

**CITY OF SILVERTON**  
**FINANCIAL REPORT**  
**JUNE 30, 2021**

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**CITY OF SILVERTON**  
**OFFICERS AND MEMBERS OF THE GOVERNING BODY**

---

**MAYOR**

Kyle Palmer  
429 S. Third Street  
Silverton, Oregon 97381

**CITY COUNCIL**

Jason Freilinger  
1316 Frontier Street  
Silverton, Oregon 97381

Jess Miller  
404 Charles Avenue  
Silverton, Oregon 97381

Crystal Neideigh  
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Silverton, Oregon 97381

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Silverton, Oregon 97381

**CITY ADDRESS**

306 South Water Street  
Silverton, Oregon 97381

**CITY MANAGER**

Christy S. Wurster (through December 23, 2020)  
Bob Willoughby (December 24, 2020 – May 3, 2021)  
Ron Chandler (beginning May 3, 2021)

**DEPUTY CITY MANAGER/FINANCE DIRECTOR**

Kathleen Zaragoza

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**INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and Members of the City Council  
City of Silverton  
Silverton, Oregon

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Silverton (the "City") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

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

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

**Auditor's Responsibility**

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Silverton as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages a–f and the schedules of proportionate share of the net pension liability, contributions, proportionate share of the net other postemployment benefit liability, contributions and changes in the City's total other postemployment benefit liability and related ratios on pages 54–58 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining financial statements and individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Honorable Mayor and Members of the City Council  
City of Silverton  
Page C

**Other Reporting Required by Oregon State Regulations**

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, we have issued our report dated December 29, 2021 on our consideration of the City'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 test and not to provide an opinion on compliance.

*Singer Lewak LLP*

December 29, 2021

By:

A handwritten signature in black ink, appearing to read 'B. Bingenheimer', written over a faint, illegible background.

Bradley G. Bingenheimer, CPA, Partner

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

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## CITY OF SILVERTON

### MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended June 30, 2021

This discussion and analysis presents the highlights of financial activities and financial position for the City of Silverton. The analysis focuses on significant financial issues, major financial activities and resulting changes in financial position, budget changes and variances from the budget, and specific issues related to funds and the economic factors affecting the City.

Management's Discussion and Analysis (MD&A) focuses on current year activities and resulting changes. Please read it in conjunction with the City's financial statements.

#### FINANCIAL HIGHLIGHTS

The City's assets exceeded its liabilities at June 30, 2021 by \$81,610,604 (*net position*). Of this amount, \$42,801,102 was invested in capital assets; \$23,764,934 was restricted for specific purposes resulting in unrestricted net position of \$15,044,568.

The City's total net position increased by \$7,141,044 (or 9.59%). The majority of the increase is due primarily to the increase of the net investment in capital assets for Governmental Activities and Business-type activities. This was primarily the result of the McClaine Street improvement that was completed.

The City's governmental activities had an increase in net position of \$3,832,342 of which \$2,716,866 is for net investment in capital assets, and \$2,261,828 is for restricted net position. The unrestricted had a decrease of \$1,146,352.

The City's business-type activities had an increase in total net position of \$3,308,702, which is a result of the increase in the net investment in capital assets of \$1,261,004, restricted net position of \$700,213 and \$1,347,485 in unrestricted net position.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

The City's annual financial report consists of several sections. Taken together they provide a report of the City's financial position as of June 30, 2021. The components of the report include the following:

**Management's Discussion and Analysis** This section of the report provides financial highlights, overview and economic factors affecting the City.

**Basic Financial Statements** They include a statement of net position, a statement of activities, fund financial statements and the notes to the financial statements.

The statements of net position and activities focus on an entity-wide presentation using the accrual basis of accounting and provide both long-term and short-term information about the City's financial status. The governmental activities include most of the City's basic services such as police, street maintenance and improvement, community planning and governance. The business-type activities include the operation of the City's sewer and water utilities.

Fund financial statements focus separately on major governmental funds and proprietary funds. Governmental fund statements follow the more traditional presentation of financial statements. The City's major governmental funds are presented in their own columns and the non-major funds are combined into a column titled "total nonmajor funds." A budgetary comparison statement is presented for the General Fund.

Statements for the City's proprietary funds follow the governmental funds and include net position; revenues, expenses and changes in fund net position; and cash flows.

The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the City's financial condition.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

**Combining and Individual Fund Statements and Schedules.** Readers wanting additional information about other major funds not presented in the basic financial statements and nonmajor funds can find it in this section. Included within this section are:

- Combining statements of nonmajor governmental funds. These statements include balance sheets and statements of revenues, expenditures and changes in fund balances.
- Budgetary comparisons. Budgetary information for all funds, except the General Fund, which is presented within the basic financial statements, is presented here.
- Combining statements of nonmajor proprietary funds. These statements include balance sheets, statements of revenues, expenses, and changes in net position and cash flows.

**Audit comments and disclosures required by state regulations.** These are supplemental communications on the City's compliance and internal controls as required by Oregon State Statutes.

## FINANCIAL SUMMARY AND ANALYSIS

As mentioned earlier, the City's net position as of June 30, 2021 was \$81,610,604. The largest portion of net position is comprised of the City's investment in capital assets (e.g., land, buildings, equipment and public infrastructure); less any related debt outstanding used to acquire those assets. The City uses capital assets to provide services to citizens; therefore, these assets are not available for future spending. The resources to repay the related debt is not provided by capital assets, but will be provided from other sources such as charges for services.

### NET POSITION

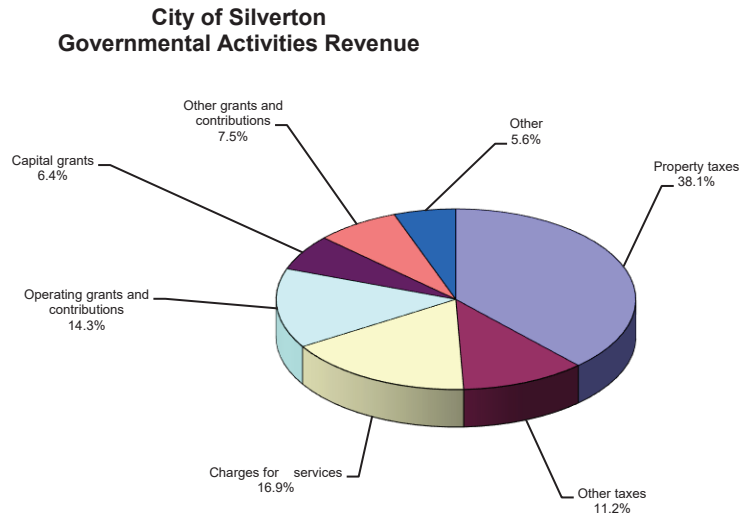
	Governmental Activities		Business-type Activities		Totals	
	2020	2021	2020	2021	2019	2020
<u>Assets</u>						
Current and other assets	\$ 26,955,324	\$ 28,589,682	\$ 15,060,962	\$ 17,499,924	\$ 42,016,286	\$ 46,089,606
Capital assets, net	<u>16,981,424</u>	<u>19,698,290</u>	<u>30,871,394</u>	<u>31,489,964</u>	<u>47,852,818</u>	<u>51,188,254</u>
<b>Total assets</b>	<u>43,936,748</u>	<u>48,287,972</u>	<u>45,932,356</u>	<u>48,989,888</u>	<u>89,869,104</u>	<u>97,277,860</u>
<u>Deferred outflows of resources</u>	<u>1,918,026</u>	<u>1,973,647</u>	<u>620,696</u>	<u>711,799</u>	<u>2,538,722</u>	<u>2,685,446</u>
<u>Liabilities</u>						
Long-term liabilities	5,721,636	5,534,741	11,005,238	10,440,338	16,726,874	15,975,079
Other liabilities	<u>377,234</u>	<u>745,408</u>	<u>265,316</u>	<u>512,413</u>	<u>642,550</u>	<u>1,257,821</u>
<b>Total liabilities</b>	<u>6,098,870</u>	<u>6,280,149</u>	<u>11,270,554</u>	<u>10,952,751</u>	<u>17,369,424</u>	<u>17,232,900</u>
<u>Deferred inflows of resources</u>	<u>429,765</u>	<u>822,989</u>	<u>139,077</u>	<u>296,813</u>	<u>568,842</u>	<u>1,119,802</u>
<u>Net position</u>						
Net investment in capital assets	16,981,424	19,698,290	21,841,808	23,102,812	38,823,232	42,801,102
Restricted	13,648,662	15,910,490	7,154,231	7,854,444	20,802,893	23,764,934
Unrestricted	<u>8,696,053</u>	<u>7,549,701</u>	<u>6,147,382</u>	<u>7,494,867</u>	<u>14,843,435</u>	<u>15,044,568</u>
<b>Total net position</b>	<u>\$ 39,326,139</u>	<u>\$ 43,158,481</u>	<u>\$ 35,143,421</u>	<u>\$ 38,452,123</u>	<u>\$ 74,469,560</u>	<u>\$ 81,610,604</u>



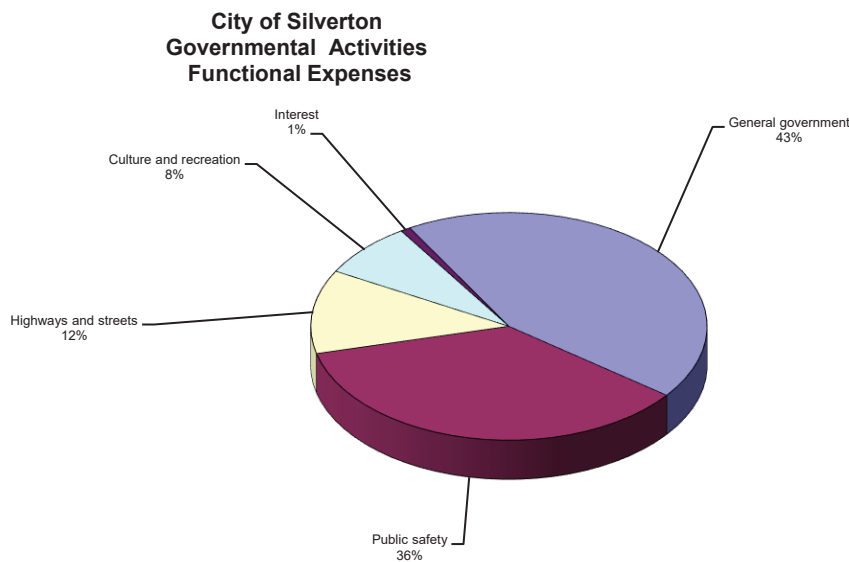
**MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)**

**FINANCIAL SUMMARY AND ANALYSIS (Continued)**

The governmental activities revenue comes primarily from property taxes, charges for services and various grants and contributions. The City’s governmental expenses cover a wide variety of services, with general government, public safety and streets accounting for most of these expenses.



Property taxes are the City’s primary source of revenue comprising 38.1% of the City’s governmental revenue. The City’s permanent tax rate is \$3.6678 per \$1,000 of assessed value. Additional taxes levied are for a pool operation levy. The next largest revenue source was from charges for services, 17%.



The primary expenses for governmental activities are general government at 43% and public safety at 36%. General government expenses are greater than public safety expenses by \$584,531. General government expenses are less for the 2021 fiscal year as compared to the 2020 fiscal year by a total of \$181,457. The public safety expenses are less than the prior year by \$263,926.

**MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)**

**FINANCIAL SUMMARY AND ANALYSIS (Continued)**

Net position of the governmental activities increased by \$3,832,342, or 9.74%. Net position of the City’s business-type activities increased by \$3,308,702 or 9.41%. Key elements of these changes are as follows:

	Governmental Activities		Business-type Activities		Totals	
	2020	2021	2020	2021	2020	2021
<b>Revenues</b>						
Program:						
Charges for services	\$ 1,935,111	\$ 1,839,446	\$ 6,395,663	\$ 7,053,061	\$ 8,330,774	\$ 8,892,507
Operating grants and contributions	846,853	1,550,990	-	-	846,853	1,550,990
Capital grants and contributions	792,075	694,313	694,784	628,749	1,486,859	1,323,062
General:						
Property taxes	3,844,935	4,141,395	-	-	3,844,935	4,141,395
Other taxes	1,276,722	1,218,497	-	-	1,276,722	1,218,497
Other grants and contributions	355,130	819,991	-	-	355,130	819,991
Other	608,949	606,747	295,019	151,483	903,968	758,230
<b>Total revenues</b>	<b>9,659,775</b>	<b>10,871,379</b>	<b>7,385,466</b>	<b>7,833,293</b>	<b>17,045,241</b>	<b>18,704,672</b>
<b>Expenses</b>						
General government	3,411,351	3,229,894	-	-	3,411,351	3,229,894
Public safety	2,909,289	2,645,363	-	-	2,909,289	2,645,363
Highways and streets	748,817	880,301	-	-	748,817	880,301
Culture and recreation	531,156	576,259	-	-	531,156	576,259
Interest on long-term obligations	110,084	60,853	-	-	110,084	60,853
Sewer	-	-	2,615,410	2,606,278	2,615,410	2,606,278
Water	-	-	1,477,077	1,564,680	1,477,077	1,564,680
<b>Total expenses</b>	<b>7,710,697</b>	<b>7,392,670</b>	<b>4,092,487</b>	<b>4,170,958</b>	<b>11,803,184</b>	<b>11,563,628</b>
Change in net position before transfer:	1,949,078	3,478,709	3,292,979	3,662,335	5,242,057	7,141,044
Transfers	1,697,566	544,774	(1,697,566)	(544,774)	-	-
<b>Increase in net position</b>	<b>3,646,644</b>	<b>4,023,483</b>	<b>1,595,413</b>	<b>3,117,561</b>	<b>5,242,057</b>	<b>7,141,044</b>
Net position - beginning	35,679,495	39,326,139	33,548,008	35,143,421	69,227,503	74,469,560
Prior period adjustment	-	(191,141)	-	191,141	-	-
<b>Net position - ending</b>	<b>\$ 39,326,139</b>	<b>\$ 43,158,481</b>	<b>\$ 35,143,421</b>	<b>\$ 38,452,123</b>	<b>\$ 74,469,560</b>	<b>\$ 81,610,604</b>

**Governmental Activities**

The change in net position for governmental activities for 2021 is an increase of \$3,832,342. The increase is primarily due to an increase in operating grant and contributions which includes funds from the CARES act.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

### Business-type Activities

The increase in net position for business activities is \$3,308,702. The change is mostly due to an increase in the charges.

### FINANCIAL ANALYSIS OF FUNDS

As of June 30, 2021, the City's governmental funds reported a combined fund balance of \$23,863,160, which is an increase of \$1,267,502 from June 30, 2020. The increase is a combination of an increase in cash and cash equivalents of \$318,126 and a small decrease in unavailable revenue.

The General Fund is the primary operating fund of the City and includes the General Operating Reserve Fund. As of June 30, 2021, the fund balance for the General Fund is \$4,842,648, which is an increase of \$332,873 from June 30, 2020. This change is the result of the increase in intergovernmental revenues.

Proprietary funds provide the same type of information as presented in the government-wide statements of net position and activities, but in more detail. The proprietary funds' net position amounted to \$38,626,352 as of June 30, 2021, which is an increase of \$3,066,342 from June 30, 2020. The primary change was the increase cash and cash equivalents. Total liabilities also show a small decrease due to loan and bond repayments.

### GENERAL BUDGETARY HIGHLIGHTS

There were four budget transfer resolutions and one supplemental resolution adopted by City Council during the fiscal year ended June 30, 2021. The General Fund budget appropriation changes reduced contingency, increased appropriations to allow for repairs to be made that were caused by the ice storm the city experienced during February 2021. The supplemental was an increase in Intergovernmental Grants and allowed the City to collect the grant and increase appropriation authority for costs related to COVID-19. The Street Fund, Building Operations Fund, Sewer Fund and Water Fund had decreases to contingency and increased appropriations for costs related to the ice storm, Water Capital Project Fund had an increase to begin design services for the water treatment plant improvements. The Water Fund also had an increase to continue a study for the Abiqua Dam and intake.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

As of June 30, 2021, the City has invested \$80,537,973 in capital assets of its governmental and business-type activities, before accumulated depreciation. This investment includes land and land improvements, buildings, equipment and public infrastructure of roads and bridges. The investment in governmental activities capital assets increased by \$3,276,369, and business-type activities increased by \$1,386,774. Significant additions during the year ended June 30, 2021 in governmental activities for construction in progress for the McClaine Street improvement of \$2,417,054 and for the Civic Building project of \$898,161, for sidewalk improvements. The investment in business-type activities increased by \$662,562 for McClaine Street improvements and equipment related costs of \$105,730.

Additional information regarding the City's capital assets is located within note 5 of the financial statements.

The governmental long-term principal debt outstanding as of June 30, 2021 was \$806,883 and business-type principal debt was \$8,760,270.

A summary of the City's principal long-term debt outstanding as of June 30, 2021 is as follows:

Pension Obligation Bond	\$ 1,180,001
Sewer Revenue Bonds payable to Bank of New York	5,225,000
Sewer LOCAP Rev Bonds payable to Bank of New York	2,700,000
Water Revenue loan payable to Citizens Bank	462,152
Compensated absences	231,792

Additional information pertaining to the City's long-term debt is located within Note 8 of the financial statements.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

### **ECONOMIC FACTORS**

During the 2021 fiscal year, the City housing construction within the city limits continued to increase the property values. The growth has continued to remain similar to the last several years. Property taxes levied increased from the prior year but only by about 4.93%, which is 1.93% above the allowed 3% increase on assessed property value and a slightly higher increase than the previous fiscal year. The City had one commercial business that made major improvements to their building in the downtown area. There is at least one new housing development where new homes continue to be built and some other development that is in the planning stages. The City had approximately 59 new homes completed. This year was a full year of dealing with issues related to the COVID-19 pandemic and the City has managed to continue to provide services to customers and citizens with little disruption. Even with the pandemic the City continues to be financially strong and was able to complete the McClaine Street Improvement project, has continued moving forward with the Waterline Project which is partially funded with a federal grant and the design of the Civic Building. The City reduced estimated revenue projections for the 2021-2022 fiscal year in both the Sewer Fund and Water Fund in anticipation of one of the industrial customers leaving. Staff will continue to monitor revenues very closely during the next fiscal year to make any recommendations regarding spending in order to maintain healthy fund balances and provide the necessary services to citizens. As with many local governments, the City has many unfunded capital improvements pertaining to infrastructure that still need to be addressed.

### **FINANCIAL CONTACT**

The City's financial statements are intended to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the City's finances and to demonstrate the City's accountability.

If you have questions about the financial report or need additional financial information, please contact Kathleen Zaragoza, Deputy City Manager/Finance Director at 306 S Water St, Silverton, OR 97381. Financial information is also located on the City of Silverton website at [www.silverton.or.us](http://www.silverton.or.us).

## **BASIC FINANCIAL STATEMENTS**

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**CITY OF SILVERTON**  
**STATEMENT OF NET POSITION**  
**June 30, 2021**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Totals</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 26,866,863	\$ 16,529,045	\$ 43,395,908
Internal balances	(201,020)	201,020	-
Receivables, net	1,882,865	640,180	2,523,045
Inventory	13,085	119,620	132,705
Net other postemployment benefit asset	27,889	10,059	37,948
Capital assets:			
Land and construction in progress	7,466,558	3,205,192	10,671,750
Other capital assets, net	<u>12,231,732</u>	<u>28,284,772</u>	<u>40,516,504</u>
<b>Total assets</b>	<u>48,287,972</u>	<u>48,989,888</u>	<u>97,277,860</u>
<b>Deferred outflows of resources</b>			
Pension related items	1,938,734	699,208	2,637,942
Other postemployment benefit related items	<u>34,913</u>	<u>12,591</u>	<u>47,504</u>
<b>Total deferred outflows of resources</b>	<u>1,973,647</u>	<u>711,799</u>	<u>2,685,446</u>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	625,910	407,668	1,033,578
Accrued interest payable	4,606	33,423	38,029
Deposits	114,892	71,322	186,214
Long-term liabilities:			
Due within one year	291,329	751,639	1,042,968
Due in more than one year	<u>5,243,412</u>	<u>9,688,699</u>	<u>14,932,111</u>
<b>Total liabilities</b>	<u>6,280,149</u>	<u>10,952,751</u>	<u>17,232,900</u>
<b>Deferred inflows of resources</b>			
Pension related items	744,653	268,560	1,013,213
Other postemployment benefit related items	<u>78,336</u>	<u>28,253</u>	<u>106,589</u>
<b>Total deferred inflows of resources</b>	<u>822,989</u>	<u>296,813</u>	<u>1,119,802</u>
<b>Net position</b>			
Net investment in capital assets	19,698,290	23,102,812	42,801,102
Restricted for:			
Highways and streets	3,181,308	-	3,181,308
Community development	824,875	-	824,875
Pool operations	810,554	-	810,554
Urban renewal	2,094,947	-	2,094,947
Capital projects	7,153,000	7,226,526	14,379,526
Debt service	715,711	627,918	1,343,629
Other purposes	1,130,095	-	1,130,095
Unrestricted	<u>7,549,701</u>	<u>7,494,867</u>	<u>15,044,568</u>
<b>Total net position</b>	<u><b>\$ 43,158,481</b></u>	<u><b>\$ 38,452,123</b></u>	<u><b>\$ 81,610,604</b></u>

See notes to financial statements.

**CITY OF SILVERTON**  
**STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Totals
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
<b>Governmental activities:</b>							
General government	\$ 3,229,894	\$ 543,705	\$ -	\$ 50,154	\$ (2,636,035)		\$ (2,636,035)
Public safety	2,645,363	174,872	86,038	5,500	(2,378,953)		(2,378,953)
Highways and streets	880,301	1,029,691	1,433,823	384,925	1,968,138		1,968,138
Culture and recreation	576,259	91,178	31,129	253,734	(200,218)		(200,218)
Interest	60,853	-	-	-	(60,853)		(60,853)
Total governmental activities	7,392,670	1,839,446	1,550,990	694,313	(3,307,921)		(3,307,921)
<b>Business-type activities:</b>							
Sewer	2,606,278	4,060,323	-	222,318		\$ 1,676,363	1,676,363
Water	1,564,680	2,992,738	-	406,431		1,834,489	1,834,489
Total business-type activities	4,170,958	7,053,061	-	628,749		3,510,852	3,510,852
<b>Totals</b>	<b>\$ 11,563,628</b>	<b>\$ 8,892,507</b>	<b>\$ 1,550,990</b>	<b>\$ 1,323,062</b>	(3,307,921)	3,510,852	202,931
<b>General revenues:</b>							
Taxes levied for:							
General purposes					3,054,880	-	3,054,880
Specific purposes					1,086,515	-	1,086,515
Miscellaneous taxes					286,921	-	286,921
Franchise fees					839,595	-	839,595
Fuel taxes					91,981	-	91,981
Grants and contributions not restricted to specific programs					819,991	-	819,991
Rents					19,222	-	19,222
Unrestricted investment earnings					215,908	121,813	337,721
Miscellaneous					371,617	29,670	401,287
<b>Transfers</b>					544,774	(544,774)	-
Total general revenues and transfers					7,331,404	(393,291)	6,938,113
Change in net position					4,023,483	3,117,561	7,141,044
Net position - beginning					39,326,139	35,143,421	74,469,560
Prior period adjustment					(191,141)	191,141	-
<b>Net position - ending</b>					<b>\$ 43,158,481</b>	<b>\$ 38,452,123</b>	<b>\$ 81,610,604</b>

See notes to financial statements.



**CITY OF SILVERTON**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2021**

	General	Civic Building Project	McClaine St Improvement Project	Total Nonmajor Funds	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 4,709,530	\$ 3,764,596	\$ 642,243	\$ 14,770,703	\$ 23,887,072
Receivables	448,955	-	-	1,433,910	1,882,865
Inventories	-	-	-	13,085	13,085
<b>Total assets</b>	<b><u>\$ 5,158,485</u></b>	<b><u>\$ 3,764,596</u></b>	<b><u>\$ 642,243</u></b>	<b><u>\$ 16,217,698</u></b>	<b><u>\$ 25,783,022</u></b>
<b>Liabilities, deferred inflows and fund balances</b>					
<b>Liabilities</b>					
Accounts payable and accrued liabilities	\$ 102,733	\$ 273,635	\$ 157,924	\$ 91,618	\$ 625,910
Consumer deposits	64,816	-	-	50,076	114,892
Total liabilities	167,549	273,635	157,924	141,694	740,802
<b>Deferred inflows of resources</b>					
Unavailable revenue	148,288	-	-	1,030,772	1,179,060
Total deferred inflows of resources	148,288	-	-	1,030,772	1,179,060
<b>Fund balances</b>					
Nonspendable	-	-	-	13,085	13,085
Restricted	-	-	-	14,351,942	14,351,942
Committed	-	3,490,961	484,319	443,165	4,418,445
Assigned	1,039,954	-	-	237,040	1,276,994
Unassigned	3,802,694	-	-	-	3,802,694
Total fund balances	4,842,648	3,490,961	484,319	15,045,232	23,863,160
<b>Total liabilities, deferred inflows and fund balances</b>	<b><u>\$ 5,158,485</u></b>	<b><u>\$ 3,764,596</u></b>	<b><u>\$ 642,243</u></b>	<b><u>\$ 16,217,698</u></b>	<b><u>\$ 25,783,022</u></b>

See notes to financial statements

**CITY OF SILVERTON**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**GOVERNMENTAL FUNDS**  
**June 30, 2021**

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Fund balances - total governmental funds	\$	23,863,160
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		19,698,290
Net other postemployment benefit asset represents the City's proportionate share of the Oregon PERS Retirement Health Insurance Account, which is not reported in the funds.		27,889
Deferred outflows related to the pension plan and other postemployment benefits are not current financial resources and therefore are not reported in the funds		1,973,647
Deferred inflows related to the pension plan and other postemployment benefits are reported in the statement of net position but are not reported in the funds		(822,989)
Internal service funds are used by management to charge the costs of centralized services and facilities maintenance services to individual funds. A portion of the assets and liabilities of the internal service funds is included in governmental activities in the statement of net position		2,979,791
Other long-term assets are not available for current period expenditures and, therefore, are reported as unavailable revenue in the funds		1,179,060
Internal balances relating to sewer and water system development charges are due from the governmental activities to the business-type activities on the statement of net position		(201,020)
Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds		<u>(5,539,347)</u>
<b>Net position of governmental activities</b>	<b>\$</b>	<b><u>43,158,481</u></b>

**CITY OF SILVERTON**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2021**

	General	Civic Building Project	McClaine St Improvement Project	Total Nonmajor Funds	Total Governmental Funds
<b>Revenues</b>					
Property taxes	\$ 3,057,522	\$ -	\$ -	\$ 1,086,512	\$ 4,144,034
Franchise fees	839,595	-	-	-	839,595
Transient taxes	-	-	-	286,921	286,921
Licenses, permits and fees	204,232	-	-	1,371,559	1,575,791
Fines and forfeitures	207,936	-	-	88,783	296,719
Assessment	-	-	-	32,986	32,986
System development charges	-	-	-	634,768	634,768
Intergovernmental	906,029	5,500	500,000	1,015,106	2,426,635
Rent	19,222	-	-	-	19,222
Fuel taxes	-	-	-	91,981	91,981
Loan repayment	-	-	-	53,441	53,441
Interest	40,415	14,458	16,816	120,722	192,411
Miscellaneous	292,946	-	-	12,633	305,579
Total revenues	<u>5,567,897</u>	<u>19,958</u>	<u>516,816</u>	<u>4,795,412</u>	<u>10,900,083</u>
<b>Expenditures</b>					
Current					
General government	2,207,595	-	-	601,491	2,809,086
Public safety	2,575,980	-	-	-	2,575,980
Highways and streets	-	-	-	469,513	469,513
Culture and recreation	222,223	-	-	195,604	417,827
Debt service	-	-	-	219,735	219,735
Capital outlay	14,159	898,161	2,738,120	518,750	4,169,190
Total expenditures	<u>5,019,957</u>	<u>898,161</u>	<u>2,738,120</u>	<u>2,005,093</u>	<u>10,661,331</u>
Excess (deficiency) of revenues over expenditures	<u>547,940</u>	<u>(878,203)</u>	<u>(2,221,304)</u>	<u>2,790,319</u>	<u>238,752</u>
<b>Other financing sources (uses)</b>					
Transfers in	1,437,632	3,050,000	108,114	291,567	4,887,313
Transfers out	(1,652,699)	-	-	(2,205,864)	(3,858,563)
Total other financing sources (uses)	<u>(215,067)</u>	<u>3,050,000</u>	<u>108,114</u>	<u>(1,914,297)</u>	<u>1,028,750</u>
Net change in fund balances	332,873	2,171,797	(2,113,190)	876,022	1,267,502
Fund balances at beginning of year	<u>4,509,775</u>	<u>1,319,164</u>	<u>2,597,509</u>	<u>14,169,210</u>	<u>22,595,658</u>
<b>Fund balance at end of year</b>	<b><u>\$ 4,842,648</u></b>	<b><u>\$ 3,490,961</u></b>	<b><u>\$ 484,319</u></b>	<b><u>\$ 15,045,232</u></b>	<b><u>\$ 23,863,160</u></b>

See notes to financial statements

**CITY OF SILVERTON**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES OF**  
**GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2021**

Net change in fund balances - total governmental funds		\$ 1,267,502
<i>Amounts reported for governmental activities in the Statement of Activities are different because of the following</i>		
Governmental funds report the acquisition of capital assets as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. The difference between those two amounts is:		
Acquisition of capital assets	\$ 3,278,157	
Depreciation	<u>(561,291)</u>	2,716,866
The amount contributed to defined benefit pension plans is reported as an expenditure in the funds, while governmental activities reports pension expense as the change in net pension asset or liability, pension related deferred outflows of resources and deferred inflows of resources		
Change in deferred outflows of resources - pension related	30,619	
Change in net pension liability	110,739	
Change in deferred inflows of resources - pension related	<u>(403,750)</u>	(262,392)
The amount contributed to the other postemployment benefit plans is reported as an expenditure in the funds, while governmental activities reports additional other postemployment benefit expense as the change in postemployment asset or liability, other postemployment benefit related deferred outflows of resources and deferred inflows of resources		
Change in deferred outflows of resources - other postemployment benefit related	25,002	
Change in other postemployment benefit asset	(11,239)	
Change in other postemployment benefit liability	(24,311)	
Change in deferred inflows of resources - other postemployment benefit related	<u>10,526</u>	(22)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds as follows:		
Taxes	(2,639)	
Fines and forfeitures	(38,159)	
Housing rehabilitation loans	(3,441)	
Contribution of capital asset	<u>(14,121)</u>	(58,360)
Internal service funds are used by management to charge the costs of public works services to individual funds. A portion of the assets and liabilities of the internal service funds is included in governmental activities in the statement of net position		
		268,793
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		508
Compensated absences		11,573
The change in system development charges held for the business-type activities by the governmental activities is reported as a revenue by the business-type activities		
		(9,879)
Repayment of long-term obligations principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the statement of net position.		
		<u>88,894</u>
<b>Change in net position of governmental activities</b>		<b><u>\$ 4,023,483</u></b>

See notes to financial statements

**CITY OF SILVERTON**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2021**

	<b>Budget</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Property taxes	\$ 2,947,905	\$ 2,947,905	\$ 3,057,522	\$ 109,617
Franchise fees	754,000	754,000	839,595	85,595
Licenses, permits and fees	136,400	136,400	204,232	67,832
Fines and forfeitures	194,600	194,600	207,936	13,336
Intergovernmental	497,965	818,094	906,029	87,935
Rents	19,200	19,200	19,222	22
Interest	45,250	45,250	32,436	(12,814)
Miscellaneous	85,200	85,200	265,387	180,187
	<u>4,680,520</u>	<u>5,000,649</u>	<u>5,532,359</u>	<u>531,710</u>
Total revenues				
<b>Expenditures</b>				
City council	57,100	57,100	23,880	33,220
City management	498,879	498,879	465,637	33,242
Finance	601,761	601,761	527,323	74,438
Police	3,020,556	3,020,556	2,536,576	483,980
Community enforcement	76,345	76,345	53,478	22,867
Planning	255,836	270,836	235,353	35,483
Facilities and maintenance	288,840	288,840	263,416	25,424
Parks and recreation	210,212	309,412	222,308	87,104
Computer services	66,700	66,700	55,231	11,469
Non-departmental				
Materials and services	538,450	843,579	636,755	206,824
Capital outlay	10,000	10,000	-	10,000
Contingency	801,602	702,402	-	702,402
	<u>6,426,281</u>	<u>6,746,410</u>	<u>5,019,957</u>	<u>1,726,453</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>(1,745,761)</u>	<u>(1,745,761)</u>	<u>512,402</u>	<u>2,258,163</u>
<b>Other financing sources (uses)</b>				
Transfers in	1,437,666	1,437,666	1,437,632	(34)
Transfers out	<u>(1,652,699)</u>	<u>(1,652,699)</u>	<u>(1,652,699)</u>	<u>-</u>
	<u>(215,033)</u>	<u>(215,033)</u>	<u>(215,067)</u>	<u>(34)</u>
Total other financing sources (uses)				
Net change in fund balance	(1,960,794)	(1,960,794)	297,335	2,258,129
Fund balance at beginning of year	<u>3,051,316</u>	<u>3,051,316</u>	<u>3,505,359</u>	<u>454,043</u>
<b>Fund balance at end of year</b>	<b><u>\$ 1,090,522</u></b>	<b><u>\$ 1,090,522</u></b>	<b><u>\$ 3,802,694</u></b>	<b><u>\$ 2,712,172</u></b>

See notes to financial statements

**CITY OF SILVERTON**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
June 30, 2021

	Business-type Activities		Governmental Activities	
	Sewer	Water	Total Enterprise Funds	Internal Service Funds
<b>Assets</b>				
Current assets				
Cash and cash equivalents	\$ 10,152,137	\$ 6,376,908	\$ 16,529,045	\$ 2,979,791
Receivables, net	351,406	288,774	640,180	-
Inventory	15,023	104,597	119,620	-
Total current assets	10,518,566	6,770,279	17,288,845	2,979,791
Net other postemployment benefits asset	5,438	4,621	10,059	-
Capital assets				
Land and construction in progress	1,845,281	1,359,911	3,205,192	-
Other capital assets, net	20,798,980	7,485,792	28,284,772	-
Total capital assets	22,644,261	8,845,703	31,489,964	-
Total assets	33,168,265	15,620,603	48,788,868	2,979,791
<b>Deferred outflows of resources</b>				
Pension related items	378,009	321,199	699,208	-
Other postemployment benefit related items	6,807	5,784	12,591	-
Total deferred outflows of resources	384,816	326,983	711,799	-
<b>Liabilities</b>				
Current liabilities				
Accounts payable and accrued liabilities	70,209	337,459	407,668	-
Accrued interest payable	28,975	2,317	31,292	-
Consumer deposits	-	71,322	71,322	-
Compensated absences	27,895	15,138	43,033	-
Long-term obligations due within one year	480,000	181,176	661,176	-
Total current liabilities	607,079	607,412	1,214,491	-
Long-term obligations due in more than one year	8,330,021	1,032,990	9,363,011	-
Total liabilities	8,937,100	1,640,402	10,577,502	-
<b>Deferred inflows of resources</b>				
Pension related items	145,190	123,370	268,560	-
Other postemployment benefit related items	15,274	12,979	28,253	-
Total deferred inflows of resources	160,464	136,349	296,813	-
<b>Net position</b>				
Net investment in capital assets	14,719,261	8,383,551	23,102,812	-
Restricted for:				
Capital projects	3,844,370	3,181,136	7,025,506	-
Debt service	627,918	-	627,918	-
Unrestricted	5,263,968	2,606,148	7,870,116	2,979,791
<b>Total net position</b>	<b>\$ 24,455,517</b>	<b>\$ 14,170,835</b>	38,626,352	<b>\$ 2,979,791</b>
Long-term obligations issued to prepay the PERS unfunded actuarial liability are allocable to business-type activities in the statement of net position			(373,118)	
Internal balance for sewer and water system development charges recorded in the governmental activities			201,020	
Accrued interest on long-term obligations issued to prepay the PERS unfunded actuarial liability			(2,131)	
<b>Net position of the business-type activities</b>			<b>\$ 38,452,123</b>	

See notes to financial statements

**CITY OF SILVERTON**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**Year Ended June 30, 2021**

	Business-type Activities			Governmental Activities
	Sewer	Water	Totals Enterprise Funds	Internal Service Funds
<b>Operating revenues</b>				
Charges for services	\$ 4,060,323	\$ 2,981,741	\$ 7,042,064	\$ -
Licenses, permits and fees	-	10,997	10,997	-
Total operating revenues	<u>4,060,323</u>	<u>2,992,738</u>	<u>7,053,061</u>	<u>-</u>
<b>Operating expenses</b>				
Personnel services	927,141	796,580	1,723,721	-
Materials and services	590,833	377,391	968,224	-
Depreciation	710,468	361,238	1,071,706	-
Total operating expenses	<u>2,228,442</u>	<u>1,535,209</u>	<u>3,763,651</u>	<u>-</u>
Operating income (loss)	1,831,881	1,457,529	3,289,410	-
<b>Nonoperating revenues (expenses)</b>				
Grants	5,051	60,612	65,663	-
Interest income	74,830	46,983	121,813	23,497
Miscellaneous	28,996	674	29,670	16,038
Interest expense	(363,766)	(15,401)	(379,167)	-
Total nonoperating revenue (expenses)	<u>(254,889)</u>	<u>92,868</u>	<u>(162,021)</u>	<u>39,535</u>
Income (loss) before transfers	1,576,992	1,550,397	3,127,389	39,535
Capital contributions	222,239	330,968	553,207	-
Transfers in	506,544	156,018	662,562	348,066
Transfers out	(635,284)	(641,532)	(1,276,816)	(118,808)
Change in net position	1,670,491	1,395,851	3,066,342	268,793
Net position - beginning	<u>22,785,026</u>	<u>12,774,984</u>		<u>2,710,998</u>
<b>Net position - ending</b>	<b><u>\$ 24,455,517</u></b>	<b><u>\$ 14,170,835</u></b>		<b><u>\$ 2,979,791</u></b>
Change in net position			\$ 3,066,342	
Adjustment to reflect the changes in the pension bond related to the enterprise funds			41,340	
Adjustment for current year activity related to system development charges reported in the governmental activities but for use by the business-type activities			<u>9,879</u>	
<b>Change in net position of the business-type activities</b>			<b><u>\$ 3,117,561</u></b>	

See notes to financial statements

**CITY OF SILVERTON**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
Year Ended June 30, 2021

	Business-type Activities			Governmental
	Sewer	Water	Total Enterprise Funds	Internal
				Funds
<b>Cash flows from operating activities</b>				
Receipts from customers	\$ 4,046,724	\$ 2,938,101	\$ 6,984,825	\$ -
Payments to suppliers	(580,503)	(361,499)	(942,002)	-
Payments to employees	(843,617)	(692,227)	(1,535,844)	-
Net cash provided by (used in) operating activities	<u>2,622,604</u>	<u>1,884,375</u>	<u>4,506,979</u>	<u>-</u>
<b>Cash flows from capital and related financing activities</b>				
Transfers in	-	-	-	348,066
Transfers out	(635,284)	(641,532)	(1,276,816)	(100,000)
System development charges received	222,239	330,968	553,207	-
Other	28,996	674	29,670	16,038
Grants	5,051	60,612	65,663	-
Acquisition of capital assets	(209,084)	(604,331)	(813,415)	(18,808)
Principal paid on long-term obligations	(465,000)	(177,434)	(642,434)	-
Interest paid on long-term obligations	(365,224)	(16,291)	(381,515)	-
Net cash provided by (used in) capital and related financing activities	<u>(1,418,306)</u>	<u>(1,047,334)</u>	<u>(2,465,640)</u>	<u>245,296</u>
<b>Cash flows from investing activities</b>				
Interest on investments	74,830	46,983	121,813	23,497
Net cash provided by (used in) investing activities	<u>74,830</u>	<u>46,983</u>	<u>121,813</u>	<u>23,497</u>
Net increase (decrease) in cash and cash equivalents	1,279,128	884,024	2,163,152	268,793
Cash and cash equivalents - beginning of year	8,873,009	5,492,884	14,365,893	2,710,998
<b>Cash and cash equivalents - end of year</b>	<b><u>\$ 10,152,137</u></b>	<b><u>\$ 6,376,908</u></b>	<b><u>\$ 16,529,045</u></b>	<b><u>\$ 2,979,791</u></b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>				
Operating income (loss)	\$ 1,831,881	\$ 1,457,529	\$ 3,289,410	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	710,468	361,238	1,071,706	-
(Increase) decrease in assets and deferred outflows				
Receivables, net	(13,599)	(56,717)	(70,316)	-
Inventories	2,964	(10,042)	(7,078)	-
Net other postemployment benefits asset	1,675	929	2,604	-
Pension related items	(31,162)	(50,557)	(81,719)	-
Other postemployment benefit related items	(5,006)	(4,378)	(9,384)	-
Increase (decrease) in liabilities and deferred inflows				
Accounts payable and accrued liabilities	7,366	25,934	33,300	-
Consumer deposits	-	2,080	2,080	-
Compensated absences payable	(8,543)	(12,971)	(21,514)	-
Net pension liability	37,657	88,627	126,284	-
Net other postemployment benefits liability	6,559	7,311	13,870	-
Pension related items	83,222	75,017	158,239	-
Other postemployment benefit related items	(878)	375	(503)	-
<b>Net cash provided by (used in) operating activities</b>	<b><u>\$ 2,622,604</u></b>	<b><u>\$ 1,884,375</u></b>	<b><u>\$ 4,506,979</u></b>	<b><u>\$ -</u></b>
<b>Supplemental disclosure of noncash transactions</b>				
Transfers in	\$ 506,544	\$ 156,018	\$ 662,562	\$ -
Transfers out	-	-	-	(18,808)
Total noncash transactions	<u>\$ 506,544</u>	<u>\$ 156,018</u>	<u>\$ 662,562</u>	<u>\$ (18,808)</u>

See notes to financial statements



# CITY OF SILVERTON

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 – FINANCIAL REPORTING ENTITY

The City of Silverton (“City”) was organized under the general laws of the State of Oregon. Control of the City is vested in its Mayor and Council Members who are elected to office by voters within the City. Administrative functions are delegated to individuals who report to and are responsible to the Mayor and Council. The chief administrative officer is the City Manager.

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

The City Council serves as the governing body of the Silverton Urban Renewal Agency. Therefore, the accounts of the agency are included in the financial statements of the City.

Complete financial statements for the Silverton Urban Renewal Agency may be obtained from the City’s finance department.

### NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

#### Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City (the primary government) and its component unit. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Measurement focus, basis of accounting and financial statement presentation

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Significant revenues, which are susceptible to accrual under the modified accrual basis of accounting, include property taxes and federal and state grants. Other revenue items are considered to be measurable and available when received by the City. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The City reports the following major governmental funds:

*General* - accounts for the financial resources of the City that are not accounted for in any other fund. Principal sources of revenue are property taxes, franchise fees, and state shared revenues. Expenditures are primarily for general government operations, public safety, and culture and recreation. The General Operating Reserve Fund has been combined with the General Fund for financial reporting purposes.

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Measurement focus, basis of accounting and financial statement presentation (Continued)

*Civic Building* – accounts for the resources accumulated and payments made for the construction of the civic building

*McClaine Street Improvement Project* – accounts for the resources accumulated and payments made for the McClaine Street improvements.

The City reports the following major proprietary funds:

*Sewer* - accounts for the operation of the City's sewer system and the operations of predominantly self-supporting activities. Enterprise funds account for services rendered to the public on a user charge basis.

*Water* - accounts for the operation of the City's water system and the operations of predominantly self-supporting activities. Enterprise funds account for services rendered to the public on a user charge basis.

The City includes the following nonmajor governmental fund types:

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

*Debt service* - account for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

*Capital projects* - account for expenditures on major construction projects or equipment acquisition. The principal sources of revenues are proceeds from long-term obligations issued to finance capital acquisitions and improvements.

The City includes the following nonmajor proprietary fund types:

*Internal service* - accounts for services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. The principal sources of revenue are interfund charges and transfers.

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.

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Budget policies and budgetary control (Continued)

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

The resolution authorizing appropriations for each fund sets the level at which expenditures cannot legally exceed appropriations. The City established the levels of budgetary control at the department and program level, along with transfers and contingencies when activity could be identified as such, and personal services, materials and services, capital outlay, operating contingencies, debt service, and all other requirement levels for other activity in funds.

Budget amounts shown in the financial statements have been revised since the original budget amounts were adopted. The City Council must authorize all appropriation transfers and supplementary budgetary appropriations.

Cash and cash equivalents

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

Inventories

Inventories are valued at the lower of cost (first-in, first-out method) or market. Inventories consist of expendable supplies held for consumption.

Property taxes

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic remittances of collections to entities levying taxes. Real and personal property taxes are levied upon all taxable property and become a lien against the property as of July 1 of each year. Property taxes are payable in three installments following the lien date on November 15, February 15 and May 15 each year.

Uncollected property taxes are reported in the governmental funds balance sheet as receivables; the portion which is available to finance expenditures of the current period is recorded as revenue and the remaining balance is recorded as deferred inflows of resources. Property taxes which are collected within 60 days of the end of the current period are considered available and recognized as revenue.

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)**

User charges and fines receivable

User charges and fines receivable are reported at the amount management expects to collect on balances outstanding at year-end. Management closely monitors outstanding balances and writes off or adjusts to an allowance for doubtful accounts, as of year-end, all balances that have not been collected by the time the financial statements are issued and that are deemed unlikely to collect.

Assessments

Assessments receivable represent the uncollected amounts levied against benefited properties for the costs of local improvements. Since the assessments are liens against properties, an allowance for uncollectible amounts is not deemed necessary by management.

Grants and entitlements

Federal and state grants and state shared revenue are recorded as revenue in all fund types as earned.

Other receivables

In governmental fund types, the portion of receivables which is available to finance expenditures of the current period is recorded as revenue and the remaining balance is recorded as unavailable revenue. Notes and contracts are recorded at par. Interest assessed is recorded as revenue when the payment becomes due. Revenues are recorded when earned in proprietary fund types.

Capital assets

Capital assets are recorded in the statement of net position at cost or estimated historical cost if purchased or constructed. Donated items are recorded at their estimated fair value at the date of donation. The City records capital assets for items with original cost, or estimated fair value if donated, of \$5,000 or more and an expected economic useful life of 3 years or more.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Public domain (infrastructure) capital assets (e.g., roads, bridges, sidewalks, storm sewers, and other assets that are immovable and of value to the City) that have been acquired or significantly reconstructed since 1980 have been capitalized at estimated historical cost.

Upon disposal of capital assets, the accounts are relieved of the related costs and accumulated depreciation, and resulting gains or losses are reflected in the change in net position.

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Capital assets (Continued)

Capital assets are depreciated using the straight-line method over the following estimated useful lives with prorated depreciation in the year of acquisition and prorated depreciation in the year of disposal.

<u>Assets</u>	<u>Years</u>
Buildings and improvements	50
Plant in service	50
Machinery and equipment	10
Infrastructure	60

Long-term debt obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the period in which they are incurred. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Other long-term obligations

*Compensated absences*

*Sick leave* - The City has a policy which permits employees to earn sick leave at the rate of one day per month with no limit on accumulation.

*Vacation* - The City has a policy which permits full-time employees to earn from 8 to 16 hours of vacation leave monthly based upon the years of continuous service. Employees may accumulate up to 240 hours.

*Net pension liability*

The net pension liability, measured as of July 1, 2020, is the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service, net of the pension plan's fiduciary net position as of that date.

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Other long-term obligations (Continued)

Other postemployment benefits include the City's implicit subsidy and the City's proportionate share of the Oregon Public Employees Retirement System Retiree Health Insurance Accounts (RHIA). The City's other postemployment obligation for the implicit subsidy is based on actuarial valuations performed every 2 years. The latest valuation used to determine the other postemployment benefit liability was dated July 1, 2020. The net RHIA liability (asset) represents the City's proportionate share of the cost-sharing multiple employer plan maintained by the Oregon Public Employees Retirement System.

Deferred outflows / inflows of resources

In addition to assets, the statements of net position report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. These include refunded debt charges and pension and other postemployment benefit related items.

In addition to liabilities, the statement of net position will report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents amount that apply to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Pension and other postemployment benefit related items which are amortized over specified periods are reported as deferred inflows of resources.

The balance sheet of governmental funds will report as deferred inflows unavailable revenues from property taxes, special assessments and notes receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Pensions

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

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Net position

*Government-wide and proprietary fund reporting*

In the government-wide and proprietary fund financial statements equity is classified as net position and displayed in three components:

**Net investment in capital assets** – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances 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, contributors, 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 and proprietary fund financial statements, when both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed.

Fund balance

*Governmental fund type fund balance reporting*

Governmental type fund balances are reported within one of the fund balance categories listed 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 City Council. The City Council is the highest level of decision making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the City Council.

**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 City Council has granted authority to the Finance Director to assign fund balance amounts.



**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Fund balance (Continued)

*Governmental fund type fund balance reporting (Continued)*

**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 an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City, considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions.

Minimum fund balance policy

The City Council has adopted a financial policy to maintain a minimum level of contingency and unappropriated fund balance as reserves to allow the City to adequately fund operations. In the General fund, this target level is set to allow the City to operate in the next fiscal year until property taxes are received in November each year, without borrowing. In the enterprise and operating funds, minimum sufficient fund balance should adequately fund operations for ninety days, and should include any debt service requirements. In the debt service funds, the City shall maintain sufficient fund balance to pay required annual debt service and fund any required debt service reserve requirements. Contingency in the General fund, enterprise funds and other operating funds shall be no less than 15% of the total fund. These amounts are intended to provide fiscal stability when economic downturns and other unexpected events occur. If fund balance falls below the minimum target level because it has been used, essentially as a “revenue” source, as dictated by current circumstances, the policy provides for actions to replenish the amount to the minimum target level.

Risk management

The City is exposed to various risks of loss related to errors and omissions, automobile, damage to and destruction of assets, bodily injury, and worker’s compensation for which the City carries commercial insurance. There has been no significant reduction in insurance coverage from the prior year and settled claims have not reached the level of commercial coverage in any of the past three fiscal years.

**CITY OF SILVERTON**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 3 – CASH AND CASH EQUIVALENTS**

The City maintains a pool of cash and cash equivalents that is 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 balance.

The City's cash and cash equivalents at June 30, 2021 are as follows:

Deposits with financial institutions	\$ 592,757
State of Oregon Local Government Investment Pool	42,800,651
Cash on hand	<u>2,500</u>
 Total deposits and cash equivalents	 <u><u>\$ 43,395,908</u></u>

Deposits with financial institutions

*Custodial Credit Risk – Deposits:* This is the risk that in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the 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, 2021, none of the City's bank balances were exposed to custodial credit risk.

State of Oregon 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 City's position in the LGIP is the same as the value of the pool shares.

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

**CITY OF SILVERTON**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 – CASH AND CASH EQUIVALENTS**

State of Oregon Local Government Investment Pool (Continued)

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

*Interest Rate Risk:* The City 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 City will not be able to recover the value of its investments that are in the possession of an outside party. The City does not have a policy which limits the amount of investments that can be held by counterparties.

**NOTE 4 – RECEIVABLES**

Receivables as of June 30, 2021 consist of the following:

	Governmental Activities / Funds			Business-type Activities/ Enterprise Funds		
	Nonmajor Governmental			Sewer	Water	Total
	General	Funds	Total			
User charges	\$ -	\$ -	\$ -	\$ 351,406	\$ 288,403	\$ 639,809
Property taxes	109,216	34,986	144,202	-	-	-
County treasurer	10,091	3,365	13,456	-	-	-
Local taxes	-	48,932	48,932	-	-	-
Intergovernmental	81,847	236,771	318,618	-	-	-
Franchise	149,306	-	149,306	-	-	-
Fees and permits	-	94,695	94,695	-	-	-
Assessment	-	520,412	520,412	-	-	-
Fines	57,164	-	57,164	-	-	-
Loans	-	484,153	484,153	-	-	-
Miscellaneous	66,321	10,596	76,917	-	371	371
Allowance for doubtful accounts	(24,990)	-	(24,990)	-	-	-
	<u>\$ 448,955</u>	<u>\$ 1,433,910</u>	<u>\$ 1,882,865</u>	<u>\$ 351,406</u>	<u>\$ 288,774</u>	<u>\$ 640,180</u>

**CITY OF SILVERTON**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 – CAPITAL ASSETS**

Activity in governmental activities for the year ended June 30, 2021 was as follows:

	Balances			Balances
	<u>June 30, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2021</u>
Capital assets not being depreciated				
Land	\$ 5,953,012	\$ -	\$ -	\$ 5,953,012
Right of way	479,624	-	-	479,624
Construction in progress	451,615	923,802	(341,495)	1,033,922
Total capital assets not being depreciated	<u>6,884,251</u>	<u>923,802</u>	<u>(341,495)</u>	<u>7,466,558</u>
Capital assets being depreciated				
Buildings and improvements	4,197,355	22,400	-	4,219,755
Equipment	2,257,273	41,419	(1,788)	2,296,904
Land improvements	2,892,734	214,977	-	3,107,711
Infrastructure	7,084,756	2,417,054	-	9,501,810
Total capital assets being depreciated	<u>16,432,118</u>	<u>2,695,850</u>	<u>(1,788)</u>	<u>19,126,180</u>
Less accumulated depreciation for:				
Buildings and improvements	1,719,726	90,456	-	1,810,182
Equipment	1,626,835	126,382	(1,788)	1,751,429
Land improvements	1,137,384	104,665	-	1,242,049
Infrastructure	1,851,000	239,788	-	2,090,788
Total accumulated depreciation	<u>6,334,945</u>	<u>561,291</u>	<u>(1,788)</u>	<u>6,894,448</u>
Total capital assets being depreciated, net	<u>10,097,173</u>	<u>2,134,559</u>	<u>-</u>	<u>12,231,732</u>
Governmental activities capital assets, net	<u>\$ 16,981,424</u>	<u>\$ 3,058,361</u>	<u>\$ (341,495)</u>	<u>\$ 19,698,290</u>

**CITY OF SILVERTON**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 – CAPITAL ASSETS (Continued)**

Activity in business-type activities for the year ended June 30, 2021 was as follows:

	Balances June 30, 2020	Additions	Deletions	Balances June 30, 2021
Capital assets not being depreciated				
Land	\$ 2,209,488	\$ -	\$ -	\$ 2,209,488
Construction in progress	<u>131,852</u>	<u>863,852</u>	-	<u>995,704</u>
Total capital assets not being depreciated	<u>2,341,340</u>	<u>863,852</u>	-	<u>3,205,192</u>
Capital assets being depreciated				
Water and sewer lines	17,137,432	662,561	-	17,799,993
Buildings and improvements	6,795,818	-	-	6,795,818
Plant and equipment	25,875,080	118,434	(303,502)	25,690,012
Land improvements	<u>408,791</u>	<u>45,429</u>	-	<u>454,220</u>
Total capital assets being depreciated	<u>50,217,121</u>	<u>826,424</u>	<u>(303,502)</u>	<u>50,740,043</u>
Less accumulated depreciation for:				
Water and sewer lines	8,598,031	306,703	-	8,904,734
Buildings and improvements	3,005,716	139,071	-	3,144,787
Plant and equipment	9,822,759	610,149	(303,502)	10,129,406
Land improvements	<u>260,561</u>	<u>15,783</u>	-	<u>276,344</u>
Total accumulated depreciation	<u>21,687,067</u>	<u>1,071,706</u>	<u>(303,502)</u>	<u>22,455,271</u>
Total capital assets being depreciated, net	<u>28,530,054</u>	<u>(245,282)</u>	-	<u>28,284,772</u>
Business-type activities capital assets, net	<u>\$ 30,871,394</u>	<u>\$ 618,570</u>	<u>\$ -</u>	<u>\$ 31,489,964</u>

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

<i>Governmental activities</i>	
General government	\$ 87,982
Public safety	44,568
Highways and streets	304,828
Culture and recreation	<u>123,913</u>
Total depreciation expense - governmental activities	<u>\$ 561,291</u>
<i>Business-type activities</i>	
Sewer	\$ 710,468
Water	<u>361,238</u>
Total depreciation expense - business-type activities	<u>\$ 1,071,706</u>

**CITY OF SILVERTON**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 – UNAVAILABLE REVENUE**

Financial resources in governmental funds which are measurable, but not yet available are as follows:

	<u>General</u>	Nonmajor Governmental Funds	Total Governmental Funds
Property taxes	\$ 91,125	\$ 28,035	\$ 119,160
Property assessments	-	518,944	518,944
Fines	57,163	-	57,163
Loans	-	483,793	483,793
	<u>\$ 148,288</u>	<u>\$ 1,030,772</u>	<u>\$ 1,179,060</u>

**NOTE 7 – INTERFUND TRANSACTIONS**

The interfund transfers during the year ended June 30, 2021 were as follows:

	<u>In</u>	<u>Out</u>
<u>Governmental</u>		
General	\$1,437,632	\$1,652,699
Civic Building Project	3,050,000	-
McClaine St Improvement Project	108,114	-
Nonmajor governmental	291,567	2,205,864
Governmental activities - non-cash	18,808	732,042
<u>Proprietary</u>		
Enterprise		
Sewer	-	635,284
Sewer - non-cash	506,544	-
Water	-	641,532
Water - non-cash	156,018	-
Internal Service		
Internal service	348,066	100,000
Internal service - non-cash	-	18,808
Business-type activities - non-cash	<u>69,480</u>	-
Totals	<u>\$5,986,229</u>	<u>\$5,986,229</u>

**CITY OF SILVERTON**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 – INTERFUND TRANSACTIONS (Continued)**

In the adopted budget, the City anticipates making interfund transfers to move resources between funds to provide resources for specific expenditures that are not supported by other revenues.

Non-cash transfers occur when a fund acquires capital assets which will be used in the operation of a different fund's activities, issues long-term obligations which will be repaid out of a different fund's resources, or pays principal and interest on long-term obligations reported as a liability in a different fund.

**NOTE 8 – LONG-TERM OBLIGATIONS**

Changes in governmental activities long-term obligations for the year ended June 30, 2021 were as follows:

	Beginning			Ending Balance	Due Within
	Balance			June 30, 2021	One Year
	July 1, 2020	Increase	Decrease		
<b><u>Governmental activities</u></b>					
Long-term debt obligations:					
PERS Bonds:					
Pension Obligation Bonds	\$ 1,310,001	\$ -	\$ 130,000	\$ 1,180,001	\$ 150,000
Less amount allocated to business activities	(414,224)	-	(41,106)	(373,118)	(47,430)
Total long-term debt obligations	<u>895,777</u>	<u>-</u>	<u>88,894</u>	<u>806,883</u>	<u>102,570</u>
Other long-term obligations:					
Other postemployment benefits liability	137,738	24,311	-	162,049	-
Net pension liability	4,487,789	-	110,739	4,377,050	-
Compensated absences	<u>200,332</u>	<u>188,759</u>	<u>200,332</u>	<u>188,759</u>	<u>188,759</u>
Total other long-term obligations	<u>4,825,859</u>	<u>213,070</u>	<u>311,071</u>	<u>4,727,858</u>	<u>188,759</u>
Total long-term obligations	<u>\$ 5,721,636</u>	<u>\$ 213,070</u>	<u>\$ 399,965</u>	<u>\$ 5,534,741</u>	<u>\$ 291,329</u>

**CITY OF SILVERTON**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 – LONG-TERM OBLIGATIONS (Continued)**

Changes in business-type activities long-term obligations for the year ended June 30, 2021 were as follows:

	Beginning Balance		Ending Balance		Due Within
	July 1, 2020	Increase	Decrease	June 30, 2021	One Year
<b><u>Business-type activities</u></b>					
Long-term debt obligations:					
Revenue Bonds:					
Sewer Revenue Refunding Bonds	\$ 5,470,000	\$ -	\$ 245,000	\$ 5,225,000	\$ 255,000
Local Oregon Capital Assets Program (LOCAP) Bonds	2,920,000	-	220,000	2,700,000	225,000
PERS Bonds:					
Pension Obligation Bonds amount allocated from governmental activities	414,224	-	41,106	373,118	47,430
Notes from direct borrowings and direct placements:					
Citizen Bank	<u>639,586</u>	<u>-</u>	<u>177,434</u>	<u>462,152</u>	<u>181,176</u>
Total long-term debt obligations	<u>9,443,810</u>	<u>-</u>	<u>683,540</u>	<u>8,760,270</u>	<u>708,606</u>
Other long-term obligations:					
Other postemployment benefits liability	44,573	13,870	-	58,443	-
Net pension liability	1,452,308	126,284	-	1,578,592	-
Compensated absences	<u>64,547</u>	<u>43,033</u>	<u>64,547</u>	<u>43,033</u>	<u>43,033</u>
Total other long-term obligations	<u>1,561,428</u>	<u>183,187</u>	<u>64,547</u>	<u>1,680,068</u>	<u>43,033</u>
Total long-term obligations	<u>\$ 11,005,238</u>	<u>\$ 183,187</u>	<u>\$ 748,087</u>	<u>\$ 10,440,338</u>	<u>\$ 751,639</u>

**Governmental activities long-term debt obligations**

Pension Obligation Bonds - Original issue of \$1,957,495 (\$402,495 Series 2002A and \$1,555,000 Series 2002B) due over 27 years in semi-annual installments payable on June 1 and December 1 with principal payments due annually on June 1. The City has previously called \$220,000 of the Series 2002B that would have matured in the fiscal year ending June 30, 2025. Interest rates vary from 2% to 7.36% depending on maturity date of principal.

**Business-type activities long-term debt obligations**

Sewer Revenue Refunding Bonds - The City issued bonds in the amount of \$8,170,000 to refund previously issued long-term debt. Payments are due over 25 years in semi-annual installments payable on June 1 and December 1 with principal payments due annually in June. Variable interest rates at 3 to 4.625%.

LOCAP Bonds - The City issued bonds in the amount of \$4,055,000 due over 20 years in annual installments payable on June 1. Variable interest rates at 2% to 4.6%.

Citizen Bank loan - The City borrowed \$1,663,000 due over 10 years in semi-annual installments payable on April 30 and October 31 with interest at 3%.



**CITY OF SILVERTON**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 – LONG-TERM OBLIGATIONS (Continued)**

The future maturities of governmental activities long-term obligations are as follows:

Fiscal Year	Pension Obligation Bonds	
	Principal	Interest
2022	\$ 102,570	\$ 55,272
2023	116,246	48,246
2024	133,341	40,283
2025	-	31,149
2026	167,531	31,149
2027-28	287,195	26,465
	\$ 806,883	\$ 232,564

The future maturities of business-type activities long-term obligations are as follows:

Fiscal Year	Sewer Revenue Refunding Bonds		LOCAP		Pension Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 255,000	\$ 230,756	\$ 225,000	\$ 116,967	\$ 47,430	\$ 28,374
2023	265,000	220,556	235,000	108,643	53,754	25,558
2024	280,000	209,956	240,000	99,477	61,659	18,627
2025	290,000	198,756	250,000	89,578	-	14,404
2026	300,000	187,156	260,000	79,265	77,469	14,404
2027-31	1,705,000	727,093	1,490,000	211,830	132,806	12,238
2032-36	2,130,000	304,329	-	-	-	-
	\$ 5,225,000	\$ 2,078,602	\$ 2,700,000	\$ 705,760	\$ 373,118	\$ 113,605

**CITY OF SILVERTON**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 – LONG-TERM OBLIGATIONS (Continued)**

The future maturities of business-type activities long-term obligations are as follows:

Fiscal Year	Citizens Bank Loan		Totals	
	Principal	Interest	Principal	Interest
2022	\$ 181,176	\$ 12,549	\$ 708,606	\$ 388,646
2023	186,652	7,073	740,406	361,830
2024	94,324	1,431	675,983	329,491
2025	-	-	540,000	302,738
2026	-	-	637,469	280,825
2027-31	-	-	3,327,806	951,161
2032-36	-	-	2,130,000	304,329
	<u>\$ 462,152</u>	<u>\$ 21,054</u>	<u>\$ 8,760,270</u>	<u>\$ 2,919,021</u>

Funds used to liquidate other long-term obligations

The General, Street, Building Operations, and Transportation Funds have been used to liquidate the governmental activities long-term obligations for compensated absences and other postemployment benefits.

**NOTE 9 – DEFINED BENEFIT PENSION PLAN**

Plan Description

Employees of the City are provided with pensions through the Oregon Public Employees Retirement Systems (OPERS).

The OPERS consists of a single cost-sharing multiple employer defined benefit pension plan. The Oregon Legislature has delegated the authority to the Public Employees Retirement Board to administer and manage the system.

OPERS produces an independently audited Comprehensive Annual Financial Report which includes detailed information about the pension plan's fiduciary net position. The report can be found at: [www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf](http://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf).

Description of benefit terms

All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A.

**NOTE 9 – DEFINED BENEFIT PENSION PLAN (Continued)**

Tier 1/Tier 2 retirement benefit (Chapter 238)

Tier 1/Tier 2 Retirement Benefit Plan is closed to new members hired on or after August 29, 2003.

*Pension benefits*

The OPERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (1.67% for general service employees and 2% for police and fire employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55, and police and fire members after age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier 2 members are eligible for full benefits at age 60.

*Death benefits*

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

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

*Disability benefits*

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

**NOTE 9 – DEFINED BENEFIT PENSION PLAN (Continued)**

*Benefit changes after retirement*

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

Oregon Public Service Retirement Plan (Chapter 238A) (OPSRP)

*Pension benefits*

The OPSRP pension program provides benefits to members hired on or after August 29, 2003.

This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

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

Police and fire: 1.8% is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 60, or age 53 with 25 years of retirement credit.

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

*Death benefits*

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

*Disability benefits*

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

*Benefit changes after retirement*

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes.

**NOTE 9 – DEFINED BENEFIT PENSION PLAN (Continued)**

Contributions

OPERS funding policy provides for periodic member and employer contributions at actuarial determined rates, subject to limits set in statute. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates during the period were based on the December 31, 2018 actuarial valuation.

Tier 1/Tier 2 employer contribution rates are 24.84% and OPSRP employer contribution rates are 16.02% for general service employees and 20.65% for police employees. Employer contributions for the year ended June 30, 2021 were \$715,686.

Net pension liability, pension expense and deferred outflows of resources and deferred inflows of resources related to pensions

*Net pension liability*

At June 30, 2021, the City reported a liability of \$5,955,642 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The City's proportion of the net pension liability was actuarially determined based on a projection of the City's long-term contributions effort to the pension plan relative to the long-term projected contributions effort of all participating employers. The projected long-term contribution effort is equal to the sum of the present value of future normal costs (PVFNC) and the unfunded actuarial liability (UAL).

Normal Cost Rate: The PVFNC represents the portion of the projected long-term contribution effort related to future service. An employer's PVFNC depends on both the normal cost rates charged on the employer's payrolls, and on the underlying demographics of the respective payrolls. For OPERS funding, employers have up to three different payrolls, each with a different normal cost rate: (1) Tier 1/Tier 2 payroll, (2) OPSRP general service payroll, and (3) OPSRP police and fire payroll.

UAL Rate: A UAL can arise when an event such as experience differing from the assumptions used in the actuarial valuation occurs. An amortization schedule is established to eliminate the UAL that arises over a fixed period of time if future experience follows assumption. The UAL Rate is the upcoming year's component of the cumulative amortization schedules, stated as a percent of payroll. The UAL represents the portion of the projected long-term contribution effort related to past service.

**NOTE 9 – DEFINED BENEFIT PENSION PLAN (Continued)**

Net pension liability, pension expense and deferred outflows of resources and deferred inflows of resources related to pensions. (Continued)

After the employer's projected long-term contribution effort is calculated, that amount is reduced by the value of the employer's supplemental lump-sum payments, known as side accounts, transition surpluses and pre-SLGRP (State and Local Government Rate Pool) surpluses as of the valuation date. Side accounts decrease the employer's projected long-term contribution effort because side accounts are effectively prepaid contributions. The employer's projected long-term contribution effort does not include payments toward the current value of transition liabilities and pre-SLGRP liabilities.

At June 30, 2020, the City's proportion was 0.02729012%, which was a decrease of 0.00705045% from its proportion measured as of June 30, 2019.

*Pension expense*

For the year ended June 30, 2021, the City recognized pension expense of \$1,180,883.

*Deferred inflows of resources and deferred outflows of resources*

Deferred inflows of resources and deferred outflows of resources are calculated at the plan level and are allocated to employers based on their proportionate share. For the measurement period ended June 30, 2020, employers will report the following deferred inflows or resources and/or deferred outflows of resources:

- Difference between expected and actual experience
- Changes in assumptions
- Net differences between projected and actual investment earnings
- Changes in employer proportion since the prior measurement date
- Differences between employer contributions and employer's proportionate share of system contributions
- Contributions subsequent to the measurement date

Differences between expected and actual experience, changes in assumptions and changes in employer proportionate are amortized over the average remaining service lives of all plan participants, including retirees, determined at the beginning of the respective measurement period. Employers are required to recognize pension expense based on the balance of the closed period "layers" attributable to each measurement period. The average remaining service lives determined as of the beginning of each measurement period are:

- Fiscal Year ended June 30, 2020 - 5.3 years
- Fiscal Year ended June 30, 2019 - 5.2 years
- Fiscal Year ended June 30, 2018 - 5.2 years
- Fiscal Year ended June 30, 2017 - 5.3 years
- Fiscal Year ended June 30, 2016 - 5.3 years
- Fiscal Year ended June 30, 2015 - 5.4 years
- Fiscal Year ended June 30, 2014 - 5.6 years

**CITY OF SILVERTON**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 9 – DEFINED BENEFIT PENSION PLAN (Continued)**

Net pension liability, pension expense and deferred outflows of resources and deferred inflows of resources related to pensions. (Continued)

The net difference between projected and actual investment earnings attributable to each measurement period is amortized over a closed five-year period.

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 262,120	\$ -
Changes of assumptions	319,621	11,199
Net difference between projected and actual earnings on pension plan investments	700,306	-
Changes in proportionate share	160,568	935,134
Differences between employer contributions and employer's proportionate share of system contributions	479,641	66,880
Contributions subsequent to the measurement date	715,686	-
Total	\$ 2,637,942	\$ 1,013,213

Deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement in the amount of \$715,686 will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ends June 30,		
2022		\$ 183,217
2023		291,546
2024		289,339
2025		165,576
2026		(20,635)
Total		\$ 909,043

**CITY OF SILVERTON**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 9 – DEFINED BENEFIT PENSION PLAN (Continued)**

Actuarial methods and assumptions used in developing contribution rates and total pension liability

The total pension liability measured as of June 30, 2020 was based on an actuarial valuation as of December 31, 2018 using the following methods and assumptions:

Experience study report	2018, published July 24, 2019
Actuarial cost method	Entry age normal
Inflation rate	2.5%
Long-term expected rate of return	7.2%
Discount rate	7.2%
Administrative expenses – Tier 1/Tier 2	\$32.5 million per year added to normal cost
Administrative expenses – OPSRP	\$8 million per year added to normal cost
Projected salary increases	3.5%
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/.015) in accordance with <i>Moro</i> decision; blend based on service
Mortality	<p><b>Healthy retirees and beneficiaries:</b> Pub-2010 Health Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and setbacks as described in the valuation.</p> <p><b>Active members:</b> Pub-2010 employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and setbacks as described in the valuation.</p> <p><b>Disabled retirees:</b> Pub-2010 Disabled retirees, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and setbacks as described in the valuation.</p>



**CITY OF SILVERTON**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 9 – DEFINED BENEFIT PENSION PLAN (Continued)**

Actuarial methods and assumptions used in developing contribution rates and total pension liability (Continued)

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

*UAL amortization*

The Tier 1/Tier 2 UAL amortization period was reset to 20 years as of December 31, 2013. Gains and losses between subsequent odd-year valuations will be amortized as a level percentage of projected combined valuation payroll (Tier 1/ Tier 2 plus OPSRP payroll) over a closed 20-year period from the valuation in which they are first recognized.

The OPSRP UAL as of December 31, 2007 is amortized as a level percentage of projected combined valuation payroll (Tier 1/ Tier 2 plus OPSRP payroll) over a closed period 16-year period. Gains and losses between subsequent odd-year valuations are amortized as a level percentage of combined valuation payroll over 16 years from the valuation in which they are first recognized.

*Discount rate*

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

*Assumed asset allocation*

<u>Asset Class</u>	<u>Target Allocation</u>
Cash	0.00%
Debt securities	20.00%
Public equity	32.50%
Private equity	17.50%
Real estate	12.50%
Alternatives portfolio	15.00%
Risk parity	<u>2.50%</u>
Total	<u><u>100.00%</u></u>

**CITY OF SILVERTON**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 9 – DEFINED BENEFIT PENSION PLAN (Continued)**

Actuarial methods and assumptions used in developing contribution rates and total pension liability (Continued)

*Long-term expected rate of return*

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2019 the PERS Board reviewed long-term assumptions developed by both the actuary’s capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on forward-looking capital market economic model.

<b><u>Long-Term Expected Rate of Return</u></b> <sup>1</sup>				
<b>Asset Class</b>	<b>Target Allocation</b>	<b>Annual Arithmetic Return</b> <sup>2</sup>	<b>20-Year Annualized Geometric Mean</b>	<b>Annual Standard Deviation</b>
Core Fixed Income	9.60 %	4.14 %	4.07 %	3.90 %
Short-Term Bonds	9.60	3.70	3.68	2.10
Bank/Leveraged Loans	3.60	5.40	5.19	6.85
High Yield Bonds	1.20	6.13	5.74	9.35
Large/Mid Cap US Equities	16.17	7.35	6.30	15.50
Small Cap US Equities	1.35	8.35	6.68	19.75
Micro Cap US Equities	1.35	8.86	6.79	22.10
Developed Foreign Equities	13.48	8.30	6.91	17.95
Emerging Market Equities	4.24	10.35	7.69	25.35
Non-US Small Cap Equities	1.93	8.81	7.25	19.10
Private Equity	17.50	11.95	8.33	30.00
Real Estate (Property)	10.00	6.19	5.55	12.00
Real Estate (REITS)	2.50	8.29	6.69	21.00
Hedge Fund of Funds - Diversified	1.50	4.28	4.06	6.90
Hedge Fund - Event-driven	0.38	5.89	5.59	8.10
Timber	1.13	6.36	5.61	13.00
Farmland	1.13	6.87	6.12	13.00
Infrastructure	2.25	7.51	6.67	13.85
Commodities	1.13	5.34	3.79	18.70
Assumed Inflation - Mean			2.50 %	1.65 %

<sup>1</sup> Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, revised as of April 24, 2019.

<sup>2</sup> The arithmetic mean is a component that goes into calculating the geometric mean. Expected rates of return are presented using the geometric mean, which the Board uses in setting the discount rate.

**NOTE 9 – DEFINED BENEFIT PENSION PLAN (Continued)**

Actuarial methods and assumptions used in developing contribution rates and total pension liability (Continued)

*Depletion date projection*

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

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

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

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

Sensitivity of the proportionate share of the net pension liability to changes in the discount rate

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

	1 Percentage Point Lower	Current Discount Rate	1 Percentage Point Higher
Proportionate share of net pension liability	\$ 8,843,638	\$ 5,955,642	\$ 3,533,925

**NOTE 10 – DEFINED CONTRIBUTION PLAN**

Plan description

Individual account program (IAP) - Participants in OPERS defined benefit pension plan also participate in the defined contribution plan.

Pension benefits

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death benefits

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

Contributions

The City makes the employee contributions of 6% of covered payroll to the plan. Contributions for the year ended June 30, 2021 were \$190,627.

Recordkeeping

PERS contracts with VOYA Financial to maintain IAP participant records.

**NOTE 11 – PERS DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS PLAN**

Plan description

The City contributes to the Oregon PERS Retirement Health Insurance Account (RHIA) for each of its eligible employees. The RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by PERS. Contributions are mandatory for each employer that is a member of PERS.

The Oregon Legislature has delegated the authority to the Public Employees Retirement Board to administer and manage the system.

**NOTE 11 – PERS DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)**

Plan description (Continued)

OPERS produces an independently audited Comprehensive Annual Financial Report which includes detailed information about the plan's fiduciary net position. The report can be found at:

[www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf](http://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf)

Description of benefit terms

All benefits of the System are established by the legislature pursuant to Oregon Revised Statutes Chapters 238 and 238A.

The RHIA is closed to new members hired on or after August 29, 2003.

*Other Postemployment Healthcare benefits*

Eligible retired members receive a monthly healthcare benefit for life up to \$60 toward the monthly cost of health insurance.

To be eligible, the member must:

- 1) Have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS
- 2) Receive both Medicare Parts A and B coverage
- 3) Enroll in a PERS-sponsored health plan

*Surviving spouse or dependent benefits*

A surviving spouse or dependent of a deceased retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she is receiving a retirement benefit or allowance from PERS or was insured at the time the member died and the member retired before May 1, 1991.

Contributions

OPERS funding policy provides for periodic member and employer contributions at the rates established by the Public Employees Retirement Board, subject to limits set in statute. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates during the period were based on the December 31, 2018 actuarial valuation.

The City contributed 0.06% of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA benefits. Since the funded status of the RHIA UAL is in excess of 100%, no contributions were required to fund the RHIA UAL. For the year ended June 30, 2021, the City made contributions in the amount of \$742 to the RHIA.

**CITY OF SILVERTON**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 11 – PERS DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)**

Net OPEB liability/(asset), OPEB expense and deferred outflows of resources and deferred inflows of resources related to other postemployment benefits

*Net OPEB liability (asset)*

At June 30, 2021, the City reported an (asset) of \$(37,948) for its proportionate share of the net OPEB liability/(asset). The net OPEB liability/(asset) was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of that date. The City's proportion of the net OPEB liability/(asset) was based on its actual, legally required contributions made during the fiscal year with the total actual contributions of all employers during the fiscal year.

At June 30, 2020, the City's proportion was .01862363%, which was a decrease of .00817852% from its proportion measured as of June 30, 2019.

*OPEB expense*

For the year ended June 30, 2021, the City recognized OPEB revenue of \$2,487.

*Deferred inflows of resources and deferred outflows of resources*

Deferred inflows of resources and deferred outflows of resources are calculated at the plan level and are allocated to employers based on their proportionate share. For the measurement period ended June 30, 2020, employers will report the following deferred inflows or resources and/or deferred outflows of resources:

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

Differences between expected and actual experience, changes in assumptions and changes in employer proportionate are amortized over the average remaining service lives of all plan participants, including retirees, determined at the beginning of the respective measurement period. Employers are required to recognize OPEB expense based on the balance of the closed period "layers" attributable to each measurement period. The average remaining service lives determined as of the beginning of each measurement period are described below:

- Fiscal Year ended June 30, 2020 – 2.9 years
- Fiscal Year ended June 30, 2019 – 3.1 years
- Fiscal Year ended June 30, 2018 – 3.3 years
- Fiscal Year ended June 30, 2017 – 3.7 years

The net difference between projected and actual investment earnings attributable to each measurement period is amortized over a closed five-year period.

**CITY OF SILVERTON**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 11 – PERS DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)**

Net OPEB liability/(asset), OPEB expense and deferred outflows of resources and deferred inflows of resources related to other postemployment benefits (Continued)

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 3,879
Changes of assumptions	-	2,017
Net difference between projected and actual earnings		
on pension plan investments	4,220	-
Changes in proportionate share	8,884	-
Contributions subsequent to the measurement date	<u>742</u>	<u>-</u>
Total	<u>\$ 13,846</u>	<u>\$ 5,896</u>

Deferred outflows of resources related to OPEB resulting from the City's contributions subsequent to the measurement date in the amount of \$742 will be recognized as an adjustment to the net OPEB (asset) / liability in the year ended June 30, 2022. 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,		
2022		\$ 1,103
2023		3,213
2024		1,560
2025		1,332
2026		<u>-</u>
Total		<u>\$ 7,208</u>

Actuarial methods and assumptions used in developing total OPEB liability

Except as identified below, actuarial methods and assumptions used in developing the total OPEB liability are the same as those used to develop the total PERS pension liability as discussed in note 9.

*Healthcare cost trend rate*

A healthcare cost trend rate is not utilized in the actuarial valuation as statute stipulates a \$60 monthly payment to retirees for health insurance.

**NOTE 11 – PERS DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)**

Actuarial methods and assumptions used in developing total OPEB liability

*Depletion date projection*

GASB 75 generally requires that a blended discount rate be used to measure the Total OPEB Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's fiduciary net position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the fiduciary net position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 75 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 75 (paragraph 82) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for Oregon PERS (OPERS):

- OPERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 75 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is OPERS independent actuary's opinion that the detailed depletion date projections outlined in GASB 75 would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses.



**CITY OF SILVERTON**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 11 – PERS DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)**

Sensitivity of the proportionate share of the net OPEB liability/(asset) to changes in the discount rate

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

	1 Percentage Point Lower	Current Discount Rate	1 Percentage Point Higher
Proportionate share of net OPEB liability/(asset)	\$ (30,636)	\$ (37,948)	\$ (44,199)

**NOTE 12 – CITY DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS PLAN**

Plan description and benefits provided

The City 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 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.

Plan membership

As of June 30, 2020, there were 48 active employees, 1 eligible retiree, and 0 spouses of ineligible retirees for a total of 49 plan members.

Contributions

The City 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 City are as follows:

	Medical/Vision	Dental
For retirees	\$ 577	\$ 55
For spouses of retirees	650	41

**CITY OF SILVERTON**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 12 – CITY DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)**

Total OPEB liability, changes in total OPEB liability, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB (Continued)

At June 30, 2021, the City reported a total OPEB liability of \$220,492. The total OPEB liability was measured as of June 30, 2020 and determined by an actuarial valuation as of that date.

Changes in the total OPEB liability is as follows:

	Total OPEB Liability
Balances at June 30, 2020	\$ 182,311
Changes for the year:	
Service cost	21,913
Interest	7,076
Effect of economic/demographic gains or losses	20,655
Changes in assumptions or other inputs	(7,319)
Benefit payments	(4,144)
 Balances at June 30, 2021	 \$ 220,492

For the year ended June 30, 2021, the City recognized OPEB expense of \$756. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 18,725	\$ 71,801
Changes of assumptions	5,823	28,892
Contributions subsequent to the measurement date	9,110	-
	\$ 33,658	\$ 100,693

**CITY OF SILVERTON**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 12 – CITY DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)**

Total OPEB liability, changes in total OPEB liability, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB (Continued)

Deferred outflows of resources related to OPEB resulting from the City’s contributions subsequent to the measurement date in the amount of \$9,110 will be recognized as an adjustment to the Total OPEB liability in the year ended June 30, 2022. 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,

2022	\$ (11,522)
2023	(11,522)
2024	(11,522)
2025	(11,522)
2026	(11,522)
Thereafter	(18,535)

Actuarial valuation

The City 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.

**CITY OF SILVERTON**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 12 – CITY DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)**

Actuarial methods and assumptions used in developing total OPEB liability

Valuation Date	July 1, 2020
Actuarial Cost Method	Entry Age Normal, Level Percent of Pay
Actuarial Assumptions:	
Inflation Rate	2.5%
Projected Salary Increases	3.5%
Mortality	Pub-2010 General and Safety Employee and Healthy Retiree tables, sex distinct for members and dependents, with a one-year setback for male general service employees and female safety employees.
Election and Lapse Rates	40% of eligible employees. 60% of male members and 35% of female members will elect spouse coverage.  5% annual lapse rate

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 2.21%. The discount rate is based on the Bond Buyer 20-year General Obligation Bond Index. The discount rate at the prior measurement date was 3.5%.

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>
2020	3.75%
2021	5.75
2022	5.25
2023-2025	5.00
2026-2040	4.75
2041-2049	5.00
2050-2064	4.75
2065-2067	4.50
2068-2071	4.25
2072+	4.00

**CITY OF SILVERTON**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 12 – CITY DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)**

Healthcare cost trend rate (Continued)

Dental costs are assumed to decrease 1.25% for 2020 and increase 4% in all future years.

Sensitivity of the City total OPEB liability to changes in the discount and healthcare cost trend rates

The following presents the City total OPEB liability calculated using the discount rate of 2.21%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21%) or 1-percentage-point higher (3.21%) 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>
City's total OPEB liability	\$ 242,027	\$ 220,492	\$ 200,621
	<u>1- Percentage Point Lower</u>	<u>Current Trend Rate</u>	<u>1-Percentage Point Higher</u>
City's total OPEB liability	\$ 189,991	\$ 220,492	\$ 257,789

**NOTE 13 – NET POSITION RESTRICTED BY ENABLING LEGISLATION**

The amount of net position restricted by enabling legislation is as follows:

Governmental Activities

Capital projects – Ordinances imposing System Development Charges (SDC) and Local Improvement District (LID) assessments restrict the use to capital improvements which expand the capacity of the system for which the charge was made	\$ 6,292,857
Highways and streets – Street maintenance fees are restricted for maintenance of public streets	714,258
Park maintenance – Park maintenance fees are restricted for operations and maintenance of city parks	360,699
Stormwater – Stormwater fees are restricted for capital improvement of the City’s stormwater system	860,143
Urban renewal taxes are restricted to improving and redeveloping designated areas (community development)	2,094,947

Business-type Activities

Capital projects – Ordinances imposing System Development Charges (SDC) restrict the use to capital improvements which expand the capacity of the system for which the charge was made	\$ 6,960,026
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**CITY OF SILVERTON**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 14 – GOVERNMENTAL FUND BALANCES**

Fund balances for governmental funds have been reported in the categories of nonspendable, restricted, committed, assigned and unassigned. The specific purposes for these amounts are as follows:

<b>Fund balances:</b>	<u>General</u>	<u>Civic Building Project</u>	<u>McClaine St Improvement Project</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<b>Nonspendable</b>					
Inventory	\$ -	\$ -	\$ -	\$ 13,085	\$ 13,085
<b>Restricted for:</b>					
Transportation	-	-	-	78,078	78,078
Transient tax	-	-	-	140,723	140,723
Highways and streets	-	-	-	3,171,809	3,171,809
CDBG housing rehabilitation	-	-	-	396,545	396,545
Park maintenance and improvements	-	-	-	360,699	360,699
Pool operations	-	-	-	798,524	798,524
Urban renewal	-	-	-	2,019,893	2,019,893
Capital projects	-	-	-	6,835,076	6,835,076
Other purposes	-	-	-	550,595	550,595
<b>Committed for:</b>					
Capital projects		3,490,961	484,319	443,165	4,418,445
<b>Assigned for:</b>					
Unexpected future expenditures	1,039,954	-	-	-	1,039,954
Capital projects	-	-	-	212,309	212,309
Debt service	-	-	-	24,731	24,731
<b>Unassigned</b>	<u>3,802,694</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,802,694</u>
<b>Total</b>	<u>\$ 4,842,648</u>	<u>\$ 3,490,961</u>	<u>\$ 484,319</u>	<u>\$ 15,045,232</u>	<u>\$ 23,863,160</u>

**CITY OF SILVERTON**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 15 – BUDGETARY PERSPECTIVE DIFFERENCES**

The following is a reconciliation of the differences between budgetary basis and accounting principles generally accepted in the United States of America for net change in fund balance, beginning fund balance and ending fund balance:

	General
Net change in fund balances - generally accepted accounting principles basis	\$ 332,873
Revenues of separately budgeted funds which are included in the general fund on the governmental fund statements	(35,538)
Net change in fund balances - budgetary basis	\$ 297,335
Beginning fund balances - generally accepted accounting principles basis	\$ 4,509,775
Beginning balances of separately budgeted funds which are included in the general fund on the governmental fund statements	(1,004,416)
Beginning fund balance - budgetary basis	\$ 3,505,359
Ending fund balances - generally accepted accounting principles basis	\$ 4,842,648
Ending balances of separately budgeted funds which are included in the general fund on the governmental fund statements	(1,039,954)
Ending fund balance - budgetary basis	\$ 3,802,694



**CITY OF SILVERTON**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 16 – SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

The City has issued revenue bonds to finance sewer and water systems. The two systems are accounted for in ten funds. Summary financial information for the sewer and water systems for the year ended June 30, 2021 is as follows:

<b>Condensed statement of net position</b>	Sewer	Water
Assets		
Current	\$10,518,566	\$ 6,770,279
Net other postemployment benefit asset	5,438	4,621
Capital	22,644,261	8,845,703
Total assets	33,168,265	15,620,603
Deferred outflows of resources	384,816	326,983
Liabilities		
Current	607,079	607,412
Noncurrent	8,330,021	1,032,990
Total liabilities	8,937,100	1,640,402
Deferred inflows of resources	160,464	136,349
Net position		
Net investment in capital assets	14,719,261	8,383,551
Restricted	4,472,288	3,181,136
Unrestricted	5,263,968	2,606,148
Total net position	\$24,455,517	\$14,170,835
<b>Condensed statement of revenues, expenses and changes in fund net position</b>		
Operating revenue	\$ 4,060,323	\$ 2,992,738
Depreciation expense	710,468	361,238
Other operating expenses	1,517,974	1,173,971
Operating income	1,831,881	1,457,529
Nonoperating revenues (expenses)	(254,889)	92,868
Income before capital contributions and transfers	1,576,992	1,550,397
Capital contributions	222,239	330,968
Transfers in	506,544	156,018
Transfers out	(635,284)	(641,532)
Change in net position	1,670,491	1,395,851
Net position – beginning	22,785,026	12,774,984
Net position – ending	\$24,455,517	\$14,170,835

**CITY OF SILVERTON**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 16 – SEGMENT INFORMATION FOR ENTERPRISE FUNDS (Continued)**

<b>Condensed statement of cash flows</b>	Sewer	Water
Net cash provided by (used in):		
Operating activities	\$ 2,622,604	\$ 1,884,375
Capital and related financing activities	(1,418,306)	(1,047,334)
Investing activities	74,830	46,983
Net increase in cash and cash equivalents	1,279,128	884,024
Cash and cash equivalents - beginning	8,873,009	5,492,884
Cash and cash equivalents - ending	\$ 10,152,137	\$ 6,376,908

**NOTE 17 – COMMITMENTS**

The City has entered into commitments for various projects as of June 30, 2021 as follows:

Project	Disbursed to Date	Remaining Commitment
Urban renewal projects	\$ 20,580	\$ 9,170
Other		
Ice Storm Repair	-	93,924
Civic Center Project	328,073	855,706
2021 Chrysler Voy Bruan Ability ADA Van	-	51,465
Screwpress Project	271,336	158,068
Water Treatment Plant #1 Replacement	425,805	386,093
McClaine Street Improvements Project	3,008,445	46,124
Silver Creek Water Line & Intake Project	75,479	67,856
Stormwater Master Plan	75,631	75,832
South Water Street Pedestrian Project	-	59,579
Abiqua Dam Removal	16,068	58,932
Pioneer Village Phase V	203,690	2,940
Total	\$ 4,425,107	\$ 1,865,689

**CITY OF SILVERTON**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 18 – TAX ABATEMENTS**

Marion County has entered into property tax abatement agreements and the City's property taxes to be received for the 2020-21 levy year has been reduced under the following programs:

<u>Program and statutory authority</u>	<u>Amount of Reduction</u>
Enterprise zone – ORS 285C.050-.250	\$ 38
Historic property – ORS 358.475-.545	549

**NOTE 19 – PRIOR PERIOD ADJUSTMENT**

The Assessment Fund collects system development charges on behalf of multiple funds. In the prior year, \$191,141 of the receivable balance was associated with Sewer and Water system development charges and should have been reported as a receivable for the business-type activities. Due to this, the governmental activities' net position was overstated \$191,141 and the business-type activities' net position was understated \$191,141.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**CITY OF SILVERTON**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
**Last 10 Plan Years Ended June 30, \***

<b>Year Ended June 30,</b>	<b>City's proportion of the net pension liability (asset)</b>	<b>City's proportionate share of the net pension liability (asset)</b>	<b>City's covered payroll</b>	<b>City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll</b>	<b>Plan fiduciary net position as a percentage of the total pension liability</b>
2020	0.02729012%	\$ 5,955,642	\$ 3,433,606	173.45%	75.790%
2019	0.03434057%	5,940,097	3,330,088	178.38%	80.232%
2018	0.03212635%	4,866,719	3,180,866	153.00%	82.068%
2017	0.03384383%	4,562,161	2,846,199	160.29%	83.119%
2016	0.03495655%	5,247,790	2,828,460	185.54%	80.527%
2015	0.03743192%	2,149,139	2,862,807	75.07%	91.875%
2014	0.03608184%	(817,864)	2,698,244	-30.31%	103.590%
2013	0.03608146%	1,841,290	2,779,029	66.26%	91.974%

\* Information will be accumulated annually until 10 years is presented

**CITY OF SILVERTON**  
**SCHEDULE OF CONTRIBUTIONS**  
**OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
**Last 10 Fiscal Years Ended \***

<b>Year Ended June 30,</b>	<b>Statutorily required contribution</b>	<b>Contributions in relation to the statutorily required contribution</b>	<b>Contribution deficiency (excess)</b>	<b>City's covered payroll</b>	<b>Contributions as a percent of covered payroll</b>
2021	\$ 715,686	\$ 715,686	\$ -	\$ 3,558,445	20.11232%
2020	685,689	1,135,689	(450,000)	3,433,606	33.07569%
2019	485,180	485,180	-	3,330,088	14.56958%
2018	502,491	502,491	-	3,180,866	15.79730%
2017	382,091	382,091	-	2,846,199	13.42461%
2016	375,097	375,097	-	2,828,460	13.26153%
2015	335,739	335,739	-	2,862,807	11.72762%
2014	317,383	317,383	-	2,698,244	11.76258%
2013	304,410	304,410	-	2,779,029	10.95383%
2012	314,210	314,210	-	2,960,342	10.61398%

\* Information will be accumulated annually until 10 years is presented



**CITY OF SILVERTON**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
Last 10 Plan Years Ended June 30, \*

Year Ended June 30,	City's proportion of the net OPEB liability (asset)	City's proportionate share of the net OPEB liability (asset)	City's covered payroll	City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2020	0.01862363%	\$ (37,948)	\$ 3,433,606	-1.11%	150.066%
2019	0.02680215%	(51,791)	3,330,088	-1.56%	144.355%
2018	0.02861549%	(31,943)	3,180,866	-1.00%	123.994%
2017	0.02986424%	(12,464)	2,846,199	-0.44%	108.879%
2016	0.29869048%	8,063	2,828,460	0.29%	80.527%

\* Information will be accumulated annually until 10 years is presented

**CITY OF SILVERTON**  
**SCHEDULE OF OPEB CONTRIBUTIONS**  
**OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
**Last 10 Fiscal Years Ended \***

<b>Year Ended June 30,</b>	<b>Statutorily required contribution</b>	<b>Contributions in relation to the statutorily required contribution</b>	<b>Contribution deficiency (excess)</b>	<b>City's covered payroll</b>	<b>Contributions as a percent of covered payroll</b>
2021	\$ 742	\$ 742	\$ -	3,558,445	0.02085%
2020	1,330	1,330	-	3,433,606	0.03873%
2019	13,285	13,285	-	3,330,088	0.39894%
2018	13,856	13,856	-	3,180,866	0.43560%
2017	14,423	14,423	-	2,846,199	0.50675%

\* Information will be accumulated annually until 10 years is presented

**CITY OF SILVERTON**  
**SCHEDULE OF CHANGES IN THE CITY'S TOTAL OTHER**  
**POSTEMPLOYMENT BENEFIT LIABILITY AND RELATED RATIOS**  
**Last 10 Fiscal Years Ended \***

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Service cost	\$ 21,913	\$ 19,568	\$ 21,358	\$ 22,822
Interest on total OPEB liability	7,076	6,545	9,372	7,274
Effect of economic/demographic gains or losses	20,655	-	(101,717)	-
Effect of assumptions changes or inputs	(7,319)	7,243	(16,724)	(17,917)
Benefit payments	<u>(4,144)</u>	<u>(1,170)</u>	<u>(5,158)</u>	<u>(3,157)</u>
Net change in total OPEB liability	38,181	32,186	(92,869)	9,022
Total OPEB liability - beginning of year	<u>182,311</u>	<u>150,125</u>	<u>242,994</u>	<u>233,972</u>
Total OPEB liability - end of year	<u>\$ 220,492</u>	<u>\$ 182,311</u>	<u>\$ 150,125</u>	<u>\$ 242,994</u>
Covered employee payroll	\$ 3,433,606	\$ 3,330,088	\$ 3,180,866	\$ 2,846,199
Total OPEB liability as a percentage of covered employee payroll	6.42%	5.47%	4.72%	8.54%

\* Information will be accumulated annually until 10 years is presented

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**COMBINING FINANCIAL STATEMENTS  
AND INDIVIDUAL FUND SCHEDULES**

**CITY OF SILVERTON**  
**COMBINING BALANCE SHEET**  
**GENERAL FUNDS**  
**June 30, 2021**

	<b>General</b>	<b>General Operating Reserve</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 3,689,240	\$ 1,020,290	\$ 4,709,530
Receivables	429,291	19,664	448,955
<b>Total assets</b>	<b>\$ 4,118,531</b>	<b>\$ 1,039,954</b>	<b>\$ 5,158,485</b>
<b>Liabilities, deferred inflows and fund balances</b>			
Liabilities			
Accounts payable and accrued liabilities	\$ 102,733	\$ -	\$ 102,733
Consumer deposits	64,816	-	64,816
Total liabilities	167,549	-	167,549
Deferred inflows of resources			
Unavailable revenue	148,288	-	148,288
Total deferred inflows of resources	148,288	-	148,288
Fund balances			
Assigned	-	1,039,954	1,039,954
Unassigned	3,802,694	-	3,802,694
Total fund balances	3,802,694	1,039,954	4,842,648
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 4,118,531</b>	<b>\$ 1,039,954</b>	<b>\$ 5,158,485</b>

**CITY OF SILVERTON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**GENERAL FUNDS**  
**Year Ended June 30, 2021**

	<u>General</u>	<u>General Operating Reserve</u>	<u>Total</u>
<b>Revenues</b>			
Property taxes	\$ 3,057,522	\$ -	\$ 3,057,522
Franchise fees	839,595	-	839,595
Licenses, permits and fees	204,232	-	204,232
Fines and forfeitures	207,936	-	207,936
Intergovernmental	906,029	-	906,029
Rent	19,222	-	19,222
Interest	32,436	7,979	40,415
Miscellaneous	265,387	27,559	292,946
	<u>5,532,359</u>	<u>35,538</u>	<u>5,567,897</u>
<b>Expenditures</b>			
Current			
General government	2,207,595	-	2,207,595
Public safety	2,575,980	-	2,575,980
Culture and recreation	222,223	-	222,223
Capital outlay	14,159	-	14,159
	<u>5,019,957</u>	<u>-</u>	<u>5,019,957</u>
Excess (deficiency) of revenues over expenditures	<u>512,402</u>	<u>35,538</u>	<u>547,940</u>
<b>Other financing sources (uses)</b>			
Transfers in	1,437,632	-	1,437,632
Transfers out	(1,652,699)	-	(1,652,699)
	<u>(215,067)</u>	<u>-</u>	<u>(215,067)</u>
Net change in fund balances	297,335	35,538	332,873
Fund balances at beginning of year	<u>3,505,359</u>	<u>1,004,416</u>	<u>4,509,775</u>
<b>Fund balance at end of year</b>	<b><u>\$ 3,802,694</u></b>	<b><u>\$ 1,039,954</u></b>	<b><u>\$ 4,842,648</u></b>

**CITY OF SILVERTON**  
**GENERAL OPERATING RESERVE - GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Interest	\$ 4,200	\$ 7,979	\$ 3,779
Miscellaneous	<u>12,000</u>	<u>27,559</u>	<u>15,559</u>
Total revenues	<u>16,200</u>	<u>35,538</u>	<u>19,338</u>
<b>Expenditures</b>			
Current			
Materials and services	<u>1,020,594</u>	<u>-</u>	<u>1,020,594</u>
Total expenditures	<u>1,020,594</u>	<u>-</u>	<u>1,020,594</u>
Net change in fund balance	(1,004,394)	35,538	1,039,932
Fund balance at beginning of year	<u>1,004,394</u>	<u>1,004,416</u>	<u>22</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 1,039,954</u></b>	<b><u>\$ 1,039,954</u></b>



**CITY OF SILVERTON**  
**CIVIC BUILDING PROJECT - A MAJOR CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2021**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Intergovernmental	\$ -	\$ 5,500	\$ 5,500
Interest	<u>5,000</u>	<u>14,458</u>	<u>9,458</u>
Total revenues	<u>5,000</u>	<u>19,958</u>	<u>14,958</u>
<b>Expenditures</b>			
Capital outlay	<u>4,199,044</u>	<u>898,161</u>	<u>3,300,883</u>
Total expenditures	<u>4,199,044</u>	<u>898,161</u>	<u>3,300,883</u>
Excess (deficiency) of revenues over expenditures	(4,194,044)	(878,203)	3,315,841
<b>Other financing sources (uses)</b>			
Transfers in	<u>2,800,000</u>	<u>3,050,000</u>	<u>250,000</u>
Total other financing sources (uses)	<u>2,800,000</u>	<u>3,050,000</u>	<u>250,000</u>
Net change in fund balance	(1,394,044)	2,171,797	3,565,841
Fund balance at beginning of year	<u>1,394,044</u>	<u>1,319,164</u>	<u>(74,880)</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 3,490,961</u></b>	<b><u>\$ 3,490,961</u></b>

**CITY OF SILVERTON**  
**MCCLAIN ST IMPROVEMENT FUND - A MAJOR CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2021**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Intergovernmental	\$ 500,000	\$ 500,000	\$ -
Interest	<u>20,000</u>	<u>16,816</u>	<u>(3,184)</u>
Total revenues	<u>520,000</u>	<u>516,816</u>	<u>(3,184)</u>
<b>Expenditures</b>			
Capital outlay	<u>6,005,539</u>	<u>2,738,120</u>	<u>3,267,419</u>
Total expenditures	<u>6,005,539</u>	<u>2,738,120</u>	<u>3,267,419</u>
Excess (deficiency) of revenues over expenditures	<u>(5,485,539)</u>	<u>(2,221,304)</u>	<u>3,264,235</u>
<b>Other financing sources (uses)</b>			
Transfers in	<u>2,749,397</u>	<u>108,114</u>	<u>(2,641,283)</u>
Total other financing sources (uses)	<u>2,749,397</u>	<u>108,114</u>	<u>(2,641,283)</u>
Net change in fund balance	(2,736,142)	(2,113,190)	622,952
Fund balance at beginning of year	<u>2,736,142</u>	<u>2,597,509</u>	<u>(138,633)</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 484,319</u></b>	<b><u>\$ 484,319</u></b>

**CITY OF SILVERTON**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2021**

	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Total</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 5,616,956	\$ 24,731	\$ 9,129,016	\$ 14,770,703
Receivables	1,346,383	-	87,527	1,433,910
Inventories	13,085	-	-	13,085
<b>Total assets</b>	<b><u>\$ 6,976,424</u></b>	<b><u>\$ 24,731</u></b>	<b><u>\$ 9,216,543</u></b>	<b><u>\$ 16,217,698</u></b>
<b>Liabilities, deferred inflows and fund balances</b>				
Liabilities				
Accounts payable and accrued liabilities	\$ 72,225	\$ -	\$ 19,393	\$ 91,618
Consumer deposits	50,076	-	-	50,076
<b>Total liabilities</b>	<b><u>122,301</u></b>	<b><u>-</u></b>	<b><u>19,393</u></b>	<b><u>141,694</u></b>
Deferred inflows of resources				
Unavailable revenue	1,030,772	-	-	1,030,772
<b>Total deferred inflows of resources</b>	<b><u>1,030,772</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>1,030,772</u></b>
Fund balances				
Nonspendable	13,085	-	-	13,085
Restricted	5,810,266	-	8,541,676	14,351,942
Committed	-	-	443,165	443,165
Assigned	-	24,731	212,309	237,040
<b>Total fund balances</b>	<b><u>5,823,351</u></b>	<b><u>24,731</u></b>	<b><u>9,197,150</u></b>	<b><u>15,045,232</u></b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b><u>\$ 6,976,424</u></b>	<b><u>\$ 24,731</u></b>	<b><u>\$ 9,216,543</u></b>	<b><u>\$ 16,217,698</u></b>

**CITY OF SILVERTON**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2021**

	<b>Special</b>			
	<b>Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Total</b>
<b>Revenues</b>				
Property taxes	\$ 1,086,512	\$ -	\$ -	\$ 1,086,512
Transient taxes	286,921	-	-	286,921
Licenses, permits and fees	356,502	-	1,015,057	1,371,559
Fines and forfeitures	88,783	-	-	88,783
Assessment	32,986	-	-	32,986
System development charges	-	-	634,768	634,768
Intergovernmental	1,015,106	-	-	1,015,106
Fuel taxes	91,981	-	-	91,981
Loan repayment	53,441	-	-	53,441
Interest	49,155	1,099	70,468	120,722
Miscellaneous	11,633	-	1,000	12,633
	<u>3,073,020</u>	<u>1,099</u>	<u>1,721,293</u>	<u>4,795,412</u>
<b>Expenditures</b>				
Current				
General government	601,491	-	-	601,491
Highways and streets	393,882	-	75,631	469,513
Culture and recreation	195,604	-	-	195,604
Debt service	-	219,735	-	219,735
Capital outlay	304,290	-	214,460	518,750
	<u>1,495,267</u>	<u>219,735</u>	<u>290,091</u>	<u>2,005,093</u>
Excess (deficiency) of revenues over expenditures	<u>1,577,753</u>	<u>(218,636)</u>	<u>1,431,202</u>	<u>2,790,319</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	219,735	71,832	291,567
Transfers out	(1,090,619)	-	(1,115,245)	(2,205,864)
	<u>(1,090,619)</u>	<u>219,735</u>	<u>(1,043,413)</u>	<u>(1,914,297)</u>
Net change in fund balances	487,134	1,099	387,789	876,022
Fund balances at beginning of year	<u>5,336,217</u>	<u>23,632</u>	<u>8,809,361</u>	<u>14,169,210</u>
<b>Fund balance at end of year</b>	<b><u>\$ 5,823,351</u></b>	<b><u>\$ 24,731</u></b>	<b><u>\$ 9,197,150</u></b>	<b><u>\$ 15,045,232</u></b>

	Street	Assessment	Building Operations	Transportation	Electrical Inspection	Transient Tax
<b>Assets</b>						
Cash and cash equivalents	\$ 1,092,425	\$ 195,439	\$ 546,230	\$ 67,060	\$ 1,728	\$ 149,355
Receivables	235,581	520,412	8,825	11,453	-	40,440
Inventories	9,499	-	-	-	-	-
<b>Total assets</b>	<b>\$ 1,337,505</b>	<b>\$ 715,851</b>	<b>\$ 555,055</b>	<b>\$ 78,513</b>	<b>\$ 1,728</b>	<b>\$ 189,795</b>
<b>Liabilities, deferred inflows and fund balances</b>						
Liabilities						
Accounts payable and accrued liabilities	\$ 9,488	\$ 140	\$ 4,460	\$ 435	\$ 1,728	\$ 49,072
Consumer deposits	50,076	-	-	-	-	-
Total liabilities	59,564	140	4,460	435	1,728	49,072
Deferred inflows of resources						
Unavailable revenue	-	518,944	-	-	-	-
Total deferred inflows of resources	-	518,944	-	-	-	-
Fund balances						
Nonspendable	9,499	-	-	-	-	-
Restricted	1,268,442	196,767	550,595	78,078	-	140,723
Total fund balances	1,277,941	196,767	550,595	78,078	-	140,723
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 1,337,505</b>	<b>\$ 715,851</b>	<b>\$ 555,055</b>	<b>\$ 78,513</b>	<b>\$ 1,728</b>	<b>\$ 189,795</b>

**CITY OF SILVERTON**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
June 30, 2021

	Community Development Block Grant				Total
	Housing Rehabilitation	Pool Operations Levy	Parks Fee	Urban Renewal	
<b>Assets</b>					
Cash and cash equivalents	\$ 397,761	\$ 799,926	\$ 355,297	\$ 2,011,735	\$ 5,616,956
Receivables	428,330	10,962	7,168	83,212	1,346,383
Inventories	-	3,586	-	-	13,085
<b>Total assets</b>	<b><u>\$ 826,091</u></b>	<b><u>\$ 814,474</u></b>	<b><u>\$ 362,465</u></b>	<b><u>\$ 2,094,947</u></b>	<b><u>\$ 6,976,424</u></b>
<b>Liabilities, deferred inflows and fund balances</b>					
Liabilities					
Accounts payable and accrued liabilities	\$ 1,216	\$ 3,920	\$ 1,766	\$ -	\$ 72,225
Consumer deposits	-	-	-	-	50,076
Total liabilities	<u>1,216</u>	<u>3,920</u>	<u>1,766</u>	<u>-</u>	<u>122,301</u>
Deferred inflows of resources					
Unavailable revenue	<u>428,330</u>	<u>8,444</u>	<u>-</u>	<u>75,054</u>	<u>1,030,772</u>
Total deferred inflows of resources	<u>428,330</u>	<u>8,444</u>	<u>-</u>	<u>75,054</u>	<u>1,030,772</u>
Fund balances					
Nonspendable	-	3,586	-	-	13,085
Restricted	<u>396,545</u>	<u>798,524</u>	<u>360,699</u>	<u>2,019,893</u>	<u>5,810,266</u>
Total fund balances	<u>396,545</u>	<u>802,110</u>	<u>360,699</u>	<u>2,019,893</u>	<u>5,823,351</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b><u>\$ 826,091</u></b>	<b><u>\$ 814,474</u></b>	<b><u>\$ 362,465</u></b>	<b><u>\$ 2,094,947</u></b>	<b><u>\$ 6,976,424</u></b>

	<b>Street</b>	<b>Assessment</b>	<b>Building Operations</b>	<b>Transportation</b>	<b>Electrical Inspection</b>	<b>Transient Tax</b>
<b>Revenues</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transient taxes	-	-	-	-	-	286,921
Licenses, permits and fees	14,634	-	306,948	-	34,920	-
Fines and forfeitures	-	-	-	-	-	-
Assessment	-	32,986	-	-	-	-
Intergovernmental	933,823	-	-	50,154	-	-
Fuel taxes	91,981	-	-	-	-	-
Loan repayment	-	-	-	-	-	-
Interest	6,705	2,969	4,658	470	54	1,087
Miscellaneous	1,771	-	-	1,362	-	-
<b>Total revenues</b>	<b>1,048,914</b>	<b>35,955</b>	<b>311,606</b>	<b>51,986</b>	<b>34,974</b>	<b>288,008</b>
<b>Expenditures</b>						
Current						
General government	-	-	298,770	46,269	32,449	189,410
Highways and streets	393,882	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	27,868	-	-	-	-	-
<b>Total expenditures</b>	<b>421,750</b>	<b>-</b>	<b>298,770</b>	<b>46,269</b>	<b>32,449</b>	<b>189,410</b>
Excess (deficiency) of revenues over expenditures	627,164	35,955	12,836	5,717	2,525	98,598
<b>Other financing sources (uses)</b>						
Transfers out	(246,300)	(150,000)	(59,924)	(4,788)	(7,775)	(71,832)
<b>Total other financing sources (uses)</b>	<b>(246,300)</b>	<b>(150,000)</b>	<b>(59,924)</b>	<b>(4,788)</b>	<b>(7,775)</b>	<b>(71,832)</b>
Net change in fund balances	380,864	(114,045)	(47,088)	929	(5,250)	26,766
Fund balances at beginning of year	897,077	310,812	597,683	77,149	5,250	113,957
<b>Fund balance at end of year</b>	<b>\$ 1,277,941</b>	<b>\$ 196,767</b>	<b>\$ 550,595</b>	<b>\$ 78,078</b>	<b>\$ -</b>	<b>\$ 140,723</b>

**CITY OF SILVERTON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**Year Ended June 30, 2021**

	<b>Community Development Block Grant Housing Rehabilitation</b>	<b>Pool Operations Levy</b>	<b>Parks Fee</b>	<b>Urban Renewal</b>	<b>Total</b>
<b>Revenues</b>					
Property taxes	\$ -	\$ 266,900	\$ -	\$ 819,612	\$ 1,086,512
Transient taxes	-	-	-	-	286,921
Licenses, permits and fees	-	-	-	-	356,502
Fines and forfeitures	-	-	88,083	700	88,783
Assessment	-	-	-	-	32,986
Intergovernmental	-	31,129	-	-	1,015,106
Fuel taxes	-	-	-	-	91,981
Loan repayment	42,080	-	-	11,361	53,441
Interest	4,623	6,537	2,604	19,448	49,155
Miscellaneous	-	-	-	8,500	11,633
Total revenues	<u>46,703</u>	<u>304,566</u>	<u>90,687</u>	<u>859,621</u>	<u>3,073,020</u>
<b>Expenditures</b>					
Current					
General government	30,789	-	-	3,804	601,491
Highways and streets	-	-	-	-	393,882
Culture and recreation	-	151,960	43,644	-	195,604
Capital outlay	-	39,395	5,617	231,410	304,290
Total expenditures	<u>30,789</u>	<u>191,355</u>	<u>49,261</u>	<u>235,214</u>	<u>1,495,267</u>
Excess (deficiency) of revenues over expenditures	15,914	113,211	41,426	624,407	1,577,753
<b>Other financing sources (uses)</b>					
Transfers out	(300,000)	-	-	(250,000)	(1,090,619)
Total other financing sources (uses)	<u>(300,000)</u>	<u>-</u>	<u>-</u>	<u>(250,000)</u>	<u>(1,090,619)</u>
Net change in fund balances	(284,086)	113,211	41,426	374,407	487,134
Fund balances at beginning of year	<u>680,631</u>	<u>688,899</u>	<u>319,273</u>	<u>1,645,486</u>	<u>5,336,217</u>
<b>Fund balance at end of year</b>	<b><u>\$ 396,545</u></b>	<b><u>\$ 802,110</u></b>	<b><u>\$ 360,699</u></b>	<b><u>\$ 2,019,893</u></b>	<b><u>\$ 5,823,351</u></b>



	<b>Building Capital Improvement Reserve</b>	<b>Steelhammer LID</b>	<b>Street Improvement SDC</b>	<b>Street Maintenance Fee</b>	<b>Street Lights Improvement</b>	<b>Street Reimbursement SDC</b>
<b>Assets</b>						
Cash and cash equivalents	\$ 443,165	\$ 21,331	\$ 2,012,968	\$ 669,727	\$ 212,309	\$ 539,841
Receivables	-	-	-	44,531	-	-
<b>Total assets</b>	<b>\$ 443,165</b>	<b>\$ 21,331</b>	<b>\$ 2,012,968</b>	<b>\$ 714,258</b>	<b>\$ 212,309</b>	<b>\$ 539,841</b>
<b>Liabilities, deferred inflows and fund balances</b>						
Liabilities						
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-	-	-
Fund balances						
Restricted	-	21,331	2,012,968	714,258	-	539,841
Committed	443,165	-	-	-	-	-
Assigned	-	-	-	-	212,309	-
Total fund balances	443,165	21,331	2,012,968	714,258	212,309	539,841
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 443,165</b>	<b>\$ 21,331</b>	<b>\$ 2,012,968</b>	<b>\$ 714,258</b>	<b>\$ 212,309</b>	<b>\$ 539,841</b>

**CITY OF SILVERTON**  
**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**June 30, 2021**

	<b>Street Projects</b>	<b>Parks and Recreation Improvement SDC</b>	<b>Stormwater Improvement SDC</b>	<b>Stormwater Fee</b>	<b>Stormwater Reimbursement SDC</b>	<b>Total</b>
<b>Assets</b>						
Cash and cash equivalents	\$ 1,189,109	\$ 2,736,729	\$ 332,710	\$ 817,147	\$ 153,980	\$ 9,129,016
Receivables	-	-	-	42,996	-	87,527
<b>Total assets</b>	<b><u>\$ 1,189,109</u></b>	<b><u>\$ 2,736,729</u></b>	<b><u>\$ 332,710</u></b>	<b><u>\$ 860,143</u></b>	<b><u>\$ 153,980</u></b>	<b><u>\$ 9,216,543</u></b>
<b>Liabilities, deferred inflows and fund balances</b>						
Liabilities						
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 19,393	\$ -	\$ -	19,393
Total liabilities	-	-	19,393	-	-	19,393
Fund balances						
Restricted	1,189,109	2,736,729	313,317	860,143	153,980	8,541,676
Committed	-	-	-	-	-	443,165
Assigned	-	-	-	-	-	212,309
Total fund balances	<u>1,189,109</u>	<u>2,736,729</u>	<u>313,317</u>	<u>860,143</u>	<u>153,980</u>	<u>9,197,150</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b><u>\$ 1,189,109</u></b>	<b><u>\$ 2,736,729</u></b>	<b><u>\$ 332,710</u></b>	<b><u>\$ 860,143</u></b>	<b><u>\$ 153,980</u></b>	<b><u>9,216,543</u></b>

	<b>Building Capital Improvement Reserve</b>	<b>Steelhammer LID</b>	<b>Street Improvement SDC</b>	<b>Street Maintenance Fee</b>	<b>Street Lights Improvement</b>	<b>Street Reimbursement SDC</b>
<b>Revenues</b>						
Licenses, permits and fees	\$ -	\$ -	\$ -	\$ 524,036	\$ -	\$ -
System development charges	-	5,535	231,971	-	-	64,258
Interest	10,852	141	14,882	1,687	1,662	3,931
Miscellaneous	-	-	-	1,000	-	-
<b>Total revenues</b>	<b>10,852</b>	<b>5,676</b>	<b>246,853</b>	<b>526,723</b>	<b>1,662</b>	<b>68,189</b>
<b>Expenditures</b>						
Current						
Highways and streets	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures	10,852	5,676	246,853	526,723	1,662	68,189
<b>Other financing sources (uses)</b>						
Transfers in	71,832	-	-	-	-	-
Transfers out	(1,000,000)	-	-	(95,373)	-	-
<b>Total other financing sources (uses)</b>	<b>(928,168)</b>	<b>-</b>	<b>-</b>	<b>(95,373)</b>	<b>-</b>	<b>-</b>
Net change in fund balances	(917,316)	5,676	246,853	431,350	1,662	68,189
Fund balances at beginning of year	1,360,481	15,655	1,766,115	282,908	210,647	471,652
<b>Fund balance at end of year</b>	<b>\$ 443,165</b>	<b>\$ 21,331</b>	<b>\$ 2,012,968</b>	<b>\$ 714,258</b>	<b>\$ 212,309</b>	<b>\$ 539,841</b>

**CITY OF SILVERTON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**Year Ended June 30, 2021**

	<b>Street Projects</b>	<b>Parks and Recreation Improvement SDC</b>	<b>Stormwater Improvement SDC</b>	<b>Stormwater Fee</b>	<b>Stormwater Reimbursement SDC</b>	<b>Total</b>
<b>Revenues</b>						
Licenses, permits and fees	\$ -	\$ -	\$ -	\$ 491,021	\$ -	\$ 1,015,057
System development charges	-	277,734	33,091	-	22,179	634,768
Interest	9,398	20,041	3,235	3,518	1,121	70,468
Miscellaneous	-	-	-	-	-	1,000
<b>Total revenues</b>	<b>9,398</b>	<b>297,775</b>	<b>36,326</b>	<b>494,539</b>	<b>23,300</b>	<b>1,721,293</b>
<b>Expenditures</b>						
Current						
Highways and streets	-	-	75,631	-	-	75,631
Capital outlay	10,770	-	203,690	-	-	214,460
<b>Total expenditures</b>	<b>10,770</b>	<b>-</b>	<b>279,321</b>	<b>-</b>	<b>-</b>	<b>290,091</b>
Excess (deficiency) of revenues over expenditures	(1,372)	297,775	(242,995)	494,539	23,300	1,431,202
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	-	71,832
Transfers out	-	-	-	(19,872)	-	(1,115,245)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(19,872)</b>	<b>-</b>	<b>(1,043,413)</b>
Net change in fund balances	(1,372)	297,775	(242,995)	474,667	23,300	387,789
Fund balances at beginning of year	1,190,481	2,438,954	556,312	385,476	130,680	8,809,361
<b>Fund balance at end of year</b>	<b>\$ 1,189,109</b>	<b>\$ 2,736,729</b>	<b>\$ 313,317</b>	<b>\$ 860,143</b>	<b>\$ 153,980</b>	<b>\$ 9,197,150</b>

**CITY OF SILVERTON**  
**STREET - SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Licenses, permits and fees	\$ 32,500	\$ 14,634	\$ (17,866)
Intergovernmental	645,000	933,823	288,823
Fuel taxes	80,000	91,981	11,981
Interest	7,000	6,705	(295)
Miscellaneous	-	1,771	1,771
	<u>764,500</u>	<u>1,048,914</u>	<u>284,414</u>
Total revenues			
<b>Expenditures</b>			
Street administration	178,421	111,452	66,969
Street operations	699,927	310,298	389,629
Contingency	176,233	-	176,233
	<u>1,054,581</u>	<u>421,750</u>	<u>632,831</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	<u>(290,081)</u>	<u>627,164</u>	<u>917,245</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(246,300)</u>	<u>(246,300)</u>	<u>-</u>
Total other financing sources (uses)	<u>(246,300)</u>	<u>(246,300)</u>	<u>-</u>
Net change in fund balance	(536,381)	380,864	917,245
Fund balance at beginning of year	<u>681,209</u>	<u>897,077</u>	<u>215,868</u>
<b>Fund balance at end of year</b>	<b><u>\$ 144,828</u></b>	<b><u>\$ 1,277,941</u></b>	<b><u>\$ 1,133,113</u></b>

**CITY OF SILVERTON**  
**ASSESSMENT FUND - SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Assessments	\$ 21,500	\$ 32,986	\$ 11,486
Interest	3,500	2,969	(531)
Total revenues	<u>25,000</u>	<u>35,955</u>	<u>10,955</u>
<b>Expenditures</b>			
Materials and services	10,000	-	10,000
Contingency	164,474	-	164,474
Total expenditures	<u>174,474</u>	<u>-</u>	<u>174,474</u>
Excess (deficiency) of revenues over expenditures	<u>(149,474)</u>	<u>35,955</u>	<u>185,429</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>
Net change in fund balance	(299,474)	(114,045)	185,429
Fund balance at beginning of year	<u>299,474</u>	<u>310,812</u>	<u>11,338</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 196,767</u></b>	<b><u>\$ 196,767</u></b>

**CITY OF SILVERTON**  
**BUILDING OPERATIONS - SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Licenses, permits and fees	\$ 295,000	\$ 306,948	\$ 11,948
Interest	4,000	4,658	658
Total revenues	<u>299,000</u>	<u>311,606</u>	<u>12,606</u>
<b>Expenditures</b>			
Building inspection services	309,881	298,770	11,111
Contingency	94,850	-	94,850
Total expenditures	<u>404,731</u>	<u>298,770</u>	<u>105,961</u>
Excess (deficiency) of revenues over expenditures	<u>(105,731)</u>	<u>12,836</u>	<u>118,567</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(59,924)</u>	<u>(59,924)</u>	<u>-</u>
Total other financing sources (uses)	<u>(59,924)</u>	<u>(59,924)</u>	<u>-</u>
Net change in fund balance	(165,655)	(47,088)	118,567
Fund balance at beginning of year	<u>537,062</u>	<u>597,683</u>	<u>60,621</u>
<b>Fund balance at end of year</b>	<b><u>\$ 371,407</u></b>	<b><u>\$ 550,595</u></b>	<b><u>\$ 179,188</u></b>

**CITY OF SILVERTON**  
**TRANSPORTATION - SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Intergovernmental	\$ 166,500	\$ 50,154	\$ (116,346)
Interest	500	470	(30)
Miscellaneous	<u>1,800</u>	<u>1,362</u>	<u>(438)</u>
Total revenues	<u>168,800</u>	<u>51,986</u>	<u>(116,814)</u>
<b>Expenditures</b>			
Trolley services	206,019	46,269	159,750
Contingency	<u>32,843</u>	<u>-</u>	<u>32,843</u>
Total expenditures	<u>238,862</u>	<u>46,269</u>	<u>192,593</u>
Excess (deficiency) of revenues over expenditures	<u>(70,062)</u>	<u>5,717</u>	<u>75,779</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(4,788)</u>	<u>(4,788)</u>	<u>-</u>
Total other financing sources (uses)	<u>(4,788)</u>	<u>(4,788)</u>	<u>-</u>
Net change in fund balance	(74,850)	929	75,779
Fund balance at beginning of year	<u>74,850</u>	<u>77,149</u>	<u>2,299</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 78,078</u></b>	<b><u>\$ 78,078</u></b>



**CITY OF SILVERTON**  
**ELECTRICAL INSPECTION - SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Licenses, permits and fees	\$ 50,100	\$ 34,920	\$ (15,180)
Interest	250	54	(196)
	<u>50,350</u>	<u>34,974</u>	<u>(15,376)</u>
Total revenues			
<b>Expenditures</b>			
Electrical inspection services	43,723	32,449	11,274
Contingency	2,368	-	2,368
	<u>46,091</u>	<u>32,449</u>	<u>13,642</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	<u>4,259</u>	<u>2,525</u>	<u>(1,734)</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(7,809)</u>	<u>(7,775)</u>	<u>34</u>
Total other financing sources (uses)	<u>(7,809)</u>	<u>(7,775)</u>	<u>34</u>
Net change in fund balance	(3,550)	(5,250)	(1,700)
Fund balance at beginning of year	<u>3,550</u>	<u>5,250</u>	<u>1,700</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

**CITY OF SILVERTON**  
**TRANSIENT TAX - SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Transient room tax	\$ 350,800	\$ 286,921	\$ (63,879)
Interest	950	1,087	137
Total revenues	<u>351,750</u>	<u>288,008</u>	<u>(63,742)</u>
<b>Expenditures</b>			
Materials and services	301,079	189,410	111,669
Contingency	41,825	-	41,825
Total expenditures	<u>342,904</u>	<u>189,410</u>	<u>153,494</u>
Excess (deficiency) of revenues over expenditures	<u>8,846</u>	<u>98,598</u>	<u>89,752</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(98,800)</u>	<u>(71,832)</u>	<u>26,968</u>
Total other financing sources (uses)	<u>(98,800)</u>	<u>(71,832)</u>	<u>26,968</u>
Net change in fund balance	(89,954)	26,766	116,720
Fund balance at beginning of year	<u>89,954</u>	<u>113,957</u>	<u>24,003</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 140,723</u></b>	<b><u>\$ 140,723</u></b>

**CITY OF SILVERTON**  
**COMMUNITY DEVELOPMENT BLOCK GRANT HOUSING REHABILITATION - SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Loan repayment	\$ -	\$ 42,080	\$ 42,080
Interest	3,000	4,623	1,623
	<u>3,000</u>	<u>46,703</u>	<u>43,703</u>
Total revenues			
<b>Expenditures</b>			
Materials and services	256,500	30,789	225,711
Contingency	99,946	-	99,946
	<u>356,446</u>	<u>30,789</u>	<u>325,657</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	<u>(353,446)</u>	<u>15,914</u>	<u>369,360</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(300,000)</u>	<u>(300,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(300,000)</u>	<u>(300,000)</u>	<u>-</u>
Net change in fund balance	(653,446)	(284,086)	369,360
Fund balance at beginning of year	<u>653,446</u>	<u>680,631</u>	<u>27,185</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 396,545</u></b>	<b><u>\$ 396,545</u></b>

**CITY OF SILVERTON**  
**POOL OPERATIONS LEVY - SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Property taxes	\$ 258,550	\$ 266,900	\$ 8,350
Intergovernmental	75,000	31,129	(43,871)
Interest	<u>4,250</u>	<u>6,537</u>	<u>2,287</u>
 Total revenues	 <u>337,800</u>	 <u>304,566</u>	 <u>(33,234)</u>
<b>Expenditures</b>			
Materials and services	233,100	151,960	81,140
Capital outlay	266,000	39,395	226,605
Contingency	<u>323,542</u>	<u>-</u>	<u>323,542</u>
 Total expenditures	 <u>822,642</u>	 <u>191,355</u>	 <u>631,287</u>
 Net change in fund balance	 (484,842)	 113,211	 598,053
 Fund balance at beginning of year	 <u>718,842</u>	 <u>688,899</u>	 <u>(29,943)</u>
 <b>Fund balance at end of year</b>	 <b><u>\$ 234,000</u></b>	 <b><u>\$ 802,110</u></b>	 <b><u>\$ 568,110</u></b>

**CITY OF SILVERTON**  
**PARKS FEE - SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Fines and forfeitures	\$ 87,477	\$ 88,083	\$ 606
Donations	5,000	-	(5,000)
Interest	<u>2,500</u>	<u>2,604</u>	<u>104</u>
 Total revenues	 <u>94,977</u>	 <u>90,687</u>	 <u>(4,290)</u>
<b>Expenditures</b>			
Parks maintenance	76,938	43,644	33,294
Capital outlay	94,000	5,617	88,383
Contingency	<u>254,938</u>	<u>-</u>	<u>254,938</u>
 Total expenditures	 <u>425,876</u>	 <u>49,261</u>	 <u>376,615</u>
 Net change in fund balance	 (330,899)	 41,426	 372,325
 Fund balance at beginning of year	 <u>330,899</u>	 <u>319,273</u>	 <u>(11,626)</u>
 <b>Fund balance at end of year</b>	 <b><u>\$ -</u></b>	 <b><u>\$ 360,699</u></b>	 <b><u>\$ 360,699</u></b>

**CITY OF SILVERTON**  
**URBAN RENEWAL - SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Property taxes	\$ 671,545	\$ 819,612	\$ 148,067
Loan repayment	27,970	11,361	(16,609)
Fines and forfeitures	1,000	700	(300)
Interest	21,930	19,448	(2,482)
Miscellaneous	8,500	8,500	-
	<u>730,945</u>	<u>859,621</u>	<u>128,676</u>
<b>Expenditures</b>			
Materials and services	25,545	3,804	21,741
Capital outlay	1,926,037	231,410	1,694,627
Contingency	382,000	-	382,000
	<u>2,333,582</u>	<u>235,214</u>	<u>2,098,368</u>
Excess (deficiency) of revenues over expenditures	<u>(1,602,637)</u>	<u>624,407</u>	<u>2,227,044</u>
<b>Other financing sources (uses)</b>			
Transfers out	-	(250,000)	(250,000)
	<u>-</u>	<u>(250,000)</u>	<u>(250,000)</u>
Net change in fund balance	(1,602,637)	374,407	1,977,044
Fund balance at beginning of year	<u>1,602,637</u>	<u>1,645,486</u>	<u>42,849</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 2,019,893</u></b>	<b><u>\$ 2,019,893</u></b>

**CITY OF SILVERTON**  
**DEBT SERVICE - DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Interest	\$ 800	\$ 1,099	\$ 299
Total revenues	<u>800</u>	<u>1,099</u>	<u>299</u>
<b>Expenditures</b>			
Debt service	<u>243,753</u>	<u>219,735</u>	<u>24,018</u>
Total expenditures	<u>243,753</u>	<u>219,735</u>	<u>24,018</u>
Excess (deficiency) of revenues over expenditures	<u>(242,953)</u>	<u>(218,636)</u>	<u>24,317</u>
<b>Other financing sources (uses)</b>			
Transfers in	<u>219,735</u>	<u>219,735</u>	<u>-</u>
Total other financing sources (uses)	<u>219,735</u>	<u>219,735</u>	<u>-</u>
Net change in fund balance	(23,218)	1,099	24,317
Fund balance at beginning of year	<u>23,218</u>	<u>23,632</u>	<u>414</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 24,731</u></b>	<b><u>\$ 24,731</u></b>

**CITY OF SILVERTON**  
**BUILDING CAPITAL IMPROVEMENT RESERVE - CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Interest	\$ 13,200	\$ 10,852	\$ (2,348)
Total revenues	<u>13,200</u>	<u>10,852</u>	<u>(2,348)</u>
<b>Expenditures</b>			
Capital outlay	<u>488,357</u>	<u>-</u>	<u>488,357</u>
Total expenditures	<u>488,357</u>	<u>-</u>	<u>488,357</u>
Excess (deficiency) of revenues over expenditures	<u>(475,157)</u>	<u>10,852</u>	<u>486,009</u>
<b>Other financing sources (uses)</b>			
Transfers in	98,800	71,832	(26,968)
Transfers out	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(901,200)</u>	<u>(928,168)</u>	<u>(26,968)</u>
Net change in fund balance	(1,376,357)	(917,316)	459,041
Fund balance at beginning of year	<u>1,376,357</u>	<u>1,360,481</u>	<u>(15,876)</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 443,165</u></b>	<b><u>\$ 443,165</u></b>



**CITY OF SILVERTON**  
**STEELHAMMER LID - CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
System development charges	\$ 2,214	\$ 5,535	\$ 3,321
Interest	400	141	(259)
Total revenues	<u>2,614</u>	<u>5,676</u>	<u>3,062</u>
<b>Expenditures</b>			
Street improvements	<u>13,830</u>	-	<u>13,830</u>
Total expenditures	<u>13,830</u>	-	<u>13,830</u>
Net change in fund balance	(11,216)	5,676	16,892
Fund balance at beginning of year	<u>11,216</u>	<u>15,655</u>	<u>4,439</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 21,331</u></b>	<b><u>\$ 21,331</u></b>

**CITY OF SILVERTON**  
**STREET IMPROVEMENT SDC - CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
System development charges	\$ 125,080	\$ 231,971	\$ 106,891
Interest	15,700	14,882	(818)
Total revenues	<u>140,780</u>	<u>246,853</u>	<u>106,073</u>
<b>Expenditures</b>			
Street improvements	<u>1,784,840</u>	-	<u>1,784,840</u>
Total expenditures	<u>1,784,840</u>	-	<u>1,784,840</u>
Excess (deficiency) of revenues over expenditures	<u>(1,644,060)</u>	<u>246,853</u>	<u>1,890,913</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(87,000)</u>	-	<u>87,000</u>
Total other financing sources (uses)	<u>(87,000)</u>	-	<u>87,000</u>
Net change in fund balance	(1,731,060)	246,853	1,977,913
Fund balance at beginning of year	<u>1,731,060</u>	<u>1,766,115</u>	<u>35,055</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 2,012,968</u></b>	<b><u>\$ 2,012,968</u></b>

**CITY OF SILVERTON**  
**STREET MAINTENANCE FEE - CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Licenses, permits and fees	\$ 510,679	\$ 524,036	\$ 13,357
Interest	2,000	1,687	(313)
Miscellaneous	750	1,000	250
	<u>513,429</u>	<u>526,723</u>	<u>13,294</u>
<b>Expenditures</b>			
Street improvements	<u>131,311</u>	-	<u>131,311</u>
	<u>131,311</u>	-	<u>131,311</u>
Excess (deficiency) of revenues over expenditures	<u>382,118</u>	<u>526,723</u>	<u>144,605</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(660,485)</u>	<u>(95,373)</u>	<u>565,112</u>
	<u>(660,485)</u>	<u>(95,373)</u>	<u>565,112</u>
Net change in fund balance	(278,367)	431,350	709,717
Fund balance at beginning of year	<u>278,367</u>	<u>282,908</u>	<u>4,541</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 714,258</u></b>	<b><u>\$ 714,258</u></b>

**CITY OF SILVERTON**  
**STREET LIGHTS IMPROVEMENT - CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Interest	\$ 3,000	\$ 1,662	\$ (1,338)
Total revenues	<u>3,000</u>	<u>1,662</u>	<u>(1,338)</u>
<b>Expenditures</b>			
Street improvements	<u>213,638</u>	<u>-</u>	<u>213,638</u>
Total expenditures	<u>213,638</u>	<u>-</u>	<u>213,638</u>
Net change in fund balance	(210,638)	1,662	212,300
Fund balance at beginning of year	<u>210,638</u>	<u>210,647</u>	<u>9</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 212,309</u></b>	<b><u>\$ 212,309</u></b>

**CITY OF SILVERTON**  
**STREET REIMBURSEMENT SDC - CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
System development charges	\$ 25,320	\$ 64,258	\$ 38,938
Interest	<u>3,000</u>	<u>3,931</u>	<u>931</u>
Total revenues	<u>28,320</u>	<u>68,189</u>	<u>39,869</u>
<b>Expenditures</b>			
Street improvements	<u>181,221</u>	<u>-</u>	<u>181,221</u>
Total expenditures	<u>181,221</u>	<u>-</u>	<u>181,221</u>
Excess (deficiency) of revenues over expenditures	<u>(152,901)</u>	<u>68,189</u>	<u>221,090</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(300,000)</u>	<u>-</u>	<u>300,000</u>
Total other financing sources (uses)	<u>(300,000)</u>	<u>-</u>	<u>300,000</u>
Net change in fund balance	(452,901)	68,189	521,090
Fund balance at beginning of year	<u>452,901</u>	<u>471,652</u>	<u>18,751</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 539,841</u></b>	<b><u>\$ 539,841</u></b>

**CITY OF SILVERTON**  
**STREET PROJECTS - CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Intergovernmental	\$ 250,000	\$ -	\$ (250,000)
Interest	<u>5,000</u>	<u>9,398</u>	<u>4,398</u>
Total revenues	<u>255,000</u>	<u>9,398</u>	<u>(245,602)</u>
<b>Expenditures</b>			
Street improvements	<u>562,718</u>	<u>10,770</u>	<u>551,948</u>
Total expenditures	<u>562,718</u>	<u>10,770</u>	<u>551,948</u>
Excess (deficiency) of revenues over expenditures	<u>(307,718)</u>	<u>(1,372)</u>	<u>306,346</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(900,000)</u>	<u>-</u>	<u>900,000</u>
Total other financing sources (uses)	<u>(900,000)</u>	<u>-</u>	<u>900,000</u>
Net change in fund balance	(1,207,718)	(1,372)	1,206,346
Fund balance at beginning of year	<u>1,207,718</u>	<u>1,190,481</u>	<u>(17,237)</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 1,189,109</u></b>	<b><u>\$ 1,189,109</u></b>

**CITY OF SILVERTON**  
**PARKS AND RECREATION IMPROVEMENT SDC - CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
System development charges	\$ 249,600	\$ 277,734	\$ 28,134
Interest	<u>20,000</u>	<u>20,041</u>	<u>41</u>
Total revenues	<u>269,600</u>	<u>297,775</u>	<u>28,175</u>
<b>Expenditures</b>			
Parks improvement	2,457,238	-	2,457,238
Materials and services	<u>160,000</u>	<u>-</u>	<u>160,000</u>
Total expenditures	<u>2,617,238</u>	<u>-</u>	<u>2,617,238</u>
Net change in fund balance	(2,347,638)	297,775	2,645,413
Fund balance at beginning of year	<u>2,347,638</u>	<u>2,438,954</u>	<u>91,316</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 2,736,729</u></b>	<b><u>\$ 2,736,729</u></b>

**CITY OF SILVERTON**  
**STORMWATER IMPROVEMENT SDC - CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
System development charges	\$ 16,800	\$ 33,091	\$ 16,291
Interest	3,500	3,235	(265)
Total revenues	<u>20,300</u>	<u>36,326</u>	<u>16,026</u>
<b>Expenditures</b>			
Stormwater improvement	<u>536,824</u>	<u>279,321</u>	<u>257,503</u>
Total expenditures	<u>536,824</u>	<u>279,321</u>	<u>257,503</u>
Excess (deficiency) of revenues over expenditures	<u>(516,524)</u>	<u>(242,995)</u>	<u>273,529</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(32,156)</u>	<u>-</u>	<u>32,156</u>
Total other financing sources (uses)	<u>(32,156)</u>	<u>-</u>	<u>32,156</u>
Net change in fund balance	(548,680)	(242,995)	305,685
Fund balance at beginning of year	<u>548,680</u>	<u>556,312</u>	<u>7,632</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 313,317</u></b>	<b><u>\$ 313,317</u></b>



**CITY OF SILVERTON**  
**STORMWATER FEE - CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Licenses, permits and fees	\$ 483,914	\$ 491,021	\$ 7,107
Interest	3,500	3,518	18
Total revenues	<u>487,414</u>	<u>494,539</u>	<u>7,125</u>
<b>Expenditures</b>			
Stormwater improvement	<u>689,839</u>	-	<u>689,839</u>
Total expenditures	<u>689,839</u>	-	<u>689,839</u>
Excess (deficiency) of revenues over expenditures	<u>(202,425)</u>	<u>494,539</u>	<u>696,964</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(194,276)</u>	<u>(19,872)</u>	<u>174,404</u>
Total other financing sources (uses)	<u>(194,276)</u>	<u>(19,872)</u>	<u>174,404</u>
Net change in fund balance	(396,701)	474,667	871,368
Fund balance at beginning of year	<u>396,701</u>	<u>385,476</u>	<u>(11,225)</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 860,143</u></b>	<b><u>\$ 860,143</u></b>

**CITY OF SILVERTON**  
**STORMWATER REIMBURSEMENT SDC - CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
System development charges	\$ 18,280	\$ 22,179	\$ 3,899
Interest	700	1,121	421
	<u>18,980</u>	<u>23,300</u>	<u>4,320</u>
<b>Expenditures</b>			
Stormwater improvement	<u>115,679</u>	-	<u>115,679</u>
	<u>115,679</u>	-	<u>115,679</u>
Excess (deficiency) of revenues over expenditures	<u>(96,699)</u>	<u>23,300</u>	<u>119,999</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(17,844)</u>	-	<u>17,844</u>
	<u>(17,844)</u>	-	<u>17,844</u>
Net change in fund balance	(114,543)	23,300	137,843
Fund balance at beginning of year	<u>114,543</u>	<u>130,680</u>	<u>16,137</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 153,980</u></b>	<b><u>\$ 153,980</u></b>

**CITY OF SILVERTON**  
**COMBINING STATEMENT OF NET POSITION**  
**SEWER FUNDS**  
**June 30, 2021**

	Sewer	Sewer Improvement SDC	Sewer Reimbursement SDC	Sewer Debt Reserve	WWTP Digester Project	Sewer Capital Project	Total Sewer Fund
<b>Assets</b>							
Current assets							
Cash and cash equivalents	\$ 2,364,946	\$ 1,403,761	\$ 2,174,109	\$ 831,387	\$ 266,500	\$ 3,111,434	\$ 10,152,137
Receivables, net	351,406	-	-	-	-	-	351,406
Inventory	15,023	-	-	-	-	-	15,023
Total current assets	2,731,375	1,403,761	2,174,109	831,387	266,500	3,111,434	10,518,566
Net other postemployment benefits asset	5,438	-	-	-	-	-	5,438
Capital assets							
Land and construction in progress	1,845,281	-	-	-	-	-	1,845,281
Other capital assets, net	20,798,980	-	-	-	-	-	20,798,980
Total capital assets	22,644,261	-	-	-	-	-	22,644,261
Total assets	25,381,074	1,403,761	2,174,109	831,387	266,500	3,111,434	33,168,265
<b>Deferred outflows of resources</b>							
Pension related items	378,009	-	-	-	-	-	378,009
Other postemployment benefit related items	6,807	-	-	-	-	-	6,807
Total deferred outflows of resources	384,816	-	-	-	-	-	384,816
<b>Liabilities</b>							
Current liabilities							
Accounts payable and accrued liabilities	48,209	-	-	-	-	22,000	70,209
Accrued interest payable	28,975	-	-	-	-	-	28,975
Compensated absences	27,895	-	-	-	-	-	27,895
Long-term obligations due within one year	480,000	-	-	-	-	-	480,000
Total current liabilities	585,079	-	-	-	-	22,000	607,079
Long-term obligations due in more than one year	8,330,021	-	-	-	-	-	8,330,021
Total liabilities	8,915,100	-	-	-	-	22,000	8,937,100
<b>Deferred inflows of resources</b>							
Pension related items	145,190	-	-	-	-	-	145,190
Other postemployment benefit related items	15,274	-	-	-	-	-	15,274
Total deferred inflows of resources	160,464	-	-	-	-	-	160,464
<b>Net position</b>							
Net investment in capital assets	14,719,261	-	-	-	-	-	14,719,261
Restricted for:							
Capital projects	-	1,403,761	2,174,109	-	266,500	-	3,844,370
Debt service	-	-	-	627,918	-	-	627,918
Unrestricted	1,971,065	-	-	203,469	-	3,089,434	5,263,968
Total net position	<b>\$ 16,690,326</b>	<b>\$ 1,403,761</b>	<b>\$ 2,174,109</b>	<b>\$ 831,387</b>	<b>\$ 266,500</b>	<b>\$ 3,089,434</b>	<b>\$ 24,455,517</b>

**CITY OF SILVERTON**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**SEWER FUNDS**  
Year Ended June 30, 2021

	Sewer	Sewer Improvement SDC	Sewer Reimbursement SDC	Sewer Debt Reserve	WWTP Digester Project	Sewer Capital Project	Eliminations	Total Sewer Fund
<b>Operating revenues</b>								
Charges for services	\$ 4,060,323	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,060,323
Total operating revenues	4,060,323	-	-	-	-	-	-	4,060,323
<b>Operating expenses</b>								
Personnel services	927,141	-	-	-	-	-	-	927,141
Materials and services	590,833	-	-	-	-	-	-	590,833
Depreciation	710,468	-	-	-	-	-	-	710,468
Total operating expenses	2,228,442	-	-	-	-	-	-	2,228,442
Operating income (loss)	1,831,881	-	-	-	-	-	-	1,831,881
<b>Nonoperating revenues (expenses)</b>								
Grants	5,051	-	-	-	-	-	-	5,051
Interest income	17,573	10,416	16,733	6,502	2,362	21,244	-	74,830
Miscellaneous	28,996	-	-	-	-	-	-	28,996
Interest expense	(363,766)	-	-	-	-	-	-	(363,766)
Total nonoperating revenue (expenses)	(312,146)	10,416	16,733	6,502	2,362	21,244	-	(254,889)
Income (loss) before transfers	1,519,735	10,416	16,733	6,502	2,362	21,244	-	1,576,992
Capital contributions	-	143,551	78,688	-	-	-	-	222,239
Transfers in	622,765	-	-	-	-	650,000	(766,221)	506,544
Transfers out	(1,272,543)	(45,429)	(12,741)	-	(48,792)	(22,000)	766,221	(635,284)
Change in net position	869,957	108,538	82,680	6,502	(46,430)	649,244	-	1,670,491
Net position - beginning	15,820,369	1,295,223	2,091,429	824,885	312,930	2,440,190	-	22,785,026
<b>Net position - ending</b>	<b>\$ 16,690,326</b>	<b>\$ 1,403,761</b>	<b>\$ 2,174,109</b>	<b>\$ 831,387</b>	<b>\$ 266,500</b>	<b>\$ 3,089,434</b>	<b>\$ -</b>	<b>\$ 24,455,517</b>

**CITY OF SILVERTON**  
**COMBINING STATEMENT OF CASH FLOWS**  
**SEWER FUNDS**  
Year Ended June 30, 2021

	Sewer	Sewer Improvement SDC	Sewer Reimbursement SDC	Sewer Debt Reserve	WWTP Digester Project	Sewer Capital Projects	Eliminations	Total Sewer Fund
<b>Cash flows from operating activities</b>								
Receipts from customers	\$ 4,046,724	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,046,724
Payments to suppliers	(580,503)	-	-	-	-	-	-	(580,503)
Payments to employees	(843,617)	-	-	-	-	-	-	(843,617)
Net cash provided by (used in) operating activities	2,622,604	-	-	-	-	-	-	2,622,604
<b>Cash flows from capital and related financing activities</b>								
Transfers in	-	-	-	-	-	650,000	(650,000)	-
Transfers out	(1,272,543)	-	(12,741)	-	-	-	650,000	(635,284)
System development charges received	-	143,551	78,688	-	-	-	-	222,239
Other	28,996	-	-	-	-	-	-	28,996
Grants	5,051	-	-	-	-	-	-	5,051
Acquisition of capital assets	(100,307)	(45,429)	-	-	(63,348)	-	-	(209,084)
Principal paid on long-term obligations	(465,000)	-	-	-	-	-	-	(465,000)
Interest paid on long-term obligations	(365,224)	-	-	-	-	-	-	(365,224)
Net cash provided by (used in) capital and related financing activities	(2,169,027)	98,122	65,947	-	(63,348)	650,000	-	(1,418,306)
<b>Cash flows from investing activities</b>								
Interest on investments	17,573	10,416	16,733	6,502	2,362	21,244	-	74,830
Net cash provided by (used in) investing activities	17,573	10,416	16,733	6,502	2,362	21,244	-	74,830
Net increase (decrease) in cash and cash equivalents	471,150	108,538	82,680	6,502	(60,986)	671,244	-	1,279,128
Cash and cash equivalents - beginning of year	1,893,796	1,295,223	2,091,429	824,885	327,486	2,440,190	-	8,873,009
<b>Cash and cash equivalents - end of year</b>	<b>\$ 2,364,946</b>	<b>\$ 1,403,761</b>	<b>\$ 2,174,109</b>	<b>\$ 831,387</b>	<b>\$ 266,500</b>	<b>\$ 3,111,434</b>	<b>\$ -</b>	<b>\$ 10,152,137</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>								
Operating income (loss)	\$ 1,831,881	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,831,881
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities								
Depreciation	710,468	-	-	-	-	-	-	710,468
(Increase) decrease in assets and deferred outflows of resources								
Receivables, net	(13,599)	-	-	-	-	-	-	(13,599)
Inventories	2,964	-	-	-	-	-	-	2,964
Net other postemployment benefits asset	1,675	-	-	-	-	-	-	1,675
Pension related items	(31,162)	-	-	-	-	-	-	(31,162)
Other postemployment benefit related items	(5,006)	-	-	-	-	-	-	(5,006)
Increase (decrease) in liabilities and deferred inflows of resources								
Accounts payable and accrued liabilities	7,366	-	-	-	-	-	-	7,366
Compensated absences payable	(8,543)	-	-	-	-	-	-	(8,543)
Net pension liability	37,657	-	-	-	-	-	-	37,657
Other postemployment benefits liability	6,559	-	-	-	-	-	-	6,559
Pension related items	83,222	-	-	-	-	-	-	83,222
Other postemployment benefit related items	(878)	-	-	-	-	-	-	(878)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 2,622,604</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,622,604</b>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS</b>								
Transfers in	\$ 622,765	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (116,221)	\$ 506,544
Transfers out	-	(45,429)	-	-	(48,792)	(22,000)	116,221	-
Total noncash transactions	\$ 622,765	\$ (45,429)	\$ -	\$ -	\$ (48,792)	\$ (22,000)	\$ -	\$ 506,544

**CITY OF SILVERTON**  
**SEWER - ENTERPRISE FUND (MAJOR FUND)**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Charges for services	\$ 3,507,130	\$ 4,060,323	\$ 553,193
Intergovernmental	-	5,051	5,051
Interest	18,000	17,573	(427)
Miscellaneous	<u>9,500</u>	<u>28,996</u>	<u>19,496</u>
Total revenues	<u>3,534,630</u>	<u>4,111,943</u>	<u>577,313</u>
<b>Expenditures</b>			
Sewer administration	252,924	249,374	3,550
Sewer operations	1,319,372	990,865	328,507
Sewer maintenance	390,273	285,975	104,298
Debt service	833,270	830,224	3,046
Contingency	<u>780,622</u>	<u>-</u>	<u>780,622</u>
Total expenditures	<u>3,576,461</u>	<u>2,356,438</u>	<u>1,220,023</u>
Excess (deficiency) of revenues over expenditures	<u>(41,831)</u>	<u>1,755,505</u>	<u>1,797,336</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(1,272,543)</u>	<u>(1,272,543)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,272,543)</u>	<u>(1,272,543)</u>	<u>-</u>
Net change in fund balance	(1,314,374)	482,962	1,797,336
Fund balance at beginning of year	<u>1,710,732</u>	<u>2,172,309</u>	<u>461,577</u>
<b>Fund balance at end of year</b>	<b><u>\$ 396,358</u></b>	<b>\$ 2,655,271</b>	<b><u>\$ 2,258,913</u></b>
<b>Reconciliation to generally accepted accounting principles</b>			
Net other postemployment benefit asset		5,438	
Capital assets, net		22,644,261	
Deferred outflows of resources		384,816	
Accrued interest payable		(28,975)	
Net pension liability		(853,425)	
Other postemployment benefit liability		(31,596)	
Long-term obligations		(7,925,000)	
Deferred inflows of resources		<u>(160,464)</u>	
<b>Net position - ending</b>		<b><u>\$ 16,690,326</u></b>	

**CITY OF SILVERTON**  
**SEWER IMPROVEMENT SDC - ENTERPRISE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
System development charges	\$ 125,440	\$ 143,551	\$ 18,111
Interest	9,000	10,416	1,416
Total revenues	<u>134,440</u>	<u>153,967</u>	<u>19,527</u>
<b>Expenditures</b>			
Sewer improvements	<u>1,380,516</u>	<u>45,429</u>	<u>1,335,087</u>
Total expenditures	<u>1,380,516</u>	<u>45,429</u>	<u>1,335,087</u>
Net change in fund balance	(1,246,076)	108,538	1,354,614
Fund balance at beginning of year	<u>1,246,076</u>	<u>1,295,223</u>	<u>49,147</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 1,403,761</u></b>	<b><u>\$ 1,403,761</u></b>

**CITY OF SILVERTON**  
**SEWER REIMBURSEMENT SDC - ENTERPRISE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
System development charges	\$ 60,680	\$ 78,688	\$ 18,008
Interest	<u>15,600</u>	<u>16,733</u>	<u>1,133</u>
Total revenues	<u>76,280</u>	<u>95,421</u>	<u>19,141</u>
<b>Expenditures</b>			
Sewer improvements	<u>1,643,524</u>	-	<u>1,643,524</u>
Total expenditures	<u>1,643,524</u>	-	<u>1,643,524</u>
Excess (deficiency) of revenues over expenditures	<u>(1,567,244)</u>	<u>95,421</u>	<u>1,662,665</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(502,508)</u>	<u>(12,741)</u>	<u>489,767</u>
Total other financing sources (uses)	<u>(502,508)</u>	<u>(12,741)</u>	<u>489,767</u>
Net change in fund balance	(2,069,752)	82,680	2,152,432
Fund balance at beginning of year	<u>2,069,752</u>	<u>2,091,429</u>	<u>21,677</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 2,174,109</u></b>	<b><u>\$ 2,174,109</u></b>



**CITY OF SILVERTON**  
**SEWER DEBT RESERVE - ENTERPRISE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2021**

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	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues</b>			
Interest	\$ 10,000	\$ 6,502	\$ (3,498)
Total revenues	10,000	6,502	(3,498)
Net change in fund balance	10,000	6,502	(3,498)
Fund balance at beginning of year	842,202	824,885	(17,317)
<b>Fund balance at end of year</b>	<b>\$ 852,202</b>	<b>\$ 831,387</b>	<b>\$ (20,815)</b>

**CITY OF SILVERTON**  
**WWTP DIGESTER PROJECT - ENTERPRISE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Interest	\$ 1,500	\$ 2,362	\$ 862
Total revenues	<u>1,500</u>	<u>2,362</u>	<u>862</u>
<b>Expenditures</b>			
Sewer improvements	<u>89,500</u>	<u>48,792</u>	<u>40,708</u>
Total expenditures	<u>89,500</u>	<u>48,792</u>	<u>40,708</u>
Excess (deficiency) of revenues over expenditures	<u>(88,000)</u>	<u>(46,430)</u>	<u>41,570</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(189,111)</u>	<u>-</u>	<u>189,111</u>
Total other financing sources (uses)	<u>(189,111)</u>	<u>-</u>	<u>189,111</u>
Net change in fund balance	(277,111)	(46,430)	230,681
Fund balance at beginning of year	<u>277,111</u>	<u>312,930</u>	<u>35,819</u>
<b>Fund balance at end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ 266,500</u></u>	<u><u>\$ 266,500</u></u>

**CITY OF SILVERTON**  
**SEWER CAPITAL PROJECT - ENTERPRISE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Interest	\$ 12,600	\$ 21,244	\$ 8,644
Total revenues	<u>12,600</u>	<u>21,244</u>	<u>8,644</u>
<b>Expenditures</b>			
Sewer improvements	<u>3,294,259</u>	<u>22,000</u>	<u>3,272,259</u>
Total expenditures	<u>3,294,259</u>	<u>22,000</u>	<u>3,272,259</u>
Excess (deficiency) of revenues over expenditures	<u>(3,281,659)</u>	<u>(756)</u>	<u>3,280,903</u>
<b>Other financing sources (uses)</b>			
Transfers in	<u>839,111</u>	<u>650,000</u>	<u>(189,111)</u>
Total other financing sources (uses)	<u>839,111</u>	<u>650,000</u>	<u>(189,111)</u>
Net change in fund balance	(2,442,548)	649,244	3,091,792
Fund balance at beginning of year	<u>2,442,548</u>	<u>2,440,190</u>	<u>(2,358)</u>
<b>Fund balance at end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ 3,089,434</u></u>	<u><u>\$ 3,089,434</u></u>

**CITY OF SILVERTON**  
**COMBINING STATEMENT OF NET POSITION**  
**WATER FUND**  
**June 30, 2021**

	Water	Water Improvement SDC	Water Reimbursement SDC	Water Capital Project	Total Water Fund
<b>Assets</b>					
Current assets					
Cash and cash equivalents	\$ 2,161,417	\$ 2,680,584	\$ 500,552	\$ 1,034,355	\$ 6,376,908
Receivables, net	288,774	-	-	-	288,774
Inventory	104,597	-	-	-	104,597
<b>Total current assets</b>	<b>2,554,788</b>	<b>2,680,584</b>	<b>500,552</b>	<b>1,034,355</b>	<b>6,770,279</b>
Net other postemployment benefits asset	4,621	-	-	-	4,621
Capital assets					
Land and construction in progress	1,359,911	-	-	-	1,359,911
Other capital assets, net	7,485,792	-	-	-	7,485,792
<b>Total capital assets</b>	<b>8,845,703</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,845,703</b>
<b>Total assets</b>	<b>11,405,112</b>	<b>2,680,584</b>	<b>500,552</b>	<b>1,034,355</b>	<b>15,620,603</b>
<b>Deferred outflows of resources</b>					
Pension related items	321,199	-	-	-	321,199
Other postemployment benefit related items	5,784	-	-	-	5,784
<b>Total deferred outflows of resources</b>	<b>326,983</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>326,983</b>
<b>Liabilities</b>					
Current liabilities					
Accounts payable and accrued liabilities	80,690	-	-	256,769	337,459
Consumer deposits	71,322	-	-	-	71,322
Accrued interest payable	2,317	-	-	-	2,317
Compensated absences	15,138	-	-	-	15,138
Long-term obligations due within one year	181,176	-	-	-	181,176
<b>Total current liabilities</b>	<b>350,643</b>	<b>-</b>	<b>-</b>	<b>256,769</b>	<b>607,412</b>
Long-term obligations due in more than one year	1,032,990	-	-	-	1,032,990
<b>Total liabilities</b>	<b>1,383,633</b>	<b>-</b>	<b>-</b>	<b>256,769</b>	<b>1,640,402</b>
<b>Deferred inflows of resources</b>					
Pension related items	123,370	-	-	-	123,370
Other postemployment benefit related items	12,979	-	-	-	12,979
<b>Total deferred inflows of resources</b>	<b>136,349</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>136,349</b>
<b>Net position</b>					
Net investment in capital assets	8,383,551	-	-	-	8,383,551
Restricted for capital projects	-	2,680,584	500,552	-	3,181,136
Unrestricted	1,828,562	-	-	777,586	2,606,148
<b>Total net position</b>	<b>\$ 10,212,113</b>	<b>\$ 2,680,584</b>	<b>\$ 500,552</b>	<b>\$ 777,586</b>	<b>\$ 14,170,835</b>

**CITY OF SILVERTON**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**WATER FUND**  
**Year Ended June 30, 2021**

	Water	Water Improvement SDC	Water Reimbursement SDC	Water Capital Project	Eliminations	Total Water Fund
<b>Operating revenues</b>						
Charges for services	\$ 2,981,741	\$ -	\$ -	\$ -	\$ -	\$ 2,981,741
Licenses, permits and fees	10,997	-	-	-	-	10,997
Total operating revenues	<u>2,992,738</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,992,738</u>
<b>Operating expenses</b>						
Personnel services	796,580	-	-	-	-	796,580
Materials and services	377,391	-	-	-	-	377,391
Depreciation	361,238	-	-	-	-	361,238
Total operating expenses	<u>1,535,209</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,535,209</u>
Operating income (loss)	<u>1,457,529</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,457,529</u>
<b>Nonoperating revenues (expenses)</b>						
Grants	60,612	-	-	-	-	60,612
Interest income	14,867	19,813	3,624	8,679	-	46,983
Miscellaneous	674	-	-	-	-	674
Interest expense	(15,401)	-	-	-	-	(15,401)
Total nonoperating revenue (expenses)	<u>60,752</u>	<u>19,813</u>	<u>3,624</u>	<u>8,679</u>	<u>-</u>	<u>92,868</u>
Income (loss) before transfers	1,518,281	19,813	3,624	8,679	-	1,550,397
Capital contributions	-	269,930	61,038	-	-	330,968
Transfers in	949,078	-	-	599,660	(1,392,720)	156,018
Transfers out	(1,241,192)	-	-	(793,060)	1,392,720	(641,532)
Change in net position	1,226,167	289,743	64,662	(184,721)	-	1,395,851
Net position - beginning	<u>8,985,946</u>	<u>2,390,841</u>	<u>435,890</u>	<u>962,307</u>	<u>-</u>	<u>12,774,984</u>
<b>Net position - ending</b>	<b><u>\$ 10,212,113</u></b>	<b><u>\$ 2,680,584</u></b>	<b><u>\$ 500,552</u></b>	<b><u>\$ 777,586</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 14,170,835</u></b>

**CITY OF SILVERTON**  
**COMBINING STATEMENT OF CASH FLOWS**  
**WATER FUND**  
**Year Ended June 30, 2021**

	Water	Water Improvement SDC	Water Reimbursement SDC	Water Capital Project	Eliminations	Total Water Fund
<b>Cash flows from operating activities</b>						
Receipts from customers	\$ 2,938,101	\$ -	\$ -	\$ -	\$ -	\$ 2,938,101
Payments to suppliers	(361,499)	-	-	-	-	(361,499)
Payments to employees	(692,227)	-	-	-	-	(692,227)
Net cash provided by (used in) operating activities	<u>1,884,375</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,884,375</u>
<b>Cash flows from capital and related financing activities</b>						
Transfers in	-	-	-	599,660	(599,660)	-
Transfers out	(1,241,192)	-	-	-	599,660	(641,532)
System development charges received	-	269,930	61,038	-	-	330,968
Other	674	-	-	-	-	674
Grants	60,612	-	-	-	-	60,612
Acquisition of capital assets	(18,126)	-	-	(586,205)	-	(604,331)
Principal paid on long-term obligations	(177,434)	-	-	-	-	(177,434)
Interest paid on long-term obligations	(16,291)	-	-	-	-	(16,291)
Net cash provided by (used in) capital and related financing activities	<u>(1,391,757)</u>	<u>269,930</u>	<u>61,038</u>	<u>13,455</u>	<u>-</u>	<u>(1,047,334)</u>
<b>Cash flows from investing activities</b>						
Interest on investments	14,867	19,813	3,624	8,679	-	46,983
Net cash provided by (used in) investing activities	<u>14,867</u>	<u>19,813</u>	<u>3,624</u>	<u>8,679</u>	<u>-</u>	<u>46,983</u>
Net increase (decrease) in cash and cash equivalents	507,485	289,743	64,662	22,134	-	884,024
Cash and cash equivalents - beginning of year	1,653,932	2,390,841	435,890	1,012,221	-	5,492,884
<b>Cash and cash equivalents - end of year</b>	<b>\$ 2,161,417</b>	<b>\$ 2,680,584</b>	<b>\$ 500,552</b>	<b>\$ 1,034,355</b>	<b>\$ -</b>	<b>\$ 6,376,908</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>						
Operating income (loss)	\$ 1,457,529	\$ -	\$ -	\$ -	\$ -	\$ 1,457,529
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation	361,238	-	-	-	-	361,238
(Increase) decrease in assets and deferred outflows of resources						
Receivables, net	(56,717)	-	-	-	-	(56,717)
Inventories	(10,042)	-	-	-	-	(10,042)
Net other postemployment benefits asset	929	-	-	-	-	929
Pension related items	(50,557)	-	-	-	-	(50,557)
Other postemployment benefit related items	(4,378)	-	-	-	-	(4,378)
Increase (decrease) in liabilities and deferred inflows of resources						
Accounts payable and accrued liabilities	25,934	-	-	-	-	25,934
Consumer deposits	2,080	-	-	-	-	2,080
Compensated absences payable	(12,971)	-	-	-	-	(12,971)
Net pension liability	88,627	-	-	-	-	88,627
Net other postemployment benefits liability	7,311	-	-	-	-	7,311
Pension related items	75,017	-	-	-	-	75,017
Other postemployment benefit related items	375	-	-	-	-	375
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 1,884,375</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,884,375</b>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS</b>						
Transfers in	\$ 949,078	\$ -	\$ -	\$ -	\$ (793,060)	\$ 156,018
Transfers out	-	-	-	(793,060)	793,060	-
Total noncash transactions	<u>\$ 949,078</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (793,060)</u>	<u>\$ 793,060</u>	<u>\$ 156,018</u>

**CITY OF SILVERTON**  
**WATER - ENTERPRISE FUND (MAJOR FUND)**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2021**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues</b>			
Licenses, permits and fees	\$ 10,350	\$ 10,997	\$ 647
Charges for services	2,539,041	2,981,741	442,700
Intergovernmental	20,000	60,612	40,612
Interest	21,400	14,867	(6,533)
Miscellaneous	-	674	674
	<u>2,590,791</u>	<u>3,068,891</u>	<u>478,100</u>
<b>Expenditures</b>			
Water administration	341,390	305,821	35,569
Water operations	736,464	376,268	360,196
Water maintenance	535,926	392,684	143,242
Debt service	193,750	193,725	25
Contingency	496,904	-	496,904
	<u>2,304,434</u>	<u>1,268,498</u>	<u>1,035,936</u>
Excess (deficiency) of revenues over expenditures	<u>286,357</u>	<u>1,800,393</u>	<u>1,514,036</u>
<b>Other financing sources (uses)</b>			
Transfers out	(1,241,192)	(1,241,192)	-
	<u>(1,241,192)</u>	<u>(1,241,192)</u>	<u>-</u>
Net change in fund balance	(954,835)	559,201	1,514,036
Fund balance at beginning of year	<u>1,472,521</u>	<u>1,828,437</u>	<u>355,916</u>
<b>Fund balance at end of year</b>	<b><u>\$ 517,686</u></b>	<b><u>\$ 2,387,638</u></b>	<b><u>\$ 1,869,952</u></b>
<b>Reconciliation to generally accepted accounting principles</b>			
Net other postemployment benefit asset		4,621	
Capital assets, net		8,845,703	
Deferred outflows of resources		326,983	
Accrued interest payable		(2,317)	
Other postemployment benefit liability		(26,847)	
Net pension liability		(725,167)	
Long-term obligations		(462,152)	
Deferred inflows of resources		(136,349)	
<b>Net position - ending</b>		<b><u>\$ 10,212,113</u></b>	

**CITY OF SILVERTON**  
**WATER IMPROVEMENT SDC - WATER FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
System development charges	\$ 277,120	\$ 269,930	\$ (7,190)
Interest	<u>25,000</u>	<u>19,813</u>	<u>(5,187)</u>
Total revenues	<u>302,120</u>	<u>289,743</u>	<u>(12,377)</u>
<b>Expenditures</b>			
Water improvements	<u>724,023</u>	<u>-</u>	<u>724,023</u>
Total expenditures	<u>724,023</u>	<u>-</u>	<u>724,023</u>
Excess (deficiency) of revenues over expenditures	<u>(421,903)</u>	<u>289,743</u>	<u>711,646</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(1,860,410)</u>	<u>-</u>	<u>1,860,410</u>
Total other financing sources (uses)	<u>(1,860,410)</u>	<u>-</u>	<u>1,860,410</u>
Net change in fund balance	(2,282,313)	289,743	2,572,056
Fund balance at beginning of year	<u>2,282,313</u>	<u>2,390,841</u>	<u>108,528</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 2,680,584</u></b>	<b><u>\$ 2,680,584</u></b>



**CITY OF SILVERTON**  
**WATER REIMBURSEMENT SDC - ENTERPRISE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
System development charges	\$ 54,280	\$ 61,038	\$ 6,758
Interest	3,000	3,624	624
Total revenues	<u>57,280</u>	<u>64,662</u>	<u>7,382</u>
<b>Expenditures</b>			
Water improvements	<u>385,867</u>	-	<u>385,867</u>
Total expenditures	<u>385,867</u>	-	<u>385,867</u>
Excess (deficiency) of revenues over expenditures	<u>(328,587)</u>	<u>64,662</u>	<u>393,249</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(75,000)</u>	-	<u>75,000</u>
Total other financing sources (uses)	<u>(75,000)</u>	-	<u>75,000</u>
Net change in fund balance	(403,587)	64,662	468,249
Fund balance at beginning of year	<u>403,587</u>	<u>435,890</u>	<u>32,303</u>
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ 500,552</u>	<u>\$ 500,552</u>

**CITY OF SILVERTON**  
**WATER CAPITAL PROJECT - ENTERPRISE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Intergovernmental	\$ 1,150,000	\$ -	\$ (1,150,000)
Interest	<u>10,250</u>	<u>8,679</u>	<u>(1,571)</u>
Total revenues	<u>1,160,250</u>	<u>8,679</u>	<u>(1,151,571)</u>
<b>Expenditures</b>			
Water improvements	<u>4,669,737</u>	<u>793,060</u>	<u>3,876,677</u>
Total expenditures	<u>4,669,737</u>	<u>793,060</u>	<u>3,876,677</u>
Excess (deficiency) of revenues over expenditures	<u>(3,509,487)</u>	<u>(784,381)</u>	<u>2,725,106</u>
<b>Other financing sources (uses)</b>			
Transfers in	<u>2,460,070</u>	<u>599,660</u>	<u>(1,860,410)</u>
Total other financing sources (uses)	<u>2,460,070</u>	<u>599,660</u>	<u>(1,860,410)</u>
Net change in fund balance	(1,049,417)	(184,721)	864,696
Fund balance at beginning of year	<u>1,049,417</u>	<u>962,307</u>	<u>(87,110)</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 777,586</u></b>	<b><u>\$ 777,586</u></b>

**CITY OF SILVERTON**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
June 30, 2021

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	<b>Fleet Replacement</b>	<b>Major Equipment Replacement</b>	<b>Extended Leave</b>	<b>Totals</b>
<b>Assets</b>				
Current assets				
Cash and cash equivalents	\$ 1,742,339	\$ 1,204,473	\$ 32,979	\$ 2,979,791
Total assets	<b><u>\$ 1,742,339</u></b>	<b><u>\$ 1,204,473</u></b>	<b><u>\$ 32,979</u></b>	<b><u>\$ 2,979,791</u></b>
<b>Net position</b>				
Unrestricted	\$ 1,742,339	\$ 1,204,473	\$ 32,979	\$ 2,979,791
Total net position	<b><u>\$ 1,742,339</u></b>	<b><u>\$ 1,204,473</u></b>	<b><u>\$ 32,979</u></b>	<b><u>\$ 2,979,791</u></b>

**CITY OF SILVERTON**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**Year Ended June 30, 2021**

	<b>Fleet Replacement</b>	<b>Major Equipment Replacement</b>	<b>Extended Leave</b>	<b>Totals</b>
<b>Nonoperating revenues (expenses)</b>				
Interest income	\$ 13,420	\$ 9,338	\$ 739	\$ 23,497
Miscellaneous	<u>16,038</u>	<u>-</u>	<u>-</u>	<u>16,038</u>
Total nonoperating revenue (expenses)	<u>29,458</u>	<u>9,338</u>	<u>739</u>	<u>39,535</u>
Income (loss) before transfers	29,458	9,338	739	39,535
Transfers in	254,918	93,148	-	348,066
Transfers out	<u>(18,808)</u>	<u>-</u>	<u>(100,000)</u>	<u>(118,808)</u>
Change in net position	265,568	102,486	(99,261)	268,793
Net position - beginning	<u>1,476,771</u>	<u>1,101,987</u>	<u>132,240</u>	<u>2,710,998</u>
<b>Net position - ending</b>	<b><u>\$ 1,742,339</u></b>	<b><u>\$ 1,204,473</u></b>	<b><u>\$ 32,979</u></b>	<b><u>\$ 2,979,791</u></b>

**CITY OF SILVERTON**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**Year Ended June 30, 2021**

	<b>Fleet Replacement</b>	<b>Major Equipment Replacement</b>	<b>Extended Leave</b>	<b>Totals</b>
<b>Cash flows from capital and related financing activities</b>				
Transfers in	\$ 254,918	\$ 93,148	\$ -	\$ 348,066
Transfers out	-	-	(100,000)	(100,000)
Other	16,038	-	-	16,038
Acquisition of capital assets	(18,808)	-	-	(18,808)
Net cash provided by (used in ) capital and related financing activities	<u>252,148</u>	<u>93,148</u>	<u>(100,000)</u>	<u>245,296</u>
<b>Cash flows from investing activities</b>				
Interest on investments	<u>13,420</u>	<u>9,338</u>	<u>739</u>	<u>23,497</u>
Net cash provided by (used in ) investing activities	<u>13,420</u>	<u>9,338</u>	<u>739</u>	<u>23,497</u>
Net increase (decrease) in cash and cash equivalents	265,568	102,486	(99,261)	268,793
Cash and cash equivalents - beginning of year	<u>1,476,771</u>	<u>1,101,987</u>	<u>132,240</u>	<u>2,710,998</u>
<b>Cash and cash equivalents - end of year</b>	<b><u>\$ 1,742,339</u></b>	<b><u>\$ 1,204,473</u></b>	<b><u>\$ 32,979</u></b>	<b><u>\$ 2,979,791</u></b>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS</b>				
Transfers out	<u>\$ (18,808)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (18,808)</u>

**CITY OF SILVERTON**  
**FLEET REPLACEMENT - INTERNAL SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Interest	\$ 25,000	\$ 13,420	\$ (11,580)
Miscellaneous	-	16,038	16,038
Total revenues	<u>25,000</u>	<u>29,458</u>	<u>4,458</u>
<b>Expenditures</b>			
Capital outlay	<u>367,834</u>	<u>18,808</u>	<u>349,026</u>
Total expenditures	<u>367,834</u>	<u>18,808</u>	<u>349,026</u>
Excess (deficiency) of revenues over expenditures	<u>(342,834)</u>	<u>10,650</u>	<u>353,484</u>
<b>Other financing sources (uses)</b>			
Transfers in	<u>254,918</u>	<u>254,918</u>	<u>-</u>
Total other financing sources (uses)	<u>254,918</u>	<u>254,918</u>	<u>-</u>
Net change in fund balance	(87,916)	265,568	353,484
Fund balance at beginning of year	<u>1,463,217</u>	<u>1,476,771</u>	<u>13,554</u>
<b>Fund balance at end of year</b>	<b><u>\$ 1,375,301</u></b>	<b><u>\$ 1,742,339</u></b>	<b><u>\$ 367,038</u></b>

**CITY OF SILVERTON**  
**MAJOR EQUIPMENT REPLACEMENT - INTERNAL SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Interest	\$ 20,500	\$ 9,338	\$ (11,162)
Total revenues	<u>20,500</u>	<u>9,338</u>	<u>(11,162)</u>
<b>Expenditures</b>			
Capital outlay	<u>1,215,325</u>	<u>-</u>	<u>1,215,325</u>
Total expenditures	<u>1,215,325</u>	<u>-</u>	<u>1,215,325</u>
Excess (deficiency) of revenues over expenditures	<u>(1,194,825)</u>	<u>9,338</u>	<u>1,204,163</u>
<b>Other financing sources (uses)</b>			
Transfers in	<u>93,148</u>	<u>93,148</u>	<u>-</u>
Total other financing sources (uses)	<u>93,148</u>	<u>93,148</u>	<u>-</u>
Net change in fund balance	(1,101,677)	102,486	1,204,163
Fund balance at beginning of year	<u>1,101,677</u>	<u>1,101,987</u>	<u>310</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 1,204,473</u></b>	<b><u>\$ 1,204,473</u></b>

**CITY OF SILVERTON**  
**EXTENDED LEAVE - INTERNAL SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Interest	\$ 600	\$ 739	\$ 139
Total revenues	<u>600</u>	<u>739</u>	<u>139</u>
<b>Expenditures</b>			
Personnel services	<u>32,809</u>	<u>-</u>	<u>32,809</u>
Total expenditures	<u>32,809</u>	<u>-</u>	<u>32,809</u>
Excess (deficiency) of revenues over expenditures	<u>(32,209)</u>	<u>739</u>	<u>32,948</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Net change in fund balance	(132,209)	(99,261)	32,948
Fund balance at beginning of year	<u>132,209</u>	<u>132,240</u>	<u>31</u>
<b>Fund balance at end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ 32,979</u></u>	<u><u>\$ 32,979</u></u>



## **COMPLIANCE SECTION**

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**INDEPENDENT AUDITOR'S REPORT REQUIRED BY  
OREGON STATE REGULATIONS**

To the Honorable Mayor and Members of the City Council  
City of Silverton  
Silverton, Oregon

We have audited the basic financial statements of the City of Silverton (the "City") as of and for the year ended June 30, 2021, and have issued our report thereon dated December 29, 2021. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City'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 162-010-0230 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Highway revenues used for public highways, roads, and streets.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).

In connection with our testing, nothing came to our attention that caused us to believe the City 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 162-010-0230 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

Honorable Mayor and Members of the City Council  
City of Silverton  
Independent Auditor's Report Required by Oregon State Regulations

**OAR 162-010-0230 Internal Control**

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

In connection with our audit, we have separately issued a letter to the City Council and management of City of Silverton regarding significant deficiencies in internal controls.

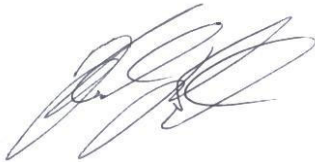
**Restriction of Use**

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

*Singer Lewak LLP*

December 29, 2021

By:



Brad Bingenheimer, CPA, Partner