
Salem, OR 97301

Senator Johnson,

The Board of Commissioners for Sunset Empire Transportation District are very concerned about HB 3099. Although this is specific to service districts, it could create a very dangerous precedent for all special districts. This stems from a local Clackamas County dispute between Happy Valley and should be resolved at the local level between those parties rather than using the Legislative Assembly to resolve it. Applying a statewide solution to a local dispute could have serious consequences (intended or unintended) for county service districts state-wide.

There are transit providers in Oregon that are service districts. If passed, cities will have tremendous leverage over county service districts if disputes arise by simply threatening to withdraw from the district. With this new ability to unilaterally withdraw, why would a county service district ever want to consider an annexation request by a city? Is this really what is in the best interests of the citizens we are all trying to serve? If passed, it would permit cities to unilaterally dismantle a county service district's carefully-planned economies of scale and district-wide efficiencies built over a period of years in reliance on city inclusion. It will discourage county service districts from making large-scale capital investments that could be subsequently withdrawn by a city. It could lead to "stranded assets". A city that withdraws from a district could decline to accept ownership of assets within the city, thereby preventing the district from collecting property taxes or other revenues for the asset and potentially making it difficult to dispose of those assets.

On behalf of the Board of Commissioners, I would urge you to vote against this bill and encourage your fellow legislators to vote against it as well.

Thank you,

Kathy Kleczek
Board Chairperson



SUNSET EMPIRE TRANSPORTATION DISTRICT
900 Marine Drive Astoria, Oregon 97103

April 25, 2019

The Honorable Representative Tiffany Mitchell
900 Court St. NE, H-285
Salem, OR 97301

Representative Mitchell,

The Board of Commissioners for Sunset Empire Transportation District are very concerned about HB 3099. Although this is specific to service districts, it could create a very dangerous precedent for all special districts. This stems from a local Clackamas County dispute between Happy Valley and should be resolved at the local level between those parties rather than using the Legislative Assembly to resolve it. Applying a statewide solution to a local dispute could have serious consequences (intended or unintended) for county service districts state-wide.

There are transit providers in Oregon that are service districts. If passed, cities will have tremendous leverage over county service districts if disputes arise by simply threatening to withdraw from the district. With this new ability to unilaterally withdraw, why would a county service district ever want to consider an annexation request by a city? Is this really what is in the best interests of the citizens we are all trying to serve? If passed, it would permit cities to unilaterally dismantle a county service district's carefully-planned economies of scale and district-wide efficiencies built over a period of years in reliance on city inclusion. It will discourage county service districts from making large-scale capital investments that could be subsequently withdrawn by a city. It could lead to "stranded assets". A city that withdraws from a district could decline to accept ownership of assets within the city, thereby preventing the district from collecting property taxes or other revenues for the asset and potentially making it difficult to dispose of those assets.

On behalf of the Board of Commissioners, I would urge you to vote against this bill and encourage your fellow legislators to vote against it as well.

Thank you,

Kathy Kleczek
Board Chairperson

Executive Director Report
April Board Meeting
Jeff Hazen

-Legislative Update

HB2174, a bill about Urban Renewal has been referred to the House Revenue Committee by the Speaker

-Low or No Emissions Grant

I have been working with CTE and Proterra on the application and it will be submitted to ODOT on Monday, April 22nd.

-STIF

I've been working diligently on our STIF Plan submission. I just have a few more things to input and then I will review the entire document to make sure it is sound before it is submitted to ODOT. It is due by May 1st but I believe that I'll be able to have it submitted by Wednesday April 24th. It is currently at 111 pages.

-Town Hall

On April 23rd, I attended Representative Bonamici's town hall in Astoria. I was pleased to hear her report that she was in Portland that day for TriMet's unveiling of one of their new battery electric buses. I later learned that they partnered with PGE for their charging infrastructure and PGE will install and own the charging equipment. I am exploring that opportunity with Pacific Power. Representative Bonamici is providing us with a letter of support for our Low or No emission grant.

-Budget

Paul and Tracy have kicked off the budget season and they are working together to draft budgets for next year.

-Vacation

I will be taking the week of April 29-May 3 off for vacation. I will be attending a couple of meetings that week, but I should be able to enjoy some free time. Its nice to have such a competent staff that can handle things in my absence. But I am just a phone call away if they need me!

Weekly Reports:

4/15/19

As reported earlier, this month is the month of STIF for me. I am about 60% done with the STIF plan application. It is very detailed and takes considerable time for each project. It didn't help that my browser shut down a couple of times and I lost the work that I had keyed in. I've

sacrificed the last three years in not replacing my computer so others could get a new computer. iFocus is going to make sure I get a new one this time! It's exciting to see the plan coming together and I will be updating you on the rollout dates for each of the projects at next week's meeting. While I am working on this, Paul and Tracy are beginning drafting a budget for next year. Staff has given us their requests for items to be included in the budget. I attended the CEDR awards on Thursday evening. Great event with some very deserving awardees! We received the final collective bargaining agreement from Lisa. The union made no changes to the language that she finalized in the agreement. This will be before the Board next week for your ratification.

4/8/19

Obviously, the highlight of last week was reaching a tentative agreement with the union on an agreement. Both sides were committed to try and get this wrapped up on Thursday and we were all pleased that we were able to come to an agreement! I wrote an RFP for a new auditing firm and sent it out to 7 different firms. I reached out to local cities, the county, and a couple of special districts to find out who they use. The deadline for responses is May 6th. I've attached the RFP for your reading pleasure! I had the opportunity to commute one day last week on the Lower Columbia Connector route. Its always nice riding the bus and talking with the riders and drivers. I had a pre bargaining session with Paul and Tracy to review our latest language for the bargaining session. We met via phone with Lisa to cover everything. Paul and I attended the Natural Hazards Mitigation Plan update meeting on Wednesday. It is moving forward nicely. Wednesday night, I was on the agenda at the Gearhart City Council meeting to talk about a letter of support for the grant we are writing in pursuit of an electric bus. I was also able to share the STIF projects that the Board approved last month. The city council was very supportive of us and we will be getting a letter of support from them. I have requested letters from all the cities and the county.

I've kicked off the STIF plan application and that will be my life for the next few weeks!

4/2/19

I spent considerable time last week reviewing economics in preparation for our next bargaining session. We received the audit from iFocus and have begun implementing the plan. We are just taking care of the urgent matters and will incorporate the rest of it into next year's budget. The total came to about \$40,000. I traveled to Tillamook on Wednesday for their Transportation Advisory Committee where they reviewed the STIF Discretionary Fund projects. They gave a thumbs up on all of them like we did. I let you know that our audit firm will no longer be providing services to us after this audit that is wrapping up this week. I have written an RFP and sent it out to 7 different firms that other local municipalities and districts use. The Board will select a new firm at its May Board meeting.

2017-2019 SETD Strategic Plan

Priority One

- Benchmark Services
 - Ridership increases & Decreases **Goal = +15% YTD = +10%**
 - On-time Performance **Goal = 95% February performance was 56.8%, Tillamook was 59.8%, and Lincoln County was 61.7%.**
 - Fleet reliability **Goal = Less than 10 breakdowns per 100,000 miles. Tracking not in place yet.**
 - Employee Retention statistic **Goal = Less than 20% turnover. YTD = 22%**

- Develop a SETD specific emergency plan. **Safety committee tasked with updating current plans.**
 - SETD operational specific emergency operation plan
 - Medical emergencies
 - Accidents
 - Behavioral emergencies at facilities and on buses
 - Emergency contact and reporting requirements
 - Strategic county wide transportation plan that integrates into Clatsop County Emergency Plan. **MOU in place with Clatsop County Emergency Management. Participating in the Natural Hazards Mitigation Plan update with the county.**

- Complete a feasibility study including associated cost to include
 - Adding Columbia County services into SETD **Completed**
 - Increasing services **New transportation package will provide funding in 2019 to allow for additional services. Will be submitting our STIF plan by April 1, 2019. Will receive funding in October 2019.**
 - Fixed routes **Added 2 additional loops on each weekend day of the Pacific Connector and add another loop on Route 20 M-F.**
 - Para-transit
 - Dial-a-ride
 - RideCare **No longer Relevant**
 - Improving System
 - Improved lighting at bus shelters **Will look at budgeting next year.**
 - Route on-time performances **Now reporting.**
 - Amenities **Added trash cans at Safeway stops and at the stop in front of Taco Bell. New shelter installed by developer in Gearhart. New shelter installed at NW Seniors and Disabilities Services by developer in Warrenton.**
 - Technologies
 - Real-time bus tracking **Completed**

- Website **Completed but will continue to evolve. Received 1st place in NRTAP nationwide contest. Plans to upgrade trip planner are being designed.**
- Mobile apps **Transit Completed**
- E-fare **Moved to next year's budget as part of the STIF Discretionary Grant.**
- Credit cards **Completed**
- Electronic charging stations
- On-board wi-fi
- Improve Appearance
 - Buses **Lot attendant hired, noticeable difference. Schedule being refined.**
 - Shelters **Weekly cleanings in place**
 - Facilities **Major headway made at the Warrenton facility. Transit Center Parking lot restriped professionally. All exterior lighting on the plaza and in the Warrenton yard updated. New monitoring system being installed at TC.**
 - Employees **New coats, shirts, and hats distributed to drivers.**

Priority Two

- Increase employee recruitment and retention
 - Develop SETD succession plan **COO designated ED backup. New Mobility Manager in place. New payroll/ap clerk.**
 - Identify on-going training opportunities at all levels **Ongoing.**
 - Update job descriptions **Tami has completed, she will review with me in May.**
 - Develop employee incentive programs **Gift card program in place.**
 - Conduct market compensation reviews
 - Employee rewards
 - Hats
 - Pins
 - Shirts **We've instituted Popcorn Fridays. Very popular.**

Priority Two (cont.)

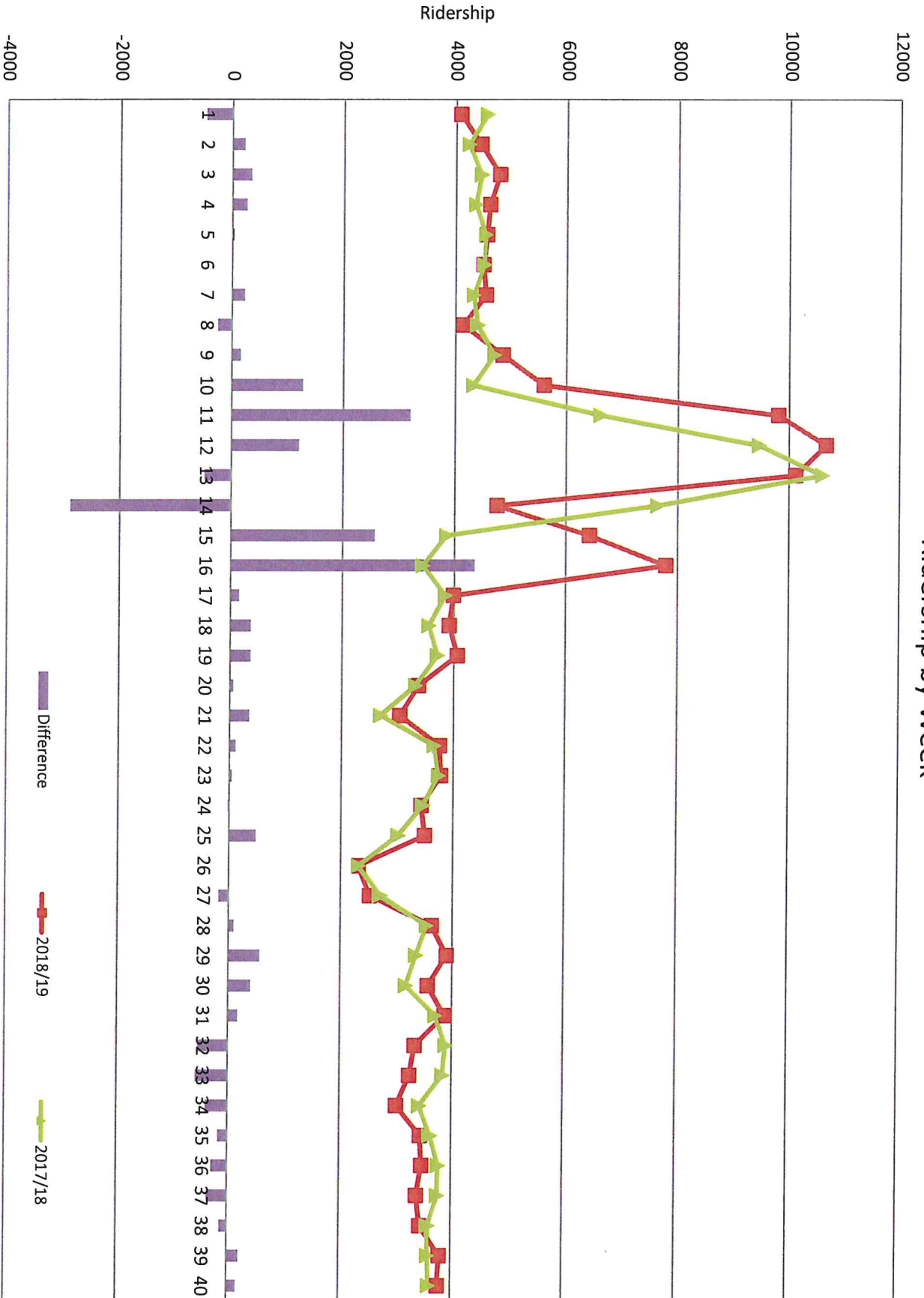
- Increase District Relevancy **Several positive press articles during FY 2018.**
 - Greater awareness of the District Services
 - Who
 - What
 - When
 - Where
 - Accessibility **Moved Jason into Mobility Management. Significant increase in assisting riders and potential riders.**
 - Information about all things SETD services
 - Create a positive culture **New leadership has made a positive difference.**
 - Define Sunset Empire Transportation District

- Establish expectation
- Raise the bar **Ongoing in all aspects of the business**

Priority Three

- Develop capital replacement Plan
 - Fleet **Replacement plan has been in place. RFQ for 4 new buses out.**
 - Technology **In place**
 - Facilities **Received FTA training on real estate requirements. Natural Hazards Mitigation Plan with county.**
- Identify new funding opportunities
 - Review fares **Completed**
 - Seek public/private partnerships **Working with college.**
 - Volunteers **Part of Jason's workplan for the next biennium.**
 - Analyze current non-emergency medical transportation services for potential increased or new revenue **No longer relevant**
 - Continue to explore new Federal/State/Local grant opportunities **Ongoing.**
- Implement current budget process **Completed for FY 2019, beginning process for FY 2020.**

Ridership by Week



Our two newest drivers have completed their training and are now driving routes and providing excellent service to our riders. We have reclassified these drivers to full-time status in order to meet the need for increased driver service hours. One of our seasoned full-time drivers has requested and been granted a reclassification to part-time status. Our supervisors, who have been driving routes, are now prohibited from doing so except in the case where no represented employees are available to cover all routes and shifts.

As we prepare for the start of our summer routes and planned realignment of routes and increases in service in October, we have interviews scheduled for three additional driver applicants, all of whom have current commercial driver licenses (CDL).

Our supervisors will be better able to fulfill their supervisory tasks of providing leadership and guidance, as well as training and discipline for our drivers. This promises to improve our level of customer service and safety, and is a tremendous help to operations as we embark on new systems and programs going forward.

As we prepare to reprint schedules, we are making small adjustments to the Routes 10 and 15 times for some of the stops. This is in response to the data now available from Swiftly. Adding minutes between some stops and subtracting minutes from others results in more accurate schedules and improved on-time performance. Start times for each loop and connections with other routes are not impacted.

Ecolane, our new software for dispatching our ADA and Medicaid rides, is scheduled to have staff on site beginning April 22 to perform installation and training on their system. This implementation is expected to greatly improve efficiencies for our RideAssist group by automating many tasks now requiring several hours each week to accomplish while improving our opportunities to generate shared rides. Accuracy, security and communications are also improved using computer tablets on board each of our paratransit buses.

Installation of the upgraded video system at the transit center is nearly complete. We have replaced the seven cameras from the previous system with new, HD cameras, and we are adding two more cameras to enhance security. This installation restores our ability to view and record events within the transit center as well as the bus plaza and the parking area. Video quality is greatly improved, and remote access is available to staff.

The RFQ for our four new buses was distributed to the three suppliers listed on the Oregon State Price Agreement. Vendors' responses are due back to the District by April 19th. I expect to authorized purchase orders for the new coaches within two weeks of bid closing. Delivery of the buses could take nine months, or more.

RIDE ASSIST
April 2019 Report
Jennifer Geisler

- The five Tab A tablets were sent to Ecolane in Pennsylvania for the program instillation and are now back at Operations waiting for driver use once the scheduling software is up and running. I just received an email this morning as I am completing this report and EcoLane is ready to get SETD up and running the week of April 22 and train the RideAssist staff.
- Mobility Manager, Jason and I have continued our weekly Wednesday meetings. We are making progress on the ADA Paratransit Application process. There are a few things we would like to add, and we are fine tuning the current process.
- March 2019, RideAssist had a total of 1055 rides for an average of 34 rides per day. There were 747 ADA rides, two Dial-A-Ride, 72 personal care attendants and we provided 234 Medicaid rides for NorthWest Rides.
- There were zero ride denials for ADA Paratransit.
- ADA Paratransit Report

Number of completed applications received: 9
Number of incomplete applications received: 0
Number of interview/assessments scheduled: 0
Number of interview/assessments completed: 0
Number of determinations made: 3
 Within 21 days: 3
 More than 21 days: 0
Determination by type:
 Unconditional: 1
 Conditional: 2
 Temporary: 0
 Not eligible: 0
Number of appeals requested: 0
Number of appeals heard: 0

RideAssist Fares Collected/Billed for March 2019

- Para-transit Fares: \$776
- Tickets Collected: \$620
- Medicaid Billed: \$4217
- Ticket books sold: \$384
- Dial-A-Ride Fares: \$16

Mobility Management
April 2019 Report
Jason Jones

In the month of March Mobility Management was busy maintaining and creating reports that can best capture the progress of Travel Training, Transit Engagement and general customer related tasks such as problem solving via phone calls. Though finding the right report tools to use are not difficult, customizing them in a way that helps this program out is the challenge. This is a continuing process that should start becoming more stable as the rest of the quarter pans out.

I had 11 travel trainings in March and 1 travel engagement all in Seaside. All the trainings were done through Seaside High School and a continuing relationship is set as I help the class with the transit portion of their life skills class. It's very encouraging to see a class dedicated to helping the students with the next stages of their life such as how to access those events through public transportation. I have spent more than my average time on the phone and email helping over 14 people with trip plans as well as several others helped on real time issues on routes. I have made limited contacts with 2 businesses, Astoria High School and working some contacts for Warrenton High School.

I helped finish up the application process for the 5310 and STF grants. I'm continuing to research the next steps in the process.

The ADA Paratransit application review process has been a continual learning opportunity. Jennifer and I continue to meet weekly in order to streamline yet enhance the overall process.

The Veterans Enhanced Transportation Program (VETP) provided 32 trips to our local Veterans. I have been on 1 ride-along and have several others planned for the month of April. The ride-along is a tool that helps me assess the integrity of the program and get me some face time with our Volunteer driver and the Veterans we serve. All the Veterans that I have met are thankful that we are engaged and working to improve the service.

Transit Stop Data Inventory: I have completed the data collection for Columbia and Clatsop counties as part of this project. This consists of a matrix of 23 different attributes for each public transit stop. As previously reported, this data will be used by ODOT, SETD and other transit agencies when it comes to route cutting, long range planning and developing grants/funding proposals with more robust datasets.

Astoria Pedestrian Safety Campaign: The other project I have worked on has been the Astoria Pedestrian Crossing Safety Campaign. This will be executed June through August of this year in the .5 section of Hwy 30 that features directional streets. The campaign will consist of consistent and targeted outreach and awareness targeted at both drivers and pedestrians with a goal to reduce car-pedestrian collisions along that stretch of roadway. ODOT, ADHDA and the City of Astoria are all critical partners in this project. This past month has been spent refining the plan and onboarding. This project includes an analysis of pedestrian-car crashes over the past decade and will feature an analysis of post-campaign data to measure efficacy and impact of the work.

Oregon State University Outreach: As Lincoln County has now been added to my service provider territory, I have begun investigating major employers in the region. This has started with discussion with Oregon State University in order to determine if a commute trips reduction program is appropriate for the school's Hatfield Marine Science Center.

Bike Month Challenge: I have worked with four businesses in Astoria to encourage their employees to participate in a Bike Month Challenge for May. While the entire month will be part of the challenge, I will lead encouragement rides and events during the first and last weeks of the month.

I have collaborated with Jason on the creation of some digital education/engagement materials. The hope is that these can form the backbone of a consistent message stream designed to help both TO and Mobility programs

Meetings Held

Astoria Downtown Historic District Association
Oregon State Parks
Oregon Department of Transportation
Clatsop County
Oregon Coast Visitors Association
Cannon Beach Chamber of Commerce
City of Cannon Beach
North Coast Tourism Management Network

Travel Oregon
Oregon State University
City of Astoria



Outreach and Education
April 2019 Board Report
Mary Parker

Tongue Point Job Corp Student Transit Training- On going weekly training is continuing. The class size is back up to 13 to 15 students. The last 2 classes have had more local students who have requested help in planning their transportation home. Difficult for anyone going North on I5 like to Olympia or Seattle as the Job Corp Bus no longer provides transportation to Longview/ Kelso and the CCRider no longer provides weekend service at all.

Seaside Transit Center- I continue to keep flyers in the shelters in South County about the new location of transit office. It has not been very busy, but we are sure it will be used more as we go into summer.



Schedule Updates- I have met with the printers and am going back this week to finalize and approve the route schedule changes and other updates being made to our large schedule. Should have them and new maps for placing in the shelters in a week. I have also started working on the Streetcar schedules and posters. We are hoping to have the Streetcar schedule made into a rack card this for easier distribution this summer. We are also going to be improving the signage on the outside of the streetcar. The Seaside Streetcar will begin running on weekends starting Memorial Day weekend.

Human Resources
April Report
Tami Carlson

March 6th participated in the Clatsop Economic Development Resources (CEDR) Job Fair held at Clatsop Community College. Seven regional High Schools included all of Clatsop County, Naselle and Ilwaco, attended the job fair. The fair gave students looking for summertime employment or interested in exploring career opportunities the chance to visit many industries in preparation of entering the future workforce. The fair was also open to the general public pursuing job opportunities. Continued recruitment for part-time bus drivers.

March 18th the district recognized Driver Appreciation Day by having a chili cook-off (Jeff Hazen won) and BBQ hot dogs. Cake was provided and Paul handed out fancy name badges to all the drivers. We held the monthly driver's meeting that day as well.

March 19th attended the Board Subcommittee meeting to continue the process for the Executive Director's annual evaluation. Another meeting to finalize the process will be held next month.

March 20th attended a webinar presented by HR Answers Inc. on Oregon's Pay Equity Law. This law was implemented on January 1, 2019 and requires employers to complete a comparative analysis on each job and evaluate total compensation for each employee within the grouping of comparable characteristics.

Employee of the 1st Quarter 2019 was Stephanie Rodriguez. Stephanie was rehired as a Customer Service Rep for the Transit Center in January. She was a CSR and top call taker for RideCare before it closed in July last year. Congratulations Stephanie!

Other projects – Completed Worker's Comp. renewal application for 2019; assisted in distribution of employee survey forms for Executive Director evaluation; ATU negotiations.