



Silverton, Oregon

**ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2020**

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CITY OF SILVERTON

**OFFICERS AND MEMBERS OF THE GOVERNING BODY
For The Year Ended June 30, 2020**

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City Manager

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Finance Director

Kathleen Zaragoza

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Silverton (the "City"), as of and for the year ended June 30, 2020, 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, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages a-f and the schedules of proportionate share of the net pension liability, contributions, proportionate share of the net other postemployment benefit liability, contributions, and changes in the City's total other postemployment benefit liability and related ratios on pages 48-52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Honorable Mayor and Members of the City Council
City of Silverton
Independent Auditor's Report
December 22, 2020
Page Three

Other Reporting Required by Oregon State Regulations

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, we have issued our report dated December 22, 2020 on our consideration of the City's compliance with certain provisions of laws, and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that test and not to provide an opinion on compliance.

Singer Lewak LLP

December 22, 2020

By:



Bradley G. Bingenheimer,
Member

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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CITY OF SILVERTON

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended June 30, 2020

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, 2020 by \$74,469,560 (*net position*). Of this amount, \$38,823,232 was invested in capital assets; \$20,802,893 was restricted for specific purposes resulting in unrestricted net position of \$14,843,435.

The City's total net position increased by \$5,242,057 (or 7.57%). The majority of the increase is due primarily to the increase of the unrestricted net position for Governmental Activities.

The City's governmental activities had an increase in net position of \$3,646,644 of which \$962,044 is for restricted net position and \$2,532,296 is unrestricted. There was also a slight increase in the net investment in capital assets.

The City's business-type activities had an increase in total net position of \$1,595,413, which is a result of the increase in the net investment in capital assets of \$264,347 and restricted net position of \$1,431,492. The unrestricted net position decreased by \$100,426.

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, 2020. The components of the report include the following:

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

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

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

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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

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

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

FINANCIAL SUMMARY AND ANALYSIS

As mentioned earlier, the City's net position as of June 30, 2020 was \$74,469,560. The largest portion of net position is comprised of the City's investment in capital assets (e.g., land, buildings, equipment and public infrastructure); less any related debt outstanding used to acquire those assets. The City uses capital assets to provide services to citizens; therefore, these assets are not available for future spending. The resources to repay the related debt is not provided by capital assets, but will be provided from other sources such as charges for services.

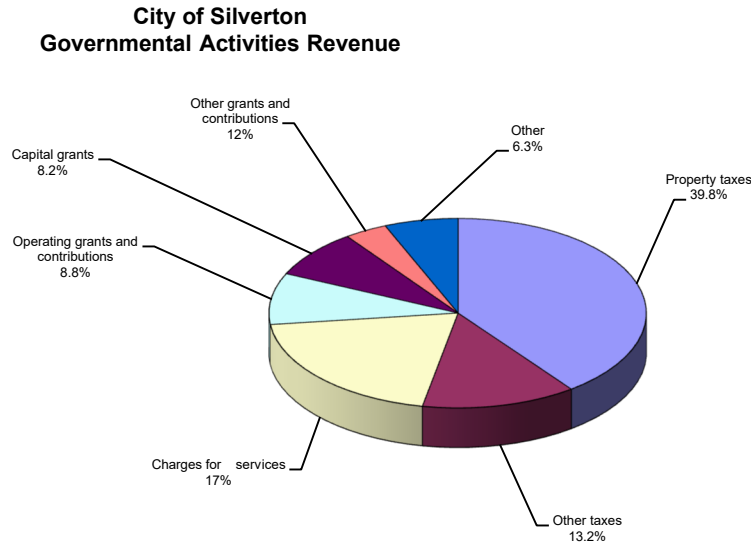
NET POSITION

	Governmental Activities		Business-type Activities		Totals	
	2019	2020	2019	2020	2019	2020
<u>Assets</u>						
Current and other assets	\$ 23,192,933	\$26,955,324	\$ 13,654,609	\$ 15,060,962	\$ 36,847,542	\$ 42,016,286
Capital assets, net	<u>16,829,120</u>	<u>16,981,424</u>	<u>31,223,026</u>	<u>30,871,394</u>	<u>48,052,146</u>	<u>47,852,818</u>
<u>Total assets</u>	<u>40,022,053</u>	<u>43,936,748</u>	<u>44,877,635</u>	<u>45,932,356</u>	<u>84,899,688</u>	<u>89,869,104</u>
<u>Deferred outflows of resources</u>	<u>1,387,357</u>	<u>1,918,026</u>	<u>478,639</u>	<u>620,696</u>	<u>1,865,996</u>	<u>2,538,722</u>
<u>Liabilities</u>						
Long-term liabilities	4,865,134	5,721,636	11,416,551	11,005,238	16,281,685	16,726,874
Other liabilities	<u>389,134</u>	<u>377,234</u>	<u>227,618</u>	<u>265,316</u>	<u>616,752</u>	<u>642,550</u>
Total liabilities	<u>5,254,268</u>	<u>6,098,870</u>	<u>11,644,169</u>	<u>11,270,554</u>	<u>16,898,437</u>	<u>17,369,424</u>
<u>Deferred inflows of resources</u>	<u>475,647</u>	<u>429,765</u>	<u>164,097</u>	<u>139,077</u>	<u>639,744</u>	<u>568,842</u>
<u>Net position</u>						
Net investment in capital assets	16,829,120	16,981,424	21,577,461	21,841,808	38,406,581	38,823,232
Restricted	12,473,360	13,648,662	5,935,999	7,154,231	18,409,359	20,802,893
Unrestricted	<u>6,377,015</u>	<u>8,696,053</u>	<u>6,034,548</u>	<u>6,147,382</u>	<u>12,411,563</u>	<u>14,843,435</u>
Total net position	<u>\$ 35,679,495</u>	<u>\$ 39,326,139</u>	<u>\$ 33,548,008</u>	<u>\$ 35,143,421</u>	<u>\$ 69,227,503</u>	<u>\$ 74,469,560</u>

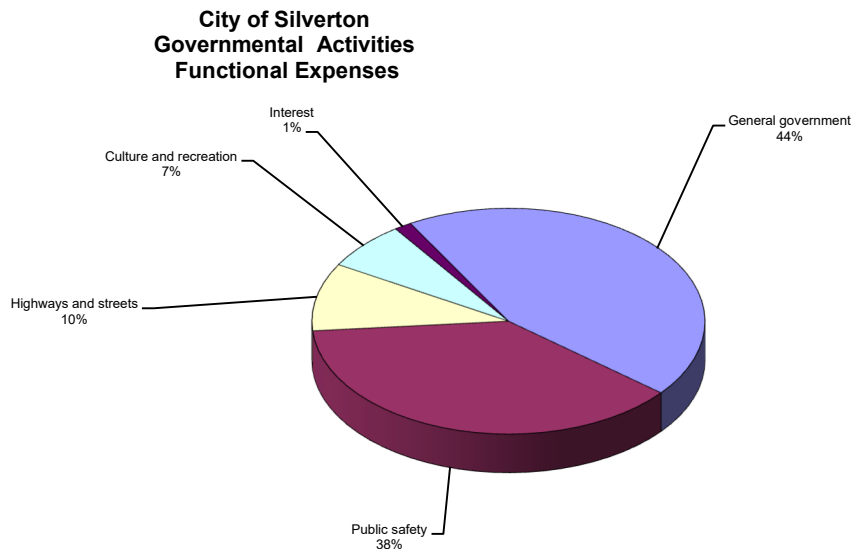
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

FINANCIAL SUMMARY AND ANALYSIS (continued)

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



Property taxes are the City’s primary source of revenue comprising 39.8% 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 44% and public safety at 38%. General government expenses are greater than Public safety expenses by \$502,062. General government expenses are more for the 2020 fiscal year as compared to the 2019 fiscal year by a total of \$406,977. The public safety expenses are more than the prior year by \$109,265.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

FINANCIAL SUMMARY AND ANALYSIS (continued)

Net position of the governmental activities increased by \$3,646,644, or 10.22%. Net position of the City's business-type activities increased by \$1,595,413 or 4.76%. Key elements of these changes are as follows:

	Governmental Activities		Business-type Activities		Totals	
	2019	2020	2019	2020	2019	2020
Revenues						
Program:						
Charges for services	\$ 2,128,026	\$ 1,935,111	\$ 6,215,502	\$ 6,395,663	\$ 8,343,528	\$ 8,330,774
Operating grants and contributions	852,433	846,853	-	-	852,433	846,853
Capital grants and contributions	631,519	792,075	517,774	694,784	1,149,293	1,486,859
General:						
Property taxes	3,652,042	3,844,935	-	-	3,652,042	3,844,935
Other taxes	1,352,735	1,276,722	-	-	1,352,735	1,276,722
Other grants and contributions	293,976	355,130	-	-	293,976	355,130
Other	765,831	608,949	392,964	295,019	1,158,795	903,968
Total revenues	9,676,562	9,659,775	7,126,240	7,385,466	16,802,802	17,045,241
Expenses						
General government	3,004,374	3,411,351	-	-	3,004,374	3,411,351
Public safety	2,800,024	2,909,289	-	-	2,800,024	2,909,289
Highways and streets	419,221	748,817	-	-	419,221	748,817
Culture and recreation	688,228	531,156	-	-	688,228	531,156
Interest on long-term obligations	118,630	110,084	-	-	118,630	110,084
Sewer	-	-	2,376,849	2,615,410	2,376,849	2,615,410
Water	-	-	1,370,093	1,477,077	1,370,093	1,477,077
Total expenses	7,030,477	7,710,697	3,746,942	4,092,487	10,777,419	11,803,184
Change in net position before transfers	2,646,085	1,949,078	3,379,298	3,292,979	6,025,383	5,242,057
Transfers	1,398,127	1,697,566	(1,398,127)	(1,697,566)	-	-
Increase in net position	4,044,212	3,646,644	1,981,171	1,595,413	6,025,383	5,242,057
Net position - beginning	31,635,283	35,679,495	31,566,837	33,548,008	63,202,120	69,227,503
Prior period adjustment	-	-	-	-	-	-
Net position - ending	\$ 35,679,495	\$ 39,326,139	\$ 33,548,008	\$ 35,143,421	\$ 69,227,503	\$ 74,469,560

Governmental Activities

The change in net position for governmental activities for 2020 was an increase of \$3,646,644. The increase is due to an increase in property tax and an increase in public safety related expenses.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Business-type Activities

The increase in net position for business activities is \$1,595,413. The change is mostly due to an increase in the charges for service as well as capital grants and contributions.

FINANCIAL ANALYSIS OF FUNDS

As of June 30, 2020, the City's governmental funds reported a combined fund balance of \$22,595,658, which is an increase of \$3,776,112 from June 30, 2019. The increase is primarily the result of an increase in cash and cash equivalents and a small decrease in total liabilities.

The General Fund is the primary operating fund of the City and includes the General Operating Reserve Fund. As of June 30, 2020, the fund balance for the General Fund is \$4,509,775, which is an increase of \$60,232 from June 30, 2019. This change is the result of the increase in intergovernmental revenues.

Proprietary funds provide the same type of information as presented in the government-wide statements of net position and activities, but in more detail. The proprietary funds' net position amounted to \$35,560,010 as of June 30, 2020, which is an increase of \$1,579,457 from June 30, 2019. The primary change was the increase cash and cash equivalents. Total liabilities also show a small decrease due to loan and bond repayments.

GENERAL FUND BUDGETARY HIGHLIGHTS

There were four budget transfer resolutions adopted by City Council during the fiscal year ended June 30, 2020. The General Fund budget appropriation changes reduced contingency, increased appropriations to allow for participation in the PERS EIF program for funding of the unfunded actual liability (UAL) and to receive a grant from the state for offset of the UAL, provide additional funds for community support, provide additional funding for the Civic Building Project, and funding for a grant to rotary as part of their small business relief grants. The Street Fund, Sewer Fund and Water Fund had decreases to contingency and increased appropriations for engineering services the PERS EIF, and in the Street Fund for sidewalk infill.

CAPITAL ASSETS AND DEBT ADMINISTRATION

As of June 30, 2020, the City has invested \$75,874,830 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 \$610,274, and business-type activities increased by \$681,689. Significant additions during the year ended June 30, 2020 in governmental activities for construction in progress for the McClaine Street improvement and for the Civic Building project of \$368,074, the purchase of a backhoe and for sidewalk improvements. The investment in business-type activities increased due to for the sludge dewatering screw press as the wastewater treatment plant.

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, 2020 was \$895,777 and business-type principal debt was \$9,443,810.

A summary of the City's principal long-term debt outstanding as of June 30, 2020 is as follows:

Pension Obligation Bond	\$ 1,310,001
Sewer Revenue Bonds payable to Bank of New York	5,470,000
Sewer LOCAP Rev Bonds payable to Bank of New York	2,920,000
Water Revenue loan payable to Citizens Bank	639,586
Compensated absences	264,879

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 2020 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 several years. Property taxes levied increased from the prior year but only by about 4.62%, which is 1.62% above the allowed 3% increase on assessed property value. The City has one commercial business that is making major improvements to their building in the downtown area which should be completed in the next fiscal year. There is at least one housing project where new homes continue to be built and some development that is in the planning stages. The City had approximately 47 new homes completed. This year in the last quarter of the fiscal year COVID-19 pandemic has caused business operations to change and required many commercial businesses to be closed for several weeks. The City reduced estimated revenue projections for the 2020-2021 fiscal year. Even with the pandemic the City continues to be financially strong and plans to move forward with the McClaine Street Improvement project, the Waterline Project which is partially funded with a federal grant and the design of the Civic Building. Staff will be monitoring revenues very closely during the next fiscal year to make any recommendations regarding spending to maintain the healthy fund balances and provide the necessary services to citizens. As with many local governments, the City has many unfunded capital improvements pertaining to infrastructure that still need to be addressed.

FINANCIAL CONTACT

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

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

BASIC FINANCIAL STATEMENTS

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CITY OF SILVERTON

STATEMENT OF NET POSITION

June 30, 2020

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and cash equivalents	\$ 25,243,368	\$ 14,365,893	\$ 39,609,261
Receivables, net	1,663,524	569,864	2,233,388
Inventories	9,304	112,542	121,846
Net other postemployment benefit asset	39,128	12,663	51,791
Capital assets:			
Land, improvements and construction in progress	6,884,251	2,341,340	9,225,591
Other capital assets, net	10,097,173	28,530,054	38,627,227
TOTAL ASSETS	43,936,748	45,932,356	89,869,104
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	1,908,115	617,489	2,525,604
Other postemployment benefit items	9,911	3,207	13,118
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,918,026	620,696	2,538,722
LIABILITIES			
Accounts payable and accrued liabilities	319,183	160,069	479,252
Accrued interest payable	5,114	36,005	41,119
Consumer deposits	52,937	69,242	122,179
Long-term liabilities:			
Due within one year	289,226	746,514	1,035,740
Due in more than one year	5,432,410	10,258,724	15,691,134
TOTAL LIABILITIES	6,098,870	11,270,554	17,369,424
DEFERRED INFLOWS OF RESOURCES			
Pension related items	340,903	110,321	451,224
Other postemployment benefit items	88,862	28,756	117,618
TOTAL DEFERRED INFLOWS OF RESOURCES	429,765	139,077	568,842
NET POSITION			
Net investment in capital assets	16,981,424	21,841,808	38,823,232
Restricted for:			
Capital projects	5,764,844	6,526,313	12,291,157
Debt service	869,758	627,918	1,497,676
Highways and streets	2,370,466	-	2,370,466
Community development	1,101,041	-	1,101,041
Pool operations	697,677	-	697,677
Urban renewal	1,731,564	-	1,731,564
Other purposes	1,113,312	-	1,113,312
Unrestricted	8,696,053	6,147,382	14,843,435
TOTAL NET POSITION	\$ 39,326,139	\$ 35,143,421	\$ 74,469,560

See accompanying notes

CITY OF SILVERTON

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020**

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			
Governmental activities:							
General government	\$ 3,411,351	\$ 686,318	\$ -	\$ 76,878	\$ (2,648,155)		\$ (2,648,155)
Public safety	2,909,289	163,614	117,812	-	(2,627,863)		(2,627,863)
Highways and streets	748,817	995,943	724,082	382,608	1,353,816		1,353,816
Culture and recreation	531,156	89,236	4,959	332,589	(104,372)		(104,372)
Interest on long-term obligations	110,084	-	-	-	(110,084)		(110,084)
TOTAL GOVERNMENTAL ACTIVITIES	<u>7,710,697</u>	<u>1,935,111</u>	<u>846,853</u>	<u>792,075</u>	<u>(4,136,658)</u>		<u>(4,136,658)</u>
Business-type activities:							
Sewer	2,615,410	3,788,774	-	271,797		\$ 1,445,161	1,445,161
Water	1,477,077	2,606,889	-	422,987		1,552,799	1,552,799
TOTAL BUSINESS-TYPE ACTIVITIES	<u>4,092,487</u>	<u>6,395,663</u>	<u>-</u>	<u>694,784</u>		<u>2,997,960</u>	<u>2,997,960</u>
TOTALS	<u>\$11,803,184</u>	<u>\$8,330,774</u>	<u>\$ 846,853</u>	<u>\$ 1,486,859</u>	<u>(4,136,658)</u>	<u>2,997,960</u>	<u>(1,138,698)</u>
General revenues:							
Taxes levied for:							
General purposes					2,906,137	-	2,906,137
Debt service					938,798	-	938,798
Miscellaneous taxes					472,964	-	472,964
Franchise fees					803,758	-	803,758
Grants and contributions not restricted to specific programs							
					355,130	-	355,130
Unrestricted investment earnings					547,368	276,398	823,766
Miscellaneous					61,581	18,621	80,202
Transfers					<u>1,697,566</u>	<u>(1,697,566)</u>	<u>-</u>
TOTAL GENERAL REVENUES AND TRANSFERS					<u>7,783,302</u>	<u>(1,402,547)</u>	<u>6,380,755</u>
Change in net position					3,646,644	1,595,413	5,242,057
Net position - beginning					<u>35,679,495</u>	<u>33,548,008</u>	<u>69,227,503</u>
Net position - ending					<u>\$ 39,326,139</u>	<u>\$ 35,143,421</u>	<u>\$ 74,469,560</u>

See accompanying notes

CITY OF SILVERTON

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020**

	General	Assessment	Total Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 4,431,015	\$ 358,375	\$ 17,742,980	\$ 22,532,370
Receivables	395,406	561,076	707,042	1,663,524
Inventories	-	-	9,304	9,304
TOTAL ASSETS	<u>\$ 4,826,421</u>	<u>\$ 919,451</u>	<u>\$ 18,459,326</u>	<u>\$ 24,205,198</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued liabilities	\$ 100,501	\$ 49,693	\$ 168,989	\$ 319,183
Consumer deposits	52,937	-	-	52,937
TOTAL LIABILITIES	<u>153,438</u>	<u>49,693</u>	<u>168,989</u>	<u>372,120</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	163,208	558,946	515,266	1,237,420
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>163,208</u>	<u>558,946</u>	<u>515,266</u>	<u>1,237,420</u>
FUND BALANCES				
Nonspendable	-	-	9,304	9,304
Restricted	-	310,812	12,254,334	12,565,146
Committed	-	-	5,277,154	5,277,154
Assigned	1,004,416	-	234,279	1,238,695
Unassigned	3,505,359	-	-	3,505,359
TOTAL FUND BALANCES	<u>4,509,775</u>	<u>310,812</u>	<u>17,775,071</u>	22,595,658
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 4,826,421</u>	<u>\$ 919,451</u>	<u>\$ 18,459,326</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	16,981,424
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.	39,128
Other long-term assets are not available for current period expenditures and, therefore, are reported as unavailable in the funds.	1,237,420
Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(5,726,750)
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.	2,710,998
Deferred outflows related to the pension plan and other postemployment benefits are not current financial resources and therefore are not reported in the funds	1,918,026
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>(429,765)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 39,326,139

See accompanying notes

CITY OF SILVERTON

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020**

	General	Assessment	Total Nonmajor Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 2,907,597	\$ -	\$ 935,148	\$ 3,842,745
Transient tax	-	-	274,811	274,811
Franchise fees	803,758	-	-	803,758
Local fuel tax	-	-	86,131	86,131
Licenses, permits and fees	163,786	-	2,221,638	2,385,424
Fines and forfeitures	234,521	-	-	234,521
Assessments	-	40,220	-	40,220
Intergovernmental	584,964	-	800,960	1,385,924
Rentals	18,722	-	-	18,722
Loan repayments	-	-	61,259	61,259
Interest	107,012	6,668	341,075	454,755
Miscellaneous	127,438	-	16,458	143,896
TOTAL REVENUES	4,947,798	46,888	4,737,480	9,732,166
EXPENDITURES				
Current				
General government	2,185,770	-	954,696	3,140,466
Public safety	2,697,595	-	-	2,697,595
Highways and streets	-	-	427,218	427,218
Culture and recreation	184,498	-	166,080	350,578
Debt service	-	-	211,448	211,448
Capital outlay	52,013	-	631,630	683,643
TOTAL EXPENDITURES	5,119,876	-	2,391,072	7,510,948
Excess (deficiency) of revenues over expenditures	(172,078)	46,888	2,346,408	2,221,218
OTHER FINANCING SOURCES (USES)				
Transfers in	1,481,793	-	3,302,071	4,783,864
Transfers out	(1,249,483)	-	(1,979,487)	(3,228,970)
TOTAL OTHER FINANCING SOURCES (USES)	232,310	-	1,322,584	1,554,894
Net change in fund balances	60,232	46,888	3,668,992	3,776,112
Fund balances at beginning of year	4,449,543	263,924	14,106,079	18,819,546
Fund balance at end of year	<u>\$ 4,509,775</u>	<u>\$ 310,812</u>	<u>\$ 17,775,071</u>	<u>\$ 22,595,658</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, 2020**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 3,776,112

*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	\$ 668,728	
Depreciation	<u>(516,424)</u>	152,304

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

Taxes	2,190	
Fines and forfeitures	(73,372)	
Housing rehabilitation loans	(61,259)	
Contribution of capital asset	<u>(57,018)</u>	(189,459)

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		4,627
Accrued interest		97

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.

34,407

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	531,666	
Change in net pension liability	(869,415)	
Change in deferred inflows of resources - pension related	<u>38,228</u>	
Total pension expense adjustment		(299,521)

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	(997)	
Change in other postemployment benefit asset	15,379	
Change in other postemployment benefit liability	(26,121)	
Change in deferred inflows of resources - other postemployment benefit related	<u>7,654</u>	
Total other postemployment benefit expense adjustment		(4,085)

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.

172,162

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 3,646,644

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, 2020**

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 2,790,000	\$ 2,790,000	\$ 2,907,597	\$ 117,597
Franchise fees	737,000	737,000	803,758	66,758
Licenses, permits and fees	112,475	112,475	163,786	51,311
Fines and forfeitures	185,500	185,500	234,521	49,021
Intergovernmental	455,460	455,460	584,964	129,504
Rentals	18,000	18,000	18,722	722
Interest	70,000	70,000	88,314	18,314
Miscellaneous	78,500	78,500	108,464	29,964
TOTAL REVENUES	<u>4,446,935</u>	<u>4,446,935</u>	<u>4,910,126</u>	<u>463,191</u>
EXPENDITURES				
City council	33,450	35,950	28,490	7,460
City management	466,086	466,086	445,440	20,646
Finance	612,002	612,002	535,342	76,660
Police	2,966,198	2,974,198	2,694,749	279,449
Community enforcement	75,779	75,779	47,822	27,957
Planning	321,662	367,340	301,613	65,727
Facilities maintenance	289,652	302,116	253,580	48,536
Parks and recreation	234,334	234,334	184,498	49,836
Computer services	67,200	67,200	58,107	9,093
Non-departmental				
Materials and services	498,700	715,373	570,235	145,138
Capital outlay	10,000	10,000	-	10,000
Contingency	796,198	210,883	-	210,883
TOTAL EXPENDITURES	<u>6,371,261</u>	<u>6,071,261</u>	<u>5,119,876</u>	<u>951,385</u>
Excess (deficiency) of revenues over expenditures	<u>(1,924,326)</u>	<u>(1,624,326)</u>	<u>(209,750)</u>	<u>1,414,576</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,281,793	1,281,793	1,281,793	-
Transfers out	(949,483)	(1,249,483)	(1,249,483)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>332,310</u>	<u>32,310</u>	<u>32,310</u>	<u>-</u>
Net change in fund balance	(1,592,016)	(1,592,016)	(177,440)	1,414,576
Fund balance at beginning of year	<u>2,927,655</u>	<u>2,927,655</u>	<u>3,682,799</u>	<u>755,144</u>
Fund balance at end of year	<u>\$ 1,335,639</u>	<u>\$ 1,335,639</u>	<u>\$ 3,505,359</u>	<u>\$ 2,169,720</u>

See accompanying notes

CITY OF SILVERTON

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2020**

	Business-type Activities			Governmental
				Activities
	Sewer	Water	Total Enterprise Funds	Internal Service Funds
ASSETS				
Current assets				
Cash and cash equivalents	\$ 8,873,009	\$ 5,492,884	\$ 14,365,893	\$ 2,710,998
Receivables, net	337,807	232,057	569,864	-
Due from other funds	-	-	-	-
Inventories	17,987	94,555	112,542	-
Total current assets	9,228,803	5,819,496	15,048,299	2,710,998
Net other postemployment benefit asset	7,113	5,550	12,663	-
Capital assets				
Land and construction in progress	1,774,489	566,851	2,341,340	-
Other capital assets, net	20,857,168	7,672,886	28,530,054	-
TOTAL ASSETS	<u>31,867,573</u>	<u>14,064,783</u>	<u>45,932,356</u>	<u>2,710,998</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	346,847	270,642	617,489	-
Other postemployment benefit related items	1,801	1,406	3,207	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>348,648</u>	<u>272,048</u>	<u>620,696</u>	<u>-</u>
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	55,399	104,670	160,069	-
Consumer deposits	-	69,242	69,242	-
Accrued interest payable	30,433	3,207	33,640	-
Compensated absences	36,438	28,109	64,547	-
Long-term obligations due within one year	465,000	175,861	640,861	-
Total current liabilities	587,270	381,089	968,359	-
Long-term obligations due in more than one year	8,765,805	1,119,801	9,885,606	-
TOTAL LIABILITIES	<u>9,353,075</u>	<u>1,500,890</u>	<u>10,853,965</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related items	61,968	48,353	110,321	-
Other postemployment benefit related items	16,152	12,604	28,756	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>78,120</u>	<u>60,957</u>	<u>139,077</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	14,241,657	7,600,151	21,841,808	-
Restricted for:				
Capital projects	3,699,582	2,826,731	6,526,313	-
Debt service	627,918	-	627,918	-
Unrestricted	4,215,869	2,348,102	6,563,971	2,710,998
TOTAL NET POSITION	<u>\$ 22,785,026</u>	<u>\$ 12,774,984</u>	<u>35,560,010</u>	<u>\$ 2,710,998</u>
Long-term obligations issued to prepay the PERS unfunded actuarial liability are allocable to business-type activities in the statement of net position			(414,224)	
Accrued interest on long-term obligations issued to prepay the PERS unfunded actuarial liability			(2,365)	
Net position of business-type activities			<u>\$ 35,143,421</u>	

See accompanying notes

CITY OF SILVERTON

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION PROPRIETARY FUNDS
For the Year Ended June 30, 2020**

	Business-type Activities			Governmental Activities
	Sewer	Water	Total Enterprise Funds	Internal Service Funds
				Funds
OPERATING REVENUES				
Charges for services	\$ 3,788,774	\$ 2,596,539	\$ 6,385,313	\$ -
Licenses, permits and fees	-	10,350	10,350	-
	<u>3,788,774</u>	<u>2,606,889</u>	<u>6,395,663</u>	<u>-</u>
OPERATING EXPENSES				
Personal services	898,849	704,521	1,603,370	-
Materials and services	617,297	364,893	982,190	-
Depreciation	693,619	360,322	1,053,941	-
	<u>2,209,765</u>	<u>1,429,736</u>	<u>3,639,501</u>	<u>-</u>
Total operating revenues				
	<u>3,788,774</u>	<u>2,606,889</u>	<u>6,395,663</u>	<u>-</u>
Operating income (loss)	<u>1,579,009</u>	<u>1,177,153</u>	<u>2,756,162</u>	<u>-</u>
NONOPERATING REVENUES (EXPENSES)				
Interest	187,876	110,277	298,153	58,934
Miscellaneous	18,412	209	18,621	-
Gain on disposition of capital assets	-	-	-	17,385
Interest	(380,193)	(21,889)	(402,082)	-
	<u>(173,905)</u>	<u>88,597</u>	<u>(85,308)</u>	<u>76,319</u>
Total nonoperating revenue (expenses)				
	<u>(173,905)</u>	<u>88,597</u>	<u>(85,308)</u>	<u>76,319</u>
Income before capital contributions and transfers	1,405,104	1,265,750	2,670,854	76,319
Capital contributions	271,797	441,981	713,778	-
Transfers in	113,849	-	113,849	254,129
Transfers out	(919,328)	(999,696)	(1,919,024)	(158,286)
	<u>871,422</u>	<u>708,035</u>	<u>1,579,457</u>	<u>172,162</u>
Change in net position				
Net position at beginning of year	<u>21,913,604</u>	<u>12,066,949</u>	<u>2,538,836</u>	<u>2,538,836</u>
Net position - ending	<u>\$ 22,785,026</u>	<u>\$ 12,774,984</u>	<u>\$ 2,710,998</u>	<u>\$ 2,710,998</u>
Adjustment to reflect the changes in the pension bond related to enterprise funds			<u>15,956</u>	
CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES			<u>\$ 1,595,413</u>	

See accompanying notes

CITY OF SILVERTON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2020

	Business-type Activities			Governmental Activities
	Sewer	Water	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 3,804,775	\$ 2,623,732	\$ 6,428,507	\$ -
Payments to suppliers	(632,346)	(348,172)	(980,518)	-
Payments to employees	(878,383)	(675,957)	(1,554,340)	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>2,294,046</u>	<u>1,599,603</u>	<u>3,893,649</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
System development charges received	271,797	441,981	713,778	-
Other	18,412	209	18,621	-
Sale of capital assets	-	-	-	17,385
Transfers in	82,443	-	82,443	254,129
Transfers out	(918,817)	(972,649)	(1,891,466)	-
Acquisition of capital assets	(449,843)	(235,708)	(685,551)	(158,286)
Principal paid on long-term obligations	(445,000)	(170,979)	(615,979)	-
Interest paid on long-term obligations	(381,554)	(22,746)	(404,300)	-
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(1,822,562)</u>	<u>(959,892)</u>	<u>(2,782,454)</u>	<u>113,228</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest	187,876	110,277	298,153	58,934
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>187,876</u>	<u>110,277</u>	<u>298,153</u>	<u>58,934</u>
Net increase (decrease) in cash and cash equivalents	659,360	749,988	1,409,348	172,162
Cash and cash equivalents - beginning of year	8,213,649	4,742,896	12,956,545	2,538,836
Cash and cash equivalents - end of year	<u>\$ 8,873,009</u>	<u>\$ 5,492,884</u>	<u>\$ 14,365,893</u>	<u>\$ 2,710,998</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	\$ 1,579,009	\$ 1,177,153	\$ 2,756,162	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	693,619	360,322	1,053,941	-
Decrease (increase) in assets and deferred outflows				
Receivables	16,001	14,229	30,230	-
Inventories	(10,033)	(12,733)	(22,766)	-
Net other postemployment benefit asset	(2,464)	(2,005)	(4,469)	-
Pension related items	(77,422)	(65,191)	(142,613)	-
Other postemployment benefit related items	334	222	556	-
Increase (decrease) in liabilities and deferred inflows				
Accounts payable and accrued liabilities	(5,016)	29,454	24,438	-
Consumer deposits	-	2,614	2,614	-
Accumulated unpaid vacation	4,296	6,252	10,548	-
Net pension liability	107,514	96,449	203,963	-
Other postemployment benefit liability	3,189	2,876	6,065	-
Pension related items	(12,242)	(8,237)	(20,479)	-
Other postemployment benefit related items	(2,739)	(1,802)	(4,541)	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 2,294,046</u>	<u>\$ 1,599,603</u>	<u>\$ 3,893,649</u>	<u>\$ -</u>
SUPPLEMENTAL DISCLOSURE OF NON-CASH TRANSACTIONS				
Transfers in	\$ 31,406	\$ -	\$ 31,406	\$ -
Transfers out	(511)	(27,047)	(27,558)	(158,286)
Total non-cash transactions	<u>\$ 30,895</u>	<u>\$ (27,047)</u>	<u>\$ 3,848</u>	<u>\$ (158,286)</u>

See accompanying notes

CITY OF SILVERTON

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

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.

Assessment - accounts for the resources accumulated and payments made for principal and interest on long-term debt.

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

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

The City includes the following nonmajor governmental fund types:

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

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

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

The City includes the following nonmajor proprietary fund types:

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

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, 2019, 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 postemployment benefit liability 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, 2020 are as follows:

Deposits with financial institutions	\$	619,055
State of Oregon Local Government Investment Pool		38,987,706
Cash on hand		<u>2,500</u>
Total deposits and cash equivalents	\$	<u>39,609,261</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, 2020, 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, 2020 consist of the following:

	Governmental Activities / Funds				Business-type Activities/ Enterprise Funds		
	General	Assessment	Nonmajor Governmental		Sewer	Water	Total
			Funds	Total			
User charges	\$ -	\$ -	\$ -	\$ -	\$ 337,807	\$ 232,057	\$ 569,864
Property taxes	116,166	-	34,946	151,112	-	-	-
County treasurer	4,044	-	1,220	5,264	-	-	-
Local taxes	-	-	25,077	25,077	-	-	-
Intergovernmental	66,073	-	60,093	126,166	-	-	-
Franchise	123,449	-	-	123,449	-	-	-
Fees and permits	-	-	96,115	96,115	-	-	-
Assessment	-	561,076	-	561,076	-	-	-
Fines	69,441	-	-	69,441	-	-	-
Loans	-	-	489,591	489,591	-	-	-
Miscellaneous	41,223	-	-	41,223	-	-	-
Allowance for doubtful accounts	(24,990)	-	-	(24,990)	-	-	-
	<u>\$ 395,406</u>	<u>\$ 561,076</u>	<u>\$ 707,042</u>	<u>\$ 1,663,524</u>	<u>\$ 337,807</u>	<u>\$ 232,057</u>	<u>\$ 569,864</u>

4. Capital assets

A. Activity in governmental activities for the year ended June 30, 2020 was as follows:

	Balances			Balances	
	June 30, 2019	Additions	Deletions	June 30, 2020	
Capital assets not being depreciated					
Land	\$ 5,953,012	\$ -	\$ -	\$ 5,953,012	
Right of way	479,624	-	-	479,624	
Construction in progress	<u>83,540</u>	<u>368,075</u>	<u>-</u>	<u>451,615</u>	
Total capital assets not being depreciated	<u>6,516,176</u>	<u>368,075</u>	<u>-</u>	<u>6,884,251</u>	
Capital assets being depreciated					
Buildings and improvements	4,176,777	20,578	-	4,197,355	
Equipment	2,157,441	158,286	(58,454)	2,257,273	
Land improvements	2,770,945	121,789	-	2,892,734	
Infrastructure	<u>7,084,756</u>	<u>-</u>	<u>-</u>	<u>7,084,756</u>	
Total capital assets being depreciated	<u>16,189,919</u>	<u>300,653</u>	<u>(58,454)</u>	<u>16,432,118</u>	
Less accumulated depreciation for:					
Buildings and improvements	1,626,267	93,459	-	1,719,726	
Equipment	1,555,744	129,545	(58,454)	1,626,835	
Land improvements	1,043,468	93,916	-	1,137,384	
Infrastructure	<u>1,651,496</u>	<u>199,504</u>	<u>-</u>	<u>1,851,000</u>	
Total accumulated depreciation	<u>5,876,975</u>	<u>516,424</u>	<u>(58,454)</u>	<u>6,334,945</u>	
Total capital assets being depreciated, net	<u>10,312,944</u>	<u>(215,771)</u>	<u>-</u>	<u>10,097,173</u>	
Governmental activities capital assets, net	<u>\$ 16,829,120</u>	<u>\$ 152,304</u>	<u>\$ -</u>	<u>\$ 16,981,424</u>	

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

4. Capital assets (continued)

B. Activity in business-type activities for the year ended June 30, 2020 was as follows:

	Balances			Balances	
	June 30, 2019	Additions	Deletions	June 30, 2020	
Capital assets not being depreciated					
Land	\$ 2,209,488	\$ -	\$ -	\$ 2,209,488	
Construction in progress	<u>31,405</u>	<u>131,852</u>	<u>(31,405)</u>	<u>131,852</u>	
Total capital assets not being depreciated	<u>2,240,893</u>	<u>131,852</u>	<u>(31,405)</u>	<u>2,341,340</u>	
Capital assets being depreciated					
Water and sewer lines	17,137,432		-	17,137,432	
Buildings and improvements	6,754,796	41,022		6,795,818	
Plant and equipment	25,334,860	560,840	(20,620)	25,875,080	
Land improvements	<u>408,791</u>	<u>-</u>	<u>-</u>	<u>408,791</u>	
Total capital assets being depreciated	<u>49,635,879</u>	<u>601,862</u>	<u>(20,620)</u>	<u>50,217,121</u>	
Less accumulated depreciation for:					
Water and sewer lines	8,302,370	295,661	-	8,598,031	
Buildings and improvements	2,866,094	139,622	-	3,005,716	
Plant and equipment	9,238,233	605,146	(20,620)	9,822,759	
Land improvements	<u>247,049</u>	<u>13,512</u>	<u>-</u>	<u>260,561</u>	
Total accumulated depreciation	<u>20,653,746</u>	<u>1,053,941</u>	<u>(20,620)</u>	<u>21,687,067</u>	
Total capital assets being depreciated, net	<u>28,982,133</u>	<u>(452,079)</u>	<u>-</u>	<u>28,530,054</u>	
Business-type activities capital assets, net	<u>\$ 31,223,026</u>	<u>\$ (320,227)</u>	<u>\$ (31,405)</u>	<u>\$ 30,871,394</u>	

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

<i>Governmental activities</i>	
General government	\$ 92,479
Public safety	51,691
Highways and streets	253,795
Culture and recreation	<u>118,459</u>
Total depreciation expense - governmental activities	<u>\$ 516,424</u>
<i>Business-type activities</i>	
Sewer	\$ 693,619
Water	<u>360,322</u>
Total depreciation expense - business-type activities	<u>\$ 1,053,941</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	Assessment	Nonmajor Governmental Funds	Total Governmental Funds
Property taxes	\$ 93,767	\$ -	\$ 28,032	\$ 121,799
Property assessments	-	558,946	-	558,946
Fines	69,441	-	-	69,441
Loans	-	-	487,234	487,234
	<u>\$ 163,208</u>	<u>\$ 558,946</u>	<u>\$ 515,266</u>	<u>\$ 1,237,420</u>

6. Interfund transactions

The interfund transfers during the year ended June 30, 2020 were as follows:

	<u>In</u>	<u>Out</u>
<u>Governmental</u>		
General	\$ 1,481,793	\$ 1,249,483
Nonmajor governmental	3,302,071	1,979,487
Governmental activities - non-cash	219,151	105,462
<u>Proprietary</u>		
Enterprise		
Sewer	82,443	918,817
Sewer - non-cash	31,406	511
Water	-	972,649
Water - non-cash	-	27,047
Internal Service		
Internal service	254,129	-
Internal service - non-cash	-	158,286
Business-type activities - non-cash	40,749	-
Totals	<u>\$ 5,411,742</u>	<u>\$ 5,411,742</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, 2020 were as follows:

	Beginning Balance July 1, 2019	Increase	Decrease	Ending Balance June 30, 2020	Due Within One Year
<u>Governmental activities</u>					
Long-term debt obligations:					
PERS Bonds:					
Pension Obligation Bonds	\$ 1,360,318	\$ -	\$ 50,317	\$ 1,310,001	\$ 130,000
Less amount allocated to business activities	(430,134)	-	(15,910)	(414,224)	(41,106)
Total long-term debt obligations	930,184	-	34,407	895,777	88,894
Other long-term obligations:					
Other postemployment benefits liability	111,617	26,121	-	137,738	-
Net pension liability	3,618,374	869,415	-	4,487,789	-
Compensated absences	204,959	200,332	204,959	200,332	200,332
Total other long-term obligations	3,934,950	1,095,868	204,959	4,825,859	200,332
Total long-term obligations	<u>\$ 4,865,134</u>	<u>\$ 1,095,868</u>	<u>\$ 239,366</u>	<u>\$ 5,721,636</u>	<u>\$ 289,226</u>

B. Changes in business-type activities long-term obligations for the year ended June 30, 2020 were as follows:

	Beginning Balance July 1, 2019	Increase	Decrease	Ending Balance June 30, 2020	Due Within One Year
<u>Business-type activities</u>					
Long-term debt obligations:					
Revenue Bonds:					
Sewer Revenue Refunding Bonds	\$ 5,705,000	\$ -	\$ 235,000	\$ 5,470,000	\$ 245,000
Local Oregon Capital Assets Program (LOCAP) Bonds	3,130,000	-	210,000	2,920,000	220,000
PERS Bonds:					
Pension Obligation Bonds amount allocated from governmental activities	430,134	-	15,910	414,224	41,106
Notes from direct borrowings and direct placements:					
Citizen Bank	810,565	-	170,979	639,586	175,861
Total long-term debt obligations	10,075,699	-	631,889	9,443,810	681,967
Other long-term obligations:					
Other postemployment benefits liability	38,508	6,065	-	44,573	-
Net pension liability	1,248,345	203,963	-	1,452,308	-
Compensated absences	53,999	64,547	53,999	64,547	64,547
Total other long-term obligations	1,340,852	274,575	53,999	1,561,428	64,547
Total long-term obligations	<u>\$ 11,416,551</u>	<u>\$ 274,575</u>	<u>\$ 685,888</u>	<u>\$ 11,005,238</u>	<u>\$ 746,514</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 (\$402,495 Series 2002A and \$1,555,000 Series 2002B) due over 27 years in semi-annual installments payable on June 1 and December 1 with principal payments due annually on June 1. The City has previously called \$220,000 of the Series 2002B that would have matured in the fiscal year ending June 30, 2025. Interest rates vary from 2 to 7.36 percent depending on maturity date of principal.

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
2021	\$ 88,894	\$ 61,361
2022	102,570	55,272
2023	116,246	48,246
2024	133,341	40,283
2025	-	31,149
2026-2028	<u>454,726</u>	<u>57,614</u>
	<u>\$ 895,777</u>	<u>\$ 293,925</u>

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

Fiscal Year	Sewer Revenue					
	Refunding Bonds		LOCAP		Pension Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 245,000	\$ 240,556	\$ 220,000	\$ 124,668	\$ 41,106	\$ 28,374
2022	255,000	230,756	225,000	116,967	47,430	28,374
2023	265,000	220,556	235,000	108,643	53,754	25,558
2024	280,000	209,956	240,000	99,477	61,659	18,627
2025	290,000	198,756	250,000	89,578	-	14,404
2026-30	1,635,000	798,624	1,425,000	276,145	210,275	26,642
2031-35	2,035,000	398,445	325,000	14,950	-	-
2036	<u>465,000</u>	<u>21,509</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 5,470,000</u>	<u>\$ 2,319,158</u>	<u>\$ 2,920,000</u>	<u>\$ 830,428</u>	<u>\$ 414,224</u>	<u>\$ 141,979</u>

Fiscal Year	Citizens Bank Loan		Totals	
	Principal	Interest	Principal	Interest
2021	\$ 175,861	\$ 17,864	\$ 681,967	\$ 411,462
2022	181,176	12,549	708,606	388,646
2023	186,652	7,073	740,406	361,830
2024	95,897	1,431	677,556	329,491
2025	-	-	540,000	302,738
2026-30	-	-	3,270,275	1,101,411
2031-35	-	-	2,360,000	413,395
2036	<u>-</u>	<u>-</u>	<u>465,000</u>	<u>21,509</u>
	<u>\$ 639,586</u>	<u>\$ 38,918</u>	<u>\$ 9,443,810</u>	<u>\$3,330,483</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/2019-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 (age 45 for police and fire members). General service employees may retire after reaching age 55, and police and fire members after age 50. Tier 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.

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

8. Defined benefit pension plan (continued)

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

Death benefits

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 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 periodic member and employer contributions at actuarial determined rates, subject to limits set in statute. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation.

Tier One/Tier Two employer contribution rates are 24.84 percent and the OPSRP employer contribution rates are 16.02 percent for general service employees and 20.65 percent for public safety employees. Statutorily required employer contributions for the year ended June 30, 2020 were \$685,689 and additional contributions were \$450,000.

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

Net pension liability

At June 30, 2020, the City reported a liability of \$5,940,097 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, 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 contributions effort to the pension plan relative to the projected contributions effort of all participating employers, actuarially determined. The projected long-term contribution effort is equal to the sum of the present value of future normal costs (PVFNC) and the unfunded actuarial liability (UAL)

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

8. Defined benefit pension plan (continued)

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

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

After the employer's projected long-term contribution effort is calculated, that amount is reduced by the value of the employer's supplemental lump-sum payments, known as side accounts, transition surpluses and pre-SLGRP (State and Local Government Rate Pool) surpluses as of the valuation date. Side accounts decrease the employer's projected long-term contribution effort because side accounts are effectively prepaid contributions.

At June 30, 2019, the City's proportion was 0.03434057 percent, which was an increase of .00221422 percent from its proportion measured as of June 30, 2018.

Pension expense

For the year ended June 30, 2020, the City recognized pension expense of \$1,476,082.

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, 2019, 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)

8. Defined benefit pension 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. Employers are required to recognize pension expense based on the balance of the closed period "layers" attributable to each measurement period. The average remaining service lives determined as of the beginning of each measurement period are:

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

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

At June 30, 2020, 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	\$ 327,579	\$ -
Changes of assumptions	805,842	-
Net difference between projected and actual earnings on pension plan investments	-	168,396
Changes in proportionate share	212,852	188,740
Differences between employer contributions and employer's proportionate share of system contributions	43,642	94,088
Contributions subsequent to the measurement date	<u>1,135,689</u>	<u>-</u>
Total	<u>\$ 2,525,604</u>	<u>\$ 451,224</u>

Deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement in the amount of \$1,135,689 will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. 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,	
2021	\$ 533,605
2022	44,475
2023	176,621
2024	167,514
2025	<u>16,476</u>
Total	<u>\$ 938,691</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

8. Defined benefit pension plan (continued)

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

The contribution rates (Tier One/ Tier Two and OPSRP) were developed and the total pension liability measured as of June 30, 2019 was based on an actuarial valuation as of December 31, 2017 using the following methods and assumptions:

Experience study report	2016, published July 26, 2017
Actuarial cost method	Entry age normal
Inflation rate	2.5 percent
Long-term expected rate of return	7.2 percent
Discount rate	7.2 percent
Administrative expenses – Tier One/Tier Two	\$37.5 million per year added to normal cost
Administrative expenses – OPSRP	\$6.5 million per year added to normal cost
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	<i>Healthy retirees and beneficiaries:</i> RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. <i>Active members:</i> RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. <i>Disabled retirees:</i> 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.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

8. Defined benefit pension plan (continued)

UAL amortization

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

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

Discount rate

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

Assumed asset allocation

<u>Asset Class</u>	<u>Target Allocation</u>
Cash	0.00%
Debt securities	20.00%
Public equity	37.50%
Private equity	17.50%
Real estate	12.50%
Alternatives portfolio	12.50%
Opportunity portfolio	0.00%
Total	<u>100.00%</u>

Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017 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.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

8. Defined benefit pension plan (continued)

<u>Long-Term Expected Rate of Return</u> ¹	Target	Annual	Compound Annual	Standard
Asset Class	Allocation*	Arithmetic	(Geometric)	Deviation
		Return ²	Return	
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 %

¹ Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, revised as of June 7, 2017.

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

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.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

8. Defined benefit pension plan (continued)

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

- OPERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100 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.

F. 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:

	<u>1 Percentage Point Lower</u>	<u>Current Discount Rate</u>	<u>1 Percentage Point Higher</u>
Proportionate share of net pension liability	\$ 9,512,537	\$ 5,940,097	\$ 2,950,455

G. Changes subsequent to the measurement date

A legislative change that occurred after the December 31, 2017 valuation date affected the plan provisions reflected for financial reporting purposes. Senate Bill 1049, signed into law in June 2019, introduced a limit on the amount of annual salary included for the calculation of benefits. Beginning in 2020, annual salary in excess of \$195,000 (as indexed in future years) will be excluded when determining member benefits. As a result, future Tier 1/Tier 2 and OPSRP benefits for certain active members are now projected to be lower than prior to the legislation.

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, 2020 were \$191,132.

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/2019-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 periodic member and employer contributions at the rates established by the Public Employees Retirement Board, subject to limits set in statute. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation.

The City contributed 0.06 percent of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA benefits. Since the funded status of the RHIA UAL is in excess of 100 percent, no contributions were required to fund the RHIA UAL. For the year ended June 30, 2020, the City made contributions in the amount of \$1,330 to the RHIA.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

10. Defined benefit other postemployment benefits plan (continued)

D. 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, 2020, the City reported an (asset) of \$(51,791) for its proportionate share of the net OPEB liability/(asset). The net OPEB liability/(asset) was measured as of June 30, 2019, 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, 2019, the City's proportion was .02680215 percent, which was a decrease of .00181334 percent from its proportion measured as of June 30, 2018.

OPEB expense

For the year ended June 30, 2020, the City recognized OPEB revenue of \$6,176.

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, 2019, 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. Employers are required to recognize OPEB expense based on the balance of the closed period "layers" attributable to each measurement period. The average remaining service lives determined as of the beginning of each measurement period are described below:

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

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

10. Defined benefit other postemployment benefits plan (continued)

At June 30, 2020, 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	\$ -	\$ 6,830
Changes of assumptions	-	54
Net difference between projected and actual earnings on pension plan investments	-	3,197
Changes in proportionate share	1,111	-
Contributions subsequent to the measurement date	<u>1,330</u>	<u>-</u>
Total	<u>\$ 2,441</u>	<u>\$ 10,081</u>

Deferred outflows of resources related to OPEB resulting from the City's contributions subsequent to the measurement date in the amount of \$1,330 will be recognized as an adjustment to the net OPEB (asset) / liability in the year ended June 30, 2021. 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,	
2021	\$ (4,615)
2022	(4,139)
2023	(545)
2024	329
2025	<u>-</u>
Total	<u>\$ (8,970)</u>

E. 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.

F. 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
	<u> </u>	<u> </u>	<u> </u>
Proportionate share of net OPEB liability/(asset)	\$ (40,152)	\$ (51,791)	\$ (61,709)

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, 2020, 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, 2020, the City reported a total OPEB liability of \$182,311. The total OPEB liability was measured as of June 30, 2019 and determined by an actuarial valuation as of July 1, 2018.

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, 2019	\$ 150,125
Changes for the year:	
Service cost	19,568
Interest	6,545
Changes in assumptions or other inputs	7,243
Benefit payments	<u>(1,170)</u>
Balances at June 30, 2020	<u>\$ 182,311</u>

For the year ended June 30, 2020, the City recognized OPEB expense of \$9,202. At June 30, 2020, 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	\$ -	\$ 81,774
Changes of assumptions	6,533	25,763
Contributions subsequent to the measurement date	<u>4,144</u>	<u>-</u>
	<u>\$ 10,677</u>	<u>\$ 107,537</u>

Deferred outflows of resources related to OPEB resulting from the City's contributions subsequent to the measurement date in the amount of \$4,144 will be recognized as an adjustment to the Total OPEB liability in the year ended June 30, 2021. 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,	
2021	\$ (12,768)
2022	(12,768)
2023	(12,768)
2024	(12,768)
2025	(12,768)
Thereafter	(37,164)

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 3.5 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 3.87 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 3.5 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 (2.5 percent) or 1-percentage-point higher (4.5 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	\$ 203,808	\$ 182,310	\$ 162,941
	<u>1- Percentage Point Lower</u>	<u>Current Trend Rate</u>	<u>1-Percentage Point Higher</u>
City's total OPEB liability	\$ 153,624	\$ 182,310	\$ 217,616

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	\$ 5,379,368
Highways and streets – Street maintenance fees are restricted for maintenance of public streets	282,908
Park maintenance – Park maintenance fees are restricted for operations and maintenance of city parks	319,273
Stormwater – Stormwater fees are restricted for capital improvement of the City’s stormwater system	385,476
Urban renewal taxes are restricted to improving and redeveloping designated areas (community development)	1,731,564

Business-type Activities

Capital projects – Ordinances imposing System Development Charges (SDC) restrict the use to capital improvements which expand the capacity of the system for which the charge was made	\$ 6,213,383
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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:

Fund balances:	General	Assessment	Nonmajor Governmental Funds	Total
Nonspendable	\$ -	\$ -	\$ 9,304	\$ 9,304
Restricted for:				
Transportation	-	-	77,149	77,149
Transient tax	-	-	113,957	113,957
Highways and streets	-	-	2,363,973	2,363,973
CDBG housing rehabilitation	-	-	680,631	680,631
Park maintenance and improvements	-	-	319,273	319,273
Pool operations	-	-	686,088	686,088
Urban renewal	-	-	1,645,486	1,645,486
Debt service	-	310,812	-	310,812
Capital projects	-	-	5,764,844	5,764,844
Other purposes	-	-	602,933	602,933
Committed for:				
Capital projects			5,277,154	5,277,154
Assigned for:				
Unexpected future expenditures	1,004,416	-	-	1,004,416
Capital projects	-	-	210,647	210,647
Debt service	-	-	23,632	23,632
Other purposes	-	-	-	-
Unassigned	<u>3,505,359</u>	<u>-</u>	<u>-</u>	<u>3,505,359</u>
 Total	 <u>\$ 4,509,775</u>	 <u>\$ 310,812</u>	 <u>\$ 17,775,071</u>	 <u>\$ 22,595,658</u>

13. Budgetary perspective differences

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

	General
Net change in fund balances - generally accepted accounting principles basis	\$ 60,232
Revenues:	
Revenues of separately budgeted funds which are included in the general fund on the governmental fund statements	(37,672)
Other financing sources (uses)	
Other financing sources (uses) of separately budgeted funds which are included in the general fund on the governmental fund statements	<u>(200,000)</u>
Net change in fund balances - budgetary basis	<u>\$ (177,440)</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

13. Budgetary perspective differences (continued)

	<u>General</u>
Beginning fund balances - generally accepted accounting principles basis	\$ 4,449,543
Beginning balances of separately budgeted funds which are included in the general fund on the governmental fund statements	<u>(766,744)</u>
Beginning fund balance - budgetary basis	<u>\$ 3,682,799</u>
Ending fund balances - generally accepted accounting principles basis	\$ 4,509,775
Ending balances of separately budgeted funds which are included in the general fund on the governmental fund statements	<u>(1,004,416)</u>
Ending fund balance - budgetary basis	<u>\$ 3,505,359</u>

14. 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, 2020 is as follows:

Condensed statement of net position	<u>Sewer</u>	<u>Water</u>
Assets		
Current	\$ 9,228,803	\$ 5,819,496
Net other postemployment benefit asset	7,113	5,550
Capital	<u>22,631,657</u>	<u>8,239,737</u>
Total assets	<u>31,867,573</u>	<u>14,064,783</u>
Deferred outflows of resources	<u>348,648</u>	<u>272,048</u>
Liabilities		
Current	587,270	381,089
Noncurrent	<u>8,765,805</u>	<u>1,119,801</u>
Total liabilities	<u>9,353,075</u>	<u>1,500,890</u>
Deferred inflows of resources	<u>78,120</u>	<u>60,957</u>
Net position		
Net investment in capital assets	14,241,657	7,600,151
Restricted	4,327,500	2,826,731
Unrestricted	<u>4,215,869</u>	<u>2,348,102</u>
Total net position	<u>\$ 22,785,026</u>	<u>\$ 12,774,984</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

14. Segment information for enterprise funds (continued)

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

	<u>Sewer</u>	<u>Water</u>
Operating revenue	\$ 3,788,774	\$ 2,606,889
Depreciation expense	693,619	360,322
Other operating expenses	<u>1,516,146</u>	<u>1,069,414</u>
Operating income	<u>1,579,009</u>	<u>1,177,153</u>
Nonoperating revenues (expenses)	<u>(173,905)</u>	<u>88,597</u>
Income before capital contributions and transfers	1,405,104	1,265,750
Capital contributions	271,797	441,981
Transfers in	113,849	-
Transfers out	<u>(919,328)</u>	<u>(999,696)</u>
Change in net position	871,422	708,035
Net position – beginning	<u>21,913,604</u>	<u>12,066,949</u>
Net position – ending	<u>\$ 22,785,026</u>	<u>\$ 12,774,984</u>

Condensed statement of cash flows

Net cash provided by (used in):		
Operating activities	\$ 2,294,046	\$ 1,599,603
Capital and related financing activities	(1,822,562)	(959,892)
Investing activities	<u>187,876</u>	<u>110,277</u>
Net increase in cash and cash equivalents	659,360	749,988
Cash and cash equivalents - beginning	<u>8,213,649</u>	<u>4,742,896</u>
Cash and cash equivalents - ending	<u>\$ 8,873,009</u>	<u>\$ 5,492,884</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

15. Commitments

The City has entered into commitments for various projects as of June 30, 2020 as follows:

<u>Project</u>	<u>Disbursed to Date</u>	<u>Remaining Commitment</u>
Urban renewal projects	128,405	240,581
Other		
McClaine Street Improvements Project	291,500	61,800
Silver Creek Water Line & Intake Project	80,770	353,620
Civic Center Project	76,420	391,459
Total	<u>\$ 577,095</u>	<u>\$ 1,047,460</u>

16. Tax abatements

Marion County has entered into property tax abatement agreements and the City's property taxes to be received for the 2019-20 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	\$ 158
Historic property – ORS 358.475-.545	602

17. Subsequent events

A major business within the City, which is a significant utility customer, has announced plans to close its location in January 2021. During the year ended June 30, 2020 utility payments received from this business were \$650,703.

The City has been named as a defendant in a lawsuit filed on September 5, 2020 by Moonstone Garden Management, Inc. alleging damages of \$990,690 plus attorney costs. The City is contesting the claim.

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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
2019	0.03434057%	\$ 5,940,097	\$ 3,330,088	178.38%	80.232%
2018	0.03212635%	4,866,719	3,180,866	153.00%	82.068%
2017	0.03384383%	4,562,161	2,846,199	160.29%	83.119%
2016	0.03495655%	5,247,790	2,828,460	185.54%	80.527%
2015	0.03743192%	2,149,139	2,862,807	75.07%	91.875%
2014	0.03608184%	(817,864)	2,698,244	-30.31%	103.590%
2013	0.03608146%	1,841,290	2,779,029	66.26%	91.974%

* 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
2020	\$ 685,689	\$ 1,135,689	(450,000)	\$ 3,433,606	33.07569%
2019	485,180	485,180	-	3,330,088	14.56958%
2018	502,491	502,491	-	3,180,866	15.79730%
2017	382,091	382,091	-	2,846,199	13.42461%
2016	375,097	375,097	-	2,828,460	13.26153%
2015	335,739	335,739	-	2,862,807	11.72762%
2014	317,383	317,383	-	2,698,244	11.76258%
2013	304,410	304,410	-	2,779,029	10.95383%
2012	314,210	314,210	-	2,960,342	10.61398%
2011	211,625	211,625	-	2,982,103	7.09650%

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
2019	0.026802150%	\$ (51,791)	\$ 3,330,088	-1.56%	144.36%
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
2020	\$ 1,330	\$ 1,330	\$ 3,433,606	0.04%
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, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Service cost	\$ 19,568	\$ 21,358	\$ 22,822
Interest on total OPEB liability	6,545	9,372	7,274
Effect of economic/demographic gains or losses	-	(101,717)	-
Effect of assumptions changes or inputs	7,243	(16,724)	(17,917)
Benefit payments	<u>(1,170)</u>	<u>(5,158)</u>	<u>(3,157)</u>
Net change in total OPEB liability	32,186	(92,869)	9,022
Total OPEB liability - beginning of year	<u>150,125</u>	<u>242,994</u>	<u>233,972</u>
Total OPEB liability - end of year	<u>\$ 182,311</u>	<u>\$ 150,125</u>	<u>\$ 242,994</u>
Covered employee payroll	\$ 3,330,088	\$ 3,180,866	\$ 2,846,199
Total OPEB liability as a percentage of covered employee payroll	5.5%	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.

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**COMBINING FINANCIAL STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

CITY OF SILVERTON

**COMBINING BALANCE SHEET
GENERAL FUNDS
June 30, 2020**

	General	General Operating Reserve	Totals
ASSETS			
Cash and cash equivalents	\$ 3,426,599	\$ 1,004,416	\$ 4,431,015
Receivables	395,406	-	395,406
TOTAL ASSETS	\$ 3,822,005	\$ 1,004,416	\$ 4,826,421
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued liabilities	\$ 100,501	\$ -	\$ 100,501
Consumer deposits	52,937	-	52,937
TOTAL LIABILITIES	153,438	-	153,438
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	163,208	-	163,208
TOTAL DEFERRED INFLOWS OF RESOURCES	163,208	-	163,208
FUND BALANCES			
Assigned	-	1,004,416	1,004,416
Unassigned	3,505,359	-	3,505,359
TOTAL FUND BALANCES	3,505,359	1,004,416	4,509,775
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 3,822,005	\$ 1,004,416	\$ 4,826,421

CITY OF SILVERTON

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

GENERAL FUNDS

For the Year Ended June 30, 2020

	General	General Operating Reserve	Totals
REVENUES			
Property taxes	\$ 2,907,597	\$ -	\$ 2,907,597
Franchise fees	803,758	-	803,758
Licenses, permits and fees	163,786	-	163,786
Fines and forfeitures	234,521	-	234,521
Intergovernmental	584,964	-	584,964
Rentals	18,722	-	18,722
Interest	88,314	18,698	107,012
Miscellaneous	108,464	18,974	127,438
	<u>4,910,126</u>	<u>37,672</u>	<u>4,947,798</u>
TOTAL REVENUES			
EXPENDITURES			
Current			
General government	2,185,770	-	2,185,770
Public safety	2,697,595	-	2,697,595
Culture and recreation	184,498	-	184,498
Capital outlay	52,013	-	52,013
	<u>5,119,876</u>	<u>-</u>	<u>5,119,876</u>
TOTAL EXPENDITURES			
Excess (deficiency) of revenues over expenditures	<u>(209,750)</u>	<u>37,672</u>	<u>(172,078)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,281,793	200,000	1,481,793
Transfers out	(1,249,483)	-	(1,249,483)
	<u>32,310</u>	<u>200,000</u>	<u>232,310</u>
TOTAL OTHER FINANCING SOURCES (USES)			
Net change in fund balances	(177,440)	237,672	60,232
Fund balances at beginning of year	<u>3,682,799</u>	<u>766,744</u>	<u>4,449,543</u>
Fund balance at end of year	<u>\$ 3,505,359</u>	<u>\$ 1,004,416</u>	<u>\$ 4,509,775</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, 2020**

	Budget	Actual	Variance
REVENUES			
Interest	\$ 15,000	\$ 18,698	\$ 3,698
Miscellaneous	-	18,974	18,974
	15,000	37,672	22,672
TOTAL REVENUES			
	15,000	37,672	22,672
EXPENDITURES			
Materials and services	979,093	-	979,093
	979,093	-	979,093
TOTAL EXPENDITURES			
	979,093	-	979,093
Excess (deficiency) of revenues over expenditures	(964,093)	37,672	1,001,765
OTHER FINANCING SOURCES (USES)			
Transfers in	200,000	200,000	-
	200,000	200,000	-
TOTAL OTHER FINANCING SOURCES (USES)			
	200,000	200,000	-
Net change in fund balance	(764,093)	237,672	1,001,765
Fund balance at beginning of year	764,093	766,744	2,651
Fund balance at end of year	\$ -	\$ 1,004,416	\$ 1,004,416

CITY OF SILVERTON

**ASSESSMENT - A MAJOR DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Assessments	\$ 17,600	\$ 40,220	\$ 22,620
Interest	<u>4,000</u>	<u>6,668</u>	<u>2,668</u>
 TOTAL REVENUES	 <u>21,600</u>	 <u>46,888</u>	 <u>25,288</u>
 EXPENDITURES			
Materials and services	10,000	-	10,000
Contingency	<u>242,223</u>	<u>-</u>	<u>242,223</u>
 TOTAL EXPENDITURES	 <u>252,223</u>	 <u>-</u>	 <u>252,223</u>
 Net change in fund balance	 (230,623)	 46,888	 277,511
Fund balance at beginning of year	<u>230,623</u>	<u>263,924</u>	<u>33,301</u>
 Fund balance at end of year	 <u>\$ -</u>	 <u>\$ 310,812</u>	 <u>\$ 310,812</u>

CITY OF SILVERTON

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2020**

	Special Revenue	Debt Service	Capital Projects	Totals
ASSETS				
Cash and cash equivalents	\$ 4,999,084	\$ 23,632	\$ 12,720,264	\$ 17,742,980
Receivables	618,489	-	88,553	707,042
Inventories	9,304	-	-	9,304
TOTAL ASSETS	\$ 5,626,877	\$ 23,632	\$ 12,808,817	\$ 18,459,326
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued liabilities	\$ 86,206	\$ -	\$ 82,783	\$ 168,989
TOTAL LIABILITIES	86,206	-	82,783	168,989
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	515,266	-	-	515,266
TOTAL DEFERRED INFLOWS OF RESOURCES	515,266	-	-	515,266
FUND BALANCES				
Nonspendable	9,304	-	-	9,304
Restricted	5,016,101	-	7,238,233	12,254,334
Committed	-	-	5,277,154	5,277,154
Assigned	-	23,632	210,647	234,279
TOTAL FUND BALANCES	5,025,405	23,632	12,726,034	17,775,071
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 5,626,877	\$ 23,632	\$ 12,808,817	\$ 18,459,326

CITY OF SILVERTON

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020**

	Special Revenue	Debt Service	Capital Projects	Totals
REVENUES				
Property taxes	\$ 935,148	\$ -	\$ -	\$ 935,148
Transient tax	274,811	-	-	274,811
Local fuel tax	86,131	-	-	86,131
Licenses and permits	556,925	-	1,664,713	2,221,638
Intergovernmental	800,960	-	-	800,960
Loan repayments	61,259	-	-	61,259
Interest	112,950	2,963	225,162	341,075
Miscellaneous	15,708	-	750	16,458
TOTAL REVENUES	<u>2,843,892</u>	<u>2,963</u>	<u>1,890,625</u>	<u>4,737,480</u>
EXPENDITURES				
Current				
General government	954,696	-	-	954,696
Highways and streets	393,758	-	33,460	427,218
Culture and recreation	166,080	-	-	166,080
Debt service	-	211,448	-	211,448
Capital outlay	192,407	-	439,223	631,630
TOTAL EXPENDITURES	<u>1,706,941</u>	<u>211,448</u>	<u>472,683</u>	<u>2,391,072</u>
Excess (deficiency) of revenues over expenditures	<u>1,136,951</u>	<u>(208,485)</u>	<u>1,417,942</u>	<u>2,346,408</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	211,448	3,090,623	3,302,071
Transfers out	(979,615)	-	(999,872)	(1,979,487)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(979,615)</u>	<u>211,448</u>	<u>2,090,751</u>	<u>1,322,584</u>
Net change in fund balances	157,336	2,963	3,508,693	3,668,992
Fund balances at beginning of year	4,868,069	20,669	9,217,341	14,106,079
Fund balances at end of year	<u>\$ 5,025,405</u>	<u>\$ 23,632</u>	<u>\$ 12,726,034</u>	<u>\$ 17,775,071</u>

CITY OF SILVERTON

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

June 30, 2020

	Street	Building Operations	Transportation	Electrical Inspection
ASSETS				
Cash and cash equivalents	\$ 847,727	\$ 604,726	\$ 61,186	\$ 8,369
Receivables	50,643	-	16,378	-
Inventories	6,493	-	-	-
TOTAL ASSETS	\$ 904,863	\$ 604,726	\$ 77,564	\$ 8,369
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued liabilities	\$ 7,786	\$ 7,043	\$ 415	\$ 3,119
TOTAL LIABILITIES	7,786	7,043	415	3,119
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-
FUND BALANCES				
Nonspendable	6,493	-	-	-
Restricted	890,584	597,683	77,149	5,250
TOTAL FUND BALANCES	897,077	597,683	77,149	5,250
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 904,863	\$ 604,726	\$ 77,564	\$ 8,369

Transient Tax	Community Development Block Grant	Pool Operations Levy	Parks Fee	Urban Renewal	Totals
	Housing Rehabilitation				
\$ 108,719	\$ 680,631	\$ 708,634	\$ 319,299	\$ 1,659,793	\$ 4,999,084
18,149	420,410	11,223	7,562	94,124	618,489
-	-	2,811	-	-	9,304
<u>\$ 126,868</u>	<u>\$ 1,101,041</u>	<u>\$ 722,668</u>	<u>\$ 326,861</u>	<u>\$ 1,753,917</u>	<u>\$ 5,626,877</u>
\$ 12,911	\$ -	\$ 24,991	\$ 7,588	\$ 22,353	\$ 86,206
<u>12,911</u>	<u>-</u>	<u>24,991</u>	<u>7,588</u>	<u>22,353</u>	<u>86,206</u>
-	420,410	8,778	-	86,078	515,266
<u>-</u>	<u>420,410</u>	<u>8,778</u>	<u>-</u>	<u>86,078</u>	<u>515,266</u>
-	-	2,811	-	-	9,304
<u>113,957</u>	<u>680,631</u>	<u>686,088</u>	<u>319,273</u>	<u>1,645,486</u>	<u>5,016,101</u>
<u>113,957</u>	<u>680,631</u>	<u>688,899</u>	<u>319,273</u>	<u>1,645,486</u>	<u>5,025,405</u>
<u>\$ 126,868</u>	<u>\$ 1,101,041</u>	<u>\$ 722,668</u>	<u>\$ 326,861</u>	<u>\$ 1,753,917</u>	<u>\$ 5,626,877</u>

CITY OF SILVERTON

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2020**

	<u>Street</u>	<u>Building Operations</u>	<u>Transportation</u>	<u>Electrical Inspection</u>
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Transient tax	-	-	-	-
Local fuel tax	86,131	-	-	-
Licenses, permits and fees	22,476	414,147	-	34,635
Intergovernmental	724,082	-	76,878	-
Loan repayments	-	-	-	-
Interest	19,948	11,477	1,099	216
Miscellaneous	<u>47</u>	<u>-</u>	<u>2,202</u>	<u>-</u>
TOTAL REVENUES	<u>852,684</u>	<u>425,624</u>	<u>80,179</u>	<u>34,851</u>
EXPENDITURES				
Current				
General government	-	271,427	69,967	31,137
Highways and streets	393,758	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	<u>71,877</u>	<u>1,034</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>465,635</u>	<u>272,461</u>	<u>69,967</u>	<u>31,137</u>
Excess (deficiency) of revenues over expenditures	<u>387,049</u>	<u>153,163</u>	<u>10,212</u>	<u>3,714</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(576,835)</u>	<u>(58,496)</u>	<u>(3,925)</u>	<u>(7,916)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(576,835)</u>	<u>(58,496)</u>	<u>(3,925)</u>	<u>(7,916)</u>
Net change in fund balances	(189,786)	94,667	6,287	(4,202)
Fund balances at beginning of year	<u>1,086,863</u>	<u>503,016</u>	<u>70,862</u>	<u>9,452</u>
Fund balances at end of year	<u><u>\$ 897,077</u></u>	<u><u>\$ 597,683</u></u>	<u><u>\$ 77,149</u></u>	<u><u>\$ 5,250</u></u>

Transient Tax	Community Development Block Grant Housing Rehabilitation	Pool Operations Levy	Parks Fee	Urban Renewal	Totals
\$ -	\$ -	\$ 266,299	\$ -	\$ 668,849	\$ 935,148
274,811	-	-	-	-	274,811
-	-	-	-	-	86,131
-	-	-	84,567	1,100	556,925
-	-	-	-	-	800,960
-	35,782	-	-	25,477	61,259
3,069	14,212	15,882	6,013	41,034	112,950
-	-	-	4,959	8,500	15,708
<u>277,880</u>	<u>49,994</u>	<u>282,181</u>	<u>95,539</u>	<u>744,960</u>	<u>2,843,892</u>
186,601	3,307	-	-	392,257	954,696
-	-	-	-	-	393,758
-	-	149,510	16,570	-	166,080
-	-	104,078	15,418	-	192,407
<u>186,601</u>	<u>3,307</u>	<u>253,588</u>	<u>31,988</u>	<u>392,257</u>	<u>1,706,941</u>
<u>91,279</u>	<u>46,687</u>	<u>28,593</u>	<u>63,551</u>	<u>352,703</u>	<u>1,136,951</u>
<u>(82,443)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(250,000)</u>	<u>(979,615)</u>
<u>(82,443)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(250,000)</u>	<u>(979,615)</u>
8,836	46,687	28,593	63,551	102,703	157,336
105,121	633,944	660,306	255,722	1,542,783	4,868,069
<u>\$ 113,957</u>	<u>\$ 680,631</u>	<u>\$ 688,899</u>	<u>\$ 319,273</u>	<u>\$ 1,645,486</u>	<u>\$ 5,025,405</u>

CITY OF SILVERTON

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
June 30, 2020**

	Building Capital Improvement Reserve	Steelhammer LID	Street Improvement SDC	Street Maintenance Fee	Street Lights Improvement	Street Reimbursement SDC
ASSETS						
Cash and cash equivalents	\$ 1,360,481	\$ 15,655	\$ 1,766,115	\$ 237,258	\$ 210,647	\$ 471,652
Receivables	-	-	-	45,650	-	-
TOTAL ASSETS	<u>\$ 1,360,481</u>	<u>\$ 15,655</u>	<u>\$ 1,766,115</u>	<u>\$ 282,908</u>	<u>\$ 210,647</u>	<u>\$ 471,652</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	-	-	-	-
FUND BALANCES						
Restricted	-	15,655	1,766,115	282,908	-	471,652
Committed	1,360,481	-	-	-	-	-
Assigned	-	-	-	-	210,647	-
TOTAL FUND BALANCES	<u>1,360,481</u>	<u>15,655</u>	<u>1,766,115</u>	<u>282,908</u>	<u>210,647</u>	<u>471,652</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,360,481</u>	<u>\$ 15,655</u>	<u>\$ 1,766,115</u>	<u>\$ 282,908</u>	<u>\$ 210,647</u>	<u>\$ 471,652</u>

Street Projects	Parks and Recreation Improvement SDC	Stormwater Improvement SDC	Stormwater Fee	Stormwater Reimbursement SDC	Civic Building Project	McClaine St Improvement Project	Totals
\$ 1,207,940	\$ 2,438,954	\$ 556,312	\$ 342,573	\$ 130,680	\$ 1,347,346	\$ 2,634,651	\$ 12,720,264
-	-	-	42,903	-	-	-	88,553
<u>\$ 1,207,940</u>	<u>\$ 2,438,954</u>	<u>\$ 556,312</u>	<u>\$ 385,476</u>	<u>\$ 130,680</u>	<u>\$ 1,347,346</u>	<u>\$ 2,634,651</u>	<u>\$ 12,808,817</u>
\$ 17,459	\$ -	\$ -	\$ -	\$ -	\$ 28,182	\$ 37,142	\$ 82,783
17,459	-	-	-	-	28,182	37,142	82,783
1,190,481	2,438,954	556,312	385,476	130,680	-	-	7,238,233
-	-	-	-	-	1,319,164	2,597,509	5,277,154
-	-	-	-	-	-	-	210,647
<u>1,190,481</u>	<u>2,438,954</u>	<u>556,312</u>	<u>385,476</u>	<u>130,680</u>	<u>1,319,164</u>	<u>2,597,509</u>	<u>12,726,034</u>
<u>\$ 1,207,940</u>	<u>\$ 2,438,954</u>	<u>\$ 556,312</u>	<u>\$ 385,476</u>	<u>\$ 130,680</u>	<u>\$ 1,347,346</u>	<u>\$ 2,634,651</u>	<u>\$ 12,808,817</u>

CITY OF SILVERTON

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
For the Year Ended June 30, 2020**

	Building Capital Improvement Reserve	Steelhammer LID	Street Improvement SDC	Street Maintenance Fee	Street Lights Improvement	Street Reimbursement SDC
REVENUES						
Licenses, permits and fees	\$ -	\$ 8,647	\$ 222,147	\$ 501,592	\$ -	\$ 45,451
Interest	29,124	548	35,053	4,818	4,509	9,373
Miscellaneous	-	-	-	750	-	-
TOTAL REVENUES	<u>29,124</u>	<u>9,195</u>	<u>257,200</u>	<u>507,160</u>	<u>4,509</u>	<u>54,824</u>
EXPENDITURES						
Current:						
Highways and streets	-	-	21,681	-	-	-
Capital outlay	-	30,559	8,259	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>30,559</u>	<u>29,940</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>29,124</u>	<u>(21,364)</u>	<u>227,260</u>	<u>507,160</u>	<u>4,509</u>	<u>54,824</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(480,000)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(480,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	29,124	(21,364)	227,260	27,160	4,509	54,824
Fund balances at beginning 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>
Fund balances at end of year	<u>\$ 1,360,481</u>	<u>\$ 15,655</u>	<u>\$ 1,766,115</u>	<u>\$ 282,908</u>	<u>\$ 210,647</u>	<u>\$ 471,652</u>

Street Projects	Parks and Recreation Improvement SDC	Stormwater Improvement SDC	Stormwater Fee	Stormwater Reimbursement SDC	Civic Building Project	McCaline St Improvement Project	Totals
\$ -	\$ 348,858	\$ 32,093	\$ 471,875	\$ 34,050	\$ -	\$ -	\$ 1,664,713
20,590	47,297	11,438	7,954	2,248	12,595	39,615	225,162
-	-	-	-	-	-	-	750
20,590	396,155	43,531	479,829	36,298	12,595	39,615	1,890,625
-	-	-	11,779	-	-	-	33,460
32,330	-	-	-	-	76,575	291,500	439,223
32,330	-	-	11,779	-	76,575	291,500	472,683
(11,740)	396,155	43,531	468,050	36,298	(63,980)	(251,885)	1,417,942
425,000	-	-	-	-	1,050,000	1,615,623	3,090,623
-	-	-	(519,872)	-	-	-	(999,872)
425,000	-	-	(519,872)	-	1,050,000	1,615,623	2,090,751
413,260	396,155	43,531	(51,822)	36,298	986,020	1,363,738	3,508,693
777,221	2,042,799	512,781	437,298	94,382	333,144	1,233,771	9,217,341
<u>\$ 1,190,481</u>	<u>\$ 2,438,954</u>	<u>\$ 556,312</u>	<u>\$ 385,476</u>	<u>\$ 130,680</u>	<u>\$ 1,319,164</u>	<u>\$ 2,597,509</u>	<u>\$ 12,726,034</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, 2020**

	Budget	Actual	Variance
REVENUES			
Licenses, permits and fees	\$ 94,000	\$ 22,476	\$ (71,524)
Local fuel tax	95,000	86,131	(8,869)
Intergovernmental	640,000	724,082	84,082
Interest	10,000	19,948	9,948
Miscellaneous	1,000	47	(953)
TOTAL REVENUES	840,000	852,684	12,684
EXPENDITURES			
Street administration	200,215	163,376	36,839
Street operations	493,163	302,259	190,904
Contingency	120,952	-	120,952
TOTAL EXPENDITURES	814,330	465,635	348,695
Excess (deficiency) of revenues over expenditures	25,670	387,049	361,379
OTHER FINANCING SOURCES (USES)			
Transfers out	(576,835)	(576,835)	-
TOTAL OTHER FINANCING SOURCES (USES)	(576,835)	(576,835)	-
Net change in fund balance	(551,165)	(189,786)	361,379
Fund balance at beginning of year	846,297	1,086,863	240,566
Fund balance at end of year	\$ 295,132	\$ 897,077	\$ 601,945

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, 2020**

	Budget	Actual	Variance
REVENUES			
Licenses, permits and fees	\$ 192,000	\$ 414,147	\$ 222,147
Interest	7,500	11,477	3,977
TOTAL REVENUES	199,500	425,624	226,124
EXPENDITURES			
Building inspection services	288,122	272,461	15,661
Contingency	67,634	-	67,634
TOTAL EXPENDITURES	355,756	272,461	83,295
Excess (deficiency) of revenues over expenditures	(156,256)	153,163	309,419
OTHER FINANCING SOURCES (USES)			
Transfers out	(58,496)	(58,496)	-
TOTAL OTHER FINANCING SOURCES (USES)	(58,496)	(58,496)	-
Net change in fund balance	(214,752)	94,667	309,419
Fund balance at beginning of year	408,282	503,016	94,734
Fund balance at end of year	\$ 193,530	\$ 597,683	\$ 404,153

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, 2020**

	Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 146,500	\$ 76,878	\$ (69,622)
Interest	600	1,099	499
Miscellaneous	1,800	2,202	402
TOTAL REVENUES	148,900	80,179	(68,721)
EXPENDITURES			
Trolley services	175,663	69,967	105,696
Contingency	55,010	-	55,010
TOTAL EXPENDITURES	230,673	69,967	160,706
Excess (deficiency) of revenues over expenditures	(81,773)	10,212	91,985
OTHER FINANCING SOURCES (USES)			
Transfers out	(3,925)	(3,925)	-
TOTAL OTHER FINANCING SOURCES (USES)	(3,925)	(3,925)	-
Net change in fund balance	(85,698)	6,287	91,985
Fund balance at beginning of year	85,698	70,862	(14,836)
Fund balance at end of year	\$ -	\$ 77,149	\$ 77,149

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, 2020**

	Budget	Actual	Variance
REVENUES			
Fees and permits	\$ 50,000	\$ 34,635	\$ (15,365)
Interest	250	216	(34)
TOTAL REVENUES	50,250	34,851	(15,399)
EXPENDITURES			
Electrical inspection services	45,525	31,137	14,388
Contingency	7,845	-	7,845
TOTAL EXPENDITURES	53,370	31,137	22,233
Excess (deficiency) of revenues over expenditures	(3,120)	3,714	6,834
OTHER FINANCING SOURCES (USES)			
Transfers out	(7,916)	(7,916)	-
TOTAL OTHER FINANCING SOURCES (USES)	(7,916)	(7,916)	-
Net change in fund balance	(11,036)	(4,202)	6,834
Fund balance at beginning of year	11,036	9,452	(1,584)
Fund balance at end of year	\$ -	\$ 5,250	\$ 5,250

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, 2020**

	Budget	Actual	Variance
REVENUES			
Transient room tax	\$ 318,710	\$ 274,811	\$ (43,899)
Interest	2,400	3,069	669
TOTAL REVENUES	321,110	277,880	(43,230)
EXPENDITURES			
Materials and services	248,230	186,601	61,629
Contingency	60,678	-	60,678
TOTAL EXPENDITURES	308,908	186,601	122,307
Excess (deficiency) of revenues over expenditures	12,202	91,279	79,077
OTHER FINANCING SOURCES (USES)			
Transfers out	(95,613)	(82,443)	13,170
TOTAL OTHER FINANCING SOURCES (USES)	(95,613)	(82,443)	13,170
Net change in fund balance	(83,411)	8,836	92,247
Fund balance at beginning of year	83,411	105,121	21,710
Fund balance at end of year	\$ -	\$ 113,957	\$ 113,957

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, 2020**

	Budget	Actual	Variance
REVENUES			
Loan repayments	\$ 20,000	\$ 35,782	\$ 15,782
Interest	9,800	14,212	4,412
TOTAL REVENUES	29,800	49,994	20,194
EXPENDITURES			
Materials and services	552,500	3,307	549,193
Contingency	107,587	-	107,587
TOTAL EXPENDITURES	660,087	3,307	656,780
Net change in fund balance	(630,287)	46,687	676,974
Fund balance at beginning of year	630,287	633,944	3,657
Fund balance at end of year	\$ -	\$ 680,631	\$ 680,631

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, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 259,750	\$ 266,299	\$ 6,549
Intergovernmental	75,000	-	(75,000)
Interest	<u>8,000</u>	<u>15,882</u>	<u>7,882</u>
 TOTAL REVENUES	 <u>342,750</u>	 <u>282,181</u>	 <u>(60,569)</u>
 EXPENDITURES			
Materials and services	215,900	149,510	66,390
Capital outlay	268,000	104,078	163,922
Contingency	<u>280,858</u>	<u>-</u>	<u>280,858</u>
 TOTAL EXPENDITURES	 <u>764,758</u>	 <u>253,588</u>	 <u>511,170</u>
 Net change in fund balance	 (422,008)	 28,593	 450,601
Fund balance at beginning of year	<u>633,008</u>	<u>660,306</u>	<u>27,298</u>
 Fund balance at end of year	 <u>\$ 211,000</u>	 <u>\$ 688,899</u>	 <u>\$ 477,899</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, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Licenses, permits and fees	\$ 82,075	\$ 84,567	\$ 2,492
Interest	2,500	6,013	3,513
Miscellaneous	<u>100</u>	<u>4,959</u>	<u>4,859</u>
 TOTAL REVENUES	 <u>84,675</u>	 <u>95,539</u>	 <u>10,864</u>
 EXPENDITURES			
Parks maintenance	23,309	16,570	6,739
Capital outlay	181,000	15,418	165,582
Contingency	<u>72,046</u>	<u>-</u>	<u>72,046</u>
 TOTAL EXPENDITURES	 <u>276,355</u>	 <u>31,988</u>	 <u>244,367</u>
 Net change in fund balance	 (191,680)	 63,551	 255,231
Fund balance at beginning of year	<u>191,680</u>	<u>255,722</u>	<u>64,042</u>
 Fund balance at end of year	 <u>\$ -</u>	 <u>\$ 319,273</u>	 <u>\$ 319,273</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, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 597,784	\$ 668,849	\$ 71,065
Licenses, permits and fees	1,000	1,100	100
Loan repayments	27,899	25,477	(2,422)
Interest	37,978	41,034	3,056
Miscellaneous	<u>8,500</u>	<u>8,500</u>	<u>-</u>
 TOTAL REVENUES	 <u>673,161</u>	 <u>744,960</u>	 <u>71,799</u>
 EXPENDITURES			
Materials and services	25,345	3,746	21,599
Capital outlay	1,752,563	638,511	1,114,052
Contingency	<u>399,069</u>	<u>-</u>	<u>399,069</u>
 TOTAL EXPENDITURES	 <u>2,176,977</u>	 <u>642,257</u>	 <u>1,534,720</u>
 Net change in fund balance	 (1,503,816)	 102,703	 1,606,519
Fund balance at beginning of year	<u>1,503,816</u>	<u>1,542,783</u>	<u>38,967</u>
 Fund balance at end of year	 <u>\$ -</u>	 <u>\$ 1,645,486</u>	 <u>\$ 1,645,486</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, 2020**

	Budget	Actual	Variance
REVENUES			
Interest	\$ 950	\$ 2,963	\$ 2,013
TOTAL REVENUES	950	2,963	2,013
EXPENDITURES			
Debt service	215,396	211,448	3,948
TOTAL EXPENDITURES	215,396	211,448	3,948
Excess (deficiency) of revenues over expenditures	(214,446)	(208,485)	5,961
OTHER FINANCING SOURCES (USES)			
Transfers in	211,448	211,448	-
TOTAL OTHER FINANCING SOURCES (USES)	211,448	211,448	-
Net change in fund balance	(2,998)	2,963	5,961
Fund balance at beginning of year	2,998	20,669	17,671
Fund balance at end of year	\$ -	\$ 23,632	\$ 23,632

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, 2020**

	Budget	Actual	Variance
REVENUES			
Interest	\$ 34,500	\$ 29,124	\$ (5,376)
TOTAL REVENUES	34,500	29,124	(5,376)
EXPENDITURES			
Capital outlay	1,364,646	-	1,364,646
TOTAL EXPENDITURES	1,364,646	-	1,364,646
Net change in fund balance	(1,330,146)	29,124	1,359,270
Fund balance at beginning of year	1,330,146	1,331,357	1,211
Fund balance at end of year	\$ -	\$ 1,360,481	\$ 1,360,481

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, 2020**

	Budget	Actual	Variance
REVENUES			
System development charges	\$ 3,321	\$ 8,647	\$ 5,326
Interest	100	548	448
TOTAL REVENUES	3,421	9,195	5,774
EXPENDITURES			
Street improvements	31,259	30,559	700
TOTAL EXPENDITURES	31,259	30,559	700
Net change in fund balance	(27,838)	(21,364)	6,474
Fund balance at beginning of year	27,838	37,019	9,181
Fund balance at end of year	\$ -	\$ 15,655	\$ 15,655

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, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
System development charges	\$ 150,000	\$ 222,147	\$ 72,147
Interest	<u>5,000</u>	<u>35,053</u>	<u>30,053</u>
TOTAL REVENUES	<u>155,000</u>	<u>257,200</u>	<u>102,200</u>
EXPENDITURES			
Street improvements	<u>1,418,300</u>	<u>29,940</u>	<u>1,388,360</u>
TOTAL EXPENDITURES	<u>1,418,300</u>	<u>29,940</u>	<u>1,388,360</u>
Excess (deficiency) of revenues over expenditures	<u>(1,263,300)</u>	<u>227,260</u>	<u>1,490,560</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(200,000)</u>	<u>-</u>	<u>200,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(200,000)</u>	<u>-</u>	<u>200,000</u>
Net change in fund balance	(1,463,300)	227,260	1,690,560
Fund balance at beginning of year	<u>1,463,300</u>	<u>1,538,855</u>	<u>75,555</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 1,766,115</u>	<u>\$ 1,766,115</u>

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, 2020**

	Budget	Actual	Variance
REVENUES			
Licenses, permits and fees	\$ 498,680	\$ 501,592	\$ 2,912
Interest	8,500	4,818	(3,682)
Miscellaneous	-	750	750
TOTAL REVENUES	507,180	507,160	(20)
EXPENDITURES			
Street improvements	280,993	-	280,993
TOTAL EXPENDITURES	280,993	-	280,993
Excess (deficiency) of revenues over expenditures	226,187	507,160	280,973
OTHER FINANCING SOURCES (USES)			
Transfers out	(480,000)	(480,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(480,000)	(480,000)	-
Net change in fund balance	(253,813)	27,160	280,973
Fund balance at beginning of year	253,813	255,748	1,935
Fund balance at end of year	\$ -	\$ 282,908	\$ 282,908

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, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Interest	<u>\$ 3,000</u>	<u>\$ 4,509</u>	<u>\$ 1,509</u>
TOTAL REVENUES	<u>3,000</u>	<u>4,509</u>	<u>1,509</u>
EXPENDITURES			
Street improvements	<u>206,570</u>	<u>-</u>	<u>206,570</u>
TOTAL EXPENDITURES	<u>206,570</u>	<u>-</u>	<u>206,570</u>
Net change in fund balance	(203,570)	4,509	208,079
Fund balance at beginning of year	<u>203,570</u>	<u>206,138</u>	<u>2,568</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 210,647</u></u>	<u><u>\$ 210,647</u></u>

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, 2020**

	Budget	Actual	Variance
REVENUES			
System development charges	\$ 55,000	\$ 45,451	\$ (9,549)
Interest	<u>6,000</u>	<u>9,373</u>	<u>3,373</u>
TOTAL REVENUES	<u>61,000</u>	<u>54,824</u>	<u>(6,176)</u>
EXPENDITURES			
Street improvements	<u>269,805</u>	<u>-</u>	<u>269,805</u>
TOTAL EXPENDITURES	<u>269,805</u>	<u>-</u>	<u>269,805</u>
Excess (deficiency) of revenues over expenditures	<u>(208,805)</u>	<u>54,824</u>	<u>263,629</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(200,000)</u>	<u>-</u>	<u>200,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(200,000)</u>	<u>-</u>	<u>200,000</u>
Net change in fund balance	(408,805)	54,824	463,629
Fund balance at beginning of year	<u>408,805</u>	<u>416,828</u>	<u>8,023</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 471,652</u>	<u>\$ 471,652</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, 2020**

	Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 250,000	\$ -	\$ (250,000)
Interest	12,000	20,590	8,590
TOTAL REVENUES	262,000	20,590	(241,410)
EXPENDITURES			
Street improvements	1,190,913	32,330	1,158,583
TOTAL EXPENDITURES	1,190,913	32,330	1,158,583
Excess (deficiency) of revenues over expenditures	(928,913)	(11,740)	917,173
OTHER FINANCING SOURCES (USES)			
Transfers in	425,000	425,000	-
TOTAL OTHER FINANCING SOURCES (USES)	425,000	425,000	-
Net change in fund balance	(503,913)	413,260	917,173
Fund balance at beginning of year	503,913	777,221	273,308
Fund balance at end of year	\$ -	\$ 1,190,481	\$ 1,190,481

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, 2020**

	Budget	Actual	Variance
REVENUES			
System development charges	\$ 250,000	\$ 348,858	\$ 98,858
Interest	25,000	47,297	22,297
TOTAL REVENUES	275,000	396,155	121,155
EXPENDITURES			
Parks improvements	2,226,331	-	2,226,331
TOTAL EXPENDITURES	2,226,331	-	2,226,331
Net change in fund balance	(1,951,331)	396,155	2,347,486
Fund balance at beginning of year	1,951,331	2,042,799	91,468
Fund balance at end of year	\$ -	\$ 2,438,954	\$ 2,438,954

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, 2020**

	Budget	Actual	Variance
REVENUES			
System development charges	\$ 35,000	\$ 32,093	\$ (2,907)
Interest	8,000	11,438	3,438
TOTAL REVENUES	43,000	43,531	531
EXPENDITURES			
Stormwater improvements	441,344	-	441,344
TOTAL EXPENDITURES	441,344	-	441,344
Excess (deficiency) of revenues over expenditures	(398,344)	43,531	441,875
OTHER FINANCING SOURCES (USES)			
Transfers out	(55,720)	-	55,720
TOTAL OTHER FINANCING SOURCES (USES)	(55,720)	-	55,720
Net change in fund balance	(454,064)	43,531	497,595
Fund balance at beginning of year	454,064	512,781	58,717
Fund balance at end of year	\$ -	\$ 556,312	\$ 556,312

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, 2020**

	Budget	Actual	Variance
REVENUES			
Licenses, permits and fees	\$ 470,400	\$ 471,875	\$ 1,475
Interest	7,000	7,954	954
TOTAL REVENUES	477,400	479,829	2,429
EXPENDITURES			
Stormwater improvements	390,198	11,779	378,419
TOTAL EXPENDITURES	390,198	11,779	378,419
Excess (deficiency) of revenues over expenditures	87,202	468,050	380,848
OTHER FINANCING SOURCES (USES)			
Transfers out	(519,872)	(519,872)	-
TOTAL OTHER FINANCING SOURCES (USES)	(519,872)	(519,872)	-
Net change in fund balance	(432,670)	(51,822)	380,848
Fund balance at beginning of year	432,670	437,298	4,628
Fund balance at end of year	\$ -	\$ 385,476	\$ 385,476

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, 2020**

	Budget	Actual	Variance
REVENUES			
System development charges	\$ 17,000	\$ 34,050	\$ 17,050
Interest	2,000	2,248	248
TOTAL REVENUES	19,000	36,298	17,298
EXPENDITURES			
Stormwater improvements	92,282	-	92,282
TOTAL EXPENDITURES	92,282	-	92,282
Excess (deficiency) of revenues over expenditures	(73,282)	36,298	109,580
OTHER FINANCING SOURCES (USES)			
Transfers out	(50,000)	-	50,000
TOTAL OTHER FINANCING SOURCES (USES)	(50,000)	-	50,000
Net change in fund balance	(123,282)	36,298	159,580
Fund balance at beginning of year	123,282	94,382	(28,900)
Fund balance at end of year	\$ -	\$ 130,680	\$ 130,680

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, 2020**

	Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ -	\$ 250,000	\$ 250,000
Interest	6,150	12,595	6,445
TOTAL REVENUES	6,150	262,595	256,445
EXPENDITURES			
Capital outlay	1,031,931	76,575	955,356
TOTAL EXPENDITURES	1,031,931	76,575	955,356
Excess (deficiency) of revenues over expenditures	(1,025,781)	186,020	1,211,801
OTHER FINANCING SOURCES (USES)			
Transfers in	800,000	800,000	-
TOTAL OTHER FINANCING SOURCES (USES)	800,000	800,000	-
Net change in fund balance	(225,781)	986,020	1,211,801
Fund balance at beginning of year	225,781	333,144	107,363
Fund balance at end of year	\$ -	\$ 1,319,164	\$ 1,319,164

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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, 2020**

	Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 500,000	\$ -	\$ (500,000)
Interest	10,000	39,615	29,615
TOTAL REVENUES	510,000	39,615	(470,385)
EXPENDITURES			
Capital outlay	4,337,866	291,500	4,046,366
TOTAL EXPENDITURES	4,337,866	291,500	4,046,366
Excess (deficiency) of revenues over expenditures	(3,827,866)	(251,885)	3,575,981
OTHER FINANCING SOURCES (USES)			
Transfers in	2,598,851	1,615,623	(983,228)
TOTAL OTHER FINANCING SOURCES (USES)	2,598,851	1,615,623	(983,228)
Net change in fund balance	(1,229,015)	1,363,738	2,592,753
Fund balance at beginning of year	1,229,015	1,233,771	4,756
Fund balance at end of year	\$ -	\$ 2,597,509	\$ 2,597,509

CITY OF SILVERTON

**COMBINING STATEMENT OF NET POSITION
SEWER FUNDS
June 30, 2020**

	Sewer	Sewer Improvement SDC	Sewer Reimbursement SDC	Sewer Debt Reserve
ASSETS				
Current assets				
Cash and cash equivalents	\$ 1,893,796	\$ 1,295,223	\$ 2,091,429	\$ 824,885
Receivables, net	337,807	-	-	-
Inventories	<u>17,987</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total current assets	 2,249,590	 1,295,223	 2,091,429	 824,885
 Net other postemployment benefit asset	 7,113	 -	 -	 -
Capital assets				
Land and construction in progress	1,774,489	-	-	-
Other capital assets, net	<u>20,857,168</u>	<u>-</u>	<u>-</u>	<u>-</u>
 TOTAL ASSETS	 <u>24,888,360</u>	 <u>1,295,223</u>	 <u>2,091,429</u>	 <u>824,885</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	346,847	-	-	-
Other postemployment benefit related items	<u>1,801</u>	<u>-</u>	<u>-</u>	<u>-</u>
 TOTAL DEFERRED OUTFLOWS OF RESOURCES	 <u>348,648</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	40,843	-	-	-
Accrued interest payable	30,433	-	-	-
Compensated absences	36,438	-	-	-
Long-term obligations due within one year	<u>465,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total current liabilities	 572,714	 -	 -	 -
 Long-term obligations due in more than one year	 <u>8,765,805</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 TOTAL LIABILITIES	 <u>9,338,519</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related items	61,968	-	-	-
Other postemployment benefit related items	<u>16,152</u>	<u>-</u>	<u>-</u>	<u>-</u>
 TOTAL DEFERRED INFLOWS OF RESOURCES	 <u>78,120</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
NET POSITION				
Net investment in capital assets	14,241,657	-	-	-
Restricted for:				
Capital projects	-	1,295,223	2,091,429	-
Debt service	-	-	-	627,918
Unrestricted	<u>1,578,712</u>	<u>-</u>	<u>-</u>	<u>196,967</u>
 TOTAL NET POSITION	 <u>\$ 15,820,369</u>	 <u>\$ 1,295,223</u>	 <u>\$ 2,091,429</u>	 <u>\$ 824,885</u>

Continued on next page

WWTP		
Digester Project	Sewer Capital Project	Total Sewer Fund
\$ 327,486	\$ 2,440,190	\$ 8,873,009
-	-	337,807
-	-	<u>17,987</u>
327,486	2,440,190	9,228,803
-	-	7,113
-	-	1,774,489
-	-	<u>20,857,168</u>
<u>327,486</u>	<u>2,440,190</u>	<u>31,867,573</u>
-	-	346,847
-	-	<u>1,801</u>
-	-	<u>348,648</u>
14,556	-	55,399
-	-	30,433
-	-	36,438
-	-	<u>465,000</u>
14,556	-	587,270
-	-	<u>8,765,805</u>
<u>14,556</u>	-	<u>9,353,075</u>
-	-	61,968
-	-	<u>16,152</u>
-	-	<u>78,120</u>
-	-	14,241,657
312,930	-	3,699,582
-	-	627,918
-	<u>2,440,190</u>	<u>4,215,869</u>
<u>\$ 312,930</u>	<u>\$ 2,440,190</u>	<u>\$ 22,785,026</u>

CITY OF SILVERTON

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
SEWER FUNDS
For the Year Ended June 30, 2020**

	Sewer	Sewer Improvement SDC	Sewer Reimbursement SDC
OPERATING REVENUES			
Charges for services	\$ 3,788,774	\$ -	\$ -
Total operating revenues	3,788,774	-	-
OPERATING EXPENSES			
Personal services	898,849	-	-
Materials and services	617,297	-	-
Depreciation	693,619	-	-
Total operating expenses	2,209,765	-	-
Operating (loss)	1,579,009	-	-
NON-OPERATING REVENUES (EXPENSES)			
Interest	39,506	25,281	41,519
Miscellaneous	18,412	-	-
Interest	(380,193)	-	-
Total non-operating revenues (expenses)	(322,275)	25,281	41,519
Income (loss) before capital contributions and transfers	1,256,734	25,281	41,519
Capital contributions	-	178,574	93,223
Transfers in	348,781	-	881,000
Transfers out	(996,078)	-	-
Change in net position	609,437	203,855	1,015,742
Net position at beginning of year	15,210,932	1,091,368	1,075,687
Net position at end of year	\$ 15,820,369	\$ 1,295,223	\$ 2,091,429

<u>Sewer Debt Reserve</u>	<u>WWTP Digester Project</u>	<u>Sewer Capital Project</u>	<u>Eliminations</u>	<u>Total Sewer Fund</u>
\$ -	\$ -	\$ -	\$ -	\$ 3,788,774
-	-	-	-	3,788,774
-	-	-	-	898,849
-	-	-	-	617,297
-	-	-	-	693,619
-	-	-	-	2,209,765
-	-	-	-	1,579,009
18,265	10,838	52,467	-	187,876
-	-	-	-	18,412
-	-	-	-	(380,193)
18,265	10,838	52,467	-	(173,905)
18,265	10,838	52,467	-	1,405,104
-	-	-	-	271,797
82,443	-	-	(1,198,375)	113,849
<u>(804,250)</u>	<u>(304,427)</u>	<u>(12,948)</u>	<u>1,198,375</u>	<u>(919,328)</u>
(703,542)	(293,589)	39,519	-	871,422
<u>1,528,427</u>	<u>606,519</u>	<u>2,400,671</u>	<u>-</u>	<u>21,913,604</u>
<u>\$ 824,885</u>	<u>\$ 312,930</u>	<u>\$ 2,440,190</u>	<u>\$ -</u>	<u>\$ 22,785,026</u>

CITY OF SILVERTON
COMBINING STATEMENT OF CASH FLOWS
SEWER FUNDS
For the Year Ended June 30, 2020

	Sewer	Sewer Improvement SDC	Sewer Reimbursement SDC	Sewer Debt Reserve	WWTP Digester Project	Sewer Capital Project	Eliminations	Total Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts from customers	\$ 3,803,469	\$ 1,306	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,804,775
Payments to suppliers	(631,400)	(946)	-	-	-	-	-	(632,346)
Payments to employees	(878,383)	-	-	-	-	-	-	(878,383)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ 2,293,686	360	-	-	-	-	-	2,294,046
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
System development charges received	-	178,574	93,223	-	-	-	-	271,797
Other	18,412	-	-	-	-	-	-	18,412
Transfers in	-	-	881,000	82,443	-	-	(881,000)	82,443
Transfers out	(995,567)	-	-	(804,250)	-	-	881,000	(918,817)
Acquisition of capital assets	(145,378)	-	-	-	(291,517)	(12,948)	-	(449,843)
Principal paid on long-term obligations	(445,000)	-	-	-	-	-	-	(445,000)
Interest paid on long-term obligations	(381,554)	-	-	-	-	-	-	(381,554)
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	(1,949,087)	178,574	974,223	(721,807)	(291,517)	(12,948)	2	(1,822,562)
CASH FLOWS FROM INVESTING ACTIVITIES								
Interest	39,506	25,281	41,519	18,265	10,838	52,467	52,467	187,876
NET CASH PROVIDED BY INVESTING ACTIVITIES	39,506	25,281	41,519	18,265	10,838	52,467	52,467	187,876
Net increase (decrease) in cash and cash equivalents	384,105	204,215	1,015,742	(703,542)	(280,679)	39,519	52,469	659,360
Cash and cash equivalents - beginning of year	1,509,691	1,091,008	1,075,687	1,528,427	608,165	2,400,671	2,400,671	8,213,649
Cash and cash equivalents - end of year	<u>\$ 1,893,796</u>	<u>\$ 1,295,223</u>	<u>\$ 2,091,429</u>	<u>\$ 824,885</u>	<u>\$ 327,486</u>	<u>\$ 2,440,190</u>	<u>\$ 2,453,140</u>	<u>\$ 8,873,009</u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES								
Operating (loss)	\$ 1,579,009	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,579,009
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities								
Depreciation	693,619	-	-	-	-	-	-	693,619
Decrease (increase) in assets and deferred outflows								
Receivables	14,695	1,306	-	-	-	-	-	16,001
Inventories	(10,033)	-	-	-	-	-	-	(10,033)
Net other postemployment benefit asset	(2,464)	-	-	-	-	-	-	(2,464)
Pension related items	(77,422)	-	-	-	-	-	-	(77,422)
Other postemployment benefit related items	334	-	-	-	-	-	-	334
Increase (decrease) in liabilities and deferred inflows								
Accounts payable and accrued liabilities	(4,070)	(946)	-	-	-	-	-	(5,016)
Accumulated unpaid vacation	4,296	-	-	-	-	-	-	4,296
Net pension liability	107,514	-	-	-	-	-	-	107,514
Other postemployment benefit liability	3,189	-	-	-	-	-	-	3,189
Pension related items	(12,242)	-	-	-	-	-	-	(12,242)
Other postemployment benefit related items	(2,739)	-	-	-	-	-	-	(2,739)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ 2,293,686	\$ 360	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,294,046
SUPPLEMENTAL DISCLOSURE OF NON-CASH TRANSACTIONS								
Transfers in	\$ 348,781	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (317,375)	\$ 31,406
Transfers out	(511)	-	-	-	(304,427)	(12,948)	317,375	(511)
Total non-cash transactions	\$ 348,270	\$ -	\$ -	\$ -	\$ (304,427)	\$ (12,948)	\$ -	\$ 30,895

CITY OF SILVERTON

**SEWER - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2020**

	Budget	Actual	Variance
REVENUES			
Charges for services	\$ 3,627,197	\$ 3,788,774	\$ 161,577
Interest	35,000	39,506	4,506
Miscellaneous	-	18,412	18,412
TOTAL REVENUES	3,662,197	3,846,692	184,495
EXPENDITURES			
Sewer administration	359,509	309,831	49,678
Sewer operations	1,379,610	992,027	387,583
Sewer maintenance	469,120	343,496	125,624
Debt service	826,560	826,554	6
Contingency	606,604	-	606,604
TOTAL EXPENDITURES	3,641,403	2,471,908	1,169,495
Excess (deficiency) of revenues over expenditures	20,794	1,374,784	1,353,990
OTHER FINANCING SOURCES (USES)			
Transfers out	(995,567)	(995,567)	-
TOTAL OTHER FINANCING SOURCES (USES)	(995,567)	(995,567)	-
Net change in fund balance	(974,773)	379,217	1,353,990
Fund balance at beginning of year	1,468,473	1,793,092	324,619
Fund balance at end of year	\$ 493,700	2,172,309	\$ 1,678,609
Reconciliation to generally accepted accounting principles			
Net other postemployment benefits asset		7,113	
Capital assets, net		22,631,657	
Deferred outflows of resources		348,648	
Accrued interest payable		(30,433)	
Net pension liability		(815,768)	
Long-term obligations		(8,390,000)	
Other postemployment benefits liability		(25,037)	
Deferred inflows of resources		(78,120)	
Net position at end of year		\$ 15,820,369	

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, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
System development charges	\$ 125,000	\$ 178,574	\$ 53,574
Interest	<u>10,000</u>	<u>25,281</u>	<u>15,281</u>
TOTAL REVENUES	<u>135,000</u>	<u>203,855</u>	<u>68,855</u>
EXPENDITURES			
Sewer improvements	<u>1,102,171</u>	<u>-</u>	<u>1,102,171</u>
TOTAL EXPENDITURES	<u>1,102,171</u>	<u>-</u>	<u>1,102,171</u>
Excess (deficiency) of revenues over expenditures	(967,171)	203,855	1,171,026
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>
Net change in fund balance	(1,017,171)	203,855	1,221,026
Fund balance at beginning of year	<u>1,017,171</u>	<u>1,091,368</u>	<u>74,197</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 1,295,223</u>	<u>\$ 1,295,223</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, 2020**

	Budget	Actual	Variance
REVENUES			
System development charges	\$ 81,240	\$ 93,223	\$ 11,983
Interest	<u>20,000</u>	<u>41,519</u>	<u>21,519</u>
TOTAL REVENUES	<u>101,240</u>	<u>134,742</u>	<u>33,502</u>
EXPENDITURES			
Sewer improvements	<u>300,000</u>	<u>-</u>	<u>300,000</u>
TOTAL EXPENDITURES	<u>300,000</u>	<u>-</u>	<u>300,000</u>
Excess (deficiency) of revenues over expenditures	<u>(198,760)</u>	<u>134,742</u>	<u>333,502</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	881,000	881,000	-
Transfers out	<u>(352,508)</u>	<u>-</u>	<u>352,508</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>528,492</u>	<u>881,000</u>	<u>352,508</u>
Net change in fund balance	329,732	1,015,742	686,010
Fund balance at beginning of year	<u>1,043,115</u>	<u>1,075,687</u>	<u>32,572</u>
Fund balance at end of year	<u><u>\$ 1,372,847</u></u>	<u><u>\$ 2,091,429</u></u>	<u><u>\$ 718,582</u></u>

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, 2020**

	Budget	Actual	Variance
REVENUES			
Interest	\$ 22,000	\$ 18,265	\$ (3,735)
TOTAL REVENUES	22,000	18,265	(3,735)
OTHER FINANCING SOURCES (USES)			
Transfers in	95,613	82,443	(13,170)
Transfers out	(804,250)	(804,250)	-
TOAL OTHER FINANCING SOURCES (USES)	(708,637)	(721,807)	(13,170)
Net change in fund balance	(686,637)	(703,542)	(16,905)
Fund balance at beginning of year	1,521,715	1,528,427	6,712
Fund balance at end of year	\$ 835,078	\$ 824,885	\$ (10,193)

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, 2020**

	Budget	Actual	Variance
REVENUES			
Interest	\$ 6,000	\$ 10,838	\$ 4,838
TOTAL REVENUES	6,000	10,838	4,838
EXPENDITURES			
Sewer improvements	586,991	304,427	282,564
TOTAL EXPENDITURES	586,991	304,427	282,564
Net change in fund balance	(580,991)	(293,589)	287,402
Fund balance at beginning of year	580,991	606,519	25,528
Fund balance at end of year	\$ -	\$ 312,930	\$ 312,930

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, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Interest	\$ 38,000	\$ 52,467	\$ 14,467
TOTAL REVENUES	<u>38,000</u>	<u>52,467</u>	<u>14,467</u>
EXPENDITURES			
Sewer improvements	<u>2,457,963</u>	<u>12,948</u>	<u>2,445,015</u>
TOTAL EXPENDITURES	<u>2,457,963</u>	<u>12,948</u>	<u>2,445,015</u>
Net change in fund balance	(2,419,963)	39,519	2,459,482
Fund balance at beginning of year	<u>2,419,963</u>	<u>2,400,671</u>	<u>(19,292)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 2,440,190</u>	<u>\$ 2,440,190</u>

CITY OF SILVERTON

COMBINING STATEMENT OF NET POSITION
WATER FUNDS
June 30, 2020

	Water	Water Improvement SDC	Water Reimbursement SDC	Water Capital Project	Total Water Fund
ASSETS					
Current assets					
Cash and cash equivalents	\$ 1,653,932	\$ 2,390,841	\$ 435,890	\$ 1,012,221	\$ 5,492,884
Receivables	232,057	-	-	-	232,057
Inventories	94,555	-	-	-	94,555
Total current assets	1,980,544	2,390,841	435,890	1,012,221	5,819,496
Net other postemployment benefit asset	5,550	-	-	-	5,550
Capital assets					
Land and construction in progress	566,851	-	-	-	566,851
Other capital assets, net	7,672,886	-	-	-	7,672,886
TOTAL ASSETS	<u>10,225,831</u>	<u>2,390,841</u>	<u>435,890</u>	<u>1,012,221</u>	<u>14,064,783</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	270,642	-	-	-	270,642
Other postemployment benefit related items	1,406	-	-	-	1,406
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>272,048</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>272,048</u>
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	54,756	-	-	49,914	104,670
Consumer deposits	69,242	-	-	-	69,242
Accrued interest payable	3,207	-	-	-	3,207
Compensated absences	28,109	-	-	-	28,109
Long-term obligations due within one year	175,861	-	-	-	175,861
Total current liabilities	331,175	-	-	49,914	381,089
Long-term obligations due in more than one year	1,119,801	-	-	-	1,119,801
TOTAL LIABILITIES	<u>1,450,976</u>	<u>-</u>	<u>-</u>	<u>49,914</u>	<u>1,500,890</u>
DEFERRED INFLOWS OF RESOURCES					
Pension related items	48,353	-	-	-	48,353
Other postemployment benefit related items	12,604	-	-	-	12,604
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>60,957</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,957</u>
NET POSITION					
Net investment in capital assets	7,600,151	-	-	-	7,600,151
Restricted for:					
Capital projects	-	2,390,841	435,890	-	2,826,731
Unrestricted	1,385,795	-	-	962,307	2,348,102
TOTAL NET POSITION	<u>\$ 8,985,946</u>	<u>\$ 2,390,841</u>	<u>\$ 435,890</u>	<u>\$ 962,307</u>	<u>\$ 12,774,984</u>

CITY OF SILVERTON

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
WATER FUNDS
For the Year Ended June 30, 2020

	Water	Water Improvement SDC	Water Reimbursement SDC	Water Capital Project	Eliminations	Total Water Fund
OPERATING REVENUES						
Charges for services	\$ 2,596,539	\$ -	\$ -	\$ -	\$ -	\$ 2,596,539
Licenses, permits and fees	10,350	-	-	-	-	10,350
Total operating revenues	<u>2,606,889</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,606,889</u>
OPERATING EXPENSES						
Personal services	704,521	-	-	-	-	704,521
Materials and services	340,548	-	-	24,345	-	364,893
Depreciation	360,322	-	-	-	-	360,322
Total operating expenses	<u>1,405,391</u>	<u>-</u>	<u>-</u>	<u>24,345</u>	<u>-</u>	<u>1,429,736</u>
Operating income (loss)	<u>1,201,498</u>	<u>-</u>	<u>-</u>	<u>(24,345)</u>	<u>-</u>	<u>1,177,153</u>
NON-OPERATING REVENUES (EXPENSES)						
Interest	38,636	45,987	8,262	17,392	-	110,277
Miscellaneous	209	-	-	-	-	209
Interest	(21,889)	-	-	-	-	(21,889)
Total non-operating revenues (expenses)	<u>16,956</u>	<u>45,987</u>	<u>8,262</u>	<u>17,392</u>	<u>-</u>	<u>88,597</u>
Income (loss) before capital contributions and transfers	1,218,454	45,987	8,262	(6,953)	-	1,265,750
Capital contributions	-	362,324	79,657	-	-	441,981
Transfers in	100,513	-	-	480,000	(580,513)	-
Transfers out	(1,454,127)	-	-	(126,082)	580,513	(999,696)
Change in net position	(135,160)	408,311	87,919	346,965	-	708,035
Net position at beginning of year	<u>9,121,106</u>	<u>1,982,530</u>	<u>347,971</u>	<u>615,342</u>	<u>-</u>	<u>12,066,949</u>
Net position at end of year	<u>\$ 8,985,946</u>	<u>\$ 2,390,841</u>	<u>\$ 435,890</u>	<u>\$ 962,307</u>	<u>\$ -</u>	<u>\$ 12,774,984</u>

CITY OF SILVERTON
COMBINING STATEMENT OF CASH FLOWS
WATER FUNDS
For the Year Ended June 30, 2020

	Water	Water Improvement SDC	Water Reimbursement SDC	Water Capital Project	Eliminations	Total Water Fund
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 2,623,732	\$ -	\$ -	\$ -	\$ -	\$ 2,623,732
Payments to suppliers	(372,795)	(946)	-	25,569	-	(348,172)
Payments to employees	(675,957)	-	-	-	-	(675,957)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>1,574,980</u>	<u>(946)</u>	<u>-</u>	<u>25,569</u>	<u>-</u>	<u>1,599,603</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
System development charges received	-	362,324	79,657	-	-	441,981
Other	209	-	-	-	-	209
Transfers in	-	-	-	480,000	(480,000)	-
Transfers out	(1,452,649)	-	-	-	480,000	(972,649)
Acquisition of capital assets	(109,626)	-	-	(126,082)	-	(235,708)
Principal paid on long-term obligations	(170,979)	-	-	-	-	(170,979)
Interest paid on long-term obligations	(22,746)	-	-	-	-	(22,746)
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(1,755,791)</u>	<u>362,324</u>	<u>79,657</u>	<u>353,918</u>	<u>-</u>	<u>(959,892)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest	38,636	45,987	8,262	17,392	-	110,277
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>38,636</u>	<u>45,987</u>	<u>8,262</u>	<u>17,392</u>	<u>-</u>	<u>110,277</u>
Net increase (decrease) in cash and cash equivalents	(142,175)	407,365	87,919	396,879	-	749,988
Cash and cash equivalents - beginning of year	1,796,107	1,983,476	347,971	615,342	-	4,742,896
Cash and cash equivalents - end of year	<u>\$ 1,653,932</u>	<u>\$ 2,390,841</u>	<u>\$ 435,890</u>	<u>\$ 1,012,221</u>	<u>\$ -</u>	<u>\$ 5,492,884</u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES						
Operating income (loss)	\$ 1,201,498	\$ -	\$ -	\$ (24,345)	\$ -	\$ 1,177,153
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities						
Depreciation	360,322	-	-	-	-	360,322
Decrease (increase) in assets and deferred outflows						
Receivables	14,229	-	-	-	-	14,229
Inventories	(12,733)	-	-	-	-	(12,733)
Net other postemployment benefit asset	(2,005)	-	-	-	-	(2,005)
Pension related items	(65,191)	-	-	-	-	(65,191)
Other postemployment benefit related items	222	-	-	-	-	222
Increase (decrease) in liabilities and deferred inflows						
Accounts payable and accrued liabilities	(19,514)	(946)	-	49,914	-	29,454
Consumer deposits	2,614	-	-	-	-	2,614
Accumulated unpaid vacation	6,252	-	-	-	-	6,252
Net pension liability	96,449	-	-	-	-	96,449
Other postemployment benefit liability	2,876	-	-	-	-	2,876
Pension related items	(8,237)	-	-	-	-	(8,237)
Other postemployment benefit related items	(1,802)	-	-	-	-	(1,802)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 1,574,980</u>	<u>\$ (946)</u>	<u>\$ -</u>	<u>\$ 25,569</u>	<u>\$ -</u>	<u>\$ 1,599,603</u>
SUPPLEMENTAL DISCLOSURE OF NON-CASH TRANSACTIONS						
Transfers in	\$ 100,513	\$ -	\$ -	\$ -	\$ (100,513)	\$ -
Transfers out	(1,478)	-	-	(126,082)	100,513	(27,047)
Total non-cash transactions	<u>\$ 99,035</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (126,082)</u>	<u>\$ -</u>	<u>\$ (27,047)</u>

CITY OF SILVERTON

**WATER - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2020**

	Budget	Actual	Variance
REVENUES			
Licenses, permits and fees	\$ 10,350	\$ 10,350	\$ -
Charges for services	2,825,600	2,596,539	(229,061)
Interest	13,000	38,636	25,636
Miscellaneous	-	209	209
TOTAL REVENUES	2,848,950	2,645,734	(203,216)
EXPENDITURES			
Water administration	475,260	356,076	119,184
Water operations	732,849	320,985	411,864
Water maintenance	613,854	455,322	158,532
Debt service	193,730	193,725	5
Contingency	544,456	-	544,456
TOTAL EXPENDITURES	2,560,149	1,326,108	1,234,041
Excess (deficiency) of revenues over expenditures	288,801	1,319,626	1,030,825
OTHER FINANCING SOURCES (USES)			
Transfers out	(1,452,649)	(1,452,649)	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,452,649)	(1,452,649)	-
Net change in fund balance	(1,163,848)	(133,023)	1,030,825
Fund balance at beginning of year	1,885,389	1,961,460	76,071
Fund balance at end of year	\$ 721,541	1,828,437	\$ 1,106,896
Reconciliation to generally accepted accounting principles			
Net other postemployment benefits asset		5,550	
Capital assets, net		8,239,737	
Deferred outflows of resources		272,048	
Accrued interest payable		(3,207)	
Net pension liability		(636,540)	
Long-term obligations		(639,586)	
Other postemployment benefits liability		(19,536)	
Deferred inflows of resources		(60,957)	
Net position at end of year		\$ 8,985,946	

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, 2020**

	Budget	Actual	Variance
REVENUES			
System development charges	\$ 300,000	\$ 362,324	\$ 62,324
Interest	23,000	45,987	22,987
TOTAL REVENUES	323,000	408,311	85,311
EXPENDITURES			
Water improvements	933,648	-	933,648
TOTAL EXPENDITURES	933,648	-	933,648
Excess (deficiency) of revenues over expenditures	(610,648)	408,311	1,018,959
OTHER FINANCING SOURCES (USES)			
Transfers out	(1,150,000)	-	1,150,000
TOTAL OTHER FINANCING SOURCES (USES)	(1,150,000)	-	1,150,000
Net change in fund balance	(1,760,648)	408,311	2,168,959
Fund balance at beginning of year	1,760,648	1,982,530	221,882
Fund balance at end of year	\$ -	\$ 2,390,841	\$ 2,390,841

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, 2020**

	Budget	Actual	Variance
REVENUES			
System development charges	\$ 50,000	\$ 79,657	\$ 29,657
Interest	<u>3,500</u>	<u>8,262</u>	<u>4,762</u>
TOTAL REVENUES	<u>53,500</u>	<u>87,919</u>	<u>34,419</u>
EXPENDITURES			
Water improvements	<u>325,096</u>	<u>-</u>	<u>325,096</u>
TOTAL EXPENDITURES	<u>325,096</u>	<u>-</u>	<u>325,096</u>
Excess (deficiency) of revenues over expenditures	<u>(271,596)</u>	<u>87,919</u>	<u>359,515</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(75,000)</u>	<u>-</u>	<u>(75,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(75,000)</u>	<u>-</u>	<u>(75,000)</u>
Net change in fund balance	(346,596)	87,919	434,515
Fund balance at beginning of year	<u>346,596</u>	<u>347,971</u>	<u>1,375</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 435,890</u></u>	<u><u>\$ 435,890</u></u>

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, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 1,150,000	\$ -	\$ (1,150,000)
Interest	<u>4,800</u>	<u>17,392</u>	<u>12,592</u>
TOTAL REVENUES	<u>1,154,800</u>	<u>17,392</u>	<u>(1,137,408)</u>
EXPENDITURES			
Water improvements	<u>3,394,782</u>	<u>150,427</u>	<u>3,244,355</u>
TOTAL EXPENDITURES	<u>3,394,782</u>	<u>150,427</u>	<u>3,244,355</u>
Excess (deficiency) of revenues over expenditures	<u>(2,239,982)</u>	<u>(133,035)</u>	<u>2,106,947</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>1,630,000</u>	<u>480,000</u>	<u>(1,150,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,630,000</u>	<u>480,000</u>	<u>(1,150,000)</u>
Net change in fund balance	(609,982)	346,965	956,947
Fund balance at beginning of year	<u>609,982</u>	<u>615,342</u>	<u>5,360</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 962,307</u>	<u>\$ 962,307</u>

CITY OF SILVERTON

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2020**

	<u>Fleet</u>	<u>Major</u> <u>Equipment</u>	<u>Extended</u>	<u>Totals</u>
	<u>Replacement</u>	<u>Replacement</u>	<u>Leave</u>	
ASSETS				
Current assets				
Cash and cash equivalents	\$ 1,476,771	\$ 1,101,987	\$ 132,240	\$ 2,710,998
TOTAL ASSETS	<u>1,476,771</u>	<u>1,101,987</u>	<u>132,240</u>	<u>2,710,998</u>
NET POSITION				
Unrestricted	<u>1,476,771</u>	<u>1,101,987</u>	<u>132,240</u>	<u>2,710,998</u>
TOTAL NET POSITION	<u>\$ 1,476,771</u>	<u>\$ 1,101,987</u>	<u>\$ 132,240</u>	<u>\$ 2,710,998</u>

CITY OF SILVERTON

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2020**

	Fleet Replacement	Major Equipment Replacement	Extended Leave	Totals
NONOPERATING REVENUES (EXPENSES)				
Interest	\$ 32,343	\$ 23,760	\$ 2,831	\$ 58,934
Sale of capital assets	<u>10,885</u>	<u>6,500</u>	<u>-</u>	<u>17,385</u>
Total nonoperating revenues (expenses)	<u>43,228</u>	<u>30,260</u>	<u>2,831</u>	<u>76,319</u>
Income before transfers	43,228	30,260	2,831	76,319
Transfers in	160,981	93,148	-	254,129
Transfers out	<u>(50,786)</u>	<u>(107,500)</u>	<u>-</u>	<u>(158,286)</u>
Change in net position	153,423	15,908	2,831	172,162
Net position at beginning of year	<u>1,323,348</u>	<u>1,086,079</u>	<u>129,409</u>	<u>2,538,836</u>
Net position at end of year	<u>\$ 1,476,771</u>	<u>\$ 1,101,987</u>	<u>\$ 132,240</u>	<u>\$ 2,710,998</u>

CITY OF SILVERTON

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2020**

	<u>Fleet</u>	<u>Major</u> <u>Equipment</u>	<u>Extended</u>	<u>Totals</u>
	<u>Replacement</u>	<u>Replacement</u>	<u>Leave</u>	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Transfers in	\$ 160,981	\$ 93,148	\$ -	\$ 254,129
Acquisition of capital assets	(50,786)	(107,500)	-	(158,286)
Sale of capital assets	<u>10,885</u>	<u>6,500</u>	<u>-</u>	<u>17,385</u>
NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>121,080</u>	<u>(7,852)</u>	<u>-</u>	<u>113,228</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest	<u>32,343</u>	<u>23,760</u>	<u>2,831</u>	<u>58,934</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>32,343</u>	<u>23,760</u>	<u>2,831</u>	<u>58,934</u>
Net increase (decrease) in cash and cash equivalents	153,423	15,908	2,831	172,162
Cash and cash equivalents - beginning of year	<u>1,323,348</u>	<u>1,086,079</u>	<u>129,409</u>	<u>2,538,836</u>
Cash and cash equivalents - end of year	<u>\$ 1,476,771</u>	<u>\$ 1,101,987</u>	<u>\$ 132,240</u>	<u>\$ 2,710,998</u>
SUPPLEMENTAL DISCLOSURE OF NON-CASH TRANSACTIONS				
Transfers out	<u>\$ (50,786)</u>	<u>\$ (107,500)</u>	<u>\$ -</u>	<u>\$ (158,286)</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, 2020**

	Budget	Actual	Variance
REVENUES			
Interest	\$ 25,000	\$ 32,343	\$ 7,343
TOTAL REVENUES	25,000	32,343	7,343
EXPENDITURES			
Capital outlay	72,456	50,786	21,670
TOTAL EXPENDITURES	72,456	50,786	21,670
Excess (deficiency) of revenues over expenditures	(47,456)	(18,443)	29,013
OTHER FINANCING SOURCES (USES)			
Transfers in	160,981	160,981	-
Sale of capital assets	-	10,885	10,885
TOAL OTHER FINANCING SOURCES (USES)	160,981	171,866	10,885
Net change in fund balance	113,525	153,423	39,898
Fund balance at beginning of year	1,315,900	1,323,348	7,448
Fund balance at end of year	\$ 1,429,425	\$ 1,476,771	\$ 47,346

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, 2020**

	Budget	Actual	Variance
REVENUES			
Interest	\$ 18,000	\$ 23,760	\$ 5,760
TOTAL REVENUES	18,000	23,760	5,760
EXPENDITURES			
Capital outlay	1,188,107	107,500	1,080,607
TOTAL EXPENDITURES	1,188,107	107,500	1,080,607
Excess (deficiency) of revenues over expenditures	(1,170,107)	(83,740)	1,086,367
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	-	6,500	6,500
Transfers in	93,148	93,148	-
TOAL OTHER FINANCING SOURCES (USES)	93,148	99,648	6,500
Net change in fund balance	(1,076,959)	15,908	1,092,867
Fund balance at beginning of year	1,076,959	1,086,079	9,120
Fund balance at end of year	\$ -	\$ 1,101,987	\$ 1,101,987

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, 2020**

	Budget	Actual	Variance
REVENUES			
Interest	\$ 3,000	\$ 2,831	\$ (169)
TOTAL REVENUES	3,000	2,831	(169)
EXPENDITURES			
Personnel services	131,566	-	131,566
TOTAL EXPENDITURES	131,566	-	131,566
Net change in fund balance	(128,566)	2,831	131,397
Fund balance at beginning of year	128,566	129,409	843
Fund balance at end of year	\$ -	\$ 132,240	\$ 132,240

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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 (the "City") as of and for the year ended June 30, 2020, and have issued our report thereon dated December 22, 2020.

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).

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.

Honorable Mayor and Members of the City Council
City of Silverton
Independent Auditor's Report Required by
Oregon State Regulations
December 22, 2020
Page Two

OAR 162-10-0230 Internal Control

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the 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. We have separately communicated deficiencies in internal control in a letter to those charged with governance.

Restriction on Use

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

Singer Lewak LLP

December 22, 2020

By:



Bradley G. Bingenheimer,
Member