



**Silverton, Oregon**

**ANNUAL FINANCIAL REPORT  
For the Year Ended June 30, 2019**

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**CITY OF SILVERTON**

**OFFICERS AND MEMBERS OF THE GOVERNING BODY  
For The Year Ended June 30, 2019**

**Mayor**

Kyle Palmer  
429 S Third Street  
Silverton, OR 97381

**City Council**

Jason Freilinger  
1316 Frontier Street  
Silverton, OR 97381

Dana Smith  
PO Box 821  
Silverton, OR 97381

Jim Sears  
701 Mill Street  
Silverton, OR 97381

Laurie A. Carter  
204 e. Main Street  
Silverton, OR 97381

Matt Plummer  
709 Hicks Street  
Silverton, OR 97381

Rhett Martin  
215 Walnut Ave  
Silverton, OR 97381  
(Term ended January 1, 2019)

Crystal Neideigh  
1444 Meadow Avenue  
Silverton, OR 97381  
(Term began January 7, 2019)

**City Address**

306 South Water Street  
Silverton, OR 97381

**City Manager**

Christy S. Wurster

**Finance Director**

Kathleen Zaragoza

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members  
of the City Council  
CITY OF SILVERTON  
Silverton, Oregon

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of CITY OF SILVERTON, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### *Auditor's Responsibility*

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

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

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the CITY OF SILVERTON, as of June 30, 2019, 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.

## INDEPENDENT AUDITOR'S REPORT (Continued)

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages a-f and the schedules of proportionate share of the net pension liability, contributions, proportionate share of the net other postemployment benefit liability, contributions, and changes in the City's total other postemployment benefit liability and related ratios on pages 50-54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

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

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

#### **Other Reporting Required by Oregon State Regulations**

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report December 20, 2019, 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.

Boldt Carlisle + Smith  
Certified Public Accountants  
Salem, Oregon  
December 20, 2019

By:



Bradley G. Bingenheimer, Member

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

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## CITY OF SILVERTON

### MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended June 30, 2019

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

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

#### FINANCIAL HIGHLIGHTS

The City's assets exceeded its liabilities at June 30, 2019 by \$69,227,503 (*net position*). Of this amount, \$38,406,581 was invested in capital assets; \$18,409,359 was restricted for specific purposes resulting in unrestricted net position of \$12,411,563.

The City's total net position increased by \$6,025,383 (or 9.53%). The majority of the increase is due primarily to the increase of the unrestricted net position.

The City's governmental activities had an increase in net position of \$4,044,212 of which \$1,654,853 is for net investment in capital assets. There was also an increase in restricted for specific purposes of \$2,734,054 and a decrease in the unrestricted net position of \$344,695.

The City's business-type activities had an increase in total net position of \$1,981,171, which is a result of the increase in the unrestricted net position.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

The City's annual financial report consists of several sections. Taken together they provide a report of the City's financial position as of June 30, 2019. The components of the report include the following:

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

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

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

Fund financial statements focus separately on major governmental funds and proprietary funds. Governmental fund statements follow the more traditional presentation of financial statements. The City's major governmental funds are presented in their own columns and the nonmajor 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, are 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, 2019 was \$69,227,503. The largest portion of net position is comprised of the City's investment in capital assets (e.g., land, buildings, equipment and public infrastructure); less any related debt outstanding used to acquire those assets. The City uses capital assets to provide services to citizens; therefore, these assets are not available for future spending. The resources to repay the related debt is not provided by capital assets, but will be provided from other sources such as charges for services.

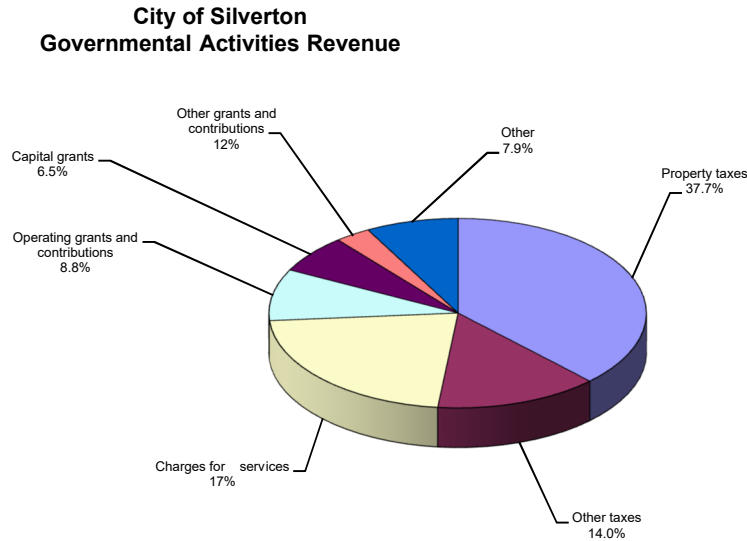
### NET ASSETS

	Governmental Activities		Business-type Activities		Totals	
	2018	2019	2018	2019	2018	2019
<u>Assets</u>						
Current and other assets	\$ 19,352,138	\$ 23,192,933	\$ 11,672,559	\$ 13,654,609	\$ 31,024,697	\$ 36,847,542
Capital assets, net	<u>16,204,433</u>	<u>16,829,120</u>	<u>31,782,623</u>	<u>31,223,026</u>	<u>47,987,056</u>	<u>48,052,146</u>
<b>Total assets</b>	<b><u>35,556,571</u></b>	<b><u>40,022,053</u></b>	<b><u>43,455,182</u></b>	<b><u>44,877,635</u></b>	<b><u>79,011,753</u></b>	<b><u>84,899,688</u></b>
<u>Deferred outflows of resources</u>	<u>1,188,294</u>	<u>1,387,357</u>	<u>471,207</u>	<u>478,639</u>	<u>1,659,501</u>	<u>1,865,996</u>
<u>Liabilities</u>						
Long-term liabilities	4,670,933	4,865,134	12,095,551	11,416,551	16,766,484	16,281,685
Other liabilities	<u>267,432</u>	<u>389,134</u>	<u>196,106</u>	<u>227,618</u>	<u>463,538</u>	<u>616,752</u>
<b>Total liabilities</b>	<b><u>4,938,365</u></b>	<b><u>5,254,268</u></b>	<b><u>12,291,657</u></b>	<b><u>11,644,169</u></b>	<b><u>17,230,022</u></b>	<b><u>16,898,437</u></b>
<u>Deferred inflows of resources</u>	<u>171,217</u>	<u>475,647</u>	<u>67,895</u>	<u>164,097</u>	<u>239,112</u>	<u>639,744</u>
<u>Net position</u>						
Net investment in capital assets	15,174,267	16,829,120	21,541,256	21,577,461	36,715,523	38,406,581
Restricted	9,739,306	12,473,360	8,514,342	5,935,999	18,253,648	18,409,359
Unrestricted	<u>6,721,710</u>	<u>6,377,015</u>	<u>1,511,239</u>	<u>6,034,548</u>	<u>8,232,949</u>	<u>12,411,563</u>
<b>Total net position</b>	<b><u>\$ 31,635,283</u></b>	<b><u>\$ 35,679,495</u></b>	<b><u>\$ 31,566,837</u></b>	<b><u>\$ 33,548,008</u></b>	<b><u>\$ 63,202,120</u></b>	<b><u>\$ 69,227,503</u></b>

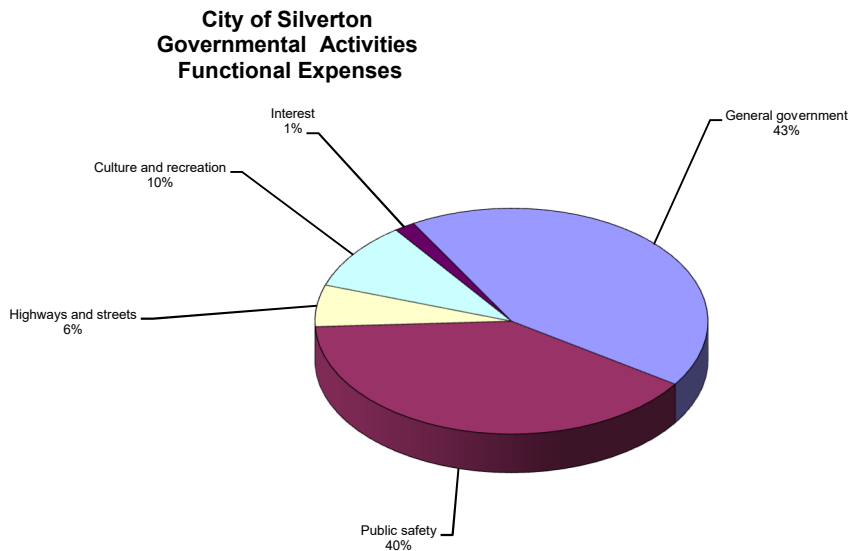
**MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)**

**FINANCIAL SUMMARY AND ANALYSIS (continued)**

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



Property taxes are the City’s primary source of revenue comprising 37.7% of the City’s governmental revenue. The City’s permanent tax rate is \$3.6678 per \$1,000 of assessed value. Additional taxes levied are for a pool operation levy. The next largest revenue source was from charges for services, 17%.



The primary expenses for governmental activities are general government at 43% and public safety at 40%. General government expenses are greater than Public safety expenses by \$204,350. Both general government expenses and public safety expenses are more for the 2019 fiscal year as compared to the 2018 fiscal year by a total of \$672,749.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

### FINANCIAL SUMMARY AND ANALYSIS (continued)

Net position of the governmental activities increased by \$4,047,214, or 12.79%. Net position of the City's business-type activities increased by \$1,981,171 or 6.28%. Key elements of these changes are as follows:

	Governmental Activities		Business-type Activities		Totals	
	2018	2019	2018	2019	2018	2019
<b>Revenues</b>						
Program:						
Charges for services	\$ 1,711,008	\$ 2,128,026	\$ 6,163,714	\$ 6,215,502	\$ 7,874,722	\$ 8,343,528
Operating grants and contributions	1,176,255	852,433	-	-	1,176,255	852,433
Capital grants and contributions	671,982	631,519	480,826	517,774	1,152,808	1,149,293
General:						
Property taxes	3,526,283	3,652,042	-	-	3,526,283	3,652,042
Other taxes	1,146,208	1,352,735	-	-	1,146,208	1,352,735
Other grants and contributions	350,423	293,976	-	-	350,423	293,976
Other	414,453	765,831	176,719	392,964	591,172	1,158,795
<b>Total revenues</b>	<u>8,996,612</u>	<u>9,676,562</u>	<u>6,821,259</u>	<u>7,126,240</u>	<u>15,817,871</u>	<u>16,802,802</u>
<b>Expenses</b>						
General government	2,492,699	3,004,374	-	-	2,492,699	3,004,374
Public safety	2,638,950	2,800,024	-	-	2,638,950	2,800,024
Highways and streets	543,490	419,221	-	-	543,490	419,221
Culture and recreation	506,124	688,228	-	-	506,124	688,228
Interest on long-term obligations	115,527	118,630	-	-	115,527	118,630
Sewer	-	-	2,409,751	2,376,849	2,409,751	2,376,849
Water	-	-	1,541,911	1,370,093	1,541,911	1,370,093
<b>Total expenses</b>	<u>6,296,790</u>	<u>7,030,477</u>	<u>3,951,662</u>	<u>3,746,942</u>	<u>10,248,452</u>	<u>10,777,419</u>
Change in net position before transfers	2,699,822	2,646,085	2,869,597	3,379,298	5,569,419	6,025,383
Transfers	<u>772,713</u>	<u>1,398,127</u>	<u>(772,713)</u>	<u>(1,398,127)</u>	<u>-</u>	<u>-</u>
Increase in net position	3,472,535	4,044,212	2,096,884	1,981,171	5,569,419	6,025,383
Net position - beginning	28,361,048	31,635,283	29,538,678	31,566,837	57,899,726	63,202,120
Prior period adjustment	<u>(198,300)</u>	<u>-</u>	<u>(68,725)</u>	<u>-</u>	<u>(267,025)</u>	<u>-</u>
<b>Net position - ending</b>	<u>\$ 31,635,283</u>	<u>\$ 35,679,495</u>	<u>\$ 31,566,837</u>	<u>\$ 33,548,008</u>	<u>\$ 63,202,120</u>	<u>\$ 69,227,503</u>

#### Governmental Activities

The change in net position for governmental activities for 2019 was an increase of \$4,044,212. The increase is due to an increase in charges for services primarily in the highway and streets.

#### Business-type Activities

The increase in net position for business activities is \$1,981,171. The change is mostly due to an increase in the charges for service and a small decrease in expenses.



## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

### FINANCIAL ANALYSIS OF FUNDS

As of June 30, 2019, the City's governmental funds reported a combined fund balance of \$18,819,546, which is an increase of \$3,128,599 from June 30, 2018. The increase is primarily the result of an increase in cash and cash equivalents and a decrease in total liabilities.

The General Fund is the primary operating fund of the City and includes the General Operating Reserve. As of June 30, 2019, the fund balance for the General Fund is \$4,449,543, which is an increase of \$696,338 from June 30, 2018. This change is the result of the increase in cash and cash equivalents, which increased by \$801,334.

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 fund's net position amounted to \$33,548,008 as of June 30, 2019, which is an increase of \$1,981,171 from June 30, 2018. The primary change was the net result of an increase in current assets with a decrease in both current liabilities and long-term liabilities.

### GENERAL FUND BUDGETARY HIGHLIGHTS

There were six budget transfer resolutions and one supplemental budget resolution adopted by City Council during the fiscal year ended June 30, 2019. The General Fund budget appropriation changes reduced contingency, increased appropriations to allow for salary changes related to the new public works agreement, and for legal costs. The legal costs were modified several times throughout the year due to unforeseen costs. The Street Fund, Sewer Fund and Water Fund had decreases to contingency and increased appropriations for salary changes related to the new public works agreement.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

As of June 30, 2019, the City has invested \$74,582,867 in capital assets of its governmental and business-type activities, before accumulated depreciation. This investment includes land and land improvements, buildings, equipment and public infrastructure of roads and bridges. The investment in governmental activities capital assets increased by \$1,088,137, and business-type activities increased by \$437,124. Significant additions during the year ended June 30, 2019 in governmental activities was the removal of the building and hazard mitigation on the site for the planned Civic Building of \$749,464. The investment in business-type activities increased due to improvements made to the plant and equipment.

Additional information regarding the City's capital assets is located within note 4 of the financial statements.

The governmental long-term principal debt outstanding as of June 30, 2019 was \$930,184 and business-type principal debt was \$10,075,699.

A summary of the City's principal long-term debt outstanding as of June 30, 2019 is as follows:

Pension Obligation Bond	\$ 1,360,318
Sewer Revenue Bonds payable to Bank of New York	5,705,000
Sewer LOCAP Rev Bonds payable to Bank of New York	3,130,000
Water Revenue loan payable to Citizens Bank	810,565
Compensated absences	258,958

Additional information pertaining to the City's long-term debt is located within Note 7 of the financial statements.

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

### **ECONOMIC FACTORS**

During the 2019 fiscal year, the City housing construction within the city limits has continued to increase the property values. The growth has continued to remain similar to the last prior years. Property taxes levied increased from the prior year but only by about 4.11%, which is slight more than 1% above the allowed 3% increase on assessed property value. The City has several housing projects where new homes continue to be built and some development that is in the planning stages. The City continues to be financially strong and continues to improve the infrastructure needs of the City for streets, sewer and water. As with many local governments, the City has many unfunded capital improvements pertaining to infrastructure that still need to be addressed.

### **FINANCIAL CONTACT**

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

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

## **BASIC FINANCIAL STATEMENTS**

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**CITY OF SILVERTON**

**STATEMENT OF NET POSITION**

**June 30, 2019**

	Governmental Activities	Business-type Activities	Totals
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 21,273,637	\$ 12,956,545	\$ 34,230,182
Receivables, net	1,889,538	600,094	2,489,632
Inventories	6,009	89,776	95,785
Net other postemployment benefit asset	23,749	8,194	31,943
Capital assets:			
Land, improvements and construction in progress	6,516,176	2,240,893	8,757,069
Other capital assets, net	10,312,944	28,982,133	39,295,077
<b>TOTAL ASSETS</b>	<b>40,022,053</b>	<b>44,877,635</b>	<b>84,899,688</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Pension related items	1,376,449	474,876	1,851,325
Other postemployment benefit items	10,908	3,763	14,671
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>1,387,357</b>	<b>478,639</b>	<b>1,865,996</b>
<b><u>LIABILITIES</u></b>			
Accounts payable and accrued liabilities	235,388	122,721	358,109
Accrued interest payable	5,211	38,269	43,480
Consumer deposits	148,535	66,628	215,163
Long-term liabilities:			
Due within one year	239,366	685,610	924,976
Due in more than one year	4,625,768	10,730,941	15,356,709
<b>TOTAL LIABILITIES</b>	<b>5,254,268</b>	<b>11,644,169</b>	<b>16,898,437</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Pension related items	379,131	130,800	509,931
Other postemployment benefit items	96,516	33,297	129,813
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>475,647</b>	<b>164,097</b>	<b>639,744</b>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	16,829,120	21,577,461	38,406,581
Restricted for:			
Capital projects	5,079,962	5,104,075	10,184,037
Debt service	919,485	831,924	1,751,409
Highways and streets	2,119,832	-	2,119,832
Community development	1,090,136	-	1,090,136
Pool operations	667,646	-	667,646
Urban renewal	1,652,126	-	1,652,126
Other purposes	944,173	-	944,173
Unrestricted	6,377,015	6,034,548	12,411,563
<b>TOTAL NET POSITION</b>	<b>\$ 35,679,495</b>	<b>\$ 33,548,008</b>	<b>\$ 69,227,503</b>

*See accompanying notes*

**CITY OF SILVERTON**

**STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2019**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating	Capital Grants	Governmental Activities	Business-type Activities	Totals
			Grants and Contributions	and Contributions			
<b>Governmental activities:</b>							
General government	\$ 3,004,374	\$ 543,464	\$ -	\$ 69,447	\$ (2,391,463)		\$ (2,391,463)
Public safety	2,800,024	499,494	100,063	60,000	(2,140,467)		(2,140,467)
Highways and streets	419,221	994,869	747,688	266,960	1,590,296		1,590,296
Culture and recreation	688,228	90,199	4,682	235,112	(358,235)		(358,235)
Interest on long-term obligations	118,630	-	-	-	(118,630)		(118,630)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<u>7,030,477</u>	<u>2,128,026</u>	<u>852,433</u>	<u>631,519</u>	<u>(3,418,499)</u>		<u>(3,418,499)</u>
<b>Business-type activities:</b>							
Sewer	2,376,849	3,653,671	-	226,945		\$ 1,503,767	1,503,767
Water	1,370,093	2,561,831	-	290,829		1,482,567	1,482,567
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<u>3,746,942</u>	<u>6,215,502</u>	<u>-</u>	<u>517,774</u>		<u>2,986,334</u>	<u>2,986,334</u>
<b>TOTALS</b>	<u>\$10,777,419</u>	<u>\$8,343,528</u>	<u>\$ 852,433</u>	<u>\$ 1,149,293</u>	<u>(3,418,499)</u>	<u>2,986,334</u>	<u>(432,165)</u>
<b>General revenues:</b>							
Taxes levied for:							
General purposes					2,801,922	-	2,801,922
Debt service					850,120	-	850,120
Miscellaneous taxes					511,732	-	511,732
Franchise fees					841,003	-	841,003
Grants and contributions not restricted to specific programs					293,976	-	293,976
Unrestricted investment earnings					532,513	391,354	923,867
Miscellaneous					233,318	1,610	234,928
<b>Transfers</b>					<u>1,398,127</u>	<u>(1,398,127)</u>	<u>-</u>
<b>TOTAL GENERAL REVENUES AND TRANSFERS</b>					<u>7,462,711</u>	<u>(1,005,163)</u>	<u>6,457,548</u>
Change in net position					4,044,212	1,981,171	6,025,383
Net position - beginning					<u>31,635,283</u>	<u>31,566,837</u>	<u>63,202,120</u>
Net position - ending					<u>\$ 35,679,495</u>	<u>\$ 33,548,008</u>	<u>\$ 69,227,503</u>

*See accompanying notes*

**CITY OF SILVERTON**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2019**

	General	Total Nonmajor Funds	Total Governmental Funds
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 4,543,695	\$ 14,191,106	\$ 18,734,801
Receivables	422,759	1,466,779	1,889,538
Inventories	-	6,009	6,009
	<u>\$ 4,966,454</u>	<u>\$ 15,663,894</u>	<u>\$ 20,630,348</u>
<b><u>LIABILITIES</u></b>			
Accounts payable and accrued liabilities	\$ 169,933	\$ 65,455	\$ 235,388
Consumer deposits	148,535	-	148,535
	<u>318,468</u>	<u>65,455</u>	<u>383,923</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Unavailable revenue	198,443	1,228,436	1,426,879
	<u>198,443</u>	<u>1,228,436</u>	<u>1,426,879</u>
<b><u>FUND BALANCES</u></b>			
Nonspendable	-	6,009	6,009
Restricted	-	11,238,915	11,238,915
Committed	-	2,898,272	2,898,272
Assigned	766,744	226,807	993,551
Unassigned	3,682,799	-	3,682,799
	<u>4,449,543</u>	<u>14,370,003</u>	18,819,546
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 4,966,454</u>	<u>\$ 15,663,894</u>	

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

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	16,829,120
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.	23,749
Other long-term assets are not available for current period expenditures and, therefore, are reported as unavailable in the funds.	1,426,879
Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(4,870,345)
Internal service funds are used by management to charge the cost of certain activities such as capital asset replacement and payment of extended leave benefits. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.	2,538,836
Deferred outflows related to the pension plan and other postemployment benefits are not current financial resources and therefore are not reported in the funds	1,387,357
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	<u>(475,647)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 35,679,495

*See accompanying notes*

**CITY OF SILVERTON**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2019**

	General	Total Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>			
Property taxes	\$ 2,865,721	\$ 876,507	\$ 3,742,228
Transient tax	-	338,032	338,032
Franchise fees	841,003	-	841,003
Local fuel tax	-	87,294	87,294
Licenses, permits and fees	167,344	1,765,419	1,932,763
Fines and forfeitures	242,163	-	242,163
Assessments	-	62,076	62,076
Intergovernmental	479,995	877,135	1,357,130
Rentals	17,436	-	17,436
Loan repayments	-	51,628	51,628
Interest	112,234	338,431	450,665
Miscellaneous	314,707	12,875	327,582
<b>TOTAL REVENUES</b>	<u>5,040,603</u>	<u>4,409,397</u>	<u>9,450,000</u>
<b>EXPENDITURES</b>			
Current			
General government	2,003,272	749,109	2,752,381
Public safety	2,539,381	-	2,539,381
Highways and streets	-	283,674	283,674
Culture and recreation	231,582	181,502	413,084
Debt service	-	283,742	283,742
Capital outlay	26,070	1,053,421	1,079,491
<b>TOTAL EXPENDITURES</b>	<u>4,800,305</u>	<u>2,551,448</u>	<u>7,351,753</u>
Excess (deficiency) of revenues over expenditures	<u>240,298</u>	<u>1,857,949</u>	<u>2,098,247</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	1,369,976	2,034,331	3,404,307
Transfers out	(913,936)	(1,460,019)	(2,373,955)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>456,040</u>	<u>574,312</u>	<u>1,030,352</u>
Net change in fund balances	696,338	2,432,261	3,128,599
Fund balances at beginning of year	<u>3,753,205</u>	<u>11,937,742</u>	<u>15,690,947</u>
Fund balance at end of year	<u>\$ 4,449,543</u>	<u>\$ 14,370,003</u>	<u>\$ 18,819,546</u>

*See accompanying notes*



**CITY OF SILVERTON**

**RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2019**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 3,128,599

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

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. The difference between those two amounts is:

Capital outlay	\$ 1,125,984	
Depreciation	<u>(501,297)</u>	624,687

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

Taxes	(90,186)	
Fines and forfeitures	254,950	
Housing rehabilitation loans	(43,303)	
Contribution of capital asset	<u>198,548</u>	320,009

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:

Compensated absences	(4,945)	
Accrued interest	1,470	

Repayment of long-term obligation principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the statement of net position.

99,982

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	201,795	
Change in net pension liability	(351,618)	
Change in deferred inflows of resources - pension related	<u>(223,516)</u>	
Total pension expense adjustment		(373,339)

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 resource sand deferred inflows of resources

Change in deferred outflows of resources - other postemployment benefit related	(2,732)	
Change in other postemployment benefit asset	14,825	
Change in other postemployment benefit liability	62,380	
Change in deferred inflows of resources - other postemployment benefit related	<u>(80,914)</u>	
Total other postemployment benefit expense adjustment		(6,441)

Internal service funds are used by management to charge the cost of certain activities, such as major equipment replacement and extended leave payments, to individual funds. The net revenue (expense) of internal services funds, adjusted for interfund activity, is reported with governmental activities.

254,190

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 4,044,212

*See accompanying notes*

**CITY OF SILVERTON**

**GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2019**

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 2,635,510	\$ 2,635,510	\$ 2,865,721	\$ 230,211
Franchise fees	737,000	737,000	841,003	104,003
Licenses, permits and fees	107,035	107,035	167,344	60,309
Fines and forfeitures	159,050	159,050	242,163	83,113
Intergovernmental	409,081	409,081	479,995	70,914
Rentals	22	22	17,436	17,414
Interest	50,000	50,000	95,762	45,762
Miscellaneous	65,750	65,750	301,864	236,114
<b>TOTAL REVENUES</b>	<u>4,163,448</u>	<u>4,163,448</u>	<u>5,011,288</u>	<u>847,840</u>
<b>EXPENDITURES</b>				
City council	25,100	25,100	13,621	11,479
City management	457,211	457,211	392,220	64,991
Finance	526,147	526,147	470,174	55,973
Police	2,879,033	2,879,033	2,518,544	360,489
Community enforcement	64,347	64,347	45,163	19,184
Planning	335,907	335,907	230,016	105,891
Facilities maintenance	286,527	288,300	236,471	51,829
Parks and recreation	282,201	289,155	231,582	57,573
Computer services	68,900	68,900	51,608	17,292
Non-departmental				
Materials and services	454,610	809,610	610,906	198,704
Capital outlay	10,000	10,000	-	10,000
Contingency	441,235	77,508	-	77,508
<b>TOTAL EXPENDITURES</b>	<u>5,831,218</u>	<u>5,831,218</u>	<u>4,800,305</u>	<u>1,030,913</u>
Excess (deficiency) of revenues over expenditures	<u>(1,667,770)</u>	<u>(1,667,770)</u>	<u>210,983</u>	<u>1,878,753</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,169,976	1,169,976	1,169,976	-
Transfers out	(913,936)	(913,936)	(913,936)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>256,040</u>	<u>256,040</u>	<u>256,040</u>	<u>-</u>
Net change in fund balance	(1,411,730)	(1,411,730)	467,023	1,878,753
Fund balance at beginning of year	2,728,911	2,728,911	3,215,776	486,865
Fund balance at end of year	<u>\$ 1,317,181</u>	<u>\$ 1,317,181</u>	<u>\$ 3,682,799</u>	<u>\$ 2,365,618</u>

*See accompanying notes*

**CITY OF SILVERTON**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2019**

	Business-type Activities / Enterprise Funds				Governmental Activities	
			Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds	
	Sewer	Water				
<b><u>ASSETS</u></b>						
Current assets						
Cash and cash equivalents	\$ 1,509,691	\$ 1,796,107	\$ 9,650,747	\$ 12,956,545	\$ 2,538,836	
Receivables, net	352,502	246,286	1,306	600,094	-	
Inventories	7,954	81,822	-	89,776	-	
Total current assets	1,870,147	2,124,215	9,652,053	13,646,415	2,538,836	
Net other postemployment benefit asset	4,649	3,545	-	8,194	-	
Capital assets						
Land and construction in progress	1,774,555	466,338	-	2,240,893	-	
Other capital assets, net	21,057,073	7,925,060	-	28,982,133	-	
<b>TOTAL ASSETS</b>	<b>24,706,424</b>	<b>10,519,158</b>	<b>9,652,053</b>	<b>44,877,635</b>	<b>2,538,836</b>	
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>						
Pension related items	269,425	205,451	-	474,876	-	
Other postemployment benefit related items	2,135	1,628	-	3,763	-	
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>271,560</b>	<b>207,079</b>	<b>-</b>	<b>478,639</b>	<b>-</b>	
<b><u>LIABILITIES</u></b>						
Current liabilities						
Accounts payable and accrued liabilities	44,913	74,270	3,538	122,721	-	
Consumer deposits	-	66,628	-	66,628	-	
Accrued interest payable	31,794	4,064	-	35,858	-	
Compensated absences	32,142	21,857	-	53,999	-	
Long-term obligations due within one year	445,000	170,701	-	615,701	-	
Total current liabilities	553,849	337,520	3,538	894,907	-	
Long-term obligations due in more than one year	9,120,102	1,196,615	-	10,316,717	-	
<b>TOTAL LIABILITIES</b>	<b>9,673,951</b>	<b>1,534,135</b>	<b>3,538</b>	<b>11,211,624</b>	<b>-</b>	
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>						
Pension related items	74,210	56,590	-	130,800	-	
Other postemployment benefit related items	18,891	14,406	-	33,297	-	
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>93,101</b>	<b>70,996</b>	<b>-</b>	<b>164,097</b>	<b>-</b>	
<b><u>NET POSITION</u></b>						
Net investment in capital assets	13,996,628	7,580,833	-	21,577,461	-	
Restricted for:						
Capital projects	-	-	5,104,075	5,104,075	-	
Debt service	-	-	831,924	831,924	-	
Other purposes	-	-	-	-	-	
Unrestricted	1,214,304	1,540,273	3,712,516	6,467,093	2,538,836	
<b>TOTAL NET POSITION</b>	<b>\$ 15,210,932</b>	<b>\$ 9,121,106</b>	<b>\$ 9,648,515</b>	<b>33,980,553</b>	<b>\$ 2,538,836</b>	
Long-term obligations issued to prepay the PERS unfunded actuarial liability are allocable to business-type activities in the statement of net position				(432,545)		
Net position of business-type activities				<u>\$ 33,548,008</u>		

*See accompanying notes*

**CITY OF SILVERTON**

**STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2019**

	Business-type Activities / Enterprise Funds				Governmental
			Total	Total	Internal
	Sewer	Water	Nonmajor Funds	Enterprise Funds	Service Funds
<b>OPERATING REVENUES</b>					
Charges for services	\$ 3,653,671	\$ 2,550,483	\$ -	\$ 6,204,154	\$ -
Licenses, permits and fees	-	11,348	-	11,348	-
<b>Total operating revenues</b>	<b>3,653,671</b>	<b>2,561,831</b>	<b>-</b>	<b>6,215,502</b>	<b>-</b>
<b>OPERATING EXPENSES</b>					
Personal services	762,863	578,537	-	1,341,400	-
Materials and services	520,892	373,663	13,961	908,516	-
Depreciation	661,989	357,015	-	1,019,004	-
<b>Total operating expenses</b>	<b>1,945,744</b>	<b>1,309,215</b>	<b>13,961</b>	<b>3,268,920</b>	<b>-</b>
<b>Operating income (loss)</b>	<b>1,707,927</b>	<b>1,252,616</b>	<b>(13,961)</b>	<b>2,946,582</b>	<b>-</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest	42,323	38,648	226,905	307,876	64,606
Miscellaneous	30	1,580	-	1,610	-
Gain on disposition of capital assets	-	-	-	-	3,976
Interest	(397,320)	(27,093)	-	(424,413)	-
<b>Total nonoperating revenue (expenses)</b>	<b>(354,967)</b>	<b>13,135</b>	<b>226,905</b>	<b>(114,927)</b>	<b>68,582</b>
<b>Income before capital contributions and transfers</b>	<b>1,352,960</b>	<b>1,265,751</b>	<b>212,944</b>	<b>2,831,655</b>	<b>68,582</b>
Capital contributions	-	-	443,199	443,199	-
Transfers in	195,704	9,676	683,410	888,790	273,382
Transfers out	(1,273,250)	(713,894)	(205,380)	(2,192,524)	(87,774)
<b>Total transfers</b>	<b>(1,077,546)</b>	<b>(704,218)</b>	<b>478,030</b>	<b>(1,303,734)</b>	<b>185,608</b>
<b>Change in net position</b>	<b>275,414</b>	<b>561,533</b>	<b>1,134,173</b>	<b>1,971,120</b>	<b>254,190</b>
<b>Net position at beginning of year</b>	<b>14,935,518</b>	<b>8,559,573</b>	<b>8,514,342</b>	<b>2,284,646</b>	<b>2,284,646</b>
<b>Net position - ending</b>	<b>\$ 15,210,932</b>	<b>\$ 9,121,106</b>	<b>\$ 9,648,515</b>	<b>\$ 2,538,836</b>	<b>\$ 2,538,836</b>
Adjustment to reflect the changes in the pension bond related to enterprise funds				10,051	
<b>CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES</b>				<b>\$ 1,981,171</b>	

*See accompanying notes*

**CITY OF SILVERTON**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Year Ended June 30, 2019**

	Business-type Activities / Enterprise Funds				Governmental Activities
	Sewer	Water	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 3,653,751	\$ 2,560,878	\$ -	\$ 6,214,629	\$ -
Payments to suppliers	(521,790)	(332,983)	(12,069)	(866,842)	-
Payments to employees	(752,752)	(577,681)	-	(1,330,433)	-
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u>2,379,209</u>	<u>1,650,214</u>	<u>(12,069)</u>	<u>4,017,354</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
System development charges received	-	-	441,893	441,893	-
Other	2,750	1,580	-	4,330	-
Sale of capital assets	-	-	-	-	3,976
Transfers in	-	-	683,410	683,410	273,382
Transfers out	(1,273,250)	(713,894)	-	(1,987,144)	-
Acquisition of capital assets	(210,054)	(46,693)	(225,132)	(481,879)	(87,774)
Principal paid on long-term obligations	(430,000)	(165,801)	-	(595,801)	-
Interest paid on long-term obligations	(398,754)	(27,924)	-	(426,678)	-
<b>NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(2,309,308)</u>	<u>(952,732)</u>	<u>900,171</u>	<u>(2,361,869)</u>	<u>189,584</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest	42,323	38,648	226,905	307,876	64,606
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u>42,323</u>	<u>38,648</u>	<u>226,905</u>	<u>307,876</u>	<u>64,606</u>
Net increase (decrease) in cash and cash equivalents	112,224	736,130	1,115,007	1,963,361	254,190
Cash and cash equivalents - beginning of year	1,397,467	1,059,977	8,535,740	10,993,184	2,284,646
Cash and cash equivalents - end of year	<u>\$ 1,509,691</u>	<u>\$ 1,796,107</u>	<u>\$ 9,650,747</u>	<u>\$ 12,956,545</u>	<u>\$ 2,538,836</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 1,707,927	\$ 1,252,616	\$ (13,961)	\$ 2,946,582	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	661,989	357,015	-	1,019,004	-
Decrease (increase) in assets and deferred outflows					
Receivables	80	794	-	874	-
Inventories	(1,122)	(12,480)	-	(13,602)	-
Net other postemployment benefit asset	(2,652)	(2,003)	-	(4,655)	-
Pension related items	(6,574)	(2,503)	-	(9,077)	-
Other postemployment benefit related items	917	728	-	1,645	-
Increase (decrease) in liabilities and deferred inflows					
Accounts payable and accrued liabilities	224	53,160	1,892	55,276	-
Consumer deposits	-	(1,747)	-	(1,747)	-
Accumulated unpaid vacation	3,461	940	-	4,401	-
Net pension liability	(22,742)	(24,318)	-	(47,060)	-
Other postemployment benefit liability	(17,087)	(13,402)	-	(30,489)	-
Pension related items	39,388	29,704	-	69,092	-
Other postemployment benefit related items	15,400	11,710	-	27,110	-
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u>\$ 2,379,209</u>	<u>\$ 1,650,214</u>	<u>\$ (12,069)</u>	<u>\$ 4,017,354</u>	<u>\$ -</u>
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH TRANSACTIONS</b>					
Transfers in	\$ 195,704	\$ 9,676	\$ -	\$ 205,380	\$ -
Transfers out	-	-	(205,380)	(205,380)	(87,774)
<b>Total non-cash transactions</b>	<u>\$ 195,704</u>	<u>\$ 9,676</u>	<u>\$ (205,380)</u>	<u>\$ -</u>	<u>\$ (87,774)</u>

*See accompanying notes*

## CITY OF SILVERTON

### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

#### 1. Summary of significant accounting policies

##### A. 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.

##### B. Government-wide and fund financial statements

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

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

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

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 1. Summary of significant accounting policies (continued)

#### C. Measurement focus, basis of accounting and financial statement presentation

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

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

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

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

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

The City reports the following major governmental fund:

*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.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 1. Summary of significant accounting policies (continued)

The City reports the following major proprietary funds:

*Sewer* - accounts for the operation of the City's sewer system.

*Water* - accounts for the operation of the City's water system.

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:

*Enterprise* - accounts for the operations of predominantly self-supporting activities. Enterprise funds account for services rendered to the public on a user charge basis.

*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.

#### D. Budget policies and budgetary control

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

The 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.



## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 1. Summary of significant accounting policies (continued)

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.

#### E. 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.

#### F. Inventories

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

#### G. 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.

#### H. 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.

#### I. 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.

#### J. Grants and entitlements

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

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 1. Summary of significant accounting policies (continued)

#### K. Other receivables

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

#### L. 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 assets. Depreciation taken on contributed capital assets is recorded as an expense of operations and charged to retained earnings.

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

#### M. Long-term debt obligations

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

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

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 1. Summary of significant accounting policies (continued)

#### N. 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, 2018, 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.

##### Other postemployment benefits liability (asset)

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 post-employment obligation was dated July 1, 2018. 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.

#### O. Deferred outflows / inflows of resources

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

In addition to liabilities, the statement of net position will report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents amount that apply to a future periods 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.

#### P. 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.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 1. Summary of significant accounting policies (continued)

#### Q. Equity classification

##### 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.

##### Governmental fund type fund balance reporting

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

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

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

***Committed*** — Amounts that can be used only for specific purposes determined by a formal action of the 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.

***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.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 1. Summary of significant accounting policies (continued)

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.

#### R. 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.

### 2. Cash and cash equivalents

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

The City’s cash and cash equivalents at June 30, 2019 are as follows:

Deposits with financial institutions	\$	592,516
State of Oregon Local Government Investment Pool		33,635,166
Cash on hand		<u>2,500</u>
Total deposits and cash equivalents	\$	<u>34,230,182</u>

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 2. Cash and cash equivalents (continued)

#### A. Deposits with financial institutions

*Custodial Credit Risk – Deposits:* This is the risk that in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the District's deposits with financial institutions up to \$250,000 each for the aggregate of all non-interest bearing accounts and the aggregate of all interest bearing accounts at each institution. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program are collateralized with securities held by the Federal Home Loan Bank of Seattle in the name of the institution. As of June 30, 2019, none of the City's bank balances were exposed to custodial credit risk.

#### B. State of Oregon Local Government Investment Pool

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

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

*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 percent 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.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 3. Receivables

Receivables as of June 30, 2019 consist of the following:

	Governmental Activities / Funds			Business-type Activities/ Enterprise Funds			
	General	Nonmajor Governmental		Sewer	Water	Nonmajor Enterprise	
		Funds	Total			Funds	Total
User charges	\$ -	\$ -	\$ -	\$ 352,384	\$ 244,616	\$ -	\$ 597,000
Property taxes	112,983	29,756	142,739	-	-	-	-
County treasurer	11,072	3,158	14,230	-	-	-	-
Local taxes	-	47,556	47,556	-	-	-	-
Intergovernmental	48,443	84,761	133,204	-	-	-	-
Franchise	127,065	-	127,065	-	-	-	-
Fees & Permits	-	87,291	87,291	118	1,670	1,306	3,094
Assessment	-	663,487	663,487	-	-	-	-
Fines	103,216	-	103,216	-	-	-	-
Loans	-	550,628	550,628	-	-	-	-
Miscellaneous	44,970	142	45,112	-	-	-	-
Allowance for doubtful accounts	(24,990)	-	(24,990)	-	-	-	-
	<u>\$ 422,759</u>	<u>\$ 1,466,779</u>	<u>\$ 1,889,538</u>	<u>\$ 352,502</u>	<u>\$ 246,286</u>	<u>\$ 1,306</u>	<u>\$ 600,094</u>

### 4. Capital assets

A. Activity in governmental activities for the year ended June 30, 2019 was as follows:

	Balances			Balances	
	June 30, 2018	Additions	Deletions	June 30, 2019	
Capital assets not being depreciated					
Land	\$ 5,203,548	\$ 749,464	\$ -	\$ 5,953,012	
Right of way	479,624	-	-	479,624	
Construction in progress	52,545	49,995	(19,000)	83,540	
Total capital assets not being depreciated	<u>5,735,717</u>	<u>799,459</u>	<u>(19,000)</u>	<u>6,516,176</u>	
Capital assets being depreciated					
Buildings and improvements	4,166,217	10,560	-	4,176,777	
Equipment	2,093,503	101,785	(37,847)	2,157,441	
Land improvements	2,541,565	229,380	-	2,770,945	
Infrastructure	7,080,956	3,800	-	7,084,756	
Total capital assets being depreciated	<u>15,882,241</u>	<u>345,525</u>	<u>(37,847)</u>	<u>16,189,919</u>	
Less accumulated depreciation for:					
Buildings and improvements	1,532,551	93,716	-	1,626,267	
Equipment	1,473,340	120,251	(37,847)	1,555,744	
Land improvements	955,642	87,826	-	1,043,468	
Infrastructure	1,451,992	199,504	-	1,651,496	
Total accumulated depreciation	<u>5,413,525</u>	<u>501,297</u>	<u>(37,847)</u>	<u>5,876,975</u>	
Total capital assets being depreciated, net	<u>10,468,716</u>	<u>(155,772)</u>	<u>-</u>	<u>10,312,944</u>	
Governmental activities capital assets, net	<u>\$ 16,204,433</u>	<u>\$ 643,687</u>	<u>\$ (19,000)</u>	<u>\$ 16,829,120</u>	

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**4. Capital assets (continued)**

B. Activity in business-type activities for the year ended June 30, 2019 was as follows:

	Balances <u>June 30, 2018</u>	Additions	Deletions	Balances <u>June 30, 2019</u>
Capital assets not being depreciated				
Land	\$ 2,209,488	\$ -	\$ -	\$ 2,209,488
Construction in progress	<u>21,972</u>	<u>10,007</u>	<u>(574)</u>	<u>31,405</u>
Total capital assets not being depreciated	<u>2,231,460</u>	<u>10,007</u>	<u>(574)</u>	<u>2,240,893</u>
Capital assets being depreciated				
Water and sewer lines	17,127,756	9,676	-	17,137,432
Buildings and improvements	6,758,796	-	(4,000)	6,754,796
Plant and equipment	24,983,803	372,057	(21,000)	25,334,860
Land improvements	<u>337,833</u>	<u>70,958</u>	<u>-</u>	<u>408,791</u>
Total capital assets being depreciated	<u>49,208,188</u>	<u>452,691</u>	<u>(25,000)</u>	<u>49,635,879</u>
Less accumulated depreciation for:				
Water and sewer lines	8,006,709	295,661	-	8,302,370
Buildings and improvements	2,729,317	138,057	(1,280)	2,866,094
Plant and equipment	8,687,460	571,773	(21,000)	9,238,233
Land improvements	<u>233,536</u>	<u>13,513</u>	<u>-</u>	<u>247,049</u>
Total accumulated depreciation	<u>19,657,022</u>	<u>1,019,004</u>	<u>(22,280)</u>	<u>20,653,746</u>
Total capital assets being depreciated, net	<u>29,551,166</u>	<u>(566,313)</u>	<u>(2,720)</u>	<u>28,982,133</u>
Business-type activities capital assets, net	<u>\$ 31,782,626</u>	<u>\$ (556,306)</u>	<u>\$ (3,294)</u>	<u>\$ 31,223,026</u>

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

<i>Governmental activities</i>	
General government	\$ 91,359
Public safety	44,803
Highways and streets	246,676
Culture and recreation	<u>118,459</u>
Total depreciation expense - governmental activities	<u>\$ 501,297</u>
<i>Business-type activities</i>	
Sewer	\$ 661,989
Water	<u>357,015</u>
Total depreciation expense - business-type activities	<u>\$ 1,019,004</u>



**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**5. 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	\$ 95,227	\$ 16,058	\$ 111,285
Property assessments	-	655,561	655,561
Fines	103,216	-	103,216
Loans	-	556,817	556,817
	<u>\$ 198,443</u>	<u>\$1,228,436</u>	<u>\$ 1,426,879</u>

**6. Interfund transactions**

The interfund transfers during the year ended June 30, 2019 were as follows:

	In	Out
<u>Governmental</u>		
General	\$ 1,369,976	\$ 913,936
Nonmajor governmental	2,034,331	1,460,019
Governmental activities - non-cash	87,774	-
<u>Proprietary</u>		
Enterprise		
Sewer	-	1,273,250
Sewer - non-cash	195,704	-
Water	-	713,894
Water - non-cash	9,676	-
Nonmajor	683,410	-
Nonmajor - non-cash	-	205,380
Internal Service	-	-
Internal service	273,382	-
Internal service - non-cash	-	87,774
Totals	<u>\$ 4,654,253</u>	<u>\$ 4,654,253</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.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 7. Long-term obligations

A. Changes in governmental activities long-term obligations for the year ended June 30, 2019 were as follows:

	Beginning Balance July 1, 2018	Increase	Decrease	Ending Balance June 30, 2019	Due Within One Year
<b><u>Governmental activities</u></b>					
Long-term debt obligations:					
PERS Bonds:					
Pension Obligation Bonds	\$ 1,392,106	\$ -	\$ 31,788	\$ 1,360,318	\$ 50,317
Less amount allocated to business activities	(440,185)	-	(10,051)	(430,134)	(15,910)
Notes from direct borrowings and direct placements:					
Oregon Economic Development Department (OEDD)	52,478	-	52,478	-	-
Silver Falls School District, 4J	<u>25,767</u>	<u>-</u>	<u>25,767</u>	<u>-</u>	<u>-</u>
Total long-term debt obligations	<u>1,030,166</u>	<u>-</u>	<u>99,982</u>	<u>930,184</u>	<u>34,407</u>
Other long-term obligations:					
Other postemployment benefits liability	173,997	-	62,380	111,617	-
Net pension liability	3,266,756	351,618	-	3,618,374	-
Compensated absences	<u>200,014</u>	<u>204,959</u>	<u>200,014</u>	<u>204,959</u>	<u>204,959</u>
Total other long-term obligations	<u>3,640,767</u>	<u>556,577</u>	<u>262,394</u>	<u>3,934,950</u>	<u>204,959</u>
Total long-term obligations	<u>\$ 4,670,933</u>	<u>\$ 556,577</u>	<u>\$ 362,376</u>	<u>\$ 4,865,134</u>	<u>\$ 239,366</u>

B. Changes in business-type activities long-term obligations for the year ended June 30, 2019 were as follows:

	Beginning Balance July 1, 2018	Increase	Decrease	Ending Balance June 30, 2019	Due Within One Year
<b><u>Business-type activities</u></b>					
Long-term debt obligations:					
Revenue Bonds:					
Sewer Revenue Refunding Bonds	\$ 5,930,000	\$ -	\$ 225,000	\$ 5,705,000	\$ 235,000
Local Oregon Capital Assets Program (LOCAP) Bonds	3,335,000	-	205,000	3,130,000	210,000
PERS Bonds:					
Pension Obligation Bonds amount allocated from governmental activities	440,185	-	10,051	430,134	15,910
Notes from direct borrowings and direct placements:					
Citizen Bank	<u>976,366</u>	<u>-</u>	<u>165,801</u>	<u>810,565</u>	<u>170,701</u>
Total long-term debt obligations	<u>10,681,551</u>	<u>-</u>	<u>605,852</u>	<u>10,075,699</u>	<u>631,611</u>
Other long-term obligations:					
Other postemployment benefits liability	68,997	-	30,489	38,508	-
Net pension liability	1,295,405	-	47,060	1,248,345	-
Compensated absences	<u>49,598</u>	<u>53,999</u>	<u>49,598</u>	<u>53,999</u>	<u>53,999</u>
Total other long-term obligations	<u>1,414,000</u>	<u>53,999</u>	<u>127,147</u>	<u>1,340,852</u>	<u>53,999</u>
Total long-term obligations	<u>\$ 12,095,551</u>	<u>\$ 53,999</u>	<u>\$ 732,999</u>	<u>\$ 11,416,551</u>	<u>\$ 685,610</u>

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 7. Long-term obligations (continued)

#### C. Governmental activities long-term debt obligations

Pension Obligation Bonds- Original issue of \$1,957,495 due over 27 years in semi-annual installments payable on June 1 and December 1 with principal payments due annually on June 1. Variable interest rates at 2 to 7.36 percent.

OEDD loan - The City borrowed \$1,275,000 to provide financing for the extension of public infrastructure to specific properties within the City. Annual payments on December 1 with variable interest rates at 3 to 4.625 percent.

Silver Falls School District, 4J loan-Original issue of \$1,255,000 due over 14 years in annual installments payable on February 15, interest is adjusted to the rate of the Local Government Investment Pool on December 31 of each year.

#### D. 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 percent.

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 percent.

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

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 7. Long-term obligations (continued)

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

Fiscal Year	Pension Obligation Bonds	
	Principal	Interest
2020	\$ 34,407	\$ 110,181
2021	88,894	61,361
2022	102,570	55,272
2023	116,246	48,246
2024	133,341	40,283
2025-29	<u>454,726</u>	<u>88,763</u>
	<u>\$ 930,184</u>	<u>\$ 404,106</u>

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

Fiscal Year	Sewer Revenue		LOCAP		Pension Obligation Bonds	
	Refunding Bonds		Principal	Interest	Principal	Interest
	Principal	Interest				
2020	\$ 235,000	\$ 249,956	\$ 210,000	\$ 131,597	\$ 15,910	\$ 50,950
2021	245,000	240,556	220,000	124,668	41,106	28,374
2022	255,000	230,756	225,000	116,967	47,430	25,558
2023	265,000	220,556	235,000	108,643	53,754	22,309
2024	280,000	209,956	240,000	99,477	61,659	18,627
2025-29	1,570,000	866,224	1,365,000	336,513	210,275	41,046
2030-34	1,945,000	487,513	635,000	44,160	-	-
2035-36	<u>910,000</u>	<u>63,597</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 5,705,000</u>	<u>\$ 2,569,114</u>	<u>\$ 3,130,000</u>	<u>\$ 962,025</u>	<u>\$ 430,134</u>	<u>\$ 186,864</u>

Fiscal Year	Citizens Bank Loan		Totals	
	Principal	Interest	Principal	Interest
2020	\$ 170,701	\$ 23,024	\$ 631,611	\$ 455,527
2021	175,861	17,864	681,967	411,462
2022	181,176	12,549	708,606	385,830
2023	186,652	7,073	740,406	358,581
2024	96,175	1,431	677,834	329,491
2025-29	-	-	3,145,275	1,243,783
2030-34	-	-	2,580,000	531,673
2035-36	<u>-</u>	<u>-</u>	<u>910,000</u>	<u>63,597</u>
	<u>\$ 810,565</u>	<u>\$ 61,942</u>	<u>\$ 10,075,699</u>	<u>\$ 3,779,945</u>

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 7. Long-term obligations (continued)

#### G. 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.

### 8. Defined benefit pension plan

#### A. Plan description

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

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

OPERS produces an independently audited Comprehensive Annual Financial Report which includes detailed information about the pension plan's fiduciary net position. The report can be found at: [www.oregon.gov/pers/Documents/Financials/CAFR/2018-CAFR.pdf](http://www.oregon.gov/pers/Documents/Financials/CAFR/2018-CAFR.pdf).

#### B. Description of benefit terms

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

Tier One/Tier Two retirement benefit (Chapter 238)

Tier One/Tier Two 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 percent for general service 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. General service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 8. 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 a 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 a OPERS-covered job, or
- the member was on an official leave of absence from a 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 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

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

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 8. Defined benefit pension plan (continued)

#### *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 percent 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 percent 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.

#### C. Contributions

OPERS funding policy provides for monthly employer contributions at actuarially determined rates. 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, 2015 actuarial valuation.

Tier One/Tier Two employer contribution rates are 20.41 percent and the OPSRP employer contribution rates are 11.69 percent for general service employees and 16.46 percent for public safety employees. Employer contributions for the year ended June 30, 2019 were \$485,180.

#### D. Actuarial valuations – Tier One/Tier Two

The December 31, 2015 actuarial valuation used the following actuarial methods and valuation procedures in determining the Tier One/Tier Two contribution rates.

#### *Actuarial cost method*

The employer contribution rates effective July 1, 2017, through June 30, 2019, were set using the entry age normal actuarial cost method. Under this actuarial cost method, each active member's entry age present value of projected benefits is allocated over the member's service from the member's date of entry until their assumed date of exit, taking into consideration expected future compensation increases.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 8. Defined benefit pension plan (continued)

#### *Unfunded actuarial accrued liability amortization*

The Tier One/Tier Two UAL amortization period is 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 combined valuation payroll (Tier One/ Tier Two plus OPSRP payroll) over a closed 20 year period from the valuation in which they are first recognized.

#### *Retiree healthcare unfunded actuarial accrued liability amortization*

The UAL for Retiree Health Care as of December 31, 2007 is amortized as a level percentage of combined valuation payroll (Tier One/ Tier Two plus OPSRP payroll) over a closed 10 year period. Gains and losses between subsequent odd-year valuations are amortized as a level percentage of combined valuation payroll over a closed 10 year period from the valuation in which they are first recognized.

#### *Asset valuation method*

The actuarial value of assets equals the market value of assets, excluding the Contingency and Capital Preservation Reserves, and the Rate Guarantee Reserve when it is in positive surplus status. Market values are reported to the actuary by PERS. Real estate and private equity investments are reported on a three-month lag basis.

#### *Contribution rate stabilization method*

Contribution rates are confined to a collared range based on the prior contribution rates. The new contribution rates will generally not increase or decrease from the prior contribution rate by more than the greater of 3 percentage points or 20 percent of the prior contribution rate. If the funded percentage excluding side accounts drops below 60 percent or increases above 140 percent the size of the collar doubles. If the funded percentage excluding side accounts is between 60 percent and 70 percent or between 130 percent and 140 percent, the size of the rate collar is increased on a graded scale.

#### *Allocation of liability for service segments*

For active Tier One/Tier Two members who have worked for multiple PERS employers over their career, the calculated actuarial accrued liability is allocated among the employers based on a weighted average of the Money Match methodology, which uses account balance, and the Full Formula methodology, which uses service. The allocation is 25 percent based on account balance with each employer and 75 percent based on service with each employer. The entire normal cost is allocated to the current employer.

#### *Allocation of benefits-in-force reserve*

The reserve is allocated to each rate pool in proportion to the retiree liability attributable to the rate pool.



## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 8. Defined benefit pension plan (continued)

#### *Economic assumptions*

Investment return	7.50% compounded annually
Interest crediting	7.50% compounded annually on regular and variable account balances
Inflation	2.50% compounded annually
Payroll growth	3.50% compounded annually
Healthcare cost trends	Ranges from 6.3% in 2016 to 4.4% in 2094

#### *Demographic assumptions*

##### Mortality tables

Healthy retirees	RP (Retirement Plan) 2000, Generational (Scale BB) Combined Active/Healthy Annuitant, Sex Distinct
Disabled retirees	RP 2000, Generational (Scale BB), Combined Disabled, No Collar, Sex Distinct. Male 70% and Female 95% of disabled table but not less than the corresponding healthy annuity rates
Non-annuitants	Ranges from 55% to 75% of healthy retired mortality tables depending upon sex and employment type

#### *Retirement assumptions*

Probability tables based on age of member, years of service and employment type with all police and fire retired by age 65 and all others retired by age 70. Dormant members are assumed to retire at Normal Retirement Age or at the first unreduced retirement age. Members retiring may elect to receive a full or partial lump sum at retirement with a partial lump sum estimated to be elected 4.5 percent of the time and a total lump sum elected 2.5 percent for 2016 and declining by 0.5 percent per year until reaching zero.

#### *Salary increase assumptions*

Salary increase assumptions, in addition to general payroll growth, include merit increase, unused sick leave and vacation pay adjustments.

#### E. Actuarial valuations – OPSRP

The December 31, 2015 actuarial valuation for OPSRP generally used the same actuarial methods and valuation procedures as Tier One/Tier Two contribution rates except as follows:

##### *OPSRP unfunded actuarial accrued liability amortization*

The UAL as of December 31, 2007 is amortized as a level percentage of combined valuation payroll (Tier One/ Tier Two 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.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 8. Defined benefit pension plan (continued)

#### *Economic assumptions*

An additional amount for administrative expenses is added to the normal cost.

#### *Retirement assumptions*

Probability tables are different but still based on age of member, years of service and employment type with all police and fire retired by age 65 and all others retired by age 70. Dormant members are assumed to retire at Normal Retirement Age or at the first unreduced retirement age. Members retiring may elect to receive a full or partial lump sum at retirement with a partial lump sum estimated to be elected 4.5 percent of the time and a total lump sum elected 2.5 percent for 2016 and declining by 0.5 percent per year until reaching zero.

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

#### *Net pension liability*

At June 30, 2019, the City reported a liability of \$4,866,719 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

Employers' long-term contribution efforts are based on projected rates that have two major components:

Normal Cost Rate: The economic value, stated as a percent of payroll, for the portion of each active member's total projected retirement benefit that is allocated to the upcoming year of service. The rate is in effect for as long as each member continues in OPERS-covered employment. The current value of all projected future Normal Cost Rate contributions is the Present Value of Future Normal Costs (PVFNC). 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 One/Tier Two payroll, (2) OPSRP general service payroll, and (3) OPSRP police and fire payroll.

The employer's Normal Cost Rates for each payroll are combined with system-wide present value factors for each payroll to develop an estimated PVFNC. The present value factors are actuarially determined at a system level for simplicity and to allow for the PVFNC calculations to be audited in a timely, cost-effective manner.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 8. Defined benefit pension plan (continued)

UAL Rate: If system assets are less than the actuarial liability, an Unfunded Actuarial Liability (UAL) exists. 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 present value of all projected UAL Rate contributions is equal to the Unfunded Actuarial Liability (UAL). The UAL represents the portion of the projected long-term contribution effort related to past service.

The UAL has Tier One/Tier Two and OPSRP pieces. The Tier One/Tier Two piece is based on the employer's Tier One/Tier Two pooling arrangement. If an employer participates in one of the two large Tier One/Tier Two rate pools [State & Local Government Rate Pool (SLGRP) or School Districts Rate Pool], then the employer's Tier One/Tier Two UAL is their pro-rata share of their pool's UAL. The pro-rata calculation is based on the employer's payroll in proportion to the pool's total payroll. The OPSRP piece of the UAL follows a parallel pro-rata approach, as OPSRP experience is mandatorily pooled at a state-wide level. Employers that do not participate in a Tier One/Tier Two pooling arrangement, who are referred to as "Independent Employers", have their Tier One/Tier Two UAL tracked separately in the actuarial valuation.

The projected long-term contribution effort is the sum of the PVFNC and the UAL. The PVFNC part of the contribution effort pays for the value of future service while the UAL part of the contribution effort pays for the value of past service not already funded by accumulated contributions and investment earnings. Each of the two contribution effort components are calculated at the employer-specific level. The sum of these components across all employers is the total projected long-term contribution effort.

At June 30, 2018, the City's proportion was 0.03212635 percent, which was a decrease of 0.00171748 percent from its proportion measured as of June 30, 2017.

#### *Pension expense*

For the year ended June 30, 2019, the City recognized pension expense of \$927,430.

#### *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, 2018, 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
- Differences between projected and actual earnings

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.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 8. Defined benefit pension plan (continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 165,551	\$ -
Change of assumptions	1,131,503	-
Net difference between projected and actual earnings on pension plan investments	-	216,110
Changes in proportionate share	7,376	271,053
Difference between contributions and proportionate share of system contributions	61,715	22,768
Contributions subsequent to the measurement date	<u>485,180</u>	<u>-</u>
Total	<u>\$ 1,851,325</u>	<u>\$ 509,931</u>

Deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement in the amount of \$485,180 will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. 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,	
2020	\$ 535,149
2021	361,770
2022	(94,365)
2023	30,300
2024	<u>23,360</u>
Total	<u>\$ 856,214</u>

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 8. Defined benefit pension plan (continued)

#### G. Actuarial methods and assumptions used in developing total pension liability

The total pension liability measured as of June 30, 2018 was based on an actuarial valuation as of December 31, 2016 using the following methods and assumptions:

Experience study report	2016, published July 26, 2017
Inflation rate	2.5 percent
Long-term expected rate of return	7.2 percent
Discount rate	7.2 percent
Projected salary increases	3.5 percent
	Cost of living adjustments (COLA) blend of 2.00 percent COLA and graded COLA (1.25 percent/.015) in accordance with <i>Moro</i> decision; blend based on service
Mortality	<b><i>Healthy retirees and beneficiaries:</i></b> RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. <b><i>Active members:</i></b> RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. <b><i>Disabled retirees:</i></b> RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

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 2016 Experience Study which reviewed experience for the four-year period ending on December 31, 2016.

#### *Discount rate*

The discount rate used to measure the total pension liability was 7.2 percent. 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.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 8. Defined benefit pension plan (continued)

#### *Long-term expected rate of return*

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 the PERS Board reviewed long-term assumptions developed by both the actuaries capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on forward-looking capital market economic model.

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

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

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 8. Defined benefit pension plan (continued)

#### *Depletion date projection*

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

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

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

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

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

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

	1 Percentage Point Lower	Current Discount Rate	1 Percentage Point Higher
Proportionate share of net pension liability	\$ 8,133,207	\$ 4,866,719	\$ 2,170,501

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 9. Defined contribution plan

#### A. Plan description

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

#### B. Pension benefits

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

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

#### C. 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.

#### D. Contributions

The City makes the employee contributions of 6 percent of covered payroll to the plan. Contributions for the year ended June 30, 2019 were \$172,780.

#### E. Recordkeeping

PERS contracts with VOYA Financial to maintain IAP participant records.

### 10. Defined benefit other postemployment benefits plan

#### Oregon Public Employees Retirement System (PERS) Defined Benefit OPEB Plan

#### A. 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.



## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 10. Defined benefit other postemployment benefits plan (continued)

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 plan's fiduciary net position. The report can be found at: [www.oregon.gov/pers/Documents/Financials/CAFR/2018-CAFR.pdf](http://www.oregon.gov/pers/Documents/Financials/CAFR/2018-CAFR.pdf)

#### B. Description of benefit terms

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

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

#### *Other Postemployment Healthcare benefits*

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

To be eligible, the member must:

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

#### *Surviving spouse or dependent benefits*

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

#### C. Contributions

OPERS funding policy provides for monthly employer contributions at actuarially determined rates. 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, 2015 actuarial valuation. The City contributed 0.07 percent of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA benefits and 0.43 percent of all PERS-covered salaries to amortize the unfunded actuarial accrued liability. For the year ended June 30, 2019, the City made contributions in the amount of \$13,285 to the RHIA.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 10. Defined benefit other postemployment benefits plan (continued)

#### D. Actuarial valuations

Except as outlined below, the December 31, 2015 actuarial valuation used the same actuarial methods and valuation procedures to determine contribution rates as the PERS Tier One and Tier Two defined benefit pension plan as discussed in note 8.

#### *Economic assumptions*

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

#### *Retiree healthcare participation assumptions*

Eligible retiring members are assumed to elect RHIA coverage 38 percent of the time for health retirees and 20 percent of the time for disabled retirees.

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

#### *Net OPEB liability (asset)*

At June 30, 2019, the City reported an (asset) of \$(31,943) for its proportionate share of the net OPEB liability/(asset). The net OPEB liability/(asset) was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of that date. The City's proportion of the net OPEB liability/(asset) was based on its actual, legally required contributions made during the fiscal year with the total actual contributions of all employers during the fiscal year.

At June 30, 2018, the City's proportion was 0.02861549 percent, which was a decrease of 0.00124875 percent from its proportion measured as of June 30, 2017.

#### *OPEB expense*

For the year ended June 30, 2019, the City recognized OPEB income of \$2,745.

#### *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, 2018, 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
- Differences between projected and actual earnings

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**10. Defined benefit other postemployment benefits plan (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.

At June 30, 2019, 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	\$ -	\$ 1,810
Change of assumptions	-	101
Net difference between projected and actual earnings on pension plan investments	-	6,887
Changes in proportionate share	216	-
Contributions subsequent to the measurement date	<u>13,285</u>	<u>-</u>
 Total	 <u>\$ 13,501</u>	 <u>\$ 8,798</u>

Deferred outflows of resources related to OPEB resulting from the City's contributions subsequent to the measurement date in the amount of \$13,285 will be recognized as an adjust to the net OPEB (asset) / liability in the year ended June 30, 2020. 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,	
2020	\$ (2,802)
2021	(2,803)
2022	(2,292)
2023	<u>(685)</u>
 Total	 <u>\$ (8,582)</u>

**F. 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 8.

*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.

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**10. Defined benefit other postemployment benefits plan (continued)**

*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 percent 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.

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

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

	1 Percentage Point Lower	Current Discount Rate	1 Percentage Point Higher
Proportionate share of net OPEB liability/(asset)	\$ (18,599)	\$ (31,943)	\$ (43,301)

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 10. Defined benefit other postemployment benefits plan (continued)

#### City of Silverton other postemployment benefits plan

##### A. Plan description and benefits provided

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

##### B. Plan membership

As of June 30, 2019, there were 49 active employees, 0 eligible retirees, and 0 spouse of eligible retirees for a total of 49 plan members.

##### C. 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:

	<u>Medical/Vision</u>	<u>Dental</u>
For retirees	\$ 553	\$ 57
For spouses of retirees	618	43

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

At June 30, 2019, the City reported a total OPEB liability of \$150,125. The total OPEB liability was measured as of June 30, 2018 and determined by an actuarial valuation as of that date.

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**10. Defined benefit other postemployment benefits plan (continued)**

Changes in the total OPEB liability is as follows:

	Total OPEB Liability
Balances at June 30, 2018	\$ 242,994
Changes for the year:	
Service cost	21,358
Interest	9,372
Effect of economic/demographic gains or losses	(101,717)
Changes in assumptions or other inputs	(16,724)
Benefit payments	<u>(5,158)</u>
Balances at June 30, 2019	<u>\$ 150,125</u>

For the year ended June 30, 2019, the City recognized OPEB expense of \$16,082. At June 30, 2019, 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	\$ -	\$ 91,746
Changes of assumptions	-	29,269
Contributions subsequent to the measurement date	<u>1,170</u>	<u>-</u>
	<u>\$ 1,170</u>	<u>\$ 121,015</u>

Deferred outflows of resources related to OPEB resulting from the City's contributions subsequent to the measurement date in the amount of \$1,170 will be recognized as an adjustment to the Total OPEB liability in the year ended June 30, 2020. 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,	
2020	\$ (13,478)
2021	(13,478)
2022	(13,478)
2023	(13,478)
2024	(13,478)
Thereafter	(53,625)

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 10. Defined benefit other postemployment benefits plan (continued)

#### E. Actuarial valuation

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

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

Valuation Date	July 1, 2018
Actuarial Cost Method	Entry Age Normal, Level Percent of Pay
Actuarial Assumptions:	
Inflation Rate	2.5 percent
Projected Salary Increases	3.5 percent
Mortality	RP 2014 Healthy Annuitant, sex distinct mortality tables blended 50/50 blue collar, set back one year for males. Mortality is projected on a generational basis using the Unisex Social Security Data Scale

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 3.87 percent. The discount rate is based on the Bond Buyer 20-year General Obligation Bond Index. The discount rate at the prior measurement date was 3.58 percent.

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**10. Defined benefit other postemployment benefits plan (continued)**

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>
2018	6.75%
2019	7.00%
2020	5.50%
2021-2025	5.00%
2026-2029	4.75%
2030-2033	5.00%
2034	5.25%
2035	5.75%
2036-2038	6.00%
2039-2045	5.75%
2046-2050	5.50%
2051-2061	5.25%
2062-2065	5.00%
2066+	4.75%

Dental costs are assumed to increase 4.5 percent 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 3.87 percent, 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 (2.87 percent) or 1-percentage-point higher (4.87 percent) than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

	<u>1-Percentage Point Lower</u>	<u>Current Discount Rate</u>	<u>1-Percentage Point Higher</u>
City's total OPEB liability	\$ 167,896	\$ 150,125	\$ 134,160
	<u>1- Percentage Point Lower</u>	<u>Current Trend Rate</u>	<u>1-Percentage Point Higher</u>
City's total OPEB liability	\$ 126,770	\$ 150,125	\$ 178,832



## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 11. 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	\$ 4,642,664
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Highways and streets – Street maintenance fees are restricted for maintenance of public streets	255,748
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Park maintenance – Park maintenance fees are restricted for operations and maintenance of city parks	255,722
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Stormwater – Stormwater fees are restricted for capital improvement of the City's stormwater system	437,298
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Urban renewal taxes are restricted to improving and redeveloping designated areas (community development)	1,652,126
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#### 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	\$ 4,497,556
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**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**12. Governmental fund balances**

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

	General	Nonmajor Governmental Funds	Total
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Nonspendable</b>			
Inventory	\$ -	\$ 6,009	\$ 6,009
<b>Restricted for:</b>			
Transportation	-	70,862	70,862
Transient tax	-	105,121	105,121
Highways and streets	-	2,115,129	2,115,129
CDBG housing rehabilitation	-	633,944	633,944
Park maintenance and improvements	-	255,722	255,722
Pool operations	-	659,000	659,000
Debt service	-	1,806,707	1,806,707
Capital projects	-	5,079,962	5,079,962
Other purposes	-	512,468	512,468
<b>Committed for:</b>			
Capital projects		2,898,272	2,898,272
<b>Assigned for:</b>			
Unexpected future expenditures	766,744	-	766,744
Capital projects	-	206,138	206,138
Debt service	-	20,669	20,669
<b>Unassigned</b>	<u>3,682,799</u>	<u>-</u>	<u>3,682,799</u>
 Total	 <u>\$4,449,543</u>	 <u>\$ 14,370,003</u>	 <u>\$ 18,819,546</u>

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 13. Segment information for enterprise funds

The City has issued revenue bonds to finance sewer and water systems. The two systems are accounted for in ten funds.

Summary financial information for the sewer and water systems for the year ended June 30, 2019 is as follows:

<b>Condensed statement of net position</b>	<u>Sewer</u>	<u>Water</u>
Assets		
Current	\$ 8,575,411	\$ 5,071,004
Net other postemployment benefit asset	4,649	3,545
Capital	<u>22,831,628</u>	<u>8,391,398</u>
Total assets	<u>31,411,688</u>	<u>13,465,947</u>
Deferred outflows of resources	<u>271,560</u>	<u>207,079</u>
Liabilities		
Current	556,441	335,981
Noncurrent	<u>9,120,102</u>	<u>1,199,100</u>
Total liabilities	<u>9,676,543</u>	<u>1,535,081</u>
Deferred inflows of resources	<u>93,101</u>	<u>70,996</u>
Net position		
Net investment in capital assets	13,996,628	7,580,833
Restricted	6,702,672	2,945,843
Unrestricted	<u>1,214,304</u>	<u>1,540,273</u>
Total net position	<u>\$ 21,913,604</u>	<u>\$ 12,066,949</u>

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 13. Segment information for enterprise funds (continued)

#### Condensed statement of revenues, expenses and changes in fund net position

	Sewer	Water
Operating revenue	\$ 3,653,671	\$ 2,561,831
Depreciation expense	661,989	357,015
Other operating expenses	1,290,735	959,181
Operating income	<u>1,700,947</u>	<u>1,245,635</u>
Nonoperating revenues (expenses)	<u>(197,342)</u>	<u>82,415</u>
Income before capital contributions and transfers	1,503,605	1,328,050
Capital contributions	226,945	216,254
Transfers in	797,114	91,676
Transfers out	<u>(1,468,954)</u>	<u>(723,570)</u>
Change in net position	1,058,710	912,410
Net position – beginning	<u>20,854,894</u>	<u>11,154,539</u>
Net position – ending	<u>\$ 21,913,604</u>	<u>\$ 12,066,949</u>

#### Condensed statement of cash flows

Net cash provided by (used in):		
Operating activities	\$ 2,373,175	\$ 1,644,179
Capital and related financing activities	(1,697,715)	(664,154)
Investing activities	<u>199,948</u>	<u>107,928</u>
Net increase in cash and cash equivalents	875,408	1,087,953
Cash and cash equivalents - beginning	<u>7,338,241</u>	<u>3,654,943</u>
Cash and cash equivalents - ending	<u>\$ 8,213,649</u>	<u>\$ 4,742,896</u>

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**14. Commitments**

The City has entered into commitments for various projects as of June 30, 2019 as follows:

Project	Disbursed to Date	Remaining Commitment
Sewer projects		
Rate study	\$ 7,850	\$ 6,050
Water projects		
Rate study	7,850	6,050
Remote monitor systems	-	40,901
Urban renewal projects	137,655	508,580
Other		
Housing needs analysis	2,884	32,096
Circulation plan	1,701	67,499
Transporation system plan	153,901	30,417
Waste water treatment plan screw press	-	285,617
Backhoe Case	-	107,500
Total	\$ 311,841	\$ 1,084,710

**15. Tax abatements**

Marion County has entered into property tax abatement agreements and the City's property taxes to be received for the 2018-19 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	\$ 4,774
Historic property – ORS 358.475-.545	602

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**CITY OF SILVERTON**

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM  
Last Ten Plan Years\***

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
2018	0.03212635%	\$ 4,866,719	3,180,866	153.00%	82.068%
2017	0.03384383%	4,562,161	2,846,199	160.29%	83.119%
2016	0.03495655%	5,247,790	2,828,460	185.54%	80.527%
2015	0.03743192%	2,149,139	2,862,807	75.07%	91.875%
2014	0.03608184%	(817,864)	2,698,244	-30.31%	103.590%
2013	0.03608146%	1,841,290	2,779,029	66.26%	91.974%

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

**CITY OF SILVERTON**

**SCHEDULE OF PENSION CONTRIBUTIONS  
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM  
Last Ten Fiscal Years\***

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	covered payroll	Contributions as a percent of covered payroll
2019	\$ 485,180	\$ 485,180	\$ -	\$ 3,330,088	14.56958%
2018	502,491	502,491	-	3,180,866	15.79730%
2017	382,091	382,091	-	2,846,199	13.42461%
2016	375,097	375,097	-	2,828,460	13.26153%
2015	335,739	335,739	-	2,862,807	11.72762%
2014	317,383	317,383	-	2,698,244	11.76258%
2013	304,410	304,410	-	2,779,029	10.95383%
2012	314,210	314,210	-	2,960,342	10.61398%
2011	211,625	211,625	-	2,982,103	7.09650%
2010	193,793	193,793	-	2,844,590	6.81269%

**CITY OF SILVERTON**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
**Last Ten Plan Years\***

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
2018	0.028615490%	\$ (31,943)	\$ 3,180,866	-1.00%	123.99%
2017	0.028615490%	(12,464)	2,846,199	-0.44%	108.88%
2016	0.029869048%	8,063	2,828,460	0.29%	80.53%

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

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

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	City's covered payroll	Contributions as a percent of covered payroll
2019	\$ 13,285	\$ 13,285	\$ 3,330,088	0.40%
2018	13,856	13,856	3,180,866	0.44%
2017	14,423	14,423	2,846,199	0.51%

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

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

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Service cost	\$ 21,358	\$ 22,822
Interest on total OPEB liability	9,372	7,274
Effect of economic/demographic gains or losses	(101,717)	-
Effect of assumptions changes or inputs	(16,724)	(17,917)
Benefit payments	<u>(5,158)</u>	<u>(3,157)</u>
Net change in total OPEB liability	(92,869)	9,022
Total OPEB liability - beginning of year	<u>242,994</u>	<u>233,972</u>
Total OPEB liability - end of year	<u>\$ 150,125</u>	<u>\$ 242,994</u>
Covered payroll	\$ 3,180,866	\$ 2,846,199
Total OPEB liability as a percentage of covered payroll	4.7%	8.5%

Notes to schedule

\*Information will be accumulated until 10 years are presented.

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

**COMBINING FINANCIAL STATEMENTS  
AND INDIVIDUAL FUND SCHEDULES**

**CITY OF SILVERTON**

**COMBINING BALANCE SHEET  
GENERAL FUNDS  
June 30, 2019**

	General	General Operating Reserve	Totals
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 3,776,951	\$ 766,744	\$ 4,543,695
Receivables	422,759	-	422,759
<b>TOTAL ASSETS</b>	<b>\$ 4,199,710</b>	<b>\$ 766,744</b>	<b>\$ 4,966,454</b>
<b><u>LIABILITIES</u></b>			
Accounts payable and accrued liabilities	\$ 169,933	\$ -	\$ 169,933
Consumer deposits	148,535	-	148,535
<b>TOTAL LIABILITIES</b>	<b>318,468</b>	<b>-</b>	<b>318,468</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Unavailable revenue	198,443	-	198,443
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>198,443</b>	<b>-</b>	<b>198,443</b>
<b><u>FUND BALANCES</u></b>			
Assigned	-	766,744	766,744
Unassigned	3,682,799	-	3,682,799
<b>TOTAL FUND BALANCES</b>	<b>3,682,799</b>	<b>766,744</b>	<b>4,449,543</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 4,199,710</b>	<b>\$ 766,744</b>	<b>\$ 4,966,454</b>

**CITY OF SILVERTON**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES**

**GENERAL FUNDS**

**For the Year Ended June 30, 2019**

	General	General Operating Reserve	Totals
<b>REVENUES</b>			
Property taxes	\$ 2,865,721	\$ -	\$ 2,865,721
Franchise fees	841,003	-	841,003
Licenses, permits and fees	167,344	-	167,344
Fines and forfeitures	242,163	-	242,163
Intergovernmental	479,995	-	479,995
Rentals	17,436	-	17,436
Interest	95,762	16,472	112,234
Miscellaneous	301,864	12,843	314,707
	<u>5,011,288</u>	<u>29,315</u>	<u>5,040,603</u>
<b>TOTAL REVENUES</b>			
<b>EXPENDITURES</b>			
Current			
General government	2,003,272	-	2,003,272
Public safety	2,539,381	-	2,539,381
Culture and recreation	231,582	-	231,582
Capital outlay	26,070	-	26,070
	<u>4,800,305</u>	<u>-</u>	<u>4,800,305</u>
<b>TOTAL EXPENDITURES</b>			
Excess (deficiency) of revenues over expenditures	<u>210,983</u>	<u>29,315</u>	<u>240,298</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	1,169,976	200,000	1,369,976
Transfers out	(913,936)	-	(913,936)
	<u>256,040</u>	<u>200,000</u>	<u>456,040</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>			
Net change in fund balances	467,023	229,315	696,338
Fund balances at beginning of year	<u>3,215,776</u>	<u>537,429</u>	<u>3,753,205</u>
Fund balance at end of year	<u>\$ 3,682,799</u>	<u>\$ 766,744</u>	<u>\$ 4,449,543</u>



**CITY OF SILVERTON**

**GENERAL OPERATING RESERVE - GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Interest	\$ 5,000	\$ 16,472	\$ 11,472
Miscellaneous	<u>-</u>	<u>12,843</u>	<u>12,843</u>
<b>TOTAL REVENUES</b>	<u>5,000</u>	<u>29,315</u>	<u>24,315</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>200,000</u>	<u>200,000</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Net change in fund balance	205,000	229,315	24,315
Fund balance at beginning of year	<u>523,139</u>	<u>537,429</u>	<u>14,290</u>
Fund balance at end of year	<u><u>\$ 728,139</u></u>	<u><u>\$ 766,744</u></u>	<u><u>\$ 38,605</u></u>

**CITY OF SILVERTON**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2019**

	Special Revenue	Debt Service	Capital Projects	Totals
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 4,776,682	\$ 276,667	\$ 9,137,757	\$ 14,191,106
Receivables	722,762	663,487	80,530	1,466,779
Inventories	6,009	-	-	6,009
<b>TOTAL ASSETS</b>	<b>\$ 5,505,453</b>	<b>\$ 940,154</b>	<b>\$ 9,218,287</b>	<b>\$ 15,663,894</b>
<b><u>LIABILITIES</u></b>				
Accounts payable and accrued liabilities	\$ 64,509	\$ -	\$ 946	\$ 65,455
<b>TOTAL LIABILITIES</b>	<b>64,509</b>	<b>-</b>	<b>946</b>	<b>65,455</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
Unavailable revenue	572,875	655,561	-	1,228,436
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>572,875</b>	<b>655,561</b>	<b>-</b>	<b>1,228,436</b>
<b><u>FUND BALANCES</u></b>				
Nonspendable	6,009	-	-	6,009
Restricted	4,862,060	263,924	6,112,931	11,238,915
Committed	-	-	2,898,272	2,898,272
Assigned	-	20,669	206,138	226,807
<b>TOTAL FUND BALANCES</b>	<b>4,868,069</b>	<b>284,593</b>	<b>9,217,341</b>	<b>14,370,003</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 5,505,453</b>	<b>\$ 940,154</b>	<b>\$ 9,218,287</b>	<b>\$ 15,663,894</b>

**CITY OF SILVERTON**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2019**

	Special Revenue	Debt Service	Capital Projects	Totals
<b>REVENUES</b>				
Property taxes	\$ 876,507	\$ -	\$ -	\$ 876,507
Transient tax	338,032	-	-	338,032
Local fuel tax	87,294	-	-	87,294
Licenses and permits	431,250	-	1,334,169	1,765,419
Assessments	-	62,076	-	62,076
Intergovernmental	817,135	-	60,000	877,135
Loan repayments	51,628	-	-	51,628
Interest	114,841	10,408	213,182	338,431
Miscellaneous	11,969	156	750	12,875
<b>TOTAL REVENUES</b>	<u>2,728,656</u>	<u>72,640</u>	<u>1,608,101</u>	<u>4,409,397</u>
<b>EXPENDITURES</b>				
Current				
General government	749,109	-	-	749,109
Highways and streets	276,694	-	6,980	283,674
Culture and recreation	181,502	-	-	181,502
Debt service	25,976	257,766	-	283,742
Capital outlay	47,946	-	1,005,475	1,053,421
<b>TOTAL EXPENDITURES</b>	<u>1,281,227</u>	<u>257,766</u>	<u>1,012,455</u>	<u>2,551,448</u>
Excess (deficiency) of revenues over expenditures	<u>1,447,429</u>	<u>(185,126)</u>	<u>595,646</u>	<u>1,857,949</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	4,969	201,450	1,827,912	2,034,331
Transfers out	(332,266)	-	(1,127,753)	(1,460,019)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(327,297)</u>	<u>201,450</u>	<u>700,159</u>	<u>574,312</u>
Net change in fund balances	1,120,132	16,324	1,295,805	2,432,261
Fund balances at beginning of year	<u>3,747,937</u>	<u>268,269</u>	<u>7,921,536</u>	<u>11,937,742</u>
Fund balances at end of year	<u>\$ 4,868,069</u>	<u>\$ 284,593</u>	<u>\$ 9,217,341</u>	<u>\$ 14,370,003</u>

**CITY OF SILVERTON**

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS**

**June 30, 2019**

	Street	Building Operations	Transportation	Electrical Inspection
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 1,014,280	\$ 506,189	\$ 53,962	\$ 12,125
Receivables	74,881	-	17,460	-
Inventories	4,703	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 1,093,864</b>	<b>\$ 506,189</b>	<b>\$ 71,422</b>	<b>\$ 12,125</b>
<b><u>LIABILITIES</u></b>				
Accounts payable and accrued liabilities	\$ 7,001	\$ 3,173	\$ 560	\$ 2,673
<b>TOTAL LIABILITIES</b>	<b>7,001</b>	<b>3,173</b>	<b>560</b>	<b>2,673</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
Unavailable revenue	-	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>FUND BALANCES</u></b>				
Nonspendable	4,703	-	-	-
Restricted	1,082,160	503,016	70,862	9,452
<b>TOTAL FUND BALANCES</b>	<b>1,086,863</b>	<b>503,016</b>	<b>70,862</b>	<b>9,452</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 1,093,864</b>	<b>\$ 506,189</b>	<b>\$ 71,422</b>	<b>\$ 12,125</b>

Transient Tax	Community Development Block Grant	Pool Operations Levy	Parks Fee	Urban Renewal	Totals
	Housing Rehabilitation				
\$ 113,225	\$ 634,096	\$ 658,644	\$ 248,975	\$ 1,535,186	\$ 4,776,682
40,118	456,192	10,254	6,761	117,096	722,762
-	-	1,306	-	-	6,009
<u>\$ 153,343</u>	<u>\$ 1,090,288</u>	<u>\$ 670,204</u>	<u>\$ 255,736</u>	<u>\$ 1,652,282</u>	<u>\$ 5,505,453</u>
\$ 48,222	\$ 152	\$ 2,558	\$ 14	\$ 156	\$ 64,509
<u>48,222</u>	<u>152</u>	<u>2,558</u>	<u>14</u>	<u>156</u>	<u>64,509</u>
-	456,192	7,340	-	109,343	572,875
-	456,192	7,340	-	109,343	572,875
-	-	1,306	-	-	6,009
<u>105,121</u>	<u>633,944</u>	<u>659,000</u>	<u>255,722</u>	<u>1,542,783</u>	<u>4,862,060</u>
<u>105,121</u>	<u>633,944</u>	<u>660,306</u>	<u>255,722</u>	<u>1,542,783</u>	<u>4,868,069</u>
<u>\$ 153,343</u>	<u>\$ 1,090,288</u>	<u>\$ 670,204</u>	<u>\$ 255,736</u>	<u>\$ 1,652,282</u>	<u>\$ 5,505,453</u>

**CITY OF SILVERTON**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
For the Year Ended June 30, 2019**

	Street	Building Operations	Transportation	Electrical Inspection
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Transient tax	-	-	-	-
Local fuel tax	87,294	-	-	-
Licenses, permits and fees	60,201	261,268	-	26,871
Intergovernmental	747,688	-	69,447	-
Loan repayments	-	-	-	-
Interest	19,640	11,872	1,333	382
Miscellaneous	342	-	1,845	-
	<u>915,165</u>	<u>273,140</u>	<u>72,625</u>	<u>27,253</u>
<b>TOTAL REVENUES</b>				
<b>EXPENDITURES</b>				
Current				
General government	-	216,513	66,668	24,236
Highways and streets	276,694	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	14,292	-	-	-
	<u>290,986</u>	<u>216,513</u>	<u>66,668</u>	<u>24,236</u>
<b>TOTAL EXPENDITURES</b>				
Excess (deficiency) of revenues over expenditures	<u>624,179</u>	<u>56,627</u>	<u>5,957</u>	<u>3,017</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(165,534)	(54,111)	(3,584)	(7,627)
	<u>(165,534)</u>	<u>(54,111)</u>	<u>(3,584)</u>	<u>(7,627)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>				
Net change in fund balances	458,645	2,516	2,373	(4,610)
Fund balances at beginning of year	628,218	500,500	68,489	14,062
	<u>1,086,863</u>	<u>503,016</u>	<u>70,862</u>	<u>9,452</u>
Fund balances at end of year	<u>\$ 1,086,863</u>	<u>\$ 503,016</u>	<u>\$ 70,862</u>	<u>\$ 9,452</u>

Transient Tax	Community Development Block Grant Housing Rehabilitation	Pool Operations Levy	Parks Fee	Urban Renewal	Totals
\$ -	\$ -	\$ 270,374	\$ -	\$ 606,133	\$ 876,507
338,032	-	-	-	-	338,032
-	-	-	-	-	87,294
-	-	-	81,010	1,900	431,250
-	-	-	-	-	817,135
-	24,452	-	-	27,176	51,628
2,866	15,849	17,068	5,682	40,149	114,841
-	-	-	4,782	5,000	11,969
<u>340,898</u>	<u>40,301</u>	<u>287,442</u>	<u>91,474</u>	<u>680,358</u>	<u>2,728,656</u>
216,146	267	-	-	225,279	749,109
-	-	-	-	-	276,694
-	-	173,949	7,553	-	181,502
-	-	-	-	25,976	25,976
-	-	14,590	19,064	-	47,946
<u>216,146</u>	<u>267</u>	<u>188,539</u>	<u>26,617</u>	<u>251,255</u>	<u>1,281,227</u>
<u>124,752</u>	<u>40,034</u>	<u>98,903</u>	<u>64,857</u>	<u>429,103</u>	<u>1,447,429</u>
-	-	-	4,969	-	4,969
<u>(101,410)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(332,266)</u>
<u>(101,410)</u>	<u>-</u>	<u>-</u>	<u>4,969</u>	<u>-</u>	<u>(327,297)</u>
23,342	40,034	98,903	69,826	429,103	1,120,132
<u>81,779</u>	<u>593,910</u>	<u>561,403</u>	<u>185,896</u>	<u>1,113,680</u>	<u>3,747,937</u>
<u>\$ 105,121</u>	<u>\$ 633,944</u>	<u>\$ 660,306</u>	<u>\$ 255,722</u>	<u>\$ 1,542,783</u>	<u>\$ 4,868,069</u>

**CITY OF SILVERTON**

**COMBINING BALANCE SHEET  
NONMAJOR DEBT SERVICE FUNDS  
June 30, 2019**

	Debt Service	Assessment	<u>Totals</u>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 20,669	\$ 255,998	\$ 276,667
Receivables	<u>-</u>	<u>663,487</u>	<u>663,487</u>
 TOTAL ASSETS	 <u>\$ 20,669</u>	 <u>\$ 919,485</u>	 <u>\$ 940,154</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Unavailable revenue	\$ -	\$ 655,561	\$ 655,561
 TOTAL DEFERRED INFLOWS OF RESOURCES	 <u>-</u>	 <u>655,561</u>	 <u>655,561</u>
<b><u>FUND BALANCES</u></b>			
Restricted	-	263,924	263,924
Assigned	<u>20,669</u>	<u>-</u>	<u>20,669</u>
 TOTAL FUND BALANCES	 <u>20,669</u>	 <u>263,924</u>	 <u>284,593</u>
 TOTAL DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	 <u>\$ 20,669</u>	 <u>\$ 919,485</u>	 <u>\$ 940,154</u>



**CITY OF SILVERTON**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR DEBT SERVICE FUNDS  
For the Year Ended June 30, 2019**

	<u>Debt Service</u>	<u>Assessment</u>	<u>Totals</u>
<b>REVENUES</b>			
Assessments	\$ -	\$ 62,076	\$ 62,076
Interest	3,273	7,135	10,408
Miscellaneous	-	156	156
	<u>3,273</u>	<u>69,367</u>	<u>72,640</u>
<b>TOTAL REVENUES</b>			
<b>EXPENDITURES</b>			
Debt service	<u>201,328</u>	<u>56,438</u>	<u>257,766</u>
<b>TOTAL EXPENDITURES</b>	<u>201,328</u>	<u>56,438</u>	<u>257,766</u>
Excess (deficiency) of revenues over expenditures	<u>(198,055)</u>	<u>12,929</u>	<u>(185,126)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>201,450</u>	<u>-</u>	<u>201,450</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>201,450</u>	<u>-</u>	<u>201,450</u>
Net change in fund balances	3,395	12,929	16,324
Fund balances at beginning of year	<u>17,274</u>	<u>250,995</u>	<u>268,269</u>
Fund balances at end of year	<u>\$ 20,669</u>	<u>\$ 263,924</u>	<u>\$ 284,593</u>

**CITY OF SILVERTON**

**COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
June 30, 2019**

	Building Capital Improvement Reserve	Steelhammer LID	Street Improvement SDC	Street Maintenance Fee	Street Lights Improvement	Street Reimbursement SDC
<b><u>ASSETS</u></b>						
Cash and cash equivalents	\$ 1,331,357	\$ 37,019	\$ 1,539,801	\$ 214,370	\$ 206,138	\$ 416,828
Receivables	-	-	-	41,378	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 1,331,357</u></b>	<b><u>\$ 37,019</u></b>	<b><u>\$ 1,539,801</u></b>	<b><u>\$ 255,748</u></b>	<b><u>\$ 206,138</u></b>	<b><u>\$ 416,828</u></b>
<b><u>LIABILITIES</u></b>						
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 946	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>946</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b><u>FUND BALANCE</u></b>						
Restricted	-	37,019	1,538,855	255,748	-	416,828
Committed	1,331,357	-	-	-	-	-
Assigned	-	-	-	-	206,138	-
<b>TOTAL FUND BALANCE</b>	<b><u>1,331,357</u></b>	<b><u>37,019</u></b>	<b><u>1,538,855</u></b>	<b><u>255,748</u></b>	<b><u>206,138</u></b>	<b><u>416,828</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 1,331,357</u></b>	<b><u>\$ 37,019</u></b>	<b><u>\$ 1,539,801</u></b>	<b><u>\$ 255,748</u></b>	<b><u>\$ 206,138</u></b>	<b><u>\$ 416,828</u></b>

Street Projects	Parks and Recreation Improvement SDC	Stormwater Improvement SDC	Stormwater Fee	Stormwater Reimbursement SDC	Civic Building Project	McClaine St Improvement Project	Totals
\$ 777,221	\$ 2,042,799	\$ 512,781	\$ 398,146	\$ 94,382	\$ 333,144	\$ 1,233,771	\$ 9,137,757
-	-	-	39,152	-	-	-	80,530
<u>\$ 777,221</u>	<u>\$ 2,042,799</u>	<u>\$ 512,781</u>	<u>\$ 437,298</u>	<u>\$ 94,382</u>	<u>\$ 333,144</u>	<u>\$ 1,233,771</u>	<u>\$ 9,218,287</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 946
-	-	-	-	-	-	-	946
777,221	2,042,799	512,781	437,298	94,382	-	-	6,112,931
-	-	-	-	-	333,144	1,233,771	2,898,272
-	-	-	-	-	-	-	206,138
<u>777,221</u>	<u>2,042,799</u>	<u>512,781</u>	<u>437,298</u>	<u>94,382</u>	<u>333,144</u>	<u>1,233,771</u>	<u>9,217,341</u>
<u>\$ 777,221</u>	<u>\$ 2,042,799</u>	<u>\$ 512,781</u>	<u>\$ 437,298</u>	<u>\$ 94,382</u>	<u>\$ 333,144</u>	<u>\$ 1,233,771</u>	<u>\$ 9,218,287</u>

**CITY OF SILVERTON**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
For the Year Ended June 30, 2019**

	Building Capital Improvement Reserve	Steelhammer LID	Street Improvement SDC	Street Maintenance Fee	Street Lights Improvement	Street Reimbursement SDC
<b>REVENUES</b>						
Licenses, permits and fees	\$ -	\$ 12,279	\$ 131,234	\$ 480,837	\$ -	\$ 26,637
Intergovernmental	-	-	-	-	-	-
Interest	33,373	723	36,357	9,298	5,168	9,969
Miscellaneous	-	-	-	750	-	-
<b>TOTAL REVENUES</b>	<u>33,373</u>	<u>13,002</u>	<u>167,591</u>	<u>490,885</u>	<u>5,168</u>	<u>36,606</u>
<b>EXPENDITURES</b>						
Highways and streets	-	-	6,980	-	-	-
Capital outlay	-	3,800	-	188,506	-	-
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>3,800</u>	<u>6,980</u>	<u>188,506</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>33,373</u>	<u>9,202</u>	<u>160,611</u>	<u>302,379</u>	<u>5,168</u>	<u>36,606</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(655,000)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(655,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	33,373	9,202	160,611	(352,621)	5,168	36,606
Fund balances at beginning of year	<u>1,297,984</u>	<u>27,817</u>	<u>1,378,244</u>	<u>608,369</u>	<u>200,970</u>	<u>380,222</u>
Fund balances at end of year	<u>\$ 1,331,357</u>	<u>\$ 37,019</u>	<u>\$ 1,538,855</u>	<u>\$ 255,748</u>	<u>\$ 206,138</u>	<u>\$ 416,828</u>

Street Projects	Parks and Recreation Improvement SDC	Parks Projects	Stormwater Improvement SDC	Stormwater Projects	Stormwater Fee	Stormwater Reimbursement SDC	Civic Building Project	McCaline St Improvement Project	Totals
\$ -	\$ 194,617	\$ -	\$ 22,057	\$ -	\$ 453,831	\$ 12,677	\$ -	\$ -	\$ 1,334,169
-	-	-	-	-	-	-	60,000	-	60,000
19,137	47,703	-	12,454	-	10,908	2,939	11,387	13,766	213,182
-	-	-	-	-	-	-	-	-	750
19,137	242,320	-	34,511	-	464,739	15,616	71,387	13,766	1,608,101
-	-	-	-	-	-	-	-	-	6,980
-	-	-	21	-	-	31,924	731,229	49,995	1,005,475
-	-	-	21	-	-	31,924	731,229	49,995	1,012,455
19,137	242,320	-	34,490	-	464,739	(16,308)	(659,842)	(36,229)	595,646
-	-	-	-	-	57,912	-	500,000	1,270,000	1,827,912
-	-	(4,969)	-	(57,912)	(409,872)	-	-	-	(1,127,753)
-	-	(4,969)	-	(57,912)	(351,960)	-	500,000	1,270,000	700,159
19,137	242,320	(4,969)	34,490	(57,912)	112,779	(16,308)	(159,842)	1,233,771	1,295,805
758,084	1,800,479	4,969	478,291	57,912	324,519	110,690	492,986	-	7,921,536
<u>\$ 777,221</u>	<u>\$ 2,042,799</u>	<u>\$ -</u>	<u>\$ 512,781</u>	<u>\$ -</u>	<u>\$ 437,298</u>	<u>\$ 94,382</u>	<u>\$ 333,144</u>	<u>\$ 1,233,771</u>	<u>\$ 9,217,341</u>

**CITY OF SILVERTON**

**STREET - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Licenses, permits and fees	\$ 40,000	\$ 60,201	\$ 20,201
Local fuel tax	20,000	87,294	67,294
Intergovernmental	500,000	747,688	247,688
Interest	4,150	19,640	15,490
Miscellaneous	<u>500</u>	<u>342</u>	<u>(158)</u>
 TOTAL REVENUES	 <u>564,650</u>	 <u>915,165</u>	 <u>350,515</u>
 <b>EXPENDITURES</b>			
Street administration	138,259	68,753	69,506
Street operations	364,026	222,233	141,793
Contingency	<u>187,616</u>	<u>-</u>	<u>187,616</u>
 TOTAL EXPENDITURES	 <u>689,901</u>	 <u>290,986</u>	 <u>398,915</u>
 Excess (deficiency) of revenues over expenditures	 <u>(125,251)</u>	 <u>624,179</u>	 <u>749,430</u>
 <b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(165,534)</u>	<u>(165,534)</u>	<u>-</u>
 TOTAL OTHER FINANCING SOURCES (USES)	 <u>(165,534)</u>	 <u>(165,534)</u>	 <u>-</u>
 Net change in fund balance	 (290,785)	 458,645	 749,430
Fund balance at beginning of year	<u>379,212</u>	<u>628,218</u>	<u>249,006</u>
 Fund balance at end of year	 <u>\$ 88,427</u>	 <u>\$ 1,086,863</u>	 <u>\$ 998,436</u>

**CITY OF SILVERTON**

**BUILDING OPERATIONS - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2019**

	Budget	Actual	Variance
<b>REVENUES</b>			
Licenses, permits and fees	\$ 195,000	\$ 261,268	\$ 66,268
Interest	<u>6,250</u>	<u>11,872</u>	<u>5,622</u>
<b>TOTAL REVENUES</b>	<u>201,250</u>	<u>273,140</u>	<u>71,890</u>
<b>EXPENDITURES</b>			
Building inspection services	278,039	216,513	61,526
Contingency	<u>102,906</u>	<u>-</u>	<u>102,906</u>
<b>TOTAL EXPENDITURES</b>	<u>380,945</u>	<u>216,513</u>	<u>164,432</u>
Excess (deficiency) of revenues over expenditures	<u>(179,695)</u>	<u>56,627</u>	<u>236,322</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(54,111)</u>	<u>(54,111)</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(54,111)</u>	<u>(54,111)</u>	<u>-</u>
Net change in fund balance	(233,806)	2,516	236,322
Fund balance at beginning of year	<u>448,044</u>	<u>500,500</u>	<u>52,456</u>
Fund balance at end of year	<u><u>\$ 214,238</u></u>	<u><u>\$ 503,016</u></u>	<u><u>\$ 288,778</u></u>

**CITY OF SILVERTON**

**TRANSPORTATION - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2019**

	Budget	Actual	Variance
<b>REVENUES</b>			
Intergovernmental	\$ 93,500	\$ 69,447	\$ (24,053)
Interest	450	1,333	883
Miscellaneous	1,800	1,845	45
<b>TOTAL REVENUES</b>	<b>95,750</b>	<b>72,625</b>	<b>(23,125)</b>
<b>EXPENDITURES</b>			
Trolley services	101,008	66,668	34,340
Contingency	58,653	-	58,653
<b>TOTAL EXPENDITURES</b>	<b>159,661</b>	<b>66,668</b>	<b>92,993</b>
Excess (deficiency) of revenues over expenditures	(63,911)	5,957	69,868
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(3,584)	(3,584)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(3,584)</b>	<b>(3,584)</b>	<b>-</b>
Net change in fund balance	(67,495)	2,373	69,868
Fund balance at beginning of year	67,495	68,489	994
Fund balance at end of year	\$ -	\$ 70,862	\$ 70,862



**CITY OF SILVERTON**

**ELECTRICAL INSPECTION - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2019**

	Budget	Actual	Variance
<b>REVENUES</b>			
Fees and permits	\$ 49,000	\$ 26,871	\$ (22,129)
Interest	200	382	182
<b>TOTAL REVENUES</b>	<b>49,200</b>	<b>27,253</b>	<b>(21,947)</b>
<b>EXPENDITURES</b>			
Electrical inspection services	43,280	24,236	19,044
Contingency	13,758	-	13,758
<b>TOTAL EXPENDITURES</b>	<b>57,038</b>	<b>24,236</b>	<b>32,802</b>
Excess (deficiency) of revenues over expenditures	(7,838)	3,017	10,855
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(7,627)	(7,627)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(7,627)</b>	<b>(7,627)</b>	<b>-</b>
Net change in fund balance	(15,465)	(4,610)	10,855
Fund balance at beginning of year	15,465	14,062	(1,403)
Fund balance at end of year	\$ -	\$ 9,452	\$ 9,452

**CITY OF SILVERTON**

**TRANSIENT TAX - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2019**

	Budget	Actual	Variance
<b>REVENUES</b>			
Transient room tax	\$ 310,500	\$ 338,032	\$ 27,532
Interest	750	2,866	2,116
<b>TOTAL REVENUES</b>	311,250	340,898	29,648
<b>EXPENDITURES</b>			
Materials and services	219,252	216,146	3,106
Contingency	75,105	-	75,105
<b>TOTAL EXPENDITURES</b>	294,357	216,146	78,211
Excess (deficiency) of revenues over expenditures	16,893	124,752	107,859
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(96,150)	(101,410)	(5,260)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	(96,150)	(101,410)	(5,260)
Net change in fund balance	(79,257)	23,342	102,599
Fund balance at beginning of year	79,257	81,779	2,522
Fund balance at end of year	\$ -	\$ 105,121	\$ 105,121

**CITY OF SILVERTON**

**COMMUNITY DEVELOPMENT BLOCK GRANT  
HOUSING REHABILITATION - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Loan repayments	\$ 21,400	\$ 24,452	\$ 3,052
Interest	<u>6,600</u>	<u>15,849</u>	<u>9,249</u>
 TOTAL REVENUES	 <u>28,000</u>	 <u>40,301</u>	 <u>12,301</u>
 <b>EXPENDITURES</b>			
Materials and services	252,500	267	252,233
Contingency	<u>352,435</u>	<u>-</u>	<u>352,435</u>
 TOTAL EXPENDITURES	 <u>604,935</u>	 <u>267</u>	 <u>604,668</u>
 Net change in fund balance	 (576,935)	 40,034	 616,969
Fund balance at beginning of year	<u>576,935</u>	<u>593,910</u>	<u>16,975</u>
 Fund balance at end of year	 <u><u>\$ -</u></u>	 <u><u>\$ 633,944</u></u>	 <u><u>\$ 633,944</u></u>

**CITY OF SILVERTON**

**POOL OPERATIONS LEVY - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Property taxes	\$ 259,250	\$ 270,374	\$ 11,124
Interest	<u>5,960</u>	<u>17,068</u>	<u>11,108</u>
<b>TOTAL REVENUES</b>	<u>265,210</u>	<u>287,442</u>	<u>22,232</u>
<b>EXPENDITURES</b>			
Materials and services	202,550	173,949	28,601
Capital outlay	20,000	14,590	5,410
Contingency	<u>362,177</u>	<u>-</u>	<u>362,177</u>
<b>TOTAL EXPENDITURES</b>	<u>584,727</u>	<u>188,539</u>	<u>396,188</u>
Net change in fund balance	(319,517)	98,903	418,420
Fund balance at beginning of year	<u>502,917</u>	<u>561,403</u>	<u>58,486</u>
Fund balance at end of year	<u><u>\$ 183,400</u></u>	<u><u>\$ 660,306</u></u>	<u><u>\$ 476,906</u></u>

**CITY OF SILVERTON**

**PARKS FEE - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Licenses, permits and fees	\$ 79,500	\$ 81,010	\$ 1,510
Interest	2,250	5,682	3,432
Miscellaneous	<u>-</u>	<u>4,782</u>	<u>4,782</u>
<b>TOTAL REVENUES</b>	<u>81,750</u>	<u>91,474</u>	<u>9,724</u>
<b>EXPENDITURES</b>			
Parks maintenance	22,875	7,553	15,322
Capital outlay	125,000	19,064	105,936
Contingency and reserves	<u>108,767</u>	<u>-</u>	<u>108,767</u>
<b>TOTAL EXPENDITURES</b>	<u>256,642</u>	<u>26,617</u>	<u>230,025</u>
Excess (deficiency) of revenues over expenditures	<u>(174,892)</u>	<u>64,857</u>	<u>239,749</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>5,074</u>	<u>4,969</u>	<u>(105)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>5,074</u>	<u>4,969</u>	<u>(105)</u>
Net change in fund balance	(169,818)	69,826	239,644
Fund balance at beginning of year	<u>169,818</u>	<u>185,896</u>	<u>16,078</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 255,722</u></u>	<u><u>\$ 255,722</u></u>

**CITY OF SILVERTON**

**URBAN RENEWAL - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Property taxes	\$ 522,950	\$ 606,133	\$ 83,183
Licenses, permits and fees	300	1,900	1,600
Loan repayments	26,500	27,176	676
Interest	18,125	40,149	22,024
Miscellaneous	<u>5,000</u>	<u>5,000</u>	<u>-</u>
 TOTAL REVENUES	 <u>572,875</u>	 <u>680,358</u>	 <u>107,483</u>
 <b>EXPENDITURES</b>			
Materials and services	42,525	4,835	37,690
Debt service	27,270	25,976	1,294
Capital outlay	1,222,360	220,444	1,001,916
Contingency	<u>324,375</u>	<u>-</u>	<u>324,375</u>
 TOTAL EXPENDITURES	 <u>1,616,530</u>	 <u>251,255</u>	 <u>1,365,275</u>
 Net change in fund balance	 (1,043,655)	 429,103	 1,472,758
Fund balance at beginning of year	<u>1,043,655</u>	<u>1,113,680</u>	<u>70,025</u>
 Fund balance at end of year	 <u>\$ -</u>	 <u>\$ 1,542,783</u>	 <u>\$ 1,542,783</u>

**CITY OF SILVERTON**

**DEBT SERVICE - DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2019**

	Budget	Actual	Variance
<b>REVENUES</b>			
Interest	\$ 950	\$ 3,273	\$ 2,323
<b>TOTAL REVENUES</b>	950	3,273	2,323
<b>EXPENDITURES</b>			
Debt service	218,917	201,328	17,589
<b>TOTAL EXPENDITURES</b>	218,917	201,328	17,589
Excess (deficiency) of revenues over expenditures	(217,967)	(198,055)	19,912
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	201,450	201,450	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	201,450	201,450	-
Net change in fund balance	(16,517)	3,395	19,912
Fund balance at beginning of year	16,517	17,274	757
Fund balance at end of year	\$ -	\$ 20,669	\$ 20,669

**CITY OF SILVERTON**

**ASSESSMENT - DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Assessments	\$ 30,000	\$ 62,076	\$ 32,076
Interest	3,970	7,135	3,165
Miscellaneous	<u>-</u>	<u>156</u>	<u>156</u>
<b>TOTAL REVENUES</b>	<u>33,970</u>	<u>69,367</u>	<u>35,397</u>
<b>EXPENDITURES</b>			
Materials and services	6,000	-	6,000
Debt service	58,250	56,438	1,812
Contingency	<u>292,447</u>	<u>-</u>	<u>292,447</u>
<b>TOTAL EXPENDITURES</b>	<u>356,697</u>	<u>56,438</u>	<u>300,259</u>
Net change in fund balance	(322,727)	12,929	335,656
Fund balance at beginning of year	<u>322,727</u>	<u>250,995</u>	<u>(71,732)</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 263,924</u></u>	<u><u>\$ 263,924</u></u>



**CITY OF SILVERTON**

**BUILDING CAPITAL IMPROVEMENT RESERVE - CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
 For the Year Ended June 30, 2019**

	Budget	Actual	Variance
<b>REVENUES</b>			
Interest	\$ 14,000	\$ 33,373	\$ 19,373
<b>TOTAL REVENUES</b>	14,000	33,373	19,373
<b>EXPENDITURES</b>			
Capital outlay	1,307,638	-	1,307,638
<b>TOTAL EXPENDITURES</b>	1,307,638	-	1,307,638
Net change in fund balance	(1,293,638)	33,373	1,327,011
Fund balance at beginning of year	1,293,638	1,297,984	4,346
Fund balance at end of year	\$ -	\$ 1,331,357	\$ 1,331,357

**CITY OF SILVERTON**

**STEELHAMMER LID - CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2019**

	Budget	Actual	Variance
<b>REVENUES</b>			
System development charges	\$ 3,321	\$ 12,279	\$ 8,958
Interest	200	723	523
	3,521	13,002	9,481
<b>TOTAL REVENUES</b>			
<b>EXPENDITURES</b>			
Capital outlay	26,946	3,800	23,146
	26,946	3,800	23,146
<b>TOTAL EXPENDITURES</b>			
Net change in fund balance	(23,425)	9,202	32,627
Fund balance at beginning of year	23,425	27,817	4,392
Fund balance at end of year	\$ -	\$ 37,019	\$ 37,019

**CITY OF SILVERTON**

**STREET IMPROVEMENT SDC - CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2019**

	Budget	Actual	Variance
<b>REVENUES</b>			
System development charges	\$ 170,400	\$ 131,234	\$ (39,166)
Interest	19,500	36,357	16,857
<b>TOTAL REVENUES</b>	<b>189,900</b>	<b>167,591</b>	<b>(22,309)</b>
<b>EXPENDITURES</b>			
Materials and services	50,000	6,980	43,020
Street improvements	1,426,998	-	1,426,998
<b>TOTAL EXPENDITURES</b>	<b>1,476,998</b>	<b>6,980</b>	<b>1,470,018</b>
Net change in fund balance	(1,287,098)	160,611	1,447,709
Fund balance at beginning of year	1,287,098	1,378,244	91,146
Fund balance at end of year	<b>\$ -</b>	<b>\$ 1,538,855</b>	<b>\$ 1,538,855</b>

**CITY OF SILVERTON**

**STREET MAINTENANCE FEE - CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2019**

	Budget	Actual	Variance
<b>REVENUES</b>			
Licenses, permits and fees	\$ 465,500	\$ 480,837	\$ 15,337
Interest	3,850	9,298	5,448
Miscellaneous	-	750	750
<b>TOTAL REVENUES</b>	<b>469,350</b>	<b>490,885</b>	<b>21,535</b>
<b>EXPENDITURES</b>			
Street improvements	416,006	188,506	227,500
<b>TOTAL EXPENDITURES</b>	<b>416,006</b>	<b>188,506</b>	<b>227,500</b>
Excess (deficiency) of revenues over expenditures	53,344	302,379	249,035
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(655,000)	(655,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(655,000)</b>	<b>(655,000)</b>	<b>-</b>
Net change in fund balance	(601,656)	(352,621)	249,035
Fund balance at beginning of year	601,656	608,369	6,713
Fund balance at end of year	\$ -	\$ 255,748	\$ 255,748

**CITY OF SILVERTON**

**STREET LIGHTS IMPROVEMENT - CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2019**

	Budget	Actual	Variance
<b>REVENUES</b>			
Interest	\$ 2,600	\$ 5,168	\$ 2,568
<b>TOTAL REVENUES</b>	2,600	5,168	2,568
<b>EXPENDITURES</b>			
Street lighting	202,916	-	202,916
<b>TOTAL EXPENDITURES</b>	202,916	-	202,916
Net change in fund balance	(200,316)	5,168	205,484
Fund balance at beginning of year	200,316	200,970	654
Fund balance at end of year	\$ -	\$ 206,138	\$ 206,138

**CITY OF SILVERTON**

**STREET REIMBURSEMENT SDC - CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2019**

	Budget	Actual	Variance
<b>REVENUES</b>			
System development charges	\$ 54,000	\$ 26,637	\$ (27,363)
Interest	<u>4,650</u>	<u>9,969</u>	<u>5,319</u>
<b>TOTAL REVENUES</b>	<u>58,650</u>	<u>36,606</u>	<u>(22,044)</u>
<b>EXPENDITURES</b>			
Street improvements	<u>394,983</u>	<u>-</u>	<u>394,983</u>
<b>TOTAL EXPENDITURES</b>	<u>394,983</u>	<u>-</u>	<u>394,983</u>
Net change in fund balance	(336,333)	36,606	372,939
Fund balance at beginning of year	<u>336,333</u>	<u>380,222</u>	<u>43,889</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 416,828</u>	<u>\$ 416,828</u>

**CITY OF SILVERTON**

**STREET PROJECTS - CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Interest	\$ 9,700	\$ 19,137	\$ 9,437
<b>TOTAL REVENUES</b>	<u>9,700</u>	<u>19,137</u>	<u>9,437</u>
<b>EXPENDITURES</b>			
Street improvements	<u>266,171</u>	<u>-</u>	<u>266,171</u>
<b>TOTAL EXPENDITURES</b>	<u>266,171</u>	<u>-</u>	<u>266,171</u>
Net change in fund balance	(256,471)	19,137	275,608
Fund balance at beginning of year	<u>756,471</u>	<u>758,084</u>	<u>1,613</u>
Fund balance at end of year	<u>\$ 500,000</u>	<u>\$ 777,221</u>	<u>\$ 277,221</u>

**CITY OF SILVERTON**

**PARKS AND RECREATION IMPROVEMENT SDC - CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
 For the Year Ended June 30, 2019**

	Budget	Actual	Variance
<b>REVENUES</b>			
System development charges	\$ 253,400	\$ 194,617	\$ (58,783)
Interest	25,852	47,703	21,851
<b>TOTAL REVENUES</b>	<b>279,252</b>	<b>242,320</b>	<b>(36,932)</b>
<b>EXPENDITURES</b>			
Parks improvements	2,020,098	-	2,020,098
<b>TOTAL EXPENDITURES</b>	<b>2,020,098</b>	<b>-</b>	<b>2,020,098</b>
Net change in fund balance	(1,740,846)	242,320	1,983,166
Fund balance at beginning of year	1,740,846	1,800,479	59,633
Fund balance at end of year	\$ -	\$ 2,042,799	\$ 2,042,799



**CITY OF SILVERTON**

**PARKS PROJECTS - CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(5,074)</u>	<u>(4,969)</u>	<u>105</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(5,074)</u>	<u>(4,969)</u>	<u>105</u>
Net change in fund balance	(5,074)	(4,969)	105
Fund balance at beginning of year	<u>5,074</u>	<u>4,969</u>	<u>(105)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF SILVERTON**

**STORMWATER IMPROVEMENT SDC - CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2019**

	Budget	Actual	Variance
<b>REVENUES</b>			
System development charges	\$ 30,350	\$ 22,057	\$ (8,293)
Interest	6,000	12,454	6,454
<b>TOTAL REVENUES</b>	<b>36,350</b>	<b>34,511</b>	<b>(1,839)</b>
<b>EXPENDITURES</b>			
Stormwater improvements	500,083	21	500,062
<b>TOTAL EXPENDITURES</b>	<b>500,083</b>	<b>21</b>	<b>500,062</b>
Net change in fund balance	(463,733)	34,490	498,223
Fund balance at beginning of year	463,733	478,291	14,558
Fund balance at end of year	<b>\$ -</b>	<b>\$ 512,781</b>	<b>\$ 512,781</b>

**CITY OF SILVERTON**

**STORMWATER PROJECTS - CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2019**

	Budget	Actual	Variance
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	\$ (58,432)	\$ (57,912)	\$ 520
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	(58,432)	(57,912)	520
Net change in fund balance	(58,432)	(57,912)	520
Fund balance at beginning of year	58,432	57,912	(520)
Fund balance at end of year	\$ -	\$ -	\$ -

**CITY OF SILVERTON**

**STORMWATER FEE - CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Licenses, permits and fees	\$ 440,500	\$ 453,831	\$ 13,331
Interest	<u>1,500</u>	<u>10,908</u>	<u>9,408</u>
<b>TOTAL REVENUES</b>	<u>442,000</u>	<u>464,739</u>	<u>22,739</u>
<b>EXPENDITURES</b>			
Stormwater improvements	<u>408,327</u>	<u>-</u>	<u>408,327</u>
<b>TOTAL EXPENDITURES</b>	<u>408,327</u>	<u>-</u>	<u>408,327</u>
Excess (deficiency) of revenues over expenditures	<u>33,673</u>	<u>464,739</u>	<u>431,066</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	58,432	57,912	(520)
Transfers out	<u>(409,872)</u>	<u>(409,872)</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(351,440)</u>	<u>(351,960)</u>	<u>(520)</u>
Net change in fund balance	(317,767)	112,779	430,546
Fund balance at beginning of year	<u>317,767</u>	<u>324,519</u>	<u>6,752</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 437,298</u>	<u>\$ 437,298</u>

**CITY OF SILVERTON**

**STORMWATER REIMBURSEMENT SDC - CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2019**

	Budget	Actual	Variance
<b>REVENUES</b>			
System development charges	\$ 16,550	\$ 12,677	\$ (3,873)
Interest	435	2,939	2,504
<b>TOTAL REVENUES</b>	<b>16,985</b>	<b>15,616</b>	<b>(1,369)</b>
<b>EXPENDITURES</b>			
Stormwater improvements	69,153	31,924	37,229
<b>TOTAL EXPENDITURES</b>	<b>69,153</b>	<b>31,924</b>	<b>37,229</b>
Net change in fund balance	(52,168)	(16,308)	35,860
Fund balance at beginning of year	52,168	110,690	58,522
Fund balance at end of year	<b>\$ -</b>	<b>\$ 94,382</b>	<b>\$ 94,382</b>

**CITY OF SILVERTON**

**CIVIC BUILDING PROJECT - CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2019**

	Budget	Actual	Variance
<b>REVENUES</b>			
Intergovernmental	\$ 60,000	\$ 60,000	\$ -
Interest	5,000	11,387	6,387
<b>TOTAL REVENUES</b>	<b>65,000</b>	<b>71,387</b>	<b>6,387</b>
<b>EXPENDITURES</b>			
Capital outlay	1,056,386	731,229	325,157
<b>TOTAL EXPENDITURES</b>	<b>1,056,386</b>	<b>731,229</b>	<b>325,157</b>
Excess (deficiency) of revenues over expenditures	(991,386)	(659,842)	331,544
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	500,000	500,000	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>500,000</b>	<b>500,000</b>	<b>-</b>
Net change in fund balance	(491,386)	(159,842)	331,544
Fund balance at beginning of year	491,386	492,986	1,600
Fund balance at end of year	\$ -	\$ 333,144	\$ 333,144

**CITY OF SILVERTON**

**MCCLAIN ST IMPROVEMENT FUND - CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2019**

	Budget	Actual	Variance
<b>REVENUES</b>			
Interest	\$ -	\$ 13,766	\$ 13,766
<b>TOTAL REVENUES</b>	-	13,766	13,766
<b>EXPENDITURES</b>			
Capital outlay	1,270,000	49,995	1,220,005
<b>TOTAL EXPENDITURES</b>	1,270,000	49,995	1,220,005
Excess (deficiency) of revenues over expenditures	(1,270,000)	(36,229)	1,233,771
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	1,270,000	1,270,000	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	1,270,000	1,270,000	-
Net change in fund balance	-	1,233,771	1,233,771
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ 1,233,771	\$ 1,233,771

**CITY OF SILVERTON**

**SEWER - ENTERPRISE FUND (MAJOR FUND)  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2019**

	Budget	Actual	Variance
<b>REVENUES</b>			
Charges for services	\$ 3,600,000	\$ 3,653,671	\$ 53,671
Interest	16,000	42,323	26,323
Miscellaneous	-	2,750	2,750
<b>TOTAL REVENUES</b>	<b>3,616,000</b>	<b>3,698,744</b>	<b>82,744</b>
<b>EXPENDITURES</b>			
Sewer administration	271,361	209,255	62,106
Sewer operations	1,303,780	1,008,753	295,027
Sewer maintenance	408,439	269,151	139,288
Debt service	828,760	828,754	6
Contingency	455,548	-	455,548
<b>TOTAL EXPENDITURES</b>	<b>3,267,888</b>	<b>2,315,913</b>	<b>951,975</b>
Excess (deficiency) of revenues over expenditures	348,112	1,382,831	1,034,719
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(1,273,250)	(1,273,250)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,273,250)</b>	<b>(1,273,250)</b>	<b>-</b>
Net change in fund balance	(925,138)	109,581	1,034,719
Fund balance at beginning of year	1,390,748	1,683,511	292,763
Fund balance at end of year	<b>\$ 465,610</b>	<b>1,793,092</b>	<b>\$ 1,327,482</b>
<b>Reconciliation to generally accepted accounting principles</b>			
Net other postemployment benefits asset		4,649	
Capital assets, net		22,831,628	
Deferred outflows of resources		271,560	
Accrued interest payable		(31,794)	
Net pension liability		(708,254)	
Long-term obligations		(8,835,000)	
Other postemployment benefits liability		(21,848)	
Deferred inflows of resources		(93,101)	
Net position at end of year		<b>\$ 15,210,932</b>	



**CITY OF SILVERTON**

**WATER - ENTERPRISE FUND (MAJOR FUND)  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2019**

	Budget	Actual	Variance
<b>REVENUES</b>			
Licenses, permits and fees	\$ 10,350	\$ 11,348	\$ 998
Charges for services	2,415,750	2,550,483	134,733
Interest	12,500	38,648	26,148
Miscellaneous	-	1,580	1,580
	<u>2,438,600</u>	<u>2,602,059</u>	<u>163,459</u>
<b>TOTAL REVENUES</b>			
<b>EXPENDITURES</b>			
Water administration	402,201	242,485	159,716
Water operations	653,744	324,062	329,682
Water maintenance	672,426	432,430	239,996
Debt service	193,726	193,725	1
Contingency	343,693	-	343,693
	<u>2,265,790</u>	<u>1,192,702</u>	<u>1,073,088</u>
<b>TOTAL EXPENDITURES</b>			
Excess (deficiency) of revenues over expenditures	<u>172,810</u>	<u>1,409,357</u>	<u>1,236,547</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(713,894)</u>	<u>(713,894)</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>			
	<u>(713,894)</u>	<u>(713,894)</u>	<u>-</u>
Net change in fund balance	(541,084)	695,463	1,236,547
Fund balance at beginning of year	883,052	1,265,997	382,945
	<u>883,052</u>	<u>1,265,997</u>	<u>382,945</u>
Fund balance at end of year	<u>\$ 341,968</u>	<u>1,961,460</u>	<u>\$ 1,619,492</u>
<b>Reconciliation to generally accepted accounting principles</b>			
Net other postemployment benefits asset		3,545	
Capital assets, net		8,391,398	
Deferred outflows of resources		207,079	
Accrued interest payable		(4,064)	
Net pension liability		(540,091)	
Long-term obligations		(810,565)	
Other postemployment benefits liability		(16,660)	
Deferred inflows of resources		<u>(70,996)</u>	
Net position at end of year		<u>\$ 9,121,106</u>	

**CITY OF SILVERTON**

**COMBINING STATEMENT OF NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
June 30, 2019**

	Sewer Improvement SDC	Sewer Reimbursement SDC	Water Improvement SDC
<b><u>ASSETS</u></b>			
Current assets			
Cash and cash equivalents	\$ 1,091,008	\$ 1,075,687	\$ 1,983,476
Receivables	1,306	-	-
<b>TOTAL ASSETS</b>	<b>1,092,314</b>	<b>1,075,687</b>	<b>1,983,476</b>
<b><u>LIABILITIES</u></b>			
Current liabilities			
Accounts payable and accrued liabilities	946	-	946
<b>TOTAL LIABILITIES</b>	<b>946</b>	<b>-</b>	<b>946</b>
<b><u>NET POSITION</u></b>			
Restricted for:			
Capital projects	1,091,368	1,075,687	1,982,530
Debt service	-	-	-
Unrestricted	-	-	-
<b>TOTAL NET POSITION</b>	<b>\$ 1,091,368</b>	<b>\$ 1,075,687</b>	<b>\$ 1,982,530</b>

Water Reimbursement SDC	Sewer Debt Reserve	WWTP Digester Project	Sewer Capital Project	Water Capital Project	Totals
\$ 347,971	\$ 1,528,427	\$ 608,165	\$ 2,400,671	\$ 615,342	\$ 9,650,747
-	-	-	-	-	1,306
<u>347,971</u>	<u>1,528,427</u>	<u>608,165</u>	<u>2,400,671</u>	<u>615,342</u>	<u>9,652,053</u>
-	-	1,646	-	-	3,538
-	-	1,646	-	-	3,538
347,971	-	606,519	-	-	5,104,075
-	831,924	-	-	-	831,924
-	696,503	-	2,400,671	615,342	3,712,516
<u>\$ 347,971</u>	<u>\$ 1,528,427</u>	<u>\$ 606,519</u>	<u>\$ 2,400,671</u>	<u>\$ 615,342</u>	<u>\$ 9,648,515</u>

**CITY OF SILVERTON**

**COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
For the Year Ended June 30, 2019**

	Sewer Improvement SDC	Sewer Reimbursement SDC	Water Improvement SDC
<b>OPERATING EXPENSES</b>			
Materials and services	\$ 6,980	\$ -	\$ 6,981
Operating (loss)	(6,980)	-	(6,981)
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest	25,029	25,324	46,972
Total non-operating revenues (expenses)	25,029	25,324	46,972
Income (loss) before capital contributions and transfers	18,049	25,324	39,991
Capital contributions	136,648	90,297	159,650
Transfers in	-	-	-
Transfers out	-	-	-
Change in net position	154,697	115,621	199,641
Net position at beginning of year	936,671	960,066	1,782,889
Net position at end of year	\$ 1,091,368	\$ 1,075,687	\$ 1,982,530

Water Reimbursement SDC	Sewer Debt Reserve	WWTP Digester Project	Sewer Capital Project	Water Capital Project	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,961
-	-	-	-	-	(13,961)
7,948	36,602	15,405	55,265	14,360	226,905
7,948	36,602	15,405	55,265	14,360	226,905
7,948	36,602	15,405	55,265	14,360	212,944
56,604	-	-	-	-	443,199
-	101,410	-	500,000	82,000	683,410
(9,676)	-	(10,008)	(185,696)	-	(205,380)
54,876	138,012	5,397	369,569	96,360	1,134,173
293,095	1,390,415	601,122	2,031,102	518,982	8,514,342
<u>\$ 347,971</u>	<u>\$ 1,528,427</u>	<u>\$ 606,519</u>	<u>\$ 2,400,671</u>	<u>\$ 615,342</u>	<u>\$ 9,648,515</u>

**CITY OF SILVERTON**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**For the Year Ended June 30, 2019**

	Sewer Improvement SDC	Sewer Reimbursement SDC	Water Improvement SDC
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>CASH FLOWS FROM OPERATING ACTIVITES</b>			
Payments to suppliers	\$ (6,034)	\$ -	\$ (6,035)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u>(6,034)</u>	<u>-</u>	<u>(6,035)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
System development charges received	135,342	90,297	159,650
Transfers in	-	-	-
Acquisition of capital assets	-	-	-
<b>NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>135,342</u>	<u>90,297</u>	<u>159,650</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest	<u>25,029</u>	<u>25,324</u>	<u>46,972</u>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u>25,029</u>	<u>25,324</u>	<u>46,972</u>
Net increase (decrease) in cash and cash equivalents	154,337	115,621	200,587
Cash and cash equivalents - beginning of year	<u>936,671</u>	<u>960,066</u>	<u>1,782,889</u>
Cash and cash equivalents - end of year	<u>\$ 1,091,008</u>	<u>\$ 1,075,687</u>	<u>\$ 1,983,476</u>
<b>RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>			
Operating (loss)	\$ (6,980)	\$ -	\$ (6,981)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities			
Increase in liabilities			
Accounts payable and accrued liabilities	<u>946</u>	<u>-</u>	<u>946</u>
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u>\$ (6,034)</u>	<u>\$ -</u>	<u>\$ (6,035)</u>
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH TRANSACTIONS</b>			
Transfers out	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total non-cash transactions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Water Reimbursement SDC	Sewer Debt Reserve	WWTP Digester Project	Sewer Capital Project	Water Capital Project	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ (12,069)
-	-	-	-	-	(12,069)
56,604	-	-	-	-	441,893
-	101,410	-	500,000	82,000	683,410
(9,676)	-	(29,760)	(185,696)	-	(225,132)
46,928	101,410	(29,760)	314,304	82,000	900,171
7,948	36,602	15,405	55,265	14,360	226,905
7,948	36,602	15,405	55,265	14,360	226,905
54,876	138,012	(14,355)	369,569	96,360	1,115,007
293,095	1,390,415	622,520	2,031,102	518,982	8,535,740
<u>\$ 347,971</u>	<u>\$ 1,528,427</u>	<u>\$ 608,165</u>	<u>\$ 2,400,671</u>	<u>\$ 615,342</u>	<u>\$ 9,650,747</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ (13,961)
-	-	-	-	-	1,892
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,069)</u>
<u>\$ (9,676)</u>	<u>\$ -</u>	<u>\$ (10,008)</u>	<u>\$ (185,696)</u>	<u>\$ -</u>	<u>\$ (205,380)</u>
<u>\$ (9,676)</u>	<u>\$ -</u>	<u>\$ (10,008)</u>	<u>\$ (185,696)</u>	<u>\$ -</u>	<u>\$ (205,380)</u>

**CITY OF SILVERTON**

**SEWER IMPROVEMENT SDC - ENTERPRISE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
System development charges	\$ 154,200	\$ 136,648	\$ (17,552)
Interest	<u>9,500</u>	<u>25,029</u>	<u>15,529</u>
<b>TOTAL REVENUES</b>	<u>163,700</u>	<u>161,677</u>	<u>(2,023)</u>
<b>EXPENDITURES</b>			
Sewer improvements	<u>1,048,331</u>	<u>6,980</u>	<u>1,041,351</u>
<b>TOTAL EXPENDITURES</b>	<u>1,048,331</u>	<u>6,980</u>	<u>1,041,351</u>
Net change in fund balance	(884,631)	154,697	1,039,328
Fund balance at beginning of year	<u>884,631</u>	<u>936,671</u>	<u>52,040</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 1,091,368</u>	<u>\$ 1,091,368</u>



**CITY OF SILVERTON**

**SEWER REIMBURSEMENT SDC - ENTERPRISE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2019**

	Budget	Actual	Variance
<b>REVENUES</b>			
System development charges	\$ 101,550	\$ 90,297	\$ (11,253)
Interest	16,025	25,324	9,299
 TOTAL REVENUES	 117,575	 115,621	 (1,954)
 Net change in fund balance	 117,575	 115,621	 (1,954)
Fund balance at beginning of year	929,329	960,066	30,737
 Fund balance at end of year	 \$ 1,046,904	 \$ 1,075,687	 \$ 28,783

**CITY OF SILVERTON**

**WATER IMPROVEMENT SDC - ENTERPRISE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2019**

	Budget	Actual	Variance
<b>REVENUES</b>			
System development charges	\$ 208,300	\$ 159,650	\$ (48,650)
Interest	<u>24,760</u>	<u>46,972</u>	<u>22,212</u>
<b>TOTAL REVENUES</b>	<u>233,060</u>	<u>206,622</u>	<u>(26,438)</u>
<b>EXPENDITURES</b>			
Water improvements	<u>802,174</u>	<u>6,981</u>	<u>795,193</u>
<b>TOTAL EXPENDITURES</b>	<u>802,174</u>	<u>6,981</u>	<u>795,193</u>
Excess (deficiency) of revenues over expenditures	<u>(569,114)</u>	<u>199,641</u>	<u>768,755</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(1,150,000)</u>	<u>-</u>	<u>1,150,000</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(1,150,000)</u>	<u>-</u>	<u>1,150,000</u>
Net change in fund balance	(1,719,114)	199,641	1,918,755
Fund balance at beginning of year	<u>1,719,114</u>	<u>1,782,889</u>	<u>63,775</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 1,982,530</u>	<u>\$ 1,982,530</u>

**CITY OF SILVERTON**

**WATER REIMBURSEMENT SDC - ENTERPRISE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2019**

	Budget	Actual	Variance
<b>REVENUES</b>			
System development charges	\$ 73,750	\$ 56,604	\$ (17,146)
Interest	2,300	7,948	5,648
<b>TOTAL REVENUES</b>	<b>76,050</b>	<b>64,552</b>	<b>(11,498)</b>
<b>EXPENDITURES</b>			
Water improvements	337,456	9,676	327,780
<b>TOTAL EXPENDITURES</b>	<b>337,456</b>	<b>9,676</b>	<b>327,780</b>
Net change in fund balance	(261,406)	54,876	316,282
Fund balance at beginning of year	261,406	293,095	31,689
Fund balance at end of year	\$ -	\$ 347,971	\$ 347,971

**CITY OF SILVERTON**

**SEWER DEBT RESERVE - ENTERPRISE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2019**

	Budget	Actual	Variance
<b>REVENUES</b>			
Interest	\$ 22,250	\$ 36,602	\$ 14,352
<b>TOTAL REVENUES</b>	22,250	36,602	14,352
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	96,150	101,410	5,260
<b>TOAL OTHER FINANCING SOURCES (USES)</b>	96,150	101,410	5,260
Net change in fund balance	118,400	138,012	19,612
Fund balance at beginning of year	1,377,586	1,390,415	12,829
Fund balance at end of year	\$ 1,495,986	\$ 1,528,427	\$ 32,441

**CITY OF SILVERTON**

**WWTP DIGESTER PROJECT - ENTERPRISE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Interest	\$ 1,000	\$ 15,405	\$ 14,405
<b>TOTAL REVENUES</b>	<u>1,000</u>	<u>15,405</u>	<u>14,405</u>
<b>EXPENDITURES</b>			
Capital outlay	<u>600,418</u>	<u>10,008</u>	<u>590,410</u>
<b>TOTAL EXPENDITURES</b>	<u>600,418</u>	<u>10,008</u>	<u>590,410</u>
Net change in fund balance	(599,418)	5,397	604,815
Fund balance at beginning of year	<u>599,418</u>	<u>601,122</u>	<u>1,704</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 606,519</u>	<u>\$ 606,519</u>

**CITY OF SILVERTON**

**SEWER CAPITAL PROJECT - ENTERPRISE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2019**

	Budget	Actual	Variance
<b>REVENUES</b>			
Interest	\$ 25,090	\$ 55,265	\$ 30,175
<b>TOTAL REVENUES</b>	25,090	55,265	30,175
<b>EXPENDITURES</b>			
Sewer improvements	665,000	185,696	479,304
<b>TOTAL EXPENDITURES</b>	665,000	185,696	479,304
Excess (deficiency) of revenues over expenditures	(639,910)	(130,431)	509,479
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	500,000	500,000	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	500,000	500,000	-
Net change in fund balance	(139,910)	369,569	509,479
Fund balance at beginning of year	2,025,845	2,031,102	5,257
Fund balance at end of year	\$ 1,885,935	\$ 2,400,671	\$ 514,736

**CITY OF SILVERTON**

**WATER CAPITAL PROJECT - ENTERPRISE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2019**

	Budget	Actual	Variance
<b>REVENUES</b>			
Intergovernmental	\$ 1,150,000	\$ -	\$ (1,150,000)
Interest	<u>2,250</u>	<u>14,360</u>	<u>12,110</u>
<b>TOTAL REVENUES</b>	<u>1,152,250</u>	<u>14,360</u>	<u>(1,137,890)</u>
<b>EXPENDITURES</b>			
Water improvements	<u>2,900,890</u>	<u>-</u>	<u>2,900,890</u>
<b>TOTAL EXPENDITURES</b>	<u>2,900,890</u>	<u>-</u>	<u>2,900,890</u>
Excess (deficiency) of revenues over expenditures	<u>(1,748,640)</u>	<u>14,360</u>	<u>1,763,000</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>1,232,000</u>	<u>82,000</u>	<u>(1,150,000)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>1,232,000</u>	<u>82,000</u>	<u>(1,150,000)</u>
Net change in fund balance	(516,640)	96,360	613,000
Fund balance at beginning of year	<u>516,640</u>	<u>518,982</u>	<u>2,342</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 615,342</u>	<u>\$ 615,342</u>

**CITY OF SILVERTON**

**COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
June 30, 2019**

	<u>Fleet Replacement</u>	<u>Major Equipment Replacement</u>	<u>Extended Leave</u>	<u>Totals</u>
<b><u>ASSETS</u></b>				
Current assets				
Cash and cash equivalents	\$ 1,323,348	\$ 1,086,079	\$ 129,409	\$ 2,538,836
<b>TOTAL ASSETS</b>	<u>1,323,348</u>	<u>1,086,079</u>	<u>129,409</u>	<u>2,538,836</u>
<b><u>NET POSITION</u></b>				
Unrestricted	<u>1,323,348</u>	<u>1,086,079</u>	<u>129,409</u>	<u>2,538,836</u>
<b>TOTAL NET POSITION</b>	<u>\$ 1,323,348</u>	<u>\$ 1,086,079</u>	<u>\$ 129,409</u>	<u>\$ 2,538,836</u>



**CITY OF SILVERTON**

**COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS  
For the Year Ended June 30, 2019**

	Fleet Replacement	Major Equipment Replacement	Extended Leave	Totals
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest	\$ 33,643	\$ 27,720	\$ 3,243	\$ 64,606
Sale of capital assets	<u>3,976</u>	<u>-</u>	<u>-</u>	<u>3,976</u>
Total nonoperating revenues (expenses)	<u>37,619</u>	<u>27,720</u>	<u>3,243</u>	<u>68,582</u>
Income before transfers	37,619	27,720	3,243	68,582
Transfers in	180,234	93,148	-	273,382
Transfers out	<u>(61,010)</u>	<u>(26,764)</u>	<u>-</u>	<u>(87,774)</u>
Change in net position	156,843	94,104	3,243	254,190
Net position at beginning of year	<u>1,166,505</u>	<u>991,975</u>	<u>126,166</u>	<u>2,284,646</u>
Net position at end of year	<u>\$ 1,323,348</u>	<u>\$ 1,086,079</u>	<u>\$ 129,409</u>	<u>\$ 2,538,836</u>

**CITY OF SILVERTON**

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Year Ended June 30, 2019**

	<u>Fleet</u>	<u>Major Equipment</u>	<u>Extended</u>	<u>Totals</u>
	<u>Replacement</u>	<u>Replacement</u>	<u>Leave</u>	
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Transfers in	\$ 180,234	\$ 93,148	\$ -	\$ 273,382
Acquisition of capital assets	(61,010)	(26,764)	-	(87,774)
Sale of capital assets	<u>3,976</u>	<u>-</u>	<u>-</u>	<u>3,976</u>
<b>NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>123,200</u>	<u>66,384</u>	<u>-</u>	<u>189,584</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest	<u>33,643</u>	<u>27,720</u>	<u>3,243</u>	<u>64,606</u>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u>33,643</u>	<u>27,720</u>	<u>3,243</u>	<u>64,606</u>
Net increase (decrease) in cash and cash equivalents	156,843	94,104	3,243	254,190
Cash and cash equivalents - beginning of year	<u>1,166,505</u>	<u>991,975</u>	<u>126,166</u>	<u>2,284,646</u>
Cash and cash equivalents - end of year	<u>\$ 1,323,348</u>	<u>\$ 1,086,079</u>	<u>\$ 129,409</u>	<u>\$ 2,538,836</u>
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH TRANSACTIONS</b>				
Transfers out	<u>\$ (61,010)</u>	<u>\$ (26,764)</u>	<u>\$ -</u>	<u>\$ (87,774)</u>

**CITY OF SILVERTON**

**FLEET REPLACEMENT - INTERNAL SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Interest	<u>\$ 16,500</u>	<u>\$ 33,643</u>	<u>\$ 17,143</u>
<b>TOTAL REVENUES</b>	<u>16,500</u>	<u>33,643</u>	<u>17,143</u>
<b>EXPENDITURES</b>			
Capital outlay	<u>65,715</u>	<u>61,010</u>	<u>4,705</u>
<b>TOTAL EXPENDITURES</b>	<u>65,715</u>	<u>61,010</u>	<u>4,705</u>
Excess (deficiency) of revenues over expenditures	<u>(49,215)</u>	<u>(27,367)</u>	<u>21,848</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	180,234	180,234	-
Sale of capital assets	<u>-</u>	<u>3,976</u>	<u>3,976</u>
<b>TOAL OTHER FINANCING SOURCES (USES)</b>	<u>180,234</u>	<u>184,210</u>	<u>3,976</u>
Net change in fund balance	131,019	156,843	25,824
Fund balance at beginning of year	<u>1,159,137</u>	<u>1,166,505</u>	<u>7,368</u>
Fund balance at end of year	<u>\$ 1,290,156</u>	<u>\$ 1,323,348</u>	<u>\$ 33,192</u>

**CITY OF SILVERTON**

**MAJOR EQUIPMENT REPLACEMENT - INTERNAL SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Interest	\$ 13,350	\$ 27,720	\$ 14,370
<b>TOTAL REVENUES</b>	<u>13,350</u>	<u>27,720</u>	<u>14,370</u>
<b>EXPENDITURES</b>			
Capital outlay	<u>1,097,336</u>	<u>26,764</u>	<u>1,070,572</u>
<b>TOTAL EXPENDITURES</b>	<u>1,097,336</u>	<u>26,764</u>	<u>1,070,572</u>
Excess (deficiency) of revenues over expenditures	<u>(1,083,986)</u>	<u>956</u>	<u>1,084,942</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>93,148</u>	<u>93,148</u>	<u>-</u>
<b>TOAL OTHER FINANCING SOURCES (USES)</b>	<u>93,148</u>	<u>93,148</u>	<u>-</u>
Net change in fund balance	(990,838)	94,104	1,084,942
Fund balance at beginning of year	<u>990,838</u>	<u>991,975</u>	<u>1,137</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 1,086,079</u>	<u>\$ 1,086,079</u>

**CITY OF SILVERTON**

**EXTENDED LEAVE - INTERNAL SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2019**

	Budget	Actual	Variance
<b>REVENUES</b>			
Interest	\$ 1,800	\$ 3,243	\$ 1,443
<b>TOTAL REVENUES</b>	1,800	3,243	1,443
<b>EXPENDITURES</b>			
Personnel services	127,821	-	127,821
<b>TOTAL EXPENDITURES</b>	127,821	-	127,821
Net change in fund balance	(126,021)	3,243	129,264
Fund balance at beginning of year	126,021	126,166	145
Fund balance at end of year	\$ -	\$ 129,409	\$ 129,409

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## **COMPLIANCE SECTION**

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

Honorable Mayor and Members of the City Council  
CITY OF SILVERTON  
Silverton, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the **CITY OF SILVERTON** as of and for the year ended June 30, 2019, and have issued our report thereon dated December 20, 2019.

### Compliance

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 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. As such, 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).**

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

In connection with our testing nothing came to our attention that caused us to believe the 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 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

**OAR 162-10-0230 Internal Control**

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

**Restriction on Use**

This report is intended solely for the information and use of the council members and management of the 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.

Boldt Carlisle + Smith  
Certified Public Accountants  
Salem, Oregon  
December 20, 2019

By:



Bradley G. Bingenheimer, Member