



**FINANCIAL REPORT
JUNE 30, 2023**

CITY OF SILVERTON
OFFICERS AND MEMBERS OF THE GOVERNING BODY

BOARD OF DIRECTORS

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Silverton, Oregon 97381

Matt Gaitan
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April Newton
908 Reserve St
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Elvi Cuellar Sutton
501 South Third St
Silverton, Oregon 97381

Marie Traeger
308 Central St
Silverton, Oregon 97381

REGISTERED ADDRESS

306 South Water St
Silverton, Oregon 97381

CITY MANAGER

Ron Chandler (through May 12, 2023)

DEPUTY CITY MANAGER/FINANCE DIRECTOR

Kathleen Zaragoza

CITY OF SILVERTON
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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, 2023, 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, 2023, 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) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 and *Government Auditing Standards*, 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 and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 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 and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Honorable Mayor and Members of the City Council
City of Silverton
Independent Auditor's Report
December 29, 2023

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, 2023 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, 2023

By:



Bradley G. Bingenheimer, Partner

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MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF SILVERTON

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended June 30, 2023

This discussion and analysis present 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 the current year's activities and resulting changes. Please read it in conjunction with the City's financial statements.

FINANCIAL HIGHLIGHTS

The City's assets exceeded its liabilities on June 30, 2023, by \$100,221,890 (*net position*). Of this amount, \$50,564,939 was invested in capital assets; \$31,296,510 was restricted for specific purposes resulting in unrestricted net position of \$18,360,441.

The City's total net position increased by \$10,045,266 (or 11.1%). The majority of the increase is due primarily to the increase of the unrestricted net position for Governmental Activities and Business-type activities. This was primarily the result of the change in unrestricted net position for Governmental Activities as it was a negative position in the previous year and is now positive. The City's governmental activities had an increase in net position of \$6,074,585 of which all is related to the change in the unrestricted net position.

The City's business-type activities had an increase in total net position of \$3,970,681, which is a result of the increase in the unrestricted net position and an increase in investment in capital assets. The restricted net position had a decrease of \$1,324,257 as some projects were completed within the fiscal year.

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, 2023. The components of the report include the following:

Management's Discussion and Analysis This section of the report provides financial highlights, an 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, 2023, was \$100,221,890. The largest portion of net position is comprised of the City's restricted position.

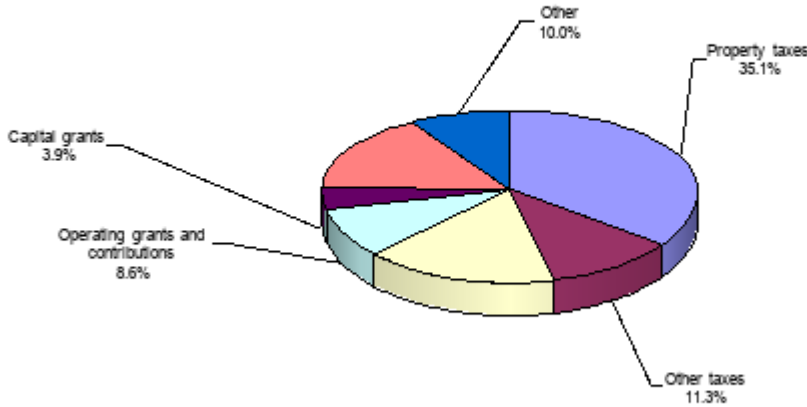
NET POSITION

	Governmental Activities		Business-type Activities		Totals	
	2022	2023	2022	2023	2022	2023
<u>Assets</u>						
Current and other assets	\$ 41,820,231	\$ 38,015,355	\$ 19,529,331	\$ 19,215,996	\$ 61,349,562	\$ 57,231,351
Capital assets, net	<u>22,596,281</u>	<u>32,388,248</u>	<u>31,246,474</u>	<u>34,831,477</u>	<u>53,842,755</u>	<u>67,219,725</u>
Total assets	<u>64,416,512</u>	<u>70,403,603</u>	<u>50,775,805</u>	<u>54,047,473</u>	<u>115,192,317</u>	<u>124,451,076</u>
<u>Deferred outflows of resources</u>	<u>2,076,214</u>	<u>1,601,125</u>	<u>667,578</u>	<u>482,385</u>	<u>2,743,792</u>	<u>2,083,510</u>
<u>Liabilities</u>						
Long-term liabilities	13,168,833	13,023,513	8,204,810	7,551,382	21,373,643	20,574,895
Other liabilities	<u>1,902,650</u>	<u>2,435,449</u>	<u>1,013,711</u>	<u>1,104,746</u>	<u>2,916,361</u>	<u>3,540,195</u>
Total liabilities	<u>15,071,483</u>	<u>15,458,962</u>	<u>9,218,521</u>	<u>8,656,128</u>	<u>24,290,004</u>	<u>24,115,090</u>
<u>Deferred inflows of resources</u>	<u>2,625,204</u>	<u>1,675,146</u>	<u>844,273</u>	<u>522,460</u>	<u>3,469,477</u>	<u>2,197,606</u>
<u>Net position</u>						
Net investment in capital assets	22,596,281	22,596,281	23,520,266	27,909,367	46,116,547	50,505,648
Restricted	29,653,748	25,518,079	7,161,979	5,837,722	36,815,727	31,355,801
Unrestricted	<u>(3,453,990)</u>	<u>6,756,260</u>	<u>10,698,344</u>	<u>11,604,181</u>	<u>7,244,354</u>	<u>18,360,441</u>
Total net position	<u>\$ 48,796,039</u>	<u>\$ 54,870,620</u>	<u>\$ 41,380,589</u>	<u>\$ 45,351,270</u>	<u>\$ 90,176,628</u>	<u>\$ 100,221,890</u>

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)
FINANCIAL SUMMARY AND ANALYSIS (continued)

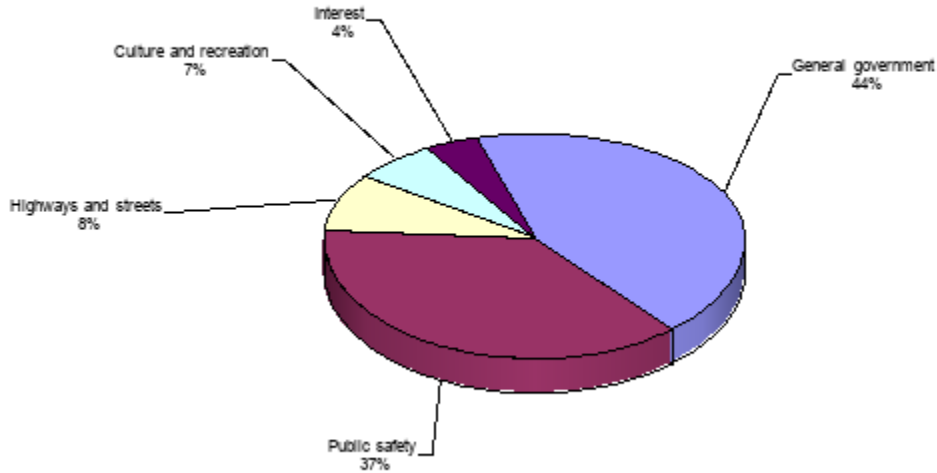
The governmental activities revenue comes primarily from property taxes, charges for services and various grants and contributions. The City’s governmental expenses cover a wide variety of services, with general government, public safety and streets accounting for most of these expenses.

**City of Silverton
 Governmental Activities Revenue**



Property taxes are the City’s primary source of revenue comprising 35.1% of the City’s governmental revenue. The City’s permanent tax rate is \$3.6678 per \$1,000 of assessed value. Additional taxes levied are for a pool operation levy. The next largest revenue source was from charges for services, 17%.

**City of Silverton
 Governmental Activities
 Functional Expenses**



The primary expenses for governmental activities are general government at 44% and public safety at 37%. Public safety expenses for this year are less than General government expenses by \$547,929. General government expenses are more for the 2023 fiscal year as compared to the 2022 fiscal year by a total of \$1,001,445. Most of this is related to Community Development Block Grant expenditures for mobile home rehabilitations. The public safety expenses are greater than the prior year by \$208,497.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

FINANCIAL SUMMARY AND ANALYSIS (continued)

Net position of the governmental activities increased by \$6,074,585, or 12.45%. Net position of the City’s business-type activities increased by \$3,970,671 or 9.60%. Key elements of these changes are as follows:

	Governmental Activities		Business-type Activities		Totals	
	2022	2023	2022	2023	2022	2023
Revenues						
Program:						
Charges for services	\$ 1,806,387	\$ 2,149,191	\$ 7,051,444	\$ 7,388,745	\$ 8,857,831	\$ 9,537,936
Operating grants and contributions	940,454	1,116,686	-	-	940,454	1,116,686
Capital grants and contributions	865,589	510,945	649,731	1,233,182	1,515,320	1,744,127
General:						
Property taxes	4,459,052	4,564,653	-	-	4,459,052	4,564,653
Other taxes	1,386,064	1,465,402	-	-	1,386,064	1,465,402
Other grants and contributions	1,642,202	1,910,701	-	-	1,642,202	1,910,701
Other	331,657	1,301,226	110,242	543,766	441,899	1,844,992
Total revenues	11,431,405	13,018,804	7,811,417	9,165,693	19,242,822	22,184,497
Expenses						
General government	2,665,477	3,666,922	-	-	2,665,477	3,666,922
Public safety	2,910,496	3,118,993	-	-	2,910,496	3,118,993
Highways and streets	649,148	664,932	-	-	649,148	664,932
Culture and recreation	495,348	552,533	-	-	495,348	552,533
Interest on long-term obligations	128,085	377,486	-	-	128,085	377,486
Sewer	-	-	2,538,458	2,382,903	2,538,458	2,382,903
Water	-	-	1,289,786	1,375,462	1,289,786	1,375,462
Total expenses	6,848,554	8,380,866	3,828,244	3,758,365	10,676,798	12,139,231
Change in net position before transfer	4,582,851	4,637,938	3,983,173	5,407,328	8,566,024	10,045,266
Transfers	1,054,707	1,436,647	(1,054,707)	(1,436,647)	-	-
Increase in net position	5,637,558	6,074,585	2,928,466	3,970,681	8,566,024	10,045,266
Net position - beginning	43,158,481	48,796,035	38,452,123	41,380,589	81,610,604	90,176,624
Net position - ending	\$48,796,039	\$54,870,620	\$41,380,589	\$45,351,270	\$90,176,628	\$100,221,890

Governmental Activities

The change in net position for governmental activities for 2023 is an increase of \$6,074,585. The increase is primarily due to an increase in charges for services, operating grant and contributions, and the other category. The beginning net position for 2023 was also greater than for 2022 by \$5,637,554. This was expected as there were revenues received that are being expended over the fiscal year ended 2023 and fiscal year ending 2024.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Business-type Activities

The increase in net position for business activities is \$3,970,681. The change is mostly due to an increase in charges for services and capital grants and contributions. There was a minor decrease in the operating expenses. The beginning net position for 2023 was also greater than for 2022 by \$1,042,215.

FINANCIAL ANALYSIS OF FUNDS

As of June 30, 2023, the City's governmental funds reported a combined fund balance of \$32,491,006, which is a decrease of \$4,128,935 from June 30, 2022. The decrease is a combination of a decrease in cash and cash equivalents of \$3,704,121 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, 2023, the fund balance for the General Fund is \$6,827,624, which is an increase of \$20,591 from June 30, 2022. This change is the result of the increase in intergovernmental revenues.

The City entered into a loan with Government Capital for \$10,000,000 to fund a portion of the new Civic Building. Construction is ongoing and the anticipated completion date has moved to the first quarter of 2024. 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 \$45,351,270 as of June 30, 2023, which is an increase of \$3,970,681 from June 30, 2022. The primary change was the increase capital assets net of accumulated depreciation and a decrease in long-term liabilities.

GENERAL BUDGETARY HIGHLIGHTS

There were thirteen budget transfer resolutions and two supplemental budget resolutions adopted by the City Council during the fiscal year ended June 30, 2023. The General Fund budget appropriation changes reduced contingency, increased appropriations to allow for purchase of a police new bodycam equipment, to purchase updated AED equipment, to cover police fleet replacement costs, to repair the arches at the entrance to Coolidge McClaine Park, to cover repairs to restroom at Coolidge McClaine park, to cover personnel costs related to a bargaining agreement, and cover costs of resignation of the City Manager. The Street Fund, Sewer Fund and Water Fund had decreases to contingency and increased appropriations for costs related to public works bargaining. The WWTP Project Fund and Sewer Fund both had changes to transfers for the increase in expenditure authority for the screw press project. The CDBG Fund had an increase in revenue from grant proceeds and an increase in contracted services. The Sewer Fund also reduced contingencies for the aeration blower project, the Grant Street lift station project and to replace some control panels.

CAPITAL ASSETS AND DEBT ADMINISTRATION

As of June 30, 2023, the City has invested \$98,943,419 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. Investment in governmental activities capital assets increased by \$10,442,656 and business-type activities increased by \$4,619,990. Significant additions during the year ended June 30, 2023, in governmental activities was for construction in progress for the Civic Building project of \$9,434,485. Investment in business-type activities increased by \$3,913,710 for the Silver Creek Raw Water Line 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, 2023, was \$10,320,742 and business-type principal debt was \$7,194,044.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

A summary of the City’s principal long-term debt outstanding as of June 30, 2023, is as follows:

Pension Obligation Bond	\$ 860,000
Government Capital – Civic Building	9,732,676
Government Capital Sewer - Series 2022A	4,687,581
Government Capital Sewer - Series 2022B	2,234,529

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

ECONOMIC FACTORS

During the 2023 fiscal year, the City housing construction within the city limits did continue to see a decrease. The growth was close to what was experienced during the last several years. Property taxes levied increased from the prior year, but only by about 3.94%, which is .94% above the allowed 3% increase on assessed property value and a lower increase than the previous fiscal year. There is an expansion project currently in process for the hospital and there were approximately 36 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 should be completed before March 2024. The City currently has the construction of the Civic Center under way with an anticipated move in date of March 2024. Staff continue to monitor revenues very closely during the next fiscal year to make any recommendations regarding rates and 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. The City continues to look for grant opportunities to help fund the projects.

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.

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BASIC FINANCIAL STATEMENTS

CITY OF SILVERTON
STATEMENT OF NET POSITION
June 30, 2023

	Governmental Activities	Business-type Activities	Totals
Assets			
Cash and cash equivalents	\$ 36,867,910	\$ 18,235,639	\$ 55,103,549
Internal balances	(157,792)	157,792	-
Receivables, net	1,235,902	662,971	1,898,873
Inventory	13,485	128,803	142,288
Net other postemployment benefit asset	55,850	30,791	86,641
Capital assets:			
Land and construction in progress	19,826,700	7,681,735	27,508,435
Other capital assets, net	<u>12,561,548</u>	<u>27,149,742</u>	<u>39,711,290</u>
Total assets	<u>70,403,603</u>	<u>54,047,473</u>	<u>124,451,076</u>
Deferred outflows of resources			
Pension related items	1,576,293	468,695	2,044,988
Other postemployment benefit related items	<u>24,832</u>	<u>13,690</u>	<u>38,522</u>
Total deferred outflows of resources	<u>1,601,125</u>	<u>482,385</u>	<u>2,083,510</u>
Liabilities			
Accounts payable and accrued liabilities	1,623,935	323,895	1,947,830
Accrued interest payable	91,761	47,661	139,422
Deposits	117,338	83,012	200,350
Long-term liabilities:			
Due within one year	602,415	650,178	1,252,593
Due in more than one year	<u>13,023,513</u>	<u>7,551,382</u>	<u>20,574,895</u>
Total liabilities	<u>15,458,962</u>	<u>8,656,128</u>	<u>24,115,090</u>
Deferred inflows of resources			
Pension related items	1,579,181	469,554	2,048,735
Other postemployment benefit related items	<u>95,965</u>	<u>52,906</u>	<u>148,871</u>
Total deferred inflows of resources	<u>1,675,146</u>	<u>522,460</u>	<u>2,197,606</u>
Net position			
Net investment in capital assets	22,655,572	27,909,367	50,564,939
Restricted for:			
Highways and streets	1,255,178	-	1,255,178
Community development	434,479	-	434,479
Pool operations	896,138	-	896,138
Urban renewal	1,882,786	-	1,882,786
Capital projects	19,484,839	5,837,722	25,322,561
Debt service	47,226	-	47,226
Other purposes	1,458,142	-	1,458,142
Unrestricted	<u>6,756,260</u>	<u>11,604,181</u>	<u>18,360,441</u>
Total net position	<u>\$ 54,870,620</u>	<u>\$ 45,351,270</u>	<u>\$ 100,221,890</u>

See notes to financial statements.

CITY OF SILVERTON
STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		Totals
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:							
General government	\$ 3,666,922	\$ 676,596	\$ -	\$ 179,296	\$ (2,811,030)		\$ (2,811,030)
Public safety	3,118,993	225,705	91,886	-	(2,801,402)		(2,801,402)
Highways and streets	664,932	1,141,648	835,134	186,360	1,498,210		1,498,210
Culture and recreation	552,533	105,242	189,666	145,289	(112,336)		(112,336)
Interest	377,486	-	-	-	(377,486)		(377,486)
Total governmental activities	8,380,866	2,149,191	1,116,686	510,945	(4,604,044)		(4,604,044)
Business-type activities:							
Sewer	2,382,903	4,160,321	-	124,845		\$ 1,902,263	1,902,263
Water	1,375,462	3,228,424	-	1,108,337		2,961,299	2,961,299
Total business-type activities	3,758,365	7,388,745	-	1,233,182		4,863,562	4,863,562
Totals	\$ 12,139,231	\$ 9,537,936	\$ 1,116,686	\$ 1,744,127	(4,604,044)	4,863,562	259,518
General revenues:							
Taxes levied for:							
General purposes					3,361,450	-	3,361,450
Specific purposes					1,203,203	-	1,203,203
Miscellaneous taxes					400,172	-	400,172
Franchise fees					989,840	-	989,840
Fuel taxes					75,390	-	75,390
Grants and contributions not restricted to specific programs					1,910,701	-	1,910,701
Rents					19,222	11,903	31,125
Sale of assets					600	-	600
Unrestricted investment earnings					1,152,201	516,906	1,669,107
Miscellaneous					129,203	14,957	144,160
Transfers					1,436,647	(1,436,647)	-
Total general revenues and transfers					10,678,629	(892,881)	9,785,748
Change in net position					6,074,585	3,970,681	10,045,266
Net position - beginning					48,796,035	41,380,589	90,176,624
Net position - ending					\$ 54,870,620	\$ 45,351,270	\$ 100,221,890

See notes to financial statements.

CITY OF SILVERTON
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	General	Civic Building Project	Second Street Improvement	Total Nonmajor Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 6,696,393	\$ 10,125,086	\$ 1,408,818	\$ 15,355,865	\$ 33,586,162
Receivables	454,195	-	-	781,707	1,235,902
Inventories	-	-	-	13,485	13,485
Total assets	\$ 7,150,588	\$ 10,125,086	\$ 1,408,818	\$ 16,151,057	\$ 34,835,549
Liabilities, Deferred inflows and Fund balances					
Liabilities					
Accounts payable and accrued liabilities	\$ 106,787	\$ 1,431,507	\$ 1,963	\$ 82,828	\$ 1,623,085
Consumer deposits	67,262	-	-	50,076	117,338
Total Liabilities	174,049	1,431,507	1,963	132,904	1,740,423
Deferred inflows of resources					
Unavailable revenue	148,915	-	-	455,205	604,120
Total Deferred inflows of resources	148,915	-	-	455,205	604,120
Fund balances					
Nonspendable	-	-	-	13,485	13,485
Restricted	-	8,693,579	1,406,855	15,311,118	25,411,552
Committed	-	-	-	191,119	191,119
Assigned	1,697,372	-	-	47,226	1,744,598
Unassigned	5,130,252	-	-	-	5,130,252
Total Fund balances	6,827,624	8,693,579	1,406,855	15,562,948	32,491,006
Total liabilities, Deferred inflows and Fund balances	\$ 7,150,588	\$ 10,125,086	\$ 1,408,818	\$ 16,151,057	\$ 34,835,549

See notes to financial statements

CITY OF SILVERTON
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
June 30, 2023

Fund balances - total governmental funds	\$	32,491,006
<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		32,388,248
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.		55,850
Deferred outflows related to the pension plan and other postemployment benefits are not current financial resources and therefore are not reported in the funds		1,601,125
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		(1,675,146)
Internal service funds are used by management to charge the costs of centralized services and facilities maintenance services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position		3,280,898
Other long-term assets are not available for current period expenditures and, therefore, are reported as unavailable revenue in the funds		604,120
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		(157,792)
Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds		(13,717,689)
Net position of governmental activities	\$	<u>54,870,620</u>

CITY OF SILVERTON
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2023

	General	Civic Building Project	Second Street Improvement	Total Nonmajor Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 3,358,776	\$ -	\$ -	\$ 1,202,546	\$ 4,561,322
Franchise fees	989,840	-	-	-	989,840
Transient taxes	-	-	-	400,172	400,172
Licenses, permits and fees	179,587	-	-	1,732,744	1,912,331
Fines and forfeitures	235,581	-	-	200	235,781
Assessment	-	-	-	25,068	25,068
Charges for services	-	-	-	10,955	10,955
System development charges	-	-	-	295,353	295,353
Intergovernmental	2,002,587	104,887	-	1,099,209	3,206,683
Rent	19,222	-	-	-	19,222
Fuel taxes	-	-	-	75,390	75,390
Loan repayment	-	-	-	8,174	8,174
Interest	210,586	374,624	19,197	452,065	1,056,472
Miscellaneous	163,050	-	-	8,389	171,439
Total revenues	<u>7,159,229</u>	<u>479,511</u>	<u>19,197</u>	<u>5,310,265</u>	<u>12,968,202</u>
Expenditures					
Current					
General government	2,146,859	-	-	1,144,833	3,291,692
Public safety	2,924,723	-	-	-	2,924,723
Highways and streets	-	-	-	411,652	411,652
Culture and recreation	221,535	-	-	210,772	432,307
Debt service	-	-	-	822,777	822,777
Capital outlay	246,259	9,434,485	181,858	471,577	10,334,179
Total expenditures	<u>5,539,376</u>	<u>9,434,485</u>	<u>181,858</u>	<u>3,061,611</u>	<u>18,217,330</u>
Excess (deficiency) of revenues over expenditures	<u>1,619,853</u>	<u>(8,954,974)</u>	<u>(162,661)</u>	<u>2,248,654</u>	<u>(5,249,128)</u>
Other financing sources (uses)					
Sale of assets	600	-	-	-	600
Transfers in	2,060,750	3,452,852	1,569,516	1,589,590	8,672,708
Transfers out	(3,660,612)	-	-	(3,892,503)	(7,553,115)
Total other financing sources (uses)	<u>(1,599,262)</u>	<u>3,452,852</u>	<u>1,569,516</u>	<u>(2,302,913)</u>	<u>1,120,193</u>
Net change in fund balances	20,591	(5,502,122)	1,406,855	(54,259)	(4,128,935)
Fund balances at beginning of year	<u>6,807,033</u>	<u>14,195,701</u>	<u>-</u>	<u>15,617,207</u>	<u>36,619,941</u>
Fund balance at end of year	<u>\$ 6,827,624</u>	<u>\$ 8,693,579</u>	<u>\$ 1,406,855</u>	<u>\$ 15,562,948</u>	<u>\$ 32,491,006</u>

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, 2023

Net change in fund balances - total governmental funds \$ (4,128,935)

Amounts reported for governmental activities in the Statement of Activities are different because of the following:

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	\$ 10,428,155	
Depreciation	<u>(636,188)</u>	9,791,967

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	(469,560)	
Change in net pension liability	(320,863)	
Change in deferred inflows of resources - pension related	<u>952,096</u>	161,673

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	(5,529)	
Change in other postemployment benefit asset	(16,069)	
Change in other postemployment benefit liability	56,947	
Change in deferred inflows of resources - other postemployment benefit related	<u>(2,038)</u>	33,311

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

Taxes	3,331	
Court fees	1,745	
Assessments	15,809	
Housing rehabilitation loans	<u>(6,056)</u>	14,829

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

278,248

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

Accrued interest		(14,342)
Compensated absences		5,370
Allowance for doubtful accounts - Previously reported at the fund level		(433,381)

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

383,570

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

(17,725)

Change in net position of governmental activities \$ 6,074,585

CITY OF SILVERTON
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 3,183,866	\$ 3,183,866	\$ 3,358,776	\$ 174,910
Franchise fees	801,950	801,950	989,840	187,890
Licenses, permits and fees	136,880	136,880	179,587	42,707
Fines and forfeitures	142,800	142,800	235,581	92,781
Intergovernmental	1,904,844	1,904,844	2,002,587	97,743
Rents	19,000	19,000	19,222	222
Interest	20,500	20,500	170,279	149,779
Miscellaneous	61,300	61,300	154,097	92,797
	<u>6,271,140</u>	<u>6,271,140</u>	<u>7,109,969</u>	<u>838,829</u>
Total revenues				
Expenditures				
City council	51,275	101,775	56,354	45,421
City management	484,708	508,798	423,783	85,015
Finance	647,039	647,039	580,411	66,628
Police	3,263,726	3,308,116	2,905,899	402,217
Community enforcement	82,689	82,689	58,512	24,177
Community development	470,303	470,303	271,220	199,083
Facilities maintenance	559,161	563,109	360,682	202,427
Parks and recreation	322,145	377,293	338,059	39,234
Computer services	131,465	131,465	120,609	10,856
Non-departmental				
Materials and services	549,400	549,400	423,847	125,553
Contingency	1,134,613	911,486	-	911,486
	<u>7,696,524</u>	<u>7,651,473</u>	<u>5,539,376</u>	<u>2,112,097</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>(1,425,384)</u>	<u>(1,380,333)</u>	<u>1,570,593</u>	<u>2,950,926</u>
Other financing sources (uses)				
Sale of capital assets	-	-	600	600
Transfers in	1,460,750	1,460,750	1,460,750	-
Transfers out	<u>(3,615,561)</u>	<u>(3,660,612)</u>	<u>(3,660,612)</u>	<u>-</u>
	<u>(2,154,811)</u>	<u>(2,199,862)</u>	<u>(2,199,262)</u>	<u>600</u>
Total other financing sources (uses)				
Net change in fund balance	(3,580,195)	(3,580,195)	(628,669)	2,951,526
Fund balance at beginning of year	<u>5,210,159</u>	<u>5,210,159</u>	<u>5,758,921</u>	<u>548,762</u>
Fund balance at end of year	<u>\$ 1,629,964</u>	<u>\$ 1,629,964</u>	<u>\$ 5,130,252</u>	<u>\$ 3,500,288</u>

See notes to financial statements

CITY OF SILVERTON
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
 June 30, 2023

	Business-type Activities			Governmental Activities	
	Sewer	Water	Total Enterprise Funds	Internal Service Funds	
Assets					
Current assets					
Cash and cash equivalents	\$ 12,153,336	\$ 6,082,303	\$ 18,235,639	\$ 3,281,748	
Receivables, net	360,673	302,298	662,971	-	
Inventory	13,047	115,756	128,803	-	
Total current assets	12,527,056	6,500,357	19,027,413	3,281,748	
Net other postemployment benefits asset	15,515	15,276	30,791	-	
Capital assets					
Land and construction in progress	1,951,463	5,730,272	7,681,735	-	
Other capital assets, net	20,299,065	6,850,677	27,149,742	-	
Total capital assets	22,250,528	12,580,949	34,831,477	-	
Total assets	34,793,099	19,096,582	53,889,681	3,281,748	
Deferred outflows of resources					
Pension related items	259,694	209,001	468,695	-	
Other postemployment benefit related items	6,898	6,792	13,690	-	
Total deferred outflows of resources	266,592	215,793	482,385	-	

CITY OF SILVERTON
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2023

	Business-type Activities			Governmental Activities
	Sewer	Water	Totals Enterprise Funds	Internal Service Funds
Operating revenues				
Charges for services	\$ 4,160,321	\$ 3,228,424	\$ 7,388,745	\$ -
Total operating revenues	<u>4,160,321</u>	<u>3,228,424</u>	<u>7,388,745</u>	<u>-</u>
Operating expenses				
Personnel services	683,243	591,625	1,274,868	-
Materials and services	753,195	428,077	1,181,272	-
Depreciation	<u>690,055</u>	<u>344,934</u>	<u>1,034,989</u>	<u>-</u>
Total operating expenses	<u>2,126,493</u>	<u>1,364,636</u>	<u>3,491,129</u>	<u>-</u>
Operating income (loss)	2,033,828	1,863,788	3,897,616	-
Nonoperating revenues (expenses)				
Grants	-	895,000	895,000	-
Rents	7,500	11,903	19,403	-
Interest income	335,233	181,673	516,906	95,759
Miscellaneous	4,875	2,582	7,457	-
Interest expense	<u>(245,585)</u>	<u>-</u>	<u>(245,585)</u>	<u>-</u>
Total nonoperating revenue (expenses)	<u>102,023</u>	<u>1,091,158</u>	<u>1,193,181</u>	<u>95,759</u>
Income (loss) before transfers	2,135,851	2,954,946	5,090,797	95,759
Capital contributions	128,599	191,858	320,457	-
Transfers in	661,900	2,006,953	2,668,853	393,117
Transfers out	<u>(1,435,413)</u>	<u>(2,746,150)</u>	<u>(4,181,563)</u>	<u>(210,628)</u>
Change in net position	1,490,937	2,407,607	3,898,544	278,248
Net position - beginning	<u>25,666,532</u>	<u>15,901,539</u>		<u>3,002,650</u>
Net position - ending	<u>\$ 27,157,469</u>	<u>\$ 18,309,146</u>		<u>\$ 3,280,898</u>
Adjustment to reflect the changes in the pension bond related to the enterprise funds			54,411	
Adjustment for current year activity related to system development charges reported in the governmental activities but for use by the business-type activities			<u>17,725</u>	
Change in net position of the business-type activities			<u>\$ 3,970,680</u>	

CITY OF SILVERTON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2023

	Business-type Activities			Governmental Activities	
	Total			Internal	
	Sewer	Water	Enterprise Funds	Service Funds	Funds
Cash flows from (used in) operating activities					
Receipts from customers	\$ 4,118,062	\$ 3,133,423	\$ 7,251,485	\$ -	-
Payments to suppliers	(702,300)	(213,344)	(915,644)	850	850
Payments to employees	(760,369)	(615,718)	(1,376,087)	-	-
Net cash from operating activities	2,655,393	2,304,361	4,959,754	850	850
Cash flows from (used in) capital and related financing activities					
Transfers in	161,900	2,006,953	2,168,853	393,117	393,117
Transfers out	(935,413)	(2,746,150)	(3,681,563)	-	-
System development charges received	128,599	191,858	320,457	-	-
Other	4,875	2,581	7,456	-	-
Grants	-	895,000	895,000	-	-
Rents	7,500	11,903	19,403	-	-
Acquisition of capital assets	(626,976)	(3,993,014)	(4,619,990)	(210,628)	(210,628)
Principal paid on long-term obligations	(522,890)	(281,208)	(804,098)	-	-
Interest paid on long-term obligations	(249,989)	(1,570)	(251,559)	-	-
Net cash from (used in) capital and related financing activities	(2,032,394)	(3,913,647)	(5,946,041)	182,489	182,489
Cash flows from investing activities					
Interest on investments	335,233	181,673	516,906	95,759	95,759
Net cash from investing activities	335,233	181,673	516,906	95,759	95,759
Net increase (decrease) in cash and cash equivalents	958,232	(1,427,613)	(469,381)	279,098	279,098
Cash and cash equivalents - beginning of year	11,195,104	7,509,916	18,705,020	3,002,650	3,002,650
Cash and cash equivalents - end of year	\$ 12,153,336	\$ 6,082,303	\$ 18,235,639	\$ 3,281,748	\$ 3,281,748

See notes to financial statements
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CITY OF SILVERTON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2023

	Business-type Activities			Governmental Activities	
	Sewer	Water	Enterprise Funds	Internal Service Funds	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	\$ 2,033,828	\$ 1,863,788	\$ 3,897,616	\$ -	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	690,055	344,934	1,034,989	-	-
(Increase) decrease in assets and deferred outflows	(42,259)	(98,796)	(141,055)	-	-
Receivables, net	190	9,987	10,177	-	-
Inventories	(2,232)	(5,211)	(7,443)	-	-
Net other postemployment benefits asset	114,930	74,097	189,027	-	-
Pension related items	(1,291)	(2,543)	(3,834)	-	-
Other postemployment benefit related items					
Increase (decrease) in liabilities and deferred inflows	50,705	204,746	255,451	850	850
Accounts payable and accrued liabilities	-	3,795	3,795	-	-
Consumer deposits	455	1,473	1,928	-	-
Compensated absences payable	3,902	27,114	31,016	-	-
Net pension liability	1,141	8,759	9,900	-	-
Net other postemployment benefits liability	(203,341)	(140,885)	(344,226)	-	-
Pension related items	9,310	13,103	22,413	-	-
Other postemployment benefit related items					
Net cash provided by (used in) operating activities	\$ 2,655,393	\$ 2,304,361	\$ 4,959,754	\$ 850	\$ 850

See notes to financial statements
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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 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 basis of accounting described above are in accordance with accounting principles generally accepted in the United States of America.

The City reports the following major governmental funds:

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

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Second Street Improvement – accounts for resources accumulated and payments made for improvements to Second Street.

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 reported at par less managements' estimate of amounts not collectible. 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 or business-type activities 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, 2022, 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, 2022. 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 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 an amount that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Pension and other postemployment benefit related items which are amortized over specified periods are reported as deferred inflows of resources.

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

Pensions

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

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net position

Government-wide and proprietary fund reporting

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

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

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

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

In the government-wide and proprietary fund financial statements, when both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed.

Fund balance

Governmental fund type fund balance reporting

Governmental type fund balances are reported within one of the fund balance categories listed below:

Non-spendable — Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted — Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed — Amounts that can be used only for specific purposes determined by a formal action of the City Council. The City Council is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the City Council.

Assigned — Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The City Council has granted authority to the Finance Director to assign fund balance amounts.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund balance (Continued)

Governmental fund type fund balance reporting (Continued)

Unassigned – the residual classification for the government’s general fund and includes all spendable amounts not contained in the other classifications. Additionally, other funds may report negative unassigned fund balance in certain circumstances.

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

Minimum fund balance policy

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

Risk management

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

CITY OF SILVERTON
NOTES TO FINANCIAL STATEMENTS

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 on June 30, 2023, are as follows:

Deposits with financial institutions	\$ 475,043
State of Oregon Local Government Investment Pool	54,626,006
Cash on hand	<u>2,500</u>
Total deposits and cash equivalents	<u>\$ 55,103,549</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, 2023, 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 Treasurer 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, 2023, consists of the following:

	Governmental Activities / Funds			Business-type Activities/ Enterprise Funds		
	General	Nonmajor Governmental		Sewer	Water	Total
		Funds	Total			
User charges	\$ -	\$ -	\$ -	\$ 359,768	\$ 301,927	\$ 661,695
Property taxes	120,420	42,835	163,255	-	-	-
County treasurer	-	-	-	-	-	-
Local taxes	6,938	47,644	54,582	-	-	-
Intergovernmental	75,097	113,779	188,876	-	-	-
Franchise	172,713	-	172,713	-	-	-
Fees and permits	-	102,914	102,914	-	-	-
Assessments	-	430,318	430,318	-	-	-
Fines	122,948	-	122,948	-	-	-
Loans	-	438,665	438,665	-	-	-
Miscellaneous	400	-	400	905	371	1,276
Allowance for doubtful accounts	(44,321)	(394,448)	(438,769)	-	-	-
	<u>\$ 454,195</u>	<u>\$ 781,707</u>	<u>\$ 1,235,902</u>	<u>\$ 360,673</u>	<u>\$ 302,298</u>	<u>\$ 662,971</u>

CITY OF SILVERTON
NOTES TO FINANCIAL STATEMENTS

NOTE 5 – CAPITAL ASSETS

Activity in governmental activities for the year ended June 30, 2023, was as follows:

	Balances June 30, 2022	Additions	Deletions	Balances June 30, 2023
Capital assets not being depreciated				
Land	\$ 5,953,012	\$ -	\$ -	\$ 5,953,012
Right of way	479,624	-	-	479,624
Construction in progress	<u>3,647,763</u>	<u>9,760,802</u>	<u>(14,501)</u>	<u>13,394,064</u>
Total capital assets not being depreciated	<u>10,080,399</u>	<u>9,760,802</u>	<u>(14,501)</u>	<u>19,826,700</u>
Capital assets being depreciated				
Buildings and improvements	4,273,276	58,962	-	4,332,238
Equipment	2,741,678	248,071	(187,767)	2,801,982
Land improvements	3,385,097	275,447	-	3,660,544
Infrastructure	<u>9,550,557</u>	<u>99,374</u>	<u>-</u>	<u>9,649,931</u>
Total capital assets being depreciated	<u>19,950,608</u>	<u>681,854</u>	<u>(187,767)</u>	<u>20,444,695</u>
Less accumulated depreciation for:				
Buildings and improvements	1,895,681	92,352	-	1,988,033
Equipment	1,846,592	165,479	(187,767)	1,824,304
Land improvements	1,359,440	131,163	-	1,490,603
Infrastructure	<u>2,333,013</u>	<u>247,194</u>	<u>-</u>	<u>2,580,207</u>
Total accumulated depreciation	<u>7,434,726</u>	<u>636,188</u>	<u>(187,767)</u>	<u>7,883,147</u>
Total capital assets being depreciated, net	<u>12,515,882</u>	<u>45,666</u>	<u>-</u>	<u>12,561,548</u>
Governmental activities capital assets, net	<u>\$ 22,596,281</u>	<u>\$ 9,806,468</u>	<u>\$ (14,501)</u>	<u>\$ 32,388,248</u>

CITY OF SILVERTON
NOTES TO FINANCIAL STATEMENTS

NOTE 5 – CAPITAL ASSETS (Continued)

Activity in business-type activities for the year ended June 30, 2023, was as follows:

	Balances June 30, 2022	Additions	Deletions	Balances June 30, 2023
Capital assets not being depreciated				
Land	\$ 2,209,488	\$ -	\$ -	\$ 2,209,488
Construction in progress	<u>1,462,039</u>	<u>4,010,208</u>	-	<u>5,472,247</u>
Total capital assets not being depreciated	<u>3,671,527</u>	<u>4,010,208</u>	-	<u>7,681,735</u>
Capital assets being depreciated				
Water and sewer lines	17,799,993	226,145	-	18,026,138
Buildings and improvements	6,795,818	-	-	6,795,818
Plant and equipment	25,891,650	383,638	(561,174)	25,714,114
Land improvements	<u>454,220</u>	-	-	<u>454,220</u>
Total capital assets being depreciated	<u>50,941,681</u>	<u>609,783</u>	<u>(561,174)</u>	<u>50,990,290</u>
Less accumulated depreciation for:				
Water and sewer lines	9,211,437	306,703	-	9,518,140
Buildings and improvements	3,283,858	137,919	-	3,421,777
Plant and equipment	10,579,312	574,583	(561,174)	10,592,721
Land improvements	<u>292,127</u>	<u>15,783</u>	-	<u>307,910</u>
Total accumulated depreciation	<u>23,366,734</u>	<u>1,034,988</u>	<u>(561,174)</u>	<u>23,840,548</u>
Total capital assets being depreciated, net	<u>27,574,947</u>	<u>(425,205)</u>	-	<u>27,149,742</u>
Business-type activities capital assets, net	<u>\$ 31,246,474</u>	<u>\$ 3,585,003</u>	<u>\$ -</u>	<u>\$ 34,831,477</u>

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

<i>Governmental activities</i>	
General government	\$ 38,510
Public safety	214,009
Highways and streets	281,161
Culture and recreation	<u>102,507</u>
Total depreciation expense - governmental activities	<u>\$ 636,187</u>
<i>Business-type activities</i>	
Sewer	\$ 690,055
Water	<u>344,934</u>
Total depreciation expense - business-type activities	<u>\$ 1,034,989</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	Nonmajor Governmental Funds	Total Governmental Funds
Property taxes	\$ 95,815	\$ 33,209	\$ 129,024
Property assessments	-	421,996	421,996
Fines	53,100	-	53,100
Loans	-	-	-
	<u>\$ 148,915</u>	<u>\$ 455,205</u>	<u>\$ 604,120</u>

NOTE 7 – INTERFUND TRANSACTIONS

The interfund transfers during the year ended June 30, 2023, were as follows:

	In	Out
<u>Governmental</u>		
General	\$ 2,060,750	\$ 3,660,612
Civic Building Project	3,452,852	-
Second Street Improvement	1,569,516	
Nonmajor governmental	1,589,590	3,892,503
Governmental activities - non-cash	210,628	233,855
<u>Proprietary</u>		
Enterprise		
Sewer	661,900	1,435,413
Water	2,006,953	2,746,150
Internal Service		
Internal service	393,117	-
Internal service - non-cash	-	210,628
Business-type activities - non-cash	233,855	-
Totals	<u>\$ 12,179,161</u>	<u>\$ 12,179,161</u>

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.

CITY OF SILVERTON
NOTES TO FINANCIAL STATEMENTS

NOTE 8 – LONG-TERM OBLIGATIONS

Changes in governmental activities long-term obligations for the year ended June 30, 2023 were as follows:

	Beginning Balance July 1, 2022	Increase	Decrease	Ending Balance June 30, 2023	Due Within One Year
<u>Governmental activities</u>					
Long-term debt obligations:					
PERS Bonds:					
Pension Obligation Bonds	\$ 1,030,000	\$ -	\$ 170,000	\$ 860,000	\$ 195,000
Less amount allocated to business activities	(325,688)	-	(53,754)	(271,934)	(61,659)
Notes from direct borrowings and direct placements:					
Government Capital Corporation - Civic Center	<u>10,000,000</u>	<u>-</u>	<u>267,324</u>	<u>9,732,676</u>	<u>275,865</u>
Total long-term debt obligations	<u>10,704,312</u>	<u>-</u>	<u>383,570</u>	<u>10,320,742</u>	<u>409,206</u>
Other long-term obligations:					
Other postemployment benefits liability	182,200	-	56,947	125,253	-
Net pension liability	2,665,890	320,834	-	2,986,724	-
Compensated absences	<u>198,579</u>	<u>193,209</u>	<u>198,579</u>	<u>193,209</u>	<u>193,209</u>
Total other long-term obligations	<u>3,046,669</u>	<u>514,043</u>	<u>255,526</u>	<u>3,305,186</u>	<u>193,209</u>
Total long-term obligations	<u>\$ 13,750,981</u>	<u>\$ 514,043</u>	<u>\$ 639,096</u>	<u>\$ 13,625,928</u>	<u>\$ 602,415</u>

Changes in business-type activities long-term obligations for the year ended June 30, 2023 were as follows:

	Beginning Balance July 1, 2022	Increase	Decrease	Ending Balance June 30, 2023	Due Within One Year
<u>Business-type activities</u>					
Long-term debt obligations:					
PERS Bonds:					
Pension Obligation Bonds amount allocated from governmental activities	\$ 325,688	\$ -	\$ 53,754	\$ 271,934	\$ 61,659
Notes from direct borrowings and direct placements:					
Citizen Bank	281,208	-	281,208	-	-
Sewer Refunding Note - Series 2022A	4,970,000	-	282,419	4,687,581	290,417
Sewer Refunding Note - Series 2022B	<u>2,475,000</u>	<u>-</u>	<u>240,471</u>	<u>2,234,529</u>	<u>247,712</u>
Total long-term debt obligations	<u>8,051,896</u>	<u>-</u>	<u>857,852</u>	<u>7,194,044</u>	<u>599,788</u>
Other long-term obligations:					
Other postemployment benefits liability	59,152	9,900	-	69,052	-
Net pension liability	857,058	31,016	-	888,074	-
Compensated absences	<u>48,462</u>	<u>50,390</u>	<u>48,462</u>	<u>50,390</u>	<u>50,390</u>
Total other long-term obligations	<u>964,672</u>	<u>91,306</u>	<u>48,462</u>	<u>1,007,516</u>	<u>50,390</u>
Total long-term obligations	<u>\$ 9,016,568</u>	<u>\$ 91,306</u>	<u>\$ 906,314</u>	<u>\$ 8,201,560</u>	<u>\$ 650,178</u>

CITY OF SILVERTON
NOTES TO FINANCIAL STATEMENTS

NOTE 8 – LONG-TERM OBLIGATIONS (Continued)

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 the maturity date of the 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.

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 with Government Capital notes.

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.

Sewer 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.

CITY OF SILVERTON
NOTES TO FINANCIAL STATEMENTS

NOTE 8 – LONG-TERM OBLIGATIONS (Continued)

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

Fiscal Year	Pension Obligation Bonds		Government Capital Corp		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
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	99,150	6,792	312,848	269,374	411,998	276,166
2029-2033	-	-	1,720,721	1,190,389	1,720,721	1,190,389
2034-2038	-	-	2,013,753	897,356	2,013,753	897,356
2039-2043	-	-	2,356,688	554,421	2,356,688	554,421
2044-2047	-	-	2,171,185	157,701	2,171,185	157,701
	<u>\$ 588,067</u>	<u>\$ 129,046</u>	<u>\$ 9,732,676</u>	<u>\$ 4,240,646</u>	<u>10,320,743</u>	<u>4,369,692</u>

Business-type activities long-term debt obligations

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

Fiscal Year	Government Capital Corp Sewer Refunding Series 2022B		Government Capital Corp Sewer Refunding Series 2022A		Pension Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
	2024	\$ 247,712	\$ 73,343	\$ 290,417	\$ 161,408	\$ 61,659
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	283,196	37,859	333,615	118,210	45,851	3,141
2029-33	908,742	54,419	1,853,128	405,997	-	-
2034-37	-	-	1,276,243	79,225	-	-
	<u>\$ 2,234,529</u>	<u>\$ 333,907</u>	<u>\$ 4,687,581</u>	<u>\$ 1,186,137</u>	<u>\$ 271,934</u>	<u>\$ 59,673</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: <https://www.oregon.gov/pers/Documents/Financials/ACFR/2022-Annual-Comprehensive-Financial-Report.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, 2020, 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, 2023, were \$676,338.

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

Net pension liability

On June 30, 2023, the City reported a liability of \$3,874,798 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. 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.

On June 30, 2022, the City's proportion was 0.02530562%, which was a decrease of 0.00413452% from its proportion measured as of June 30, 2021.

Pension expense

For the year ended June 30, 2023, the City recognized pension expense of \$390,453.

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.

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 expenses 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, 2022 - 5.5 years
 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.

On June 30, 2023, 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	\$ 188,090	\$ 24,164
Changes of assumptions	607,977	5,554
Net difference between projected and actual earnings on pension plan investments	-	692,739
Changes in proportionate share	292,599	1,016,331
Differences between employer contributions and employer's proportionate share of system contributions	279,984	309,947
Contributions subsequent to the measurement date	<u>676,338</u>	<u>-</u>
Total	<u>\$ 2,044,988</u>	<u>\$ 2,048,735</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 \$676,338 will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. 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,		
2024	\$	(124,442)
2025		(240,527)
2026		(409,188)
2027		180,052
2028		<u>(85,981)</u>
Total	\$	<u><u>(680,085)</u></u>

Actuarial methods and assumptions used in developing the total pension liability

The total pension liability measured as of June 30, 2022, was based on an actuarial valuation as of December 31, 2020, using the following methods and assumptions:

Experience study report	2020, published July 20, 2021
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	\$40.9 million per year added to normal cost
Administrative expenses – OPSRP	\$8 million per year added to normal cost
Projected salary increases	3.4%
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 2020 Experience Study which reviewed experience for the four-year period ending on December 31, 2020.

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%, no change 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	30.00%
Private equity	20.00%
Real estate	12.50%
Real assets	7.50%
Diversifying strategies	7.50%
Risk parity	2.50%
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 2021 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 Return¹

Asset Class	Target Allocation	20-Year		Annual Standard Deviation
		Annual Arithmetic Return ²	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 ³	1.77	1.76	1.20
Assumed Inflation – Mean			2.40%	1.65%

¹Based 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.

²The 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.

³Negative 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.

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 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 6.9%, 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 (5.9%) or 1-percentage-point higher (7.9%) than the current rate:

	1 Percentage Point Lower	Current Discount Rate	1 Percentage Point Higher
Proportionate share of net pension liability	\$6,871,619	\$ 3,874,798	\$ 1,366,597

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, 2023, were \$179,491.

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: <https://www.oregon.gov/pers/Documents/Financials/ACFR/2022-Annual-Comprehensive-Financial-Report.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, 2020, 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, 2023, the City made contributions in the amount of \$539 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)

On June 30, 2023, the City reported an asset of \$86,641 for its proportionate share of the net OPEB liability/(asset). The net OPEB liability/(asset) was measured as of June 30, 2022, 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.

On June 30, 2022, the City's proportion was .02438251%, which was a decrease of .00335968% from its proportion measured as of June 30, 2021.

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

OPEB expense

For the year ended June 30, 2023, the City recognized OPEB revenue of \$12,140.

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, 2022, 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, 2022 – 2.5 years
- 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)

On June 30, 2023, 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	\$ -	\$ 2,348
Changes of assumptions	678	2,888
Net difference between projected and actual earnings on pension plan investments	-	6,607
Changes in proportionate share	5,118	4,605
Contributions subsequent to the measurement date	<u>539</u>	<u>-</u>
Total	<u>\$ 6,335</u>	<u>\$ 16,448</u>

Deferred outflows of resources related to OPEB resulting from the City's contributions subsequent to the measurement date in the amount of \$539 will be recognized as an adjustment to the net OPEB (asset)/liability in the year ended June 30, 2024. 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,		
2024	\$	(6,282)
2025		(2,316)
2026		(4,170)
2027		<u>2,116</u>
Total	<u>\$</u>	<u>(10,652)</u>

Actuarial methods and assumptions used in developing total OPEB liability

Except as identified below, actuarial methods and assumptions used in developing the total OPEB liability are the same as those used to develop the total PERS pension liability as discussed in note 10.

Retiree healthcare participation

Healthy retirees are assumed to participate 32% of the time while disabled retirees are assumed to participate 20% of the time.

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 (asset) to changes in the discount rate

The following presents the proportionate share of the net OPEB (asset) calculated using the discount rate of 6.9%, as well as what the proportionate share of the net OPEB (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.9%) or 1-percentage-point higher (7.9%) than the current rate:

	1 Percentage Point Lower	Current Discount Rate	1 Percentage Point Higher
Proportionate share of net OPEB (asset)	\$ (78,087)	\$ (86,640)	\$ (93,971)

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, 2022, there were 47 active employees and 1 eligible retiree for a total of 48 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	\$ 594	\$ 56
For spouses of retirees	664	42

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

On June 30, 2023, the City reported a total OPEB liability of \$194,305. The total OPEB liability was measured as of June 30, 2022, and determined by an actuarial valuation as of that date.

CITY OF SILVERTON
NOTES TO FINANCIAL STATEMENTS

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

Changes in the total OPEB liability is as follows:

	Total OPEB Liability
Balances on June 30, 2022	\$ 241,353
Changes for the year:	
Service cost	24,247
Interest	5,621
Effect of economic/demographic gains or losses	(22,873)
Changes in assumptions or other inputs	(43,245)
Benefit payments	(10,798)
 Balances on June 30, 2023	 \$ 194,305

For the year ended June 30, 2023, the City recognized OPEB expense of \$12,388. On June 30, 2023, 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	\$ 14,865	\$ (72,633)
Changes of assumptions	5,336	(59,790)
City's contributions subsequent to the measurement date	11,988	-
	\$ 32,189	\$ (132,423)

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 \$11,988 will be recognized as an adjustment to the Total OPEB liability in the year ended June 30, 2024. 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,

2024	\$ (17,480)
2025	(17,480)
2026	(17,480)
2027	(16,737)
2028	(15,614)
Thereafter	(27,431)

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 the 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, 2022
Actuarial Cost Method	Entry Age Normal, Level Percent of Pay
Actuarial Assumptions:	
Inflation Rate	2.4%
Projected Salary Increases	3.4%
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	35% 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 3.65%. The discount rate is based on the Bond Buyer 20-year General Obligation Bond Index. The discount rate at the prior measurement date was 3.54%.

Healthcare cost trend rate

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

<u>Year</u>	<u>Pre-65 Trend</u>
2022	4.25%
2023	6.75%
2024	6.50%
2025	6.00%
2026	5.25%
2027	5.00%
2028-2029	4.75%
2030	4.50%
2031-2065	4.25%
2066-2071	4.00%
2072+	3.75%

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 1.75% for 2022 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 3.65%, 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 (2.65%) or 1-percentage-point higher (4.65%) than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

Sensitivity of Discount Rate

	1-Percentage Point Lower	Current Discount Rate	1-Percentage Point Higher
City's total OPEB liability	\$ 213,357	\$ 194,305	\$ 176,914

Sensitivity of Health Care Trend Rates

	1- Percentage Point Lower	Current Trend Rate	1-Percentage Point Higher
City's total OPEB liability	\$ 168,843	\$ 194,305	\$ 225,247

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
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CITY OF SILVERTON
NOTES TO FINANCIAL STATEMENTS

NOTE 14 – GOVERNMENTAL FUND BALANCES

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

Fund balances:	<u>General</u>	<u>Civic Building Project</u>	<u>Second Street Improvement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Nonspendable:					
Inventory	\$ -	\$ -	\$ -	\$ 13,485	\$ 13,485
Restricted for:					
Transportation	-	-	-	132,895	132,895
Transient Tax	-	-	-	212,456	212,456
Highways and streets	-	-	-	1,255,178	1,255,178
CDBG housing rehabilitation	-	-	-	434,479	434,479
Park maintenance and improvements	-	-	-	302,898	302,898
Pool operations	-	-	-	896,138	896,138
Urban renewal	-	-	-	1,882,786	1,882,786
Capital projects	-	8,693,579	1,406,855	9,384,405	19,484,839
Other purposes	-	-	-	809,883	809,883
Committed for:					
Capital projects	-	-	-	191,119	191,119
Assigned for:					
Unexpected future expenditures	1,697,372	-	-	-	1,697,372
Debt service	-	-	-	47,226	47,226
Unassigned:	<u>5,130,252</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,130,252</u>
Total	<u>\$ 6,827,624</u>	<u>\$ 8,693,579</u>	<u>\$ 1,406,855</u>	<u>\$ 15,562,948</u>	<u>\$ 32,491,006</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	\$ 20,591
Revenues of separately budgeted funds which are included in the general fund on the governmental fund statements	(649,260)
Net change in fund balances - budgetary basis	\$ (628,669)
Beginning fund balances - generally accepted accounting principles basis	\$ 6,807,033
Beginning balances of separately budgeted funds which are included in the general fund on the governmental fund statements	(1,048,112)
Beginning fund balance - budgetary basis	\$ 5,758,921
Ending fund balances - generally accepted accounting principles basis	\$ 6,827,624
Ending balances of separately budgeted funds which are included in the general fund on the governmental fund statements	(1,697,372)
Ending fund balance - budgetary basis	\$ 5,130,252

CITY OF SILVERTON
NOTES TO FINANCIAL STATEMENTS

NOTE 16 – COMMITMENTS

The City has entered into commitments for various projects as of June 30, 2023, as follows:

<u>Project</u>	<u>Disbursed to Date</u>	<u>Remaining Commitment</u>
Urban renewal projects	\$ -	\$ 40,000
Other		
Civic Center Project	10,955,898	5,296,366
Transitional Housing Project	-	30,632
Screwpress Project	271,336	14,281
Water Treatment Plant #1 Replacement	184,681	312,054
WesTrend Homes Sidewalk Extension	75,752	224,469
Silver Creek Water Line & Intake Project	3,899,228	744,628
Pioneer Village	205,790	840
Johna Lane-Fenne Lane	56,647	2,932
Single family dwellings	<u>88,975</u>	<u>260,331</u>
Total	<u>\$ 15,738,307</u>	<u>\$ 6,926,533</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 2022-2023 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	\$ 6,716

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, *

Year Ended June 30,	City's proportion of the net pension liability (asset)	City's proportionate share of the net pension liability (asset)	City's covered payroll	City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	0.02530562%	\$ 3,874,798	\$ 3,411,945	113.57%	84.5%
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 *

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	City's covered payroll	Contributions as a percent of covered payroll
2023	\$ 676,338	\$ 676,338	\$ -	\$ 3,598,219	18.79647%
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%

* Information will be accumulated annually until 10 years is presented

Notes to schedule

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Individual entry age normal, level percentage of pay
Amortization method	Effective July 1, 2018: Closed 20-year amortization, level percent of pay, assume covered payroll increases 2.5% per year Effective July 1, 2011: Closed 20-year amortization, level dollar Effective July 1, 2008: Open 20-year amortization, level percent of pay
Asset valuation method	Effective July 1, 2008: Market value gains and losses smoothed over five years, with result not less than 80 percent or greater than 120 percent of market value
Healthy mortality	Effective July 1, 2015: RP-2000 blended 25% blue collar/75% white collar, sex distinct, set back 12 months for males and no set back for females, projected generationally using Scale BB Effective July 1, 2014: Healthy combined RP-2000 mortality projected to 2014 Effective July 1, 2011: Healthy combined RP-2000 mortality projected to 2005 Prior ot July 1, 2011: 1994 group annuity mortality
Cost of living increases	1.5 percent per year
Salary increases	Effective July 1, 2018: 4 percent per year Through July 1, 2017: 5 percent per year
Investment return	Effective July 1, 2018: 6% Effective July 1, 2015: 6.5% Effective July 1, 2011: 7% Effective July 1, 2006: 7.25%

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
2022	0.02438251%	\$ (86,641)	\$ 3,411,945	-2.54%	194.6%
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 *

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	City's covered payroll	Contributions as a percent of covered payroll
2023	\$ 539	\$ 539	-	\$ 3,598,219	0.01498%
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

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Implicit rate subsidy

Contributions are not based on a measure of pay, therefore the covered-employee payroll is used in the percentages above.

Changes in assumptions

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Discount rate used	3.54%	2.16%	2.21%	3.50%	3.87%	3.58%

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

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Service cost	\$ 24,247	\$ 23,531	\$ 21,913	\$ 19,568	\$ 21,358	\$ 22,822
Interest on total OPEB liability	5,621	5,293	7,076	6,545	9,372	7,274
Effect of economic/demographic gains or losses	(22,873)	-	20,655	-	(101,717)	-
Effect of assumptions changes or inputs	(43,245)	1,147	(7,319)	7,243	(16,724)	(17,917)
Benefit payments	(10,797)	(9,111)	(4,144)	(1,170)	(5,158)	(3,157)
Net change in total OPEB liability	(47,047)	20,860	38,181	32,186	(92,869)	9,022
Total OPEB liability - beginning of year	<u>241,352</u>	<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>\$ 194,305</u>	<u>\$ 241,352</u>	<u>\$ 220,492</u>	<u>\$ 182,311</u>	<u>\$ 150,125</u>	<u>\$ 242,994</u>
Covered employee payroll	\$ 3,411,945	\$ 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	5.69%	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**

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CITY OF SILVERTON
COMBINING BALANCE SHEET
GENERAL FUNDS
June 30, 2023

	General	General Operating Reserve	Total
Assets			
Cash and cash equivalents	\$ 4,999,021	\$ 1,697,372	\$ 6,696,393
Receivables	454,195	-	454,195
Total Assets	\$ 5,453,216	\$ 1,697,372	\$ 7,150,588
Liabilities, Deferred inflows and Fund balances			
Liabilities			
Accounts payable and accrued liabilities	\$ 106,787	\$ -	\$ 106,787
Consumer deposits	67,262	-	67,262
Total Liabilities	174,049	-	174,049
Deferred inflows of resources			
Unavailable revenue	148,915	-	148,915
Total Deferred inflows of resources	148,915	-	148,915
Fund balances			
Assigned	-	1,697,372	1,697,372
Unassigned	5,130,252	-	5,130,252
Total Fund balances	5,130,252	1,697,372	6,827,624
Total liabilities, Deferred inflows of resources and Fund balances	\$ 5,453,216	\$ 1,697,372	\$ 7,150,588

CITY OF SILVERTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GENERAL FUNDS
Year Ended June 30, 2023

	<u>General</u>	<u>General Operating Reserve</u>	<u>Total</u>
Revenues			
Property taxes	\$ 3,358,776	\$ -	\$ 3,358,776
Franchise fees	989,840	-	989,840
Licenses, permits and fees	179,587	-	179,587
Fines and forfeitures	235,581	-	235,581
Intergovernmental	2,002,587	-	2,002,587
Rent	19,222	-	19,222
Interest	170,279	40,307	210,586
Miscellaneous	154,097	8,953	163,050
	<u>7,109,969</u>	<u>49,260</u>	<u>7,159,229</u>
Expenditures			
Current			
General government	2,146,859	-	2,146,859
Public safety	2,924,723	-	2,924,723
Culture and recreation	221,535	-	221,535
Capital outlay	246,259	-	246,259
	<u>5,539,376</u>	<u>-</u>	<u>5,539,376</u>
Excess (deficiency) of revenues over expenditures	<u>1,570,593</u>	<u>49,260</u>	<u>1,619,853</u>
Other financing sources (uses)			
Sale of capital assets	600	-	600
Transfers in	1,460,750	600,000	2,060,750
Transfers out	(3,660,612)	-	(3,660,612)
	<u>(2,199,262)</u>	<u>600,000</u>	<u>(1,599,262)</u>
Net change in fund balances	(628,669)	649,260	20,591
Fund balances at beginning of year	<u>5,758,921</u>	<u>1,048,112</u>	<u>6,807,033</u>
Fund balance at end of year	<u>\$ 5,130,252</u>	<u>\$ 1,697,372</u>	<u>\$ 6,827,624</u>

CITY OF SILVERTON
GENERAL OPERATING RESERVE - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest	\$ 3,500	\$ 40,307	\$ 36,807
Miscellaneous	<u>7,000</u>	<u>8,953</u>	<u>1,953</u>
Total revenues	<u>10,500</u>	<u>49,260</u>	<u>38,760</u>
Expenditures			
Materials and services	<u>1,662,239</u>	<u>-</u>	<u>1,662,239</u>
Total expenditures	<u>1,662,239</u>	<u>-</u>	<u>1,662,239</u>
Excess (deficiency) of revenues over expenditures	<u>(1,651,739)</u>	<u>49,260</u>	<u>1,700,999</u>
Other financing sources			
Transfers in	<u>600,000</u>	<u>600,000</u>	<u>-</u>
Total other financing sources	<u>600,000</u>	<u>600,000</u>	<u>-</u>
Net change in fund balance	(1,051,739)	649,260	1,700,999
Fund balance at beginning of year	<u>1,051,739</u>	<u>1,048,112</u>	<u>(3,627)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 1,697,372</u>	<u>\$ 1,697,372</u>

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, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Intergovernmental	\$ 584,727	\$ 104,887	\$ (479,840)
Interest	27,000	374,624	347,624
Total revenues	<u>611,727</u>	<u>479,511</u>	<u>(132,216)</u>
Expenditures			
Capital outlay	<u>19,040,456</u>	<u>9,434,485</u>	<u>9,605,971</u>
Total expenditures	<u>19,040,456</u>	<u>9,434,485</u>	<u>9,605,971</u>
Excess (deficiency) of revenues over expenditures	<u>(18,428,729)</u>	<u>(8,954,974)</u>	<u>9,473,755</u>
Other financing sources			
Transfers in	<u>3,453,373</u>	<u>3,452,852</u>	<u>(521)</u>
Total other financing sources	<u>3,453,373</u>	<u>3,452,852</u>	<u>(521)</u>
Net change in fund balance	(14,975,356)	(5,502,122)	9,473,234
Fund balance at beginning of year	<u>14,975,356</u>	<u>14,195,701</u>	<u>(779,655)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 8,693,579</u>	<u>\$ 8,693,579</u>

CITY OF SILVERTON
SECOND ST IMPROVEMENT FUND - CAPITAL PROJECTS FUND (MAJOR FUND)
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest	\$ -	\$ 19,197	\$ 19,197
Total revenues	-	19,197	19,197
Expenditures			
Capital outlay	2,422,245	181,858	2,240,387
Total expenditures	2,422,245	181,858	2,240,387
Excess (deficiency) of revenues over expenditures	(2,422,245)	(162,661)	2,259,584
Other financing (uses)			
Transfers in	2,422,245	1,569,516	(852,729)
Total other financing (uses)	2,422,245	1,569,516	(852,729)
Net change in fund balance	-	1,406,855	1,406,855
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ 1,406,855	\$ 1,406,855

CITY OF SILVERTON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

	Special Revenue	Debt Service	Capital Projects	Total
Assets				
Cash and cash equivalents	\$ 5,816,944	\$ 47,226	\$ 9,491,695	\$ 15,355,865
Receivables	686,708	-	94,999	781,707
Inventories	13,485	-	-	13,485
	\$ 6,517,137	\$ 47,226	\$ 9,586,694	\$ 16,151,057
Liabilities, deferred inflows and fund balances				
Liabilities				
Accounts payable and accrued liabilities	\$ 71,658	\$ -	\$ 11,170	\$ 82,828
Consumer deposits	50,076	-	-	50,076
	121,734	-	11,170	132,904
Deferred inflows of resources				
Unavailable revenue	455,205	-	-	455,205
	455,205	-	-	455,205
Fund balances				
Nonspendable	13,485	-	-	13,485
Restricted	5,926,713	-	9,384,405	15,311,118
Committed	-	-	191,119	191,119
Assigned	-	47,226	-	47,226
	5,940,198	47,226	9,575,524	15,562,948
	\$ 6,517,137	\$ 47,226	\$ 9,586,694	\$ 16,151,057

CITY OF SILVERTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

	Special Revenue	Debt Service	Capital Projects	Total
Revenues				
Property taxes	\$ 1,202,546	\$ -	\$ -	\$ 1,202,546
Transient taxes	400,172	-	-	400,172
Licenses, permits and fees	615,874	-	1,116,870	1,732,744
Fines and forfeitures	200	-	-	200
Assessment	25,068	-	-	25,068
Charges for services	10,955	-	-	10,955
System development charges	-	-	295,353	295,353
Intergovernmental	1,099,209	-	-	1,099,209
Fuel taxes	75,390	-	-	75,390
Loan repayment	8,174	-	-	8,174
Interest	167,817	8,199	276,049	452,065
Miscellaneous	5,939	-	2,450	8,389
	<u>3,611,344</u>	<u>8,199</u>	<u>1,690,722</u>	<u>5,310,265</u>
Expenditures				
Current				
General government	1,144,833	-	-	1,144,833
Highways and streets	313,914	-	97,738	411,652
Culture and recreation	203,480	-	7,292	210,772
Debt service	-	822,777	-	822,777
Capital outlay	37,992	-	433,585	471,577
	<u>1,700,219</u>	<u>822,777</u>	<u>538,615</u>	<u>3,061,611</u>
Excess (deficiency) of revenues over expenditures	<u>1,911,125</u>	<u>(814,578)</u>	<u>1,152,107</u>	<u>2,248,654</u>
Other financing sources (uses)				
Transfers in	-	836,268	753,322	1,589,590
Transfers out	(1,267,345)	-	(2,625,158)	(3,892,503)
	<u>(1,267,345)</u>	<u>836,268</u>	<u>(1,871,836)</u>	<u>(2,302,913)</u>
Net change in fund balances	643,780	21,690	(719,729)	(54,259)
Fund balances at beginning of year	<u>5,296,418</u>	<u>25,536</u>	<u>10,295,253</u>	<u>15,617,207</u>
Fund balance at end of year	<u>\$ 5,940,198</u>	<u>\$ 47,226</u>	<u>\$ 9,575,524</u>	<u>\$ 15,562,948</u>

CITY OF SILVERTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2023

	Urban Renewal	Street	Assessment	Building Operations	Transportation
Assets					
Cash and cash equivalents	\$ 1,875,281	\$ 1,216,745	\$ 251,597	\$ 558,388	\$ 115,716
Receivables, net of allowance for doubtful accounts	33,110	95,459	430,318	-	18,320
Inventories	-	8,431	-	-	-
Total Assets	\$ 1,908,391	\$ 1,320,635	\$ 681,915	\$ 558,388	\$ 134,036
Liabilities, Deferred inflows and Fund balances					
Liabilities					
Accounts payable and accrued liabilities	\$ 120	\$ 6,950	\$ -	\$ 8,422	\$ 1,141
Consumer deposits	-	50,076	-	-	-
Total Liabilities	120	57,026	-	8,422	1,141
Deferred inflows of resources					
Unavailable revenue	25,485	-	421,998	-	-
Fund balances					
Nonspendable	-	8,431	-	-	-
Restricted	1,882,786	1,255,178	259,917	549,966	132,895
Total fund balances	1,882,786	1,263,609	259,917	549,966	132,895
Total liabilities, deferred inflows of resources and fund balances	\$ 1,908,391	\$ 1,320,635	\$ 681,915	\$ 558,388	\$ 134,036

CITY OF SILVERTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (continued)
June 30, 2023

	Transient Tax	Community Development Block Grant Housing Rehabilitation	Pool Operations Levy	Parks Fee	Total
Assets					
Cash and cash equivalents	\$ 218,745	\$ 390,262	\$ 894,974	\$ 295,236	\$ 5,816,944
Receivables, net of allowance for doubtful accounts	47,644	44,217	9,725	7,915	686,708
Inventories	-	-	5,054	-	13,485
Total Assets	\$ 266,389	\$ 434,479	\$ 909,753	\$ 303,151	\$ 6,517,137
Liabilities, Deferred inflows and Fund balances					
Liabilities					
Accounts payable and accrued liabilities	\$ 53,933	-	\$ 839	\$ 253	\$ 71,658
Consumer deposits	-	-	-	-	50,076
Total Liabilities	53,933	-	839	253	121,734
Deferred inflows of resources					
Unavailable revenue	-	-	7,722	-	455,205
Fund balances					
Nonspendable	-	-	5,054	-	13,485
Restricted	212,456	434,479	896,138	302,898	5,926,713
Total fund balances	212,456	434,479	901,192	302,898	5,940,198
Total liabilities, deferred inflows of resources and fund balances	\$ 266,389	\$ 434,479	\$ 909,753	\$ 303,151	\$ 6,517,137

CITY OF SILVERTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2023

	<u>Urban Renewal</u>	<u>Street</u>	<u>Assessment</u>	<u>Building Operations</u>	<u>Transportation</u>
Revenues					
Property taxes	\$ 932,937	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	-	24,778	-	494,308	-
Fines and forfeitures	200	-	-	-	-
Assessment	-	-	25,068	-	-
Charges for services	-	-	-	10,955	-
Intergovernmental	-	835,134	-	-	74,409
Fuel taxes	-	75,390	-	-	-
Loan repayment	2,118	-	-	-	-
Interest	49,864	36,039	7,573	16,846	3,475
Miscellaneous	-	3,187	-	36	2,716
Total revenues	<u>985,119</u>	<u>974,528</u>	<u>32,641</u>	<u>522,145</u>	<u>80,600</u>
Expenditures					
Current					
General government	244,867	-	-	348,573	82,123
Highways and streets	-	313,914	-	-	-
Capital outlay	-	24,730	-	1,749	156
Total expenditures	<u>244,867</u>	<u>338,644</u>	<u>-</u>	<u>350,322</u>	<u>82,279</u>
Excess (deficiency) of revenues over expenditures	740,252	635,884	32,641	171,823	(1,679)
Other financing sources (uses)					
Transfers out	-	(861,444)	-	(102,811)	(5,824)
Total other financing sources (uses)	<u>-</u>	<u>(861,444)</u>	<u>-</u>	<u>(102,811)</u>	<u>(5,824)</u>
Net change in fund balances	740,252	(225,560)	32,641	69,012	(7,503)
Fund balances at beginning of year	<u>1,142,534</u>	<u>1,489,169</u>	<u>227,276</u>	<u>480,954</u>	<u>140,398</u>
Fund balance at end of year	<u>\$ 1,882,786</u>	<u>\$ 1,263,609</u>	<u>\$ 259,917</u>	<u>\$ 549,966</u>	<u>\$ 132,895</u>

CITY OF SILVERTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (continued)
Year Ended June 30, 2023

	Transient Tax	Community Development Block Grant Housing Rehabilitation	Pool Operations Levy	Parks Fee	Total
Revenues					
Property taxes	\$ -	\$ -	\$ 269,609	\$ -	\$ 1,202,546
Transient taxes	400,172	-	-	-	400,172
Licenses, permits and fees	-	-	-	96,788	615,874
Fines and forfeitures	-	-	-	-	200
Assessment	-	-	-	-	25,068
Charges for services	-	-	-	-	10,955
Intergovernmental	-	189,666	-	-	1,099,209
Fuel taxes	-	-	-	-	75,390
Loan repayment	-	6,056	-	-	8,174
Interest	6,662	11,871	25,706	9,781	167,817
Miscellaneous	-	-	-	-	5,939
Total revenues	<u>406,834</u>	<u>207,593</u>	<u>295,315</u>	<u>106,569</u>	<u>3,611,344</u>
Expenditures					
Current					
General government	254,985	214,285	-	-	1,144,833
Highways and streets	-	-	-	-	313,914
Culture and recreation	-	-	183,474	20,006	203,480
Capital outlay	-	-	-	11,357	37,992
Total expenditures	<u>254,985</u>	<u>214,285</u>	<u>183,474</u>	<u>31,363</u>	<u>1,700,219</u>
Excess (deficiency) of revenues over expenditures	151,849	(6,692)	111,841	75,206	1,911,125
Other financing sources (uses)					
Transfers out	(119,611)	-	-	(177,655)	(1,267,345)
Total other financing sources (uses)	<u>(119,611)</u>	<u>-</u>	<u>-</u>	<u>(177,655)</u>	<u>(1,267,345)</u>
Net change in fund balances	32,238	(6,692)	111,841	(102,449)	643,780
Fund balances at beginning of year	<u>180,218</u>	<u>441,171</u>	<u>789,351</u>	<u>405,347</u>	<u>5,296,418</u>
Fund balance at end of year	<u>\$ 212,456</u>	<u>\$ 434,479</u>	<u>\$ 901,192</u>	<u>\$ 302,898</u>	<u>\$ 5,940,198</u>

CITY OF SILVERTON
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
June 30, 2023

	Building Capital Improvement Reserve	Street Improvement SDC	Street Maintenance Fee	Street Reimbursement SDC	Street Capital Project
Assets					
Cash and cash equivalents	\$ 191,119	\$ 2,299,168	\$ 1,458,349	\$ 601,924	\$ 128,682
Receivables	-	-	49,461	-	-
Total Assets	\$ 191,119	\$ 2,299,168	\$ 1,507,810	\$ 601,924	\$ 128,682
Liabilities and Fund balances					
Liabilities					
Accounts payable and accrued liabilities	-	\$ 9,381	-	-	-
Total Liabilities	-	9,381	-	-	-
Fund balances					
Restricted	-	2,289,787	1,507,810	601,924	128,682
Committed	191,119	-	-	-	-
Total Fund balances	191,119	2,289,787	1,507,810	601,924	128,682
Total Liabilities and Fund balances	\$ 191,119	\$ 2,299,168	\$ 1,507,810	\$ 601,924	\$ 128,682

CITY OF SILVERTON
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS (continued)
June 30, 2023

	Parks and Recreation Improvement SDC	Stormwater Improvement SDC	Stormwater Fee	Stormwater Reimbursement SDC	Total
Assets					
Cash and cash equivalents	\$ 2,382,477	\$ 264,063	\$ 1,983,020	\$ 182,893	\$ 9,491,695
Receivables	-	-	45,538	-	94,999
Total Assets	\$ 2,382,477	\$ 264,063	\$ 2,028,558	\$ 182,893	\$ 9,586,694
Liabilities and Fund balances					
Liabilities					
Accounts payable and accrued liabilities	\$ -	\$ 1,260	\$ -	\$ 529	\$ 11,170
Total Liabilities	-	1,260	-	529	11,170
Fund balances					
Restricted	2,382,477	262,803	2,028,558	182,364	9,384,405
Committed	-	-	-	-	191,119
Total Fund balances	2,382,477	262,803	2,028,558	182,364	9,575,524
Total Liabilities and Fund balances	\$ 2,382,477	\$ 264,063	\$ 2,028,558	\$ 182,893	\$ 9,586,694

CITY OF SILVERTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
Year Ended June 30, 2023

	Building Capital Improvement Reserve	McClaine Street Improvement Project	Steelhammer LID	Street Improvement SDC	Street Maintenance Fee	Street Lights Improvement
Revenues						
Licenses, permits and fees	\$ -	\$ -	\$ -	\$ -	\$ 577,048	\$ -
System development charges	-	-	-	114,689	-	-
Interest	9,723	-	-	65,000	35,993	222
Miscellaneous	-	-	-	-	2,450	-
Total revenues	9,723	-	-	179,689	615,491	222
Expenditures						
Highways and streets	-	-	-	53,073	420	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	43,778	176,478	-
Total expenditures	-	-	-	96,851	176,898	-
Excess (deficiency) of revenues over expenditures	9,723	-	-	82,838	438,593	222
Other financing sources (uses)						
Transfers in	119,611	-	-	22,552	-	-
Transfers out	(500,000)	(96,438)	(22,552)	-	(128,042)	(213,738)
Total other financing sources (uses)	(380,389)	(96,438)	(22,552)	22,552	(128,042)	(213,738)
Net change in fund balances	(370,666)	(96,438)	(22,552)	105,390	310,551	(213,516)
Fund balances at beginning of year	561,785	96,438	22,552	2,184,397	1,197,259	213,516
Fund balance at end of year	\$ 191,119	\$ -	\$ -	\$ 2,289,787	\$ 1,507,810	\$ -

CITY OF SILVERTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
Year Ended June 30, 2023

	Street Reimbursement SDC	Street Capital Project	Parks and Recreation Improvement SDC	Stormwater Improvement SDC	Stormwater Fee	Stormwater Reimbursement SDC	Total
Revenues							
Licenses, permits and fees	\$ -	\$ -	\$ -	\$ -	\$ 539,822	\$ -	\$ 1,116,870
System development charges	20,974	-	134,061	14,957	-	10,672	295,353
Interest	16,984	16,603	68,214	7,645	50,205	5,460	276,049
Miscellaneous	-	-	-	-	-	-	2,450
Total revenues	37,958	16,603	202,275	22,602	590,027	16,132	1,690,722
Expenditures							
Highways and streets	10,079	-	-	17,249	926	15,991	97,738
Culture and recreation	-	-	7,292	-	-	-	7,292
Capital outlay	-	-	127,000	5,880	77,980	2,469	433,585
Total expenditures	10,079	-	134,292	23,129	78,906	18,460	538,615
Excess (deficiency) of revenues over expenditures	27,879	16,603	67,983	(527)	511,121	(2,328)	1,152,107
Other financing sources (uses)							
Transfers in	-	565,000	-	-	46,159	-	753,322
Transfers out	-	(1,569,516)	(75,000)	-	(19,872)	-	(2,625,158)
Total other financing sources (uses)	-	(1,004,516)	(75,000)	-	26,287	-	(1,871,836)
Net change in fund balances	27,879	(987,913)	(7,017)	(527)	537,408	(2,328)	(719,729)
Fund balances at beginning of year	574,045	1,116,595	2,389,494	263,330	1,491,150	184,692	10,295,253
Fund balance at end of year	\$ 601,924	\$ 128,682	\$ 2,382,477	\$ 262,803	\$ 2,028,558	\$ 182,364	\$ 9,575,524

CITY OF SILVERTON
URBAN RENEWAL - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property taxes	\$ 956,595	\$ 932,937	\$ (23,658)
Loan repayment	1,765	2,118	353
Fines and forfeitures	700	200	(500)
Interest	<u>12,735</u>	<u>49,864</u>	<u>37,129</u>
 Total revenues	 <u>971,795</u>	 <u>985,119</u>	 <u>13,324</u>
Expenditures			
Materials and services	16,000	3,640	12,360
Capital outlay	1,770,092	241,227	1,528,865
Contingency	<u>315,000</u>	<u>-</u>	<u>315,000</u>
 Total expenditures	 <u>2,101,092</u>	 <u>244,867</u>	 <u>1,856,225</u>
 Net change in fund balance	 (1,129,297)	 740,252	 1,869,549
 Fund balance at beginning of year	 <u>1,129,297</u>	 <u>1,142,534</u>	 <u>13,237</u>
 Fund balance at end of year	 <u>\$ -</u>	 <u>\$ 1,882,786</u>	 <u>\$ 1,882,786</u>

CITY OF SILVERTON
STREET - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Licenses, permits and fees	\$ 12,280	\$ 24,778	\$ 12,498
Intergovernmental	700,000	835,134	135,134
Fuel taxes	79,800	75,390	(4,410)
Interest	5,500	36,039	30,539
Miscellaneous	-	3,187	3,187
	<u>797,580</u>	<u>974,528</u>	<u>176,948</u>
Expenditures			
Administration	206,810	71,006	135,804
Maintenance	539,743	267,638	272,105
Contingency	278,896	-	278,896
	<u>1,025,449</u>	<u>338,644</u>	<u>686,805</u>
Excess (deficiency) of revenues over expenditures	<u>(227,869)</u>	<u>635,884</u>	<u>863,753</u>
Other financing (uses)			
Transfers out	(861,444)	(861,444)	-
	<u>(861,444)</u>	<u>(861,444)</u>	<u>-</u>
Total other financing (uses)	<u>(861,444)</u>	<u>(861,444)</u>	<u>-</u>
Net change in fund balance	(1,089,313)	(225,560)	863,753
Fund balance at beginning of year	<u>1,333,692</u>	<u>1,489,169</u>	<u>155,477</u>
Fund balance at end of year	<u>\$ 244,379</u>	<u>\$ 1,263,609</u>	<u>\$ 1,019,230</u>

CITY OF SILVERTON
ASSESSMENT FUND - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Assessments	\$ 10,000	\$ 25,068	\$ 15,068
Interest	300	7,573	7,273
	<u>10,300</u>	<u>32,641</u>	<u>22,341</u>
Expenditures			
Materials and services	15,000	-	15,000
Contingency	219,215	-	219,215
	<u>234,215</u>	<u>-</u>	<u>234,215</u>
Net change in fund balance	(223,915)	32,641	256,556
Fund balance at beginning of year	<u>223,915</u>	<u>227,276</u>	<u>3,361</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 259,917</u>	<u>\$ 259,917</u>

CITY OF SILVERTON
BUILDING OPERATIONS - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Licenses, permits and fees	\$ 335,620	\$ 494,308	\$ 158,688
Charges for services	-	10,955	10,955
Interest	1,800	16,846	15,046
Miscellaneous	-	36	36
	<u>337,420</u>	<u>522,145</u>	<u>184,725</u>
Expenditures			
Inspection services	397,292	350,322	46,970
Contingency	<u>107,212</u>	<u>-</u>	<u>107,212</u>
	<u>504,504</u>	<u>350,322</u>	<u>154,182</u>
Excess (deficiency) of revenues over expenditures	<u>(167,084)</u>	<u>171,823</u>	<u>338,907</u>
Other financing (uses)			
Transfers out	<u>(102,811)</u>	<u>(102,811)</u>	<u>-</u>
	<u>(102,811)</u>	<u>(102,811)</u>	<u>-</u>
Net change in fund balance	(269,895)	69,012	338,907
Fund balance at beginning of year	<u>409,829</u>	<u>480,954</u>	<u>71,125</u>
Fund balance at end of year	<u>\$ 139,934</u>	<u>\$ 549,966</u>	<u>\$ 410,032</u>

CITY OF SILVERTON
TRANSPORTATION - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Intergovernmental	\$ 164,796	\$ 74,409	\$ (90,387)
Interest	350	3,475	3,125
Miscellaneous	<u>1,700</u>	<u>2,716</u>	<u>1,016</u>
Total revenues	<u>166,846</u>	<u>80,600</u>	<u>(86,246)</u>
Expenditures			
Trolley services	230,796	82,279	148,517
Contingency	<u>19,633</u>	<u>-</u>	<u>19,633</u>
Total expenditures	<u>250,429</u>	<u>82,279</u>	<u>168,150</u>
Excess (deficiency) of revenues over expenditures	<u>(83,583)</u>	<u>(1,679)</u>	<u>81,904</u>
Other financing (uses)			
Transfers out	<u>(5,824)</u>	<u>(5,824)</u>	<u>-</u>
Total other financing (uses)	<u>(5,824)</u>	<u>(5,824)</u>	<u>-</u>
Net change in fund balance	(89,407)	(7,503)	81,904
Fund balance at beginning of year	<u>89,407</u>	<u>140,398</u>	<u>50,991</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 132,895</u>	<u>\$ 132,895</u>

CITY OF SILVERTON
TRANSIENT TAX - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Transient room tax	\$ 275,000	\$ 400,172	\$ 125,172
Interest	750	6,662	5,912
Total revenues	<u>275,750</u>	<u>406,834</u>	<u>131,084</u>
Expenditures			
Materials and services	<u>293,773</u>	<u>254,985</u>	<u>38,788</u>
Total expenditures	<u>293,773</u>	<u>254,985</u>	<u>38,788</u>
Excess (deficiency) of revenues over expenditures	<u>(18,023)</u>	<u>151,849</u>	<u>169,872</u>
Other financing (uses)			
Transfers out	<u>(130,000)</u>	<u>(119,611)</u>	<u>10,389</u>
Total other financing (uses)	<u>(130,000)</u>	<u>(119,611)</u>	<u>10,389</u>
Net change in fund balance	(148,023)	32,238	180,261
Fund balance at beginning of year	<u>148,023</u>	<u>180,218</u>	<u>32,195</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 212,456</u>	<u>\$ 212,456</u>

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, 2023

	Budget	Actual	Variance
Revenues			
Loan repayment	\$ -	\$ 6,056	\$ 6,056
Intergovernmental	450,000	189,666	(260,334)
Interest	1,850	11,871	10,021
Total revenues	451,850	207,593	(244,257)
Expenditures			
Materials and services	710,000	214,285	495,715
Contingency	143,567	-	143,567
Total expenditures	853,567	214,285	639,282
Net change in fund balance	(401,717)	(6,692)	395,025
Fund balance at beginning of year	401,717	441,171	39,454
Fund balance at end of year	\$ -	\$ 434,479	\$ 434,479

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, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property taxes	\$ 259,500	\$ 269,609	\$ 10,109
Interest	<u>3,000</u>	<u>25,706</u>	<u>22,706</u>
Total revenues	<u>262,500</u>	<u>295,315</u>	<u>32,815</u>
Expenditures			
Materials and services	204,100	183,474	20,626
Contingency	<u>250,000</u>	<u>-</u>	<u>250,000</u>
Total expenditures	<u>454,100</u>	<u>183,474</u>	<u>270,626</u>
Net change in fund balance	(191,600)	111,841	303,441
Fund balance at beginning of year	<u>725,012</u>	<u>789,351</u>	<u>64,339</u>
Fund balance at end of year	<u>\$ 533,412</u>	<u>\$ 901,192</u>	<u>\$ 367,780</u>

CITY OF SILVERTON
PARKS FEE - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Licenses, permits and fees	\$ 94,040	\$ 96,788	\$ 2,748
Interest	<u>1,400</u>	<u>9,781</u>	<u>8,381</u>
Total revenues	<u>95,440</u>	<u>106,569</u>	<u>11,129</u>
Expenditures			
Parks and recreation	144,298	31,363	112,935
Contingency	<u>89,775</u>	<u>-</u>	<u>89,775</u>
Total expenditures	<u>234,073</u>	<u>31,363</u>	<u>202,710</u>
Excess (deficiency) of revenues over expenditures	<u>(138,633)</u>	<u>75,206</u>	<u>213,839</u>
Other financing (uses)			
Transfers out	<u>(177,655)</u>	<u>(177,655)</u>	<u>-</u>
Total other financing (uses)	<u>(177,655)</u>	<u>(177,655)</u>	<u>-</u>
Net change in fund balance	(316,288)	(102,449)	213,839
Fund balance at beginning of year	<u>316,288</u>	<u>405,347</u>	<u>89,059</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 302,898</u>	<u>\$ 302,898</u>

CITY OF SILVERTON
DEBT SERVICE - DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest	\$ 350	\$ 8,199	\$ 7,849
Total revenues	<u>350</u>	<u>8,199</u>	<u>7,849</u>
Expenditures			
Debt service	<u>861,985</u>	<u>822,777</u>	<u>39,208</u>
Total expenditures	<u>861,985</u>	<u>822,777</u>	<u>39,208</u>
Excess (deficiency) of revenues over expenditures	<u>(861,635)</u>	<u>(814,578)</u>	<u>47,057</u>
Other financing sources			
Transfers in	<u>836,268</u>	<u>836,268</u>	<u>-</u>
Total other financing sources	<u>836,268</u>	<u>836,268</u>	<u>-</u>
Net change in fund balance	(25,367)	21,690	47,057
Fund balance at beginning of year	<u>25,367</u>	<u>25,536</u>	<u>169</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 47,226</u></u>	<u><u>\$ 47,226</u></u>

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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, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest	\$ 1,700	\$ 9,723	\$ 8,023
Total revenues	<u>1,700</u>	<u>9,723</u>	<u>8,023</u>
Expenditures			
Capital outlay	<u>151,910</u>	<u>-</u>	<u>151,910</u>
Total expenditures	<u>151,910</u>	<u>-</u>	<u>151,910</u>
Excess (deficiency) of revenues over expenditures	<u>(150,210)</u>	<u>9,723</u>	<u>159,933</u>
Other financing sources (uses)			
Transfers in	130,000	119,611	(10,389)
Transfers out	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(370,000)</u>	<u>(380,389)</u>	<u>(10,389)</u>
Net change in fund balance	(520,210)	(370,666)	149,544
Fund balance at beginning of year	<u>520,210</u>	<u>561,785</u>	<u>41,575</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 191,119</u>	<u>\$ 191,119</u>

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, 2023

	Budget	Actual	Variance
Other financing (uses)			
Transfers out	(96,438)	(96,438)	-
Total other financing (uses)	(96,438)	(96,438)	-
Net change in fund balance	(96,438)	(96,438)	-
Fund balance at beginning of year	96,438	96,438	-
Fund balance at end of year	\$ -	\$ -	\$ -

CITY OF SILVERTON
STEELHAMMER PROJECT - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	Budget	Actual	Variance
Other financing sources (uses)			
Transfers out	(22,553)	(22,552)	1
Total other financing sources (uses)	(22,553)	(22,552)	1
Net change in fund balance	(22,553)	(22,552)	1
Fund balance at beginning of year	22,553	22,552	(1)
Fund balance at end of year	\$ -	\$ -	\$ -

CITY OF SILVERTON
JAMES ST IMPROVEMENT FUND - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest	\$ 500	\$ -	\$ (500)
Total revenues	<u>500</u>	<u>-</u>	<u>(500)</u>
Expenditures			
Capital outlay	<u>307,500</u>	<u>-</u>	<u>307,500</u>
Total expenditures	<u>307,500</u>	<u>-</u>	<u>307,500</u>
Excess (deficiency) of revenues over expenditures	<u>(307,000)</u>	<u>-</u>	<u>307,000</u>
Other financing (uses)			
Transfers in	<u>307,000</u>	<u>-</u>	<u>(307,000)</u>
Total other financing (uses)	<u>307,000</u>	<u>-</u>	<u>(307,000)</u>
Net change in fund balance	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
System development charges	\$ 126,187	\$ 114,689	\$ (11,498)
Interest	<u>8,350</u>	<u>65,000</u>	<u>56,650</u>
Total revenues	<u>134,537</u>	<u>179,689</u>	<u>45,152</u>
Expenditures			
Street improvements	<u>2,267,345</u>	<u>96,851</u>	<u>2,170,494</u>
Total expenditures	<u>2,267,345</u>	<u>96,851</u>	<u>2,170,494</u>
Excess (deficiency) of revenues over expenditures	<u>(2,132,808)</u>	<u>82,838</u>	<u>2,215,646</u>
Other financing sources			
Transfers in	<u>22,553</u>	<u>22,552</u>	<u>(1)</u>
Total other financing sources	<u>22,553</u>	<u>22,552</u>	<u>(1)</u>
Net change in fund balance	(2,110,255)	105,390	2,215,645
Fund balance at beginning of year	<u>2,133,915</u>	<u>2,184,397</u>	<u>50,482</u>
Fund balance at end of year	<u>\$ 23,660</u>	<u>\$ 2,289,787</u>	<u>\$ 2,266,127</u>

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, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Licenses, permits and fees	\$ 855,627	\$ 577,048	\$ (278,579)
Interest	2,800	35,993	33,193
Miscellaneous	-	2,450	2,450
	<u>858,427</u>	<u>615,491</u>	<u>(242,936)</u>
Total revenues			
Expenditures			
Street improvements	<u>1,769,046</u>	<u>176,898</u>	<u>1,592,148</u>
	<u>1,769,046</u>	<u>176,898</u>	<u>1,592,148</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	<u>(910,619)</u>	<u>438,593</u>	<u>1,349,212</u>
Other financing (uses)			
Transfers out	<u>(178,042)</u>	<u>(128,042)</u>	<u>50,000</u>
	<u>(178,042)</u>	<u>(128,042)</u>	<u>50,000</u>
Total other financing (uses)			
Net change in fund balance	(1,088,661)	310,551	1,399,212
Fund balance at beginning of year	<u>1,088,661</u>	<u>1,197,259</u>	<u>108,598</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 1,507,810</u></u>	<u><u>\$ 1,507,810</u></u>

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, 2023

	Budget	Actual	Variance
Revenues			
Interest	\$ 950	\$ 222	\$ (728)
Total revenues	950	222	(728)
Other financing (uses)			
Transfers out	(214,259)	(213,738)	521
Total other financing (uses)	(214,259)	(213,738)	521
Net change in fund balance	(213,309)	(213,516)	(207)
Fund balance at beginning of year	213,309	213,516	207
Fund balance at end of year	\$ -	\$ -	\$ -

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, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
System development charges	\$ 25,320	\$ 20,974	\$ (4,346)
Interest	<u>2,250</u>	<u>16,984</u>	<u>14,734</u>
Total revenues	<u>27,570</u>	<u>37,958</u>	<u>10,388</u>
Expenditures			
Street improvements	<u>594,232</u>	<u>10,079</u>	<u>584,153</u>
Total expenditures	<u>594,232</u>	<u>10,079</u>	<u>584,153</u>
Excess (deficiency) of revenues over expenditures	<u>(566,662)</u>	<u>27,879</u>	<u>594,541</u>
Fund balance at beginning of year	<u>566,662</u>	<u>574,045</u>	<u>7,383</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 601,924</u>	<u>\$ 601,924</u>

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, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Intergovernmental	\$ 250,000	\$ -	\$ (250,000)
Interest	4,000	16,603	12,603
	<u>254,000</u>	<u>16,603</u>	<u>(237,397)</u>
Expenditures			
Street improvements	364,600	-	364,600
	<u>364,600</u>	<u>-</u>	<u>364,600</u>
Excess (deficiency) of revenues over expenditures	<u>(110,600)</u>	<u>16,603</u>	<u>127,203</u>
Other financing sources (uses)			
Transfers in	565,000	565,000	-
Transfers out	(1,569,510)	(1,569,516)	(6)
	<u>(1,004,510)</u>	<u>(1,004,516)</u>	<u>(6)</u>
Net change in fund balance	(1,115,110)	(987,913)	127,197
Fund balance at beginning of year	<u>1,115,110</u>	<u>1,116,595</u>	<u>1,485</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 128,682</u></u>	<u><u>\$ 128,682</u></u>

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, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
System development charges	\$ 187,200	\$ 134,061	\$ (53,139)
Interest	<u>9,500</u>	<u>68,214</u>	<u>58,714</u>
Total revenues	<u>196,700</u>	<u>202,275</u>	<u>5,575</u>
Expenditures			
Parks improvement	<u>2,462,636</u>	<u>134,292</u>	<u>2,328,344</u>
Total expenditures	<u>2,462,636</u>	<u>134,292</u>	<u>2,328,344</u>
Excess (deficiency) of revenues over expenditures	<u>(2,265,936)</u>	<u>67,983</u>	<u>2,333,919</u>
Other financing (uses)			
Transfers out	<u>(75,000)</u>	<u>(75,000)</u>	<u>-</u>
Total other financing (uses)	<u>(75,000)</u>	<u>(75,000)</u>	<u>-</u>
Net change in fund balance	(2,340,936)	(7,017)	2,333,919
Fund balance at beginning of year	<u>2,340,936</u>	<u>2,389,494</u>	<u>48,558</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 2,382,477</u>	<u>\$ 2,382,477</u>

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, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
System development charges	\$ 16,800	\$ 14,957	\$ (1,843)
Interest	<u>1,250</u>	<u>7,645</u>	<u>6,395</u>
Total revenues	<u>18,050</u>	<u>22,602</u>	<u>4,552</u>
Expenditures			
Stormwater improvement	<u>149,638</u>	<u>23,129</u>	<u>126,509</u>
Total expenditures	<u>149,638</u>	<u>23,129</u>	<u>126,509</u>
Excess (deficiency) of revenues over expenditures	<u>(131,588)</u>	<u>(527)</u>	<u>131,061</u>
Other financing (uses)			
Transfers out	<u>(125,707)</u>	<u>-</u>	<u>125,707</u>
Total other financing (uses)	<u>(125,707)</u>	<u>-</u>	<u>125,707</u>
Net change in fund balance	(257,295)	(527)	256,768
Fund balance at beginning of year	<u>257,295</u>	<u>263,330</u>	<u>6,035</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 262,803</u>	<u>\$ 262,803</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, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Licenses, permits and fees	\$ 530,943	\$ 539,822	\$ 8,879
Interest	<u>3,800</u>	<u>50,205</u>	<u>46,405</u>
Total revenues	<u>534,743</u>	<u>590,027</u>	<u>55,284</u>
Expenditures			
Stormwater improvement	<u>1,390,133</u>	<u>78,906</u>	<u>1,311,227</u>
Total expenditures	<u>1,390,133</u>	<u>78,906</u>	<u>1,311,227</u>
Excess (deficiency) of revenues over expenditures	<u>(855,390)</u>	<u>511,121</u>	<u>1,366,511</u>
Other financing sources (uses)			
Transfers in	46,159	46,159	-
Transfers out	<u>(522,700)</u>	<u>(19,872)</u>	<u>502,828</u>
Total other financing sources (uses)	<u>(476,541)</u>	<u>26,287</u>	<u>502,828</u>
Net change in fund balance	(1,331,931)	537,408	1,869,339
Fund balance at beginning of year	<u>1,331,931</u>	<u>1,491,150</u>	<u>159,219</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 2,028,558</u>	<u>\$ 2,028,558</u>

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, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
System development charges	\$ 18,280	\$ 10,672	\$ (7,608)
Interest	<u>500</u>	<u>5,460</u>	<u>4,960</u>
Total revenues	<u>18,780</u>	<u>16,132</u>	<u>(2,648)</u>
Expenditures			
Stormwater improvement	<u>201,540</u>	<u>18,460</u>	<u>183,080</u>
Total expenditures	<u>201,540</u>	<u>18,460</u>	<u>183,080</u>
Excess (deficiency) of revenues over expenditures	<u>(182,760)</u>	<u>(2,328)</u>	<u>180,432</u>
Net change in fund balance	(182,760)	(2,328)	180,432
Fund balance at beginning of year	<u>182,760</u>	<u>184,692</u>	<u>1,932</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 182,364</u>	<u>\$ 182,364</u>

CITY OF SILVERTON
COMBINING STATEMENT OF NET POSITION
SEWER FUNDS
June 30, 2023

	Sewer	Sewer Improvement		Sewer Reimbursement		Sewer Debt Reserve	WWTP Digester Project	Sewer Capital Project	Total Sewer Fund
		SDC	SDC	SDC	SDC				
Assets									
Current assets									
Cash and cash equivalents	\$ 3,152,928	\$ 1,732,750	\$ 2,350,524	\$ 860,498	\$ 310,725	\$ 3,745,911	\$ 12,153,336		
Receivables, net	360,673	-	-	-	-	-	360,673		
Inventory	13,047	-	-	-	-	-	13,047		
Total current assets	3,526,648	1,732,750	2,350,524	860,498	310,725	3,745,911	12,527,056		
Net other postemployment benefits asset	15,515	-	-	-	-	-	15,515		
Capital assets									
Land and construction in progress	1,951,463	-	-	-	-	-	1,951,463		
Other capital assets, net	20,299,065	-	-	-	-	-	20,299,065		
Total capital assets	22,250,528	-	-	-	-	-	22,250,528		
Total assets	25,792,691	1,732,750	2,350,524	860,498	310,725	3,745,911	34,793,099		
Deferred outflows of resources									
Pension related items	259,694	-	-	-	-	-	259,694		
Other postemployment benefit related items	6,898	-	-	-	-	-	6,898		
Total deferred outflows of resources	266,592	-	-	-	-	-	266,592		

CITY OF SILVERTON
COMBINING STATEMENT OF NET POSITION
SEWER FUNDS
June 30, 2023

	Sewer	Sewer Improvement		Sewer Reimbursement		Sewer Debt Reserve	WWTP Digester		Sewer Capital		Total Sewer Fund
		SDC	SDC	SDC	SDC		Project	Project	Project	Project	
Liabilities											
Current liabilities											
Accounts payable and accrued liabilities	\$ 89,313	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 89,313
Accrued interest payable	46,618	-	-	-	-	-	-	-	-	-	46,618
Compensated absences	30,496	-	-	-	-	-	-	-	-	-	30,496
Long-term obligations due within one year	538,129	-	-	-	-	-	-	-	-	-	538,129
Total current liabilities	704,556	-	-	-	-	-	-	-	-	-	704,556
Long-term obligations due in more than one year	6,910,838	-	-	-	-	-	-	-	-	-	6,910,838
Total liabilities	7,615,394	-	-	-	-	-	-	-	-	-	7,615,394
Deferred inflows of resources											
Pension related items	260,170	-	-	-	-	-	-	-	-	-	260,170
Other postemployment benefit related items	26,658	-	-	-	-	-	-	-	-	-	26,658
Total deferred inflows of resources	286,828	-	-	-	-	-	-	-	-	-	286,828
Net position											
Net investment in capital assets	15,328,418	-	-	-	-	-	-	-	-	-	15,328,418
Restricted for:											
Capital projects	-	1,732,750	2,350,524	-	-	-	310,725	-	-	-	4,393,999
Unrestricted	2,828,643	-	-	860,498	-	-	-	3,745,911	-	-	7,435,052
Total net position	\$ 18,157,061	\$ 1,732,750	\$ 2,350,524	\$ 860,498	\$ 310,725	\$ 3,745,911	\$ 27,157,469				

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CITY OF SILVERTON
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
SEWER FUNDS
Year Ended June 30, 2023

	Sewer	Sewer Improvement SDC	Sewer Reimbursement SDC	Sewer Debt Reserve	WWTP Digester Project	Sewer Capital Project	Eliminations	Total Sewer Fund
Operating revenues								
Charges for services	\$ 4,160,321	-	-	-	-	-	-	\$ 4,160,321
Total operating revenues	4,160,321	-	-	-	-	-	-	4,160,321
Operating expenses								
Personnel services	683,243	-	-	-	-	-	-	683,243
Materials and services	745,132	6,546	1,517	-	-	-	-	753,195
Depreciation	690,055	-	-	-	-	-	-	690,055
Total operating expenses	2,118,430	6,546	1,517	-	-	-	-	2,126,493
Operating income (loss)	2,041,891	(6,546)	(1,517)	-	-	-	-	2,033,828
Nonoperating revenues (expenses)								
Rents	7,500	-	-	-	-	-	-	7,500
Interest income	84,396	47,948	66,013	24,387	9,060	103,429	-	335,233
Miscellaneous	4,875	-	-	-	-	-	-	4,875
Debt Service	(245,585)	-	-	-	-	-	-	(245,585)
Total nonoperating revenue (expenses)	(148,814)	47,948	66,013	24,387	9,060	103,429	-	102,023
Income (loss) before transfers	1,893,077	41,402	64,496	24,387	9,060	103,429	-	2,135,851
Capital contributions	-	89,518	39,081	-	-	-	-	128,599
Transfers in	296,588	-	-	-	161,900	500,000	(296,588)	661,900
Transfers out	(1,435,413)	-	-	-	(70,443)	(226,145)	296,588	(1,435,413)
Change in net position	754,252	130,920	103,577	24,387	100,517	377,284	-	1,490,937
Net position - beginning	17,402,809	1,601,830	2,246,947	836,111	210,208	3,368,627	-	25,666,532
Net position - ending	\$ 18,157,061	\$ 1,732,750	\$ 2,350,524	\$ 860,498	\$ 310,725	\$ 3,745,911	\$ -	\$ 27,157,469

CITY OF SILVERTON
COMBINING STATEMENT OF CASH FLOWS
SEWER FUNDS
Year Ended June 30, 2023

	Sewer	Sewer Improvement SDC	Sewer Reimbursement SDC	Sewer Debt Reserve	WWTP Digester Project	Sewer Capital Projects	Eliminations	Total Sewer Fund
Cash flows from (used in) operating activities								
Receipts from customers	\$ 4,118,062	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,118,062
Payments to suppliers	(684,540)	(6,584)	(1,517)	-	(9,659)	-	-	(702,300)
Payments to employees	(760,369)	-	-	-	-	-	-	(760,369)
Net cash from (used in) operating activities	2,673,153	(6,584)	(1,517)	-	(9,659)	-	-	2,655,393
Cash flows from (used in) capital and related financing activities								
Transfers in	-	-	-	-	161,900	500,000	(500,000)	161,900
Transfers out	(1,435,413)	-	-	-	-	-	500,000	(935,413)
System development charges received	-	89,518	39,081	-	-	-	-	128,599
Other	4,875	-	-	-	-	-	-	4,875
Rents	7,500	-	-	-	-	-	-	7,500
Acquisition of capital assets	(330,388)	-	-	-	(70,443)	(226,145)	-	(626,976)
Principal paid on long-term obligations	(522,890)	-	-	-	-	-	-	(522,890)
Interest paid on long-term obligations	(249,989)	-	-	-	-	-	-	(249,989)
Net cash from (used in) capital and related financing activities	(2,526,305)	89,518	39,081	-	91,457	273,855	-	(2,032,394)
Cash flows from investing activities								
Interest on investments	84,396	47,948	66,013	24,387	9,060	103,429	-	335,233
Net cash from investing activities	84,396	47,948	66,013	24,387	9,060	103,429	-	335,233
Net increase in cash and cash equivalents	231,244	130,882	103,577	24,387	90,858	377,284	-	958,232
Cash and cash equivalents - beginning of year	2,921,684	1,601,868	2,246,947	836,111	219,867	3,368,627	-	11,195,104
Cash and cash equivalents - end of year	\$ 3,152,928	\$ 1,732,750	\$ 2,350,524	\$ 860,498	\$ 310,725	\$ 3,745,911	\$ -	\$ 12,153,336

CITY OF SILVERTON
COMBINING STATEMENT OF CASH FLOWS
SEWER FUNDS
Year Ended June 30, 2023

	Sewer	Sewer Improvement SDC	Sewer Reimbursement SDC	Sewer Debt Reserve	WWTP Digester Project	Sewer Capital Projects	Eliminations	Total Sewer Fund
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities								
Operating income (loss)	\$ 2,041,891	\$ (6,546)	\$ (1,517)	\$ -	\$ -	\$ -	\$ -	\$ 2,033,828
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities								
Depreciation	690,055	-	-	-	-	-	-	690,055
(Increase) decrease in assets and deferred outflows of resources								
Receivables, net	(42,259)	-	-	-	-	-	-	(42,259)
Inventories	190	-	-	-	-	-	-	190
Net other postemployment benefits asset	(2,232)	-	-	-	-	-	-	(2,232)
Pension related items	114,930	-	-	-	-	-	-	114,930
Other postemployment benefit related items	(1,291)	-	-	-	-	-	-	(1,291)
Increase (decrease) in liabilities and deferred inflows of resources								
Accounts payable and accrued liabilities	60,402	(38)	-	-	(9,659)	-	-	50,705
Compensated absences payable	455	-	-	-	-	-	-	455
Net pension liability	3,902	-	-	-	-	-	-	3,902
Other postemployment benefits liability	1,141	-	-	-	-	-	-	1,141
Pension related items	(203,341)	-	-	-	-	-	-	(203,341)
Other postemployment benefit related items	9,310	-	-	-	-	-	-	9,310
Net cash provided by (used in) operating activities	\$ 2,673,153	\$ (6,584)	\$ (1,517)	\$ -	\$ (9,659)	\$ -	\$ -	\$ 2,655,393
SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS								
Transfers in	\$ 296,588	\$ -	\$ -	\$ -	\$ (70,443)	\$ (226,145)	\$ (296,588)	\$ -
Transfers out	-	-	-	-	-	-	296,588	-
Total noncash transactions	\$ 296,588	\$ -	\$ -	\$ -	\$ (70,443)	\$ (226,145)	\$ -	\$ -

CITY OF SILVERTON
SEWER - ENTERPRISE FUND (MAJOR FUND)
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Charges for services	\$ 3,812,860	\$ 4,160,321	\$ 347,461
Intergovernmental	250,000	-	(250,000)
Rents	7,500	7,500	-
Interest	11,950	84,396	72,446
Miscellaneous	<u>2,155</u>	<u>4,875</u>	<u>2,720</u>
Total revenues	<u>4,084,465</u>	<u>4,257,092</u>	<u>172,627</u>
Expenditures			
Administration	260,864	265,285	(4,421)
Operations	1,928,539	1,293,828	634,711
Maintenance	398,062	277,232	120,830
Debt service	772,880	772,879	1
Contingency	<u>826,943</u>	<u>-</u>	<u>826,943</u>
Total expenditures	<u>4,187,288</u>	<u>2,609,224</u>	<u>1,578,064</u>
Excess (deficiency) of revenues over expenditures	<u>(102,823)</u>	<u>1,647,868</u>	<u>1,750,691</u>
Other financing sources (uses)			
Transfers out	<u>(1,486,813)</u>	<u>(1,435,413)</u>	<u>51,400</u>
Total other financing sources (uses)	<u>(1,486,813)</u>	<u>(1,435,413)</u>	<u>51,400</u>
Net change in fund balance	(1,589,636)	212,455	1,802,091
Fund balance at beginning of year	<u>3,294,473</u>	<u>3,194,384</u>	<u>(100,089)</u>
Fund balance at end of year	<u>\$ 1,704,837</u>	3,406,839	<u>\$ 1,702,002</u>
Reconciliation to generally accepted accounting principles			
Net other postemployment benefit asset		15,515	
Capital assets, net		22,250,528	
Deferred outflows of resources		266,592	
Accrued interest payable		(46,618)	
Net pension liability		(492,063)	
Other postemployment benefit liability		(34,794)	
Long-term obligations		(6,922,110)	
Deferred inflows of resources		<u>(286,828)</u>	
Net position - ending		<u>\$ 18,157,061</u>	

CITY OF SILVERTON
SEWER IMPROVEMENT SDC - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
System development charges	\$ 125,440	\$ 89,518	\$ (35,922)
Interest	6,215	47,948	41,733
Total revenues	<u>131,655</u>	<u>137,466</u>	<u>5,811</u>
Expenditures			
Sewer improvements	<u>1,444,805</u>	<u>6,546</u>	<u>1,438,259</u>
Total expenditures	<u>1,444,805</u>	<u>6,546</u>	<u>1,438,259</u>
Excess (deficiency) of revenues over expenditures	<u>(1,313,150)</u>	<u>130,920</u>	<u>1,444,070</u>
Other financing (uses)			
Transfers out	<u>(205,600)</u>	<u>-</u>	<u>205,600</u>
Total other financing (uses)	<u>(205,600)</u>	<u>-</u>	<u>205,600</u>
Net change in fund balance	(1,518,750)	130,920	1,649,670
Fund balance at beginning of year	<u>1,518,750</u>	<u>1,601,830</u>	<u>83,080</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 1,732,750</u>	<u>\$ 1,732,750</u>

CITY OF SILVERTON
SEWER REIMBURSEMENT SDC - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
System development charges	\$ 60,680	\$ 39,081	\$ (21,599)
Interest	<u>9,580</u>	<u>66,013</u>	<u>56,433</u>
Total revenues	<u>70,260</u>	<u>105,094</u>	<u>34,834</u>
Expenditures			
Sewer improvements	<u>2,303,113</u>	<u>1,517</u>	<u>2,301,596</u>
Total expenditures	<u>2,303,113</u>	<u>1,517</u>	<u>2,301,596</u>
Excess (deficiency) of revenues over expenditures	<u>(2,232,853)</u>	<u>103,577</u>	<u>2,336,430</u>
Net change in fund balance	(2,232,853)	103,577	2,336,430
Fund balance at beginning of year	<u>2,232,853</u>	<u>2,246,947</u>	<u>14,094</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 2,350,524</u>	<u>\$ 2,350,524</u>

CITY OF SILVERTON
SEWER DEBT RESERVE - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	Budget	Actual	Variance
Revenues			
Interest	\$ 3,740	\$ 24,387	\$ 20,647
Total revenues	3,740	24,387	20,647
Net change in fund balance	3,740	24,387	20,647
Fund balance at beginning of year	835,387	836,111	724
Fund balance at end of year	\$ 839,127	\$ 860,498	\$ 21,371

CITY OF SILVERTON
WWTP DIGESTER PROJECT - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest	\$ 500	\$ 9,060	\$ 8,560
Total revenues	<u>500</u>	<u>9,060</u>	<u>8,560</u>
Expenditures			
Sewer improvements	<u>389,097</u>	<u>70,443</u>	<u>318,654</u>
Total expenditures	<u>389,097</u>	<u>70,443</u>	<u>318,654</u>
Excess (deficiency) of revenues over expenditures	<u>(388,597)</u>	<u>(61,383)</u>	<u>327,214</u>
Other financing sources			
Transfers in	<u>161,900</u>	<u>161,900</u>	<u>-</u>
Total other financing sources	<u>161,900</u>	<u>161,900</u>	<u>-</u>
Net change in fund balance	(226,697)	100,517	327,214
Fund balance at beginning of year	<u>226,697</u>	<u>210,208</u>	<u>(16,489)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 310,725</u>	<u>\$ 310,725</u>

CITY OF SILVERTON
SEWER CAPITAL PROJECT - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest	\$ 7,500	\$ 103,429	\$ 95,929
Total revenues	<u>7,500</u>	<u>103,429</u>	<u>95,929</u>
Expenditures			
Sewer improvements	<u>3,853,738</u>	<u>226,145</u>	<u>3,627,593</u>
Total expenditures	<u>3,853,738</u>	<u>226,145</u>	<u>3,627,593</u>
Excess (deficiency) of revenues over expenditures	<u>(3,846,238)</u>	<u>(122,716)</u>	<u>3,723,522</u>
Other financing sources			
Transfers in	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Total other financing sources	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Net change in fund balance	(3,346,238)	377,284	3,723,522
Fund balance at beginning of year	<u>3,346,238</u>	<u>3,368,627</u>	<u>22,389</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 3,745,911</u>	<u>\$ 3,745,911</u>

CITY OF SILVERTON
COMBINING STATEMENT OF NET POSITION
WATER FUND
June 30, 2023

	Water	Water		Water Capital Project	Total Water Fund
		Improvement SDC	Reimbursement SDC		
Assets					
Current assets					
Cash and cash equivalents	\$ 3,485,091	\$ 836,563	\$ 607,160	\$ 1,153,489	\$ 6,082,303
Receivables, net	302,298	-	-	-	302,298
Inventory	115,756	-	-	-	115,756
Total current assets	3,903,145	836,563	607,160	1,153,489	6,500,357
Net other postemployment benefits asset	15,276	-	-	-	15,276
Capital assets					
Land and construction in progress	5,730,272	-	-	-	5,730,272
Other capital assets, net	6,850,677	-	-	-	6,850,677
Total capital assets	12,580,949	-	-	-	12,580,949
Total assets	16,499,370	836,563	607,160	1,153,489	19,096,582
Deferred outflows of resources					
Pension related items	209,001	-	-	-	209,001
Other postemployment benefit related items	6,792	-	-	-	6,792
Total deferred outflows of resources	215,793	-	-	-	215,793

CITY OF SILVERTON
COMBINING STATEMENT OF NET POSITION
WATER FUND
June 30, 2023

	Water	Water		Water		Total Water Fund
		Improvement SDC	Reimbursement SDC	Water Capital Project	Total Water Fund	
Liabilities						
Current liabilities						
Accounts payable and accrued liabilities	\$ 14,475	\$ -	\$ -	\$ 220,107	\$ -	234,582
Consumer deposits	83,012	-	-	-	-	83,012
Compensated absences	19,894	-	-	-	-	19,894
Total current liabilities	117,221	-	-	220,107	-	337,328
Long-term obligations due in more than one year	430,269	-	-	-	-	430,269
Total liabilities	547,490	-	-	220,107	-	767,597
Deferred inflows of resources						
Pension related items	209,384	-	-	-	-	209,384
Other postemployment benefit related items	26,248	-	-	-	-	26,248
Total deferred inflows of resources	235,632	-	-	-	-	235,632
Net position						
Net investment in capital assets	12,580,949	-	-	-	-	12,580,949
Restricted for capital projects	-	836,563	607,160	-	-	1,443,723
Unrestricted	3,351,092	-	-	933,382	-	4,284,474
Total net position	\$ 15,932,041	\$ 836,563	\$ 607,160	\$ 933,382	\$ -	\$ 18,309,146

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CITY OF SILVERTON
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
WATER FUND
Year Ended June 30, 2023

	Water	Water Improvement SDC	Water Reimbursement SDC	Water Capital Project	Eliminations	Total Water Fund
Operating revenues						
Charges for services	\$ 3,228,424	\$ -	\$ -	\$ -	\$ -	\$ 3,228,424
Total operating revenues	3,228,424	-	-	-	-	3,228,424
Operating expenses						
Personnel services	591,625	-	-	-	-	591,625
Materials and services	416,382	10,338	1,357	-	-	428,077
Depreciation	344,934	-	-	-	-	344,934
Total operating expenses	1,352,941	10,338	1,357	-	-	1,364,636
Operating income (loss)	1,875,483	(10,338)	(1,357)	-	-	1,863,788
Nonoperating revenues (expenses)						
Grants	-	-	-	895,000	-	895,000
Rents	11,903	-	-	-	-	11,903
Interest income	87,353	40,681	16,626	37,013	-	181,673
Miscellaneous	2,582	-	-	-	-	2,582
Total nonoperating revenue (expenses)	101,838	40,681	16,626	932,013	-	1,091,158
Income (loss) before transfers	1,977,321	30,343	15,269	932,013	-	2,954,946
Capital contributions	-	156,699	35,159	-	-	191,858
Transfers in	3,939,764	-	-	2,006,953	(3,939,764)	2,006,953
Transfers out	(989,476)	(1,756,674)	-	(3,939,764)	3,939,764	(2,746,150)
Change in net position	4,927,609	(1,569,632)	50,428	(1,000,798)	-	2,407,607
Net position - beginning	11,004,432	2,406,195	556,732	1,934,180	-	15,901,539
Net position - ending	\$ 15,932,041	\$ 836,563	\$ 607,160	\$ 933,382	\$ -	\$ 18,309,146

CITY OF SILVERTON
COMBINING STATEMENT OF CASH FLOWS
WATER FUND
Year Ended June 30, 2023

	Water	Water Improvement SDC	Water Reimbursement SDC	Water Capital Project	Eliminations	Total Water Fund
Cash flows from (used in) operating activities						
Receipts from customers	\$ 3,133,423	\$ -	\$ -	\$ -	\$ -	\$ 3,133,423
Payments to suppliers	(410,199)	(10,376)	(1,357)	208,588	-	(213,344)
Payments to employees	(615,718)	-	-	-	-	(615,718)
Net cash from (used in) operating activities	2,107,506	(10,376)	(1,357)	208,588	-	2,304,361
Cash flows from (used in) capital and related financing activities						
Transfers in	3,939,764	-	-	2,006,953	(3,939,764)	2,006,953
Transfers out	(989,476)	(1,756,674)	-	(3,939,764)	3,939,764	(2,746,150)
System development charges received	-	156,699	35,159	-	-	191,858
Other	2,581	-	-	-	-	2,581
Grants	-	-	-	895,000	-	895,000
Rents	11,903	-	-	-	-	11,903
Acquisition of capital assets	(3,993,014)	-	-	-	-	(3,993,014)
Principal paid on long-term obligations	(281,208)	-	-	-	-	(281,208)
Interest paid on long-term obligations	(1,570)	-	-	-	-	(1,570)
Net cash from (used in) capital and related financing activities	(1,311,020)	(1,599,975)	35,159	(1,037,811)	-	(3,913,647)
Cash flows from investing activities						
Interest on investments	87,353	40,681	16,626	37,013	-	181,673
Net cash from investing activities	87,353	40,681	16,626	37,013	-	181,673
Net increase (decrease) in cash and cash equivalents	883,839	(1,569,670)	50,428	(792,210)	-	(1,427,613)
Cash and cash equivalents - beginning of year	2,601,252	2,406,233	556,732	1,945,699	-	7,509,916
Cash and cash equivalents - end of year	\$ 3,485,091	\$ 836,563	\$ 607,160	\$ 1,153,489	\$ -	\$ 6,082,303

CITY OF SILVERTON
COMBINING STATEMENT OF CASH FLOWS
WATER FUND
Year Ended June 30, 2023

	Water	Water Improvement SDC	Water Reimbursement SDC	Water Capital Project	Eliminations	Total Water Fund
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities						
Operating income (loss)	\$ 1,875,483	\$ (10,338)	\$ (1,357)	\$ -	\$ -	\$ 1,863,788
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation	344,934	-	-	-	-	344,934
(Increase) decrease in assets and deferred outflows of resources						
Receivables, net	(98,796)	-	-	-	-	(98,796)
Inventories	9,987	-	-	-	-	9,987
Net other postemployment benefits asset	(5,211)	-	-	-	-	(5,211)
Other postemployment benefit related items	74,097	-	-	-	-	74,097
Other postemployment benefit related items	(2,543)	-	-	-	-	(2,543)
Increase (decrease) in liabilities and deferred inflows of resources						
Accounts payable and accrued liabilities	(3,804)	(38)	-	208,588	-	204,746
Consumer deposits	3,795	-	-	-	-	3,795
Compensated absences payable	1,473	-	-	-	-	1,473
Net pension liability	27,114	-	-	-	-	27,114
Net other postemployment benefits liability	8,759	-	-	-	-	8,759
Pension related items	(140,885)	-	-	-	-	(140,885)
Other postemployment benefit related items	13,103	-	-	-	-	13,103
Net cash provided by (used in) operating activities	\$ 2,107,506	\$ (10,376)	\$ (1,357)	\$ 208,588	\$ -	\$ 2,304,361
SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS						
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	-	-	-	-
Total noncash transactions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF SILVERTON
WATER - ENTERPRISE FUND (MAJOR FUND)
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Charges for services	\$ 2,635,150	\$ 3,228,424	\$ 593,274
Rents	11,902	11,903	1
Interest	10,745	87,353	76,608
Miscellaneous	-	2,582	2,582
	<u>2,657,797</u>	<u>3,330,262</u>	<u>672,465</u>
Expenditures			
Administration	623,427	261,020	362,407
Operations	516,099	431,369	84,730
Maintenance	633,348	394,434	238,914
Debt service	941,054	282,778	658,276
Contingency	392,871	-	392,871
	<u>3,106,799</u>	<u>1,369,601</u>	<u>1,737,198</u>
Excess (deficiency) of revenues over expenditures	<u>(449,002)</u>	<u>1,960,661</u>	<u>2,409,663</u>
Other financing sources (uses)			
Transfers out	<u>(1,213,676)</u>	<u>(989,476)</u>	<u>224,200</u>
	<u>(1,213,676)</u>	<u>(989,476)</u>	<u>224,200</u>
Net change in fund balance	(1,662,678)	971,185	2,633,863
Fund balance at beginning of year	<u>2,528,611</u>	<u>2,814,579</u>	<u>285,968</u>
Fund balance at end of year	<u>\$ 865,933</u>	3,785,764	<u>\$ 2,919,831</u>
Reconciliation to generally accepted accounting principles			
Net other postemployment benefit asset		15,276	
Capital assets, net		12,580,949	
Deferred outflows of resources		215,793	
Other postemployment benefit liability		(34,258)	
Net pension liability		(396,011)	
Deferred inflows of resources		<u>(235,632)</u>	
Net position - ending		<u>\$ 15,931,881</u>	

CITY OF SILVERTON
WATER IMPROVEMENT SDC - WATER FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
System development charges	\$ 277,120	\$ 156,699	\$ (120,421)
Interest	10,060	40,681	30,621
Total revenues	<u>287,180</u>	<u>197,380</u>	<u>(89,800)</u>
Expenditures			
Water improvements	<u>287,180</u>	<u>10,338</u>	<u>276,842</u>
Total expenditures	<u>287,180</u>	<u>10,338</u>	<u>276,842</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>187,042</u>	<u>187,042</u>
Other financing (uses)			
Transfers out	<u>(2,389,766)</u>	<u>(1,756,674)</u>	<u>633,092</u>
Total other financing (uses)	<u>(2,389,766)</u>	<u>(1,756,674)</u>	<u>633,092</u>
Net change in fund balance	(2,389,766)	(1,569,632)	820,134
Fund balance at beginning of year	<u>2,389,766</u>	<u>2,406,195</u>	<u>16,429</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 836,563</u>	<u>\$ 836,563</u>

CITY OF SILVERTON
WATER REIMBURSEMENT SDC - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
System development charges	\$ 54,280	\$ 35,159	\$ (19,121)
Interest	<u>2,050</u>	<u>16,626</u>	<u>14,576</u>
Total revenues	<u>56,330</u>	<u>51,785</u>	<u>(4,545)</u>
Expenditures			
Water improvements	<u>56,330</u>	<u>1,357</u>	<u>54,973</u>
Total expenditures	<u>56,330</u>	<u>1,357</u>	<u>54,973</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>50,428</u>	<u>50,428</u>
Other financing (uses)			
Transfers out	<u>(544,528)</u>	<u>-</u>	<u>544,528</u>
Total other financing (uses)	<u>(544,528)</u>	<u>-</u>	<u>544,528</u>
Net change in fund balance	(544,528)	50,428	594,956
Fund balance at beginning of year	<u>544,528</u>	<u>556,732</u>	<u>12,204</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 607,160</u>	<u>\$ 607,160</u>

CITY OF SILVERTON
WATER CAPITAL PROJECT - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Intergovernmental	\$ 1,150,000	\$ 895,000	\$ (255,000)
Interest	3,000	37,013	34,013
Total revenues	<u>1,153,000</u>	<u>932,013</u>	<u>(220,987)</u>
Expenditures			
Water improvements	<u>15,635,292</u>	<u>3,939,764</u>	<u>11,695,528</u>
Total expenditures	<u>15,635,292</u>	<u>3,939,764</u>	<u>11,695,528</u>
Excess (deficiency) of revenues over expenditures	<u>(14,482,292)</u>	<u>(3,007,751)</u>	<u>11,474,541</u>
Other financing sources (uses)			
Issuance of long-term obligations	9,500,000	-	(9,500,000)
Transfers in	<u>3,184,573</u>	<u>2,006,953</u>	<u>(1,177,620)</u>
Total other financing sources (uses)	<u>12,684,573</u>	<u>2,006,953</u>	<u>(10,677,620)</u>
Net change in fund balance	(1,797,719)	(1,000,798)	796,921
Fund balance at beginning of year	<u>1,797,719</u>	<u>1,934,180</u>	<u>136,461</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 933,382</u>	<u>\$ 933,382</u>

CITY OF SILVERTON
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2023

	Fleet Replacement	Major Equipment Replacement	Extended Leave	Totals
Assets				
Cash and cash equivalents	\$ 1,836,643	\$ 1,411,084	\$ 34,021	\$ 3,281,748
Total Assets	<u>1,836,643</u>	<u>1,411,084</u>	<u>34,021</u>	<u>3,281,748</u>
Liabilities and Net Position				
Accounts payable	<u>850</u>	<u>-</u>	<u>-</u>	<u>850</u>
Total current liabilities	<u>850</u>	<u>-</u>	<u>-</u>	<u>850</u>
Net position				
Unrestricted	<u>\$ 1,835,793</u>	<u>\$ 1,411,084</u>	<u>\$ 34,021</u>	<u>\$ 3,280,898</u>

CITY OF SILVERTON
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
Year Ended June 30, 2023

	Fleet Replacement	Major Equipment Replacement	Extended Leave	Totals
Nonoperating revenues (expenses)				
Interest income	\$ 54,575	\$ 40,329	\$ 855	\$ 95,759
Total nonoperating revenue (expenses)	<u>54,575</u>	<u>40,329</u>	<u>855</u>	<u>95,759</u>
Income (loss) before transfers	54,575	40,329	855	95,759
Transfers in	299,969	93,148	-	393,117
Transfers out	<u>(183,283)</u>	<u>(27,345)</u>	<u>-</u>	<u>(210,628)</u>
Change in net position	171,261	106,132	855	278,248
Net position - beginning	<u>1,664,532</u>	<u>1,304,952</u>	<u>33,166</u>	<u>3,002,650</u>
Net position - ending	<u>\$ 1,835,793</u>	<u>\$ 1,411,084</u>	<u>\$ 34,021</u>	<u>\$ 3,280,898</u>

CITY OF SILVERTON
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended June 30, 2023

	Fleet Replacement	Major Equipment Replacement	Extended Leave	Totals
Cash flows from operating activities				
Payments to suppliers	\$ 850	\$ -	\$ -	\$ 850
Net cash from operating activities	<u>850</u>	<u>-</u>	<u>-</u>	<u>850</u>
Cash flows from (used in) capital and related financing activities				
Transfers in	299,969	93,148	-	393,117
Acquisition of capital assets	<u>(183,283)</u>	<u>(27,345)</u>	<u>-</u>	<u>(210,628)</u>
Net cash from capital and related financing activities	<u>116,686</u>	<u>65,803</u>	<u>-</u>	<u>182,489</u>
Cash flows from investing activities				
Interest on investments	<u>54,575</u>	<u>40,329</u>	<u>855</u>	<u>95,759</u>
Net cash from investing activities	<u>54,575</u>	<u>40,329</u>	<u>855</u>	<u>95,759</u>
Net increase in cash and cash equivalents	172,111	106,132	855	279,098
Cash and cash equivalents - beginning of year	<u>1,664,532</u>	<u>1,304,952</u>	<u>33,166</u>	<u>3,002,650</u>
Cash and cash equivalents - end of year	<u>\$ 1,836,643</u>	<u>\$ 1,411,084</u>	<u>\$ 34,021</u>	<u>\$ 3,281,748</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ -	\$ -	\$ -	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Increase (decrease) in liabilities and deferred inflows of resources				
Accounts payable and accrued liabilities	<u>850</u>	<u>-</u>	<u>-</u>	<u>850</u>
Net cash provided by (used in) operating activities	<u>\$ 850</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 850</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS				
Transfers out	\$ (183,283)	\$ (27,345)	\$ -	\$ (210,628)
Total noncash transactions	<u>\$ (183,283)</u>	<u>\$ (27,345)</u>	<u>\$ -</u>	<u>\$ (210,628)</u>

CITY OF SILVERTON
FLEET REPLACEMENT - INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest	\$ 6,500	\$ 54,575	\$ 48,075
Total revenues	<u>6,500</u>	<u>54,575</u>	<u>48,075</u>
Expenditures			
Capital outlay	<u>187,901</u>	<u>183,283</u>	<u>4,618</u>
Total expenditures	<u>187,901</u>	<u>183,283</u>	<u>4,618</u>
Excess (deficiency) of revenues over expenditures	<u>(181,401)</u>	<u>(128,708)</u>	<u>52,693</u>
Other financing sources			
Transfers in	<u>299,969</u>	<u>299,969</u>	<u>-</u>
Total other financing sources	<u>299,969</u>	<u>299,969</u>	<u>-</u>
Net change in fund balance	118,568	171,261	52,693
Fund balance at beginning of year	<u>1,615,431</u>	<u>1,664,532</u>	<u>49,101</u>
Fund balance at end of year	<u>\$ 1,733,999</u>	<u>\$ 1,835,793</u>	<u>\$ 101,794</u>

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, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest	\$ 4,875	\$ 40,329	\$ 35,454
Total revenues	<u>4,875</u>	<u>40,329</u>	<u>35,454</u>
Expenditures			
Capital outlay	<u>159,495</u>	<u>27,345</u>	<u>132,150</u>
Total expenditures	<u>159,495</u>	<u>27,345</u>	<u>132,150</u>
Excess (deficiency) of revenues over expenditures	<u>(154,620)</u>	<u>12,984</u>	<u>167,604</u>
Other financing sources			
Transfers in	<u>93,148</u>	<u>93,148</u>	<u>-</u>
Total other financing sources	<u>93,148</u>	<u>93,148</u>	<u>-</u>
Net change in fund balance	(61,472)	106,132	167,604
Fund balance at beginning of year	<u>1,303,879</u>	<u>1,304,952</u>	<u>1,073</u>
Fund balance at end of year	<u>\$ 1,242,407</u>	<u>\$ 1,411,084</u>	<u>\$ 168,677</u>

CITY OF SILVERTON
EXTENDED LEAVE - INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest	\$ 110	\$ 855	\$ 745
Total revenues	<u>110</u>	<u>855</u>	<u>745</u>
Expenditures			
Personnel services	<u>33,219</u>	<u>-</u>	<u>33,219</u>
Total expenditures	<u>33,219</u>	<u>-</u>	<u>33,219</u>
Excess (deficiency) of revenues over expenditures	<u>(33,109)</u>	<u>855</u>	<u>33,964</u>
Fund balance at beginning of year	<u>33,109</u>	<u>33,166</u>	<u>57</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 34,021</u>	<u>\$ 34,021</u>

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COMPLIANCE SECTION

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

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

We have audited the basic financial statements of the City of Silverton (the "City") as of and for the year ended June 30, 2023, and have issued our report thereon dated December 29, 2023. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0230 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

In connection with our testing, nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0230 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

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

OAR 162-010-0230 Internal Control

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

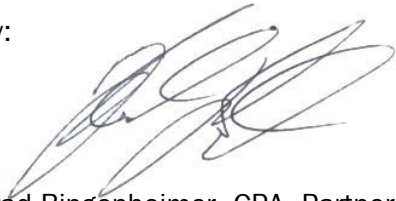
Restriction of Use

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, 2023

By:



Brad Bingenheimer, CPA, Partner

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of City of Silverton (the "City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 29, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Honorable Mayor and Members of the City Council
City of Silverton
Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards*

Report on Compliance and Other Matters

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

Purpose of this Report

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

Singer Lewak LLP

December 29, 2023

By:



Bradley G. Bingenheimer, Partner

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Silverton's (the "City") compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance Section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Honorable Mayor and Members of the City Council
City of Silverton
Independent Auditor's Report on Compliance for Each Major Federal
Program and Report on Internal Control over Compliance Required
by the Uniform Guidance

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit,
- identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances,
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during our audit.

Honorable Mayor and Members of the City Council
City of Silverton
Independent Auditor's Report on Compliance for Each Major Federal
Program and Report on Internal Control over Compliance Required
by the Uniform Guidance

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal controls over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal controls over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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



December 29, 2023

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CITY OF SILVERTON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

Section I Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Were financial statements prepared in accordance with generally accepted accounting principles	Yes
Internal controls over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies)	No
Noncompliance material to financial statements noted?	No

Federal awards

Internal control over major federal programs:	
Material weakness(es) identified?	No
Significant deficiency(ies)	No
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major federal programs:	
Assistance Listing	
Number(s)	Name of Federal Program or Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds
11.300	Economic Development Administration
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as a low-risk auditee:	No

Section II - Financial Statement Findings

None reported

Section III - Federal Award Findings and Questioned Costs

None Reported

CITY OF SILVERTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal ALN</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
Department of Commerce			
Economic Development Administration	11.300	070107439	\$ 1,010,000
Total Department of Commerce			<u>1,010,000</u>
Department of Transportation			
<i>Passed through the Oregon Department of Transportation</i>			
National Priority Safety Programs	20.616	n/a	6,995
<i>Passed through the Oregon Department of Transportation</i>			
Silver Trolley Program	20.509	34735/35003	67,561
<i>Passed through the Oregon Department of Transportation</i>			
Silver Trolley Program-Preventative Maintenance	20.513	35198	<u>1,872</u>
Total Department of Transportation			<u>76,428</u>
Department of the Treasury			
Direct			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	8196/8182	2,858,416
<i>Passed through Marion County</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	73915	<u>5,524</u>
Total Department of the Treasury			<u>2,863,940</u>
Department of General Services Administration			
<i>Passed through the State of Oregon</i>			
Federal Surplus Property	39.003		<u>226</u>
Total Department of General Services Administration			<u>226</u>
Department of Housing and Urban Development			
Community Development Block Grants	14.228	HA2201	<u>189,669</u>
Total Department of Housing and Urban Development			<u>189,669</u>
Total Expenditures of Federal Awards			<u>\$ 4,140,263</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the City under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of Northwest Senior & Disability Services.

Note 2 - Significant Accounting Policies

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

Note 3 - Indirect Cost Rate

The City has not elected to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.