



**FINANCIAL REPORT  
JUNE 30, 2022**

**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  
1444 Meadow Avenue  
Silverton, Oregon 97381

Elvi Cuellar Sutton  
501 South Third Street  
Silverton, Oregon 97381

Jim Sears  
701 Mill Street  
Silverton, Oregon 97381

Dana Smith  
PO Box 821  
Silverton, Oregon 97381

**CITY ADDRESS**

306 South Water Street  
Silverton, Oregon 97381

**CITY MANAGER**

Ron Chandler

**DEPUTY CITY MANAGER/FINANCE DIRECTOR**

Kathleen Zaragoza

**CITY OF SILVERTON**  
**CONTENTS**

---

	<u>Page</u>
<b>INDEPENDENT AUDITOR'S REPORT</b>	A – C
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	a – f
<b>BASIC FINANCIAL STATEMENTS</b>	
Government-wide Financial Statements	
Statement of Net Position	1
Statement of Activities	2
Fund Financial Statements	
Governmental Funds	
Balance Sheet	3
Reconciliation of the Balance Sheet of Governmental Activities	4
Statement of Revenues, Expenditures and Changes in Fund Balances	5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	6
General Fund Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	7
Urban Renewal Fund Statement of Revenues, Expenditures and Change in Fund Balances – Budget and Actual	8
Proprietary Funds	
Statement of Net Position	9
Statement of Revenues, Expenses and Changes in Net Position	10
Statement of Cash Flows	11
Notes to Basic Financial Statements	12 – 53
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of the Proportionate Share of the Net Pension Liability	54
Schedule of Contributions	55
Schedule of the Proportionate Share of the Net Other Postemployment Benefit Liability - Oregon Public Employees Retirement System	56
Schedule of Contributions - Oregon Public Employees Retirement System	57
Schedule of Changes in the City's Total Other Postemployment Benefit Liability and Related Ratios	58
<b>COMBINING FINANCIAL STATEMENTS AND INDIVIDUAL FUND SCHEDULES</b>	
General Funds	
Combining Balance Sheet	59
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	60
General Operating Reserve Fund Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	61
Civic Building Project Fund Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	62
Nonmajor Governmental Funds	
Combining Balance Sheet	63
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	64

**CITY OF SILVERTON**  
**CONTENTS**

---

	<u>Page</u>
<b>COMBINING FINANCIAL STATEMENTS AND INDIVIDUAL FUND SCHEDULES (Continued)</b>	
Nonmajor Governmental Funds (Continued):	
Special Revenue Funds	
Combining Balance Sheet	65
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	66
Capital Projects Funds:	
Combining Balance Sheet	67
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	68
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
Special Revenue Funds	
Street	69
Assessment	70
Building Operations	71
Transportation	72
Electrical Inspection	73
Transient Tax	74
Community Development Block Grant Housing Rehabilitation	75
Pool Operations Levy	76
Parks Fee	77
Debt Service Funds	
Debt Service	78
Capital Projects Funds	
Building Capital Improvement Reserve	79
McClaine Street Improvement Project	80
Steelhammer LID	81
Street Improvement SDC	82
Street Maintenance Fee	83
Street Light Improvement	84
Street Reimbursement SDC	85
Street Projects	86
Parks and Recreation Improvement SDC	87
Stormwater Improvement SDC	88
Stormwater Fee	89
Stormwater Reimbursement SDC	90
Western St Improvement	91
Sewer Funds	
Combining Statement of Net Position	92
Combining Statement of Revenues, Expenses and Changes in Net Position	93
Combining Statement of Cash Flows	94
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
Sewer	95
Sewer Improvement SDC	96
Sewer Reimbursement SDC	97
Sewer Debt Reserve	98
WWTP Digester Project	99
Sewer Capital Project	100

**CITY OF SILVERTON**  
**CONTENTS**

---

	<u>Page</u>
<b>COMBINING FINANCIAL STATEMENTS AND INDIVIDUAL FUND SCHEDULES (Continued)</b>	
Water Funds:	
Combining Statement of Net Position	101
Combining Statement of Revenues, Expenses and Changes in Net Position	102
Combining Statement of Cash Flows	103
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
Water	104
Water Improvement SDC	105
Water Reimbursement SDC	106
Water Capital Project	107
Internal Service Funds:	
Combining Statement of Net Position	108
Combining Statement of Revenues, Expenses and Changes in Net Position	109
Combining Statement of Cash Flows	110
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
Fleet Replacement	111
Major Equipment Replacement	112
Extended Leave	113
<b>COMPLIANCE SECTION</b>	
Independent Auditor’s Report Required by Oregon State Regulations	114, 115

**THIS PAGE LEFT INTENTIONALLY BLANK**

**INDEPENDENT AUDITOR'S REPORT**

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

***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Silverton (the "City"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Silverton, as of June 30, 2022, 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 (U.S. GAAP).

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Responsibilities of Management for the Financial Statements***

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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



**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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.

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

**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, 2022 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, 2022

By:



Bradley G. Bingenheimer, Partner

**THIS PAGE LEFT INTENTIONALLY BLANK**

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

## CITY OF SILVERTON

### MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended June 30, 2022

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 and deferred outflows exceeded its liabilities and deferred inflows at June 30, 2022 by \$90,176,628 (*net position*). Of this amount, \$46,116,547 was invested in capital assets; \$36,815,727 was restricted for specific purposes resulting in unrestricted net position of \$7,244,354.

The City's total net position increased by \$8,566,024 (or 10.5%). The majority of the increase is due primarily to the increase of the restricted net position for Governmental Activities and Business-type activities. This was primarily the result of the Civic Building Project construction that began during the year. This project will be a multi-year project and anticipated to be completed in the 2023-2024 fiscal year.

The City's governmental activities had an increase in net position of \$5,637,558 of which \$2,897,991 is for net investment in capital assets, and \$13,743,258 is for restricted net position. The unrestricted had a decrease of \$11,003,691.

The City's business-type activities had an increase in total net position of \$2,928,466, which is a result of the increase in the unrestricted net position. The change in investment in capital assets and restricted net position was very small.

#### 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, 2022. 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, 2022 was \$90,176,628. The largest portion of net position is comprised of the City's restricted position.

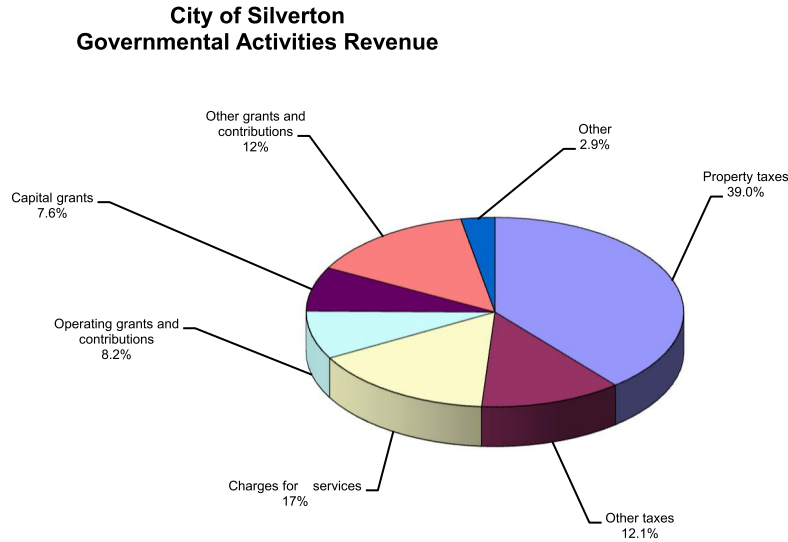
### NET POSITION

	Governmental Activities		Business-type Activities		Totals	
	2021	2022	2021	2022	2021	2022
<u>Assets</u>						
Current and other assets	\$ 28,589,682	\$ 41,820,231	\$ 17,499,924	\$ 19,529,331	\$ 46,089,606	\$ 61,349,562
Capital assets, net	<u>19,698,290</u>	<u>22,596,281</u>	<u>31,489,964</u>	<u>31,246,474</u>	<u>51,188,254</u>	<u>53,842,755</u>
<u>Total assets</u>	<u>48,287,972</u>	<u>64,416,512</u>	<u>48,989,888</u>	<u>50,775,805</u>	<u>97,277,860</u>	<u>115,192,317</u>
<u>Deferred outflows of resources</u>	<u>1,973,647</u>	<u>2,076,214</u>	<u>711,799</u>	<u>667,578</u>	<u>2,685,446</u>	<u>2,743,792</u>
<u>Liabilities</u>						
Long-term liabilities	5,534,741	13,168,833	10,440,338	8,204,810	15,975,079	21,373,643
Other liabilities	<u>745,408</u>	<u>1,902,650</u>	<u>512,413</u>	<u>1,013,711</u>	<u>1,257,821</u>	<u>2,916,361</u>
Total liabilities	<u>6,280,149</u>	<u>15,071,483</u>	<u>10,952,751</u>	<u>9,218,521</u>	<u>17,232,900</u>	<u>24,290,004</u>
<u>Deferred inflows of resources</u>	<u>822,989</u>	<u>2,625,204</u>	<u>296,813</u>	<u>844,273</u>	<u>1,119,802</u>	<u>3,469,477</u>
<u>Net position</u>						
Net investment in capital assets	19,698,290	22,596,281	23,102,812	23,520,266	42,801,102	46,116,547
Restricted	15,910,490	29,653,748	7,854,444	7,161,979	23,764,934	36,815,727
Unrestricted	<u>7,549,701</u>	<u>(3,453,990)</u>	<u>7,494,867</u>	<u>10,698,344</u>	<u>15,044,568</u>	<u>7,244,354</u>
Total net position	<u>\$ 43,158,481</u>	<u>\$ 48,796,039</u>	<u>\$ 38,452,123</u>	<u>\$ 41,380,589</u>	<u>\$ 81,610,604</u>	<u>\$ 90,176,628</u>

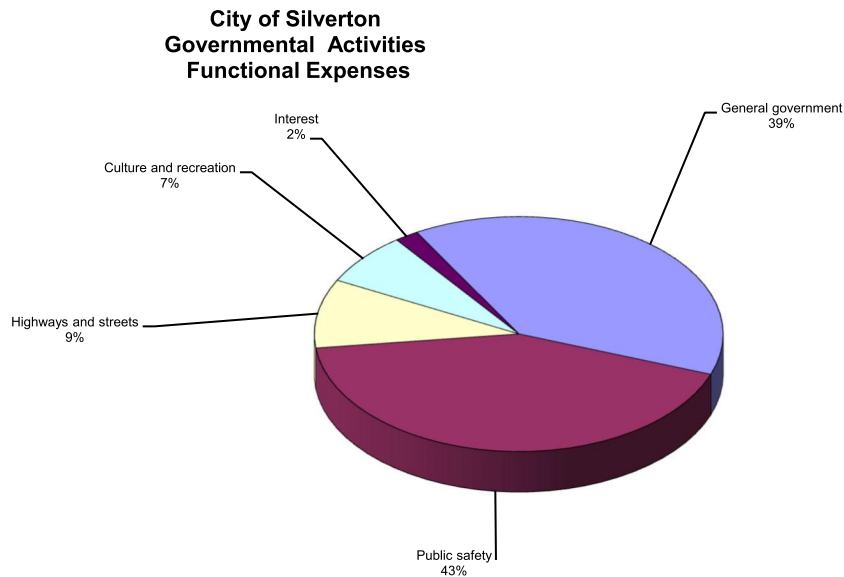
**MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)**

**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 39% 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 39% and public safety at 43%. Public safety expenses for this year are greater than General government expenses by \$245,019. General government expenses are less for the 2022 fiscal year as compared to the 2021 fiscal year by a total of \$564,417. The public safety expenses are greater than the prior year by \$265,160.

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

**FINANCIAL SUMMARY AND ANALYSIS (continued)**

Net position of the governmental activities increased by \$5,637,558, or 13.06%. Net position of the City’s business-type activities increased by \$2,928,466 or 7.62%. Key elements of these changes are as follows:

	Governmental Activities		Business-type Activities		Totals	
	2021	2022	2021	2022	2021	2022
<b>Revenues</b>						
Program:						
Charges for services	\$ 1,839,446	\$ 1,806,387	\$ 7,053,061	\$ 7,051,444	\$ 8,892,507	\$ 8,857,831
Operating grants and contributions	1,550,990	940,454	-	-	1,550,990	940,454
Capital grants and contributions	694,313	865,589	628,749	649,731	1,323,062	1,515,320
General:						
Property taxes	4,141,395	4,459,052	-	-	4,141,395	4,459,052
Other taxes	1,218,497	1,386,064	-	-	1,218,497	1,386,064
Other grants and contributions	819,991	1,642,202	-	-	819,991	1,642,202
Other	606,747	331,657	151,483	110,242	758,230	441,899
<b>Total revenues</b>	<b>10,871,379</b>	<b>11,431,405</b>	<b>7,833,293</b>	<b>7,811,417</b>	<b>18,704,672</b>	<b>19,242,822</b>
<b>Expenses</b>						
General government	3,229,894	2,665,477	-	-	3,229,894	2,665,477
Public safety	2,645,363	2,910,496	-	-	2,645,363	2,910,496
Highways and streets	880,301	649,148	-	-	880,301	649,148
Culture and recreation	576,259	495,348	-	-	576,259	495,348
Interest on long-term obligations	60,853	128,085	-	-	60,853	128,085
Sewer	-	-	2,606,278	2,538,458	2,606,278	2,538,458
Water	-	-	1,564,680	1,289,786	1,564,680	1,289,786
<b>Total expenses</b>	<b>7,392,670</b>	<b>6,848,554</b>	<b>4,170,958</b>	<b>3,828,244</b>	<b>11,563,628</b>	<b>10,676,798</b>
Change in net position before transfer	3,478,709	4,582,851	3,662,335	3,983,173	7,141,044	8,566,024
Transfers	544,774	1,054,707	(544,774)	(1,054,707)	-	-
Increase in net position	4,023,483	5,637,558	3,117,561	2,928,466	7,141,044	8,566,024
Net position - beginning	39,326,139	43,158,481	35,143,421	38,452,123	74,469,560	81,610,604
Prior period adjustment	(191,141)		191,141		-	-
<b>Net position - ending</b>	<b>\$ 43,158,481</b>	<b>\$ 48,796,039</b>	<b>\$ 38,452,123</b>	<b>\$ 41,380,589</b>	<b>\$ 81,610,604</b>	<b>\$ 90,176,628</b>

**Governmental Activities**

The change in net position for governmental activities for 2022 is an increase of \$5,637,558. The increase is primarily due to an increase in other grants and contributions and a decrease in general government expenses. The beginning net position for 2022 was also greater than for 2021 by \$3,832,342.

## MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

### Business-type Activities

The increase in net position for business activities is \$2,928,466. The change is mostly due to a decrease in the operating expenses. The beginning net position for 2022 was also greater than for 2021 by \$3,308,702.

### FINANCIAL ANALYSIS OF FUNDS

As of June 30, 2022, the City’s governmental funds reported a combined fund balance of \$36,619,941, which is an increase of \$12,756,781 from June 30, 2021. The increase is a combination of an increase in cash and cash equivalents of \$13,403,211 and a small decrease in receivables.

The General Fund is the primary operating fund of the City and includes the General Operating Reserve Fund. As of June 30, 2022, the fund balance for the General Fund is \$6,807,033, which is an increase of \$1,964,385 from June 30, 2021. This change is the result of the increase in intergovernmental revenues.

The Urban Renewal Fund, a component unit of the City, had a decrease in fund balance of \$877,359 as it funded projects totalling \$1,866,453.

The City entered into a loan with Government Capital for \$10,000,000 to fund a portion of the new Civic Building. Construction is anticipated to be complete late 2023. The new building will provide for police, an emergency operation center, council chambers, and all other offices for normal City provided services.

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 \$41,568,071 as of June 30, 2022, which is an increase of \$2,941,719 from June 30, 2021. The primary change was the increase cash and cash equivalents and a decrease in long-term liabilities.

### GENERAL FUND BUDGETARY HIGHLIGHTS

There were seven budget transfer resolutions adopted by City Council during the fiscal year ended June 30, 2022. The General Fund budget appropriation changes reduced contingency by \$271,000, increased appropriations to allow for purchase of a police vehicle and to provide for expenses related to the transitional housing project.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

As of June 30, 2022, the City has invested \$84,644,215 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 \$3,438,269, and business-type activities increased by \$667,973. Significant additions during the year ended June 30, 2022 in governmental activities for construction in progress for the Civic Building project of \$2,542,695. The investment in business-type activities increased by \$371,335 for Water Treatment Plant project.

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, 2022 was \$10,704,313 and business-type principal debt was \$8,051,896. The City entered into new debt for \$10,000,000 with Government Capital to partially finance the construction of the Civic building. The City also refinanced both Sewer Bonds with a loan from Government Capital to reduce future interest costs. The refinancing kept the same terms for years to pay the debt.

A summary of the City’s principal long-term debt outstanding as of June 30, 2022 is as follows:

Pension Obligation Bond	\$ 1,030,001
Government Capital – Civic Building	10,000,000
Government Capital Sewer - Series 2022A	4,970,000
Government Capital Sewer - Series 2022B	2,475,000
Water Revenue loan payable to Citizens Bank	281,208
Compensated absences	247,041



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

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

### **ECONOMIC FACTORS**

During the 2022 fiscal year, the City housing construction within the city limits did see a decrease. The growth is slightly less than the last several years. Property taxes levied increased from the prior year, but only by about 4.15%, which is 1.15% above the allowed 3% increase on assessed property value and lower 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 38 new homes completed and who received a certificate of occupancy. The City has continued moving forward with the Silver Creek Raw Waterline Project which is partially funded with a federal grant and has completed the design of the Civic Building. 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).

**THIS PAGE LEFT INTENTIONALLY BLANK**

## **BASIC FINANCIAL STATEMENTS**

**CITY OF SILVERTON**  
**STATEMENT OF NET POSITION**  
June 30, 2022

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Totals</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 40,292,933	\$ 18,705,020	\$ 58,997,953
Internal balances	(140,067)	140,067	-
Receivables, net	1,578,324	521,916	2,100,240
Inventory	17,122	138,980	156,102
Net other postemployment benefit asset	71,919	23,348	95,267
Capital assets:			
Land and construction in progress	10,080,399	3,671,527	13,751,926
Other capital assets, net	<u>12,515,882</u>	<u>27,574,947</u>	<u>40,090,829</u>
 Total assets	 <u>64,416,512</u>	 <u>50,775,805</u>	 <u>115,192,317</u>
<b>Deferred outflows of resources</b>			
Pension related items	2,045,853	657,722	2,703,575
Other postemployment benefit related items	<u>30,361</u>	<u>9,856</u>	<u>40,217</u>
 Total deferred outflows of resources	 <u>2,076,214</u>	 <u>667,578</u>	 <u>2,743,792</u>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	1,128,304	68,443	1,196,747
Accrued interest payable	77,419	54,293	131,712
Deposits	114,778	79,217	193,995
Long-term liabilities:			
Due within one year	582,149	811,758	1,393,907
Due in more than one year	<u>13,168,833</u>	<u>8,204,810</u>	<u>21,373,643</u>
 Total liabilities	 <u>15,071,483</u>	 <u>9,218,521</u>	 <u>24,290,004</u>
<b>Deferred inflows of resources</b>			
Pension related items	2,531,277	813,780	3,345,057
Other postemployment benefit related items	<u>93,927</u>	<u>30,493</u>	<u>124,420</u>
 Total deferred inflows of resources	 <u>2,625,204</u>	 <u>844,273</u>	 <u>3,469,477</u>
<b>Net position</b>			
Net investment in capital assets	22,596,281	23,520,266	46,116,547
Restricted for:			
Highways and streets	3,803,023	-	3,803,023
Community development	837,776	-	837,776
Pool operations	797,157	-	797,157
Urban renewal	1,211,595	-	1,211,595
Capital projects	21,797,280	7,161,979	28,959,259
Other purposes	1,206,917	-	1,206,917
Unrestricted	<u>(3,453,990)</u>	<u>10,698,344</u>	<u>7,244,354</u>
 <b>Total net position</b>	 <b><u>\$ 48,796,039</u></b>	 <b><u>\$ 41,380,589</u></b>	 <b><u>\$ 90,176,628</u></b>

See notes to financial statements.

**CITY OF SILVERTON**  
**STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2022

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	\$ 2,665,477	\$ 509,837	\$ -	\$ 408,424	\$ (1,747,216)		\$ (1,747,216)
Public safety	2,910,496	138,339	94,377	-	(2,677,780)		(2,677,780)
Highways and streets	649,148	1,059,788	846,077	290,920	1,547,637		1,547,637
Culture and recreation	495,348	98,423	-	166,245	(230,680)		(230,680)
Interest	128,085	-	-	-	(128,085)		(128,085)
Total governmental activities	6,848,554	1,806,387	940,454	865,589	(3,236,124)		(3,236,124)
<b>Business-type activities:</b>							
Sewer	2,538,458	4,061,969	-	225,918		\$ 1,749,429	1,749,429
Water	1,289,786	2,989,475	-	423,813		2,123,502	2,123,502
Total business-type activities	3,828,244	7,051,444	-	649,731		3,872,931	3,872,931
<b>Totals</b>	<b>\$ 10,676,798</b>	<b>\$ 8,857,831</b>	<b>\$ 940,454</b>	<b>\$ 1,515,320</b>	<b>(3,236,124)</b>	<b>3,872,931</b>	<b>636,807</b>
<b>General revenues:</b>							
Taxes levied for:							
General purposes					3,218,411	-	3,218,411
Specific purposes					1,240,641	-	1,240,641
Miscellaneous taxes					386,528		386,528
Franchise fees					898,397		898,397
Fuel taxes					101,139		101,139
Grants and contributions not restricted to specific programs					1,642,202		1,642,202
Rents					19,222		19,222
Unrestricted investment earnings					187,761	100,203	287,964
Miscellaneous					124,674	10,039	134,713
<b>Transfers</b>					1,054,707	(1,054,707)	-
Total general revenues and transfers					8,873,682	(944,465)	7,929,217
Change in net position					5,637,558	2,928,466	8,566,024
Net position - beginning					43,158,481	38,452,123	81,610,604
<b>Net position - ending</b>					<b>\$ 48,796,039</b>	<b>\$ 41,380,589</b>	<b>\$ 90,176,628</b>

See notes to financial statements.

**CITY OF SILVERTON**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
June 30, 2022

	<u>General</u>	<u>Urban Renewal</u>	<u>Civic Building Project</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>					
Cash and cash equivalents	\$ 6,727,524	\$ 1,137,212	\$ 15,073,148	\$ 14,352,399	\$ 37,290,283
Receivables	432,187	75,895	-	1,070,242	1,578,324
Inventories	-	-	-	17,122	17,122
<b>Total assets</b>	<b><u>\$ 7,159,711</u></b>	<b><u>\$ 1,213,107</u></b>	<b><u>\$ 15,073,148</u></b>	<b><u>\$ 15,439,763</u></b>	<b><u>\$ 38,885,729</u></b>
<b>Liabilities, deferred inflows and fund balances</b>					
Liabilities					
Accounts payable and accrued liabilities	\$ 143,452	\$ 1,512	\$ 877,447	\$ 105,893	\$ 1,128,304
Consumer deposits	64,702	-	-	50,076	114,778
Total liabilities	208,154	1,512	877,447	155,969	1,243,082
Deferred inflows of resources					
Unavailable revenue	144,524	69,061	-	809,121	1,022,706
Total deferred inflows of resources	144,524	69,061	-	809,121	1,022,706
Fund balances					
Nonspendable	-	-	-	17,122	17,122
Restricted	-	1,142,534	14,195,701	13,560,276	28,898,511
Committed	-	-	-	658,223	658,223
Assigned	1,048,112	-	-	239,052	1,287,164
Unassigned	5,758,921	-	-	-	5,758,921
Total fund balances	6,807,033	1,142,534	14,195,701	14,474,673	36,619,941
<b>Total liabilities, deferred inflows and fund balances</b>	<b><u>\$ 7,159,711</u></b>	<b><u>\$ 1,213,107</u></b>	<b><u>\$ 15,073,148</u></b>	<b><u>\$ 15,439,763</u></b>	<b><u>\$ 38,885,729</u></b>

**CITY OF SILVERTON**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**GOVERNMENTAL FUNDS**  
**June 30, 2022**

---

Fund balances - total governmental funds	\$	36,619,941
<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		22,596,281
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.		71,919
Deferred outflows related to the pension plan and other postemployment benefits are not current financial resources and therefore are not reported in the funds		2,076,214
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		(2,625,204)
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		3,002,650
Other long-term assets are not available for current period expenditures and, therefore, are reported as unavailable revenue in the funds		1,022,706
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		(140,067)
Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds		<u>(13,828,401)</u>
<b>Net position of governmental activities</b>	<b>\$</b>	<b><u>48,796,039</u></b>

**CITY OF SILVERTON**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2022**

	General	Urban Renewal	Civic Building Project	Total Nonmajor Funds	Total Governmental Funds
<b>Revenues</b>					
Property taxes	\$ 3,216,395	\$ 966,922	\$ -	\$ 269,197	\$ 4,452,514
Franchise fees	898,397	-	-	-	898,397
Transient taxes	-	-	-	386,528	386,528
Licenses, permits and fees	186,213	-	-	1,391,393	1,577,606
Fines and forfeitures	179,712	700	-	89,742	270,154
Assessment	-	-	-	28,484	28,484
System development charges	-	-	-	442,322	442,322
Intergovernmental	1,736,579	-	2,151,575	969,379	4,857,533
Rent	19,222	-	-	-	19,222
Fuel taxes	-	-	-	101,139	101,139
Loan repayment	-	15,999	-	56,725	72,724
Interest	35,812	10,953	42,859	80,139	169,763
Miscellaneous	114,751	10	3,000	6,113	123,874
Total revenues	<u>6,387,081</u>	<u>994,584</u>	<u>2,197,434</u>	<u>3,821,161</u>	<u>13,400,260</u>
<b>Expenditures</b>					
Current					
General government	1,986,988	5,490	-	643,509	2,635,987
Public safety	2,703,266	-	-	-	2,703,266
Highways and streets	-	-	-	392,269	392,269
Culture and recreation	197,444	-	-	175,574	373,018
Debt service	-	-	-	230,830	230,830
Capital outlay	105,262	1,866,453	2,542,694	573,329	5,087,738
Total expenditures	<u>4,992,960</u>	<u>1,871,943</u>	<u>2,542,694</u>	<u>2,015,511</u>	<u>11,423,108</u>
Excess (deficiency) of revenues over expenditures	<u>1,394,121</u>	<u>(877,359)</u>	<u>(345,260)</u>	<u>1,805,650</u>	<u>1,977,152</u>
<b>Other financing sources (uses)</b>					
Issuance of long-term obligations	-	-	10,000,000	-	10,000,000
Transfers in	1,329,424	-	1,050,000	554,237	2,933,661
Transfers out	(759,160)	-	-	(1,394,872)	(2,154,032)
Total other financing sources (uses)	<u>570,264</u>	<u>-</u>	<u>11,050,000</u>	<u>(840,635)</u>	<u>10,779,629</u>
Net change in fund balances	1,964,385	(877,359)	10,704,740	965,015	12,756,781
Fund balances at beginning of year	4,842,648	2,019,893	3,490,961	13,509,658	23,863,160
<b>Fund balance at end of year</b>	<b><u>\$ 6,807,033</u></b>	<b><u>\$ 1,142,534</u></b>	<b><u>\$ 14,195,701</u></b>	<b><u>\$ 14,474,673</u></b>	<b><u>\$ 36,619,941</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, 2022**

<b>Net change in fund balances - total governmental funds</b>		<b>\$ 12,756,781</b>
<b>Amounts reported for governmental activities in the</b>		
<b>Statement of Activities are different because of the following:</b>		
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 these amounts are:		
Acquisition of capital assets	\$ 3,529,130	
Depreciation	<u>(598,150)</u>	2,930,980
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	107,119	
Change in net pension liability	1,711,160	
Change in deferred inflows of resources - pension related	<u>(1,786,624)</u>	31,655
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	(4,552)	
Change in other postemployment benefit asset	44,030	
Change in other postemployment benefit liability	(20,151)	
Change in deferred inflows of resources - other postemployment benefit related	<u>(15,591)</u>	3,736
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds as follows:		
Taxes	6,538	
Court fees	(5,780)	
Assessments	(114,234)	
Housing rehabilitation loans	<u>(42,877)</u>	(156,353)
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		
		22,859
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		
Loss on disposition of assets		(32,990)
Accrued interest		(72,813)
Compensated absences		(9,820)
Proceeds from the issuance of long-term debt provide current financial resources to governmental funds and are reported as revenues. However the receipt of debt proceeds does not affect the statement of activities but are presented as increases in the statement of net position.		
		(10,000,000)
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		
		102,570
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		
		<u>60,953</u>
<b>Change in net position of governmental activities</b>		<b><u>\$ 5,637,558</u></b>

**CITY OF SILVERTON**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2022**

	<b>Budget</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Property taxes	\$ 3,058,729	\$ 3,058,729	\$ 3,216,395	\$ 157,666
Franchise fees	769,900	769,900	898,397	128,497
Licenses, permits and fees	125,300	125,300	186,213	60,913
Fines and forfeitures	161,325	161,325	179,712	18,387
Intergovernmental	457,170	457,170	1,736,579	1,279,409
Rents	17,622	17,622	19,222	1,600
Interest	25,600	25,600	29,903	4,303
Miscellaneous	108,686	108,686	112,502	3,816
<b>Total revenues</b>	<b><u>4,724,332</u></b>	<b><u>4,724,332</u></b>	<b><u>6,378,923</u></b>	<b><u>1,654,591</u></b>
<b>Expenditures</b>				
City council	60,725	60,725	17,501	43,224
City management	510,261	510,261	400,954	109,307
Finance	622,290	622,290	592,967	29,323
Police	2,962,949	2,983,949	2,685,703	298,246
Community enforcement	85,160	85,160	54,316	30,844
Community development	241,497	241,497	220,211	21,286
Facilities maintenance	327,218	577,218	280,768	296,450
Parks and recreation	311,200	311,200	244,980	66,220
Computer services	74,200	74,200	61,147	13,053
Non-departmental				
Materials and services	556,500	556,500	434,413	122,087
Capital outlay	10,000	10,000	-	10,000
Contingency	1,052,637	781,637	-	781,637
<b>Total expenditures</b>	<b><u>6,814,637</u></b>	<b><u>6,814,637</u></b>	<b><u>4,992,960</u></b>	<b><u>1,821,677</u></b>
Excess (deficiency) of revenues over expenditures	<u>(2,090,305)</u>	<u>(2,090,305)</u>	<u>1,385,963</u>	<u>3,476,268</u>
<b>Other financing sources (uses)</b>				
Transfers in	1,335,340	1,335,340	1,329,424	(5,916)
Transfers out	(759,160)	(759,160)	(759,160)	-
<b>Total other financing sources (uses)</b>	<b><u>576,180</u></b>	<b><u>576,180</u></b>	<b><u>570,264</u></b>	<b><u>(5,916)</u></b>
Net change in fund balance	(1,514,125)	(1,514,125)	1,956,227	3,470,352
Fund balance at beginning of year	<u>3,125,315</u>	<u>3,125,315</u>	<u>3,802,694</u>	<u>677,379</u>
<b>Fund balance at end of year</b>	<b><u>\$ 1,611,190</u></b>	<b><u>\$ 1,611,190</u></b>	<b><u>\$ 5,758,921</u></b>	<b><u>\$ 4,147,731</u></b>

See notes to financial statements

**CITY OF SILVERTON**  
**URBAN RENEWAL - A MAJOR SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2022**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Property taxes	\$ 785,687	\$ 966,922	\$ 181,235
Loan repayment	14,216	15,999	1,783
Fines and forfeitures	700	700	-
Interest	10,280	10,953	673
Miscellaneous	-	10	10
	<u>810,883</u>	<u>994,584</u>	<u>183,701</u>
<b>Expenditures</b>			
Materials and services	15,600	5,490	10,110
Capital outlay	2,668,631	1,866,453	802,178
Contingency	400,000	-	400,000
	<u>3,084,231</u>	<u>1,871,943</u>	<u>1,212,288</u>
Net change in fund balance	(2,273,348)	(877,359)	1,395,989
Fund balance at beginning of year	<u>2,273,348</u>	<u>2,019,893</u>	<u>(253,455)</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 1,142,534</u></b>	<b><u>\$ 1,142,534</u></b>

See notes to financial statements

**CITY OF SILVERTON**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
June 30, 2022

	Business-type Activities			Governmental Activities
	Sewer	Water	Total Enterprise Funds	Internal Service Funds
<b>Assets</b>				
Current assets				
Cash and cash equivalents	\$ 11,195,104	\$ 7,509,916	\$ 18,705,020	\$ 3,002,650
Receivables, net	318,414	203,502	521,916	-
Inventory	13,237	125,743	138,980	-
Total current assets	11,526,755	7,839,161	19,365,916	3,002,650
Net other postemployment benefits asset	13,283	10,065	23,348	-
Capital assets				
Land and construction in progress	1,881,020	1,790,507	3,671,527	-
Other capital assets, net	20,432,586	7,142,361	27,574,947	-
Total capital assets	22,313,606	8,932,868	31,246,474	-
Total assets	33,853,644	16,782,094	50,635,738	3,002,650
<b>Deferred outflows of resources</b>				
Pension related items	374,624	283,098	657,722	-
Other postemployment benefit related items	5,607	4,249	9,856	-
Total deferred outflows of resources	380,231	287,347	667,578	-
<b>Liabilities</b>				
Current liabilities				
Accounts payable and accrued liabilities	38,607	29,836	68,443	-
Accrued interest payable	51,022	1,410	52,432	-
Consumer deposits	-	79,217	79,217	-
Compensated absences	30,041	18,421	48,462	-
Long-term obligations due within one year	522,890	186,652	709,542	-
Total current liabilities	642,560	315,536	958,096	-
Long-term obligations due in more than one year	7,443,924	488,952	7,932,876	-
Total liabilities	8,086,484	804,488	8,890,972	-
<b>Deferred inflows of resources</b>				
Pension related items	463,511	350,269	813,780	-
Other postemployment benefit related items	17,348	13,145	30,493	-
Total deferred inflows of resources	480,859	363,414	844,273	-
<b>Net position</b>				
Net investment in capital assets	14,868,606	8,651,660	23,520,266	-
Restricted for:				
Capital projects	4,058,985	2,962,927	7,021,912	-
Unrestricted	6,738,941	4,286,952	11,025,893	3,002,650
<b>Total net position</b>	<b>\$ 25,666,532</b>	<b>\$ 15,901,539</b>	41,568,071	<b>\$ 3,002,650</b>
Long-term obligations issued to prepay the PERS unfunded actuarial liability are allocable to business-type activities in the statement of net position			(325,688)	
Internal balance for sewer and water system development charges recorded in the governmental activities			140,067	
Accrued interest on long-term obligations issued to prepay the PERS unfunded actuarial liability			(1,861)	
<b>Net position of the business-type activities</b>			<b>\$ 41,380,589</b>	

**CITY OF SILVERTON**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**Year Ended June 30, 2022**

	Business-type Activities			Governmental Activities
	Sewer	Water	Totals Enterprise Funds	Internal Service Funds
	Sewer	Water	Totals Enterprise Funds	Internal Service Funds
<b>Operating revenues</b>				
Charges for services	\$ 4,061,969	\$ 2,977,573	\$ 7,039,542	\$ -
Licenses, permits and fees	-	11,902	11,902	-
Total operating revenues	<u>4,061,969</u>	<u>2,989,475</u>	<u>7,051,444</u>	<u>-</u>
<b>Operating expenses</b>				
Personnel services	751,371	506,635	1,258,006	-
Materials and services	674,040	406,080	1,080,120	4,265
Depreciation	721,916	352,551	1,074,467	-
Total operating expenses	<u>2,147,327</u>	<u>1,265,266</u>	<u>3,412,593</u>	<u>4,265</u>
Operating income (loss)	1,914,642	1,724,209	3,638,851	(4,265)
<b>Nonoperating revenues (expenses)</b>				
Grants	-	155,000	155,000	-
Interest income	61,197	39,006	100,203	17,998
Miscellaneous	10,039	-	10,039	-
Loss on sale of capital assets	(8,716)	-	(8,716)	-
Interest expense	(369,771)	(11,877)	(381,648)	-
Total nonoperating revenue (expenses)	<u>(307,251)</u>	<u>182,129</u>	<u>(125,122)</u>	<u>17,998</u>
Income (loss) before transfers	1,607,391	1,906,338	3,513,729	13,733
Capital contributions	250,462	305,223	555,685	-
Transfers in	560,872	612,961	1,173,833	348,066
Transfers out	(1,207,706)	(1,093,822)	(2,301,528)	(338,940)
Change in net position	1,211,019	1,730,700	2,941,719	22,859
Net position - beginning	<u>24,455,513</u>	<u>14,170,839</u>		<u>2,979,791</u>
<b>Net position - ending</b>	<b><u>\$ 25,666,532</u></b>	<b><u>\$ 15,901,539</u></b>		<b><u>\$ 3,002,650</u></b>
Adjustment to reflect the changes in the pension bond related to the enterprise funds			47,700	
Adjustment for current year activity related to system development charges reported in the governmental activities but for use by the business-type activities			<u>(60,953)</u>	
<b>Change in net position of the business-type activities</b>			<b><u>\$ 2,928,466</u></b>	

See notes to financial statements

**CITY OF SILVERTON**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**Year Ended June 30, 2022**

	Business-type Activities			Governmental Activities
	Sewer	Water	Total Enterprise Funds	Internal Service Funds
<b>Cash flows from operating activities</b>				
Receipts from customers	\$ 4,094,961	\$ 3,082,642	\$ 7,177,603	\$ -
Receipts from other funds	-	-	-	-
Payments to suppliers	(691,515)	(489,599)	(1,181,114)	(4,265)
Payments to employees	(795,297)	(599,713)	(1,395,010)	-
Net cash provided by (used in) operating activities	<u>2,608,149</u>	<u>1,993,330</u>	<u>4,601,479</u>	<u>(4,265)</u>
<b>Cash flows from capital and related financing activities</b>				
Transfers in	-	182,365	182,365	348,066
Transfers out	(646,834)	(663,226)	(1,310,060)	-
System development charges received	250,462	305,223	555,685	-
Other	10,039	-	10,039	-
Grants	-	155,000	155,000	-
Acquisition of capital assets	(412,322)	(684,965)	(1,097,287)	(338,940)
Issuance of long-term obligations	7,445,000	-	7,445,000	-
Principal paid on long-term obligations	(7,925,000)	(180,944)	(8,105,944)	-
Interest paid on long-term obligations	(347,724)	(12,781)	(360,505)	-
Net cash provided by (used in) capital and related financing activities	<u>(1,626,379)</u>	<u>(899,328)</u>	<u>(2,525,707)</u>	<u>9,126</u>
<b>Cash flows from investing activities</b>				
Interest on investments	61,197	39,006	100,203	17,998
Net cash provided by (used in) investing activities	<u>61,197</u>	<u>39,006</u>	<u>100,203</u>	<u>17,998</u>
Net increase (decrease) in cash and cash equivalents	1,042,967	1,133,008	2,175,975	22,859
Cash and cash equivalents - beginning of year	10,152,137	6,376,908	16,529,045	2,979,791
<b>Cash and cash equivalents - end of year</b>	<b><u>\$ 11,195,104</u></b>	<b><u>\$ 7,509,916</u></b>	<b><u>\$ 18,705,020</u></b>	<b><u>\$ 3,002,650</u></b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>				
Operating income (loss)	\$ 1,914,642	\$ 1,724,209	\$ 3,638,851	\$ (4,265)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	721,916	352,551	1,074,467	-
(Increase) decrease in assets and deferred outflows				
Receivables, net	32,992	85,272	118,264	-
Inventories	1,786	(21,146)	(19,360)	-
Net other postemployment benefits asset	(7,845)	(5,444)	(13,289)	-
Pension related items	3,385	38,101	41,486	-
Other postemployment benefit related items	1,200	1,535	2,735	-
Increase (decrease) in liabilities and deferred inflows				
Accounts payable and accrued liabilities	(19,261)	(62,373)	(81,634)	-
Consumer deposits	-	7,895	7,895	-
Compensated absences payable	2,146	3,283	5,429	-
Net pension liability	(365,264)	(356,270)	(721,534)	-
Net other postemployment benefits liability	2,057	(1,348)	709	-
Pension related items	318,321	226,899	545,220	-
Other postemployment benefit related items	2,074	166	2,240	-
<b>Net cash provided by (used in) operating activities</b>	<b><u>\$ 2,608,149</u></b>	<b><u>\$ 1,993,330</u></b>	<b><u>\$ 4,601,479</u></b>	<b><u>\$ (4,265)</u></b>
<b>Supplemental disclosure of noncash transactions</b>				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	-	(338,940)
Total noncash transactions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (338,940)</u>

See notes to financial statements

# CITY OF SILVERTON

## NOTES TO FINANCIAL STATEMENTS

---

### 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)

*Urban Renewal* – accounts for the resources accumulated and payments made for urban renewal.

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

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, 2021, 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, 2021. 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.

New accounting pronouncements and accounting standards

During the year the City implemented GASB Statement No. 87, “Leases”. This statement established a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. The implementation of this standard did not have a significant effect on the City’s financial statements.

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

---

**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, 2022 are as follows:

Deposits with financial institutions	\$ 235,391
State of Oregon Local Government Investment Pool	58,760,062
Cash on hand	<u>2,500</u>
Total deposits and cash equivalents	<u>\$ 58,997,953</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 City's deposits with financial institutions up to \$250,000 each for the aggregate of all non-interest-bearing accounts and the aggregate of all interest-bearing accounts at each institution.

Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program are collateralized under the Public Funds Collateralization Program (PFCP) of the Oregon State Treasurer. The PFCP is a shared liability structure for participating financial institutions and is considered additional depository insurance as defined in GASB 40. Participating financial institutions are required to pledge securities, held by the Federal Home Loan Bank of Seattle in the name of the financial institution, with a value equal to at least 10%, with limited exceptions that may require up to 110%, of the amount of deposits of Oregon municipal corporations in excess of FDIC depository insurance. In the event of a failure of a participating financial institution the collective amount of all pledged securities under the PFCP are available to return the City's deposits. As of June 30, 2022, 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.



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

**NOTE 3 – CASH AND CASH EQUIVALENTS (Continued)**

State of Oregon Local Government Investment Pool (Continued)

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.

*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, 2022 consist of the following:

	Governmental Activities / Funds				Business-type Activities/ Enterprise Funds		
	General	Urban Renewal	Nonmajor Governmental		Sewer	Water	Total
			Funds	Total			
User charges	\$ -	\$ -	-	\$ -	\$ 317,384	\$ 203,131	\$ 520,515
Property taxes	118,535	31,584	9,956	160,075	-	-	-
Local taxes	14,699	-	43,232	57,931	-	-	-
Intergovernmental	77,150	-	115,435	192,585	-	-	-
Franchise	155,718	-	-	155,718	-	-	-
Fees and permits	-	-	94,682	94,682	-	-	-
Assessments	-	-	410,332	410,332	-	-	-
Fines	101,883	-	-	101,883	-	-	-
Loans	-	44,311	396,605	440,916	-	-	-
Miscellaneous	169	-	-	169	1,030	371	1,401
Allowance for doubtful accounts	(35,967)	-	-	(35,967)	-	-	-
	<u>\$ 432,187</u>	<u>\$ 75,895</u>	<u>\$ 1,070,242</u>	<u>\$ 1,578,324</u>	<u>\$ 318,414</u>	<u>\$ 203,502</u>	<u>\$ 521,916</u>

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

**NOTE 5 – CAPITAL ASSETS**

Activity in governmental activities for the year ended June 30, 2022 was as follows:

	Balances			Balances	
	<u>June 30, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2022</u>	
Capital assets not being depreciated					
Land	\$ 5,953,012	\$ -	\$ -	\$ 5,953,012	
Right of way	479,624	-	-	479,624	
Construction in progress	<u>1,033,922</u>	<u>2,613,841</u>	-	<u>3,647,763</u>	
Total capital assets not being depreciated	<u>7,466,558</u>	<u>2,613,841</u>	-	<u>10,080,399</u>	
Capital assets being depreciated					
Buildings and improvements	4,219,755	59,980	(6,459)	4,273,276	
Equipment	2,296,904	529,175	(84,401)	2,741,678	
Land improvements	3,107,711	277,386	-	3,385,097	
Infrastructure	<u>9,501,810</u>	<u>48,747</u>	-	<u>9,550,557</u>	
Total capital assets being depreciated	<u>19,126,180</u>	<u>915,288</u>	<u>(90,860)</u>	<u>19,950,608</u>	
Less accumulated depreciation for:					
Buildings and improvements	1,810,182	88,728	(3,229)	1,895,681	
Equipment	1,751,429	149,806	(54,643)	1,846,592	
Land improvements	1,242,049	117,391	-	1,359,440	
Infrastructure	<u>2,090,788</u>	<u>242,225</u>	-	<u>2,333,013</u>	
Total accumulated depreciation	<u>6,894,448</u>	<u>598,150</u>	<u>(57,872)</u>	<u>7,434,726</u>	
Total capital assets being depreciated, net	<u>12,231,732</u>	<u>317,138</u>	<u>(32,988)</u>	<u>12,515,882</u>	
Governmental activities capital assets, net	<u>\$ 19,698,290</u>	<u>\$ 2,930,979</u>	<u>\$ (32,988)</u>	<u>\$ 22,596,281</u>	

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

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

Activity in business-type activities for the year ended June 30, 2022 was as follows:

	Balances			Balances		
	<u>June 30, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2022</u>		
Capital assets not being depreciated						
Land	\$ 2,209,488	\$ -	\$ -	\$ 2,209,488		
Construction in progress	<u>995,704</u>	<u>488,335</u>	<u>(22,000)</u>	<u>1,462,039</u>		
Total capital assets not being depreciated	<u>3,205,192</u>	<u>488,335</u>	<u>(22,000)</u>	<u>3,671,527</u>		
Capital assets being depreciated						
Water and sewer lines	17,799,993	-	-	17,799,993		
Buildings and improvements	6,795,818	-	-	6,795,818		
Plant and equipment	25,690,012	373,358	(171,720)	25,891,650		
Land improvements	<u>454,220</u>	<u>-</u>	<u>-</u>	<u>454,220</u>		
Total capital assets being depreciated	<u>50,740,043</u>	<u>373,358</u>	<u>(171,720)</u>	<u>50,941,681</u>		
Less accumulated depreciation for:						
Water and sewer lines	8,904,734	306,703	-	9,211,437		
Buildings and improvements	3,144,787	139,071	-	3,283,858		
Plant and equipment	10,129,406	612,910	(163,004)	10,579,312		
Land improvements	<u>276,344</u>	<u>15,783</u>	<u>-</u>	<u>292,127</u>		
Total accumulated depreciation	<u>22,455,271</u>	<u>1,074,467</u>	<u>(163,004)</u>	<u>23,366,734</u>		
Total capital assets being depreciated, net	<u>28,284,772</u>	<u>(701,109)</u>	<u>(8,716)</u>	<u>27,574,947</u>		
Business-type activities capital assets, net	<u>\$ 31,489,964</u>	<u>\$ (212,774)</u>	<u>\$ (30,716)</u>	<u>\$ 31,246,474</u>		

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

<i>Governmental activities</i>		
General government		\$ 100,762
Public safety		89,730
Highways and streets		273,299
Culture and recreation		<u>134,359</u>
Total depreciation expense - governmental activities		<u>\$ 598,150</u>
<i>Business-type activities</i>		
Sewer		\$ 721,916
Water		<u>352,551</u>
Total depreciation expense - business-type activities		<u>\$ 1,074,467</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:

	General	Urban Renewal	Nonmajor Governmental Funds	Total Governmental Funds
Property taxes	\$ 93,141	\$ 24,751	\$ 7,806	\$ 125,698
Property assessments	-	-	404,710	404,710
Fines	51,383	-	-	51,383
Loans	-	44,310	396,605	440,915
	<u>\$ 144,524</u>	<u>\$ 69,061</u>	<u>\$ 809,121</u>	<u>\$ 1,022,706</u>

**NOTE 7 – INTERFUND TRANSACTIONS**

The interfund transfers during the year ended June 30, 2022 were as follows:

	In	Out
<u>Governmental</u>		
General	\$1,329,424	\$ 759,160
Civic Building Project	1,050,000	-
Nonmajor governmental	554,237	1,394,872
Governmental activities - non-cash	338,940	-
<u>Proprietary</u>		
Enterprise		
Sewer	560,872	1,207,706
Water	612,961	1,093,822
Internal Service		
Internal service	348,066	-
Internal service - non-cash	-	338,940
Totals	<u>\$4,794,500</u>	<u>\$4,794,500</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, 2022 were as follows:

	Beginning Balance July 1, 2021	Increase	Decrease	Ending Balance June 30, 2022	Due Within One Year
<b><u>Governmental activities</u></b>					
Long-term debt obligations:					
PERS Bonds:					
Pension Obligation Bonds	\$ 1,180,001	\$ -	\$ 150,000	\$ 1,030,001	\$ 170,000
Less amount allocated to business activities	(373,118)	-	(47,430)	(325,688)	(53,754)
Notes from direct borrowings and direct placements:					
Government Capital Corporation - Civic Center	-	10,000,000	-	10,000,000	267,324
Total long-term debt obligations	<u>806,883</u>	<u>10,000,000</u>	<u>102,570</u>	<u>10,704,313</u>	<u>383,570</u>
Other long-term obligations:					
Other postemployment benefits liability	162,049	20,151	-	182,200	-
Net pension liability	4,377,050	-	1,711,160	2,665,890	-
Compensated absences	188,759	198,579	188,759	198,579	198,579
Total other long-term obligations	<u>4,727,858</u>	<u>218,730</u>	<u>1,899,919</u>	<u>3,046,669</u>	<u>198,579</u>
Total long-term obligations	<u>\$ 5,534,741</u>	<u>\$ 10,218,730</u>	<u>\$ 2,002,489</u>	<u>\$ 13,750,982</u>	<u>\$ 582,149</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, 2022 were as follows:

	Beginning Balance July 1, 2021	Increase	Decrease	Ending Balance June 30, 2022	Due Within One Year
<b><u>Business-type activities</u></b>					
Long-term debt obligations:					
Revenue Bonds:					
Sewer Revenue Refunding Bonds	\$ 5,225,000	\$ -	\$ 5,225,000	\$ -	\$ -
Local Oregon Capital Assets Program (LOCAP) Bonds	2,700,000	-	2,700,000	-	-
PERS Bonds:					
Pension Obligation Bonds amount allocated from governmental activities	373,118	-	47,430	325,688	53,754
Notes from direct borrowings and direct placements:					
Citizen Bank	462,152	-	180,944	281,208	186,652
Sewer Refunding Note - Series 2022A	-	4,970,000	-	4,970,000	282,419
LOCAP Refunding Note - Series 2022B	-	2,475,000	-	2,475,000	240,471
	<u>8,760,270</u>	<u>7,445,000</u>	<u>8,153,374</u>	<u>8,051,896</u>	<u>763,296</u>
Other long-term obligations:					
Other postemployment benefits liability	58,443	709	-	59,152	-
Net pension liability	1,578,592	-	721,534	857,058	-
Compensated absences	43,033	48,462	43,033	48,462	48,462
	<u>1,680,068</u>	<u>49,171</u>	<u>764,567</u>	<u>964,672</u>	<u>48,462</u>
Total long-term obligations	<u>\$ 10,440,338</u>	<u>\$ 7,494,171</u>	<u>\$ 8,917,941</u>	<u>\$ 9,016,568</u>	<u>\$ 811,758</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.

Government Capital Corporation Note Payable – The City borrowed \$10,000,000 due over 25 years in semi-annual installments payable on September 18 and March 18 with interest at 3.17% to partially finance the new Civic Building.

**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%. These bonds were refinanced in the current year.

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

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

Business-type activities long-term debt obligations (Continued)

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%. These bonds were refinanced in the current year.

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

Sewer Refunding Note, Series 2022A – The City borrowed from Governmental Capital Corporation \$4,970,000 due over 14 years with semi-annual installments payable on April 15 and October 15 with interest at 3.375%. The City refunded debt to reduce its total debt service payments over the next fourteen years by \$978,059 and to obtain an economic gain (difference between the present values of the debt service payments on the old debt and the new debt) of \$360,514.

LOCAP Refunding Note, Series 2022B – The City borrowed from Government Capital Corporation \$2,475,000 due over 10 years with semi-annual installments payable on April 15 and October 15 with interest at 3.497%. The City refunded debt to reduce its total debt service payments over the next ten years by \$516,269 and to obtain an economic gain (difference between the present values of the debt service payments on the old debt and the new debt) of \$141,216.

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

Fiscal Year	Pension Obligation Bonds		Government Capital Corp		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 116,246	\$ 48,246	\$ 267,324	\$ 314,898	\$ 383,570	\$ 363,144
2024	133,341	40,283	275,865	306,357	409,206	346,640
2025	-	31,149	284,679	297,542	284,679	328,691
2026	167,531	31,149	293,775	288,446	461,306	319,595
2027	188,045	19,673	303,162	279,060	491,207	298,733
2028-2032	99,150	6,792	1,667,444	1,243,666	1,766,594	1,250,458
2033-2037	-	-	1,951,403	959,706	1,951,403	959,706
2038-2042	-	-	2,283,720	627,389	2,283,720	627,389
2043-2047	-	-	2,672,628	238,481	2,672,628	238,481
	<u>\$ 704,313</u>	<u>\$ 177,292</u>	<u>\$ 10,000,000</u>	<u>\$ 4,555,545</u>	<u>10,704,313</u>	<u>4,732,837</u>

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

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

Business-type activities long-term debt obligations (Continued)

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

Fiscal Year	Government Capital Corp LOCAP Refunding Series 2022B		Government Capital Corp Sewer Refunding Series 2022A		Pension Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
	2023	\$ 240,471	\$ 80,584	\$ 282,419	\$ 169,406	\$ 53,754
2024	247,712	73,343	290,417	161,408	61,659	18,627
2025	256,144	64,911	300,662	151,163	-	14,404
2026	264,860	56,195	311,268	140,557	77,469	14,404
2027	273,875	47,180	322,248	129,577	86,955	9,097
2028-32	1,191,938	92,278	1,789,986	469,139	45,851	3,141
2033-37	-	-	1,673,000	134,293	-	-
	<u>\$ 2,475,000</u>	<u>\$ 414,491</u>	<u>\$ 4,970,000</u>	<u>\$ 1,355,543</u>	<u>\$ 325,688</u>	<u>\$ 81,982</u>

Fiscal Year	Citizens Bank Loan		Totals	
	Principal	Interest	Principal	Interest
2023	\$ 186,652	\$ 7,073	\$ 763,296	\$ 279,372
2024	94,556	1,431	694,344	254,809
2025	-	-	556,806	230,478
2026	-	-	653,597	211,156
2027-31	-	-	683,078	185,854
2027-31	-	-	3,027,775	564,558
2032-36	-	-	1,673,000	134,293
	<u>\$ 281,208</u>	<u>\$ 8,504</u>	<u>\$ 8,051,896</u>	<u>\$ 1,860,520</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/2021-ACFR.pdf](http://www.oregon.gov/pers/Documents/Financials/CAFR/2021-ACFR.pdf).

Description of benefit terms

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

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.

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

*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.

*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.

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

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.

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, 2019 actuarial valuation.

Tier 1/Tier 2 employer contribution rates are 22.88%, and OPSRP employer contribution rates are 16.83% for general service employees and 21.19% for police employees. Employer contributions for the year ended June 30, 2022 were \$675,413.

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

*Net pension liability*

At June 30, 2022, the City reported a liability of \$3,522,948 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. 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).

**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)

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.

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, 2021, the City's proportion was 0.02944014%, which was an increase of 0.00215002% from its proportion measured as of June 30, 2020.

*Pension expense*

For the year ended June 30, 2022, the City recognized pension expense of \$478,930.

*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, 2021, 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

**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)

*Deferred inflows of resources and deferred outflows of resources (Continued)*

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, 2021 - 5.4 years  
 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

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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 329,771	\$ -
Changes of assumptions	881,900	9,272
Net difference between projected and actual earnings on pension plan investments	-	2,608,011
Changes in proportionate share	411,126	681,794
Differences between employer contributions and employer's proportionate share of system contributions	405,365	45,980
Contributions subsequent to the measurement date	<u>675,413</u>	<u>-</u>
Total	<u>\$ 2,703,575</u>	<u>\$ 3,345,057</u>

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

---

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

*Deferred inflows of resources and deferred outflows of resources (Continued)*

Deferred outflows of resources related to pensions resulting from the City’s contributions subsequent to the measurement in the amount of \$675,413 will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. 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,		
2023	\$	236,385
2024		240,697
2025		372,777
2026		578,002
2027		<u>(110,966)</u>
Total	\$	<u>1,316,895</u>

Actuarial methods and assumptions used in developing the total pension liability

The total pension liability measured as of June 30, 2021 was based on an actuarial valuation as of December 31, 2019 using the following methods and assumptions:

Experience study report	2018, published July 24, 2019
Actuarial cost method	Entry age normal
Inflation rate	2.4%
Long-term expected rate of return	6.9%
Discount rate	6.9%
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

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

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

Mortality

**Healthy retirees and beneficiaries:**

Pub-2010 Health Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

**Active members:**

Pub-2010 employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

**Disabled retirees:**

Pub-2010 Disabled retirees, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and setbacks as described in the valuation.

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. Senate Bill 1049 was signed into law in June 2019 and requires a one-time re-amortization of Tier 1/Tire 2 UAL over a closed 22 year period at the December 31, 2019 rate-setting actuarial valuation, which set actuarially determined contribution rates for the 2021-2023 biennium.

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.

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

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

*Discount rate*

The discount rate used to measure the total pension liability was 6.9%, a reduction from 7.2% from the prior fiscal year. 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>100.00%</u>

*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.



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

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

Actuarial methods and assumptions used in developing the total pension liability (Continued)  
Long-Term Expected Rate of Return<sup>1</sup>

Asset Class	Allocation	20-Year		Annual Standard Deviation
		Annual Target Arithmetic Return <sup>2</sup>	Annualized Geometric Mean	
Global Equity	30.62%	7.11%	5.85%	17.05%
Private Equity	25.50	11.35	7.71	30.00
Core Fixed Income	23.75	2.80	2.73	3.85
Real Estate	12.25	6.29	5.66	12.00
Master Limited Partnerships	0.75	7.65	5.71	21.30
Infrastructure	1.50	7.24	6.26	15.00
Commodities	0.63	4.68	3.10	18.85
Hedge Fund of Funds – Multi-strategy	1.25	5.42	5.11	8.45
Hedge Fund Equity – Hedge	0.63	5.85	5.31	11.05
Hedge Fund – Macro	5.62	5.33	5.06	7.90
US Cash	-2.50 <sup>3</sup>	1.77	1.76	1.20
Assumed Inflation – Mean			2.40%	1.65%

<sup>1</sup>Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, including revisions adopted at the OIC meeting on June 2, 2021.

<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.

<sup>3</sup>Negative allocation to cash represents levered exposure from allocation to Risk Parity strategy.

*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.

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

---

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

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	\$6,918,228	\$ 3,522,948	\$ 682,332

**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.

**NOTE 10 – DEFINED CONTRIBUTION PLAN (Continued)**

Pension benefits (Continued)

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, 2022 were \$181,397.

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.

OPERS produces an independently audited Annual Comprehensive 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/2021-ACFR.pdf](http://www.oregon.gov/pers/Documents/Financials/CAFR/2021-ACFR.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.

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

*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, 2019 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, 2022, the City made contributions in the amount of \$601 to the RHIA.

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, 2022, the City reported an asset of \$95,267 for its proportionate share of the net OPEB liability/(asset). The net OPEB liability/(asset) was measured as of June 30, 2021, 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, 2021, the City's proportion was .02774219%, which was an increase of .00911856% from its proportion measured as of June 30, 2020.

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

*OPEB expense*

For the year ended June 30, 2022, the City recognized OPEB revenue of \$11,341.

*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, 2021, 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, 2021 – 2.7 years
- 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)**

*Deferred inflows of resources and deferred outflows of resources (Continued)*

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 2,650
Changes of assumptions	1,874	1,417
Net difference between projected and actual earnings on pension plan investments	-	22,640
Changes in proportionate share	3,997	11,182
Contributions subsequent to the measurement date	601	-
Total	\$ 6,472	\$ 37,889

Deferred outflows of resources related to OPEB resulting from the City's contributions subsequent to the measurement date in the amount of \$601 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,	
2023	\$ 10,526
2024	9,172
2025	5,169
2026	7,152
2027	-
Total	\$ 32,018

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.

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

Actuarial methods and assumptions used in developing total OPEB liability (Continued)

*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.

*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**

---

**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)	\$ (84,250)	\$ (95,267)	\$ (104,678)

**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 that they would pay if they were not included in the plan is 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**

---

**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

At June 30, 2022, the City reported a total OPEB liability of \$241,352. The total OPEB liability was measured as of June 30, 2021 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, 2021	\$ 220,492
Changes for the year:	
Service cost	23,531
Interest	5,293
Changes in assumptions or other inputs	1,147
Benefit payments	(9,111)
Balances at June 30, 2022	\$ 241,352

For the year ended June 30, 2022, the City recognized OPEB expense of \$6,609. At June 30, 2022, 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	\$ 16,794	\$ 61,829
Changes of assumptions	6,153	24,702
City's contributions subsequent to the measurement date	10,798	-
	\$ 33,745	\$ 86,531

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

---

**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 \$10,798 will be recognized as an adjustment to the Total OPEB liability in the year ended June 30, 2023. 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,

2023	\$ (11,415)
2024	(11,415)
2025	(11,415)
2026	(11,415)
2027	(10,672)
Thereafter	(7,252)

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 2.16%. 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:

**Medical and vision:**

Year	Pre-65 Trend
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**

---

**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 2.16%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16%) or 1-percentage-point higher (3.16%) 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	\$ 264,904	\$ 241,352	\$ 219,611
	<u>1- Percentage Point Lower</u>	<u>Current Trend Rate</u>	<u>1-Percentage Point Higher</u>
City's total OPEB liability	\$ 207,909	\$ 241,352	\$ 282,254

**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	\$ 6,110,429
Highways and streets – Street maintenance fees are restricted for maintenance of public streets	1,197,259
Park maintenance – Park maintenance fees are restricted for operations and maintenance of city parks	405,347
Stormwater – Stormwater fees are restricted for capital improvement of the City’s stormwater system	1,491,150
Urban renewal taxes are restricted to improving and redeveloping designated areas (community development)	1,211,595

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	\$ 6,951,771
--	--------------

**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>	General	Civic Building Project	Urban Renewal	Nonmajor Governmental Funds	Total
<b>Nonspendable</b>					
Inventory	\$ -	\$ -	\$ -	\$ 17,122	\$ 17,122
<b>Restricted for:</b>					
Transportation	-	-	-	140,398	140,398
Transient tax	-	-	-	180,218	180,218
Highways and streets	-	-	-	3,789,043	3,789,043
CDBG housing rehabilitation	-	-	-	441,171	441,171
Park maintenance and improvements	-	-	-	405,347	405,347
Pool operations	-	-	-	786,209	786,209
Urban renewal	-	-	1,142,534	-	1,142,534
Capital projects	-	14,195,701	-	7,336,936	21,532,637
Other purposes	-	-	-	480,954	480,954
<b>Committed for:</b>					
Capital projects	-	-	-	658,223	658,223
<b>Assigned for:</b>					
Unexpected future expenditures	1,048,112	-	-	-	1,048,112
Capital projects	-	-	-	213,516	213,516
Debt service	-	-	-	25,536	25,536
<b>Unassigned</b>	<u>5,758,921</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,758,921</u>
<b>Total</b>	<u>\$ 6,807,033</u>	<u>\$ 14,195,701</u>	<u>\$ 1,142,534</u>	<u>\$ 14,474,673</u>	<u>\$ 36,619,941</u>

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

---

**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	\$ 1,964,385
Revenues of separately budgeted funds which are included in the general fund on the governmental fund statements	(8,158)
Net change in fund balances - budgetary basis	\$ 1,956,227
Beginning fund balances - generally accepted accounting principles basis	\$ 4,842,648
Beginning balances of separately budgeted funds which are included in the general fund on the governmental fund statements	(1,039,954)
Beginning fund balance - budgetary basis	\$ 3,802,694
Ending fund balances - generally accepted accounting principles basis	\$ 6,807,033
Ending balances of separately budgeted funds which are included in the general fund on the governmental fund statements	(1,048,112)
Ending fund balance - budgetary basis	\$ 5,758,921

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

---

**NOTE 16 – COMMITMENTS**

The City has entered into commitments for various projects as of June 30, 2022 as follows:

<u>Project</u>	<u>Disbursed to Date</u>	<u>Remaining Commitment</u>
Urban renewal projects	\$ 34,473	\$ 14,877
Other		
Civic Center Project	2,105,418	13,877,837
2022 Dodge Police Vehicle	-	44,421
Screwpress Project	324,570	59,337
Water Treatment Plant #1 Replacement	793,840	18,058
WesTrend Homes Sidewalk Extension	3,008,445	284,595
Silver Creek Water Line & Intake Project	45,617	4,612,089
ADA Ramp Improvements	80,940	160,396
Pioneer Village	205,790	840
Johna Lane-Fenne Lane	56,647	2,932
Single family dwellings	1,993	14,052
Coolidge Park Pathways	101	12,899
Legal services	90,319	49,681
Total	<u>\$ 6,748,153</u>	<u>\$ 19,152,014</u>

**NOTE 17 – TAX ABATEMENTS**

Marion County has entered into property tax abatement agreements and the City's property taxes to be received for the 2021-22 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	\$ 5,438



## **REQUIRED SUPPLEMENTARY INFORMATION**

**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>
2021	0.02944014%	\$ 3,522,948	\$ 3,558,445	99.00%	87.6%
2020	0.02729012%	5,955,642	3,433,606	173.45%	75.8%
2019	0.03434057%	5,940,097	3,330,088	178.38%	80.2%
2018	0.03212635%	4,866,719	3,180,866	153.00%	82.1%
2017	0.03384383%	4,562,161	2,846,199	160.29%	83.1%
2016	0.03495655%	5,247,790	2,828,460	185.54%	80.5%
2015	0.03743192%	2,149,139	2,862,807	75.07%	91.9%
2014	0.03608184%	(817,864)	2,698,244	-30.31%	103.6%
2013	0.03608146%	1,841,290	2,779,029	66.26%	92.0%

\* 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>
2022	\$ 675,413	\$ 675,413	\$ -	\$ 3,411,945	19.79554%
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
2021	0.02774219%	\$ (95,267)	\$ 3,558,445	-2.68%	183.9%
2020	0.01862363%	(37,948)	3,433,606	-1.11%	150.1%
2019	0.02680215%	(51,791)	3,330,088	-1.56%	144.4%
2018	0.02861549%	(31,943)	3,180,866	-1.00%	124.0%
2017	0.02986424%	(12,464)	2,846,199	-0.44%	108.9%
2016	0.29869048%	8,063	2,828,460	0.29%	80.5%

\* 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>
2022	\$ 601	\$ 601	\$ -	3,411,945	0.01761%
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, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Service cost	\$ 23,531	\$ 21,913	\$ 19,568	\$ 21,358	\$ 22,822
Interest on total OPEB liability	5,293	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	1,147	(7,319)	7,243	(16,724)	(17,917)
Benefit payments	<u>(9,111)</u>	<u>(4,144)</u>	<u>(1,170)</u>	<u>(5,158)</u>	<u>(3,157)</u>
Net change in total OPEB liability	20,860	38,181	32,186	(92,869)	9,022
Total OPEB liability - beginning of year	<u>220,492</u>	<u>182,311</u>	<u>150,125</u>	<u>242,994</u>	<u>233,972</u>
Total OPEB liability - end of year	<u>\$ 241,352</u>	<u>\$ 220,492</u>	<u>\$ 182,311</u>	<u>\$ 150,125</u>	<u>\$ 242,994</u>
Covered employee payroll	\$ 3,558,445	\$ 3,433,606	\$ 3,330,088	\$ 3,180,866	\$ 2,846,199
Total OPEB liability as a percentage of covered employee payroll	6.78%	6.42%	5.47%	4.72%	8.54%

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

**COMBINING FINANCIAL STATEMENTS  
AND INDIVIDUAL FUND SCHEDULES**

**CITY OF SILVERTON**  
**COMBINING BALANCE SHEET**  
**GENERAL FUNDS**  
**June 30, 2022**

	<b>General</b>	<b>General Operating Reserve</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 5,679,631	\$ 1,047,893	\$ 6,727,524
Receivables	431,968	219	432,187
<b>Total assets</b>	<b>\$ 6,111,599</b>	<b>\$ 1,048,112</b>	<b>\$ 7,159,711</b>
<b>Liabilities, deferred inflows and fund balances</b>			
Liabilities			
Accounts payable and accrued liabilities	\$ 143,452	\$ -	\$ 143,452
Consumer deposits	64,702	-	64,702
Total liabilities	208,154	-	208,154
Deferred inflows of resources			
Unavailable revenue	144,524	-	144,524
Total deferred inflows of resources	144,524	-	144,524
Fund balances			
Assigned	-	1,048,112	1,048,112
Unassigned	5,758,921	-	5,758,921
Total fund balances	5,758,921	1,048,112	6,807,033
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 6,111,599</b>	<b>\$ 1,048,112</b>	<b>\$ 7,159,711</b>



**CITY OF SILVERTON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**GENERAL FUNDS**  
**Year Ended June 30, 2022**

	<u>General</u>	<u>General Operating Reserve</u>	<u>Total</u>
<b>Revenues</b>			
Property taxes	\$ 3,216,395	\$ -	\$ 3,216,395
Franchise fees	898,397	-	898,397
Licenses, permits and fees	186,213	-	186,213
Fines and forfeitures	179,712	-	179,712
Intergovernmental	1,736,579	-	1,736,579
Rent	19,222	-	19,222
Interest	29,903	5,909	35,812
Miscellaneous	112,502	2,249	114,751
	<u>6,378,923</u>	<u>8,158</u>	<u>6,387,081</u>
<b>Expenditures</b>			
Current			
General government	1,986,988	-	1,986,988
Public safety	2,703,266	-	2,703,266
Culture and recreation	197,444	-	197,444
Capital outlay	105,262	-	105,262
	<u>4,992,960</u>	<u>-</u>	<u>4,992,960</u>
Excess (deficiency) of revenues over expenditures	<u>1,385,963</u>	<u>8,158</u>	<u>1,394,121</u>
<b>Other financing sources (uses)</b>			
Transfers in	1,329,424	-	1,329,424
Transfers out	(759,160)	-	(759,160)
	<u>570,264</u>	<u>-</u>	<u>570,264</u>
Net change in fund balances	1,956,227	8,158	1,964,385
Fund balances at beginning of year	<u>3,802,694</u>	<u>1,039,954</u>	<u>4,842,648</u>
<b>Fund balance at end of year</b>	<b><u>\$ 5,758,921</u></b>	<b><u>\$ 1,048,112</u></b>	<b><u>\$ 6,807,033</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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Interest	\$ 6,296	\$ 5,909	\$ (387)
Miscellaneous	<u>7,000</u>	<u>2,249</u>	<u>(4,751)</u>
Total revenues	<u>13,296</u>	<u>8,158</u>	<u>(5,138)</u>
<b>Expenditures</b>			
Materials and services	<u>1,033,582</u>	<u>-</u>	<u>1,033,582</u>
Total expenditures	<u>1,033,582</u>	<u>-</u>	<u>1,033,582</u>
Net change in fund balance	(1,020,286)	8,158	1,028,444
Fund balance at beginning of year	<u>1,020,286</u>	<u>1,039,954</u>	<u>19,668</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 1,048,112</u></b>	<b><u>\$ 1,048,112</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, 2022**

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues</b>			
Intergovernmental	\$ 250,000	\$ 2,151,575	\$ 1,901,575
Interest	6,745	42,859	36,114
Miscellaneous	-	3,000	3,000
	<u>256,745</u>	<u>2,197,434</u>	<u>1,940,689</u>
<b>Expenditures</b>			
Capital outlay	<u>5,152,900</u>	<u>2,542,694</u>	<u>2,610,206</u>
	<u>5,152,900</u>	<u>2,542,694</u>	<u>2,610,206</u>
Excess (deficiency) of revenues over expenditures	<u>(4,896,155)</u>	<u>(345,260)</u>	<u>4,550,895</u>
<b>Other financing sources (uses)</b>			
Issuance of long-term obligations	-	10,000,000	10,000,000
Transfers in	<u>1,050,000</u>	<u>1,050,000</u>	<u>-</u>
	<u>1,050,000</u>	<u>11,050,000</u>	<u>10,000,000</u>
Net change in fund balance	(3,846,155)	10,704,740	14,550,895
Fund balance at beginning of year	<u>3,846,155</u>	<u>3,490,961</u>	<u>(355,194)</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 14,195,701</u></b>	<b><u>\$ 14,195,701</u></b>

**CITY OF SILVERTON**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2022**

	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Total</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 4,099,922	\$ 25,536	\$ 10,226,941	\$ 14,352,399
Receivables	982,833	-	87,409	1,070,242
Inventories	17,122	-	-	17,122
<b>Total assets</b>	<b>\$ 5,099,877</b>	<b>\$ 25,536</b>	<b>\$ 10,314,350</b>	<b>\$ 15,439,763</b>
<b>Liabilities, deferred inflows and fund balances</b>				
Liabilities				
Accounts payable and accrued liabilities	\$ 86,796	\$ -	\$ 19,097	\$ 105,893
Consumer deposits	50,076	-	-	50,076
Total liabilities	136,872	-	19,097	155,969
Deferred inflows of resources				
Unavailable revenue	809,121	-	-	809,121
Total deferred inflows of resources	809,121	-	-	809,121
Fund balances				
Nonspendable	17,122	-	-	17,122
Restricted	4,136,762	-	9,423,514	13,560,276
Committed	-	-	658,223	658,223
Assigned	-	25,536	213,516	239,052
Total fund balances	4,153,884	25,536	10,295,253	14,474,673
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 5,099,877</b>	<b>\$ 25,536</b>	<b>\$ 10,314,350</b>	<b>\$ 15,439,763</b>

**CITY OF SILVERTON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2022**

	<b>Special</b>			
	<b>Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Total</b>
<b>Revenues</b>				
Property taxes	\$ 269,197	\$ -	\$ -	\$ 269,197
Transient taxes	386,528	-	-	386,528
Licenses, permits and fees	354,018	-	1,037,375	1,391,393
Fines and forfeitures	89,742	-	-	89,742
Assessment	28,484	-	-	28,484
System development charges	-	-	442,322	442,322
Intergovernmental	969,379	-	-	969,379
Fuel taxes	101,139	-	-	101,139
Loan repayment	56,725	-	-	56,725
Interest	23,254	803	56,082	80,139
Miscellaneous	4,113	-	2,000	6,113
	<u>2,282,579</u>	<u>803</u>	<u>1,537,779</u>	<u>3,821,161</u>
Total revenues				
<b>Expenditures</b>				
Current				
General government	643,509	-	-	643,509
Highways and streets	308,531	-	83,738	392,269
Culture and recreation	175,175	-	399	175,574
Debt service	-	230,830	-	230,830
Capital outlay	369,819	-	203,510	573,329
	<u>1,497,034</u>	<u>230,830</u>	<u>287,647</u>	<u>2,015,511</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>785,545</u>	<u>(230,027)</u>	<u>1,250,132</u>	<u>1,805,650</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	230,832	323,405	554,237
Transfers out	(435,119)	-	(959,753)	(1,394,872)
	<u>(435,119)</u>	<u>230,832</u>	<u>(636,348)</u>	<u>(840,635)</u>
Total other financing sources (uses)				
Net change in fund balances	350,426	805	613,784	965,015
Fund balances at beginning of year	<u>3,803,458</u>	<u>24,731</u>	<u>9,681,469</u>	<u>13,509,658</u>
<b>Fund balance at end of year</b>	<b><u>\$ 4,153,884</u></b>	<b><u>\$ 25,536</u></b>	<b><u>\$ 10,295,253</u></b>	<b><u>\$ 14,474,673</u></b>

**CITY OF SILVERTON**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**June 30, 2022**

	Street	Assessment	Building Operations	Transportation	Electrical Inspection	Transient Tax	Community Development Block Grant Housing Rehabilitation	Pool Operations Levy	Parks Fee	Total
<b>Assets</b>										
Cash and cash equivalents	\$ 1,441,522	\$ 221,854	\$ 485,164	\$ 113,478	\$ 2,297	\$ 186,763	\$ 442,158	\$ 788,368	\$ 418,318	\$ 4,099,922
Receivables	87,591	410,332	-	27,844	-	43,232	396,605	9,956	7,273	982,833
Inventories	13,980	-	-	-	-	-	-	3,142	-	17,122
<b>Total assets</b>	<b>\$ 1,543,093</b>	<b>\$ 632,186</b>	<b>\$ 485,164</b>	<b>\$ 141,322</b>	<b>\$ 2,297</b>	<b>\$ 229,995</b>	<b>\$ 838,763</b>	<b>\$ 801,466</b>	<b>\$ 425,591</b>	<b>\$ 5,099,877</b>
<b>Liabilities, deferred inflows and fund balances</b>										
<b>Liabilities</b>										
Accounts payable and accrued liabilities	\$ 3,848	\$ 200	\$ 4,210	\$ 924	\$ 2,297	\$ 49,777	\$ 987	\$ 4,309	\$ 20,244	\$ 86,796
Consumer deposits	50,076	-	-	-	-	-	-	-	-	50,076
Total liabilities	53,924	200	4,210	924	2,297	49,777	987	4,309	20,244	136,872
Deferred inflows of resources										
Unavailable revenue	-	404,710	-	-	-	-	396,605	7,806	-	809,121
Total deferred inflows of resources	-	404,710	-	-	-	-	396,605	7,806	-	809,121
Fund balances										
Nonspendable	13,980	-	-	-	-	-	-	3,142	-	17,122
Restricted	1,475,189	227,276	480,954	140,398	-	180,218	441,171	786,209	405,347	4,136,762
Total fund balances	1,489,169	227,276	480,954	140,398	-	180,218	441,171	789,351	405,347	4,153,884
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 1,543,093</b>	<b>\$ 632,186</b>	<b>\$ 485,164</b>	<b>\$ 141,322</b>	<b>\$ 2,297</b>	<b>\$ 229,995</b>	<b>\$ 838,763</b>	<b>\$ 801,466</b>	<b>\$ 425,591</b>	<b>\$ 5,099,877</b>

**CITY OF SILVERTON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
 Year Ended June 30, 2022

	Street	Assessment	Building Operations	Transportation	Electrical Inspection	Transient Tax	Community			Total
							Development	Grant Housing	Pool Operations	
							Rehabilitation	Levy	Parks Fee	
<b>Revenues</b>										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 269,197
Transient taxes	-	-	-	-	-	386,528	-	-	-	386,528
Licenses, permits and fees	22,413	-	298,508	-	33,097	-	-	-	-	354,018
Fines and forfeitures	-	-	-	-	-	-	-	-	89,742	89,742
Assessments	-	28,484	-	-	-	-	-	-	-	28,484
Intergovernmental	846,077	-	-	123,302	-	-	-	-	-	969,379
Fuel taxes	101,139	-	-	-	-	-	-	-	-	101,139
Loan repayment	7,620	1,731	3,009	432	5	1,068	56,725	4,754	-	56,725
Interest	250	294	160	3,409	-	-	2,452	-	-	23,254
Miscellaneous	-	-	-	-	-	-	-	-	-	4,113
Total revenues	977,499	30,509	301,677	127,143	33,102	387,596	59,177	273,951	91,925	2,282,579
<b>Expenditures</b>										
Current										
General government	-	-	305,179	59,055	32,512	232,212	14,551	-	-	643,509
Highways and streets	308,531	-	-	-	-	-	-	-	-	308,531
Culture and recreation	-	-	-	-	-	-	-	-	25,580	175,175
Capital outlay	207,105	-	3,887	15	-	-	-	137,115	21,697	369,819
Total expenditures	515,636	-	309,066	59,070	32,512	232,212	14,551	286,710	47,277	1,497,034
Excess (deficiency) of revenues over expenditures	461,863	30,509	(7,389)	68,073	590	155,384	44,626	(12,759)	44,648	785,545
<b>Other financing sources (uses)</b>										
Transfers out	(250,635)	-	(62,252)	(5,753)	(590)	(115,889)	-	-	-	(435,119)
Total other financing sources (uses)	(250,635)	-	(62,252)	(5,753)	(590)	(115,889)	-	-	-	(435,119)
Net change in fund balances	211,228	30,509	(69,641)	62,320	-	39,495	44,626	(12,759)	44,648	350,426
Fund balances at beginning of year	1,277,941	196,767	550,595	78,078	-	140,723	396,545	802,110	360,699	3,803,458
<b>Fund balance at end of year</b>	<b>\$ 1,489,169</b>	<b>\$ 227,276</b>	<b>\$ 480,954</b>	<b>\$ 140,398</b>	<b>\$ -</b>	<b>\$ 180,218</b>	<b>\$ 441,171</b>	<b>\$ 789,351</b>	<b>\$ 405,347</b>	<b>\$ 4,153,884</b>

**CITY OF SILVERTON**  
 COMBINING BALANCE SHEET  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 June 30, 2022

	Building Capital Improvement Reserve	McCialne Street Improvement Project	Steelhammer LID	Street Improvement SDC	Street Maintenance Fee	Street Lights Improvement	Street Reimbursement SDC	Street Projects	Parks and Recreation Improvement SDC			Stormwater Improvement SDC	Stormwater Fee	Stormwater Reimbursement SDC	Total	
									Recreation Improvement SDC	Stormwater Improvement SDC	Stormwater Reimbursement SDC					
<b>Assets</b>																
Cash and cash equivalents	\$ 561,785	\$ 96,438	\$ 22,552	\$ 2,184,435	\$ 1,162,531	\$ 213,516	\$ 574,045	\$ 1,116,595	\$ 2,389,532	\$ 271,935	\$ 1,448,885	\$ 184,692	\$ 10,226,941		\$ 87,409	
Receivables					45,144						42,265					
<b>Total assets</b>	<b>\$ 561,785</b>	<b>\$ 96,438</b>	<b>\$ 22,552</b>	<b>\$ 2,184,435</b>	<b>\$ 1,207,675</b>	<b>\$ 213,516</b>	<b>\$ 574,045</b>	<b>\$ 1,116,595</b>	<b>\$ 2,389,532</b>	<b>\$ 271,935</b>	<b>\$ 1,491,150</b>	<b>\$ 184,692</b>	<b>\$ 10,314,350</b>			
<b>Liabilities, deferred inflows and fund balances</b>																
Liabilities																
Accounts payable and accrued liabilities				38	10,416				38	8,605						19,097
Total liabilities				38	10,416				38	8,605						19,097
Fund balances																
Restricted			22,552	2,184,397	1,197,259		574,045	1,116,595	2,389,494	263,330	1,491,150	184,692	9,423,514			
Committed	561,785	96,438											658,223			
Assigned						213,516							213,516			
Total fund balances	561,785	96,438	22,552	2,184,397	1,197,259	213,516	574,045	1,116,595	2,389,494	263,330	1,491,150	184,692	10,295,253			
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 561,785</b>	<b>\$ 96,438</b>	<b>\$ 22,552</b>	<b>\$ 2,184,435</b>	<b>\$ 1,207,675</b>	<b>\$ 213,516</b>	<b>\$ 574,045</b>	<b>\$ 1,116,595</b>	<b>\$ 2,389,532</b>	<b>\$ 271,935</b>	<b>\$ 1,491,150</b>	<b>\$ 184,692</b>	<b>\$ 10,314,350</b>			



**CITY OF SILVERTON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**Year Ended June 30, 2022**

	Building Capital Reserve	McClaine Street Improvement Project	Steelhammer LID	Street Improvement SDC	Street Maintenance Fee	Street Lights Improvement	Street Reimbursement SDC	Street Projects	Parks and Recreation Improvement SDC	Stormwater Improvement SDC	Stormwater Fee	Stormwater Reimbursement SDC	Total
<b>Revenues</b>													
Licenses, permits and fees	\$ -	\$ -	\$ -	\$ -	\$ 535,867	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 501,508	\$ -	\$ 1,037,375
System development charges	-	-	1,107	160,049	-	-	31,062	-	188,617	31,750	-	29,737	442,322
Interest	2,731	2,000	114	11,779	5,109	1,207	3,142	6,385	14,547	1,593	6,500	975	56,082
Miscellaneous	-	-	-	-	2,000	-	-	-	-	-	-	-	2,000
Total revenues	2,731	2,000	1,221	171,828	542,976	1,207	34,204	6,385	203,164	33,343	508,008	30,712	1,537,779
<b>Expenditures</b>													
Current													
Highways and streets	-	-	-	399	116	-	-	-	-	81,230	1,993	-	83,738
Culture and recreation	-	-	-	-	59,859	-	-	78,899	399	2,100	62,652	-	399
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	203,510
Total expenditures	-	-	-	399	59,975	-	-	78,899	399	83,330	64,645	-	287,647
Excess (deficiency) of revenues over expenditures	2,731	2,000	1,221	171,429	483,001	1,207	34,204	(72,514)	202,765	(49,987)	443,363	30,712	1,250,132
<b>Other financing sources (uses)</b>													
Transfers in	115,889	-	-	-	-	-	-	-	-	-	207,516	-	323,405
Transfers out	-	(389,881)	-	-	-	-	-	-	(550,000)	-	(19,872)	-	(959,753)
Total other financing sources (uses)	115,889	(389,881)	-	-	-	-	-	-	(550,000)	-	187,644	-	(636,348)
Net change in fund balances	118,620	(387,881)	1,221	171,429	483,001	1,207	34,204	(72,514)	(347,235)	(49,987)	631,007	30,712	613,784
Fund balances at beginning of year	443,165	484,319	21,331	2,012,968	714,258	212,309	539,841	1,189,109	2,736,729	313,317	860,143	153,980	9,681,469
<b>Fund balance at end of year</b>	<b>\$ 561,785</b>	<b>\$ 96,438</b>	<b>\$ 22,552</b>	<b>\$ 2,184,397</b>	<b>\$ 1,197,259</b>	<b>\$ 213,516</b>	<b>\$ 574,045</b>	<b>\$ 1,116,595</b>	<b>\$ 2,389,494</b>	<b>\$ 263,330</b>	<b>\$ 1,491,150</b>	<b>\$ 184,692</b>	<b>\$ 10,295,253</b>

**CITY OF SILVERTON**  
**STREET - SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Licenses, permits and fees	\$ 26,000	\$ 22,413	\$ (3,587)
Intergovernmental	645,000	846,077	201,077
Fuel taxes	82,000	101,139	19,139
Interest	4,500	7,620	3,120
Miscellaneous	-	250	250
	<u>757,500</u>	<u>977,499</u>	<u>219,999</u>
<b>Expenditures</b>			
Administration	175,100	88,532	86,568
Maintenance	547,416	427,104	120,312
Contingency	304,726	-	304,726
	<u>1,027,242</u>	<u>515,636</u>	<u>511,606</u>
Excess (deficiency) of revenues over expenditures	<u>(269,742)</u>	<u>461,863</u>	<u>731,605</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(250,635)</u>	<u>(250,635)</u>	<u>-</u>
	<u>(250,635)</u>	<u>(250,635)</u>	<u>-</u>
Net change in fund balance	(520,377)	211,228	731,605
Fund balance at beginning of year	<u>689,033</u>	<u>1,277,941</u>	<u>588,908</u>
<b>Fund balance at end of year</b>	<b><u>\$ 168,656</u></b>	<b><u>\$ 1,489,169</u></b>	<b><u>\$ 1,320,513</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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Assessments	\$ 12,000	\$ 28,484	\$ 16,484
Interest	2,000	1,731	(269)
Miscellaneous	-	294	294
	<u>14,000</u>	<u>30,509</u>	<u>16,509</u>
<b>Expenditures</b>			
Materials and services	15,000	-	15,000
Contingency	193,013	-	193,013
	<u>208,013</u>	<u>-</u>	<u>208,013</u>
Net change in fund balance	(194,013)	30,509	224,522
Fund balance at beginning of year	<u>194,013</u>	<u>196,767</u>	<u>2,754</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 227,276</u></b>	<b><u>\$ 227,276</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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Licenses, permits and fees	\$ 295,000	\$ 298,508	\$ 3,508
Interest	3,500	3,009	(491)
Miscellaneous	<u>-</u>	<u>160</u>	<u>160</u>
Total revenues	<u>298,500</u>	<u>301,677</u>	<u>3,177</u>
<b>Expenditures</b>			
Inspection services	309,245	309,066	179
Contingency	<u>146,735</u>	<u>-</u>	<u>146,735</u>
Total expenditures	<u>455,980</u>	<u>309,066</u>	<u>146,914</u>
Excess (deficiency) of revenues over expenditures	<u>(157,480)</u>	<u>(7,389)</u>	<u>150,091</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(62,252)</u>	<u>(62,252)</u>	<u>-</u>
Total other financing sources (uses)	<u>(62,252)</u>	<u>(62,252)</u>	<u>-</u>
Net change in fund balance	(219,732)	(69,641)	150,091
Fund balance at beginning of year	<u>526,730</u>	<u>550,595</u>	<u>23,865</u>
<b>Fund balance at end of year</b>	<b><u>\$ 306,998</u></b>	<b><u>\$ 480,954</u></b>	<b><u>\$ 173,956</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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Intergovernmental	\$ 163,990	\$ 123,302	\$ (40,688)
Interest	350	432	82
Miscellaneous	<u>1,250</u>	<u>3,409</u>	<u>2,159</u>
Total revenues	<u>165,590</u>	<u>127,143</u>	<u>(38,447)</u>
<b>Expenditures</b>			
Trolley services	225,517	59,070	166,447
Contingency	<u>10,090</u>	<u>-</u>	<u>10,090</u>
Total expenditures	<u>235,607</u>	<u>59,070</u>	<u>176,537</u>
Excess (deficiency) of revenues over expenditures	<u>(70,017)</u>	<u>68,073</u>	<u>138,090</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(5,753)</u>	<u>(5,753)</u>	<u>-</u>
Total other financing sources (uses)	<u>(5,753)</u>	<u>(5,753)</u>	<u>-</u>
Net change in fund balance	(75,770)	62,320	138,090
Fund balance at beginning of year	<u>75,770</u>	<u>78,078</u>	<u>2,308</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 140,398</u></b>	<b><u>\$ 140,398</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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Licenses, permits and fees	\$ 50,300	\$ 33,097	\$ (17,203)
Interest	<u>50</u>	<u>5</u>	<u>(45)</u>
Total revenues	<u>50,350</u>	<u>33,102</u>	<u>(17,248)</u>
<b>Expenditures</b>			
Electrical inspection services	43,833	32,512	11,321
Contingency	<u>3,856</u>	<u>-</u>	<u>3,856</u>
Total expenditures	<u>47,689</u>	<u>32,512</u>	<u>15,177</u>
Excess (deficiency) of revenues over expenditures	<u>2,661</u>	<u>590</u>	<u>(2,071)</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(6,506)</u>	<u>(590)</u>	<u>5,916</u>
Total other financing sources (uses)	<u>(6,506)</u>	<u>(590)</u>	<u>5,916</u>
Net change in fund balance	(3,845)	-	3,845
Fund balance at beginning of year	<u>3,845</u>	<u>-</u>	<u>(3,845)</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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Transient room tax	\$ 250,000	\$ 386,528	\$ 136,528
Interest	950	1,068	118
	<u>250,950</u>	<u>387,596</u>	<u>136,646</u>
Total revenues	<u>250,950</u>	<u>387,596</u>	<u>136,646</u>
<b>Expenditures</b>			
Materials and services	220,700	232,212	(11,512)
Contingency	36,963	-	36,963
	<u>257,663</u>	<u>232,212</u>	<u>25,451</u>
Total expenditures	<u>257,663</u>	<u>232,212</u>	<u>25,451</u>
Excess (deficiency) of revenues over expenditures	<u>(6,713)</u>	<u>155,384</u>	<u>162,097</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(75,000)</u>	<u>(115,889)</u>	<u>(40,889)</u>
Total other financing sources (uses)	<u>(75,000)</u>	<u>(115,889)</u>	<u>(40,889)</u>
Net change in fund balance	(81,713)	39,495	121,208
Fund balance at beginning of year	<u>81,713</u>	<u>140,723</u>	<u>59,010</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 180,218</u></b>	<b><u>\$ 180,218</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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Loan repayment	\$ -	\$ 56,725	\$ 56,725
Interest	<u>2,500</u>	<u>2,452</u>	<u>(48)</u>
Total revenues	<u>2,500</u>	<u>59,177</u>	<u>56,677</u>
<b>Expenditures</b>			
Materials and services	256,500	14,551	241,949
Contingency	<u>120,801</u>	<u>-</u>	<u>120,801</u>
Total expenditures	<u>377,301</u>	<u>14,551</u>	<u>362,750</u>
Net change in fund balance	(374,801)	44,626	419,427
Fund balance at beginning of year	<u>374,801</u>	<u>396,545</u>	<u>21,744</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 441,171</u></b>	<b><u>\$ 441,171</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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Property taxes	\$ 258,250	\$ 269,197	\$ 10,947
Interest	<u>3,500</u>	<u>4,754</u>	<u>1,254</u>
Total revenues	<u>261,750</u>	<u>273,951</u>	<u>12,201</u>
<b>Expenditures</b>			
Materials and services	209,300	149,595	59,705
Capital outlay	156,000	137,115	18,885
Contingency	<u>335,332</u>	<u>-</u>	<u>335,332</u>
Total expenditures	<u>700,632</u>	<u>286,710</u>	<u>413,922</u>
Excess (deficiency) of revenues over expenditures	<u>(438,882)</u>	<u>(12,759)</u>	<u>426,123</u>
Net change in fund balance	(438,882)	(12,759)	426,123
Fund balance at beginning of year	<u>673,882</u>	<u>802,110</u>	<u>128,228</u>
<b>Fund balance at end of year</b>	<b><u>\$ 235,000</u></b>	<b><u>\$ 789,351</u></b>	<b><u>\$ 554,351</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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Fines and forfeitures	\$ 89,445	\$ 89,742	\$ 297
Interest	<u>1,800</u>	<u>2,183</u>	<u>383</u>
Total revenues	<u>91,245</u>	<u>91,925</u>	<u>680</u>
<b>Expenditures</b>			
Parks maintenance	93,618	25,580	68,038
Capital outlay	90,000	21,697	68,303
Contingency	<u>287,580</u>	<u>-</u>	<u>287,580</u>
Total expenditures	<u>471,198</u>	<u>47,277</u>	<u>423,921</u>
Net change in fund balance	(379,953)	44,648	424,601
Fund balance at beginning of year	<u>379,953</u>	<u>360,699</u>	<u>(19,254)</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 405,347</u></b>	<b><u>\$ 405,347</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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Interest	\$ 550	\$ 803	\$ 253
Total revenues	<u>550</u>	<u>803</u>	<u>253</u>
<b>Expenditures</b>			
Debt service	<u>255,979</u>	<u>230,830</u>	<u>25,149</u>
Excess (deficiency) of revenues over expenditures	<u>(255,429)</u>	<u>(230,027)</u>	<u>25,402</u>
<b>Other financing sources (uses)</b>			
Transfers in	<u>230,832</u>	<u>230,832</u>	<u>-</u>
Total other financing sources (uses)	<u>230,832</u>	<u>230,832</u>	<u>-</u>
Net change in fund balance	(24,597)	805	25,402
Fund balance at beginning of year	<u>24,597</u>	<u>24,731</u>	<u>134</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 25,536</u></b>	<b><u>\$ 25,536</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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Interest	\$ 9,155	\$ 2,731	\$ (6,424)
Total revenues	<u>9,155</u>	<u>2,731</u>	<u>(6,424)</u>
<b>Expenditures</b>			
Capital outlay	<u>517,278</u>	-	<u>517,278</u>
Total expenditures	<u>517,278</u>	-	<u>517,278</u>
Excess (deficiency) of revenues over expenditures	<u>(508,123)</u>	<u>2,731</u>	<u>510,854</u>
<b>Other financing sources (uses)</b>			
Transfers in	<u>75,000</u>	<u>115,889</u>	<u>40,889</u>
Total other financing sources (uses)	<u>75,000</u>	<u>115,889</u>	<u>40,889</u>
Net change in fund balance	(433,123)	118,620	551,743
Fund balance at beginning of year	<u>433,123</u>	<u>443,165</u>	<u>10,042</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 561,785</u></b>	<b><u>\$ 561,785</u></b>

**CITY OF SILVERTON**  
**MCCLAIN ST IMPROVEMENT FUND - CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Interest	\$ -	\$ 2,000	\$ 2,000
Total revenues	<u>-</u>	<u>2,000</u>	<u>2,000</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(389,881)</u>	<u>(389,881)</u>	<u>-</u>
Total other financing sources (uses)	<u>(389,881)</u>	<u>(389,881)</u>	<u>-</u>
Net change in fund balance	(389,881)	(387,881)	2,000
Fund balance at beginning of year	<u>389,881</u>	<u>484,319</u>	<u>94,438</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 96,438</u></b>	<b><u>\$ 96,438</u></b>

**CITY OF SILVERTON**  
**STEELHAMMER PROJECT - CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
System development charges	\$ 3,321	\$ 1,107	\$ (2,214)
Interest	<u>75</u>	<u>114</u>	<u>39</u>
Total revenues	<u>3,396</u>	<u>1,221</u>	<u>(2,175)</u>
<b>Expenditures</b>			
Street improvements	<u>26,920</u>	<u>-</u>	<u>26,920</u>
Total expenditures	<u>26,920</u>	<u>-</u>	<u>26,920</u>
Net change in fund balance	(23,524)	1,221	24,745
Fund balance at beginning of year	<u>23,524</u>	<u>21,331</u>	<u>(2,193)</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 22,552</u></b>	<b><u>\$ 22,552</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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
System development charges	\$ 150,000	\$ 160,049	\$ 10,049
Interest	<u>1,225</u>	<u>11,779</u>	<u>10,554</u>
Total revenues	<u>151,225</u>	<u>171,828</u>	<u>20,603</u>
<b>Expenditures</b>			
Street improvements	<u>2,131,840</u>	<u>399</u>	<u>2,131,441</u>
Total expenditures	<u>2,131,840</u>	<u>399</u>	<u>2,131,441</u>
Net change in fund balance	(1,980,615)	171,429	2,152,044
Fund balance at beginning of year	<u>1,980,615</u>	<u>2,012,968</u>	<u>32,353</u>
<b>Fund balance at end of year</b>	<b><u><u>\$ -</u></u></b>	<b><u><u>\$ 2,184,397</u></u></b>	<b><u><u>\$ 2,184,397</u></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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Licenses, permits and fees	\$ 520,000	\$ 535,867	\$ 15,867
Interest	950	5,109	4,159
Miscellaneous	<u>1,000</u>	<u>2,000</u>	<u>1,000</u>
 Total revenues	 <u>521,950</u>	 <u>542,976</u>	 <u>21,026</u>
<b>Expenditures</b>			
Street improvements	<u>1,201,686</u>	<u>59,975</u>	<u>1,141,711</u>
 Total expenditures	 <u>1,201,686</u>	 <u>59,975</u>	 <u>1,141,711</u>
Excess (deficiency) of revenues over expenditures	<u>(679,736)</u>	<u>483,001</u>	<u>1,162,737</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(127,657)</u>	<u>-</u>	<u>127,657</u>
 Total other financing sources (uses)	 <u>(127,657)</u>	 <u>-</u>	 <u>127,657</u>
Net change in fund balance	(807,393)	483,001	1,290,394
Fund balance at beginning of year	<u>807,393</u>	<u>714,258</u>	<u>(93,135)</u>
 <b>Fund balance at end of year</b>	 <b><u><u>\$ -</u></u></b>	 <b><u><u>\$ 1,197,259</u></u></b>	 <b><u><u>\$ 1,197,259</u></u></b>



**CITY OF SILVERTON**  
**STREET LIGHT IMPROVEMENT - CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Interest	\$ 1,200	\$ 1,207	\$ 7
Total revenues	<u>1,200</u>	<u>1,207</u>	<u>7</u>
<b>Expenditures</b>			
Street improvements	<u>213,457</u>	-	<u>213,457</u>
Total expenditures	<u>213,457</u>	-	<u>213,457</u>
Net change in fund balance	(212,257)	1,207	213,464
Fund balance at beginning of year	<u>212,257</u>	<u>212,309</u>	<u>52</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 213,516</u></b>	<b><u>\$ 213,516</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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
System development charges	\$ 23,320	\$ 31,062	\$ 7,742
Interest	<u>2,500</u>	<u>3,142</u>	<u>642</u>
Total revenues	<u>25,820</u>	<u>34,204</u>	<u>8,384</u>
<b>Expenditures</b>			
Street improvements	<u>529,840</u>	<u>-</u>	<u>529,840</u>
Total expenditures	<u>529,840</u>	<u>-</u>	<u>529,840</u>
Net change in fund balance	(504,020)	34,204	538,224
Fund balance at beginning of year	<u>504,020</u>	<u>539,841</u>	<u>35,821</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 574,045</u></b>	<b><u>\$ 574,045</u></b>

**CITY OF SILVERTON**  
**STREET CAPITAL PROJECT - CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Intergovernmental	\$ 250,000	\$ -	\$ (250,000)
Interest	<u>7,500</u>	<u>6,385</u>	<u>(1,115)</u>
Total revenues	<u>257,500</u>	<u>6,385</u>	<u>(251,115)</u>
<b>Expenditures</b>			
Street improvements	<u>1,446,558</u>	<u>78,899</u>	<u>1,367,659</u>
Total expenditures	<u>1,446,558</u>	<u>78,899</u>	<u>1,367,659</u>
Net change in fund balance	(1,189,058)	(72,514)	1,116,544
Fund balance at beginning of year	<u>1,189,058</u>	<u>1,189,109</u>	<u>51</u>
<b>Fund balance at end of year</b>	<b><u><u>\$ -</u></u></b>	<b><u><u>\$ 1,116,595</u></u></b>	<b><u><u>\$ 1,116,595</u></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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
System development charges	\$ 249,600	\$ 188,617	\$ (60,983)
Interest	16,500	14,547	(1,953)
Total revenues	<u>266,100</u>	<u>203,164</u>	<u>(62,936)</u>
<b>Expenditures</b>			
Parks improvement	<u>2,388,765</u>	<u>399</u>	<u>2,388,366</u>
Total expenditures	<u>2,388,765</u>	<u>399</u>	<u>2,388,366</u>
Excess (deficiency) of revenues over expenditures	<u>(2,122,665)</u>	<u>202,765</u>	<u>2,325,430</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(550,000)</u>	<u>(550,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(550,000)</u>	<u>(550,000)</u>	<u>-</u>
Net change in fund balance	(2,672,665)	(347,235)	2,325,430
Fund balance at beginning of year	<u>2,672,665</u>	<u>2,736,729</u>	<u>64,064</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 2,389,494</u></b>	<b><u>\$ 2,389,494</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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
System development charges	\$ 28,000	\$ 31,750	\$ 3,750
Interest	<u>4,000</u>	<u>1,593</u>	<u>(2,407)</u>
Total revenues	<u>32,000</u>	<u>33,343</u>	<u>1,343</u>
<b>Expenditures</b>			
Stormwater improvement	<u>256,622</u>	<u>83,330</u>	<u>173,292</u>
Total expenditures	<u>256,622</u>	<u>83,330</u>	<u>173,292</u>
Net change in fund balance	(224,622)	(49,987)	174,635
Fund balance at beginning of year	<u>224,622</u>	<u>313,317</u>	<u>88,695</u>
<b>Fund balance at end of year</b>	<u><b>\$ -</b></u>	<u><b>\$ 263,330</b></u>	<u><b>\$ 263,330</b></u>

**CITY OF SILVERTON**  
**STORMWATER FEE - CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Licenses, permits and fees	\$ 490,000	\$ 501,508	\$ 11,508
Interest	<u>3,600</u>	<u>6,500</u>	<u>2,900</u>
Total revenues	<u>493,600</u>	<u>508,008</u>	<u>14,408</u>
<b>Expenditures</b>			
Stormwater improvement	<u>1,450,157</u>	<u>64,645</u>	<u>1,385,512</u>
Total expenditures	<u>1,450,157</u>	<u>64,645</u>	<u>1,385,512</u>
Excess (deficiency) of revenues over expenditures	<u>(956,557)</u>	<u>443,363</u>	<u>1,399,920</u>
<b>Other financing sources (uses)</b>			
Transfers in	207,516	207,516	-
Transfers out	<u>(109,063)</u>	<u>(19,872)</u>	<u>89,191</u>
Total other financing sources (uses)	<u>98,453</u>	<u>187,644</u>	<u>89,191</u>
Net change in fund balance	(858,104)	631,007	1,489,111
Fund balance at beginning of year	<u>858,104</u>	<u>860,143</u>	<u>2,039</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 1,491,150</u></b>	<b><u>\$ 1,491,150</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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
System development charges	\$ 18,280	\$ 29,737	\$ 11,457
Interest	<u>500</u>	<u>975</u>	<u>475</u>
Total revenues	<u>18,780</u>	<u>30,712</u>	<u>11,932</u>
<b>Expenditures</b>			
Stormwater improvement	<u>172,068</u>	<u>-</u>	<u>172,068</u>
Total expenditures	<u>172,068</u>	<u>-</u>	<u>172,068</u>
Net change in fund balance	(153,288)	30,712	184,000
Fund balance at beginning of year	<u>153,288</u>	<u>153,980</u>	<u>692</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 184,692</u></b>	<b><u>\$ 184,692</u></b>

**CITY OF SILVERTON**  
**WESTERN ST IMPROVEMENT FUND - CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Interest	\$ 25	\$ -	\$ (25)
Total revenues	<u>25</u>	<u>-</u>	<u>(25)</u>
<b>Expenditures</b>			
Street improvements	<u>355,892</u>	<u>-</u>	<u>355,892</u>
Total expenditures	<u>355,892</u>	<u>-</u>	<u>355,892</u>
Excess (deficiency) of revenues over expenditures	<u>(355,867)</u>	<u>-</u>	<u>355,867</u>
<b>Other financing sources (uses)</b>			
Transfers in	<u>355,867</u>	<u>-</u>	<u>(355,867)</u>
Total other financing sources (uses)	<u>355,867</u>	<u>-</u>	<u>(355,867)</u>
Net change in fund balance	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>



**CITY OF SILVERTON**  
**COMBINING STATEMENT OF NET POSITION**  
**SEWER FUNDS**  
**June 30, 2022**

	Sewer	Sewer Improvement SDC	Sewer Reimbursement SDC	Sewer Debt Reserve	WWTP Digester Project	Sewer Capital Project	Total Sewer Fund
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents	\$ 2,921,684	\$ 1,601,868	\$ 2,246,947	\$ 836,111	\$ 219,867	\$ 3,368,627	\$ 11,195,104
Receivables, net	318,414	-	-	-	-	-	318,414
Inventory	13,237	-	-	-	-	-	13,237
<b>Total current assets</b>	<b>3,253,335</b>	<b>1,601,868</b>	<b>2,246,947</b>	<b>836,111</b>	<b>219,867</b>	<b>3,368,627</b>	<b>11,526,755</b>
Net other postemployment benefits asset	13,283	-	-	-	-	-	13,283
<b>Capital assets</b>							
Land and construction in progress	1,881,020	-	-	-	-	-	1,881,020
Other capital assets, net	20,432,586	-	-	-	-	-	20,432,586
<b>Total capital assets</b>	<b>22,313,606</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,313,606</b>
<b>Total assets</b>	<b>25,580,224</b>	<b>1,601,868</b>	<b>2,246,947</b>	<b>836,111</b>	<b>219,867</b>	<b>3,368,627</b>	<b>33,853,644</b>
<b>Deferred outflows of resources</b>							
Pension related items	374,624	-	-	-	-	-	374,624
Other postemployment benefit related items	5,607	-	-	-	-	-	5,607
<b>Total deferred outflows of resources</b>	<b>380,231</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>380,231</b>
<b>Liabilities</b>							
<b>Current liabilities</b>							
Accounts payable and accrued liabilities	28,910	38	-	-	9,659	-	38,607
Accrued interest payable	51,022	-	-	-	-	-	51,022
Compensated absences	30,041	-	-	-	-	-	30,041
Long-term obligations due within one year	522,890	-	-	-	-	-	522,890
<b>Total current liabilities</b>	<b>632,863</b>	<b>38</b>	<b>-</b>	<b>-</b>	<b>9,659</b>	<b>-</b>	<b>642,560</b>
Long-term obligations due in more than one year	7,443,924	-	-	-	-	-	7,443,924
<b>Total liabilities</b>	<b>8,076,787</b>	<b>38</b>	<b>-</b>	<b>-</b>	<b>9,659</b>	<b>-</b>	<b>8,086,484</b>
<b>Deferred inflows of resources</b>							
Pension related items	463,511	-	-	-	-	-	463,511
Other postemployment benefit related items	17,348	-	-	-	-	-	17,348
<b>Total deferred inflows of resources</b>	<b>480,859</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>480,859</b>
<b>Net position</b>							
Net investment in capital assets	14,868,606	-	-	-	-	-	14,868,606
Restricted for:							
Capital projects	-	1,601,830	2,246,947	-	210,208	-	4,058,985
Unrestricted	2,534,203	-	-	836,111	-	3,368,627	6,738,941
<b>Total net position</b>	<b>\$ 17,402,809</b>	<b>\$ 1,601,830</b>	<b>\$ 2,246,947</b>	<b>\$ 836,111</b>	<b>\$ 210,208</b>	<b>\$ 3,368,627</b>	<b>\$ 25,666,532</b>

**CITY OF SILVERTON**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**SEWER FUNDS**  
Year Ended June 30, 2022

	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	\$ 4,061,969	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,061,969
Total operating revenues	4,061,969	-	-	-	-	-	-	4,061,969
<b>Operating expenses</b>								
Personnel services	751,371	-	-	-	-	-	-	751,371
Materials and services	673,641	399	-	-	-	-	-	674,040
Depreciation	721,916	-	-	-	-	-	-	721,916
Total operating expenses	2,146,928	399	-	-	-	-	-	2,147,327
Operating income (loss)	1,915,041	(399)	-	-	-	-	-	1,914,642
<b>Nonoperating revenues (expenses)</b>								
Interest income	16,154	8,352	12,492	4,724	1,448	18,027	-	61,197
Miscellaneous	10,039	-	-	-	-	-	-	10,039
Loss on sale of capital assets	(8,716)	-	-	-	-	-	-	(8,716)
Interest expense	(369,771)	-	-	-	-	-	-	(369,771)
Total nonoperating revenue (expenses)	(352,294)	8,352	12,492	4,724	1,448	18,027	-	(307,251)
Income (loss) before transfers	1,562,747	7,953	12,492	4,724	1,448	18,027	-	1,607,391
Capital contributions	-	190,116	60,346	-	-	-	-	250,462
Transfers in	357,446	-	-	-	-	560,872	(357,446)	560,872
Transfers out	(1,207,706)	-	-	-	(57,740)	(299,706)	357,446	(1,207,706)
Change in net position	712,487	198,069	72,838	4,724	(56,292)	279,193	-	1,211,019
Net position - beginning	16,690,322	1,403,761	2,174,109	831,387	266,500	3,089,434	-	24,455,513
<b>Net position - ending</b>	<b>\$ 17,402,809</b>	<b>\$ 1,601,830</b>	<b>\$ 2,246,947</b>	<b>\$ 836,111</b>	<b>\$ 210,208</b>	<b>\$ 3,368,627</b>	<b>\$ -</b>	<b>\$ 25,666,532</b>

**CITY OF SILVERTON**  
**COMBINING STATEMENT OF CASH FLOWS**  
**SEWER FUNDS**  
Year Ended June 30, 2022

	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	\$ 4,094,961	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,094,961
Payments to suppliers	(691,154)	(361)	-	-	-	-	-	(691,515)
Payments to employees	(795,297)	-	-	-	-	-	-	(795,297)
Net cash provided by (used in) operating activities	2,608,510	(361)	-	-	-	-	-	2,608,149
<b>Cash flows from capital and related financing activities</b>								
Transfers in	-	-	-	-	-	560,872	(560,872)	-
Transfers out	(1,207,706)	-	-	-	-	-	560,872	(646,834)
System development charges received	-	190,116	60,346	-	-	-	-	250,462
Other	10,039	-	-	-	-	-	-	10,039
Acquisition of capital assets	(42,535)	-	-	-	(48,081)	(324,706)	-	(412,322)
Issuance of long-term obligations	7,445,000	-	-	-	-	-	-	7,445,000
Principal paid on long-term obligations	(7,925,000)	-	-	-	-	-	-	(7,925,000)
Interest paid on long-term obligations	(347,724)	-	-	-	-	-	-	(347,724)
Net cash provided by (used in ) capital and related financing activities	(2,067,926)	190,116	60,346	-	(48,081)	239,166	-	(1,626,379)
<b>Cash flows from investing activities</b>								
Interest on investments	16,154	8,352	12,492	4,724	1,448	18,027	-	61,197
Net cash provided by (used in ) investing activities	16,154	8,352	12,492	4,724	1,448	18,027	-	61,197
Net increase (decrease) in cash and cash equivalents	556,738	198,107	72,838	4,724	(46,633)	257,193	-	1,042,967
Cash and cash equivalents - beginning of year	2,364,946	1,403,761	2,174,109	831,387	266,500	3,111,434	-	10,152,137
<b>Cash and cash equivalents - end of year</b>	<b>\$ 2,921,684</b>	<b>\$ 1,601,868</b>	<b>\$ 2,246,947</b>	<b>\$ 836,111</b>	<b>\$ 219,867</b>	<b>\$ 3,368,627</b>	<b>\$ -</b>	<b>\$ 11,195,104</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>								
Operating income (loss)	\$ 1,915,041	\$ (399)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,914,642
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities								
Depreciation	721,916	-	-	-	-	-	-	721,916
(Increase) decrease in assets and deferred outflows of resources								
Receivables, net	32,992	-	-	-	-	-	-	32,992
Inventories	1,786	-	-	-	-	-	-	1,786
Net other postemployment benefits asset	(7,845)	-	-	-	-	-	-	(7,845)
Pension related items	3,385	-	-	-	-	-	-	3,385
Other postemployment benefit related items	1,200	-	-	-	-	-	-	1,200
Increase (decrease) in liabilities and deferred inflows of resources								
Accounts payable and accrued liabilities	(19,299)	38	-	-	-	-	-	(19,261)
Compensated absences payable	2,146	-	-	-	-	-	-	2,146
Net pension liability	(365,264)	-	-	-	-	-	-	(365,264)
Other postemployment benefits liability	2,057	-	-	-	-	-	-	2,057
Pension related items	318,321	-	-	-	-	-	-	318,321
Other postemployment benefit related items	2,074	-	-	-	-	-	-	2,074
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 2,608,510</b>	<b>\$ (361)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,608,149</b>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS</b>								
Transfers in	\$ 357,446	\$ -	\$ -	\$ -	\$ -	\$ (299,706)	\$ (357,446)	\$ -
Transfers out	-	-	-	-	(57,740)	-	357,446	-
Total noncash transactions	\$ 357,446	\$ -	\$ -	\$ -	\$ (57,740)	\$ (299,706)	\$ -	\$ -

**CITY OF SILVERTON**  
**SEWER - ENTERPRISE FUND (MAJOR FUND)**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Charges for services	\$ 3,403,320	\$ 4,061,969	\$ 658,649
Interest	12,000	16,154	4,154
Miscellaneous	<u>10,000</u>	<u>10,039</u>	<u>39</u>
Total revenues	<u>3,425,320</u>	<u>4,088,162</u>	<u>662,842</u>
<b>Expenditures</b>			
Administration	310,065	266,721	43,344
Operations	1,392,097	994,948	397,149
Maintenance	447,714	251,950	195,764
Debt service	827,730	827,724	6
Contingency	<u>691,492</u>	<u>-</u>	<u>691,492</u>
Total expenditures	<u>3,669,098</u>	<u>2,341,343</u>	<u>1,327,755</u>
Excess (deficiency) of revenues over expenditures	<u>(243,778)</u>	<u>1,746,819</u>	<u>1,990,597</u>
<b>Other financing sources (uses)</b>			
Issuance of long-term obligations	-	7,445,000	7,445,000
Payment to current refunding agent	-	(7,445,000)	(7,445,000)
Transfers out	<u>(1,207,706)</u>	<u>(1,207,706)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,207,706)</u>	<u>(1,207,706)</u>	<u>-</u>
Net change in fund balance	(1,451,484)	539,113	1,990,597
Fund balance at beginning of year	<u>2,058,260</u>	<u>2,655,271</u>	<u>597,011</u>
<b>Fund balance at end of year</b>	<b><u>\$ 606,776</u></b>	3,194,384	<b><u>\$ 2,587,608</u></b>
<b>Reconciliation to generally accepted accounting principles</b>			
Net other postemployment benefit asset		13,283	
Capital assets, net		22,313,606	
Deferred outflows of resources		380,231	
Accrued interest payable		(51,022)	
Net pension liability		(488,161)	
Other postemployment benefit liability		(33,653)	
Long-term obligations		(7,445,000)	
Deferred inflows of resources		<u>(480,859)</u>	
<b>Net position - ending</b>		<b><u>\$ 17,402,809</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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
System development charges	\$ 170,000	\$ 190,116	\$ 20,116
Interest	<u>7,000</u>	<u>8,352</u>	<u>1,352</u>
Total revenues	<u>177,000</u>	<u>198,468</u>	<u>21,468</u>
<b>Expenditures</b>			
Sewer improvements	<u>1,604,294</u>	<u>399</u>	<u>1,603,895</u>
Total expenditures	<u>1,604,294</u>	<u>399</u>	<u>1,603,895</u>
Net change in fund balance	(1,427,294)	198,069	1,625,363
Fund balance at beginning of year	<u>1,427,294</u>	<u>1,403,761</u>	<u>(23,533)</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 1,601,830</u></b>	<b><u>\$ 1,601,830</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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
System development charges	\$ 80,000	\$ 60,346	\$ (19,654)
Interest	<u>12,500</u>	<u>12,492</u>	<u>(8)</u>
Total revenues	<u>92,500</u>	<u>72,838</u>	<u>(19,662)</u>
<b>Expenditures</b>			
Sewer improvements	<u>2,259,174</u>	<u>-</u>	<u>2,259,174</u>
Total expenditures	<u>2,259,174</u>	<u>-</u>	<u>2,259,174</u>
Net change in fund balance	(2,166,674)	72,838	2,239,512
Fund balance at beginning of year	<u>2,166,674</u>	<u>2,174,109</u>	<u>7,435</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 2,246,947</u></b>	<b><u>\$ 2,246,947</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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Interest	\$ 4,000	\$ 4,724	\$ 724
Total revenues	<u>4,000</u>	<u>4,724</u>	<u>724</u>
Net change in fund balance	4,000	4,724	724
Fund balance at beginning of year	<u>830,385</u>	<u>831,387</u>	<u>1,002</u>
<b>Fund balance at end of year</b>	<b><u><u>\$ 834,385</u></u></b>	<b><u><u>\$ 836,111</u></u></b>	<b><u><u>\$ 1,726</u></u></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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Interest	\$ 500	\$ 1,448	\$ 948
Total revenues	<u>500</u>	<u>1,448</u>	<u>948</u>
<b>Expenditures</b>			
Sewer improvements	<u>145,708</u>	<u>57,740</u>	<u>87,968</u>
Total expenditures	<u>145,708</u>	<u>57,740</u>	<u>87,968</u>
Excess (deficiency) of revenues over expenditures	<u>(145,208)</u>	<u>(56,292)</u>	<u>88,916</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(121,129)</u>	<u>-</u>	<u>121,129</u>
Total other financing sources (uses)	<u>(121,129)</u>	<u>-</u>	<u>121,129</u>
Net change in fund balance	(266,337)	(56,292)	210,045
Fund balance at beginning of year	<u>266,337</u>	<u>266,500</u>	<u>163</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 210,208</u></b>	<b><u>\$ 210,208</u></b>



**CITY OF SILVERTON**  
**SEWER CAPITAL PROJECT - ENTERPRISE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Interest	\$ 12,200	\$ 18,027	\$ 5,827
Total revenues	<u>12,200</u>	<u>18,027</u>	<u>5,827</u>
<b>Expenditures</b>			
Sewer improvements	<u>3,801,241</u>	<u>299,706</u>	<u>3,501,535</u>
Total expenditures	<u>3,801,241</u>	<u>299,706</u>	<u>3,501,535</u>
Excess (deficiency) of revenues over expenditures	<u>(3,789,041)</u>	<u>(281,679)</u>	<u>3,507,362</u>
<b>Other financing sources (uses)</b>			
Transfers in	<u>682,001</u>	<u>560,872</u>	<u>(121,129)</u>
Total other financing sources (uses)	<u>682,001</u>	<u>560,872</u>	<u>(121,129)</u>
Net change in fund balance	(3,107,040)	279,193	3,386,233
Fund balance at beginning of year	<u>3,107,040</u>	<u>3,089,434</u>	<u>(17,606)</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 3,368,627</u></b>	<b><u>\$ 3,368,627</u></b>

**CITY OF SILVERTON**  
**COMBINING STATEMENT OF NET POSITION**  
**WATER FUND**  
**June 30, 2022**

	<u>Water</u>	<u>Water Improvement SDC</u>	<u>Water Reimbursement SDC</u>	<u>Water Capital Project</u>	<u>Total Water Fund</u>
<b>Assets</b>					
Current assets					
Cash and cash equivalents	\$ 2,601,252	\$ 2,406,233	\$ 556,732	\$ 1,945,699	\$ 7,509,916
Receivables, net	203,502	-	-	-	203,502
Inventory	125,743	-	-	-	125,743
Total current assets	2,930,497	2,406,233	556,732	1,945,699	7,839,161
Net other postemployment benefits asset	10,065	-	-	-	10,065
Capital assets					
Land and construction in progress	1,790,507	-	-	-	1,790,507
Other capital assets, net	7,142,361	-	-	-	7,142,361
Total capital assets	8,932,868	-	-	-	8,932,868
Total assets	11,873,430	2,406,233	556,732	1,945,699	16,782,094
<b>Deferred outflows of resources</b>					
Pension related items	283,098	-	-	-	283,098
Other postemployment benefit related items	4,249	-	-	-	4,249
Total deferred outflows of resources	287,347	-	-	-	287,347
<b>Liabilities</b>					
Current liabilities					
Accounts payable and accrued liabilities	18,279	38	-	11,519	29,836
Consumer deposits	79,217	-	-	-	79,217
Accrued interest payable	1,410	-	-	-	1,410
Compensated absences	18,421	-	-	-	18,421
Long-term obligations due within one year	186,652	-	-	-	186,652
Total current liabilities	303,979	38	-	11,519	315,536
Long-term obligations due in more than one year	488,952	-	-	-	488,952
Total liabilities	792,931	38	-	11,519	804,488
<b>Deferred inflows of resources</b>					
Pension related items	350,269	-	-	-	350,269
Other postemployment benefit related items	13,145	-	-	-	13,145
Total deferred inflows of resources	363,414	-	-	-	363,414
<b>Net position</b>					
Net investment in capital assets	8,651,660	-	-	-	8,651,660
Restricted for capital projects	-	2,406,195	556,732	-	2,962,927
Unrestricted	2,352,772	-	-	1,934,180	4,286,952
Total net position	<u>\$ 11,004,432</u>	<u>\$ 2,406,195</u>	<u>\$ 556,732</u>	<u>\$ 1,934,180</u>	<u>\$ 15,901,539</u>

**CITY OF SILVERTON**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**WATER FUND**  
Year Ended June 30, 2022

	Water	Water Improvement SDC	Water Reimbursement SDC	Water Capital Project	Eliminations	Total Water Fund
<b>Operating revenues</b>						
Charges for services	\$ 2,977,573	\$ -	\$ -	\$ -	\$ -	\$ 2,977,573
Licenses, permits and fees	11,902	-	-	-	-	11,902
Total operating revenues	2,989,475	-	-	-	-	2,989,475
<b>Operating expenses</b>						
Personnel services	506,635	-	-	-	-	506,635
Materials and services	401,964	398	-	3,718	-	406,080
Depreciation	352,551	-	-	-	-	352,551
Total operating expenses	1,261,150	398	-	3,718	-	1,265,266
Operating income (loss)	1,728,325	(398)	-	(3,718)	-	1,724,209
<b>Nonoperating revenues (expenses)</b>						
Grants	15,000	-	-	140,000	-	155,000
Interest income	14,478	14,958	2,956	6,614	-	39,006
Miscellaneous	-	-	-	-	-	-
Interest expense	(11,877)	-	-	-	-	(11,877)
Total nonoperating revenue (expenses)	17,601	14,958	2,956	146,614	-	182,129
Income (loss) before transfers	1,745,926	14,560	2,956	142,896	-	1,906,338
Capital contributions	-	251,999	53,224	-	-	305,223
Transfers in	430,596	-	-	1,444,294	(1,261,929)	612,961
Transfers out	(1,384,207)	(540,948)	-	(430,596)	1,261,929	(1,093,822)
Change in net position	792,315	(274,389)	56,180	1,156,594	-	1,730,700
Net position - beginning	10,212,117	2,680,584	500,552	777,586	-	14,170,839
<b>Net position - ending</b>	<b>\$ 11,004,432</b>	<b>\$ 2,406,195</b>	<b>\$ 556,732</b>	<b>\$ 1,934,180</b>	<b>\$ -</b>	<b>\$ 15,901,539</b>

**CITY OF SILVERTON**  
**COMBINING STATEMENT OF CASH FLOWS**  
**WATER FUND**  
 Year Ended June 30, 2022

	Water Improvement SDC	Water Reimbursement SDC	Water Capital Project	Eliminations	Total Water Fund
<b>Cash flows from operating activities</b>					
Receipts from customers	\$ 3,082,642	\$ -	\$ -	\$ -	\$ 3,082,642
Receipts from other funds	(485,521)	(360)	(3,718)	-	(489,599)
Payments to suppliers	(599,713)	-	-	-	(599,713)
Payments to employees	-	-	-	-	-
Net cash provided by (used in) operating activities	1,997,408	(360)	(3,718)	-	1,993,330
<b>Cash flows from capital and related financing activities</b>					
Transfers in	-	-	1,444,294	(1,261,929)	182,365
Transfers out	(1,384,207)	(540,948)	-	1,261,929	(663,226)
System development charges received	-	251,999	-	-	305,223
Grants	15,000	-	140,000	-	155,000
Acquisition of capital assets	(9,119)	-	(675,846)	-	(684,965)
Principal paid on long-term obligations	(180,944)	-	-	-	(180,944)
Interest paid on long-term obligations	(12,781)	-	-	-	(12,781)
Net cash provided by (used in) capital and related financing activities	(1,572,051)	(288,949)	908,448	-	(899,328)
<b>Cash flows from investing activities</b>					
Interest on investments	14,478	14,958	6,614	-	39,006
Net cash provided by (used in) investing activities	14,478	14,958	6,614	-	39,006
Net increase (decrease) in cash and cash equivalents	439,835	(274,351)	911,344	-	1,133,008
Cash and cash equivalents - beginning of year	2,161,417	2,680,584	1,034,355	-	6,376,908
<b>Cash and cash equivalents - end of year</b>	<b>\$ 2,601,252</b>	<b>\$ 2,406,233</b>	<b>\$ 1,945,699</b>	<b>\$ -</b>	<b>\$ 7,509,916</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>					
Operating income (loss)	\$ 1,728,325	\$ (398)	\$ -	\$ (3,718)	\$ 1,724,209
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	352,551	-	-	-	352,551
(Increase) decrease in assets and deferred outflows of resources					
Receivables, net	85,272	-	-	-	85,272
Inventories	(21,146)	-	-	-	(21,146)
Net other postemployment benefits asset	(5,444)	-	-	-	(5,444)
Pension related items	38,101	-	-	-	38,101
Other postemployment benefit related items	1,535	-	-	-	1,535
Increase (decrease) in liabilities and deferred inflows of resources					
Accounts payable and accrued liabilities	(62,411)	38	-	-	(62,373)
Consumer deposits	7,895	-	-	-	7,895
Compensated absences payable	3,283	-	-	-	3,283
Net pension liability	(356,270)	-	-	-	(356,270)
Net other postemployment benefits liability	(1,348)	-	-	-	(1,348)
Pension related items	226,899	-	-	-	226,899
Other postemployment benefit related items	166	-	-	-	166
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 1,997,408</b>	<b>\$ (360)</b>	<b>\$ (3,718)</b>	<b>\$ -</b>	<b>\$ 1,993,330</b>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS</b>					
Transfers in	\$ 430,596	\$ -	\$ -	\$ (430,596)	\$ -
Transfers out	-	-	(430,596)	430,596	-
Total noncash transactions	\$ 430,596	\$ -	\$ (430,596)	\$ -	\$ -

**CITY OF SILVERTON**  
**WATER - ENTERPRISE FUND (MAJOR FUND)**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Licenses, permits and fees	\$ 11,000	\$ 11,902	\$ 902
Charges for services	2,595,000	2,977,573	382,573
Intergovernmental	15,000	15,000	-
Interest	11,500	14,478	2,978
	<u>2,632,500</u>	<u>3,018,953</u>	<u>386,453</u>
<b>Total revenues</b>			
	<u>2,632,500</u>	<u>3,018,953</u>	<u>386,453</u>
<b>Expenditures</b>			
Administration	386,456	331,149	55,307
Operations	627,667	331,991	295,676
Maintenance	581,015	350,939	230,076
Debt service	193,725	193,725	-
Contingency	589,945	-	589,945
	<u>2,378,808</u>	<u>1,207,804</u>	<u>1,171,004</u>
<b>Total expenditures</b>			
	<u>2,378,808</u>	<u>1,207,804</u>	<u>1,171,004</u>
Excess (deficiency) of revenues over expenditures	<u>253,692</u>	<u>1,811,149</u>	<u>1,557,457</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(1,523,226)</u>	<u>(1,384,207)</u>	<u>139,019</u>
	<u>(1,523,226)</u>	<u>(1,384,207)</u>	<u>139,019</u>
<b>Total other financing sources (uses)</b>			
	<u>(1,523,226)</u>	<u>(1,384,207)</u>	<u>139,019</u>
Net change in fund balance	(1,269,534)	426,942	1,696,476
Fund balance at beginning of year	<u>1,788,255</u>	<u>2,387,638</u>	<u>599,383</u>
<b>Fund balance at end of year</b>	<b><u>\$ 518,721</u></b>	2,814,580	<b><u>\$ 2,295,859</u></b>
<b>Reconciliation to generally accepted accounting principles</b>			
Net other postemployment benefit asset		10,065	
Capital assets, net		8,932,868	
Deferred outflows of resources		287,347	
Accrued interest payable		(1,410)	
Other postemployment benefit liability		(25,499)	
Net pension liability		(368,897)	
Long-term obligations		(281,208)	
Deferred inflows of resources		<u>(363,414)</u>	
<b>Net position - ending</b>		<b><u>\$ 11,004,432</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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
System development charges	\$ 277,120	\$ 251,999	\$ (25,121)
Interest	<u>14,450</u>	<u>14,958</u>	<u>508</u>
Total revenues	<u>291,570</u>	<u>266,957</u>	<u>(24,613)</u>
<b>Expenditures</b>			
Water improvements	<u>1,018,888</u>	<u>398</u>	<u>1,018,490</u>
Total expenditures	<u>1,018,888</u>	<u>398</u>	<u>1,018,490</u>
Excess (deficiency) of revenues over expenditures	<u>(727,318)</u>	<u>266,559</u>	<u>993,877</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(1,940,216)</u>	<u>(540,948)</u>	<u>1,399,268</u>
Total other financing sources (uses)	<u>(1,940,216)</u>	<u>(540,948)</u>	<u>1,399,268</u>
Net change in fund balance	(2,667,534)	(274,389)	2,393,145
Fund balance at beginning of year	<u>2,667,534</u>	<u>2,680,584</u>	<u>13,050</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 2,406,195</u></b>	<b><u>\$ 2,406,195</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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
System development charges	\$ 64,000	\$ 53,224	\$ (10,776)
Interest	<u>2,150</u>	<u>2,956</u>	<u>806</u>
Total revenues	<u>66,150</u>	<u>56,180</u>	<u>(9,970)</u>
<b>Expenditures</b>			
Water improvements	<u>568,940</u>	<u>-</u>	<u>568,940</u>
Total expenditures	<u>568,940</u>	<u>-</u>	<u>568,940</u>
Net change in fund balance	(502,790)	56,180	558,970
Fund balance at beginning of year	<u>502,790</u>	<u>500,552</u>	<u>(2,238)</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 556,732</u></b>	<b><u>\$ 556,732</u></b>

**CITY OF SILVERTON**  
**WATER CAPITAL PROJECT - ENTERPRISE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Intergovernmental	\$ 1,150,000	\$ 140,000	\$ (1,010,000)
Interest	<u>4,500</u>	<u>6,614</u>	<u>2,114</u>
Total revenues	<u>1,154,500</u>	<u>146,614</u>	<u>(1,007,886)</u>
<b>Expenditures</b>			
Water improvements	<u>5,107,929</u>	<u>434,314</u>	<u>4,673,615</u>
Total expenditures	<u>5,107,929</u>	<u>434,314</u>	<u>4,673,615</u>
Excess (deficiency) of revenues over expenditures	<u>(3,953,429)</u>	<u>(287,700)</u>	<u>3,665,729</u>
<b>Other financing sources (uses)</b>			
Transfers in	<u>2,843,562</u>	<u>1,444,294</u>	<u>(1,399,268)</u>
Total other financing sources (uses)	<u>2,843,562</u>	<u>1,444,294</u>	<u>(1,399,268)</u>
Net change in fund balance	(1,109,867)	1,156,594	2,266,461
Fund balance at beginning of year	<u>1,109,867</u>	<u>777,586</u>	<u>(332,281)</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 1,934,180</u></b>	<b><u>\$ 1,934,180</u></b>



**CITY OF SILVERTON**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**June 30, 2022**

---

	<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	\$ 1,664,532	\$ 1,304,952	\$ 33,166	\$ 3,002,650
Total assets	<b><u>\$ 1,664,532</u></b>	<b><u>\$ 1,304,952</u></b>	<b><u>\$ 33,166</u></b>	<b><u>\$ 3,002,650</u></b>
<b>Net position</b>				
Unrestricted	\$ 1,664,532	\$ 1,304,952	\$ 33,166	\$ 3,002,650
Total net position	<b><u>\$ 1,664,532</u></b>	<b><u>\$ 1,304,952</u></b>	<b><u>\$ 33,166</u></b>	<b><u>\$ 3,002,650</u></b>

**CITY OF SILVERTON**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**Year Ended June 30, 2022**

	<b>Fleet Replacement</b>	<b>Major Equipment Replacement</b>	<b>Extended Leave</b>	<b>Totals</b>
<b>Operating expenses</b>				
Materials and services	4,265	-	-	4,265
Operating income (loss)	(4,265)	-	-	(4,265)
<b>Nonoperating revenues (expenses)</b>				
Interest income	10,480	7,331	187	17,998
Total nonoperating revenue (expenses)	10,480	7,331	187	17,998
Income (loss) before transfers	6,215	7,331	187	13,733
Transfers in	254,918	93,148	-	348,066
Transfers out	(338,940)	-	-	(338,940)
Change in net position	(77,807)	100,479	187	22,859
Net position - beginning	1,742,339	1,204,473	32,979	2,979,791
<b>Net position - ending</b>	<b><u>\$ 1,664,532</u></b>	<b><u>\$ 1,304,952</u></b>	<b><u>\$ 33,166</u></b>	<b><u>\$ 3,002,650</u></b>

**CITY OF SILVERTON**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**Year Ended June 30, 2022**

	<b>Fleet Replacement</b>	<b>Major Equipment Replacement</b>	<b>Extended Leave</b>	<b>Totals</b>
<b>Cash flows from operating activities</b>				
Payments to suppliers	\$ (4,265)	\$ -	\$ -	\$ (4,265)
Net cash provided by (used in) operating activities	(4,265)	-	-	(4,265)
<b>Cash flows from capital and related financing activities</b>				
Transfers in	254,918	93,148	-	348,066
Acquisition of capital assets	(338,940)	-	-	(338,940)
Net cash provided by (used in) capital and related financing activities	(84,022)	93,148	-	9,126
<b>Cash flows from investing activities</b>				
Interest on investments	10,480	7,331	187	17,998
Net cash provided by (used in) investing activities	10,480	7,331	187	17,998
Net increase (decrease) in cash and cash equivalents	(77,807)	100,479	187	22,859
Cash and cash equivalents - beginning of year	1,742,339	1,204,473	32,979	2,979,791
<b>Cash and cash equivalents - end of year</b>	<b>\$ 1,664,532</b>	<b>\$ 1,304,952</b>	<b>\$ 33,166</b>	<b>\$ 3,002,650</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>				
Operating income (loss)	\$ (4,265)	\$ -	\$ -	\$ (4,265)
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS</b>				
Transfers out	\$ (338,940)	\$ -	\$ -	\$ (338,940)

**CITY OF SILVERTON**  
**FLEET REPLACEMENT - INTERNAL SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Interest	\$ 9,600	\$ 10,480	\$ 880
Total revenues	<u>9,600</u>	<u>10,480</u>	<u>880</u>
<b>Expenditures</b>			
Capital outlay	<u>432,986</u>	<u>343,205</u>	<u>89,781</u>
Total expenditures	<u>432,986</u>	<u>343,205</u>	<u>89,781</u>
Excess (deficiency) of revenues over expenditures	<u>(423,386)</u>	<u>(332,725)</u>	<u>90,661</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	(168,468)	(77,807)	90,661
Fund balance at beginning of year	<u>1,732,564</u>	<u>1,742,339</u>	<u>9,775</u>
<b>Fund balance at end of year</b>	<b><u>\$ 1,564,096</u></b>	<b><u>\$ 1,664,532</u></b>	<b><u>\$ 100,436</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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Interest	\$ 7,200	\$ 7,331	\$ 131
Total revenues	<u>7,200</u>	<u>7,331</u>	<u>131</u>
<b>Expenditures</b>			
Capital outlay	<u>1,303,833</u>	-	<u>1,303,833</u>
Total expenditures	<u>1,303,833</u>	-	<u>1,303,833</u>
Excess (deficiency) of revenues over expenditures	<u>(1,296,633)</u>	<u>7,331</u>	<u>1,303,964</u>
<b>Other financing sources (uses)</b>			
Transfers in	<u>93,148</u>	<u>93,148</u>	-
Total other financing sources (uses)	<u>93,148</u>	<u>93,148</u>	-
Net change in fund balance	(1,203,485)	100,479	1,303,964
Fund balance at beginning of year	<u>1,203,485</u>	<u>1,204,473</u>	<u>988</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 1,304,952</u></b>	<b><u>\$ 1,304,952</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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Interest	\$ 400	\$ 187	\$ (213)
Total revenues	<u>400</u>	<u>187</u>	<u>(213)</u>
<b>Expenditures</b>			
Personnel services	<u>33,440</u>	-	<u>33,440</u>
Total expenditures	<u>33,440</u>	-	<u>33,440</u>
Net change in fund balance	(33,040)	187	33,227
Fund balance at beginning of year	<u>33,040</u>	<u>32,979</u>	<u>(61)</u>
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 33,166</u></b>	<b><u>\$ 33,166</u></b>

## **COMPLIANCE SECTION**

**THIS PAGE INTENTIONALLY LEFT BLANK**





**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, 2022, and have issued our report thereon dated December 29, 2022. 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 except that the amount of funds held in the Local Government Investment Pool (LGIP) as of June 30, 2022 were in excess of the legal limit (\$52,713,000) pursuant to ORS 294.810.

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.

**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, 2022

By:



Brad Bingenheimer, CPA, Partner