



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended
June 30, 2020

CITY OF GRESHAM OREGON

CITY OF GRESHAM, OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT For the Fiscal Year Ended June 30, 2020

Prepared by
Finance & Management Services Department

CITY OF
GRESHAM
GOING BEYOND

**City Of Gresham, Oregon
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020**

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CITY OF
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January 29, 2021

To Mayor Travis Stovall, Council Members, and the Citizens of Gresham:

The Department of Budget and Finance is pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Gresham, Oregon for the fiscal year ended June 30, 2020. The report is published in accordance with Oregon Revised Statutes which require all municipal corporations to publish audited financial statements within six months after the close of the fiscal year.

The CAFR includes information on the financial condition and operations of the City, and management is responsible for the contents. Our assertions are based upon a comprehensive framework of internal control that provides reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The certified public accounting firm Isler CPA performed an audit of the basic financial statements and other information using generally accepted auditing standards and governmental auditing standards. Their unmodified opinion on the basic financial statements is located in the front of the financial section of the CAFR.

Management’s discussion and analysis (MD&A) immediately follows the independent auditors’ report and provides a narrative introduction, overview, and analysis of the basic financial statements. It provides additional information to this letter and this letter should be read in conjunction with it.

CITY PROFILE

The City of Gresham is located in northwestern Oregon, in the eastern part of the Portland metropolitan area, in Multnomah County. It is comprised of approximately 23.3 square miles reaching north to the Columbia River and south to the county line. With an estimated population of 112,660 Gresham is the fourth largest city in Oregon. Major manufacturing industries include aircraft frames, integrated circuits for the microelectronics industry, industrial equipment and food processing.

Gresham was incorporated in 1905. It is a “home rule city” operating under a city charter adopted in 1978 and last amended in 2012. The City Charter and City Code are consistent with the Oregon constitution and statutes. The Council-Manager form of government is vested in an elected seven-member City Council, which includes the Mayor. The Mayor and Council members provide community leadership and develop policies to guide the City by setting goals, passing ordinances and adopting resolutions, appointing advisory committees, authorizing contracts, adopting budgets, and hiring and overseeing the work of the City Manager and City Attorney.

The City Manager is the administrative head of the City and is responsible for ensuring that Council policies are implemented using appropriated resources to achieve desired service results in the community. He also oversees the day-to-day operations of the City. The City Attorney provides legal advice to the Council and staff and defends the City in litigation.

The City provides a full range of services which are delivered by thirteen departments: Police, Fire & Emergency Services, Community Livability, Economic Development Services, Community Development, Urban Design & Planning Services, Environmental Services, Parks, Governance & Management, Finance & Management Services, Information Technology, City-Wide Services, and City Attorney’s Office. The functions of each department are outlined in an organization chart in the Introductory Section.

Budget Process. The City's annual budget is prepared in accordance with the provisions of Oregon Local Budget Law. Under the applicable provisions, there must be public participation in the budget process and the adopted budget must be balanced. The City Council must adopt the budget no later than June 30. The annual budget serves as the foundation for the City's financial planning and control.

Budgetary Control. The City maintains ongoing budgetary control throughout the year using its financial management system. Budgetary control (expenditures cannot legally exceed appropriated amounts) is established at the department level within each fund. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end.

Component Unit. On November 4, 2003, Gresham voters approved the formation of the Rockwood-West Gresham Urban Renewal Area. The Area is an urban renewal agency within the City of Gresham and was organized to undertake projects and activities pursuant to the Rockwood-West Gresham Renewal Plan. The Gresham Redevelopment Commission, which also serves as the Gresham City Council, oversees the 1,211-acre area. The Area is a blended component unit of the City and is therefore, an integral part of the reporting entity.

Factors Impacting the City's Financial Condition

The Mayor and City Council have firmly established the City's commitment to progressive and responsive government. Under their direction the City continues to emphasize efficient delivery of prioritized services and planning for a higher standard of living for residents. The continued mixed performance of economic factors at the national and regional levels remain a challenge for the City as it works to maintain a sound financial condition to meet the service needs of the community.

Local Economy. Oregon's economy continued strong through 2019 and into early 2020 despite the tapered slowing of job growth slightly more than expected. The strong economic growth in 2019 had resulted in near historically low unemployment, and local wage growth outpaced national figures due to a strong labor market. With the onset of the COVID-19 pandemic, there was an immediate economic impact to the national, state, and local economies. While a substantial recovery has been made since the summer of 2020, the economic impacts of the pandemic continue to be felt by businesses and residences in Gresham. The City will also continue to see pandemic related revenue and expenditure impacts into fiscal year 2022, if not longer.

Aggressive programs begun during the previous recession continue to help attract and support small business in Gresham. Gresham has expanded programming, technical support, and outreach services in our Small Business Center, and continues to focus on a rapid response team and expedited review timelines to support recruitment of mid-to-large commercial projects. These and similar projects target City Council priorities to ensure quality design, develop the City's three town centers; Central Rockwood, Civic Neighborhood, and Downtown, and to make Gresham the easiest and most attractive place in the region to start and grow any size business. In addition, business support has been offered throughout the pandemic in the form of 3 rounds of small business grants and a technical support team through Gresham's Small Business Center.

Employment growth in the area remained steady at near historic lows through March 2020, with jobs in large service sector industries leading job growth with above-average growth rates, particularly in professional and business services, health services, and leisure and hospitality industries. By the end of calendar year 2020, unemployment is at approximately 6%, which is more than 2% higher than in March 2020. This represents a substantial recovery from early summer when Oregon reached an unemployment rate of almost 15%. Our

economic path still remains unknown at both the state and local levels, as the pandemic continues, but Oregon continues to perform better than the national trends on the employment front.

The Oregon constitution establishes a limit of 3 percent annual increase in the taxable assessed value of existing property, the primary funding source for local government. A strong construction environment coupled with new properties being added to the tax rolls have contributed to increases in property tax revenue; this along with the upcoming expiration of significant Enterprise Zone abatements will continue to enhance property tax revenue. Future revenue growth potential is being tracked closely as impacts from the pandemic on the construction industry are analyzed.

The last few years have seen strong growth in business taxes, but this trend will not continue during the COVID-19 pandemic due to temporary or permanent business closures. Utility license fee revenues are expected to increase, the result of anticipated rate increases by utility providers. State shared revenue is expected to continue to grow based on strong consumer behavior. While the marijuana industry in Oregon is still relatively new, Measure 110, passed November 2020, has capped eligible revenue from Marijuana State Shared Revenue, therefore limiting future growth. The 2021 budget continues a strategy of cost containment and revenue enhancement combined with maximizing innovative and ambitious strategies for quality service.

Long-term Financial Planning. The city is committed to updating and maintaining its long-term financial forecasts on a regular basis to provide relevant financial information and long-term planning tools for the variety of business functions that the city performs, and range in length from 5 to 20 years depending on the business function. These plans are designed to provide enhanced fiscal sustainability for each program as well as throughout the city.

State-wide property tax limitation measures enacted in the 1990's continue to have a negative impact on the General Fund balance. Over the last 5-10 years, deficits have been forecast in multiple programs. In part, this acted as a catalyst for city leadership to take action to address the financial challenges of the city through cost containment, strategic service reductions, and economic development efforts, in response to the limited property tax revenue. To this end, the City continues to have a strong presence in discussions regarding property taxes at the state legislative level and has provided information and presentations around the state.

The City has also taken actions to increase revenues in areas other than property taxes. In July 2011, the City increased utility license fees, resulting in approximately \$2.8 million per year in additional fees in the General Fund. Additionally, the council adopted a Police, Fire, and Parks Fee, which was first effective in February 2013 and renewed in 2014, in the amount of \$7.50 per month per household, business, and industrial customer. This fee supplements public safety and parks funding and generates \$3.8 million per year. Forecasts show these revenues cannot adequately compensate for the City's limited General Fund property tax revenues in their current form. Additional revenue changes in the coming year are discussed in Management's Discussion and Analysis with information about the City's financial condition and the next year's budget and rates.

Financial Policies. The City has a series of financial policies detailed each year in the adopted budget, which encompass debt usage, revenue sources, budgeting, and accounting. Investing and portfolio management policies are contained in the City's Investment Policy.

The City's Investment Policy defines eligible types of securities and transactions with the following objectives: preservation of capital and protection of investment principal, sufficient liquidity to meet operating needs, diversification to avoid risks regarding security types or individual financial institutions, and maximization of risk-optimized portfolio return throughout economic and fiscal cycles. Careful adherence to policy has protected the

City's investments from the enormous volatility in the market particularly in the past several years. Overall, the City's investment portfolio continues to outperform the benchmarks established in the policy and comparable jurisdictions on a risk adjusted basis.

Major Initiatives. The Mayor and Council's commitment to responsive and efficient service delivery is evidenced in the Council Work Plan. The annual plan highlights key projects the City expects to conduct on behalf of its residents during the year, along with projected milestones and completion dates. The 2020 Council Work Plan was adopted on January 14, 2020 and outlined more than 20 projects focused on a safe community, opportunity and livability, and sustainable services.

Significant projects in the 2020 Plan include a study of the City's groundwater supply, implementation of projects funded by Gresham's share of the Metro Regional Affordable Housing Bond, and several projects related to assets and opportunities for the City's parks system. Implementation continues on projects from prior years' work plans, including the Rockwood Rising redevelopment project, as well as legislative advocacy, finance models and opportunities, public safety health services, homelessness, and rebuilding local streets.

AWARDS AND ACKNOWLEDGEMENTS

Awards. For the 40th consecutive year, the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Gresham for its Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended June 30, 2019. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements.

We believe this CAFR meets the Certificate of Achievement Program's requirements and are submitting it to the GFOA for review.

Acknowledgements. The preparation of the comprehensive annual financial report was made possible by the staff of the Finance and Accounting Services division with assistance and collaboration from the Budget and Financial Planning division. Orion Jarrell, Trang Nguyen, Alyona Sultanova, Alexis Zmitrovich, Tanner Warner, Melanie Wynne, Catherine Kaminski, Elizabeth McCann and Susan Brown deserve special recognition for their work. All of the staff of the Budget & Finance Department has our sincere appreciation for their assistance and contributions to the completion of the report.

Without the leadership and support of the City Council, preparation of the report would not have been possible.

Respectfully submitted,



Sharron Monohon
Budget and Finance Director

CITY OF
GRESHAM
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**City of Gresham, Oregon
Gresham City Hall
1333 NW Eastman Parkway
Gresham, Oregon 97030
GreshamOregon.gov**

Mayor and City Council

	Name	Position	Term Expires
Mayor:	Shane Bemis MayorBemis@GreshamOregon.gov		December 2022
Councilors:	Jerry Hinton Jerry.Hinton@GreshamOregon.gov	1	December 2020
	Eddy Morales Eddy.Morales@GreshamOregon.gov	2	December 2022
	Karylinn Echols Karylinn.Echols@GreshamOregon.gov	3	December 2020
	Mario Palmero Mario.Palmero@GreshamOregon.gov	4	December 2022
	David Widmark David.Widmark@GreshamOregon.gov	5	December 2020
	Janine Gladfelter Janine.Gladfelter@GreshamOregon.gov	6	December 2022

Principal Officials:

Erik Kvarsten, City Manager

David Berniker, Urban Design & Planning Director

Elizabeth Coffey, Communications Manager

Corey Falls, Deputy City Manager

Steve Fancher, Director of Department of Environmental Services and City Operations

Pat Hartley, Information Technology Director

Mitch Snyder, Fire Chief

Sharron Monohon, Director of Budget & Finance

Karen Pearson, Human Resources Director

Kevin McConnell, Interim City Attorney

Eric Schmidt, Community Development Director

Robin Sells, Police Chief

Shannon Stadey, Economic Development Services Director

Officials noted are as of June 30, 2020. Retirements and other turnover in elected and appointed officials has taken place between June 30, 2020 and the date of this report..

The Mayor, City Council, and Principal Officials can be reached at the City Hall address above.



Councilor Jerry Hinton



Mayor Shane Bemis



Councilor Eddy Morales



Councilor Karylenn Echols

*Gresham's
Leadership*



Councilor Mario Palmero



Councilor David Widmark



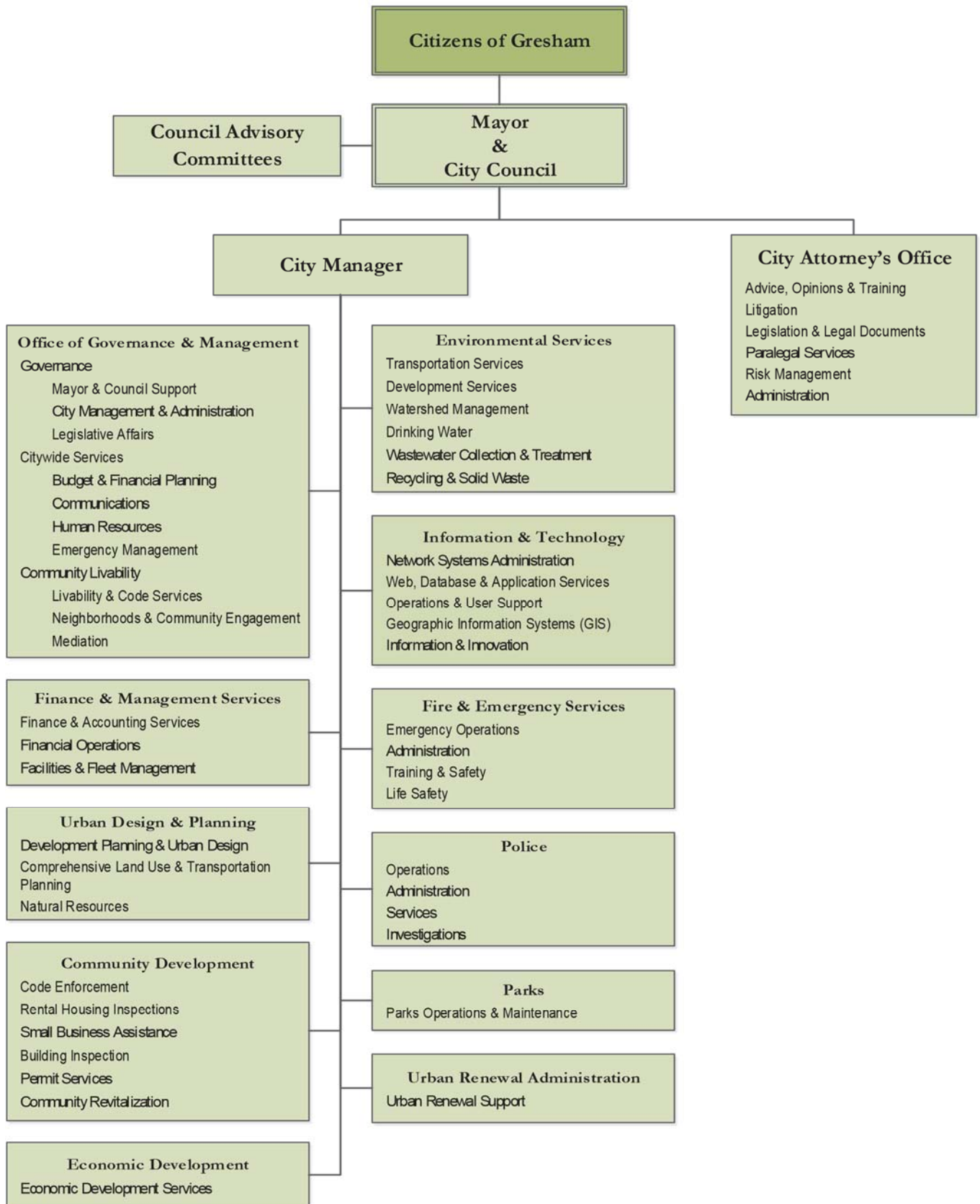
Councilor Janine Gladfelter



City Manager Erik Kvarsten

City of Gresham, Oregon Departments and Programs

Year Ended June 30, 2020



As of June 30, 2020, all finance-related functions within the Department of Finance and Management Services are in the process of merging with Budget and Financial Planning (Office of Governance and Management). References within this document may be to either the Department of Finance and Management Services or to the Department of Budget and Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Gresham
Oregon**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

CITY OF
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INDEPENDENT AUDITOR'S REPORT



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

1976 Garden Ave.
Eugene, OR 97403
541.342.5161
www.islercpa.com

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 the City of Gresham, Oregon ("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

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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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, the Schedules of Revenues, Expenditures and Changes in Fund Balances – budget and actual of the General Fund, the Transportation Fund, the System Development Charges Fund, (the "budgetary schedules"), the Schedule of Funding Progress – Other Postemployment Healthcare Benefits, the Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) – Oregon Public Employees Retirement System, and the Schedule of the City's Contributions – Oregon Public Employees Retirement System, as listed in the table of contents, 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 Management's Discussion and Analysis, the Schedule of Funding Progress – Other Postemployment Healthcare Benefits, the Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) – Oregon Public Employees Retirement System, and the Schedule of the City's Contributions – Oregon Public Employees Retirement System 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The budgetary schedules described above 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. The budgetary schedules have 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 introductory section, combining and individual nonmajor fund financial statements and budgetary comparison schedules, statistical section, and continuing disclosure section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and budgetary comparison schedules and the schedule of expenditures of federal awards 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 information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory, statistical tables section, and continuing disclosure section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the Minimum Standards of Audits of Oregon Municipal Corporations, we have issued our report dated January 29, 2021 on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

ISLER CPA



By: Gatlin Hawkins, CPA, a member of the firm
Eugene, Oregon
January 29, 2021

CITY OF
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CITY OF GRESHAM, OREGON MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

As the financial management of the City of Gresham, Oregon we offer readers this narrative overview and analysis of the City's financial activities during the fiscal year. It focuses on the year's financial activities, significant changes in the City's financial position, deviations from the approved budget, and individual fund issues.

The Management's Discussion and Analysis (MD&A) should be read in conjunction with the information provided in the Letter of Transmittal and the Basic Financial Statements included in the Comprehensive Annual Financial Report (CAFR).

FINANCIAL HIGHLIGHTS

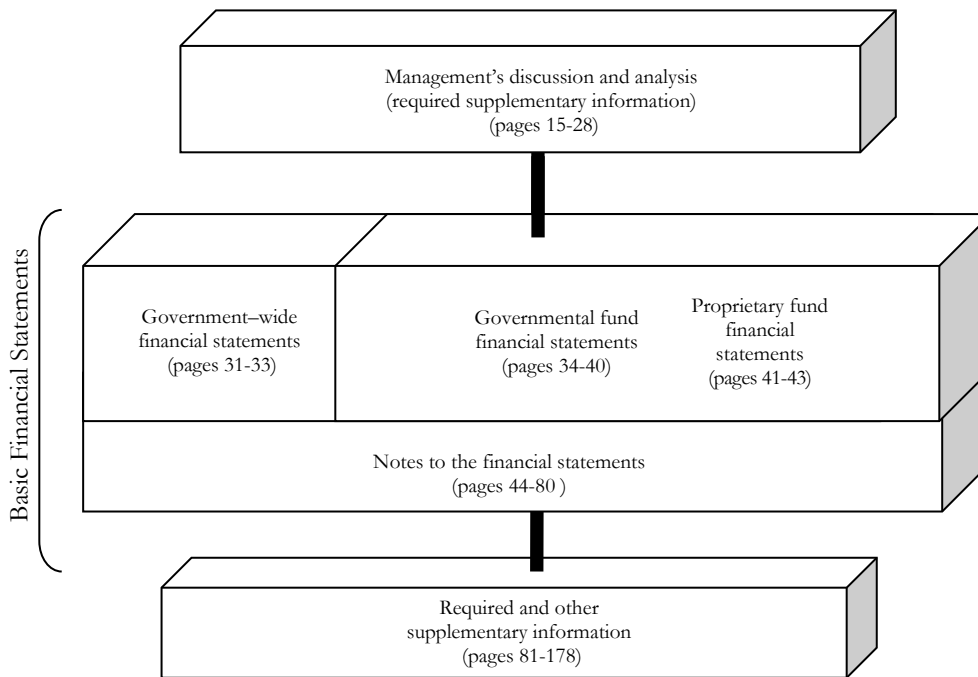
- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$968.7 million (net position). Of this amount, \$62.8 million in unrestricted net position (primarily intended for utility infrastructure replacement) may be used to meet the City's ongoing obligations to citizens and creditors.
- On a government-wide basis, the City's deferred outflows of resources increased by \$6.4 million primarily due to changes in pension differences recognized through actuarial studies of the pension system.
- On a government-wide basis, the City's total net position increased by \$9.5 million. Governmental activities showed an increase of \$4.0 million, primarily caused by increased operating grants in Transportation, and reduced expenses in line with revenues in other functions. Business-type activities net position increased by \$5.5 million due to increased volumes and containing costs while adding capital assets to offset depreciation.
- On a fund basis, the City's governmental funds reported combined ending fund balances of \$121.5 million, a \$18.8 million increase from the prior year primarily due to debt issuance and expanding revenue bases while continuing to maintain service levels and contain costs.
- At year-end, the unassigned fund balance for the General Fund was \$19.4 million or 30.3% of General Fund operating expenditures during the year. The fund balance for the General Fund includes amounts due from other funds. The ratio is down from 38.2% in the prior year.
- Long term liabilities in the City increased by \$18.0 million primarily due to increases in net pension liability, debt issuance and debt repayment. Long term debt levels in the City increased by \$19.7 million for governmental activities and decreased by \$1.7 million for business-type activities. Increases include a \$18.6 million increase in net pension liability, draws of \$12.6 million on the City's Line of Credit, and a \$1.5 million Gresham Redevelopment Commission Note issuance, and were offset by regularly scheduled debt payments.

OVERVIEW OF THE FINANCIAL STATEMENTS

Report Layout

This discussion and analysis is intended to serve as an introduction to the City’s basic financial statements. The basic financial statements are included within the financial section of the CAFR and are comprised of three components: 1) government-wide financial statements, 2) fund-based financial statements, and 3) notes to the financial statements. The financial section also contains supplementary information.

The graphic below is provided to help in understanding how the financial section is presented and to direct the reader to the pages where specific components can be found.



Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City’s finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City’s assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, uncollected taxes and earned but unused compensated leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include General Government (administration and support services), Public Safety, Transportation, Urban Design and Planning, Development Services, Economic Development Services, Environmental Services (Solid Waste), Parks Operations, and Urban Renewal. The business-type activities include Water, Stormwater, and Wastewater.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities. The City, like other state and local governments, uses fund accounting to ensure compliance with finance-related legal requirements. All of the funds of the City are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of those resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented as governmental activities. By doing so, readers may better understand the long-term impact of the government's near-term funding decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City reports information separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, System Development Charges Fund, Transportation Fund, CDBG & HOME Fund, and GRDC Rockwood Debt Service Fund, all of which are considered major funds under Generally Accepted Accounting Principles. Data from the City's other governmental funds are aggregated into a column titled "Nonmajor Governmental Funds."

Proprietary funds are classified as enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its facilities and fleet services, workers' compensation and liability reserves, health and dental reserves, equipment replacement reserves, legal services, and general management and administration.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for water, stormwater, and wastewater operations, all of which are accounted for as major funds. The internal service funds are aggregated into one column and presented in the proprietary fund financial statements.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. At this time the City does not have any fiduciary funds to report.

Notes to the Financial Statements and Supplementary Information

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. Combining statements and budgetary comparison schedules are presented for all governmental funds, enterprise funds, internal service funds, and fiduciary funds as supplementary information immediately following the notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

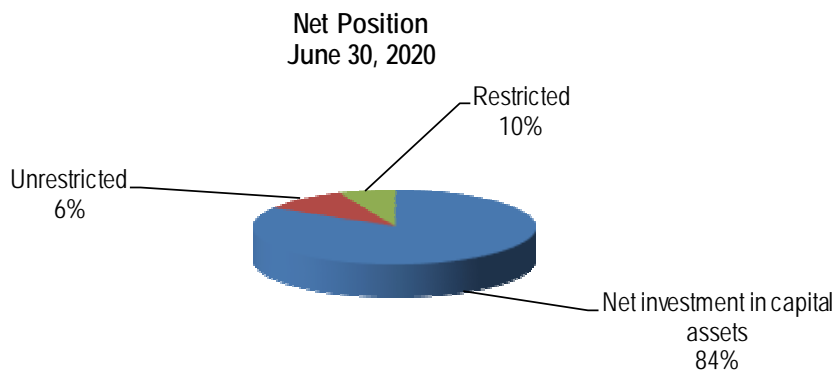
The following paragraphs provide an analysis of the City's overall financial position and results of operations. To reduce complexity, dollar amounts are presented in millions. Insignificant rounding difference may exist between amounts presented here and amounts presented in the financial statements.

CITY OF GRESHAM, OREGON

Financial Position

As mentioned earlier, net position serves as a useful indicator of a government's financial position. The following table shows a summary of the statements of net position at fiscal year-end and for the previous year-end:

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
ASSETS						
Current and other assets	\$ 169.1	\$ 142.1	\$ 126.1	\$ 119.0	\$ 295.2	\$ 261.1
Capital assets	637.3	635.2	245.4	245.3	882.7	880.5
Total assets	806.4	777.3	371.5	364.3	1,177.9	1,141.6
DEFERRED OUTFLOWS OF RESOURCES						
Deferred refunding amount on debt issuance	-	-	-	0.1	-	0.1
Deferred outflow related to pension/OPEB	29.9	26.3	3.4	4.9	33.3	31.2
Total deferred outflows of resources	29.9	26.3	3.4	5.0	33.3	31.3
LIABILITIES						
Current and other liabilities	46.0	39.6	15.7	12.5	61.7	52.1
Long-term liabilities	143.3	123.6	27.1	28.8	170.4	152.4
Total liabilities	189.3	163.2	42.8	41.3	232.1	204.5
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions/OPEB	9.0	6.4	1.4	2.8	10.4	9.2
NET POSITION						
Net investment in capital assets	589.6	595.4	220.6	219.9	810.2	815.3
Restricted	84.5	64.2	11.2	11.8	95.7	76.0
Unrestricted	(36.1)	(25.6)	98.9	93.5	62.8	67.9
Total net position	\$ 638.0	\$ 634.0	\$ 330.7	\$ 325.2	\$ 968.7	\$ 959.2



The City ended the year with \$968.7 million in total net position. Approximately 84% of that amount reflects the City's investment in capital assets (land, infrastructure, buildings, improvements, machinery and equipment) less any related outstanding debt used to acquire those assets. The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Another 10% of the City's net position is subject to external restrictions on how they may be used. This category includes restrictions for the purchase and construction of growth-related infrastructure systems, transportation system construction and maintenance, utility systems rate stabilization and debt requirements, and building

reviews and inspections. The remaining 6% of net position, referred to as unrestricted, may be used to meet ongoing obligations to citizens and creditors. The majority of these funds are intended for longer-term utility system infrastructure replacement and maintenance.

During the fiscal year, the overall financial position of the City improved. This is primarily attributable to reduced depreciation expense on transportation infrastructure as certain assets have fully depreciated, offset by changes in the net pension liability and other long-term debt. A more detailed analysis of both governmental and business-type net position follows.

Governmental Activities. Total net position of governmental activities increased 0.6% or \$4.0 million. Current and other assets (primarily cash and investments) increased by \$27.0 million. The increase in working capital is a result of increased collections in several areas, debt issuance, and reduced spending.

The City added \$17.3 million in governmental capital assets during the year. However, this was offset by depreciation of \$15.2 million of which, depreciation on infrastructure comprised \$11.2 million. The net effect to capital assets is an increase of \$2.1 million. See the notes to the financial statements for more detailed information on capital assets.

Current liabilities increased by \$6.4 million primarily due to the issuance of debt on a line of credit for urban renewal and infrastructure projects. When financially practical, the City refinances line of credit balances into long term debt offerings. Long term liabilities increased by \$19.7 million primarily due to the \$16.9 million increase in the actuarial determined net pension liability. Draws on the line of credit during the year offset a decrease of \$6.3 million in long term debt due to payments. See the notes to the financial statements for more detailed information on debt and pension liabilities.

Business-type Activities. Total net position of business-type activities increased 1.7% or \$5.5 million. Current and other assets increased by \$7.1 million. This change was due to the net effect of capital asset purchases, debt payments, and timing of year end payments.

Business-type activities added \$11.0 million in capital assets. As discussed in the Capital Asset section, this investment was primarily for utility infrastructure with some equipment purchases. Depreciation on utility systems capital assets was \$10.9 million for the year. The net effect of capital asset activity was an increase of \$0.1 million and reflects business type activities adding new infrastructure in addition to replacement of existing depreciated infrastructure.

Long-term liabilities of business-type activities decreased by a net \$1.7 million primarily due to changes in the net pension liability and regularly scheduled payments on debt. The City made all scheduled debt service payments. Current and other liabilities increased by \$3.2 million due to a line of credit draw for infrastructure projects and small variances related to timing of payments near year end.

Results of Operations

In addition to the analysis of net position provided above, it is useful to analyze the financial operations that took place during the year. The following table provides a summary of the changes in the City's net position:

CITY OF GRESHAM, OREGON

City of Gresham, Oregon Summary of Changes in Net Position (in millions)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
REVENUES						
Program Revenues:						
Charges for services	\$ 40.6	\$ 41.2	\$ 45.2	\$ 42.7	\$ 85.8	\$ 83.9
Operating grants and contributions	15.8	11.5	-	-	15.8	11.5
Capital grants and contributions	5.3	5.7	2.3	8.1	7.6	13.8
General Revenues:						
Property taxes	35.8	34.4	-	-	35.8	34.4
Franchise and license fees	13.4	12.6	-	-	13.4	12.6
Business income taxes	6.9	8.3	-	-	6.9	8.3
Other taxes	1.4	1.4	-	-	1.4	1.4
Gain on sale of capital assets	0.1	0.1	-	-	0.1	0.1
Unrestricted grants and contributions	3.8	3.5	-	-	3.8	3.5
Unrestricted interest and investment earnings	6.1	4.5	4.5	3.6	10.6	8.1
Total revenues	<u>129.2</u>	<u>123.2</u>	<u>52.0</u>	<u>54.4</u>	<u>181.2</u>	<u>177.6</u>
EXPENSES						
General government	1.8	1.6	-	-	1.8	1.6
Public safety	76.8	69.9	-	-	76.8	69.9
Transportation	19.3	37.3	-	-	19.3	37.3
Urban design and planning	4.5	3.9	-	-	4.5	3.9
Community development	7.9	7.1	-	-	7.9	7.1
Economic development services	1.8	0.8	-	-	1.8	0.8
Parks operation	3.0	3.2	-	-	3.0	3.2
Environmental services	5.4	4.7	-	-	5.4	4.7
Community Livability	0.7	0.6	-	-	0.7	0.6
Urban renewal	1.8	8.5	-	-	1.8	8.5
Interest on long-term debt	2.3	2.4	-	-	2.3	2.4
Water	-	-	15.2	15.7	15.2	15.7
Stormwater	-	-	10.2	10.4	10.2	10.4
Wastewater	-	-	21.0	19.8	21.0	19.8
Total expenses	<u>125.3</u>	<u>140.0</u>	<u>46.4</u>	<u>45.9</u>	<u>171.7</u>	<u>185.9</u>
Excess (deficit) before transfers	3.9	(16.8)	5.6	8.5	9.5	(8.3)
Transfers, Net	0.1	(1.4)	(0.1)	1.4	-	-
Change in net position	<u>4.0</u>	<u>(18.2)</u>	<u>5.5</u>	<u>9.9</u>	<u>9.5</u>	<u>(8.3)</u>
Net position - beginning	<u>634.0</u>	<u>652.2</u>	<u>325.2</u>	<u>315.3</u>	<u>959.2</u>	<u>967.5</u>
Net position - ending	<u>\$ 638.0</u>	<u>\$ 634.0</u>	<u>\$ 330.7</u>	<u>\$ 325.2</u>	<u>\$ 968.7</u>	<u>\$ 959.2</u>

The City-wide net position increased by \$9.5 million as a result of activity and external factors. The impact of operations from governmental activities is much different from those of business-type activities due to the difference in funding mechanisms.

Governmental Activities. Net position of governmental activities increased by \$4.0 million as a result of operations and transfers. Revenues increased by \$6 million, primarily related to higher operating grants in Transportation. Increased expenses for pension adjustments are offset by reduced expenses for infrastructure depreciation as certain assets have fully depreciated.

Unrestricted net position decreased by \$10.5 million to a deficit of \$36.1 million while net position invested in capital assets decreased by \$5.8 million.

MANAGEMENT'S DISCUSSION & ANALYSIS

Revenues of governmental activities are primarily tax based rather than fee based. The property tax structure in Oregon significantly limits this source of revenue for public safety activities. Gresham's permanent tax rate of \$3.61 per \$1,000 of assessed value is one of the lowest rates in Oregon for large cities. The taxable assessed value of existing properties is limited to 3% growth per year, irrespective of changes to real market value. New construction is valued near existing property rather than at real market value.

The relatively low permanent tax rate and valuation method for new construction have long been identified as structural challenges that significantly hinder the ability to meet basic services. The growth in taxable assessed value has remained consistently near the statutory 3% growth cap. Future property tax revenue growth will be dependent on growth in the fair market value of property. In 2020 property tax revenue increased by 4.0%.

Franchise and license fees increased 6.4% or \$800 thousand, with most of the increase coming from the City's water, stormwater and wastewater utilities and from electrical utility license fees. Increased electrical price and use resulted in the higher license fees and increases to underlying utility rates for the City's utilities resulted in higher license fees.

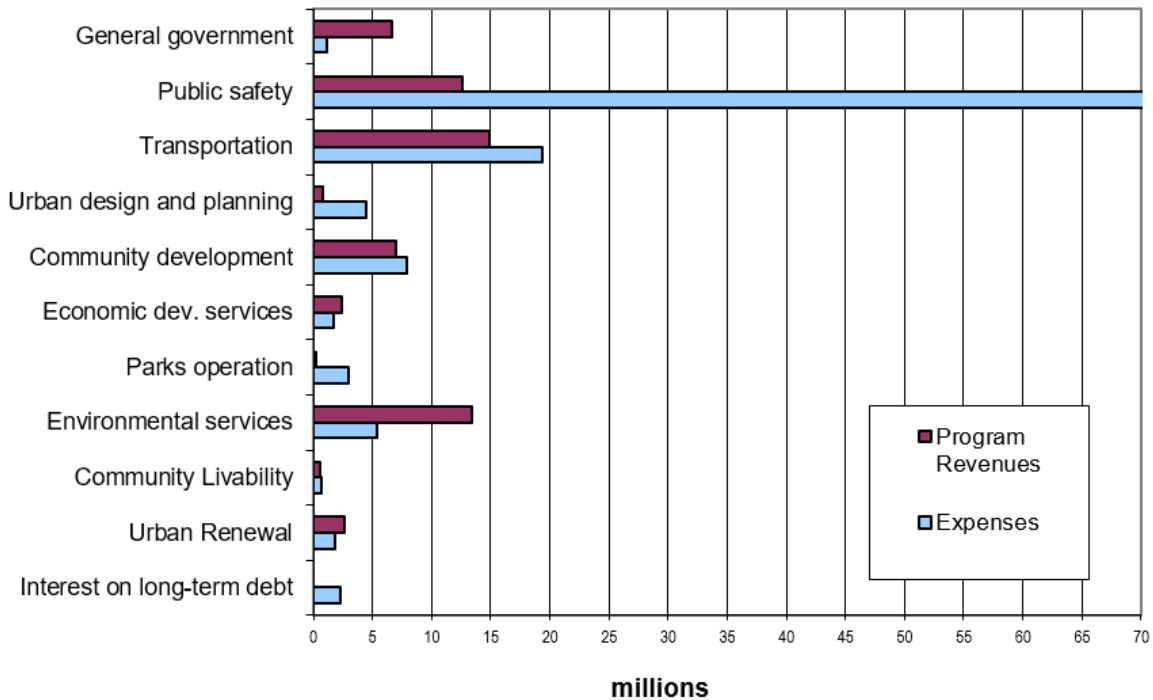
Business income taxes decreased by \$1.4 million or 16.9% in 2020, due mostly to reduced or delayed collections resulting from the coronavirus pandemic. Development related charges for services have also seen decreases, largely related to the pandemic and reduced activity, with Community Development decreasing charges for services by 28.9% or \$2.2 million, and Urban Design and Planning decreasing by 51.1% or \$584 thousand.

Transportation functions are largely funded by gas tax shared by the state. On January 1, 2011, the state gas tax was increased for the first time since 1991 (an increase of 6 cents per gallon to 30 cents per gallon). Gas tax revenue has been rising slowly since the tax increase, however, depreciation on transportation infrastructure continued to outpace available revenues resulting in a \$4.5 million net loss for Transportation. It should be noted that maintenance and future replacement costs of transportation assets are only partially reflected in annual depreciation. Capital assets are depreciated based on historical (original) cost; current maintenance and replacement costs are much higher.

Environmental services charges for services revenues include system development charges, which increased by 53.8% or \$3.9 million in 2020, primarily in charges related to Transportation and Parks development for significant multi-family development projects in the City. In accordance with financial reporting requirements, resources from the collection of business-type system development charges are reported as governmental activities. During the year \$2.2 million of these resources were transferred to business-type activities for the construction of utility capital assets and debt service. New system development revenues from housing and commercial development were more than expenses for infrastructure construction. As a result, net position restricted for system development increased by \$8.6 million.

The following graph shows the expenses of each governmental function compared to the program revenues generated specifically from its operations:

FY 2020 Expenses and Program Revenues - Governmental Activities



General government support services (administrative, financial, legal, and management services) generate some external revenues, but are primarily funded from charges to the functions they support. The public safety function (Police, Fire and Emergency Services) generates program revenues as well, but property taxes, business income taxes, state shared revenues, and utility license fee revenues fund the majority of its costs. City policy requires that all general property taxes be used for public safety services. For the fiscal year, general property taxes accounted for 46% (down from 52% in 2019) of the total revenues needed to support public safety.

Transportation programs are funded with the City’s share of gas tax revenues, intergovernmental revenues (primarily county gas taxes) and various other revenue sources such as grants and system development charges. When depreciation on capital assets is added to other operating expenses, costs far exceed program revenues. Capital grants and developer contributions (included in program revenues) added new capital assets that will need to be maintained by the City using existing resources.

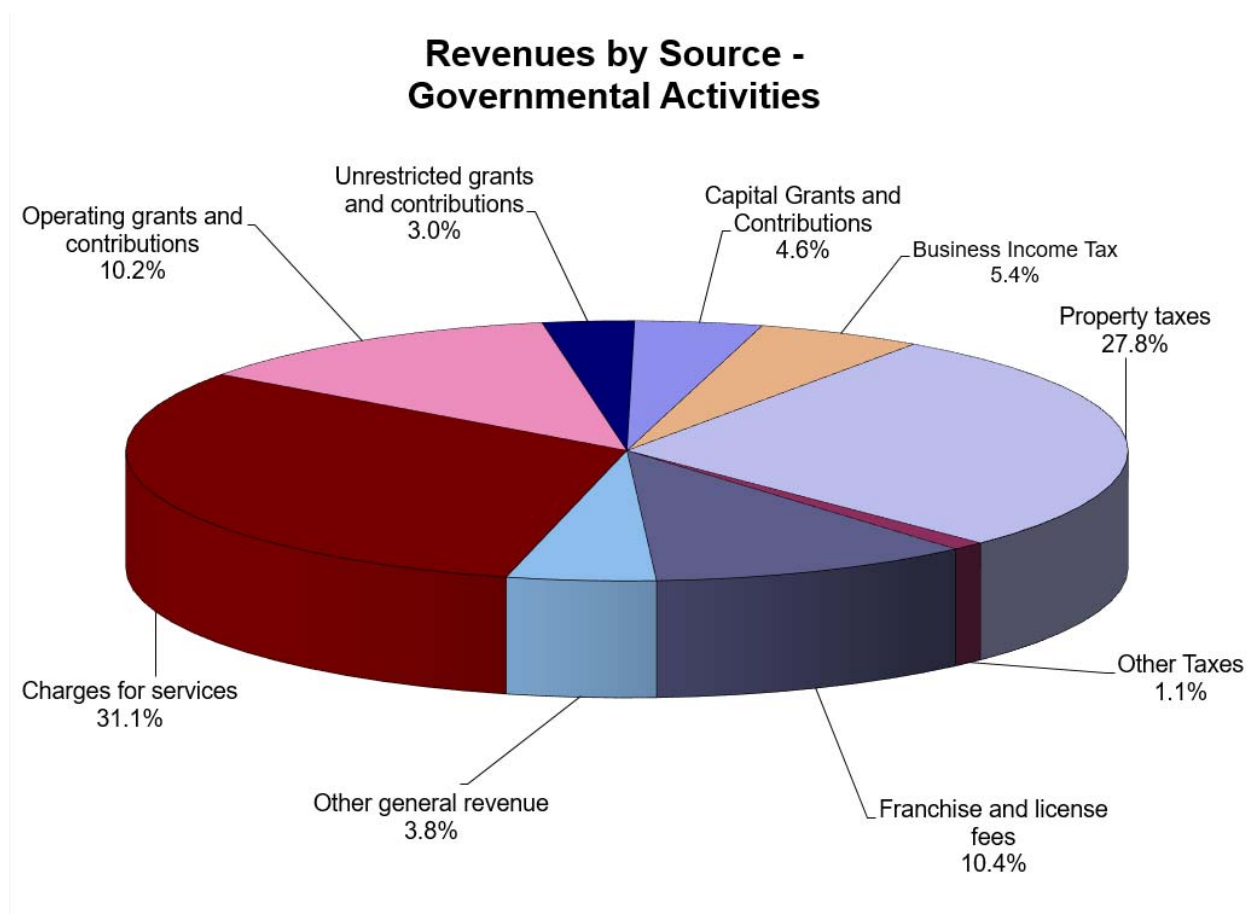
The urban design and planning, and community development services functions provide a variety of growth and development services. Activities are funded with Federal Housing and Urban Development Department grant revenues, charges for building permits, development planning and inspection fees, and other grants.

Economic development services include: business retention, expansion and relocation services, as well as support for new businesses. General revenues fund this function, as well as community service fees.

Environmental services in governmental activity, which is primarily System Development Charges and the Solid Waste and Recycling program receive the majority of support from service fees.

Parks operation is a separate department, while park planning and development remains with environmental services. Maintenance and operations in parks operations is funded by general revenues and the per-household and commercial business Police Fire and Parks fee.

The graph below is a visual representation of the various sources of revenues used to support governmental activities:



Business-type Activities. Net position for business-type activities increased by \$5.5 million during the fiscal year. Utility payments and service fees of \$45.2 million were slightly lower than direct expenses for water, stormwater, and wastewater of \$46.3 million. Capital grants and contributions of \$2.3 million consist primarily of easements and developer contributed capital assets.

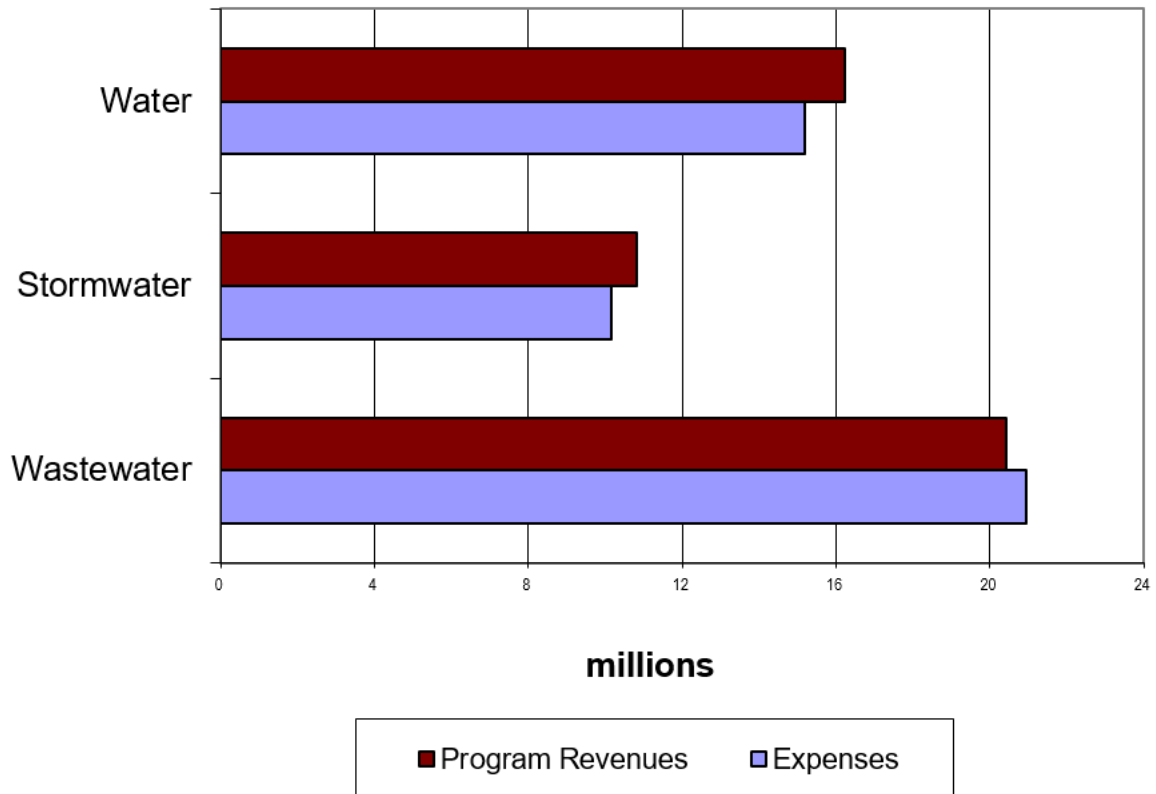
Business-type activities received \$2.2 million in transfers from system development charge resources reported as governmental activities. The funds were used for a variety of capacity increasing purposes and for the payment of debt.

Unrestricted investment earnings of \$4.5 million were recorded for business-type activities and include fair value adjustments. The City has not relied on investment earnings to fund operations, however, earnings on reserves help fund future utility infrastructure projects.

CITY OF GRESHAM, OREGON

The following graph shows the expenses and program revenues generated by each business-type function:

FY 2020 Expenses and Program Revenues - Business-type Activities



Water, Stormwater, and Wastewater program revenues are the rates and charges received from the City's utility customers and are used for systems operation, maintenance, and system replacement. Additional program revenues include capital grants from private developers (constructed utility infrastructure to benefit specific developments) and grant funds from external agencies.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

The City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The following paragraphs analyze the City's *major* governmental and proprietary funds on an individual basis. The financial statements of governmental funds show more detail than related governmental activities and focus on near-term inflows, outflows, and ending balances of spendable resources. The statements of proprietary funds show detail for each utility included in business-type activities, with the same focus used in government-wide reporting.

At the end of the fiscal year, the combined fund balances for governmental funds was \$121.5 million, of which \$84.0 million (69%) was in the major funds. Fund balances of all governmental funds increased

by \$18.9 million from the prior year. This is the net result of changes in a variety of funds including the increased collections of system development charges and tax increment revenues, payment of debt issued in the prior years, purchase of capital assets, and the result of operations. Operations results reflect a focus on maintaining public trust with consistent service levels while containing costs.

The General Fund had an ending balance of \$19.4 million a decrease of \$3.5 million from prior year. Revenues increased by \$2.7 million while expenditures increased by \$4.2 million. The overall revenue increase is primarily due to a change to record a fee supporting police, fire and parks in the general fund instead of in a separate special revenue fund for \$4.1 million. This change also accounts for much of the increase in public safety expenditures of \$4.4 million. Total tax revenues in the general fund decreased by 3.2% from the prior year. Property taxes receipts increased 0.4% or \$115 thousand. Business Income Tax (BIT) decreased \$1.4 million or 16.8%. BIT decreased due to several factors, but largely due to delays in collection and reduced activity resulting from the coronavirus pandemic. State-shared intergovernmental revenues had increases in shared revenue for liquor and marijuana taxes totaling \$227 thousand or 10.4%.

The System Development Charges Fund is statutorily required and accounts for transportation, park, water, stormwater, and wastewater system connection impact charges. The ending balance in this fund increased by \$8.6 million to \$27.5 million. About \$11.2 million in system development charges (SDC) and related interest were collected during the year while the fund transferred \$3.8 million to construction funds for infrastructure development. SDC charges increased primarily due to some significant multi-family development projects in process, while transfers out decreased based on related capital project activity.

The Transportation Fund ending balance increased \$4.4 million. \$7.5 million in gas tax revenue was received during the year to provide for road maintenance, which is a \$0.5 million decrease from the prior year. Gas tax revenue is determined by statewide fuel tax revenue collections. An intergovernmental agreement with Multnomah County for maintenance of roads provided \$4.6 million of revenue, an increase of \$0.5 million over the prior year. Transfers out of \$4.3 million were provided to the Transportation Construction Fund for capital improvement projects.

The CDBG & HOME Fund administers the Federal CDBG and HOME grants programs with intergovernmental revenue and community development expenses. This revenue was increased in 2020 by \$230 thousand, with corresponding increases to expenditures of \$198 thousand. Most of the reduction in fund balance in this fund is the result of transferring fund balance of \$535 thousand related to the City's solid waste and recycling program to a separate fund.

The GRDC - Rockwood Debt Service Fund had an ending balance of \$9.0 million. The Rockwood West-Gresham Urban Renewal Area is a separate legal entity and is budgeted separately from the City under Oregon budget law. For financial reporting purposes, the Area's funds are blended with the City's. The City makes loans to the Area for development projects and is paid back through collection of tax increment. Property tax revenue increased to \$5.9 million in 2020 from \$5.5 million in 2019 because of increasing property values. Debt service expenses remain on schedule.

Net position for the enterprise funds increased by \$5.5 million. The Water Fund and Stormwater Fund reported operating income of \$421 thousand and \$86 thousand respectively, and the Wastewater Fund reported an operating loss of \$692 thousand respectively. The result of operations for the enterprise funds was net operating loss of \$185 thousand. Changes in OPEB and pension funded status impact operating expenses in enterprise funds. Net position in utility funds is accumulated over time for replacement of infrastructure in addition to operations.

CITY OF GRESHAM, OREGON

Combined transfers in for the utility funds were \$2.6 million, which were offset by transfers out of \$2.7 million, resulting in a net transfer out of the utility funds of \$137 thousand. Transfers out consisted primarily of payments for central city services and permits while transfers in consisted of monies from the System Development Charges Fund. The transfer proceeds were used to acquire capital assets and repay outstanding debt, and so contributed significantly to the improved net positions of the funds.

Restrictions on the use of net position of proprietary funds are mostly related to the requirements of debt agreements. Since the resources are intended for use on the restricted purposes, the restrictions do not adversely affect the availability of fund resources for future use.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund budget for the fiscal year was designed to contain costs while meeting service level needs and increasing efficiency through targeted investments. There were not any supplemental budgets or other modifications during the fiscal year. City Council approval is required to make appropriation changes during the year.

Revenue in the General Fund exceeded budget by \$1.1 million due to property tax growth, and collection of certain revenues over expectations, including marijuana taxes, business income taxes, and state shared revenues for liquor and marijuana taxes. Investment returns and auction proceeds contributed to miscellaneous revenue exceeding budget.

On the expenditure side, budget and actual differences for operating departments reflect a continued City-wide effort to maintain costs. Public safety expenses continue to be supplemented by the Police, Fire, and Parks fee, which ensures that service levels for these functions were maintained.

During the year, department staff continued focusing on lean operations by limiting materials and services expenditures. Expenditures in Police, Fire & Emergency Services, Parks, Community Development and Economic Development Services were kept under budget by \$3.9 million, \$1.2 million, \$500 thousand, \$630 thousand and \$368 thousand, respectively.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of year-end, the City had \$882.7 million invested in a broad range of capital assets, including public safety vehicles and equipment, software, buildings, park facilities, land, easements, roads, bridges, and water, stormwater, and wastewater systems. This amount includes a net increase (including additions, deletions, and depreciation) of \$2.3 million from last year.

Governmental activities' capital assets increased by a net \$16.7 million before depreciation. This was primarily attributed to the work on street surfacing improvements, full pavement reconstruction on local streets, intersection improvements, and sidewalk ramps ADA improvements. Additionally, developer contributions, right-of-way dedications, and replacement of aging equipment and vehicles comprised most of the remaining increase. Depreciation on government type assets was \$15.2 million.

Business-type activities' assets increased by a net \$10.9 million before depreciation. Capital improvement projects include: the completion of McKinley sewer extension, ongoing upsizing replacement of aging utility infrastructure throughout the City, the solids processing improvement and replacement of the primary clarifiers at the wastewater treatment plant, completion of SE and NE waterline replacement, enhancing the capacity of the water lines, and re-construction of stormwater

MANAGEMENT'S DISCUSSION & ANALYSIS

facilities, comprised most of the increase. Private developer contributions and replacement of aging machinery and equipment also contributed to the increase in assets. Depreciation on business-type assets was \$10.9 million.

Additional information on the City's capital assets can be found in the notes to the financial statements in the section titled Capital Assets.

Long-term Debt

As of year-end, the City had \$85.8 million in bonds and notes outstanding. Of that amount, \$34.8 million is considered due within one year. Bonds and notes payable increased by \$4.8 million due to \$9.3 million in payments and \$14.1 million in new issuance.

City of Gresham, Oregon						
Outstanding Bonds and Notes Payable						
(in millions)						
	Governmental		Business-type		Total	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Notes Payable & Other Long-term Debt	\$ 61.6	\$ 56.3	\$ 23.7	\$ 23.7	\$ 85.3	\$ 80.0
Revenue Bonds	-	-	0.5	1.0	0.5	1.0
Total	<u>\$ 61.6</u>	<u>\$ 56.3</u>	<u>\$ 24.2</u>	<u>\$ 24.7</u>	<u>\$ 85.8</u>	<u>\$ 81.0</u>

Long term debt from governmental activities increased by \$5.3 million. During the year, the City issued \$9.9 million of new debt on a line of credit for infrastructure related projects, issued \$1.5 million in debt for urban renewal projects, and made all regularly schedule payments.

Business-type activities saw debt issued of \$2.7 million which was offset by principal payments of \$3.2 million. New debt issued include a line of credit for a water project. The net result, including other liabilities, was a decrease of business-type long term debt of \$0.5 million.

Detailed information on the City's long-term debt activity can be found in the notes to the financial statements in the section titled Long-term Liabilities.

The City's underlying bond ratings were unchanged during the year. The Aa2 rating from Moody's Investors Service and the AA rating from Standard and Poor's reflect the strong financial underpinnings that support the City's Stormwater revenue bonds.

	Underlying Ratings		Insured Ratings	
	Moody's	Standard	Moody's	Standard
	Investors	and	Investors	and
	Service	Poor's	Service	Poor's
Stormwater Revenue Refunding Bonds, Series 2006	Aa2	AA	Aa2	AA
2013 Full Faith and Credit Obligations	Aa2	n/a	n/a	n/a
2015 Full Faith and Credit Obligations	Aa2	n/a	n/a	n/a

FINANCIAL CONDITIONS AND NEXT YEAR'S BUDGETS AND RATES

- Due to the property tax and revenue structure, revenues are not projected to keep pace with the cost of providing the current levels of service in the City. Despite attempting to maximize the value of tax dollars, the widening gap between revenue and current-service-level expenses has caused the city to seek alternate revenue sources and make targeted investments in efficiencies.

CITY OF GRESHAM, OREGON

- Property tax regulations set permanent rates for each jurisdiction in the State of Oregon as well as limit the growth of taxable assessed value to a maximum of 3% per year. Gresham's permanent rate is \$3.6129 per \$1,000 of tax assessed value. For fiscal year 2019/20 Gresham's total assessed value was \$8,934,790,700, a 3.9% increase from the previous year. The increase in the growth rate of the tax base is a result of local development and economic progress.
- The City continues to aggressively seek and use federal grants to supplement services and improve infrastructure. During the fiscal year the City spent \$3.0 million in federal program funds of which \$396 thousand of Department of Transportation grants were used for infrastructure. \$1.6 million of funding was received from HUD of which \$968 thousand was passed through to sub-recipients.
- The City regularly reviews utility rates and business fees to evaluate their effectiveness in supporting operating and capital needs. In January 2017 the City adopted a five-year utility rate increase schedule. On January 1, 2018 the City began to increase utility rates in order to keep pace with inflationary expenses and end-of-life infrastructure replacements, with additional annual rate increases approved through January 1, 2022. During 2020, changes were made to additional fees in an effort to reduce the gap between revenue and expenses, including increasing natural gas and electric license fees from 7% to 10% effective July 1, 2020, increasing the tax on transient lodging revenues from 6% to 8% effective July 1, 2020, and a temporary increase in the City's Police, Fire and Parks fee effective January 1, 2021.
- Major capital projects budgeted for 2020-21 include: \$10.7 million for wastewater services including upgrade of existing facilities and utilities as well as FOG (fats, oils and grease) screening improvements at the wastewater treatment plant, ongoing systematic sanitary sewer pipeline rehabilitation and maintenance including lower Kelly Creek trunk upgrade which would increase the capacity of the sewage system; \$13.3 million for water projects including replacement of failing waterlines, Grant Butte seismic piping and reservoir retrofitting, potential development and construction of test wells, construction of new production wells and infrastructure (Gresham Well #2 and #3), and Cascade reservoir rehabilitation; \$38.5 million for various transportation and street related projects which will preserve existing infrastructure, increase roadway capacity, and enhance neighborhood livability including \$18.0 million for full pavement reconstruction on local streets, \$2.1 million for intersection improvements, \$1.8 million for Palmquist/Highway 26 project which will improve intersection performance, pedestrian infrastructure and drainage issues and \$9.8 million for pedestrian and bicycle enhancements; \$3.4 million for stormwater projects including repair and new construction to replace deficient stormwater system; and \$13.5 million for urban renewal projects such as development of Rockwood Urban Plaza, Catalyst site, Sunrise site and Sandy Boulevard street improvements, to attract new capital intensive industrial development.

REQUESTS FOR INFORMATION

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. Questions about this report or requests for additional financial information should be addressed to the City of Gresham Budget and Finance Department, Finance and Accounting Services Division, 1333 NW Eastman Parkway, Gresham, Oregon 97030-3813

Basic Financial Statements

CITY OF
GRESHAM
GOING BEYOND

City of Gresham, Oregon
Statement of Net Position
June 30, 2020

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 155,579,480	\$ 104,476,205	\$ 260,055,685
Property taxes receivable	1,037,735	-	1,037,735
Receivables, net	13,558,857	7,556,528	21,115,385
Internal balances	(5,888,557)	5,888,557	-
Other assets	878,696	622,735	1,501,431
Net OPEB asset	935,438	-	935,438
Restricted cash and investments	2,963,393	7,541,579	10,504,972
Capital assets:			
Non-depreciable	486,155,124	15,667,744	501,822,868
Depreciable, net	151,139,298	229,742,548	380,881,846
Total assets	<u>806,359,464</u>	<u>371,495,896</u>	<u>1,177,855,360</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to refunding of debt issuance	-	30,804	30,804
Related to pension	28,643,742	3,234,689	31,878,431
Related to OPEB	1,326,126	125,329	1,451,455
Total deferred outflows of resources	<u>29,969,868</u>	<u>3,390,822</u>	<u>33,360,690</u>
LIABILITIES			
Accounts payable	5,425,382	3,499,043	8,924,425
Deposits	2,688,057	1,255,415	3,943,472
Accrued interest payable	407,743	127,839	535,582
Accrued claims payable	5,088,520	-	5,088,520
Other accrued liabilities	1,615,928	200,118	1,816,046
Unearned revenue	4,550,956	-	4,550,956
Long-term liabilities:			
Due within one year			
Bonds and notes payable	24,559,806	10,490,675	35,050,481
Compensated absences	1,646,884	163,370	1,810,254
Due in more than one year			
Bonds and notes payable	37,485,456	14,307,923	51,793,379
Compensated absences	7,033,455	925,230	7,958,685
Net pension liability	90,288,770	11,048,195	101,336,965
Total OPEB liability	8,546,714	809,762	9,356,476
Total liabilities	<u>189,337,671</u>	<u>42,827,570</u>	<u>232,165,241</u>
DEFERRED INFLOWS OF RESOURCES			
Related to pension	8,553,961	1,199,197	9,753,158
Related to OPEB	422,700	180,209	602,909
Total deferred inflows of resources	<u>8,976,661</u>	<u>1,379,406</u>	<u>10,356,067</u>
NET POSITION			
Net investment in capital assets	589,574,607	220,619,246	810,193,853
Restricted for:			
Transportation system construction and maintenance	31,132,113	-	31,132,113
System development	27,551,044	-	27,551,044
Building development review and inspection	8,412,112	-	8,412,112
Utility and public facilities construction	-	2,767,559	2,767,559
Loan covenant requirement	-	789,604	789,604
Urban renewal	2,858,631	-	2,858,631
Law enforcement equipment	34,053	-	34,053
Rate stabilization	-	3,229,000	3,229,000
Debt service	14,571,544	4,355,058	18,926,602
Unrestricted	(36,119,104)	98,919,275	62,800,171
Total net position	<u>\$ 638,015,000</u>	<u>\$ 330,679,742</u>	<u>\$ 968,694,742</u>

The notes to the basic financial statements are an integral part of this statement.

City of Gresham, Oregon
Statement of Activities
For the Fiscal Year Ended June 30, 2020

Functions	Direct Expenses	Indirect Expenses Allocation	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:					
General government	\$ 42,553,953	\$ (40,723,606)	\$ 7,232,725	\$ 3,296	\$ -
Public safety	48,656,343	28,190,057	11,190,312	1,376,253	-
Urban renewal	1,843,211	-	62,216	-	2,563,410
Urban design and planning	2,848,473	1,669,597	558,186	95,528	110,689
Community development	4,965,073	2,911,121	5,423,429	1,617,297	-
Economic development services	1,058,414	714,198	2,443,050	-	-
Community livability	377,035	279,402	388,325	140,170	-
Parks	1,737,992	1,277,987	233,254	-	-
Environmental services	3,697,987	1,651,495	12,883,093	339,795	222,820
Transportation	15,291,969	4,029,749	192,132	12,269,248	2,394,229
Interest on long-term debt	2,337,423	-	-	-	-
Total governmental activities	<u>125,367,873</u>	<u>-</u>	<u>40,606,722</u>	<u>15,841,587</u>	<u>5,291,148</u>
Business-type activities:					
Water	15,184,878	-	15,200,656	-	1,023,838
Stormwater	10,164,466	-	10,122,042	-	690,657
Wastewater	20,950,403	-	19,875,064	-	528,799
Total business-type activities	<u>46,299,747</u>	<u>-</u>	<u>45,197,762</u>	<u>-</u>	<u>2,243,294</u>
Total government	<u>\$ 171,667,620</u>	<u>\$ -</u>	<u>\$ 85,804,484</u>	<u>\$ 15,841,587</u>	<u>\$ 7,534,442</u>

General Revenues:

Taxes:

- Property taxes
- Franchise and license fees
- Business income taxes
- Hotel and motel taxes
- Other taxes

Unrestricted grants and contributions

Unrestricted interest and investment earnings

Gain on sale of capital assets

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending

The notes to the basic financial statements are an integral part of this statement.

**Net (Expense) Revenue and
Changes in Net Position**

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ 5,405,674	\$ -	\$ 5,405,674
(64,279,835)	-	(64,279,835)
782,415	-	782,415
(3,753,667)	-	(3,753,667)
(835,468)	-	(835,468)
670,438	-	670,438
(127,942)	-	(127,942)
(2,782,725)	-	(2,782,725)
8,096,226	-	8,096,226
(4,466,109)	-	(4,466,109)
(2,337,423)	-	(2,337,423)
<u>(63,628,416)</u>	<u>-</u>	<u>(63,628,416)</u>
-	1,039,616	1,039,616
-	648,233	648,233
-	(546,540)	(546,540)
-	1,141,309	1,141,309
<u>\$ (63,628,416)</u>	<u>\$ 1,141,309</u>	<u>\$ (62,487,107)</u>
35,803,461	-	35,803,461
13,403,183	-	13,403,183
6,897,295	-	6,897,295
854,107	-	854,107
531,554	-	531,554
3,809,427	-	3,809,427
6,118,456	4,457,791	10,576,247
57,089	-	57,089
136,780	(136,780)	-
<u>67,611,352</u>	<u>4,321,011</u>	<u>71,932,363</u>
3,982,936	5,462,320	9,445,256
634,032,064	325,217,422	959,249,486
<u>\$ 638,015,000</u>	<u>\$ 330,679,742</u>	<u>\$ 968,694,742</u>

City of Gresham, Oregon
Balance Sheet
Governmental Funds
June 30, 2020

	<u>General Fund</u>	<u>System Development Charges Fund</u>	<u>Transportation Fund</u>
ASSETS			
Cash and investments	\$ 10,094,256	\$ 27,884,569	\$ 24,615,608
Property taxes receivable, net	877,187	-	-
Receivables, net	4,180,634	2,322,898	1,703,080
Other assets	55,118	155,526	136,847
Due from other funds	6,127,023	-	2,121,465
Advance to other funds	-	-	-
Restricted cash and investments	-	-	-
Total assets	<u>\$ 21,334,218</u>	<u>\$ 30,362,993</u>	<u>\$ 28,577,000</u>
LIABILITIES			
Accounts payable	\$ 1,126,624	\$ -	\$ 93,904
Other accrued liabilities	147	-	75
Deposits	210	-	653,862
Unearned revenue	-	489,420	-
Due to other funds	-	-	-
Advance from other funds	-	-	-
Total liabilities	<u>1,126,981</u>	<u>489,420</u>	<u>747,841</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	785,392	-	-
Unavailable revenue - loans receivable	-	2,322,529	-
Total deferred inflows of resources	<u>785,392</u>	<u>2,322,529</u>	<u>-</u>
FUND BALANCES			
Restricted	-	27,551,044	27,829,159
Committed	-	-	-
Assigned	-	-	-
Unassigned	19,421,845	-	-
Total fund balances	<u>19,421,845</u>	<u>27,551,044</u>	<u>27,829,159</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 21,334,218</u>	<u>\$ 30,362,993</u>	<u>\$ 28,577,000</u>

The notes to the basic financial statements are an integral part of this statement.

CDBG & HOME Fund	GRDC - Rockwood Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 124,499	\$ 11,852,976	\$ 34,465,622	\$ 109,037,530
-	160,548	-	1,037,735
3,523,241	-	1,387,704	13,117,557
692	75,713	196,583	620,479
14,739	-	245,163	8,508,390
-	-	4,756,374	4,756,374
145,626	1,800,000	1,017,767	2,963,393
<u>\$ 3,808,797</u>	<u>\$ 13,889,237</u>	<u>\$ 42,069,213</u>	<u>\$ 140,041,458</u>
\$ 108,659	\$ -	\$ 2,068,721	\$ 3,397,908
-	-	128,671	128,893
-	-	2,032,481	2,686,553
3,016,265	-	344,111	3,849,796
435,183	-	-	435,183
-	4,756,374	-	4,756,374
<u>3,560,107</u>	<u>4,756,374</u>	<u>4,573,984</u>	<u>15,254,707</u>
-	143,340	-	928,732
-	-	-	2,322,529
-	<u>143,340</u>	-	<u>3,251,261</u>
145,626	8,989,523	20,114,763	84,630,115
-	-	974,026	974,026
103,064	-	16,406,440	16,509,504
-	-	-	19,421,845
<u>248,690</u>	<u>8,989,523</u>	<u>37,495,229</u>	<u>121,535,490</u>
<u>\$ 3,808,797</u>	<u>\$ 13,889,237</u>	<u>\$ 42,069,213</u>	<u>\$ 140,041,458</u>

City of Gresham, Oregon
Reconciliation of the Balance Sheet of Governmental Funds to Governmental Activities on the Statement of Net Position
June 30, 2020

Total fund balances - governmental funds \$ 121,535,490

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:

Governmental capital assets	1,358,927,568	
Less: Accumulated depreciation & amortization	<u>(721,633,146)</u>	637,294,422

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position:

Internal service funds total net position	16,765,205	
Capital assets included in total above	(11,329,552)	
Accrued Interest payable	66,810	
Pension amounts included in totals below	13,869,578	
OPEB amounts included in totals below	1,335,059	
Compensated absences included in total below	1,625,600	
Bonds and notes payable, net included in total below	<u>1,641,310</u>	23,974,010

Pension assets or liabilities, with related deferred outflows of resources and deferred inflows of resources, are not reported in governmental funds, but are reported on the statement of net position. The amounts included in governmental activities on the statement of net position:

Net pension liability	(90,288,770)	
Net OPEB asset	935,438	
Total OPEB liability	(8,546,714)	
Deferred outflows of resources related to pensions	28,643,742	
Deferred outflows of resources related to OPEB	1,326,126	
Deferred inflows of resources related to pensions	(8,553,961)	
Deferred inflows of resources related to OPEB	<u>(422,700)</u>	(76,906,839)

Assets not available to pay for current-period expenditures are unavailable in the governmental funds, but are to be fully accrued on the statement of net position:

Unavailable revenue from taxes, loans, and assessments		3,251,261
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Liabilities not due and payable in the current period are not reported in the governmental funds, but are reported on the statement of net position. Accrued interest on bonds and notes payable is recognized in the governmental funds as an expenditure when due:

Bonds and notes payable	(61,612,223)	
Bond premiums, net of accumulated amortization	(433,039)	
Accrued interest payable	(407,743)	
Compensated absences	<u>(8,680,339)</u>	<u>(71,133,344)</u>

Total net position - governmental activities \$ 638,015,000

CITY OF
GRESHAM
GOING BEYOND

City of Gresham, Oregon
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2020

	<u>General Fund</u>	<u>System Development Charges Fund</u>	<u>Transportation Fund</u>
REVENUES			
Taxes	\$ 38,141,211	\$ -	\$ -
Licenses and permits	512,243	-	-
Intergovernmental	10,512,297	-	12,195,073
Charges for services	4,604,117	11,203,876	66,630
License fees	11,180,201	-	903,527
Miscellaneous	997,084	1,110,207	990,126
Internal service charges	415,127	-	2,016,153
Total revenues	<u>66,362,280</u>	<u>12,314,083</u>	<u>16,171,509</u>
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	59,955,541	-	-
Urban renewal	-	-	-
Urban design and planning	-	-	-
Community development	614,006	-	-
Economic development services	693,741	-	-
Community livability	-	-	-
Parks	2,786,119	-	-
Environmental services	-	-	-
Transportation	-	-	8,447,878
Capital outlay	-	-	-
Debt service	-	-	-
Total expenditures	<u>64,049,407</u>	<u>-</u>	<u>8,447,878</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,312,873</u>	<u>12,314,083</u>	<u>7,723,631</u>
OTHER FINANCING SOURCES (USES)			
Issuance of debt	-	-	-
Transfers in	75,000	-	985,286
Transfers out	(5,892,912)	(3,752,098)	(4,326,752)
Total other financing sources (uses)	<u>(5,817,912)</u>	<u>(3,752,098)</u>	<u>(3,341,466)</u>
Net change in fund balances	<u>(3,505,039)</u>	<u>8,561,985</u>	<u>4,382,165</u>
Fund balances - beginning	<u>22,926,884</u>	<u>18,989,059</u>	<u>23,446,994</u>
Fund balances - ending	<u>\$ 19,421,845</u>	<u>\$ 27,551,044</u>	<u>\$ 27,829,159</u>

The notes to the basic financial statements are an integral part of this statement.

CDBG & HOME Fund	GRDC - Rockwood Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 5,949,166	\$ -	\$ 44,090,377
-	-	3,139,684	3,651,927
1,617,297	21,583	7,986,753	32,333,003
22,294	-	4,330,691	20,227,608
-	-	1,319,456	13,403,184
81,323	546,842	3,194,314	6,919,896
-	-	2,347,771	4,779,051
<u>1,720,914</u>	<u>6,517,591</u>	<u>22,318,669</u>	<u>125,405,046</u>
-	-	65,806	65,806
-	-	1,924,657	61,880,198
-	-	2,157,176	2,157,176
-	-	3,664,944	3,664,944
1,435,551	-	4,340,666	6,390,223
-	-	874,000	1,567,741
-	-	613,316	613,316
-	-	19,200	2,805,319
-	-	3,625,208	3,625,208
-	-	397,854	8,845,732
-	-	13,899,717	13,899,717
-	3,885,249	6,046,139	9,931,388
<u>1,435,551</u>	<u>3,885,249</u>	<u>37,628,683</u>	<u>115,446,768</u>
<u>285,363</u>	<u>2,632,342</u>	<u>(15,310,014)</u>	<u>9,958,278</u>
-	-	11,428,400	11,428,400
20,000	1,408,051	12,932,727	15,421,064
(822,838)	-	(3,149,186)	(17,943,786)
<u>(802,838)</u>	<u>1,408,051</u>	<u>21,211,941</u>	<u>8,905,678</u>
<u>(517,475)</u>	<u>4,040,393</u>	<u>5,901,927</u>	<u>18,863,956</u>
<u>766,165</u>	<u>4,949,130</u>	<u>31,593,302</u>	<u>102,671,534</u>
<u>\$ 248,690</u>	<u>\$ 8,989,523</u>	<u>\$ 37,495,229</u>	<u>\$ 121,535,490</u>

City of Gresham, Oregon
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to Governmental Activities on the Statement of Activities
For the Fiscal Year Ended June 30, 2020

Net change in fund balances - governmental funds \$ 18,863,956

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

Governmental funds, which include internal service funds report capital outlays as expenditures and do not report capital asset contributions. In the statement of activities, those contributions are reported as revenues. However, in the statement of activities the cost of capital assets is allocated as depreciation and amortization expense over the assets estimated useful lives:

Capital asset expenditures and contributions		
Capitalized expenditures	14,922,982	
Contributions	2,394,229	
Less:		
Depreciation & amortization expense	<u>(15,183,244)</u>	2,133,967

Governmental funds report dispositions and proceeds from sales of capital assets, while such proceeds are offset with net capitalized assets resulting in gains and losses in the statement of activities:

Gain and Loss on disposition of capital assets	52,512	
Proceeds from disposition of capital assets	<u>(54,827)</u>	(2,315)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Detail of the impact of these transactions are as follows:

Proceeds from governmental debt issuance	(11,428,400)	
Debt principal repayments from governmental funds	<u>6,120,511</u>	(5,307,889)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net expense of most activities of internal service funds is reported with governmental activities.

Internal service fund change in net position	251,877	
Change in capital asset activity included in total above	649,440	
Change in bonds and notes payable included in total above	(358,005)	
Pension expense included in total below	3,511,430	
OPEB expense included in total below	56,186	
Amortization of premium included in total below	(5,438)	
Accrued interest reversal and accrual included in total below	(13,433)	
Change in compensated absences included in total below	<u>218,100</u>	4,310,157

Some revenues reported in the statement of activities do not provide current financial resources and, therefore, are not reported in governmental funds. Some revenues reported in governmental funds are not reported in the statement of activities because they did not provide current financial resources in prior years:

Change in property tax receivable	(3,960)	
Change in miscellaneous receivables	<u>825,013</u>	821,053

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:

Amortization of premiums and discounts	139,835	
Change in accrued interest	55,062	
Pension expense	(15,906,417)	
OPEB expense	(217,955)	
Change in compensated absences	<u>(906,518)</u>	<u>(16,835,993)</u>

Change in net position - governmental activities \$ 3,982,936

City of Gresham, Oregon
Statement of Net Position
Proprietary Funds
June 30, 2020

	Enterprise Funds				
	Water	Stormwater	Wastewater	Total	Internal Service Funds
ASSETS					
Current assets:					
Cash and investments	\$ 36,712,115	\$ 23,765,746	\$ 43,998,344	\$ 104,476,205	\$ 46,541,950
Receivables, net	2,362,438	1,675,125	3,518,965	7,556,528	441,300
Due from other funds	1,679,125	1,198,004	3,011,428	5,888,557	1,389,146
Total current assets	<u>40,753,678</u>	<u>26,638,875</u>	<u>50,528,737</u>	<u>117,921,290</u>	<u>48,372,396</u>
Noncurrent assets:					
Other assets	211,952	135,589	275,194	622,735	258,217
Advances to other funds	245,000	-	-	245,000	-
Restricted cash and investments	1,414,416	623,390	5,503,773	7,541,579	-
Capital assets:					
Non-depreciable	2,623,923	8,202,422	4,841,399	15,667,744	2,268,057
Depreciable, net	67,054,443	52,587,849	110,100,256	229,742,548	9,061,495
Total noncurrent assets	<u>71,549,734</u>	<u>61,549,250</u>	<u>120,720,622</u>	<u>253,819,606</u>	<u>11,587,769</u>
Total assets	<u>112,303,412</u>	<u>88,188,125</u>	<u>171,249,359</u>	<u>371,740,896</u>	<u>59,960,165</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred refunding amount on debt issuance	-	19,633	11,171	30,804	-
Deferred outflow related to pension	1,042,006	1,092,208	1,100,475	3,234,689	6,849,909
Deferred outflow related to OPEB	58,822	43,710	22,797	125,329	241,195
Total deferred outflows of resources	<u>1,100,828</u>	<u>1,155,551</u>	<u>1,134,443</u>	<u>3,390,822</u>	<u>7,091,104</u>
LIABILITIES					
Current liabilities:					
Accounts payable	1,046,791	417,619	2,034,633	3,499,043	2,027,474
Other accrued liabilities	56,512	25,477	118,129	200,118	18,574
Accrued claims payable	-	-	-	-	5,088,520
Accrued interest payable	78,686	3,754	45,399	127,839	66,810
Other liabilities	-	-	-	-	1,468,461
Deposits	1,255,415	-	-	1,255,415	1,504
Unearned revenue	-	-	-	-	701,160
Due to other funds	-	-	-	-	15,350,910
Compensated absences	56,945	56,455	49,970	163,370	243,915
Bonds, notes and loans payable	7,173,911	784,331	2,532,433	10,490,675	382,988
Total current liabilities	<u>9,668,260</u>	<u>1,287,636</u>	<u>4,780,564</u>	<u>15,736,460</u>	<u>25,350,316</u>
Noncurrent liabilities:					
Advance from other funds	-	-	245,000	245,000	-
Net pension liability	3,757,961	3,406,162	3,884,072	11,048,195	18,880,205
Total OPEB liability	410,031	294,310	105,421	809,762	1,430,032
Compensated absences	322,655	319,745	282,830	925,230	1,381,685
Bonds, notes and loans payable	5,770,809	4,071,879	4,465,235	14,307,923	1,258,322
Total noncurrent liabilities	<u>10,261,456</u>	<u>8,092,096</u>	<u>8,982,558</u>	<u>27,336,110</u>	<u>22,950,244</u>
Total liabilities	<u>19,929,716</u>	<u>9,379,732</u>	<u>13,763,122</u>	<u>43,072,570</u>	<u>48,300,560</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pension	419,870	328,734	450,593	1,199,197	1,839,282
Deferred inflows related to OPEB	104,254	43,110	32,845	180,209	146,222
Total deferred inflows of resources	<u>524,124</u>	<u>371,844</u>	<u>483,438</u>	<u>1,379,406</u>	<u>1,985,504</u>
NET POSITION					
Net investment in capital assets	56,733,646	55,941,613	107,943,987	220,619,246	9,688,241
Restricted for:					
Construction	-	-	2,767,559	2,767,559	-
Loan requirement	159,000	123,390	507,214	789,604	-
Rate stabilization	-	500,000	2,729,000	3,229,000	-
Debt service	54,867	78,019	4,222,172	4,355,058	-
Unrestricted	36,002,887	22,949,078	39,967,310	98,919,275	7,076,964
Total net position	<u>\$ 92,950,400</u>	<u>\$ 79,592,100</u>	<u>\$ 158,137,242</u>	<u>\$ 330,679,742</u>	<u>\$ 16,765,205</u>

The notes to the basic financial statements are an integral part of this statement.

City of Gresham, Oregon
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2020

	Enterprise Funds				Internal Service Funds
	Water	Stormwater	Wastewater	Total	
OPERATING REVENUES					
Charges for services	\$ 15,238,461	\$ 10,163,022	\$ 19,840,820	\$ 45,242,303	\$ 35,877,535
Miscellaneous	163	-	-	163	63,928
Total operating revenues	<u>15,238,624</u>	<u>10,163,022</u>	<u>19,840,820</u>	<u>45,242,466</u>	<u>35,941,463</u>
OPERATING EXPENSES					
Personnel services	3,379,484	3,364,864	3,151,449	9,895,797	20,155,017
Professional and technical services	131,971	674,799	4,232,436	5,039,206	2,650,443
Property services	685,352	89,272	128,492	903,116	912,262
Other services	59,639	39,196	38,296	137,131	451,660
Supplies	139,632	157,922	169,351	466,905	3,085,684
Water purchase	3,284,887	-	-	3,284,887	-
Incentive programs	10,700	339,871	-	350,571	141,577
Insurance claims	-	-	-	-	11,776,344
Internal services	3,601,293	2,639,605	4,910,440	11,151,338	526
Other materials and services	309,137	404,330	2,623,460	3,336,927	2,636,522
Depreciation and amortization	3,215,880	2,367,018	5,278,460	10,861,358	690,640
Total operating expenses	<u>14,817,975</u>	<u>10,076,877</u>	<u>20,532,384</u>	<u>45,427,236</u>	<u>42,500,675</u>
Operating income (loss)	<u>420,649</u>	<u>86,145</u>	<u>(691,564)</u>	<u>(184,770)</u>	<u>(6,559,212)</u>
NONOPERATING REVENUES (EXPENSES)					
Miscellaneous revenue (expense)	126,670	3,942	23,571	154,183	2,474,003
Interest and investment income	1,516,243	975,447	1,966,101	4,457,791	1,749,798
Interest expense	(366,903)	(87,589)	(418,019)	(872,511)	(75,841)
Gain/(loss) on disposition of capital assets	2,116	6,185	10,672	18,973	3,627
Total nonoperating revenues (expenses)	<u>1,278,126</u>	<u>897,985</u>	<u>1,582,325</u>	<u>3,758,436</u>	<u>4,151,587</u>
Income (loss) before contributions and transfers	<u>1,698,775</u>	<u>984,130</u>	<u>890,761</u>	<u>3,573,666</u>	<u>(2,407,625)</u>
Capital contributions	857,085	639,550	528,799	2,025,434	-
Transfers in	548,628	1,106,155	931,463	2,586,246	9,026,723
Transfers out	<u>(686,448)</u>	<u>(1,335,056)</u>	<u>(701,522)</u>	<u>(2,723,026)</u>	<u>(6,367,221)</u>
Change in net position	<u>2,418,040</u>	<u>1,394,779</u>	<u>1,649,501</u>	<u>5,462,320</u>	<u>251,877</u>
Total net position - beginning	<u>90,532,360</u>	<u>78,197,321</u>	<u>156,487,741</u>	<u>325,217,422</u>	<u>16,513,328</u>
Total net position - ending	<u>\$ 92,950,400</u>	<u>\$ 79,592,100</u>	<u>\$ 158,137,242</u>	<u>\$ 330,679,742</u>	<u>\$ 16,765,205</u>

The notes to the basic financial statements are an integral part of this statement.

City of Gresham, Oregon
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2020

	Enterprise Funds				Internal Service Funds
	Water	Stormwater	Wastewater	Total	
Cash flows from operating activities:					
Receipts from customers	\$ 15,035,230	\$ 9,737,955	\$ 19,600,274	\$ 44,373,459	\$ 1,290,466
Receipts for internal services provided	-	-	-	-	34,464,004
Payments to suppliers for goods and services	(7,732,285)	(4,124,319)	(12,342,734)	(24,199,338)	(22,189,255)
Payments to employees for services	(2,748,222)	(2,687,921)	(2,518,437)	(7,954,580)	(16,418,903)
Other operating receipts (payments)	93,853	3,942	23,571	121,366	2,450,232
Net cash provided by (used in) operating activities	<u>4,648,576</u>	<u>2,929,657</u>	<u>4,762,674</u>	<u>12,340,907</u>	<u>(403,456)</u>
Cash flows from noncapital financing activities:					
Receipts from other funds	57,665	304,419	-	362,084	6,223,521
Payments to other funds	(814,848)	(1,417,834)	(894,768)	(3,127,450)	(2,515,414)
Net cash provided by (used in) noncapital financing activities	<u>(757,183)</u>	<u>(1,113,415)</u>	<u>(894,768)</u>	<u>(2,765,366)</u>	<u>3,708,107</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(4,125,165)	(1,128,533)	(3,739,336)	(8,993,034)	(41,199)
Proceeds from debt issuance	2,671,100	-	-	2,671,100	-
Receipts from system development charges	496,300	801,736	931,463	2,229,499	-
Principal portion of debt service	(315,468)	(756,780)	(2,171,436)	(3,243,684)	(358,005)
Interest portion of debt service	(379,168)	(67,031)	(448,372)	(894,571)	(94,713)
Proceeds from disposition of capital assets	2,116	6,185	10,672	18,973	3,626
Net cash provided by (used in) capital and related financing activities	<u>(1,650,285)</u>	<u>(1,144,423)</u>	<u>(5,417,009)</u>	<u>(8,211,717)</u>	<u>(490,291)</u>
Cash flows from investing activities:					
Change in investments	(5,312,494)	(2,805,496)	(2,752,590)	(10,870,580)	(6,595,370)
Interest on investments	1,506,243	978,565	1,979,423	4,464,231	1,742,697
Net cash provided by (used in) investing activities	<u>(3,806,251)</u>	<u>(1,826,931)</u>	<u>(773,167)</u>	<u>(6,406,349)</u>	<u>(4,852,673)</u>
Net increase (decrease) in cash and cash equivalents	(1,565,143)	(1,155,112)	(2,322,270)	(5,042,525)	(2,038,313)
Cash and cash equivalents - beginning	3,448,906	2,353,060	4,922,275	10,724,241	4,313,423
Cash and cash equivalents - ending	<u>\$ 1,883,763</u>	<u>\$ 1,197,948</u>	<u>\$ 2,600,005</u>	<u>\$ 5,681,716</u>	<u>\$ 2,275,110</u>
Classified on the Statement of Net Position as:					
Cash and investments	\$ 1,435,987	\$ 1,126,181	\$ (40,119)	\$ 2,522,049	\$ 2,275,110
Restricted cash and investments	447,776	71,767	2,640,124	3,159,667	-
	<u>\$ 1,883,763</u>	<u>\$ 1,197,948</u>	<u>\$ 2,600,005</u>	<u>\$ 5,681,716</u>	<u>\$ 2,275,110</u>
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	\$ 420,649	\$ 86,145	\$ (691,564)	\$ (184,770)	\$ (6,559,212)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation and amortization	3,215,880	2,367,018	5,278,460	10,861,358	690,640
Pension adjustments	578,211	583,150	611,863	1,773,224	3,511,430
OPEB adjustments	10,551	10,193	3,149	23,893	56,186
Other	126,670	3,942	23,571	154,183	2,474,003
Changes in assets and liabilities:					
Receivables	(203,231)	(425,067)	(240,546)	(868,844)	(174,848)
Accounts payable	464,402	206,004	(146,544)	523,862	(99,902)
Other liabilities	35,444	98,272	(75,715)	58,001	(301,753)
Net cash provided by (used in) operating activities	<u>\$ 4,648,576</u>	<u>\$ 2,929,657</u>	<u>\$ 4,762,674</u>	<u>\$ 12,340,907</u>	<u>\$ (403,456)</u>
Noncash investing, capital, and financing activities:					
Contributed capital assets	\$ 857,085	\$ 639,550	\$ 528,799	\$ 2,025,434	\$ -
Increase in fair value of investments	689,789	437,757	872,363	1,999,909	850,220

The notes to the basic financial statements are an integral part of this statement.

City of Gresham, Oregon
Notes to the Financial Statements
June 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The City of Gresham, Oregon (City) is a municipal corporation governed by an elected mayor and six-member council, elected for staggered terms of four years. The Mayor, who serves as chairperson and an additional voting member of the Council, is also elected to serve a term of four years. The affairs of the City are conducted under the administration of the City Manager who is appointed by the Council.

The City is a primary government since it has a separately elected governing body, is a legally separate entity, and is fiscally independent. The City has one component unit that is a legally separate entity, which is in substance, a part of the City's operation and therefore blended into the basic financial statements. There are other governmental agencies, school districts, and special service districts that provide services within the City's boundaries. However, since the City is not financially accountable for these entities, they do not qualify as component units and are not included in the basic financial statements.

Blended Component Unit

The Rockwood-West Gresham Urban Renewal Area (Area) was created in the fall of 2003, when voters approved the creation of an urban renewal area for 20 years with maximum principal indebtedness of \$92.0 million. The City of Gresham Council members serve as the Area's governing body, known as the Gresham Redevelopment Commission (Commission) and City staff perform all operational functions of the Area.

An Intergovernmental Agreement (IGA) exists between the City and the Commission for urban renewal project funding, internal service charges and debt issuance and repayment. The Area has remaining debt capacity of \$44,209,232 at fiscal year-end 2020. The Commission's activities are reported in the Rockwood UR Capital Projects Fund and the Rockwood UR Debt Service Fund.

Complete financial statements for the Area may be obtained from the City's website (www.GreshamOregon.gov) or the City of Gresham, Finance and Accounting Services Division, 1333 NW Eastman Parkway, Gresham, OR 97030.

B. Basic Financial Statements

The basic financial statements include both government-wide and fund financial statements. The government-wide financial statements report information on all non-fiduciary activities of the City and its component unit. 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.

CITY OF GRESHAM, OREGON

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. *Program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as *general revenues*.

Fund 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.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. 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 have been met.

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 become both measurable and available. Revenues are available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within sixty days from the end of the current fiscal year. In the governmental fund financial statements, expenditures are generally recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Major revenue sources recognized under the City's availability policy include property taxes, license fees, business income taxes, as well as significant state shared revenues. Grant revenues are an exception to the policy and are recognized as soon as all eligibility requirements have been met. Interest income is considered subject to accrual and is recognized as revenue when earned. Licenses, permits, and other revenue items are considered measurable and available when cash is received by the City. The City reports the following funds as major governmental funds:

The *General Fund* is the City's primary operating fund. The principal sources of revenue are property taxes, state shared revenue, business income tax, license fees, and charges for services. General Fund expenditures are for police, fire, emergency medical services, community and economic development, and parks maintenance.

The *Transportation Fund* accounts primarily for State of Oregon shared gas tax revenues used to construct, maintain, and repair streets.

The *System Development Charge Fund* accounts for collections of: transportation, parks, water, stormwater, and wastewater system connection impact charges that are transferred to other funds for use on system development.

The *CDBG & HOME Fund* accounts for the receipt of Housing and Urban Development (HUD) grant revenues and their related expenditures.

NOTES TO THE FINANCIAL STATEMENTS

The *Rockwood UR Debt Service Fund* accounts for debt service on funding for the Rockwood-West Gresham Urban Renewal Area.

The City reports the following funds as major proprietary funds:

The *Water Fund* accounts for the activities of the City's water system.

The *Stormwater Fund* accounts for the activities of the City's stormwater system.

The *Wastewater Fund* accounts for the activities of the City's wastewater system.

Additionally, the City has the following fund types:

The *special revenue funds* account for proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes.

The *capital projects funds* account for financial resources used for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

The *debt service funds* account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

The *internal service funds* account for: property management, vehicle maintenance, legal, self-insurance, equipment replacement, information technology and administrative services provided to other departments of the City on a cost reimbursement basis.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges for goods and services between the government's enterprise functions and various other city functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* 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 of the City's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation and/or amortization of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first and then unrestricted resources as they are needed.

D. New Accounting Pronouncements and Accounting Standards

During the fiscal year ended June 30, 2020, the City implemented the following GASB pronouncements:

GASB Statement No. 84, Fiduciary Activities

The objective of this statement is to improve guidance regarding the identification and reporting of fiduciary activities. With the implementation of new Enterprise Resource Planning software, the City took the opportunity to review funds and fund structure. As a result, Management chose to eliminate the lone Fiduciary Fund used to account for liabilities such as payroll benefits and withholdings,

CITY OF GRESHAM, OREGON

opting to report as part of the Internal Service Funds. Given the lack of fiduciary funds, GASB Statement 84 will not have an impact on the City's financial statements.

GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance

The primary objective of this Statement is to provide temporary relief to governments and other stakeholders due to the COVID-19 pandemic. To that end, the effective dates of certain provisions in Statements and Implementation Guides that became effective or are scheduled to become effective for periods beginning after June 15, 2018 and later are being postponed. Except for Statement No. 87 Leases and Implementation Guide No. 2019-3 Leases, which are postponed by 18 months, Statements 83 thru 93 and Implementation Guides 2018-1 and 2019-1 are postponed by 1 year. The City will adjust their implementation schedule accordingly.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash and Cash Equivalents, and Investments

The City's cash and cash equivalents consists of cash on hand, demand deposits, and shares of the Local Government Investment Pool. Investments for the City, as well as for its component unit, are reported at fair value based on market prices, when available, as of year-end. Interest earned on cash and investments is allocated monthly based on each fund's average cash balance as a proportion of the City's total cash and investments.

Receivables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other fund" where repayment is expected over a short-term period and "advances from/to other funds" when the anticipated repayment time frame is long-term. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Property taxes are levied and become a lien against the property on July 1st. Property tax statements are mailed no later than October 25th. Tax payments are due November 15th (and February 15th and May 15th if paying in thirds). A three percent discount is allowed if full payment is made by November 15th and a two percent discount is allowed if two-thirds payment is made by November 15th. Taxes unpaid and outstanding on May 16th are considered delinquent but are deemed to be substantially collectible or recoverable through liens.

Inventories

The cost of inventories is recorded as expenditure/expense when purchased.

NOTES TO THE FINANCIAL STATEMENTS

Restricted Net Position

Assets with restricted use are reported separately on the Statement of Net Position. Restrictions are made by debt agreements, contracts, requirements imposed by federal and state agencies, and by contributors.

Capital Assets

Capital assets, which include property, plant, equipment, infrastructure, easements, and software assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than one year. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at acquisition value on the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are expensed when incurred and not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The City's capital assets are depreciated or amortized using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building and building improvements	10-50
Land improvements	10-50
Water, stormwater, and wastewater systems	10-50
Transportation systems	10-50
Machinery and equipment	3-40
Software	3-20

Deferred Outflows/Inflows of Resources

In addition to assets, a separate section for deferred outflows of resources will sometimes be reported. 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.

In addition to liabilities, a separate section for deferred inflows of resources will sometimes be reported. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

Compensated Absences

It is the City's policy to permit employees to accumulate earned, but unused vacation, holiday, and sick pay benefits. There is no liability for unpaid accumulated sick leave since the City does not pay these amounts when employees separate from service with the City. Vacation pay is accrued when

CITY OF GRESHAM, OREGON

incurred in the government-wide and proprietary fund financial statements. The City recognizes accrued compensation balance changes as a budgetary expense. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-term Debt

In the government-wide financial statements and proprietary 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. Premiums, discounts, and deferred refunding amounts are accumulated and amortized as interest expense over the life of the debt using the straight-line method.

In the fund financial statements, governmental fund types, expense bond discounts and issuance costs while recognizing bond premiums during the current period. The par value of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether withheld or not from the actual proceeds received, are reported as debt service expenditures.

The Tax Reform Act of 1986 requires that governmental entities issuing tax-exempt debt after August 1986 calculate and rebate arbitrage earnings to the federal government. Specifically, the excess of the aggregated amount earned on investments purchased with bond proceeds over the amount that would have been earned if the proceeds were invested at a rate equal to the bond yield, is rebated to the federal government. At June 30, 2020, eight of the City's long-term debt issues were subject to federal arbitrage regulations, but no rebate liability was incurred this fiscal year. The issues which are not subject to rebate are either issued as taxable obligations or are monies borrowed from non-bond sources.

Other post-employment benefits (OPEB)

The City reports its proportionate share of the Net OPEB Asset of the Oregon Public Employees Retirement System (OPERS) in the government-wide financial statements. For purposes of measuring the net OPEB liability or asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of OPERS and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. Investments are reported at fair value.

The City also reports a Total OPEB liability in the government-wide and proprietary fund financial statements for the City's Implicit Rate Subsidy OPEB Plan.

Net Pension Liability

The City reports its proportionate share of the Net Pension Liability of the Oregon Public Employees Retirement System (OPERS). For purposes of measuring the net pension liability or asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of OPERS and additions to/deductions from OPERS's 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

NOTES TO THE FINANCIAL STATEMENTS

contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Fund Balance

Fund balances, presented in the governmental fund financial statements, represent a resource for future periods that is the difference between assets and liabilities reported in a governmental fund. Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City evaluated each of its funds at June 30, 2020 and classified fund balances into the following five categories:

Non-spendable - amounts that cannot be spent because they are not in spendable form, such as inventory, or required to be maintained intact.

Restricted – amounts constrained to specific purposes by their providers or by enabling legislation.

Committed - amounts that have been committed by formal action by the entity's "highest level of decision-making authority", which the City considers to be a Council Resolution. Committed amounts may not be used for any other purpose unless City Council removes the constraint by similar resolution.

Assigned – amounts that have been allocated by the City action where the government's intent is to use the funds for a specific purpose. Assigned fund balance is established by City Council through adoption or amendment of the budget as intended for specific purpose.

Unassigned – amounts that have no restrictions on them in the general fund or any deficit fund balances.

The City reduces restricted amounts first when expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available. The City reduces committed amounts first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Indirect Expenses Allocation

In the fund financial statements, the City accounts for certain general government expenses in internal services funds. Costs are mainly recovered through internal service charges to direct operating funds. In the Statement of Activities, these costs are reported as expenses of the general government function and allocated to direct functions in a separate column titled Indirect Expenses Allocation. The remaining net expense in the general government function represents direct activity of that function including its share of allocated indirect costs.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The City prepares its budget in accordance with the legal requirements set forth in Oregon Local Budget Law. The City Council adopts the budget, makes appropriations, and declares the tax levy no later than June 30th before the year budgeted.

CITY OF GRESHAM, OREGON

In accordance with State law, annual budgets are adopted for all funds except the agency fund type. Budgets are prepared similar to the modified accrual basis of accounting for all fund types.

The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total expenditures by department, as well as non-operating functions such as debt service and interfund transfers, are the legal level of control. All changes and amendments to total department expenditures for each fund require the approval of the City Council.

Unexpected additional resources may be added to the budget through the use of a supplemental budget, an appropriation or contingency transfer, or an appropriation of additional resources. These additions require the approval of the City Council. During the fiscal year, the City made a number of appropriation transfers and additional resource appropriations, but no supplemental budget was required.

B. Deficit Fund Equity

The Legal Services Fund and the Administrative Services Fund had deficit net position of \$768,353 and \$4,276,461 respectively at June 30, 2020. The deficits in net position were a result of net pension liability valuation. These funds are internal service funds and operate primarily on a cost reimbursement basis.

NOTE 3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Cash, Cash Equivalents, and Investments

Cash with financial institutions primarily consist of bank demand deposits. The total book balance in deposits at year-end was \$7,252,433. The total bank balance was \$8,117,433. Of these deposits, \$250,000 was fully covered by the federal depository insurance's general deposit rules and \$7,002,433 was in a qualified depository bank and collateralized in compliance with ORS 295. The City does not have a policy related to custodial risk over cash. The difference between the book balance and the bank balance represents outstanding items at year-end.

The City's investment policy is reviewed annually by the City's Finance and Management Services Department and the City's Finance Committee. Material changes to the policy require submission to the Oregon Short-Term Fund Board (OSTF) for review. Once OSTF completes its review, the investment policy is then presented to the City Council for final adoption. The Oregon Short-Term Fund Board consists of the State Treasurer and four members appointed by the Governor and State Treasurer. At year-end, the City was in compliance with all investment policy requirements.

State of Oregon statutes and the City's investment policies authorize the City to invest in U.S. Treasury obligations, U.S. Agency obligations, certain federal instrumentality securities, commercial paper, corporate bonds, banker's acceptances, Oregon Short-Term Fund, repurchase agreements, obligations of certain states and municipalities, time deposits, certificates of deposit, and savings accounts.

The City invests in the Local Government Investment Pool (LGIP). The LGIP is not registered with the U.S. Securities and Exchange Commission as an investment company. The Oregon Revised Statutes and the Oregon Investment Council govern the LGIP's investment policies. The State Treasurer is the investment officer for the LGIP and is responsible for all funds in the LGIP. These funds must be invested, and the investments managed, as a prudent person would, exercising

NOTES TO THE FINANCIAL STATEMENTS

reasonable care, skill, and caution. Investments in the LGIP are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The Oregon Audits Division audits the LGIP annually. The Division's most recent audit report on the LGIP was unqualified. The fair value of pool shares is equal to the City's proportionate position in the pool.

Interest Rate Risk

In accordance with its investment policy, the City manages its exposure to declines in fair value resulting from changes in interest rates by limiting the weighted average maturity (WAM) of its investment portfolio to less than forty-two months. To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities. The City does not actively trade investments, usually holding them to maturity.

At year-end, the City had the following investments and maturities at fair value:

Investments	Risk Concentration	Weighted Average Final Maturity (Days)	Fair Value
Cash/LGIP	15.7%	1	\$ 42,428,792
Corporate Obligations	32.2%	600	\$ 87,023,653
Municipal Bonds	8.4%	804	\$ 22,864,942
US Treasury	16.7%	491	\$ 45,182,898
US Agency	27.0%	1,179	\$ 73,060,372
	<u>100.0%</u>	<u>661</u>	<u>\$ 270,560,657</u>

Shown on the Statement of Net Position as: Cash and investments	\$ 260,055,685
Restricted cash and investments	10,504,972
	<u>\$ 270,560,657</u>

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or price paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 – Unadjusted quoted prices for identical instruments in active markets.

Level 2 – Based on matrix pricing, synthesizing multiple market inputs to determine a fair value price derived from altered or indirectly observable prices.

Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

CITY OF GRESHAM, OREGON

Fair Value Measurements Value as of June 30, 2020

	Level 1	Level 2	Level 3	Total
Investments:				
US Treasury	\$ -	\$ 45,182,898	\$ -	\$ 45,182,898
Agency Securities	-	73,060,372	-	73,060,372
Corporate Bonds	-	87,023,653	-	87,023,653
Municipal	-	11,963,152	10,901,790	22,864,942
Total	\$ -	\$ 217,230,075	\$ 10,901,790	\$ 228,131,865

Concentration Risk and Credit Risk

The City's investment policy does not allow for an investment in any one issuer to exceed 5 percent of the City's total investments, with the exception of US Treasuries, US Agencies and Instrumentalities. Credit risk is a ratings-based assessment of the likelihood of an issuer defaulting on its repayment obligations. The City mitigates its exposure to credit risk by limiting purchases to the highest ratings groups at time of purchase. At year end the City held 40.7 percent of its portfolio in securities subject to normal credit risk considerations. Investments held at year-end are categorized by credit rating and concentration as follows:

Investment-Type	Minimum Allowable Credit Quality Criteria		S&P	Moody's	Fair Value June 30, 2020	Percentage of Total FV
	(at the time of purchase)					
Cash/LGIP	- / -	-	-	-	\$ 42,428,792	15.7%
Corporate Bonds	AA-/Aa3	A	A1		5,545,827	2.0%
Corporate Bonds	AA-/Aa3	A	A2		4,737,409	1.8%
Corporate Bonds	AA-/Aa3	AA-	Aa1		8,111,679	3.0%
Corporate Bonds	AA-/Aa3	AA+	Aa1		10,474,732	3.9%
Corporate Bonds	AA-/Aa3	AA-	Aa2		5,187,135	1.9%
Corporate Bonds	AA-/Aa3	AA-	Aa3		9,738,540	3.6%
Corporate Bonds	AA-/Aa3	AA-	A1		2,643,653	1.0%
Corporate Bonds	AA-/Aa3	A+	A1		13,230,303	4.9%
Corporate Bonds	AA-/Aa3	A+	Aa3		11,117,767	4.1%
Corporate Bonds	AA-/Aa3	A+	Aa2		16,236,607	6.0%
Municipal - CA	AA-/Aa3	AA-	Aa2		5,210,650	1.9%
Municipal- WA	AA-/Aa3	AA+	Aaa		3,413,615	1.3%
Municipal- OR	A-/A3	AAA	Aaa		3,338,888	1.2%
Municipal- OR	A-/A3	NR	Aa2		10,901,790	4.0%
US Instrumentality: FFCB	AA+/Aaa	AA+	Aaa		15,611,803	5.8%
US Instrumentality: FHLB	AA+/Aaa	AA+	Aaa		27,459,674	10.1%
US Instrumentality: FHLMC	AA+/Aaa	AA+	Aaa		10,002,601	3.7%
US Instrumentality: FNMA	AA+/Aaa	AA+	Aaa		19,986,295	7.4%
US Treasury	AA+/Aaa	AA+	Aaa		45,182,898	16.7%
					<u>\$ 270,560,657</u>	<u>100.0%</u>

NOTES TO THE FINANCIAL STATEMENTS

B. Receivables

The composition of receivables at fiscal year-end for the City's individual major funds and aggregated nonmajor and internal service funds were as follows:

	Accounts	Taxes	Gross Receivables	Allowance for Doubtful Accounts	Receivables, Net
Governmental Activities					
General	\$ 4,415,211	\$ 877,187	\$ 5,292,398	\$ (234,577)	\$ 5,057,821
Transportation	1,853,789	-	1,853,789	(150,709)	1,703,080
System development charges	2,322,898	-	2,322,898	-	2,322,898
CDBG & HOME	3,523,241	-	3,523,241	-	3,523,241
Rockwood UR debt service	-	160,548	160,548	-	160,548
Nonmajor governmental	1,961,025	-	1,961,025	(573,321)	1,387,704
Internal service	468,379	-	468,379	(27,079)	441,300
	<u>\$ 14,544,543</u>	<u>\$ 1,037,735</u>	<u>\$ 15,582,278</u>	<u>\$ (985,686)</u>	<u>\$ 14,596,592</u>
Business-Type Activities					
Water	\$ 2,367,292	\$ -	\$ 2,367,292	\$ (4,854)	\$ 2,362,438
Stormwater	1,676,666	-	1,676,666	(1,541)	1,675,125
Wastewater	3,521,624	-	3,521,624	(2,659)	3,518,965
	<u>\$ 7,565,582</u>	<u>\$ -</u>	<u>\$ 7,565,582</u>	<u>\$ (9,054)</u>	<u>\$ 7,556,528</u>
			Total receivables		<u>\$ 22,153,120</u>
			Shown on the Statement of Net Position as:		
			Receivables, net		\$ 21,115,385
			Property taxes receivable, net		1,037,735
					<u>\$ 22,153,120</u>

Wastewater and stormwater charges collected by the Multnomah County Tax Assessor's office are not considered taxes receivable.

C. Capital Assets

In the governmental activities section of the Statement of Activities, capital asset reclassification or transfers between governmental funds and internal service funds have been eliminated. In the like manner, capital asset transfers between enterprise funds have been eliminated in the business-type activities section.

Capital asset activity during the fiscal year was as follows:

CITY OF GRESHAM, OREGON

	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
Governmental Activities					
Non-depreciated & non-amortized:					
Land	\$ 34,122,554	\$ -	\$ -	\$ -	\$ 34,122,554
Construction in progress	2,227,581	2,853,972	-	(1,902,314)	3,179,238
Easements	447,774,654	1,056,678	-	-	448,831,332
Licenses	22,000	-	-	-	22,000
Total non-depr. & non-amort.	484,146,789	3,910,649	-	(1,902,314)	486,155,124
Depreciated & amortized:					
Buildings	27,299,194	-	-	-	27,299,194
Improvements	25,035,955	179,594	-	1,419,646	26,635,195
Machinery and equipment	26,603,363	639,152	(582,793)	469,965	27,129,687
Infrastructure	776,091,089	12,587,813	-	12,704	788,691,605
Software	3,016,763	-	-	-	3,016,763
Total depr. & amort. at historical cost	858,046,364	13,406,559	(582,793)	1,902,314	872,772,444
Less accumulated depr. & amort. for:					
Buildings	(14,087,870)	(599,251)	-	-	(14,687,121)
Improvements	(7,659,238)	(1,104,202)	-	-	(8,763,440)
Machinery and equipment	(16,447,726)	(2,161,928)	580,478	-	(18,029,176)
Infrastructure	(667,032,287)	(11,204,489)	-	-	(678,236,776)
Software	(1,803,261)	(113,371)	-	-	(1,916,632)
Total accumulated depr. & amort.	(707,030,382)	(15,183,242)	580,478	-	(721,633,146)
Depreciated & amortized, net	151,015,981	(1,776,683)	(2,315)	1,902,314	151,139,298
Governmental Activities capital assets, net	\$ 635,162,770	\$ 2,133,967	\$ (2,315)	\$ -	\$ 637,294,422

Depreciation and amortization expense was charged to governmental activities as follows:

General government	\$ 28,519
Public safety	1,510,538
Transportation	11,239,268
Community development	127,438
Environmental services	1,243,422
Internal service funds	690,640
Urban renewal	343,416

Total depreciation and amortization expense

\$ 15,183,242

	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
Business-Type Activities					
Non-depreciated & non-amortized:					
Land	\$ 8,264,078	\$ -	\$ -	\$ -	\$ 8,264,078
Construction in progress	9,581,142	3,761,199	-	(10,456,840)	2,885,501
Easements	4,451,767	66,398	-	-	4,518,165
Total non-depr. & non-amort.	22,296,987	3,827,597	-	(10,456,840)	15,667,744
Depreciated & amortized:					
Buildings	13,341,007	-	-	-	13,341,007
Improvements	16,568	-	-	-	16,568
Machinery and equipment	10,405,976	298,853	(132,788)	427,852	10,999,893
Infrastructure	379,994,471	6,826,442	-	10,028,988	396,849,901
Software	340,159	65,576	-	-	405,735
Total depr. & amort. at historical cost	404,098,181	7,190,871	(132,788)	10,456,840	421,613,104
Less accumulated depr. & amort. for:					
Buildings	(3,140,810)	(475,923)	-	-	(3,616,733)
Improvements	(16,568)	-	-	-	(16,568)
Machinery and equipment	(6,403,991)	(750,565)	132,788	-	(7,021,768)
Infrastructure	(171,486,389)	(9,570,385)	-	-	(181,056,774)
Software	(94,228)	(64,485)	-	-	(158,713)
Total accumulated depr. & amort.	(181,141,986)	(10,861,358)	132,788	-	(191,870,556)
Depreciated & amortized, net	222,956,195	(3,670,487)	-	10,456,840	229,742,548
Business-Type Activities capital assets, net	\$ 245,253,182	\$ 157,110	\$ -	\$ -	\$ 245,410,292

Depreciation and amortization expense was charged to business-type activities as follows:

Water	\$ 3,215,880
Stormwater	2,367,018
Wastewater	5,278,460

Total depreciation and amortization expense

\$ 10,861,358

NOTES TO THE FINANCIAL STATEMENTS

D. Interfund Receivables, Payables and Transfers

Interfund receivables and payables consists of resources accumulated in the Equipment Replacement Fund for the purchase of capital assets for other funds, and for miscellaneous transfers between funds.

The City Backed Urban Renewal Fund advanced \$6 million to Rockwood UR Debt Service Fund to refinance prior obligations and provide new funding for capital projects over the next few years.

Interfund due to/from other funds balances and advances at fiscal year-end were as follows:

<u>Due to/Advance from</u>	<u>Due from/Advance to</u>	<u>Amount</u>	
General	CDBG & HOME	\$ 285,000	
	Internal Service	<u>5,842,023</u>	\$ 6,127,023
Transportation	Internal Service	<u>2,121,465</u>	2,121,465
CDBG & HOME	Internal Service	<u>14,739</u>	14,739
Nonmajor Governmental	Internal Service	94,980	
	CDBG & HOME	150,183	
	Rockwood UR Debt Service	<u>4,756,374</u>	5,001,537
Water	Wastewater	245,000	
	Internal Service	<u>1,679,125</u>	1,924,125
Stormwater	Internal Service	<u>1,198,004</u>	1,198,004
Wastewater	Internal Service	<u>3,011,428</u>	3,011,428
Internal Service	Various Internal Service Components	<u>1,389,146</u>	<u>1,389,146</u>
			<u>\$ 20,787,467</u>

CITY OF GRESHAM, OREGON

Interfund transfers during the fiscal year were as follows:

<u>Transfer To</u>	<u>Transfer From</u>	<u>Amount</u>	<u>Purpose</u>
General	Water, Stormwater, and Wastewater	\$ 75,000	Confined space
		\$ 75,000	
Transportation	Nonmajor Governmental	90,000	Administration of streetlight program
	System Development Charge	246,286	SDC improvement
	Stormwater	649,000	Funding for vegetation and street sweeping
		985,286	
CDBG & HOME	General	20,000	Program subsidy
		20,000	
GRDC - Rockwood Debt Service	Nonmajor Governmental	1,408,051	Debt service
		1,408,051	
Nonmajor Governmental	Internal Service	53,000	Project support
	Nonmajor Governmental	1,439,292	Small business program transfers, permit center services, CIP, closing funds, debt service
	CDBG & HOME	820,721	Transfer RSW balance, project reimbursement
	System Development Charge	1,158,366	SDC funded projects and interest, SDC credits
	Water, Stormwater, and Wastewater	1,478,596	Green business program, small business program transfers, Dev eng and public works transfers
	Transportation	3,908,309	Dev engineering & public works inspection, CIP, debt service
	General	4,074,443	Planning services, grant match, small business program transfers, debt service
		12,932,727	
Water	System Development Charge	548,628	SDC funded debt and interest payment
		548,628	
Stormwater	Transportation	238,800	Impervious surface charge
	System Development Charge	867,355	SDC funded debt and interest payments
		1,106,155	
Wastewater	System Development Charge	931,463	SDC funded debt and interest payments
		931,463	
Internal Service	CDBG & HOME	2,117	City facility project transfer
	Transportation	179,643	DES support of GIS internal transfers
	Water, Stormwater, and Wastewater	520,430	City facility project transfer, DES support of GIS internal transfers
	General	1,798,469	Fire facilities, city facilities, replenish cash repayment, 2018 Weston, Community Livability support
	Internal Service	6,314,221	Roof, debt transfers, admin support, enterprise systems replacement, ERF
	Nonmajor Governmental	211,843	City facility project transfer, closing funds transfers
		9,026,723	
		<u>\$ 27,034,033</u>	

NOTES TO THE FINANCIAL STATEMENTS

E. Long-term Liabilities

Long-term liability activity during the fiscal year was as follows below. Deferred outflows, while not a liability, are included at the bottom of the schedule due to the close relationship with debt.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year	Amounts Due in More Than One Year
Governmental Activities¹						
Bonds and notes payable	\$ 56,304,334	\$ 11,428,400	\$ 6,120,511	\$ 61,612,223	\$ 24,419,970	\$ 37,192,253
Premiums	572,874	-	139,835	433,039	139,835	293,204
Total bonds and notes payable	56,877,208	11,428,400	6,260,346	62,045,262	24,559,805	37,485,457
Other liabilities:						
Compensated absences	7,773,821	5,032,088	4,125,570	8,680,339	1,646,884	7,033,455
Other post-employment benefits liability	7,915,896	1,989,106	1,358,288	8,546,714	-	8,546,714
Net pension liability	73,340,386	43,820,667	26,872,283	90,288,770	-	90,288,770
Governmental Activities Long-Term Liabilities	\$ 145,907,311	\$ 62,270,261	\$ 38,616,487	\$ 169,561,085	\$ 26,206,689	\$ 143,354,396
Business-Type Activities						
Bonds and notes payable	\$ 23,722,159	\$ 2,671,100	\$ 2,733,684	\$ 23,659,575	\$ 9,889,050	\$ 13,770,525
Revenue bonds	1,040,000	-	510,000	530,000	530,000	-
Premiums	688,187	-	79,164	609,023	71,625	537,398
Total bonds and notes payable	25,450,346.00	2,671,100.00	3,322,848	24,798,598	10,490,675	14,307,923
Other liabilities:						
Compensated absences	944,500	669,075	524,975	1,088,600	163,370	925,230
Other post-employment benefits liability	807,674	112,490	110,402	809,762	-	809,762
Net pension liability	9,412,300	4,770,070	3,134,175	11,048,195	-	11,048,195
Business-Type Activities Long-Term Liabilities	\$ 36,614,820	\$ 8,222,735	\$ 7,092,400	\$ 37,745,155	\$ 10,654,045	\$ 27,091,110
Deferred Outflow of Resources						
Deferred Refunding Amounts on Debt	\$ 92,412	\$ -	\$ 61,607	\$ 30,804	\$ 30,804	\$ 0

NOTE 1: Governmental debt also includes debt obligations of Property Management Fund

Governmental Activities include long-term debt and other liabilities of governmental funds and internal service funds. Most pension liabilities, other post-employment benefits, and compensated absence liabilities are incurred and paid by the General, Transportation, Building and Administrative Services Funds with the remainder covered by internal service and other governmental funds.

Bonds and Notes Payable

The City had \$85.3 million in outstanding bonds and notes (excluding Revenue bonds) to fund the following:

\$ 27,668,004	Property, buildings and infrastructure
13,435,000	Pension bonds
18,419,219	Urban renewal projects
1,500,000	Equipment
590,000	Miscellaneous other
<u>61,612,223</u>	Governmental activities bonds and notes payable
6,664,722	Wastewater system improvements
12,676,195	Water system improvements
4,318,658	Stormwater system improvements
<u>23,659,575</u>	Business-Type activities notes payable
<u>\$ 85,271,798</u>	Total outstanding bonds and notes payable

CITY OF GRESHAM, OREGON

Projects constructed and repayment sources for each bond and note issue are as follows:

Bonds and Notes	Project	Repayment Source
Governmental Activities		
2004 Limited Tax Obligation	Pension obligation	City operations, proportionately
2010 Financing Agmt Gresham-URA	Fire Ladder Truck, Sports Park, Center for Arts	General Fund and SDCs
2010 Financing Agmt Gresham-URA	Urban renewal	GRDC/Tax Increment
2013 Full Faith & Credit Obligations Series B	Fire Engines, Equipment, Roof Replacement	General Fund and Int. Svc. Chgs
2013 Full Faith & Credit Obligations Series C	Streetlight Replacement	Utility license fees
2015 FF&C Obligations	Transportation and Bikes and Footpaths	Gas Taxes & Transportation Fees
2015 FF&C Obligations	Urban renewal	GRDC/Tax Increment
2015 GRDC Notes	Urban renewal	GRDC/Tax Increment
2018 GRDC Note	Urban renewal	GRDC/Tax Increment
Section 108 Loan	Center for the Arts Fountain	CDBG funds
Section 108 Loan	Nadaka Park	CDBG funds
2018 Property Purchase	Future Facilities	General Fund
2018-22 Gresham-URA Line of Credit	Transportation and Footpaths & Bike Routes	Gas Taxes, Revenues and SDCs
Business-Type Activities		
Second Clarifier	Wastewater improvements	Wastewater Revenues and SDCs
Water Meter Replacement Note	Water improvements	Water Revenues
2009 Wastewater Financing Agmt.	Wastewater improvements	Wastewater Revenues and SDCs
2015 FF&C Obligations	Wastewater improvements	Wastewater Revenues and SDCs
2015 FF&C Obligations	Water improvements	Water Revenues and SDCs
Stormwater UIC-SRF	Stormwater underground injection controls	Stormwater Revenues and SDCs
2018-22 Gresham-URA Line of Credit	Water, Wastewater & Stormwater improvements	Water, Wastewater & Stormwater Revs

Bond and note principal transactions during the fiscal year were as follows:

	Coupon Rates on Outstanding	Original Issue	Amount Outstanding Beginning	Issued	Matured/ Redeemed	Amount Outstanding Ending
Governmental Activities						
<i>Bonds Payable</i>						
Governmental Funds						
2004 Limited Tax Obligations	6.015% to 6.095%	\$ 19,280,000	\$ 14,485,000	\$ -	\$ 1,050,000	\$ 13,435,000
2013 Full Faith & Credit Obligations Series B	3.25% to 4.25%	4,655,000	2,850,000	-	440,000	2,410,000
2013 Full Faith & Credit Obligations Series C*	3.05% to 4.85%	7,610,000	3,790,000	-	375,000	3,415,000
2015 Full Faith & Credit Obligations	3.25% to 5.00%	8,951,250	5,940,000	-	801,250	5,138,750
Total bonds payable		40,496,250	27,065,000	-	2,666,250	24,398,750
<i>Notes Payable</i>						
Governmental Funds						
2010 Financing Agmt Gresham-GRDC	3.550% to 5.250%	23,470,000	8,543,308	-	2,087,820	6,455,488
2014 Section 108 Loan - Fountain	variable	1,500,000	579,000	-	213,000	366,000
2015 Section 108 Loan - Nadaka Park	N/A	85,000	19,000	-	19,000	-
2015 GRDC Note	3.00%	6,700,000	3,548,226	-	846,436	2,701,790
2017 GRDC Note	2.19% to 3.50%	1,000,000	6,700,000	1,500,000	-	8,200,000
2018 Property Purchase	5.05%	1,593,000	1,593,000	-	288,005	1,304,995
2018-22 Gresham Line of Credit**	2.12%	50,000,000	8,256,800	9,928,400	-	18,185,200
Total notes payable		84,348,000	29,239,334	11,428,400	3,454,261	37,213,473
Total Governmental Activities bonds and notes payable		\$ 124,844,250	\$ 56,304,334	\$ 11,428,400	\$ 6,120,511	\$ 61,612,223
Business-Type Activities						
Wastewater - Second Clarifier	2.98%	\$ 407,058	\$ 247,958	\$ -	\$ 20,436	\$ 227,522
2009 Wastewater Fin. Agmt.	3.50%	19,351,000	3,768,000	-	1,856,000	1,912,000
2015 FF&C Obligations - Wastewater	3.25% to 5.00%	5,670,000	4,570,000	-	295,000	4,275,000
Water Meter Replacement Notes	3.00%	2,361,232	1,566,463	-	111,718	1,454,745
2015 FF&C Obligations - Water	3.25% to 5.00%	5,338,750	4,600,000	-	203,750	4,396,250
2017 State of Oregon Stormwater UIC	0.00%	4,935,608	4,565,438	-	246,780	4,318,658
2018-22 Gresham Line of Credit**	2.12%	50,000,000	4,404,300	2,671,100	-	7,075,400
Total Business-Type Activities bonds and notes payable		\$ 88,063,648	\$ 23,722,159	\$ 2,671,100	\$ 2,733,684	\$ 23,659,575

* 2013 Full Faith & Credit Obligations Series C are energy conservation bonds and receive an issuer subsidy up to 70% of the tax credit rate of 5.27%.

** The City closed on a Line of Credit that allows a maximum amount of \$50 million. The uses allow for Government Activity and/or Business Type projects. The rate was renegotiated to 2.12% from 3.39% in 2020.

NOTES TO THE FINANCIAL STATEMENTS

Debt service requirements to maturity for bonds and notes payable are as follows:

Governmental Activities						
Fiscal Year	2004 Limited Tax Obligation (Pension Bonds)		2010 Gresham/URA Financing		2013 FF&C Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 1,195,000	\$ 815,603	\$ 2,062,332	\$ 283,849	\$ 840,000	\$ 211,924
2022	1,355,000	743,724	2,150,517	184,300	855,000	181,211
2023	1,525,000	662,221	2,242,639	80,424	870,000	149,149
2024	1,710,000	570,492	-	-	895,000	115,536
2025	1,910,000	466,268	-	-	415,000	90,143
2026 - 2030	5,740,000	646,679	-	-	1,750,000	198,818
2031 - 2035	-	-	-	-	200,000	17,488
	<u>\$ 13,435,000</u>	<u>\$ 3,904,987</u>	<u>\$ 6,455,488</u>	<u>\$ 548,573</u>	<u>\$ 5,825,000</u>	<u>\$ 964,269</u>

Fiscal Year	Section 108 Loans		2015 Gresham/URA FF&C		2015 GRDC	
	Principal	Interest*	Principal	Interest	Principal	Interest
2021	\$ 66,000	\$ 7,320	\$ 896,250	\$ 221,436	\$ 872,639	\$ 75,613
2022	69,000	6,000	932,500	185,586	899,383	48,869
2023	73,000	4,620	975,000	138,961	929,768	21,305
2024	76,000	3,160	151,250	90,211	-	-
2025	80,000	1,640	163,750	82,648	-	-
2026 - 2030	2,000	40	925,000	293,196	-	-
2031 - 2035	-	-	1,095,000	117,214	-	-
	<u>\$ 366,000</u>	<u>\$ 22,780</u>	<u>\$ 5,138,750</u>	<u>\$ 1,129,252</u>	<u>\$ 2,701,790</u>	<u>\$ 145,787</u>

Fiscal Year	2017 GRDC		2018-2022 Line of Credit		2018 Property Purchase	
	Principal	Interest	Principal	Interest**	Principal	Interest
2021	-	\$ 256,080	\$ 18,185,200	\$ 385,526	\$ 302,549	\$ 65,902
2022	-	256,433	-	-	317,828	50,624
2023	\$ 8,200,000	256,433	-	-	333,878	34,573
2024	-	-	-	-	350,740	17,712
	<u>\$ 8,200,000</u>	<u>\$ 768,945</u>	<u>\$ 18,185,200</u>	<u>\$ 385,526</u>	<u>\$ 1,304,995</u>	<u>\$ 168,811</u>

* The Section 108 Loan interest is a variable LIBOR-based rate. Estimates are used.

** Line of Credit interest is estimated.

CITY OF GRESHAM, OREGON

Business-Type Activities						
Fiscal Year	Wastewater - Second Clarifier		Wastewater - 2009 Refi		Water Meter Replacement Notes	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 21,050	\$ 7,762	\$ 1,912,000	\$ 50,190	\$ 115,070	\$ 43,642
2022	21,682	7,024	-	-	118,522	40,190
2023	22,333	6,265	-	-	122,077	36,635
2024	23,002	5,484	-	-	125,740	32,972
2025	23,693	4,678	-	-	129,512	29,200
2026 - 2030	115,762	10,433	-	-	708,223	85,336
2031 - 2035	-	-	-	-	135,602	4,068
	<u>\$ 227,522</u>	<u>\$ 41,646</u>	<u>\$ 1,912,000</u>	<u>\$ 50,190</u>	<u>\$ 1,454,745</u>	<u>\$ 272,044</u>

Fiscal Year	Water - 2015 FF&C		Wastewater - 2015 FF&C		Storm-Underground Injection Control	
	Principal	Interest	Principal	Interest	Principal	Interest*
2021	\$ 213,750	\$ 175,345	\$ 305,000	\$ 180,444	\$ 246,780	\$ 21,593
2022	222,500	166,795	320,000	168,244	246,780	20,359
2023	235,000	155,670	335,000	152,244	246,780	19,125
2024	243,750	143,920	350,000	135,494	246,780	17,892
2025	261,250	131,733	370,000	117,994	246,780	16,658
2026 - 2030	1,475,000	467,685	2,125,000	315,719	1,233,900	64,780
2031 - 2035	1,745,000	186,798	470,000	15,863	1,233,900	33,932
2036 - 2040	-	-	-	-	616,958	5,553
	<u>\$ 4,396,250</u>	<u>\$ 1,427,946</u>	<u>\$ 4,275,000</u>	<u>\$ 1,086,000</u>	<u>\$ 4,318,658</u>	<u>\$ 199,891</u>

2018-2022 Line of Credit		
Fiscal Year	Principal	Interest **
2021	\$ 7,075,400	\$ 149,998
	<u>\$ 7,075,400</u>	<u>\$ 149,998</u>

* The Storm-Underground Injection Control is an interest free loan with a 0.5% (of unpaid principal) fee which is treated as interest.

** Line of Credit interest is estimated.

Summary of City of Gresham Non-Public Debt Outstanding

The following schedule outlines non-public debt issued by the City of Gresham or its component unit (GRDC). Future payments can be found in the “Debt Service to Maturity” footnote above. Following the table are descriptions of the covenants and/or terms that are unique or unusual.

NOTES TO THE FINANCIAL STATEMENTS

Privately Issued Debt

Governmental Activities

	6/30/2020	Maturity	Covenants /Terms
2010 Fin. Agmt. Gresham-GRDC (Series A & B)	\$ 3,694,433	6/1/2023	(a)
2010 Fin. Agmt. GRDC (Series C)	2,761,055	6/1/2023	(b)
2014 Section 108 Loan - HUD	366,000	8/1/2029	(c)
2015 GRDC Note	2,701,790	6/1/2023	(d)
2017 GRDC Note	8,200,000	6/1/2023	(d)
2018 Property Acquisition	1,304,995	7/31/2023	(i)
2020 Line of Credit - Government	18,185,200	5/10/2022	(e)
Total Governmental Activities	\$ 37,213,473		

Business-Type Activities

	6/30/2020	Maturity	Covenants & Terms
2009 Full Faith & Credit - Wastewater	\$ 1,912,000	5/1/2021	(a)
2010 Wastewater - Second Clarifier	227,522	8/1/2029	(f)
2010 Water Meter Replacement Notes	1,454,745	12/1/2030	(g)
2017 State of Oregon - Stormwater	4,318,658	8/1/2037	(h)
2018 Line of Credit - Business	7,075,400	5/10/2022	(e)
Total Business Activities	\$ 14,988,325		
Grand Total	\$ 52,201,797		

(a) Full Faith and Credit notes with no reserve requirements or other restrictions.

(b) Series requires annual reports to lender demonstrating a 135% coverage for parity debt and 100% coverage for total GRDC debt, along with \$4.0 million of debt service reserves.

(c) City is subject to annual HUD reviews and various administrative requirements. Defaults would trigger reductions in the City's CDBG allotted revenues. The loan is eligible for prepayment.

(d) Both the 2015 and 2017 GRDC Notes were purchased by the City of Gresham. The 2017 Note is revolving and allows for further draws. All borrowings must be repaid by 6/1/2023.

(e) The 2020-22 Line of Credit is revolving with a \$50 million maximum balance. The line has a fixed 2.12% rate, a rating requirement of A- or better and an unused line fee of \$25,000 if the average annual balance is less than \$35 million. Principal on the Line may be repaid at any time but if the outstanding balance is reduced to less than \$30 million then the maximum balance is reduced to \$30 million.

(f) State of Oregon Dept. of Environmental Quality loan. The loan requires a \$7,214 loan reserve and a 125% revenue stream coverage. Maintenance of constructed asset is required and disposal is restricted. A default can result in other unrelated State revenues being withheld.

(g) A State of Oregon Infrastructure Finance Authority loan that was part of the ARRA program. There were a number of restrictions and conditions surrounding the use of the proceeds. Those conditions were satisfactorily met. The loan is eligible for prepayment, and contains a debt service reserve of \$159,000 (one year's debt service) so as to permit a parity issuance if needed. A parity or superior issuance requires a 110% net revenue coverage of combined annual debt service.

(h) State of Oregon Dept. of Environmental Quality loan. The loan requires a \$123,390 loan reserve and a 125% revenue stream coverage. Maintenance of constructed asset is required and disposal is restricted. A default can result in other unrelated State revenues being withheld.

(i) Direct financing with land owner with no reserve requirements or other restrictions.

CITY OF GRESHAM, OREGON

Revenue Bonds

The City issues revenue bonds to satisfy a variety of capital financing requirements. The bonds are backed solely by fees and charges collected for services provided, generally through usage. Revenue bonds outstanding are stormwater system facilities bonds. All the Stormwater Revenue Bonds are paid from the Stormwater Debt Service Fund.

The City's revenue bonds are insured and third party sureties satisfy the related debt reserve requirements. The City complied with its bond covenants during the fiscal year and at year-end. Principal debt service transactions during the fiscal year were as follows:

	Coupon Rates on Outstanding	Original Issue	Amount Outstanding Beginning	Issued	Matured/ Redeemed	Amount Outstanding Ending
<i>Business-Type Activities</i>						
Stormwater Revenue Bonds						
Series 2006	4.25%	\$ 2,850,000	\$ 1,040,000	-	\$ 510,000	\$ 530,000

Debt service requirements to maturity for revenue bonds are as follows:

Fiscal Year	2006 Stormwater	
	Principal	Interest
2021	\$ 530,000	\$ 22,525
	\$ 530,000	\$ 22,525

Line of Credit

The City has a tax-exempt revolving line of credit to fund the continuing costs of City construction projects and/or other needs.

On May 10, 2018 the City executed a new revolving line of credit with a maturity date of May 10, 2022, a maximum limit of \$30.0 million, and uses allowable for both governmental activities and business type projects. On June 19, 2020, the City executed an extension of the revolving line of credit to \$50.0 million; the maturity date remains unchanged. At June 30, 2020, borrowings outstanding were \$18,185,200 in Governmental Activities and \$7,075,400 in Business-Type Projects for a total of \$25,260,600.

Prepayments

The City made one prepayment on its Section 108 Loan during fiscal 2020. The prepayment totaled \$150,000. The aggregate prepayments have shortened the final maturity to August 2025. The City anticipates making additional prepayments in the future.

Section 108 Loans and Loan Guarantees

During 2016 the City Council approved HUD Section 108 Loan Guarantees for a loan to Open Meadow Alternative School for \$727,000 to be repaid over 20 years. In the event that the borrower is unable to make required payments in the future, the City would be required to either make the payments or have its annual Community Development Block Grant funding reduced.

NOTES TO THE FINANCIAL STATEMENTS

A loan completed in 2010 created, by City Council resolution, a City guarantee for Human Solutions, a not-for-profit entity. This transaction was a New Market Tax Credits deal. Human Solutions has made all required payments to date. In the unlikely event that Human Solutions is unable to make required payments in the future, the City would be required to either make the payments or have its annual Community Development Block Grant funding reduced. The balance on this guaranteed loan is \$1 million which will be repaid over the remaining term of 11 years.

F. Pension Plan

Plan Description

Substantially all City employees are members in the Oregon Public Employees Retirement System (OPERS); a cost-sharing multiple-employer defined benefit pension plan that acts as a common investment and administrative agent for government units in the State of Oregon. Employees hired before August 29, 2003 belong to the Tier One/Tier Two Retirement Benefit Program (established pursuant to ORS Chapter 238), while employees hired on or after August 29, 2003 belong to the OPSRP Pension Program (established pursuant to ORS Chapter 238A). OPERS produces an independently audited CAFR which can be found at:

http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx.

Benefits Provided

Tier One/Tier Two Retirement Benefit

Pension Benefits. The PERS 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 (2.0% for police and fire employees, 1.67% 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 result.

A member is considered vested and will be eligible at a minimum retirement age for a service retirement allowance if he or she has had 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. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

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 PERS employer at the time of death,
- the member died within 120 days after termination of PERS-covered employment,
- the member died as a result of injury sustained while employed in a PERS-covered job, or

CITY OF GRESHAM, OREGON

- the member was on an official leave of absence from a PERS-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 for disability benefit regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) 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. Under current law, the cap on the COLA for creditable service earned before October 2013 is 2.00%. The COLA for creditable service earned after October 2013 is calculated as 1.25% on the first \$60,000 of annual benefit and 0.15% on amounts above \$60,000 of annual benefit.

OPSRP Pension Program

Pension Benefits. The Pension Program (ORS Chapter 238A) 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 by formula for members who attain normal retirement age. For general service members, 1.5% is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit. For police and fire members, 1.8% is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

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. Under current law, the cap on the COLA for creditable service earned before October 2013 is 2.00%. The COLA for creditable service earned after October 2013 is calculated as 1.25% on the first \$60,000 of annual benefit and 0.15% on amounts above \$60,000 of annual benefit.

NOTES TO THE FINANCIAL STATEMENTS

OPSRP Individual Account Program (IAP)

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

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

Recordkeeping. PERS contracts with VOYA Financial to maintain IAP participant records.

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2017 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2019. The City's contribution rates for the period were 18.60% for Tier One/Tier Two members, 8.29% for OPSRP General Service members, and 12.92% for OPSRP Police and Fire members. The City's total for the year ended June 30, 2020 contributions exclusive of the 6% "pick-up" was \$7,073,362.

Covered employees are required to contribute 6% of their salary to the Plan, but the employer is allowed to pay any or all of the employees' contribution in addition to the required employers' contribution. The City has elected to contribute the 6% "pick-up" or \$3,228,428 of the employees' contribution.

Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the City reported a liability of \$101,336,965 for its proportionate share of the OPERS 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 December 31, 2017 rolled forward to June 30, 2019. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the City's proportion was 0.5858%, which is an increase from its proportion of 0.5463% measured as of June 30, 2018.

CITY OF GRESHAM, OREGON

For the year ended June 30, 2020, the City recognized pension expense of \$24,753,003. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,588,435	\$ -
Changes of assumptions	13,747,516	-
Net difference between projected and actual earnings on investments	-	2,872,800
Changes in proportionate share	5,469,118	3,731
Differences between employer contributions and employer's proportionate share of system contributions	-	6,876,627
Contributions subsequent to the measurement date	7,073,362	-
Total	<u>\$ 31,878,431</u>	<u>\$ 9,753,158</u>

Deferred outflows of resources related to pensions of \$7,073,362 resulting from the City's contributions subsequent to the measurement date will be recognized as either a reduction of the net pension liability or an increase in the net pension asset in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2021	\$ 9,029,850
2022	627,946
2023	2,824,117
2024	2,394,988
2025	175,010
Total	<u>\$ 15,051,911</u>

Actuarial Methods and Assumptions

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Inflation Rate	2.50%
Investment Rate of Return	7.20%

NOTES TO THE FINANCIAL STATEMENTS

Projected Salary Increases	3.50% overall payroll growth; salaries for individuals are assumed to grow at 3.50% plus assumed rates of merit/longevity increases based on service
Mortality	Healthy retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Active members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Disabled retirees: 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.

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 Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption was 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 a forward-looking capital market economic model.

CITY OF GRESHAM, OREGON

Asset Class	Target	Compound Annual Return (Geometric)
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00	3.38
Bank/Leveraged Loans	3.00	5.09
High Yield Bonds	1.00	6.45
Large/Mid Cap US Equities	15.75	6.30
Small Cap US Equities	1.31	6.69
Micro Cap US Equities	1.31	6.80
Developed Foreign Equities	13.13	6.71
Emerging Market Equities	4.13	7.45
Non-US Small Cap Equities	1.88	7.01
Private Equity	17.50	7.82
Real Estate (Property)	10.00	5.51
Real Estate (REITS)	2.50	6.37
Hedge Fund of Funds – Diversified	2.50	4.09
Hedge Fund – Event-driven	0.63	5.86
Timber	1.88	5.62
Farmland	1.88	6.15
Infrastructure	3.75	6.60
Commodities	1.88	3.84
Assumed Inflation – Mean		2.50

Discount Rate

The discount rate used to measure the total pension liability was 7.20% for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those 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 for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.20%, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20%) or 1-percentage-point higher (8.20%) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of the net pension liability (asset)	\$ 162,282,157	\$ 101,336,965	\$ 50,334,234

NOTES TO THE FINANCIAL STATEMENTS

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

Changes in Plan Provisions Subsequent to Measurement Date

Senate Bill 1049, signed into law in June 2019, made certain changes to the PERS system that are effective after the measurement date of June 30, 2019. Most of these changes are expected to reduce the system's actuarial accrued liability, including a cap on final average salary of \$195,000 beginning in January 2020, charging contributions on the payroll of rehired retirees beginning in January 2020, and redirecting a portion of the 6% member contribution from the Individual Account Program to Employee Pension Stability Accounts beginning in July 2020.

G. Post Employment Benefits Other than Pensions

The other postemployment benefits (OPEB) for the City combines two separate plans. The City provides an implicit rate subsidy for retiree health insurance premiums, and a contribution to the State of Oregon's PERS cost-sharing multiple-employer defined health insurance benefit plan.

Financial Statement Presentation

The City's two OPEB plans are presented in the aggregate on the Statement of Net Position. The amounts on the financial statements relate to the plans as follows:

	<u>Implicit Rate Subsidy Plan</u>	<u>PERS RHIA Plan</u>	<u>Total OPEB on Financials</u>
Net OPEB Asset	\$ -	\$ 935,438	\$ 935,438
Deferred Outflows of Resources			
Contributions After the Measurement Date	539,876	21,535	561,411
Difference in Experience	634,263	-	634,263
Change in Assumptions	255,781	-	255,781
Total OPEB Liability	(9,356,476)	-	(9,356,476)
Deferred Inflows of Resources			
Change in Proportionate Share	-	(16,542)	(16,542)
Change in Assumptions	(404,303)	(969)	(405,272)
Difference in Earnings	-	(57,739)	(57,739)
Difference in Experience	-	(123,356)	(123,356)
OPEB Expense (Included in program expenses on Statement of Activities)	933,944	(130,685)	803,259

Implicit Rate Subsidy

Plan Description

The City's single-employer defined benefit postemployment healthcare plan is administered by Benefit & Risk Management Services, Inc. (BRMS). Benefit provisions are established

CITY OF GRESHAM, OREGON

through negotiations between the City and representatives of collective bargaining units or through resolutions passed by City Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

The City's postemployment healthcare plan administrator issues a publicly available financial report that includes financial statements and required supplementary information for BRMS. This report may be obtained by writing to the BRMS Main Office, 80 Iron Point Circle, Suite 200, Folsom, CA 95630.

Benefits Provided

The plan provides eligible retirees and their dependents under age 65 the same health care coverage at the same premium rates as offered to active employees. The retiree is responsible for the premiums. As of the valuation date of July 1, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	77
Active employees	<u>594</u>
	<u><u>671</u></u>

Total OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The City's total OPEB liability of \$9,356,476 was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2018.

For the fiscal year ended June 30, 2020, the City recognized OPEB expense from this plan of \$933,944. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 255,781	\$ 404,303
Differences between expected and actual experience	634,263	-
Contributions subsequent to the measurement date	<u>539,876</u>	<u>-</u>
Total	<u><u>\$ 1,429,920</u></u>	<u><u>\$ 404,303</u></u>

Deferred outflows of resources related to OPEB of \$539,876 resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of 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:

NOTES TO THE FINANCIAL STATEMENTS

Year ended June 30:

2021	\$	50,812
2022		50,812
2023		50,812
2024		50,812
2025		50,812
Thereafter		231,681
Total	\$	<u>485,741</u>

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2018 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry age normal
Inflation	2.5%
Salary increases	3.5%
Healthy mortality	RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the 2017 Oregon PERS valuation.
Discount rate	3.50% (change from 3.87% in previous measurement period)
Healthcare cost trend rate	Medical and vision: 7.00% per year, decreasing to 4.75% Dental: 4.50% per year

The discount rate was based on Bond Buyer 20-Year General Obligation Bond Index.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance as of June 30, 2019	\$ 8,723,570
Changes for the year:	
Service cost	535,072
Interest on Total OPEB Liability	348,060
Effect of assumptions changes or inputs	284,520
Benefit payments	<u>(534,746)</u>
Balance as of June 30, 2020	<u>\$ 9,356,476</u>

Changes in assumptions is the result of the change in the discount rate from 3.87 to 3.50.

CITY OF GRESHAM, OREGON

Sensitivity of the Total OPEB Liability

The following presents the City's total OPEB liability, as well as what the liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare trend assumption.

Discount Rate:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB Liability	\$ 10,160,984	\$ 9,356,476	\$ 8,619,730

Healthcare Cost Trend:

	1% Decrease (6.0% decreasing to 3.75%)	Current Healthcare Trend Rate (7.0% decreasing to 4.75%)	1% Increase (8.0% decreasing to 5.75%)
Total OPEB Liability	\$ 8,363,029	\$ 9,356,476	\$ 10,537,971

PERS Retirement Health Insurance Account

Plan Description

The City contributes to the PERS Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by PERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums for eligible retirees. ORS 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants hired after August 29, 2003. PERS issues publicly available financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700, or online at http://Oregon.gov/PERS/section/financial_reports/financials.shtml.

Benefits Provided

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the RHIA established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost, 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, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or

NOTES TO THE FINANCIAL STATEMENTS

allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Contributions

PERS funding policy provides for employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2017 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2019. The City's contribution rates for the period were 0.06% for Tier One/Tier Two members, and 0.00% for OPSRP members. The City's total contributions for the year ended June 30, 2020 was \$21,535.

OPEB Assets, Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2020, the City reported an asset of \$935,438 for its proportionate share of the OPERS net OPEB asset. The net OPEB asset was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2017 rolled forward to June 30, 2019. The City's proportion of the net OPEB asset was based on the City's contributions to the RHIA program during the measurement period relative to contributions from all participating employers. At June 30, 2019, the City's proportionate share was 0.4841%, which is an increase from its proportion of 0.4573% as of June 30, 2018.

For the year ended June 30, 2020, the City recognized an OPEB expense reduction from this plan of \$130,685. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 123,356
Changes of assumptions	-	969
Net difference between projected and actual earnings	-	57,739
Changes in proportionate share	-	16,542
Contributions subsequent to the measurement date	21,535	-
Total	\$ 21,535	\$ 198,606

Deferred outflows of resources related to OPEB of \$21,535 resulting from the City's contributions subsequent to the measurement date will be recognized as either a reduction of the net OPEB liability or an increase in the net OPEB asset in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

CITY OF GRESHAM, OREGON

Year ended June 30:	
2021	\$ (102,132)
2022	(91,041)
2023	(11,381)
2024	5,948
Total	<u>\$ (198,606)</u>

Actuarial Methods and Assumptions

All actuarial methods and assumptions are consistent with those disclosed for the OPERS Pension Plan. See Note 3.F. for additional information on Actuarial Assumptions and Methods, the Long-Term Expected Rate of Return, and the Discount Rate. A healthcare cost trend rate is not applicable to this plan because the cost is fixed by statute.

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

The following presents the City's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 7.20%, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20%) or 1-percentage-point higher (8.20%) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Net OPEB Asset	\$ 725,207	\$ 935,440	\$ 1,114,573

OPEB Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

H. Deferred Compensation Plan

Plan Description

The City offers employees a voluntary deferred compensation plan (the Plan) administered by the City. The plan is a defined contribution plan created in accordance with Internal Revenue Code (the Code) Section 457. The City's deferred compensation committee has the authority to establish or amend the plan provisions. The Plan is available to any individual who is employed by the City in a benefit eligible (medical & dental) position after completing 30 days of service and permits them to defer a portion of their salary until future years.

Participation in the plan is voluntary. Contributions are made through salary withholdings from participating employees up to the amounts specified in the Code. No contributions are required from the City.

Amounts deferred are not available to employees until termination, retirement, death, or unforeseeable emergency. All assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. No plan assets have been used for purposes other than the payment of benefits. At June 30, 2020, the amount deferred and investment earnings thereon, adjusted to fair market value, amount to \$58,099,355. The amounts

NOTES TO THE FINANCIAL STATEMENTS

accumulated under the Plan, including investment earnings, are excluded from the financial statements of the City.

I. Fund Balance Components

Fund balances at fiscal year-end were categorized as follows:

Fund Balances	General Fund	Transportati on Fund	System Development Charge Fund	CDBG & HOME Fund	GRDC - Rockwood Debt Service Fund	Nonmajor Governmenta l Funds	Total Governmental Funds
Restricted:							
Transportation Projects	\$ -	\$ 27,551,044	\$ -	\$ -	\$ -	\$ -	\$ 27,551,044
City System Development	-	-	27,829,159	-	-	-	27,829,159
Streetlights	-	-	-	-	-	4,356,556	4,356,556
Building Inspection & Perm Urban Renewal Area	-	-	-	-	8,989,523	8,412,112	8,412,112
Misc. Grants and Program:	-	-	-	145,626	-	2,858,631	11,848,154
Total Restricted Fund Balan	-	27,551,044	27,829,159	145,626	8,989,523	4,487,464	4,633,090
Committed:							
Rental Inspections	-	-	-	-	-	974,026	974,026
Assigned:							
Police, Fire and Parks	-	-	-	-	-	-	-
Infrastructure Development	-	-	-	-	-	3,753,260	3,753,260
Urban Design and Planning	-	-	-	-	-	1,620,480	1,620,480
Solid Waste	-	-	-	-	-	641,474	641,474
Misc. Grants and Program:	-	-	-	103,064	-	308,218	411,282
Capital Projects	-	-	-	-	-	4,500,987	4,500,987
Debt Service	-	-	-	-	-	5,582,021	5,582,021
Total Assigned Fund Balan	-	-	-	103,064	-	16,406,440	16,509,504
Unassigned:	19,421,845	-	-	-	-	-	19,421,845
Total Fund Balances	<u>\$ 19,421,845</u>	<u>\$ 27,551,044</u>	<u>\$ 27,829,159</u>	<u>\$ 248,690</u>	<u>\$ 8,989,523</u>	<u>\$ 37,495,229</u>	<u>\$ 121,535,490</u>

NOTE 4. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries commercial insurance.

The City is self-insured for workers' compensation claims. The City purchases excess insurance for any claim that exceeds \$500,000. The operations of the self-insurance program are reported in the Workers' Compensation Fund, an Internal Service Fund. Revenues are generated from charges to other funds for insurance coverage, while expenses consist of reported and estimated claims, administrative operating costs and the premium for excess insurance. Settled claims have not triggered excess coverage in any of the past three years.

The City purchases commercial insurance for general liability; automobile liability; auto physical damage; property; volunteer liability; cyber liability; and crime. Operating resources for the year

CITY OF GRESHAM, OREGON

consist mainly of charges to other funds and interest income. Settled claims have not exceeded insurance coverage in any of the last three fiscal years.

Effective August 1, 2013 the City became self-insured for health insurance for some employees. Premiums are paid into the Health Insurance Benefits Fund. Claims are managed by a third-party management company UMR. The City carries supplemental insurance to manage health insurance risk. The policy limits the City's liability to \$250,000 per covered life and \$8,178,782 annually.

Changes in the workers' compensation, general liability, health insurance and dental insurance claims during the current and prior fiscal year were as follows:

Workers' Compensation Claims

Fiscal Year	Beginning Balance	New claims and changes in estimates	Claim payments	Ending Balance
2019	\$ 3,285,000	\$ 1,131,777	\$ (592,777)	\$ 3,824,000
2020	3,824,000	345,586	(520,586)	3,649,000

Liability Claims

Fiscal Year	Beginning Balance	New claims and changes in estimates	Claim payments	Ending Balance
2019	\$ 958,940	\$ 203,614	\$ (319,360)	\$ 843,194
2020	843,194	190,208	(454,882)	578,520

Health Insurance Claims

Fiscal Year	Beginning Balance	New claims and changes in estimates	Claim payments	Ending Balance
2019	\$ 574,000	\$ 8,106,184	\$ (7,779,184)	\$ 901,000
2020	901,000	8,365,060	(8,437,060)	829,000

Dental Insurance Claims

Fiscal Year	Beginning Balance	New claims and changes in estimates	Claim payments	Ending Balance
2019	\$ 37,000	\$ 538,665	\$ (541,665)	\$ 34,000
2020	34,000	525,146	(527,146)	32,000

B. Contingent Liabilities

The City is a defendant in various lawsuits. Most of these lawsuits are covered by the City's insurance policies. Although the outcome of these lawsuits is not presently determinable, it is the opinion of management that resolution of these matters will not have a material adverse effect on the financial condition of the City.

Claims not covered by the City's insurer are recognized when it appears probable that the loss has been incurred and the amount can be reasonably estimated.

NOTES TO THE FINANCIAL STATEMENTS

C. Construction Commitments

The City has entered into contracts for construction, as follows:

Project Description	Contract Commitment	Expended as of June 30, 2020	Remaining Commitment
WWTP Solids Improv/WWTP Clarifier Re	5,114,615	3,617,640	1,496,975
1950's Pipe Rehab/Maint	4,151,079	3,753,463	397,616
NE Waterline Repl Ph II/Local St Recons	565,666	442,885	122,781
Grant Butte Seismic Retro	490,824	281,746	209,078
Local St Reconsruc Coord	1,909,738	1,601,169	308,569
St Surfacing Improv/FDR/Local St Recor	17,620,196	10,799,086	6,821,110
Amer w/Disab Curb Ramp	4,539,134	3,166,501	1,372,633
Pedestrian Enhancement	66,470	-	66,470
Minor Drainage Problems	201,575	149,069	52,506
Infra Capacity Improv	250,316	228,278	22,038
City Stormwater Master Plan Update	578,381	506,769	71,612
Catalyst Site	387,150	293,250	93,900
COG Safety Proj (ARTS) ROW Services	116,470	4,946	111,524
Mayor Charles Becker Park Const	1,147,804	1,070,606	77,198
SE Palmquist Rd at US26 Roadway Impi	1,477,719	-	1,477,719
Glisan & 181st Intersection Improv	973,442	-	973,442
Test Wells	432,086	-	432,086
McKinley Sewer Extension	1,430,907	129,090	1,301,817
Totals	<u>\$ 41,453,572</u>	<u>\$ 26,044,498</u>	<u>\$ 15,409,074</u>

D. Operating Leases

The City leases equipment and some building space primarily for storage. Office equipment leases typically have a fixed rental with a usage based variable component. Operating lease expense during fiscal year ended June 30, 2020 for governmental activities was \$370,061 and for business-type activities \$21,404.

Future minimum payments for operating leases, based on fiscal year 2020's level of usage, are as follows:

Fiscal Year	Governmental Activities	Business-Type Activities	Total
2021	\$ 115,499	\$ 17,903	\$ 133,401
2022	101,751	15,239	116,990
2023	35,193	13,366	48,560
2024	30,771	10,539	41,309
2025	9,921	636	10,558
Totals	<u>\$ 293,135</u>	<u>\$ 57,683</u>	<u>\$ 350,818</u>

CITY OF GRESHAM, OREGON

E. Pledged Revenue

Revenues of the City are pledged to debt service of the 2010 Series C Notes only and the 2015 GRDC Note. Other obligations are subject to an inter-governmental agreement promising the payment of debt service with all remaining revenues of the City. During 2020 the City recorded \$5,949,166 of revenues that were pledged to debt service and debt service for the related instruments was \$2,195,229. The obligations subject to the pledged revenue commitments are as follows:

	2010 Series C		2015 GRDC Note		2017 GRDC Note		Pledged
	Principal	Interest	Principal	Interest	Principal	Interest	Total
2021	\$ 873,081	\$ 133,496	\$ 872,639	\$ 75,613	\$ -	\$ 256,080	\$ 2,176,556
2022	919,528	87,050	899,383	48,869	-	256,433	2,176,860
2023	968,446	38,133	929,768	21,305	8,200,000	256,433	8,879,682
	<u>\$ 2,761,055</u>	<u>\$ 258,678</u>	<u>\$ 2,701,790</u>	<u>\$ 145,787</u>	<u>\$ 8,200,000</u>	<u>\$ 768,945</u>	<u>\$ 14,836,256</u>

F. Tax Abatements

As of June 30, 2020, the City provides property tax abatements through one Enterprise Zone program.

Enterprise Zone

The City's Enterprise Zone is authorized by Oregon Revised Statute (ORS) 285C.050 – 285C.250, the Oregon Enterprise Zone Act (the Act). The City originally created the Gresham Enterprise Zone (EZ) with Resolution No. 2825, approved by Council on March 21, 2006. The City subsequently added an electronic commerce zone overlay on the EZ via Resolution No. 3222 on October 6, 2015 and redesignated the EZ and electronic commerce zone overlay with Resolution No. 3237 on April 5, 2016. ORS 285C.255 defines the sunset of all enterprise zone programs, terminating existing programs as of June 30, 2025.

Applications go through a series of reviews by the City and by the county assessor, including a preauthorization consultation and review of written application materials. For approved applications for an extended five year abatement, City Council takes formal action via adoption of a resolution finding that the business is eligible for the exemption under the Act, and that the size of the proposed investment, the employment at the facility of the firm or the nature of the activities undertaken by the firm within the EZ will significantly enhance the local economy, promote the purposes for which the zone was created and increase employment within the zone. Applications for a three year abatement are approved administratively by the Enterprise Zone manager.

Taxes are abated via an exemption of assessed value from applicable tax levies, for a period of three tax years from when the property is placed in service. Applicable tax levies include the permanent rate levies and operating levies for taxing districts that include the property, which may include the City, county, school districts and other special districts depending on the location of the property within the EZ. If the business requests an additional two years of abatement with their application, a community service fee equal to 25% of the total abated taxes will be payable to the City for years four and five of the abatement. Investments greater than \$25 million will have the community service fee for all five tax years when an extension

NOTES TO THE FINANCIAL STATEMENTS

is requested. Any community service fees received by the City from participating businesses are restricted for use on economic development activities.

Abated taxes can be reassessed for reasons defined in ORS 285C.240, including if a qualifying business or the subject property is sold or transported for use outside of the EZ, if the business closes or significantly reduces their operations, if the business fails to meet the statutory requirements or those additional requirements of the City, or if they use the property to conduct activities that are not eligible activities. When the county assessor is notified of a disqualification, any previously abated taxes will be assessed in the subsequent assessment year, less any amounts that have been paid to the City as a community service fee.

Recipients of the EZ tax abatement make commitments to the City in their application in a number of areas, including statutory requirements for an increase in full-time employment of 10%, no concurrent job losses in Oregon within 30 miles of the EZ, maintenance of employment levels during the exemption period, and first-source agreements with local job training providers. The City places additional requirements for a minimum investment of \$1 million, a procurement plan demonstrating a good faith effort to increase purchasing with Gresham companies, and requirements related to compensation, benefits, and training opportunities.

For the fiscal year ended June 30, 2020, the City's property tax revenues were reduced by an estimated \$1,269,967 as a result of the Enterprise Zone program. Community service fees of \$1,550,817 were collected from participating businesses during the fiscal year.

Tax Abatements granted by other governments

The City's property tax revenues were impacted in previous fiscal years by one tax abatement program administered by Multnomah County (County), for their Strategic Investment Program. The Strategic Investment Program established a property tax exemption for large capital investments made by a business. To qualify for this exemption, a business promised to pay a community service fee to the County, abide by any other requirements imposed by the County, and engage in certain hiring practices.

For the fiscal year ended June 30, 2020, there were not any active participants in this program, and no impact to estimated tax revenues.

G. Subsequent Events

Since June 30, 2020, the City has drawn \$3,676,900 on its revolving line of credit. The draw proceeds were used to support \$2,511,600 of governmental projects and \$1,165,300 of business type projects. The line has a \$50,000,000 maximum and the total outstanding draw principal is currently \$28,937,500.

The Gresham Redevelopment Commission issued additional debt on the 2017 GRDC Revolving Note for the support of on-going project and administrative expenses. On December 1, 2020 debt in the principal amount of \$2,280,000 was issued at interest rate of 0.86%.

Required Supplementary Information

CITY OF
GRESHAM
GOING BEYOND

Required Schedules

Schedules required for pension and other postemployment benefit plans.

- Schedule of the Changes in the City's Total OPEB Liability and Related Ratios
Implicit Rate Subsidy
- Schedule of the City's Proportionate Share of the Net OPEB Liability (Asset) -
Oregon Public Employees Retirement System, Retirement Health Insurance
Account
- Schedule of the City's Contributions - Oregon Public Employees Retirement
System
- Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) -
Oregon Public Employees Retirement System

City of Gresham, Oregon
Schedule of the Changes in the City's Total OPEB Liability and Related Ratios
Implicit Rate Subsidy Plan
Last Three Fiscal Years^{1,2}

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service cost	\$ 535,072	\$ 488,313	\$ 527,273
Interest	348,060	281,973	226,913
Changes in benefit terms	-	-	-
Difference between expected and actual experience	-	794,837	-
Changes of assumptions or other inputs	284,520	(76,043)	(495,221)
Benefit payments	<u>(534,746)</u>	<u>(304,424)</u>	<u>(307,149)</u>
Net change in OPEB liability	632,906	1,184,656	(48,184)
Total OPEB Liability - beginning	<u>8,723,570</u>	<u>7,538,914</u>	<u>7,587,098</u>
Total OPEB Liability - ending	<u><u>9,356,476</u></u>	<u><u>8,723,570</u></u>	<u><u>7,538,914</u></u>
City's Covered Payroll	\$ 52,717,193	\$ 48,351,316	\$ 45,518,553
Total OPEB Liability as a percentage of its covered payroll	17.7%	18.0%	16.6%

¹ 10-year trend information required by GASB Statement 75 will be presented prospectively

² Amounts presented are for the measurement period reported during the fiscal year, which for FY 2020 is July 1, 2018 - June 30, 2019

NOTES TO SCHEDULE

Changes in Assumptions

The change in assumptions in fiscal year 2018 is the result of the change in the discount rate from 2.85% to 3.58%. Similarly, the change in assumptions in fiscal year 2019 is the result of the change in the discount rate from 3.58% to 3.87%, and in fiscal year 2020 from 3.87% to 3.50%.

City of Gresham, Oregon
Schedule of the City's Proportionate Share of the Net OPEB Liability (Asset)
Oregon Public Employees Retirement System, Retirement Health Insurance Account
Last Four Fiscal Years^{1,2}

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability (asset)	0.4841%	0.4573%	0.4422%	0.4524%
City's proportionate share of the net OPEB liability (asset)	\$ (935,438)	\$ (510,468)	\$ (184,537)	\$ 122,862
City's covered payroll	\$ 52,717,193	\$ 48,351,316	\$ 45,518,553	\$ 43,126,740
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-1.8%	-1.1%	-0.4%	0.3%
Plan fiduciary net position as a percentage of the total OPEB liability	144.4%	124.0%	108.9%	94.2%

¹ 10-year trend information required by GASB Statement 75 will be presented prospectively

² Amounts presented are for the measurement period reported during the fiscal year, which for FY 2020 is July 1, 2018 - June 30, 2019

City of Gresham, Oregon
Schedule of the City's Contributions
Oregon Public Employees Retirement System, Retirement Health Insurance Account
Last Seven Fiscal Years ¹

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 21,535	\$ 239,926	\$ 221,425
Contributions in relation to the contractually required contribution	<u>(21,535)</u>	<u>(239,926)</u>	<u>(221,425)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$54,179,317	\$52,717,193	\$48,351,316
Contributions as a percentage of covered payroll	0.04%	0.46%	0.46%

¹ 10-year trend information required by GASB Statement 75 will be presented prospectively

NOTES TO SCHEDULE

Actuarial Assumptions and Methods Used to Actuarially Determine Contributions:

Actuarial Valuation	December 31, 2017	December 31, 2015
Effective	July 2019 - June 2021	July 2017 - June 2019
Actuarial cost method:	Entry Age Normal	Entry Age Normal
Actuarial valuation method:	Market Value	Market Value
Actuarial assumption:		
Inflation rate	2.50 percent	2.50 percent
Projected salary increases	3.50 percent	3.50 percent
Investment rate of return	7.50 percent	7.50 percent

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 222,487	\$ 212,695	\$ 225,666	\$ 223,852
<u>(222,487)</u>	<u>(212,695)</u>	<u>(225,666)</u>	<u>(223,852)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$45,518,553	\$43,126,740	\$41,316,121	\$40,497,083
0.49%	0.49%	0.55%	0.55%

December 31, 2013
July 2015 - June 2017
Entry Age Normal
Market Value

2.75 percent
3.75 percent
7.75 percent

December 31, 2011
July 2013 - June 2015
Projected Unit Credit
Market Value

2.75 percent
3.75 percent
8.00 percent

City of Gresham, Oregon
Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)
Oregon Public Employees Retirement System
Last Seven Fiscal Years^{1,2}

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net pension liability (asset)	0.5858%	0.5463%	0.5250%	0.5176%
City's proportionate share of the net pension liability (asset)	\$ 101,336,965	\$ 82,752,686	\$ 70,776,159	\$ 77,701,855
City's covered payroll	\$ 52,717,193	\$ 48,351,316	\$ 45,518,553	\$ 43,126,740
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	192.2%	171.1%	155.5%	180.2%
Plan fiduciary net position as a percentage of the total pension liability	80.2%	82.1%	83.1%	80.5%

¹ 10-year trend information required by GASB Statement 68 will be presented prospectively

² Amounts presented are for the measurement period reported during the fiscal year, which for FY 2020 is July 1, 2018 - June 30, 2019

NOTES TO SCHEDULE

Changes in Benefit Terms

Senate Bill 822 was enacted during the 2013 Oregon regular legislative session to lower the cap on the cost-of-living adjustment (COLA) from 2 percent to 1.5 percent for 2013, and eliminated the tax remedy benefit for recipients who do not pay Oregon state income taxes because they do not reside in Oregon. Senate Bill 861 was enacted during the 2013 Oregon special legislative session, further lowering the post-retirement COLA for years beyond 2013 to 1.25% on the first \$60,000 of annual benefit and 0.15% on annual benefits above \$60,000. The combined impact of these Senate Bills are reflected in the June 30, 2014 total pension liability, resulting in a net pension asset reported by the City for fiscal year 2015.

The Oregon Supreme Court (Court) ruled in *Moro v. State of Oregon* on April 30, 2015 that certain provisions of Senate Bill 822 and Senate Bill 861 were unconstitutional. The Court ruled that benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. OPERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire. The impact of the Court's decision is reflected in the June 30, 2015 total pension liability, which contributes to the net pension liability reported by the City for fiscal year 2016.

	<u>2016</u>	<u>2015</u>	<u>2014</u>
	0.5178%	0.4564%	0.4564%
\$	29,730,233	\$ (10,345,364)	\$ 23,290,937
\$	41,316,121	\$ 40,497,083	\$ 39,389,914
	72.0%	-25.5%	59.1%
	91.9%	103.6%	92.0%

Changes in Assumptions

The PERS Board adopted assumption changes that were used to measure the June 30, 2016 total pension liability, which contributes to the net pension liability reported by the City for fiscal year 2017. The changes include the lowering of the long-term expected rate of return to 7.50 percent and lowering the assumed inflation to 2.50 percent. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay.

The June 30, 2018 total pension liability includes the effect of PERS Board adopting a change to the long-term expected rate of return, reducing it from 7.50 to 7.20 percent. This contributes to the net pension liability reported by the City for fiscal year 2019.

City of Gresham, Oregon
Schedule of the City's Contributions
Oregon Public Employees Retirement System
Last Seven Fiscal Years¹

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 7,073,362	\$ 5,194,350	\$ 4,877,479
Contributions in relation to the contractually required contribution	<u>(7,073,362)</u>	<u>(5,194,350)</u>	<u>(4,877,479)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 54,179,217	\$ 52,717,193	\$ 48,351,316
Contributions as a percentage of covered payroll	13.06%	9.85%	10.09%

¹ 10-year trend information required by GASB Statement 68 will be presented prospectively

NOTES TO SCHEDULE

Actuarial Assumptions and Methods Used to Actuarially Determine Contributions:

Actuarial Valuation	December 31, 2017	December 31, 2015
Effective	July 2019 - June 2021	July 2017 - June 2019
Actuarial cost method:	Entry Age Normal	Entry Age Normal
Actuarial valuation method:	Market Value	Market Value
Actuarial assumption:		
Inflation rate	2.50 percent	2.50 percent
Projected salary increases	3.50 percent	3.50 percent
Investment rate of return	7.20 percent	7.50 percent

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 3,670,758	\$ 3,536,948	\$ 2,709,239	\$ 2,631,112
<u>(3,670,758)</u>	<u>(3,536,948)</u>	<u>(2,709,239)</u>	<u>(2,631,112)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 45,518,553	\$ 43,126,740	\$ 41,316,121	\$ 40,497,083
8.06%	8.20%	6.56%	6.50%

December 31, 2013
July 2015 - June 2017
Entry Age Normal
Market Value

2.75 percent
3.75 percent
7.75 percent

December 31, 2011
July 2013 - June 2015
Projected Unit Credit
Market Value

2.75 percent
3.75 percent
8.00 percent

CITY OF
GRESHAM
GOING BEYOND

Major Funds – General and Special Revenue

General Fund – Accounts for police, fire, emergency medical services, community and economic development, and parks maintenance expenditures and is the City’s main operating fund. The principal sources of revenue are property taxes, state shared revenue, business income tax, license fees, and charges for services.

Transportation Fund – Accounts primarily for gasoline tax apportionments from the State of Oregon used for transportation operations.

System Development Charge Fund – Accounts for collections of water, stormwater, wastewater, transportation impact, and parks system development and/or improvement fees. Requirements consist of transfers to the enterprise, special revenue, and capital improvement funds within which the revenues will be expended.

CDBG & HOME Fund – Accounts for the receipt of CDBG and HOME grants and their related expenditures.

Budgetary Basis – The basis of budgeting for all major funds is the modified accrual basis of accounting. The resolution authorizing appropriations for each fund sets the legal level of control by which expenditures cannot legally exceed appropriations. Total expenditures by department, as well as non-operating functions such as debt service and interfund transfers, are the legal level of control. The budgetary comparison schedules report Final Budget and Actual balances at the legal level of control to demonstrate compliance with Oregon budget law.

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget-Positive (Negative)</u>
REVENUES				
Taxes	\$ 37,663,200	\$ 37,663,200	\$ 38,141,211	\$ 478,011
Licenses and permits	372,300	372,300	512,243	139,943
Intergovernmental	10,427,000	10,427,000	10,512,297	85,297
Charges for services	4,234,500	4,234,500	4,604,117	369,617
License fees	10,935,000	10,935,000	11,180,201	245,201
Miscellaneous	642,700	642,700	843,453	200,753
Internal service charges	819,385	819,385	415,127	(404,258)
Total revenues	<u>65,094,085</u>	<u>65,094,085</u>	<u>66,208,649</u>	<u>1,114,564</u>
EXPENDITURES				
Police	39,307,078	39,307,078	35,329,296	3,977,782
Fire and emergency services	26,367,334	26,367,334	25,191,703	1,175,631
Community development	1,245,818	1,245,818	615,939	629,879
Economic development services	1,061,977	1,061,977	693,490	368,487
Parks	3,363,351	3,363,351	2,863,155	500,196
Total expenditures	<u>71,345,558</u>	<u>71,345,558</u>	<u>64,693,583</u>	<u>6,651,975</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,251,473)</u>	<u>(6,251,473)</u>	<u>1,515,066</u>	<u>7,766,539</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	75,000	75,000	75,000	-
Transfers out	<u>(6,608,017)</u>	<u>(6,608,017)</u>	<u>(5,892,912)</u>	<u>715,105</u>
Total other financing sources (uses)	<u>(6,533,017)</u>	<u>(6,533,017)</u>	<u>(5,817,912)</u>	<u>715,105</u>
Net change in fund balances	(12,784,490)	(12,784,490)	(4,302,846)	8,481,644
Fund balances - beginning	<u>13,834,000</u>	<u>13,834,000</u>	<u>17,250,565</u>	<u>3,416,565</u>
Fund balances - ending	<u>\$ 1,049,510</u>	<u>\$ 1,049,510</u>	<u>\$ 12,947,719</u>	<u>\$ 11,898,209</u>
Accrued compensation			405,810	
Due from other funds			5,842,023	
Unrealized gain (loss) on investments			<u>226,293</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 19,421,845</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
System Development Charges Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget-Positive (Negative)
REVENUES				
Charges for services	\$ 34,292,300	\$ 34,292,300	\$ 11,203,876	\$ (23,088,424)
Miscellaneous	331,000	331,000	573,884	242,884
Total revenues	<u>34,623,300</u>	<u>34,623,300</u>	<u>11,777,760</u>	<u>(22,845,540)</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>34,623,300</u>	<u>34,623,300</u>	<u>11,777,760</u>	<u>(22,845,540)</u>
OTHER FINANCING (USES)				
Transfers out	<u>(41,454,391)</u>	<u>(41,454,391)</u>	<u>(3,752,098)</u>	<u>37,702,293</u>
Total other financing (uses)	<u>(41,454,391)</u>	<u>(41,454,391)</u>	<u>(3,752,098)</u>	<u>37,702,293</u>
Net change in fund balances	(6,831,091)	(6,831,091)	8,025,662	14,856,753
Fund balances - beginning	<u>8,466,000</u>	<u>8,466,000</u>	<u>18,886,839</u>	<u>10,420,839</u>
Fund balances - ending	<u>\$ 1,634,909</u>	<u>\$ 1,634,909</u>	<u>\$ 26,912,501</u>	<u>\$ 25,277,592</u>
Unrealized gain (loss) on investments			<u>638,543</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 27,551,044</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Transportation Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget-Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 13,168,000	\$ 13,168,000	\$ 12,195,073	\$ (972,927)
Charges for services	51,300	51,300	66,630	15,330
License fees	1,091,500	1,091,500	903,527	(187,973)
Miscellaneous	348,000	348,000	534,654	186,654
Internal service charges	1,843,661	1,843,661	2,016,153	172,492
Total revenues	<u>16,502,461</u>	<u>16,502,461</u>	<u>15,716,037</u>	<u>(786,424)</u>
EXPENDITURES				
Environmental services	10,131,186	10,131,186	8,530,485	1,600,701
Debt service	1,793,000	1,793,000	-	1,793,000
Operating contingency	1,520,000	1,520,000	-	1,520,000
Total expenditures	<u>13,444,186</u>	<u>13,444,186</u>	<u>8,530,485</u>	<u>4,913,701</u>
Excess of revenues over expenditures	<u>3,058,275</u>	<u>3,058,275</u>	<u>7,185,552</u>	<u>4,127,277</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	1,793,000	1,793,000	-	(1,793,000)
Transfers in	1,991,200	1,991,200	985,286	(1,005,914)
Transfers out	(15,004,143)	(15,004,143)	(4,326,752)	10,677,391
Total other financing sources (uses)	<u>(11,219,943)</u>	<u>(11,219,943)</u>	<u>(3,341,466)</u>	<u>7,878,477</u>
Net change in fund balances	(8,161,668)	(8,161,668)	3,844,086	12,005,754
Fund balances - beginning	<u>20,488,800</u>	<u>20,488,800</u>	<u>20,781,663</u>	<u>292,863</u>
Fund balances - ending	<u>\$ 12,327,132</u>	<u>\$ 12,327,132</u>	<u>\$ 24,625,749</u>	<u>\$ 12,298,617</u>
Accrued compensation			520,100	
Due from other funds			2,121,465	
Unrealized gain (loss) on investments			<u>561,845</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 27,829,159</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
CDBG & HOME Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget-Positive (Negative)
REVENUES				
Intergovernmental	\$ 2,806,125	\$ 2,806,125	\$ 1,617,297	\$ (1,188,828)
Charges for services	-	-	22,294	22,294
Miscellaneous	-	-	80,321	80,321
Total revenues	<u>2,806,125</u>	<u>2,806,125</u>	<u>1,719,912</u>	<u>(1,086,213)</u>
EXPENDITURES				
Community development	2,383,911	2,383,911	1,413,208	970,703
Total expenditures	<u>2,383,911</u>	<u>2,383,911</u>	<u>1,413,208</u>	<u>970,703</u>
Excess of revenues over expenditures	<u>422,214</u>	<u>422,214</u>	<u>306,704</u>	<u>(115,510)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	20,000	20,000	20,000	-
Transfers out	(907,017)	(907,017)	(822,838)	84,179
Total other financing sources (uses)	<u>(887,017)</u>	<u>(887,017)</u>	<u>(802,838)</u>	<u>84,179</u>
Net change in fund balances	(464,803)	(464,803)	(496,134)	(31,331)
Fund balances - beginning	<u>550,000</u>	<u>550,000</u>	<u>709,543</u>	<u>159,543</u>
Fund balances - ending	<u>\$ 85,197</u>	<u>\$ 85,197</u>	<u>\$ 213,409</u>	<u>\$ 128,212</u>
Accrued compensation			17,700	
Due from other funds			14,739	
Unrealized gain (loss) on investments			<u>2,842</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 248,690</u>	

CITY OF
GRESHAM
GOING BEYOND

**Combining and Individual Fund Statements and Schedules -
Nonmajor Governmental Funds and
Major Debt Service Funds**

Major Funds – Debt Service

GRDC - Rockwood Debt Service Fund – Accounts for debt service on funding for the Rockwood-West Gresham Urban Renewal Area.

Budgetary Basis – The basis of budgeting for all major funds is the modified accrual basis of accounting. The resolution authorizing appropriations for each fund sets the legal level of control by which expenditures cannot legally exceed appropriations. Total expenditures by department, as well as non-operating functions such as debt service and interfund transfers, are the legal level of control. The budgetary comparison schedules report Final Budget and Actual balances at the legal level of control to demonstrate compliance with Oregon budget law.

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
GRDC - Rockwood Debt Service Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget-Positive (Negative)</u>
REVENUES				
Taxes	\$ 5,461,700	\$ 5,461,700	\$ 5,949,166	\$ 487,466
Intergovernmental	40,000	40,000	21,583	(18,417)
Miscellaneous	119,400	119,400	293,753	174,353
Total revenues	<u>5,621,100</u>	<u>5,621,100</u>	<u>6,264,502</u>	<u>643,402</u>
EXPENDITURES				
Debt service	8,180,000	8,180,000	3,885,249	4,294,751
Total expenditures	<u>8,180,000</u>	<u>8,180,000</u>	<u>3,885,249</u>	<u>4,294,751</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,558,900)</u>	<u>(2,558,900)</u>	<u>2,379,253</u>	<u>4,938,153</u>
Net change in fund balances	(2,558,900)	(2,558,900)	2,379,253	4,938,153
Fund balances - beginning	<u>7,956,700</u>	<u>7,956,700</u>	<u>11,055,796</u>	<u>3,099,096</u>
Fund balances - ending	<u>\$ 5,397,800</u>	<u>\$ 5,397,800</u>	\$ 13,435,049	<u>\$ 8,037,249</u>
Advance from other funds			(4,756,374)	
Unrealized gain (loss) on investments			<u>310,848</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 8,989,523</u>	

City of Gresham, Oregon
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Debt Service Funds</u>	<u>Total</u>
ASSETS				
Cash and investments	\$ 24,718,305	\$ 9,075,587	\$ 671,730	\$ 34,465,622
Receivables, net	1,273,468	114,236	-	1,387,704
Other assets	142,996	49,853	3,734	196,583
Due from other funds	94,980	-	150,183	245,163
Advance to other funds	-	-	4,756,374	4,756,374
Restricted cash and investments	1,017,767	-	-	1,017,767
Total assets	<u>\$ 27,247,516</u>	<u>\$ 9,239,676</u>	<u>\$ 5,582,021</u>	<u>\$ 42,069,213</u>
LIABILITIES				
Accounts payable	\$ 173,628	\$ 1,895,093	\$ -	\$ 2,068,721
Other accrued liabilities	479	128,192	-	128,671
Deposits	2,030,481	2,000	-	2,032,481
Unearned revenue	344,111	-	-	344,111
Total liabilities	<u>2,548,699</u>	<u>2,025,285</u>	<u>-</u>	<u>4,573,984</u>
FUND BALANCES				
Restricted	17,401,359	2,713,404	-	20,114,763
Committed	974,026	-	-	974,026
Assigned	6,323,432	4,500,987	5,582,021	16,406,440
Total fund balances	<u>24,698,817</u>	<u>7,214,391</u>	<u>5,582,021</u>	<u>37,495,229</u>
Total liabilities and fund balances	<u>\$ 27,247,516</u>	<u>\$ 9,239,676</u>	<u>\$ 5,582,021</u>	<u>\$ 42,069,213</u>

City of Gresham, Oregon
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2020

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Debt Service Funds</u>	<u>Total</u>
REVENUES				
Licenses and permits	\$ 3,139,684	\$ -	\$ -	\$ 3,139,684
Intergovernmental	3,440,267	2,855,396	1,691,090	7,986,753
Charges for services	4,275,234	55,457	-	4,330,691
License fees	1,319,456	-	-	1,319,456
Miscellaneous	2,855,337	304,254	34,723	3,194,314
Internal service charges	418,891	-	1,928,880	2,347,771
Total revenues	<u>15,448,869</u>	<u>3,215,107</u>	<u>3,654,693</u>	<u>22,318,669</u>
EXPENDITURES				
Current:				
General government	65,806	-	-	65,806
Public safety	1,924,657	-	-	1,924,657
Urban renewal	1,087,176	1,070,000	-	2,157,176
Urban design and planning	3,664,944	-	-	3,664,944
Community development	4,340,666	-	-	4,340,666
Economic development services	874,000	-	-	874,000
Community livability	613,316	-	-	613,316
Parks	19,200	-	-	19,200
Environmental services	3,625,208	-	-	3,625,208
Transportation	397,854	-	-	397,854
Capital outlay	-	13,899,717	-	13,899,717
Debt service	-	-	6,046,139	6,046,139
Total expenditures	<u>16,612,827</u>	<u>14,969,717</u>	<u>6,046,139</u>	<u>37,628,683</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,163,958)</u>	<u>(11,754,610)</u>	<u>(2,391,446)</u>	<u>(15,310,014)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	11,428,400	-	11,428,400
Transfers in	5,904,978	4,602,358	2,425,391	12,932,727
Transfers out	(1,024,215)	(716,920)	(1,408,051)	(3,149,186)
Total other financing sources (uses)	<u>4,880,763</u>	<u>15,313,838</u>	<u>1,017,340</u>	<u>21,211,941</u>
Net change in fund balances	<u>3,716,805</u>	<u>3,559,228</u>	<u>(1,374,106)</u>	<u>5,901,927</u>
Fund balances - beginning	<u>20,982,012</u>	<u>3,655,163</u>	<u>6,956,127</u>	<u>31,593,302</u>
Fund balances - ending	<u>\$ 24,698,817</u>	<u>\$ 7,214,391</u>	<u>\$ 5,582,021</u>	<u>\$ 37,495,229</u>

CITY OF
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Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. Funds included in this fund type are:

Urban Design & Planning Fund – Accounts for revenues and operations of the City’s development planning functions. Development planning fees supply revenue for this fund, in addition to interfund transfers from the General Fund and Urban Renewal Fund.

Solid Waste & Recycling Fund – Accounts for the receipt of solid waste fees and their related expenditures.

Designated Purpose Fund – Accounts for monies donated for specific purposes, most importantly for public safety.

Rental Inspection Fund – Accounts for revenues and operations of mandatory inspections of rental units in Gresham to address concerns of substandard housing.

Infrastructure Development Fund – Accounts for revenues and operations of development engineering, public works construction inspections, and surveying.

Streetlight Fund – Accounts for license fee revenues collected for streetlight repair and maintenance.

Building Fund – Accounts for the revenue received from building inspections and construction permits. Expenditures are primarily for customer service, code enforcement, and administration.

Urban Renewal Support Fund – Accounts for services that the City provides to the Rockwood-West Gresham Urban Renewal Area.

City of Gresham, Oregon
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2020

	<u>Urban Design & Planning Fund</u>	<u>Solid Waste & Recycling Fund</u>	<u>Designated Purpose Fund</u>	<u>Rental Inspection Fund</u>
ASSETS				
Cash and investments	\$ 1,689,537	\$ 562,360	\$ 4,248,969	\$ 950,375
Receivables, net	9,830	76,977	952,800	1,950
Other assets	9,471	3,126	25,593	5,283
Due from other funds	-	-	-	16,589
Restricted cash and investments	14,100	-	373,190	-
Total assets	<u>\$ 1,722,938</u>	<u>\$ 642,463</u>	<u>\$ 5,600,552</u>	<u>\$ 974,197</u>
LIABILITIES				
Accounts payable	\$ 13,902	\$ 989	\$ 87,569	\$ 171
Other accrued liabilities	-	-	-	-
Deposits	88,556	-	373,190	-
Unearned revenue	-	-	344,111	-
Total liabilities	<u>102,458</u>	<u>989</u>	<u>804,870</u>	<u>171</u>
FUND BALANCES				
Restricted	-	-	4,487,464	-
Committed	-	-	-	974,026
Assigned	1,620,480	641,474	308,218	-
Total fund balances	<u>1,620,480</u>	<u>641,474</u>	<u>4,795,682</u>	<u>974,026</u>
Total liabilities and fund balances	<u>\$ 1,722,938</u>	<u>\$ 642,463</u>	<u>\$ 5,600,552</u>	<u>\$ 974,197</u>

Infrastructure Development Fund	Streetlight Fund	Building Fund	Urban Renewal Support Fund	Total
\$ 4,560,888	\$ 4,202,944	\$ 8,346,619	\$ 156,613	\$ 24,718,305
40,283	142,839	48,789	-	1,273,468
28,451	23,389	46,812	871	142,996
66,917	-	11,474	-	94,980
556,700	-	73,777	-	1,017,767
<u>\$ 5,253,239</u>	<u>\$ 4,369,172</u>	<u>\$ 8,527,471</u>	<u>\$ 157,484</u>	<u>\$ 27,247,516</u>
\$ 4,542	\$ 12,616	\$ 41,582	\$ 12,257	\$ 173,628
479	-	-	-	479
1,494,958	-	73,777	-	2,030,481
-	-	-	-	344,111
<u>1,499,979</u>	<u>12,616</u>	<u>115,359</u>	<u>12,257</u>	<u>2,548,699</u>
-	4,356,556	8,412,112	145,227	17,401,359
-	-	-	-	974,026
3,753,260	-	-	-	6,323,432
<u>3,753,260</u>	<u>4,356,556</u>	<u>8,412,112</u>	<u>145,227</u>	<u>24,698,817</u>
<u>\$ 5,253,239</u>	<u>\$ 4,369,172</u>	<u>\$ 8,527,471</u>	<u>\$ 157,484</u>	<u>\$ 27,247,516</u>

City of Gresham, Oregon
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2020

	<u>Urban Design & Planning Fund</u>	<u>Solid Waste & Recycling Fund</u>	<u>Designated Purpose Fund</u>	<u>Rental Inspection Fund</u>
REVENUES				
Licenses and permits	\$ -	\$ -	\$ -	\$ 668,870
Intergovernmental	23,864	190,654	1,816,607	-
Charges for services	554,661	712,020	88,289	-
License fees	-	-	-	-
Miscellaneous	74,808	28,541	1,980,165	63,551
Internal service charges	-	-	-	-
Total revenues	<u>653,333</u>	<u>931,215</u>	<u>3,885,061</u>	<u>732,421</u>
EXPENDITURES				
Current:				
General government	-	-	65,806	-
Public safety	-	-	1,924,657	-
Urban renewal	-	-	-	-
Urban design and planning	3,593,910	-	71,034	-
Community development	-	-	33,588	661,913
Economic development services	-	-	874,000	-
Community livability	-	-	613,316	-
Parks	-	-	19,200	-
Environmental services	-	913,646	61,266	-
Transportation	-	-	-	-
Total expenditures	<u>3,593,910</u>	<u>913,646</u>	<u>3,662,867</u>	<u>661,913</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,940,577)</u>	<u>17,569</u>	<u>222,194</u>	<u>70,508</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,569,000	639,981	724,997	-
Transfers out	(210,050)	(16,076)	-	(10,799)
Total other financing sources (uses)	<u>2,358,950</u>	<u>623,905</u>	<u>724,997</u>	<u>(10,799)</u>
Net change in fund balances	<u>(581,627)</u>	<u>641,474</u>	<u>947,191</u>	<u>59,709</u>
Fund balances - beginning	<u>2,202,107</u>	<u>-</u>	<u>3,848,491</u>	<u>914,317</u>
Fund balances - ending	<u>\$ 1,620,480</u>	<u>\$ 641,474</u>	<u>\$ 4,795,682</u>	<u>\$ 974,026</u>

Infrastructure Development Fund	Streetlight Fund	Building Fund	Urban Renewal Support Fund	Total
\$ -	\$ -	\$ 2,470,814	\$ -	3,139,684
-	117,888	221,254	1,070,000	3,440,267
907,517	73,879	1,938,868	-	4,275,234
-	1,319,456	-	-	1,319,456
202,066	156,809	346,758	2,639	2,855,337
418,891	-	-	-	418,891
<u>1,528,474</u>	<u>1,668,032</u>	<u>4,977,694</u>	<u>1,072,639</u>	<u>15,448,869</u>
-	-	-	-	65,806
-	-	-	-	1,924,657
-	-	-	1,087,176	1,087,176
-	-	-	-	3,664,944
-	-	3,645,165	-	4,340,666
-	-	-	-	874,000
-	-	-	-	613,316
-	-	-	-	19,200
2,650,296	-	-	-	3,625,208
-	397,854	-	-	397,854
<u>2,650,296</u>	<u>397,854</u>	<u>3,645,165</u>	<u>1,087,176</u>	<u>16,612,827</u>
<u>(1,121,822)</u>	<u>1,270,178</u>	<u>1,332,529</u>	<u>(14,537)</u>	<u>(1,163,958)</u>
1,821,200	-	149,800	-	5,904,978
(44,505)	(647,541)	(82,036)	(13,208)	(1,024,215)
<u>1,776,695</u>	<u>(647,541)</u>	<u>67,764</u>	<u>(13,208)</u>	<u>4,880,763</u>
<u>654,873</u>	<u>622,637</u>	<u>1,400,293</u>	<u>(27,745)</u>	<u>3,716,805</u>
<u>3,098,387</u>	<u>3,733,919</u>	<u>7,011,819</u>	<u>172,972</u>	<u>20,982,012</u>
<u>\$ 3,753,260</u>	<u>\$ 4,356,556</u>	<u>\$ 8,412,112</u>	<u>\$ 145,227</u>	<u>\$ 24,698,817</u>

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Urban Design & Planning Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget-Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 23,864	\$ 23,864
Charges for services	1,039,000	1,039,000	554,661	(484,339)
Miscellaneous	26,300	26,300	47,767	21,467
Total revenues	<u>1,065,300</u>	<u>1,065,300</u>	<u>626,292</u>	<u>(439,008)</u>
EXPENDITURES				
Urban design and planning	4,800,533	4,800,533	3,654,310	1,146,223
Operating contingency	441,717	441,717	-	441,717
Total expenditures	<u>5,242,250</u>	<u>5,242,250</u>	<u>3,654,310</u>	<u>1,587,940</u>
Excess of expenditures over revenues	<u>(4,176,950)</u>	<u>(4,176,950)</u>	<u>(3,028,018)</u>	<u>1,148,932</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,704,000	2,704,000	2,569,000	(135,000)
Transfers out	(210,050)	(210,050)	(210,050)	-
Total other financing sources (uses)	<u>2,493,950</u>	<u>2,493,950</u>	<u>2,358,950</u>	<u>(135,000)</u>
Net change in fund balances	(1,683,000)	(1,683,000)	(669,068)	1,013,932
Fund balances - beginning	<u>1,683,000</u>	<u>1,683,000</u>	<u>1,974,563</u>	<u>291,563</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	\$ 1,305,495	<u>\$ 1,305,495</u>
Accrued compensation			276,100	
Unrealized gain (loss) on investments			<u>38,885</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 1,620,480</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Solid Waste & Recycling Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget-Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 196,700	\$ 196,700	\$ 190,654	\$ (6,046)
Charges for services	712,000	712,000	712,020	20
Miscellaneous	-	-	15,705	15,705
Total revenues	<u>908,700</u>	<u>908,700</u>	<u>918,379</u>	<u>9,679</u>
EXPENDITURES				
Environmental services	1,056,459	1,056,459	949,046	107,413
Operating contingency	106,000	106,000	-	106,000
Total expenditures	<u>1,162,459</u>	<u>1,162,459</u>	<u>949,046</u>	<u>213,413</u>
Excess of expenditures over revenues	<u>(253,759)</u>	<u>(253,759)</u>	<u>(30,667)</u>	<u>223,092</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	655,249	655,249	639,981	(15,268)
Transfers out	<u>(16,076)</u>	<u>(16,076)</u>	<u>(16,076)</u>	<u>-</u>
Total other financing sources (uses)	<u>639,173</u>	<u>639,173</u>	<u>623,905</u>	<u>(15,268)</u>
Net change in fund balances	385,414	385,414	593,238	207,824
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ 385,414</u>	<u>\$ 385,414</u>	<u>\$ 593,238</u>	<u>\$ 207,824</u>
Accrued compensation			35,400	
Unrealized gain (loss) on investments			<u>12,836</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 641,474</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Designated Purpose Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget-Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 2,454,180	\$ 2,454,180	\$ 1,816,607	\$ (637,573)
Charges for services	276,000	276,000	88,289	(187,711)
Miscellaneous	1,428,025	1,428,025	1,894,070	466,045
Total revenues	<u>4,158,205</u>	<u>4,158,205</u>	<u>3,798,966</u>	<u>(359,239)</u>
EXPENDITURES				
Office of governance and management	60,450	60,450	42,097	18,353
City-wide services	33,100	33,100	23,709	9,391
Police	2,377,052	2,377,052	1,287,415	1,089,637
Fire and emergency services	943,504	943,504	637,242	306,262
Urban design and planning	183,950	183,950	71,034	112,916
Community development	205,000	205,000	33,588	171,412
Economic development services	3,385,000	3,385,000	874,000	2,511,000
Community livability	744,800	744,800	613,316	131,484
Parks	100,000	100,000	19,200	80,800
Environmental services	250,000	250,000	61,266	188,734
Total expenditures	<u>8,282,856</u>	<u>8,282,856</u>	<u>3,662,867</u>	<u>4,619,989</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,124,651)</u>	<u>(4,124,651)</u>	<u>136,099</u>	<u>4,260,750</u>
OTHER FINANCING SOURCES				
Transfers in	1,298,000	1,298,000	724,997	(573,003)
Total other financing sources	<u>1,298,000</u>	<u>1,298,000</u>	<u>724,997</u>	<u>(573,003)</u>
Net change in fund balances	(2,826,651)	(2,826,651)	861,096	3,687,747
Fund balances - beginning	<u>3,161,845</u>	<u>3,161,845</u>	<u>3,829,509</u>	<u>667,664</u>
Fund balances - ending	<u>\$ 335,194</u>	<u>\$ 335,194</u>	<u>\$ 4,690,605</u>	<u>\$ 4,355,411</u>
Unrealized gain (loss) on investments			<u>105,077</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 4,795,682</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Rental Inspection Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget-Positive (Negative)
REVENUES				
Licenses and permits	\$ 694,000	\$ 694,000	\$ 668,870	\$ (25,130)
Miscellaneous	51,900	51,900	46,397	(5,503)
Total revenues	<u>745,900</u>	<u>745,900</u>	<u>715,267</u>	<u>(30,633)</u>
EXPENDITURES				
Community development	897,760	897,760	653,667	244,093
Operating contingency	90,000	90,000	-	90,000
Total expenditures	<u>987,760</u>	<u>987,760</u>	<u>653,667</u>	<u>334,093</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(241,860)</u>	<u>(241,860)</u>	61,600	303,460
OTHER FINANCING (USES)				
Transfers out	<u>(10,799)</u>	<u>(10,799)</u>	<u>(10,799)</u>	-
Total other financing (uses)	<u>(10,799)</u>	<u>(10,799)</u>	<u>(10,799)</u>	-
Net change in fund balances	(252,659)	(252,659)	50,801	303,460
Fund balances - beginning	<u>671,800</u>	<u>671,800</u>	<u>826,044</u>	<u>154,244</u>
Fund balances - ending	<u>\$ 419,141</u>	<u>\$ 419,141</u>	\$ 876,845	<u>\$ 457,704</u>
Accrued compensation			58,900	
Due from other funds			16,589	
Unrealized gain (loss) on investments			<u>21,692</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 974,026</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Infrastructure Development Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget-Positive (Negative)
REVENUES				
Charges for services	\$ 785,900	\$ 785,900	\$ 907,517	\$ 121,617
Miscellaneous	41,700	41,700	109,149	67,449
Internal service charges	404,000	404,000	418,891	14,891
Total revenues	<u>1,231,600</u>	<u>1,231,600</u>	<u>1,435,557</u>	<u>203,957</u>
EXPENDITURES				
Environmental services	3,177,731	3,177,731	2,684,785	492,946
Operating contingency	477,000	477,000	-	477,000
Total expenditures	<u>3,654,731</u>	<u>3,654,731</u>	<u>2,684,785</u>	<u>969,946</u>
Excess of expenditures over revenues	<u>(2,423,131)</u>	<u>(2,423,131)</u>	<u>(1,249,228)</u>	<u>1,173,903</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,821,200	1,821,200	1,821,200	-
Transfers out	(44,505)	(44,505)	(44,505)	-
Total other financing sources (uses)	<u>1,776,695</u>	<u>1,776,695</u>	<u>1,776,695</u>	<u>-</u>
Net change in fund balances	(646,436)	(646,436)	527,467	1,173,903
Fund balances - beginning	<u>2,086,400</u>	<u>2,086,400</u>	<u>2,851,068</u>	<u>764,668</u>
Fund balances - ending	<u>\$ 1,439,964</u>	<u>\$ 1,439,964</u>	<u>\$ 3,378,535</u>	<u>\$ 1,938,571</u>
Accrued compensation			191,000	
Due from other funds			66,917	
Unrealized gain (loss) on investments			<u>116,808</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 3,753,260</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Streetlight Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget-Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 84,400	\$ 84,400	\$ 117,888	\$ 33,488
Charges for services	-	-	73,879	73,879
License fees	1,292,000	1,292,000	1,319,456	27,456
Miscellaneous	67,000	67,000	79,799	12,799
Total revenues	<u>1,443,400</u>	<u>1,443,400</u>	<u>1,591,022</u>	<u>147,622</u>
EXPENDITURES				
Environmental services	517,942	517,942	397,854	120,088
Operating contingency	78,000	78,000	-	78,000
Total expenditures	<u>595,942</u>	<u>595,942</u>	<u>397,854</u>	<u>198,088</u>
Excess of revenues over expenditures	<u>847,458</u>	<u>847,458</u>	<u>1,193,168</u>	<u>345,710</u>
OTHER FINANCING (USES)				
Transfers out	(1,264,900)	(1,264,900)	(647,541)	617,359
Total other financing (uses)	<u>(1,264,900)</u>	<u>(1,264,900)</u>	<u>(647,541)</u>	<u>617,359</u>
Net change in fund balances	(417,442)	(417,442)	545,627	963,069
Fund balances - beginning	<u>3,272,000</u>	<u>3,272,000</u>	<u>3,714,904</u>	<u>442,904</u>
Fund balances - ending	<u>\$ 2,854,558</u>	<u>\$ 2,854,558</u>	\$ 4,260,531	<u>\$ 1,405,973</u>
Unrealized gain (loss) on investments			<u>96,025</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 4,356,556</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Building Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget-Positive (Negative)
REVENUES				
Licenses and permits	\$ 2,959,000	\$ 2,959,000	\$ 2,470,814	\$ (488,186)
Intergovernmental	226,000	226,000	221,254	(4,746)
Charges for services	1,679,000	1,679,000	1,938,868	259,868
Miscellaneous	140,000	140,000	192,035	52,035
Total revenues	<u>5,004,000</u>	<u>5,004,000</u>	<u>4,822,971</u>	<u>(181,029)</u>
EXPENDITURES				
Community development	4,648,948	4,648,948	3,708,643	940,305
Operating contingency	465,000	465,000	-	465,000
Total expenditures	<u>5,113,948</u>	<u>5,113,948</u>	<u>3,708,643</u>	<u>1,405,305</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(109,948)</u>	<u>(109,948)</u>	<u>1,114,328</u>	<u>1,224,276</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	149,800	149,800	149,800	-
Transfers out	(97,005)	(97,005)	(82,036)	14,969
Total other financing sources (uses)	<u>52,795</u>	<u>52,795</u>	<u>67,764</u>	<u>14,969</u>
Net change in fund balances	(57,153)	(57,153)	1,182,092	1,239,245
Fund balances - beginning	<u>5,834,800</u>	<u>5,834,800</u>	<u>6,739,953</u>	<u>905,153</u>
Fund balances - ending	<u>\$ 5,777,647</u>	<u>\$ 5,777,647</u>	<u>\$ 7,922,045</u>	<u>\$ 2,144,398</u>
Accrued compensation			286,400	
Due from other funds			11,474	
Unrealized gain (loss) on investments			<u>192,193</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 8,412,112</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Urban Renewal Support Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget-Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 2,109,400	\$ 2,109,400	\$ 1,070,000	\$ (1,039,400)
Total revenues	<u>2,109,400</u>	<u>2,109,400</u>	<u>1,070,000</u>	<u>(1,039,400)</u>
EXPENDITURES				
Urban renewal	1,820,034	1,820,034	1,060,176	759,858
Operating contingency	236,000	236,000	-	236,000
Total expenditures	<u>2,056,034</u>	<u>2,056,034</u>	<u>1,060,176</u>	<u>995,858</u>
Excess of revenues over expenditures	<u>53,366</u>	<u>53,366</u>	<u>9,824</u>	<u>(43,542)</u>
OTHER FINANCING (USES)				
Transfers out	(53,208)	(53,208)	(13,208)	40,000
Total other financing (uses)	<u>(53,208)</u>	<u>(53,208)</u>	<u>(13,208)</u>	<u>40,000</u>
Net change in fund balances	158	158	(3,384)	(3,542)
Fund balances - beginning	<u>900</u>	<u>900</u>	<u>103,536</u>	<u>102,636</u>
Fund balances - ending	<u>\$ 1,058</u>	<u>\$ 1,058</u>	<u>\$ 100,152</u>	<u>\$ 99,094</u>
Accrued compensation			41,500	
Unrealized gain (loss) on investments			<u>3,575</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 145,227</u>	

CITY OF
GRESHAM
GOING BEYOND

Capital Projects Funds

Capital projects funds are used to account for financial resources used for the acquisition and construction of major capital facilities other than those financed by proprietary funds. Funds included in this fund type are:

Parks Capital Improvement Fund – Accounts for revenues earmarked for park capital improvements including transfers of system development charges, transfers of grants and donations from other funds, and investment income. Expenditures consist of various park, trail development and open space acquisition projects.

General Development Capital Improvement Fund – Accounts for the acquisition or construction of general capital facilities and infrastructure improvements in the Pleasant Valley and Springwater areas.

Transportation Capital Improvement Fund – Accounts for the acquisition and construction of streets.

Urban Renewal Capital Improvement Fund – Accounts for City-backed Urban Renewal Area improvements.

GRDC – Rockwood Capital Improvement Fund – Accounts for the Urban Renewal Area operations.

Footpaths and Bikeways Fund – Accounts for revenues from investment income and transfers from the Transportation Fund. Expenditures consist of the construction, repair, and maintenance of footpaths and bike routes (Fund is closing into Transportation Capital Improvement and remaining balance is transferred there).

City of Gresham, Oregon
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2020

	Parks Capital Improvement Fund	General Development Capital Improvement Fund	Transportation Capital Improvement Fund
ASSETS			
Cash and investments	\$ 1,191,410	\$ -	\$ 5,192,859
Receivables, net	-	-	99,666
Other assets	6,623	-	28,036
Total assets	<u>\$ 1,198,033</u>	<u>\$ -</u>	<u>\$ 5,320,561</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 1,889,415
Other accrued liabilities	-	-	128,192
Deposits	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>2,017,607</u>
FUND BALANCES			
Restricted	-	-	-
Assigned	1,198,033	-	3,302,954
Total fund balances	<u>1,198,033</u>	<u>-</u>	<u>3,302,954</u>
Total liabilities and fund balances	<u>\$ 1,198,033</u>	<u>\$ -</u>	<u>\$ 5,320,561</u>

Urban Renewal Capital Improvement Fund	GRDC - Rockwood Capital Improvement Fund	Footpaths & Bikeways Fund	Total
\$ 58,869	\$ 2,632,449	\$ -	\$ 9,075,587
-	14,570	-	114,236
560	14,634	-	49,853
<u>\$ 59,429</u>	<u>\$ 2,661,653</u>	<u>\$ -</u>	<u>\$ 9,239,676</u>
\$ 5,678	\$ -	\$ -	\$ 1,895,093
-	-	-	128,192
-	2,000	-	2,000
<u>5,678</u>	<u>2,000</u>	<u>-</u>	<u>2,025,285</u>
53,751	2,659,653	-	2,713,404
-	-	-	4,500,987
<u>53,751</u>	<u>2,659,653</u>	<u>-</u>	<u>7,214,391</u>
<u>\$ 59,429</u>	<u>\$ 2,661,653</u>	<u>\$ -</u>	<u>\$ 9,239,676</u>

City of Gresham, Oregon
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Fund
For the Fiscal Year Ended June 30, 2020

	Parks Capital Improvement Fund	General Development Capital Improvement Fund	Transportation Capital Improvement Fund
REVENUES			
Intergovernmental	\$ -	\$ -	\$ 291,985
Charges for services	15	-	53,577
Miscellaneous	46,628	-	118,557
Total revenues	<u>46,643</u>	<u>-</u>	<u>464,119</u>
EXPENDITURES			
Current:			
Urban renewal	-	-	-
Capital outlay	-	1,554,686	11,506,597
Total expenditures	<u>-</u>	<u>1,554,686</u>	<u>11,506,597</u>
Excess (deficiency) of revenues over (under) expenditures	<u>46,643</u>	<u>(1,554,686)</u>	<u>(11,042,478)</u>
OTHER FINANCING SOURCES (USES)			
Issuance of debt	-	1,276,596	8,466,504
Transfers in	149,180	278,090	4,088,573
Transfers out	(37,294)	-	-
Total other financing sources (uses)	<u>111,886</u>	<u>1,554,686</u>	<u>12,555,077</u>
Net change in fund balances	<u>158,529</u>	<u>-</u>	<u>1,512,599</u>
Fund balances - beginning	<u>1,039,504</u>	<u>-</u>	<u>1,790,355</u>
Fund balances - ending	<u>\$ 1,198,033</u>	<u>\$ -</u>	<u>\$ 3,302,954</u>

Urban Renewal Capital Improvement Fund	GRDC - Rockwood Capital Improvement Fund	Footpaths & Bikeways Fund	Total
\$ 563,411	\$ 2,000,000	\$ -	\$ 2,855,396
-	1,865	-	55,457
2,196	136,873	-	304,254
<u>565,607</u>	<u>2,138,738</u>	<u>-</u>	<u>3,215,107</u>
-	1,070,000	-	1,070,000
838,434	-	-	13,899,717
<u>838,434</u>	<u>1,070,000</u>	<u>-</u>	<u>14,969,717</u>
<u>(272,827)</u>	<u>1,068,738</u>	<u>-</u>	<u>(11,754,610)</u>
185,300	1,500,000	-	11,428,400
86,515	-	-	4,602,358
-	-	(679,626)	(716,920)
<u>271,815</u>	<u>1,500,000</u>	<u>(679,626)</u>	<u>15,313,838</u>
<u>(1,012)</u>	<u>2,568,738</u>	<u>(679,626)</u>	<u>3,559,228</u>
<u>54,763</u>	<u>90,915</u>	<u>679,626</u>	<u>3,655,163</u>
<u>\$ 53,751</u>	<u>\$ 2,659,653</u>	<u>\$ -</u>	<u>\$ 7,214,391</u>

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Parks Capital Improvement Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget-Positive (Negative)
REVENUES				
Intergovernmental	\$ 1,000,000	\$ 1,000,000	\$ -	\$ (1,000,000)
Charges for services	100,000	100,000	15	(99,985)
Miscellaneous	23,400	23,400	24,857	1,457
Total revenues	<u>1,123,400</u>	<u>1,123,400</u>	<u>24,872</u>	<u>(1,098,528)</u>
EXPENDITURES				
Capital improvements	1,350,000	1,350,000	-	1,350,000
Total expenditures	<u>1,350,000</u>	<u>1,350,000</u>	<u>-</u>	<u>1,350,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(226,600)</u>	<u>(226,600)</u>	<u>24,872</u>	<u>251,472</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	193,300	193,300	149,180	(44,120)
Transfers out	(49,400)	(49,400)	(37,294)	12,106
Total other financing sources (uses)	<u>143,900</u>	<u>143,900</u>	<u>111,886</u>	<u>(32,014)</u>
Net change in fund balances	(82,700)	(82,700)	136,758	219,458
Fund balances - beginning	<u>1,020,000</u>	<u>1,020,000</u>	<u>1,034,081</u>	<u>14,081</u>
Fund balances - ending	<u>\$ 937,300</u>	<u>\$ 937,300</u>	<u>\$ 1,170,839</u>	<u>\$ 233,539</u>
Unrealized gain (loss) on investments			<u>27,194</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 1,198,033</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Development Capital Improvement Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget-Positive (Negative)
REVENUES				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Capital improvements	33,077,700	33,077,700	1,554,686	31,523,014
Total expenditures	<u>33,077,700</u>	<u>33,077,700</u>	<u>1,554,686</u>	<u>31,523,014</u>
Excess of expenditures over revenues	<u>(33,077,700)</u>	<u>(33,077,700)</u>	<u>(1,554,686)</u>	<u>31,523,014</u>
OTHER FINANCING SOURCES				
Issuance of debt	1,721,300	1,721,300	1,276,596	(444,704)
Transfers in	<u>31,356,400</u>	<u>31,356,400</u>	<u>278,090</u>	<u>(31,078,310)</u>
Total other financing sources	<u>33,077,700</u>	<u>33,077,700</u>	<u>1,554,686</u>	<u>(31,523,014)</u>
Net change in fund balances	-	-	-	-
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Transportation Capital Improvement Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget-Positive (Negative)
REVENUES				
Intergovernmental	\$ 6,241,000	\$ 6,241,000	\$ 291,985	\$ (5,949,015)
Charges for services	-	-	53,577	53,577
Miscellaneous	10,300	10,300	16,597	6,297
Total revenues	<u>6,251,300</u>	<u>6,251,300</u>	<u>362,159</u>	<u>(5,889,141)</u>
EXPENDITURES				
Capital improvements	45,971,200	45,971,200	11,506,597	34,464,603
Total expenditures	<u>45,971,200</u>	<u>45,971,200</u>	<u>11,506,597</u>	<u>34,464,603</u>
Excess of expenditures over revenues	<u>(39,719,900)</u>	<u>(39,719,900)</u>	<u>(11,144,438)</u>	<u>28,575,462</u>
OTHER FINANCING SOURCES				
Issuance of debt	25,015,037	25,015,037	8,466,504	(16,548,533)
Transfers in	16,930,473	16,930,473	4,088,573	(12,841,900)
Total other financing sources	<u>41,945,510</u>	<u>41,945,510</u>	<u>12,555,077</u>	<u>(29,390,433)</u>
Net change in fund balances	2,225,610	2,225,610	1,410,639	(814,971)
Fund balances - beginning	<u>2,607,000</u>	<u>2,607,000</u>	<u>1,777,208</u>	<u>(829,792)</u>
Fund balances - ending	<u>\$ 4,832,610</u>	<u>\$ 4,832,610</u>	<u>\$ 3,187,847</u>	<u>\$ (1,644,763)</u>
Unrealized gain (loss) on investments			<u>115,107</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 3,302,954</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Urban Renewal Capital Improvement Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget-Positive (Negative)
REVENUES				
Intergovernmental	\$ 15,864,100	\$ 15,864,100	\$ 563,411	\$ (15,300,689)
Total revenues	<u>15,864,100</u>	<u>15,864,100</u>	<u>563,411</u>	<u>(15,300,689)</u>
EXPENDITURES				
Capital improvements	19,515,900	19,515,900	838,434	18,677,466
Total expenditures	<u>19,515,900</u>	<u>19,515,900</u>	<u>838,434</u>	<u>18,677,466</u>
Excess of expenditures over revenues	<u>(3,651,800)</u>	<u>(3,651,800)</u>	<u>(275,023)</u>	<u>3,376,777</u>
OTHER FINANCING SOURCES				
Issuance of debt	2,348,109	2,348,109	185,300	(2,162,809)
Transfers in	1,380,800	1,380,800	86,515	(1,294,285)
Total other financing sources	<u>3,728,909</u>	<u>3,728,909</u>	<u>271,815</u>	<u>(3,457,094)</u>
Net change in fund balances	77,109	77,109	(3,208)	(80,317)
Fund balances - beginning	<u>400</u>	<u>400</u>	<u>54,662</u>	<u>54,262</u>
Fund balances - ending	<u>\$ 77,509</u>	<u>\$ 77,509</u>	\$ 51,454	<u>\$ (26,055)</u>
Unrealized gain (loss) on investments			<u>2,297</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 53,751</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
GRDC - Rockwood Capital Improvement Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget-Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 2,050,000	\$ 2,050,000	\$ 2,000,000	\$ (50,000)
Charges for services	550,000	550,000	1,865	(548,135)
Miscellaneous	9,800	9,800	76,881	67,081
Total revenues	<u>2,609,800</u>	<u>2,609,800</u>	<u>2,078,746</u>	<u>(531,054)</u>
EXPENDITURES				
Urban renewal	14,507,000	14,507,000	1,070,000	13,437,000
Operating contingency	500,000	500,000	-	500,000
Total expenditures	<u>15,007,000</u>	<u>15,007,000</u>	<u>1,070,000</u>	<u>13,937,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,397,200)</u>	<u>(12,397,200)</u>	<u>1,008,746</u>	<u>13,405,946</u>
OTHER FINANCING SOURCES				
Issuance of debt	14,457,000	14,457,000	1,500,000	(12,957,000)
Total other financing sources	<u>14,457,000</u>	<u>14,457,000</u>	<u>1,500,000</u>	<u>(12,957,000)</u>
Net change in fund balances	2,059,800	2,059,800	2,508,746	448,946
Fund balances - beginning	680,100	680,100	90,822	(589,278)
Fund balances - ending	<u>\$ 2,739,900</u>	<u>\$ 2,739,900</u>	\$ 2,599,568	<u>\$ (140,332)</u>
Unrealized gain (loss) on investments			<u>60,085</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 2,659,653</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Footpaths & Bikeways Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget-Positive (Negative)
REVENUES				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Total expenditures	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
OTHER FINANCING (USES)				
Transfers out	(750,000)	(750,000)	(679,626)	70,374
Total other financing (uses)	(750,000)	(750,000)	(679,626)	70,374
Net change in fund balances	(750,000)	(750,000)	(679,626)	70,374
Fund balances - beginning	750,000	750,000	679,626	(70,374)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Funds included in this fund type are:

General Government Debt Service Fund – Accounts for debt service payments on obligations of governmental funds.

Pension Bond Debt Service Fund – Accounts for debt service on pension bonds issued as a means of reducing the cost of City payments to the Public Employees Retirement System.

Urban Renewal Debt Service Fund – Accounts for interim financing loaned to the Rockwood-West Gresham Urban Renewal Commission. The urban renewal debt is repaid by the Urban Renewal Area's tax increment collection.

City of Gresham, Oregon
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2020

	General Government Debt Service Fund	Pension Bond Debt Service Fund	Urban Renewal Debt Service Fund	Total
ASSETS				
Cash and investments	\$ 109,676	\$ 533,407	\$ 28,647	\$ 671,730
Other assets	610	2,965	159	3,734
Due from other funds	150,183	-	-	150,183
Advance to other funds	-	-	4,756,374	4,756,374
Total assets	<u>\$ 260,469</u>	<u>\$ 536,372</u>	<u>\$ 4,785,180</u>	<u>\$ 5,582,021</u>
FUND BALANCES				
Assigned	\$ 260,469	\$ 536,372	\$ 4,785,180	\$ 5,582,021
Total fund balances	<u>260,469</u>	<u>536,372</u>	<u>4,785,180</u>	<u>5,582,021</u>
Total fund balances	<u>\$ 260,469</u>	<u>\$ 536,372</u>	<u>\$ 4,785,180</u>	<u>\$ 5,582,021</u>

City of Gresham, Oregon
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Fund
For the Fiscal Year Ended June 30, 2020

	General Government Debt Service Fund	Pension Bond Debt Service Fund	Urban Renewal Debt Service Fund	Total
REVENUES				
Intergovernmental	\$ 950	\$ -	\$ 1,690,140	\$ 1,691,090
Miscellaneous	1,135	33,082	506	34,723
Internal service charges	-	1,928,880	-	1,928,880
Total revenues	<u>2,085</u>	<u>1,961,962</u>	<u>1,690,646</u>	<u>3,654,693</u>
EXPENDITURES				
Debt service	2,429,230	1,926,648	1,690,261	6,046,139
Total expenditures	<u>2,429,230</u>	<u>1,926,648</u>	<u>1,690,261</u>	<u>6,046,139</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,427,145)</u>	<u>35,314</u>	<u>385</u>	<u>(2,391,446)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,425,391	-	-	2,425,391
Transfers out	-	-	(1,408,051)	(1,408,051)
Total other financing sources (uses)	<u>2,425,391</u>	<u>-</u>	<u>(1,408,051)</u>	<u>1,017,340</u>
Net change in fund balances	<u>(1,754)</u>	<u>35,314</u>	<u>(1,407,666)</u>	<u>(1,374,106)</u>
Fund balances - beginning	<u>262,223</u>	<u>501,058</u>	<u>6,192,846</u>	<u>6,956,127</u>
Fund balances - ending	<u>\$ 260,469</u>	<u>\$ 536,372</u>	<u>\$ 4,785,180</u>	<u>\$ 5,582,021</u>

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Government Debt Service Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget-Positive (Negative)
REVENUES				
Intergovernmental	\$ 1,400	\$ 1,400	\$ 950	\$ (450)
Total revenues	<u>1,400</u>	<u>1,400</u>	<u>950</u>	<u>(450)</u>
EXPENDITURES				
Debt service	33,314,400	33,314,400	2,429,230	30,885,170
Total expenditures	<u>33,314,400</u>	<u>33,314,400</u>	<u>2,429,230</u>	<u>30,885,170</u>
Excess of expenditures over revenues	<u>(33,313,000)</u>	<u>(33,313,000)</u>	<u>(2,428,280)</u>	<u>30,884,720</u>
OTHER FINANCING SOURCES				
Issuance of debt	29,250,000	29,250,000	-	(29,250,000)
Transfers in	4,064,400	4,064,400	2,425,391	(1,639,009)
Total other financing sources	<u>33,314,400</u>	<u>33,314,400</u>	<u>2,425,391</u>	<u>(30,889,009)</u>
Net change in fund balances	1,400	1,400	(2,889)	(4,289)
Fund balances - beginning	<u>13,000</u>	<u>13,000</u>	<u>260,855</u>	<u>247,855</u>
Fund balances - ending	<u>\$ 14,400</u>	<u>\$ 14,400</u>	\$ 257,966	<u>\$ 243,566</u>
Unrealized gain (loss) on investments			<u>2,503</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 260,469</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Pension Bond Debt Service Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget-Positive (Negative)
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 20,907	\$ 20,907
Internal service charges	1,929,000	1,929,000	1,928,880	(120)
Total revenues	<u>1,929,000</u>	<u>1,929,000</u>	<u>1,949,787</u>	<u>20,787</u>
EXPENDITURES				
Debt service	1,929,000	1,929,000	1,926,648	2,352
Total expenditures	<u>1,929,000</u>	<u>1,929,000</u>	<u>1,926,648</u>	<u>2,352</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>23,139</u>	<u>23,139</u>
Net change in fund balances	-	-	23,139	23,139
Fund balances - beginning	<u>501,000</u>	<u>501,000</u>	<u>501,058</u>	<u>58</u>
Fund balances - ending	<u>\$ 501,000</u>	<u>\$ 501,000</u>	\$ 524,197	<u>\$ 23,197</u>
Unrealized gain (loss) on investments			<u>12,175</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 536,372</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Urban Renewal Debt Service Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget-Positive (Negative)
REVENUES				
Intergovernmental	\$ 1,694,000	\$ 1,694,000	\$ 1,690,140	\$ (3,860)
Total revenues	<u>1,694,000</u>	<u>1,694,000</u>	<u>1,690,140</u>	<u>(3,860)</u>
EXPENDITURES				
Debt service	1,694,000	1,694,000	1,690,261	3,739
Total expenditures	<u>1,694,000</u>	<u>1,694,000</u>	<u>1,690,261</u>	<u>3,739</u>
Excess of expenditures over revenues	-	-	(121)	(121)
Net change in fund balances	-	-	(121)	(121)
Fund balances - beginning	<u>3,000</u>	<u>3,000</u>	<u>28,273</u>	<u>25,273</u>
Fund balances - ending	<u>\$ 3,000</u>	<u>\$ 3,000</u>	\$ 28,152	<u>\$ 25,152</u>
Advance to other funds			4,756,374	
Unrealized gain (loss) on investments			<u>654</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 4,785,180</u>	

Enterprise Funds

Major Business-Type Funds

Enterprise funds are used to account for activities for which fees are charged to external customers for goods or services. The City reports three major enterprise funds in the basic financial statements under generally accepted accounting principles. For budgetary and operating purposes, a combination of separately budgeted funds account for activities relating to water, stormwater, and wastewater services.

Water Fund

Water Fund—Accounts for the City’s water utility operations.

Water Construction Fund—Accounts for projects to expand or improve the City’s water system infrastructure.

Water Debt Service Bond Fund—Bond sinking fund for the payment of water revenue bonds.

Stormwater Fund

Stormwater Fund—Accounts for the City’s stormwater utility operations.

Stormwater Construction Fund—Accounts for projects to expand or improve the City’s stormwater system infrastructure.

Stormwater Debt Service Fund—Bond sinking fund for the payment of stormwater revenue bonds.

Wastewater Fund

Wastewater Fund—Accounts for the City’s wastewater utility operations.

Wastewater Construction Fund—Accounts for projects to expand or improve the City’s wastewater system infrastructure.

Wastewater Debt Service Fund—Accounts for debt service on the City’s wastewater financing.

City of Gresham, Oregon
Combining Schedule of Net Position
Water Fund
June 30, 2020

	<u>Water Fund</u>	<u>Water Capital Improvement Fund</u>	<u>Water Debt Service Fund</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and investments	\$ 25,606,593	\$ 10,973,585	\$ 131,937	\$ 36,712,115
Receivables, net	2,186,159	176,279	-	2,362,438
Due from other funds	1,679,125	-	-	1,679,125
Total current assets	<u>29,471,877</u>	<u>11,149,864</u>	<u>131,937</u>	<u>40,753,678</u>
Noncurrent assets:				
Other assets	149,330	61,006	1,616	211,952
Advances to other funds	245,000	-	-	245,000
Restricted cash and investments	1,255,416	-	159,000	1,414,416
Capital assets:				
Non-depreciable	2,623,923	-	-	2,623,923
Depreciable, net	67,054,443	-	-	67,054,443
Total noncurrent assets	<u>71,328,112</u>	<u>61,006</u>	<u>160,616</u>	<u>71,549,734</u>
Total assets	<u>100,799,989</u>	<u>11,210,870</u>	<u>292,553</u>	<u>112,303,412</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow related to pension	1,042,006	-	-	1,042,006
Deferred outflow related to OPEB	58,822	-	-	58,822
Total deferred outflows of resources	<u>1,100,828</u>	<u>-</u>	<u>-</u>	<u>1,100,828</u>
LIABILITIES				
Current liabilities:				
Accounts payable	359,909	686,882	-	1,046,791
Other accrued liabilities	-	56,512	-	56,512
Accrued interest payable	-	-	78,686	78,686
Deposits	1,255,415	-	-	1,255,415
Compensated absences	56,945	-	-	56,945
Bonds, notes and loans payable	7,173,911	-	-	7,173,911
Total current liabilities	<u>8,846,180</u>	<u>743,394</u>	<u>78,686</u>	<u>9,668,260</u>
Noncurrent liabilities:				
Net pension liability	3,757,961	-	-	3,757,961
Net OPEB liability	410,031	-	-	410,031
Compensated absences	322,655	-	-	322,655
Bonds, notes and loans payable	5,770,809	-	-	5,770,809
Total noncurrent liabilities	<u>10,261,456</u>	<u>-</u>	<u>-</u>	<u>10,261,456</u>
Total liabilities	<u>19,107,636</u>	<u>743,394</u>	<u>78,686</u>	<u>19,929,716</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension	419,870	-	-	419,870
Deferred inflows related to OPEB	104,254	-	-	104,254
Total deferred inflows of resources	<u>524,124</u>	<u>-</u>	<u>-</u>	<u>524,124</u>
NET POSITION				
Net investment in capital assets	56,733,646	-	-	56,733,646
Restricted for:				
Loan requirement	-	-	159,000	159,000
Debt service	-	-	54,867	54,867
Unrestricted	25,535,411	10,467,476	-	36,002,887
Total net position	<u>\$ 82,269,057</u>	<u>\$ 10,467,476</u>	<u>\$ 213,867</u>	<u>\$ 92,950,400</u>

City of Gresham, Oregon
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
Water Fund
For the Fiscal Year Ended June 30, 2020

	Water Fund	Water Capital Improvement Fund	Water Debt Service Fund	Eliminations	Total
OPERATING REVENUES					
Charges for services	\$ 15,076,770	\$ 161,691	\$ -	\$ -	\$ 15,238,461
Miscellaneous	163	-	-	-	163
Total operating revenues	<u>15,076,933</u>	<u>161,691</u>	<u>-</u>	<u>-</u>	<u>15,238,624</u>
OPERATING EXPENSES					
Personnel services	3,379,484	-	-	-	3,379,484
Professional and technical services	131,971	-	-	-	131,971
Property services	685,352	-	-	-	685,352
Other services	59,639	-	-	-	59,639
Supplies	139,632	-	-	-	139,632
Water purchase	3,284,887	-	-	-	3,284,887
Incentive programs	10,700	-	-	-	10,700
Internal services	3,601,293	-	-	-	3,601,293
Other materials and services	-	309,137	-	-	309,137
Depreciation and amortization	3,215,880	-	-	-	3,215,880
Total operating expenses	<u>14,508,838</u>	<u>309,137</u>	<u>-</u>	<u>-</u>	<u>14,817,975</u>
Operating income (loss)	<u>568,095</u>	<u>(147,446)</u>	<u>-</u>	<u>-</u>	<u>420,649</u>
NONOPERATING REVENUES (EXPENSES)					
Miscellaneous revenue (expense)	126,670	-	-	-	126,670
Interest and investment income	1,086,085	421,190	8,968	-	1,516,243
Interest expense	-	-	(366,903)	-	(366,903)
Gain/(loss) on disposition of capital assets	2,116	-	-	-	2,116
Total nonoperating revenues (expenses)	<u>1,214,871</u>	<u>421,190</u>	<u>(357,935)</u>	<u>-</u>	<u>1,278,126</u>
Income (loss) before contributions and transfers	<u>1,782,966</u>	<u>273,744</u>	<u>(357,935)</u>	<u>-</u>	<u>1,698,775</u>
Capital contributions	857,085	-	-	-	857,085
Transfers in	4,591,105	3,590,728	358,536	(7,991,741)	548,628
Transfers out	<u>(4,583,384)</u>	<u>(4,094,805)</u>	<u>-</u>	<u>7,991,741</u>	<u>(686,448)</u>
Change in net position	<u>2,647,772</u>	<u>(230,333)</u>	<u>601</u>	<u>-</u>	<u>2,418,040</u>
Total net position - beginning	<u>79,621,285</u>	<u>10,697,809</u>	<u>213,266</u>	<u>-</u>	<u>90,532,360</u>
Total net position - ending	<u>\$ 82,269,057</u>	<u>\$ 10,467,476</u>	<u>\$ 213,867</u>	<u>-</u>	<u>\$ 92,950,400</u>

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Water Fund

For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 85,000	\$ 85,000	\$ 87,377	\$ 2,377
Charges for services	15,067,800	15,067,800	14,989,392	(78,408)
Miscellaneous	490,400	490,400	723,929	233,529
Internal service charges	433,000	433,000	605,461	172,461
Total revenues	<u>16,076,200</u>	<u>16,076,200</u>	<u>16,406,159</u>	<u>329,959</u>
EXPENDITURES				
Environmental services	12,046,656	12,046,656	11,468,252	578,404
Debt service	502,000	502,000	-	502,000
Operating contingency	1,807,000	1,807,000	-	1,807,000
Total expenditures	<u>14,355,656</u>	<u>14,355,656</u>	<u>11,468,252</u>	<u>2,887,404</u>
Excess of revenues over expenditures	<u>1,720,544</u>	<u>1,720,544</u>	<u>4,937,907</u>	<u>3,217,363</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	502,000	502,000	-	(502,000)
Transfers in	271,200	271,200	496,300	225,100
Transfers out	(2,305,394)	(2,305,394)	(2,247,643)	57,751
Total other financing sources (uses)	<u>(1,532,194)</u>	<u>(1,532,194)</u>	<u>(1,751,343)</u>	<u>(219,149)</u>
Net change in fund balances	188,350	188,350	3,186,564	2,998,214
Fund balances - beginning	<u>21,898,900</u>	<u>21,898,900</u>	<u>23,402,917</u>	<u>1,504,017</u>
Fund balances - ending	<u>\$ 22,087,250</u>	<u>\$ 22,087,250</u>	\$ 26,589,481	<u>\$ 4,502,231</u>
Advance to other funds			245,000	
Capital assets, net of depreciation			69,678,366	
Debt payable, net			(12,944,720)	
Due from other funds			1,679,125	
Pension asset/liability, net			(3,135,825)	
OPEB asset/liability, net			(455,463)	
Unrealized gain (loss) on investments			<u>613,093</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 82,269,057</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Water Capital Improvement Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 1,350,000	\$ 1,350,000	\$ 161,691	\$ (1,188,309)
Miscellaneous	115,900	115,900	227,499	111,599
Total revenues	<u>1,465,900</u>	<u>1,465,900</u>	<u>389,190</u>	<u>(1,076,710)</u>
EXPENDITURES				
Capital improvements	13,861,000	13,861,000	4,403,942	9,457,058
Total expenditures	<u>13,861,000</u>	<u>13,861,000</u>	<u>4,403,942</u>	<u>9,457,058</u>
Excess of expenditures over revenues	<u>(12,395,100)</u>	<u>(12,395,100)</u>	<u>(4,014,752)</u>	<u>8,380,348</u>
OTHER FINANCING SOURCES				
Issuance of debt	10,535,581	10,535,581	2,671,100	(7,864,481)
Transfers in	867,300	867,300	919,628	52,328
Total other financing sources	<u>11,402,881</u>	<u>11,402,881</u>	<u>3,590,728</u>	<u>(7,812,153)</u>
Net change in fund balances	(992,219)	(992,219)	(424,024)	568,195
Fund balances - beginning	<u>10,517,200</u>	<u>10,517,200</u>	<u>10,641,031</u>	<u>123,831</u>
Fund balances - ending	<u>\$ 9,524,981</u>	<u>\$ 9,524,981</u>	<u>\$ 10,217,007</u>	<u>\$ 692,026</u>
Unrealized gain (loss) on investments			<u>250,469</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 10,467,476</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Water Debt Service Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 3,810	\$ 3,810
Total revenues	<u>-</u>	<u>-</u>	<u>3,810</u>	<u>3,810</u>
EXPENDITURES				
Debt service	786,000	786,000	694,636	91,364
Total expenditures	<u>786,000</u>	<u>786,000</u>	<u>694,636</u>	<u>91,364</u>
Excess of expenditures over revenues	<u>(786,000)</u>	<u>(786,000)</u>	<u>(690,826)</u>	<u>95,174</u>
OTHER FINANCING SOURCES				
Transfers in	750,000	750,000	693,895	(56,105)
Total other financing sources	<u>750,000</u>	<u>750,000</u>	<u>693,895</u>	<u>(56,105)</u>
Net change in fund balances	(36,000)	(36,000)	3,069	39,069
Fund balances - beginning	<u>257,000</u>	<u>257,000</u>	<u>282,843</u>	<u>25,843</u>
Fund balances - ending	<u>\$ 221,000</u>	<u>\$ 221,000</u>	<u>\$ 285,912</u>	<u>\$ 64,912</u>
Accrued interest			(78,686)	
Unrealized gain (loss) on investments			<u>6,641</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 213,867</u>	

City of Gresham, Oregon
Combining Schedule of Net Position
Stormwater Fund
June 30, 2020

	Stormwater Fund	Stormwater Capital Improvement Fund	Stormwater Debt Service Fund	Total
ASSETS				
Current assets:				
Cash and investments	\$ 13,138,655	\$ 10,546,453	\$ 80,638	\$ 23,765,746
Receivables, net	1,675,125	-	-	1,675,125
Due from other funds	1,198,004	-	-	1,198,004
Total current assets	<u>16,011,784</u>	<u>10,546,453</u>	<u>80,638</u>	<u>26,638,875</u>
Noncurrent assets:				
Other assets	75,822	58,632	1,135	135,589
Restricted cash and investments	500,000	-	123,390	623,390
Capital assets:				
Non-depreciable	8,202,422	-	-	8,202,422
Depreciable, net	52,587,849	-	-	52,587,849
Total noncurrent assets	<u>61,366,093</u>	<u>58,632</u>	<u>124,525</u>	<u>61,549,250</u>
Total assets	<u>77,377,877</u>	<u>10,605,085</u>	<u>205,163</u>	<u>88,188,125</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred refunding amount on debt issuance	19,633	-	-	19,633
Deferred outflow related to pension	1,092,208	-	-	1,092,208
Deferred outflow related to OPEB	43,710	-	-	43,710
Total deferred outflows of resources	<u>1,155,551</u>	<u>-</u>	<u>-</u>	<u>1,155,551</u>
LIABILITIES				
Current liabilities:				
Accounts payable	207,371	210,248	-	417,619
Other accrued liabilities	-	25,477	-	25,477
Accrued interest payable	-	-	3,754	3,754
Compensated absences	56,455	-	-	56,455
Bonds, notes and loans payable	784,331	-	-	784,331
Total current liabilities	<u>1,048,157</u>	<u>235,725</u>	<u>3,754</u>	<u>1,287,636</u>
Noncurrent liabilities:				
Net pension liability	3,406,162	-	-	3,406,162
Net OPEB liability	294,310	-	-	294,310
Compensated absences	319,745	-	-	319,745
Bonds, notes and loans payable	4,071,879	-	-	4,071,879
Total noncurrent liabilities	<u>8,092,096</u>	<u>-</u>	<u>-</u>	<u>8,092,096</u>
Total liabilities	<u>9,140,253</u>	<u>235,725</u>	<u>3,754</u>	<u>9,379,732</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension	328,734	-	-	328,734
Deferred inflows related to OPEB	43,110	-	-	43,110
Total deferred inflows of resources	<u>371,844</u>	<u>-</u>	<u>-</u>	<u>371,844</u>
NET POSITION				
Net investment in capital assets	55,941,613	-	-	55,941,613
Restricted for:				
Loan requirement	-	-	123,390	123,390
Rate stabilization	500,000	-	-	500,000
Debt service	-	-	78,019	78,019
Unrestricted	12,579,718	10,369,360	-	22,949,078
Total net position	<u>\$ 69,021,331</u>	<u>\$ 10,369,360</u>	<u>\$ 201,409</u>	<u>\$ 79,592,100</u>

City of Gresham, Oregon
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
Stormwater Fund
For the Fiscal Year Ended June 30, 2020

	Stormwater Fund	Stormwater Capital Improvement Fund	Stormwater Debt Service Fund	Eliminations	Total
OPERATING REVENUES					
Charges for services	\$ 10,163,022	\$ -	\$ -	\$ -	\$ 10,163,022
Total operating revenues	<u>10,163,022</u>	<u>-</u>	<u>-</u>		<u>10,163,022</u>
OPERATING EXPENSES					
Personnel services	3,364,864	-	-		3,364,864
Professional and technical services	674,799	-	-		674,799
Property services	89,272	-	-		89,272
Other services	39,196	-	-		39,196
Supplies	157,922	-	-		157,922
Incentive programs	339,871	-	-		339,871
Internal services	2,639,605	-	-		2,639,605
Other materials and services	-	404,330	-		404,330
Depreciation and amortization	2,367,018	-	-		2,367,018
Total operating expenses	<u>9,672,547</u>	<u>404,330</u>	<u>-</u>		<u>10,076,877</u>
Operating income (loss)	<u>490,475</u>	<u>(404,330)</u>	<u>-</u>		<u>86,145</u>
NONOPERATING REVENUES (EXPENSES)					
Miscellaneous revenue (expense)	3,942	-	-		3,942
Interest and investment income	595,293	374,188	5,966		975,447
Interest expense	(24,175)	-	(63,414)		(87,589)
Gain/(loss) on disposition of capital assets	6,185	-	-		6,185
Total nonoperating revenues (expenses)	<u>581,245</u>	<u>374,188</u>	<u>(57,448)</u>		<u>897,985</u>
Income (loss) before contributions and transfers	<u>1,071,720</u>	<u>(30,142)</u>	<u>(57,448)</u>		<u>984,130</u>
Capital contributions	639,550	-	-		639,550
Transfers in	886,630	2,392,128	67,027	(2,239,630)	1,106,155
Transfers out	(3,574,686)	-	-	2,239,630	(1,335,056)
Change in net position	<u>(976,786)</u>	<u>2,361,986</u>	<u>9,579</u>		<u>1,394,779</u>
Total net position - beginning	<u>69,998,117</u>	<u>8,007,374</u>	<u>191,830</u>		<u>78,197,321</u>
Total net position - ending	<u>\$ 69,021,331</u>	<u>\$ 10,369,360</u>	<u>\$ 201,409</u>		<u>\$ 79,592,100</u>

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Stormwater Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Charges for services	\$ 9,611,000	\$ 9,611,000	\$ 10,163,022	\$ 552,022
Miscellaneous	348,325	348,325	370,118	21,793
Internal service charges	187,000	187,000	449,577	262,577
Total revenues	<u>10,146,325</u>	<u>10,146,325</u>	<u>10,982,717</u>	<u>836,392</u>
EXPENDITURES				
Environmental services	7,798,961	7,798,961	7,327,676	471,285
Operating contingency	1,170,000	1,170,000	-	1,170,000
Total expenditures	<u>8,968,961</u>	<u>8,968,961</u>	<u>7,327,676</u>	<u>1,641,285</u>
Excess of revenues over expenditures	<u>1,177,364</u>	<u>1,177,364</u>	<u>3,655,041</u>	<u>2,477,677</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	426,400	426,400	886,630	460,230
Transfers out	(5,380,156)	(5,380,156)	(5,376,863)	3,293
Total other financing sources (uses)	<u>(4,953,756)</u>	<u>(4,953,756)</u>	<u>(4,490,233)</u>	<u>463,523</u>
Net change in fund balances	(3,776,392)	(3,776,392)	(835,192)	2,941,200
Fund balances - beginning	<u>13,933,000</u>	<u>13,933,000</u>	<u>15,329,924</u>	<u>1,396,924</u>
Fund balances - ending	<u>\$ 10,156,608</u>	<u>\$ 10,156,608</u>	\$ 14,494,732	<u>\$ 4,338,124</u>
Capital assets, net of depreciation			60,790,271	
Debt payable, net			(4,836,577)	
Due from other funds			1,198,004	
Pension asset/liability, net			(2,642,688)	
OPEB asset/liability, net			(293,710)	
Unrealized gain (loss) on investments			<u>311,299</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 69,021,331</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Stormwater Capital Improvement Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 6,047,000	\$ 6,047,000	\$ -	\$ (6,047,000)
Miscellaneous	56,300	56,300	175,350	119,050
Total revenues	<u>6,103,300</u>	<u>6,103,300</u>	<u>175,350</u>	<u>(5,927,950)</u>
EXPENDITURES				
Capital improvements	<u>14,930,900</u>	<u>14,930,900</u>	<u>1,449,727</u>	<u>13,481,173</u>
Total expenditures	<u>14,930,900</u>	<u>14,930,900</u>	<u>1,449,727</u>	<u>13,481,173</u>
Excess of expenditures over revenues	<u>(8,827,600)</u>	<u>(8,827,600)</u>	<u>(1,274,377)</u>	<u>7,553,223</u>
OTHER FINANCING SOURCES				
Transfers in	<u>4,378,500</u>	<u>4,378,500</u>	<u>3,437,525</u>	<u>(940,975)</u>
Total other financing sources	<u>4,378,500</u>	<u>4,378,500</u>	<u>3,437,525</u>	<u>(940,975)</u>
Net change in fund balances	(4,449,100)	(4,449,100)	2,163,148	6,612,248
Fund balances - beginning	<u>8,951,300</u>	<u>8,951,300</u>	<u>7,965,492</u>	<u>(985,808)</u>
Fund balances - ending	<u>\$ 4,502,200</u>	<u>\$ 4,502,200</u>	\$ 10,128,640	<u>\$ 5,626,440</u>
Unrealized gain (loss) on investments			<u>240,720</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 10,369,360</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Stormwater Debt Service Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 2,349	\$ 2,349
Total revenues	<u>-</u>	<u>-</u>	<u>2,349</u>	<u>2,349</u>
EXPENDITURES				
Debt service	826,000	826,000	823,807	2,193
Total expenditures	<u>826,000</u>	<u>826,000</u>	<u>823,807</u>	<u>2,193</u>
Excess of expenditures over revenues	<u>(826,000)</u>	<u>(826,000)</u>	<u>(821,458)</u>	<u>4,542</u>
OTHER FINANCING SOURCES				
Transfers in	800,000	800,000	823,807	23,807
Total other financing sources	<u>800,000</u>	<u>800,000</u>	<u>823,807</u>	<u>23,807</u>
Net change in fund balances	(26,000)	(26,000)	2,349	28,349
Fund balances - beginning	<u>174,000</u>	<u>174,000</u>	<u>198,157</u>	<u>24,157</u>
Fund balances - ending	<u>\$ 148,000</u>	<u>\$ 148,000</u>	<u>\$ 200,506</u>	<u>\$ 52,506</u>
Accrued interest			(3,754)	
Unrealized gain (loss) on investments			<u>4,657</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 201,409</u>	

City of Gresham, Oregon
Combining Schedule of Net Position
Wastewater Fund
June 30, 2020

	<u>Wastewater Fund</u>	<u>Wastewater Capital Improvement Fund</u>	<u>Wastewater Debt Service Fund</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and investments	\$ 24,624,397	\$ 18,523,631	\$ 850,316	\$ 43,998,344
Receivables, net	3,300,962	-	218,003	3,518,965
Due from other funds	3,011,428	-	-	3,011,428
Total current assets	<u>30,936,787</u>	<u>18,523,631</u>	<u>1,068,319</u>	<u>50,528,737</u>
Noncurrent assets:				
Other assets	167,447	102,980	4,767	275,194
Restricted cash and investments	5,496,559	-	7,214	5,503,773
Capital assets:				
Non-depreciable	4,841,399	-	-	4,841,399
Depreciable, net	110,100,256	-	-	110,100,256
Total noncurrent assets	<u>120,605,661</u>	<u>102,980</u>	<u>11,981</u>	<u>120,720,622</u>
Total assets	<u>151,542,448</u>	<u>18,626,611</u>	<u>1,080,300</u>	<u>171,249,359</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred refunding amount on debt issuance	11,171	-	-	11,171
Deferred outflow related to pension	1,100,475	-	-	1,100,475
Deferred outflow related to OPEB	22,797	-	-	22,797
Total deferred outflows of resources	<u>1,134,443</u>	<u>-</u>	<u>-</u>	<u>1,134,443</u>
LIABILITIES				
Current liabilities:				
Accounts payable	1,083,444	951,189	-	2,034,633
Other accrued liabilities	-	118,129	-	118,129
Accrued interest payable	-	-	45,399	45,399
Compensated absences	49,970	-	-	49,970
Bonds, notes and loans payable	2,532,433	-	-	2,532,433
Total current liabilities	<u>3,665,847</u>	<u>1,069,318</u>	<u>45,399</u>	<u>4,780,564</u>
Noncurrent liabilities:				
Advance from other funds	245,000	-	-	245,000
Net pension liability	3,884,072	-	-	3,884,072
Net OPEB liability	105,421	-	-	105,421
Compensated absences	282,830	-	-	282,830
Bonds, notes and loans payable	4,465,235	-	-	4,465,235
Total noncurrent liabilities	<u>8,982,558</u>	<u>-</u>	<u>-</u>	<u>8,982,558</u>
Total liabilities	<u>12,648,405</u>	<u>1,069,318</u>	<u>45,399</u>	<u>13,763,122</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension	450,593	-	-	450,593
Deferred inflows related to OPEB	32,845	-	-	32,845
Total deferred inflows of resources	<u>483,438</u>	<u>-</u>	<u>-</u>	<u>483,438</u>
NET POSITION				
Net investment in capital assets	107,943,987	-	-	107,943,987
Restricted for:				
Construction	2,767,559	-	-	2,767,559
Loan requirement	-	-	507,214	507,214
Rate stabilization	2,729,000	-	-	2,729,000
Debt service	3,694,485	-	527,687	4,222,172
Unrestricted	22,410,017	17,557,293	-	39,967,310
Total net position	<u>\$ 139,545,048</u>	<u>\$ 17,557,293</u>	<u>\$ 1,034,901</u>	<u>\$ 158,137,242</u>

City of Gresham, Oregon
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
Wastewater Fund
For the Fiscal Year Ended June 30, 2020

	Wastewater Fund	Wastewater Capital Improvement Fund	Wastewater Debt Service Fund	Eliminations	Total
OPERATING REVENUES					
Charges for services	\$ 19,840,820	\$ -	\$ -	\$ -	\$ 19,840,820
Total operating revenues	<u>19,840,820</u>	<u>-</u>	<u>-</u>		<u>19,840,820</u>
OPERATING EXPENSES					
Personnel services	3,151,449	-	-		3,151,449
Professional and technical services	4,232,436	-	-		4,232,436
Property services	128,492	-	-		128,492
Other services	38,296	-	-		38,296
Supplies	169,351	-	-		169,351
Internal services	4,910,440	-	-		4,910,440
Other materials and services	-	2,623,460	-		2,623,460
Depreciation and amortization	5,278,460	-	-		5,278,460
Total operating expenses	<u>17,908,924</u>	<u>2,623,460</u>	<u>-</u>		<u>20,532,384</u>
Operating income (loss)	<u>1,931,896</u>	<u>(2,623,460)</u>	<u>-</u>		<u>(691,564)</u>
NONOPERATING REVENUES (EXPENSES)					
Miscellaneous revenue (expense)	23,571	-	-		23,571
Interest and investment income	1,263,795	670,231	32,075		1,966,101
Interest expense	(105,995)	-	(312,024)		(418,019)
Gain/(loss) on disposition of capital assets	10,672	-	-		10,672
Total nonoperating revenues (expenses)	<u>1,192,043</u>	<u>670,231</u>	<u>(279,949)</u>		<u>1,582,325</u>
Income (loss) before contributions and transfers	<u>3,123,939</u>	<u>(1,953,229)</u>	<u>(279,949)</u>		<u>890,761</u>
Capital contributions	528,799	-	-		528,799
Transfers in	847,178	2,957,457	325,659	(3,198,831)	931,463
Transfers out	<u>(3,900,353)</u>	<u>-</u>	<u>-</u>	3,198,831	<u>(701,522)</u>
Change in net position	<u>599,563</u>	<u>1,004,228</u>	<u>45,710</u>		<u>1,649,501</u>
Total net position - beginning	<u>138,945,485</u>	<u>16,553,065</u>	<u>989,191</u>		<u>156,487,741</u>
Total net position - ending	<u>\$ 139,545,048</u>	<u>\$ 17,557,293</u>	<u>\$ 1,034,901</u>		<u>\$ 158,137,242</u>

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Wastewater Fund

For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Licenses and permits	\$ 2,000	\$ 2,000	\$ 16,127	\$ 14,127
Intergovernmental	221,400	221,400	621,395	399,995
Charges for services	19,623,400	19,623,400	19,203,298	(420,102)
Miscellaneous	447,500	447,500	770,522	323,022
Internal service charges	769,000	769,000	861,042	92,042
Total revenues	<u>21,063,300</u>	<u>21,063,300</u>	<u>21,472,384</u>	<u>409,084</u>
EXPENDITURES				
Environmental services	15,017,166	15,017,166	13,252,111	1,765,055
Debt service	128,500	128,500	127,837	663
Operating contingency	2,253,000	2,253,000	-	2,253,000
Total expenditures	<u>17,398,666</u>	<u>17,398,666</u>	<u>13,379,948</u>	<u>4,018,718</u>
Excess of revenues over expenditures	<u>3,664,634</u>	<u>3,664,634</u>	<u>8,092,436</u>	<u>4,427,802</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,241,918	1,241,918	847,178	(394,740)
Transfers out	(10,256,229)	(10,256,229)	(9,623,417)	632,812
Total other financing sources (uses)	<u>(9,014,311)</u>	<u>(9,014,311)</u>	<u>(8,776,239)</u>	<u>238,072</u>
Net change in fund balances	(5,349,677)	(5,349,677)	(683,803)	4,665,874
Fund balances - beginning	<u>29,672,000</u>	<u>29,672,000</u>	<u>32,169,450</u>	<u>2,497,450</u>
Fund balances - ending	<u>\$ 24,322,323</u>	<u>\$ 24,322,323</u>	\$ 31,485,647	<u>\$ 7,163,324</u>
Advance from other funds			(245,000)	
Capital assets, net of depreciation			114,941,655	
Debt payable, net			(6,986,497)	
Due from other funds			3,011,428	
Pension asset/liability, net			(3,234,190)	
OPEB asset/liability, net			(115,469)	
Unrealized gain (loss) on investments			<u>687,474</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 139,545,048</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Wastewater Capital Improvement Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 616,275	\$ 616,275	\$ -	\$ (616,275)
Miscellaneous	111,700	111,700	341,768	230,068
Total revenues	<u>727,975</u>	<u>727,975</u>	<u>341,768</u>	<u>(386,207)</u>
EXPENDITURES				
Capital improvements	<u>22,429,000</u>	<u>22,429,000</u>	<u>6,175,088</u>	<u>16,253,912</u>
Total expenditures	<u>22,429,000</u>	<u>22,429,000</u>	<u>6,175,088</u>	<u>16,253,912</u>
Excess of expenditures over revenues	<u>(21,701,025)</u>	<u>(21,701,025)</u>	<u>(5,833,320)</u>	<u>15,867,705</u>
OTHER FINANCING SOURCES				
Issuance of debt	578,100	578,100	-	(578,100)
Transfers in	<u>7,181,100</u>	<u>7,181,100</u>	<u>6,509,085</u>	<u>(672,015)</u>
Total other financing sources	<u>7,759,200</u>	<u>7,759,200</u>	<u>6,509,085</u>	<u>(1,250,115)</u>
Net change in fund balances	(13,941,825)	(13,941,825)	675,765	14,617,590
Fund balances - beginning	<u>21,389,000</u>	<u>21,389,000</u>	<u>16,458,731</u>	<u>(4,930,269)</u>
Fund balances - ending	<u>\$ 7,447,175</u>	<u>\$ 7,447,175</u>	<u>\$ 17,134,496</u>	<u>\$ 9,687,321</u>
Unrealized gain (loss) on investments			<u>422,797</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 17,557,293</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Wastewater Debt Service Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 212,000	\$ 212,000	\$ 219,343	\$ 7,343
Miscellaneous	52,000	52,000	15,690	(36,310)
Total revenues	<u>264,000</u>	<u>264,000</u>	<u>235,033</u>	<u>(28,967)</u>
EXPENDITURES				
Debt service	<u>3,355,000</u>	<u>3,355,000</u>	<u>2,497,308</u>	<u>857,692</u>
Total expenditures	<u>3,355,000</u>	<u>3,355,000</u>	<u>2,497,308</u>	<u>857,692</u>
Excess of expenditures over revenues	<u>(3,091,000)</u>	<u>(3,091,000)</u>	<u>(2,262,275)</u>	<u>828,725</u>
OTHER FINANCING SOURCES				
Transfers in	<u>3,129,000</u>	<u>3,129,000</u>	<u>2,497,095</u>	<u>(631,905)</u>
Total other financing sources	<u>3,129,000</u>	<u>3,129,000</u>	<u>2,497,095</u>	<u>(631,905)</u>
Net change in fund balances	38,000	38,000	234,820	196,820
Fund balances - beginning	<u>608,000</u>	<u>608,000</u>	<u>607,904</u>	<u>(96)</u>
Fund balances - ending	<u>\$ 646,000</u>	<u>\$ 646,000</u>	\$ 842,724	<u>\$ 196,724</u>
Accrued interest			(45,399)	
Long-term debt receivable			218,003	
Unrealized gain (loss) on investments			<u>19,573</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 1,034,901</u>	

CITY OF
GRESHAM
GOING BEYOND

Internal Service Funds

Internal service funds are used to account for activity that provides goods and services primarily to other funds and departments within the City. Funds included in this fund type are:

Facilities & Fleet Management Fund—Accounts for occupancy expenses, construction, and bond transactions of all City owned and leased administrative buildings. For budgetary and operating purposes, the activities of the Facilities & Fleet Management Fund, City Facility Capital Improvement Fund, and City Hall Debt Service Fund are accounted for separately.

Legal Services Fund—Accounts for all City legal services.

Administrative Services Fund—Accounts for general City administrative services.

Enterprise System Replacement Fund—Accounts for the activities involved in replacing the enterprise resource planning software.

Equipment Replacement Fund—Accounts for annual charges, accumulation of resources for, and eventual replacement of vehicles and other capital equipment.

Workers Comp & Liability Management Fund—Accounts for risk management activities of the City, including operation of the workers compensation, general, and auto liability self-insurance program.

COG Health and Dental Plans Fund—Accounts for the City's health and dental insurance program.

Workers' Compensation Fund—Accounts for the City's workers' compensation self-insurance program (closing fund into Workers Comp & Liability Management Fund).

Dental Insurance Benefits Fund—Accounts for the City's dental insurance program (closing fund into COG Health and Dental Plans).

Information Technology Fund—Accounts for all City information technology and telecommunication services (closing fund into Administrative Services Fund).

City of Gresham, Oregon
Combining Statement of Net Position
Internal Service Funds
June 30, 2020

	Facilities & Fleet Management Fund	Legal Services Fund	Administrative Services Fund	Enterprise System Replacement Fund	Equipment Replacement Fund
ASSETS					
Current assets:					
Cash and investments	\$ 3,532,465	\$ 403,912	\$ 8,785,283	\$ 2,072,378	\$ 15,908,006
Receivables, net	95,245	-	299,612	-	-
Due from other funds	196,865	-	1,192,281	-	-
Total current assets	<u>3,824,575</u>	<u>403,912</u>	<u>10,277,176</u>	<u>2,072,378</u>	<u>15,908,006</u>
Noncurrent assets:					
Other assets	19,638	2,246	48,839	11,521	88,438
Capital assets:					
Non-depreciable	2,268,057	-	-	-	-
Depreciable, net	7,703,416	-	1,350,563	-	-
Total noncurrent assets	<u>9,991,111</u>	<u>2,246</u>	<u>1,399,402</u>	<u>11,521</u>	<u>88,438</u>
Total assets	<u>13,815,686</u>	<u>406,158</u>	<u>11,676,578</u>	<u>2,083,899</u>	<u>15,996,444</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflow related to pension	684,966	535,785	5,277,810	-	-
Deferred outflow related to OPEB	37,395	-	203,800	-	-
Total deferred outflows of resources	<u>722,361</u>	<u>535,785</u>	<u>5,481,610</u>	<u>-</u>	<u>-</u>
LIABILITIES					
Current liabilities:					
Accounts payable	365,373	956	1,099,491	94,159	274,287
Other accrued liabilities	-	-	11,569	6,789	-
Accrued claims payable	-	-	-	-	-
Accrued interest payable	66,810	-	-	-	-
Other liabilities	-	-	1,468,461	-	-
Deposits	-	-	1,504	-	-
Unearned revenue	-	-	-	-	-
Due to other funds	-	-	-	-	15,350,910
Compensated absences	12,915	12,400	205,800	7,200	-
Bonds, notes and loans payable	382,988	-	-	-	-
Total current liabilities	<u>828,086</u>	<u>13,356</u>	<u>2,786,825</u>	<u>108,148</u>	<u>15,625,197</u>
Noncurrent liabilities:					
Net pension liability	1,808,034	1,484,061	14,731,201	-	-
Net OPEB liability	228,535	-	1,201,497	-	-
Compensated absences	72,985	70,100	1,166,300	40,900	-
Bonds, notes and loans payable	1,258,322	-	-	-	-
Total noncurrent liabilities	<u>3,367,876</u>	<u>1,554,161</u>	<u>17,098,998</u>	<u>40,900</u>	<u>-</u>
Total liabilities	<u>4,195,962</u>	<u>1,567,517</u>	<u>19,885,823</u>	<u>149,048</u>	<u>15,625,197</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pension	195,077	142,779	1,417,258	-	-
Deferred inflows related to OPEB	14,654	-	131,568	-	-
Total deferred inflows of resources	<u>209,731</u>	<u>142,779</u>	<u>1,548,826</u>	<u>-</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	8,330,163	-	1,350,562	-	-
Unrestricted	1,802,191	(768,353)	(5,627,023)	1,934,851	371,247
Total net position	<u>\$ 10,132,354</u>	<u>\$ (768,353)</u>	<u>\$ (4,276,461)</u>	<u>\$ 1,934,851</u>	<u>\$ 371,247</u>

<u>Workers Comp & Liability Management Fund</u>	<u>COG Health & Dental Plans Fund</u>	<u>Workers' Compensation Fund</u>	<u>Dental Insurance Benefits Fund</u>	<u>Information Technology Fund</u>	<u>Total</u>
\$ 8,621,624	\$ 7,218,282	\$ -	\$ -	\$ -	\$ 46,541,950
-	46,443	-	-	-	441,300
-	-	-	-	-	1,389,146
<u>8,621,624</u>	<u>7,264,725</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,372,396</u>
47,652	39,883	-	-	-	258,217
-	-	-	-	-	2,268,057
<u>7,516</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,061,495</u>
<u>55,168</u>	<u>39,883</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,587,769</u>
<u>8,676,792</u>	<u>7,304,608</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,960,165</u>
351,348	-	-	-	-	6,849,909
-	-	-	-	-	241,195
<u>351,348</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,091,104</u>
83,571	109,637	-	-	-	2,027,474
-	216	-	-	-	18,574
4,227,520	861,000	-	-	-	5,088,520
-	-	-	-	-	66,810
-	-	-	-	-	1,468,461
-	-	-	-	-	1,504
-	701,160	-	-	-	701,160
-	-	-	-	-	15,350,910
5,600	-	-	-	-	243,915
-	-	-	-	-	382,988
<u>4,316,691</u>	<u>1,672,013</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,350,316</u>
856,909	-	-	-	-	18,880,205
-	-	-	-	-	1,430,032
31,400	-	-	-	-	1,381,685
-	-	-	-	-	1,258,322
<u>888,309</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,950,244</u>
<u>5,205,000</u>	<u>1,672,013</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,300,560</u>
84,168	-	-	-	-	1,839,282
-	-	-	-	-	146,222
<u>84,168</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,985,504</u>
7,516	-	-	-	-	9,688,241
3,731,456	5,632,595	-	-	-	7,076,964
<u>\$ 3,738,972</u>	<u>\$ 5,632,595</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,765,205</u>

City of Gresham, Oregon
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2020

	Facilities & Fleet Management Fund	Legal Services Fund	Administrative Services Fund	Enterprise System Replacement Fund	Equipment Replacement Fund
OPERATING REVENUES					
Charges for services, internal	\$ 4,921,474	\$ 1,104,918	\$ 15,899,477	\$ -	\$ 1,665,153
Charges for services, external	118,467	637	510,684	-	-
Miscellaneous	12,304	417	50,992	200	3
Total operating revenues	<u>5,052,245</u>	<u>1,105,972</u>	<u>16,461,153</u>	<u>200</u>	<u>1,665,156</u>
OPERATING EXPENSES					
Personnel services	2,056,244	1,260,469	15,228,305	930,522	-
Professional and technical services	924,536	22,346	1,347,935	-	-
Property services	708,848	3,975	199,439	-	-
Other services	6,140	14,166	429,058	-	-
Supplies	1,259,973	4,124	1,499,106	-	321,763
Incentive programs	19,875	-	121,702	-	-
Insurance claims	-	-	84,720	-	-
Internal services	526	-	-	-	-
Other materials and services	624,885	-	-	811,522	1,200,115
Depreciation and amortization	496,210	-	193,428	-	-
Total operating expenses	<u>6,097,237</u>	<u>1,305,080</u>	<u>19,103,693</u>	<u>1,742,044</u>	<u>1,521,878</u>
Operating income (loss)	<u>(1,044,992)</u>	<u>(199,108)</u>	<u>(2,642,540)</u>	<u>(1,741,844)</u>	<u>143,278</u>
NONOPERATING REVENUES (EXPENSES)					
Miscellaneous revenue (expense)	85,937	-	332,089	-	21,927
Interest and investment income	117,808	18,901	301,704	100,959	617,656
Interest expense	(75,841)	-	-	-	-
Gain/(loss) on disposition of capital assets	-	-	3,627	-	-
Total nonoperating revenues (expenses)	<u>127,904</u>	<u>18,901</u>	<u>637,420</u>	<u>100,959</u>	<u>639,583</u>
Income (loss) before contributions and transfers	<u>(917,088)</u>	<u>(180,207)</u>	<u>(2,005,120)</u>	<u>(1,640,885)</u>	<u>782,861</u>
Transfers in	2,049,502	-	2,052,847	2,130,000	61,488
Transfers out	(35,374)	-	(1,279,114)	-	(930,000)
Change in net position	<u>1,097,040</u>	<u>(180,207)</u>	<u>(1,231,387)</u>	<u>489,115</u>	<u>(85,651)</u>
Total net position - beginning	<u>9,035,314</u>	<u>(588,146)</u>	<u>(3,045,074)</u>	<u>1,445,736</u>	<u>456,898</u>
Total net position - ending	<u>\$ 10,132,354</u>	<u>\$ (768,353)</u>	<u>\$ (4,276,461)</u>	<u>\$ 1,934,851</u>	<u>\$ 371,247</u>

Workers Comp & Liability Management Fund	COG Health & Dental Plans Fund	Workers' Compensation Fund	Dental Insurance Benefits Fund	Information Technology Fund	Total
\$ 3,019,286	\$ 7,853,696	\$ -	\$ -	\$ -	\$ 34,464,004
-	783,743	-	-	-	1,413,531
12	-	-	-	-	63,928
<u>3,019,298</u>	<u>8,637,439</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,941,463</u>
679,477	-	-	-	-	20,155,017
91,619	264,007	-	-	-	2,650,443
-	-	-	-	-	912,262
996	1,300	-	-	-	451,660
718	-	-	-	-	3,085,684
-	-	-	-	-	141,577
2,165,250	9,526,374	-	-	-	11,776,344
-	-	-	-	-	526
-	-	-	-	-	2,636,522
1,002	-	-	-	-	690,640
<u>2,939,062</u>	<u>9,791,681</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,500,675</u>
80,236	(1,154,242)	-	-	-	(6,559,212)
76,191	1,957,859	-	-	-	2,474,003
328,105	264,665	-	-	-	1,749,798
-	-	-	-	-	(75,841)
-	-	-	-	-	3,627
<u>404,296</u>	<u>2,222,524</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,151,587</u>
484,532	1,068,282	-	-	-	(2,407,625)
1,966,502	766,384	-	-	-	9,026,723
-	(139,200)	(1,966,502)	(766,384)	(1,250,647)	(6,367,221)
<u>2,451,034</u>	<u>1,695,466</u>	<u>(1,966,502)</u>	<u>(766,384)</u>	<u>(1,250,647)</u>	<u>251,877</u>
<u>1,287,938</u>	<u>3,937,129</u>	<u>1,966,502</u>	<u>766,384</u>	<u>1,250,647</u>	<u>16,513,328</u>
<u>\$ 3,738,972</u>	<u>\$ 5,632,595</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,765,205</u>

City of Gresham, Oregon
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2020

	Facilities & Fleet Management Fund	Legal Services Fund	Administrative Services Fund	Enterprise System Replacement Fund
Cash flows from operating activities:				
Receipts from customers	\$ 23,522	\$ 637	\$ 510,684	\$ -
Receipts for internal services provided	4,921,474	1,104,918	15,899,477	-
Payments to suppliers for goods and services	(3,476,537)	(48,648)	(3,545,824)	(793,509)
Payments to employees for services	(1,720,136)	(915,339)	(12,406,612)	(909,522)
Other operating receipts (payments)	98,241	417	295,968	200
Net cash provided by (used in) operating activities	<u>(153,436)</u>	<u>141,985</u>	<u>753,693</u>	<u>(1,702,831)</u>
Cash flows from noncapital financing activities:				
Receipts from other funds	2,049,502	-	802,200	2,130,000
Payments to other funds	(78,175)	-	(1,368,039)	-
Net cash provided by (used in) noncapital financing activities	<u>1,971,327</u>	<u>-</u>	<u>(565,839)</u>	<u>2,130,000</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	-	-	(41,199)	-
Principal portion of debt service	(358,005)	-	-	-
Interest portion of debt service	(94,713)	-	-	-
Proceeds from disposition of capital assets	-	-	3,626	-
Net cash provided by (used in) capital and related financing activities	<u>(452,718)</u>	<u>-</u>	<u>(37,573)</u>	<u>-</u>
Cash flows from investing activities:				
Change in investments	(1,575,901)	(165,657)	(876,470)	(584,100)
Interest on investments	110,699	18,189	305,310	99,170
Net cash provided by (used in) investing activities	<u>(1,465,202)</u>	<u>(147,468)</u>	<u>(571,160)</u>	<u>(484,930)</u>
Net increase (decrease) in cash and cash equivalents	(100,029)	(5,483)	(420,879)	(57,761)
Cash and cash equivalents - beginning	265,870	24,445	833,517	155,054
Cash and cash equivalents - ending	<u>\$ 165,841</u>	<u>\$ 18,962</u>	<u>\$ 412,638</u>	<u>\$ 97,293</u>
Classified on the Statement of Net Position as:				
Cash and investments	\$ 165,841	\$ 18,962	\$ 412,638	\$ 97,293
	<u>\$ 165,841</u>	<u>\$ 18,962</u>	<u>\$ 412,638</u>	<u>\$ 97,293</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$ (1,044,992)	\$ (199,108)	\$ (2,642,540)	\$ (1,741,844)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation and amortization	496,210	-	193,428	-
Pension adjustments	327,624	309,630	2,676,193	-
OPEB adjustments	6,584	-	49,602	-
Other	85,937	-	332,089	-
Changes in assets and liabilities:				
Receivables	(94,945)	-	(79,317)	-
Accounts payable	68,246	(4,037)	45,155	29,871
Other liabilities	1,900	35,500	179,083	9,142
Net cash provided by (used in) operating activities	<u>\$ (153,436)</u>	<u>\$ 141,985</u>	<u>\$ 753,693</u>	<u>\$ (1,702,831)</u>
Noncash investing, capital, and financing activities:				
Increase (Decrease) in fair value of investments	\$ 70,179	\$ 7,940	\$ 166,578	\$ 39,186

Equipment Replacement Fund	Workers Comp & Liability Management Fund	COG Health & Dental Plans Fund	Total
\$ -	\$ -	\$ 755,623	\$ 1,290,466
1,665,153	3,019,286	7,853,696	34,464,004
(1,693,199)	(2,875,710)	(9,755,828)	(22,189,255)
-	(467,294)	-	(16,418,903)
21,930	76,203	1,957,273	2,450,232
(6,116)	(247,515)	810,764	(403,456)
1,241,819	-	-	6,223,521
(930,000)	-	(139,200)	(2,515,414)
311,819	-	(139,200)	3,708,107
-	-	-	(41,199)
-	-	-	(358,005)
-	-	-	(94,713)
-	-	-	3,626
-	-	-	(490,291)
(1,684,602)	(534,928)	(1,173,712)	(6,595,370)
623,505	333,865	251,959	1,742,697
(1,061,097)	(201,063)	(921,753)	(4,852,673)
(755,394)	(448,578)	(250,189)	(2,038,313)
1,502,236	900,994	631,307	4,313,423
\$ 746,842	\$ 452,416	\$ 381,118	\$ 2,275,110
\$ 746,842	\$ 452,416	\$ 381,118	\$ 2,275,110
\$ 746,842	\$ 452,416	\$ 381,118	\$ 2,275,110
\$ 143,278	\$ 80,236	\$ (1,154,242)	\$ (6,559,212)
-	1,002	-	690,640
-	197,983	-	3,511,430
-	-	-	56,186
21,927	76,191	1,957,859	2,474,003
-	-	(586)	(174,848)
(171,321)	(177,453)	109,637	(99,902)
-	(425,474)	(101,904)	(301,753)
\$ (6,116)	\$ (247,515)	\$ 810,764	\$ (403,456)
\$ 284,468	\$ 151,103	\$ 130,766	\$ 850,220

City of Gresham, Oregon
Combining Schedule of Net Position
Facilities & Fleet Management
June 30, 2020

	Facilities & Fleet Management Fund	City Facility Capital Improvement Fund	City Facility Debt Service Fund	Total
ASSETS				
Current assets:				
Cash and investments	\$ 2,159,621	\$ 1,300,720	\$ 72,124	\$ 3,532,465
Receivables, net	95,245	-	-	95,245
Due from other funds	196,865	-	-	196,865
Total current assets	<u>2,451,731</u>	<u>1,300,720</u>	<u>72,124</u>	<u>3,824,575</u>
Noncurrent assets:				
Other assets	12,006	7,231	401	19,638
Capital assets:				
Non-depreciable	2,268,057	-	-	2,268,057
Depreciable, net	7,703,416	-	-	7,703,416
Total noncurrent assets	<u>9,983,479</u>	<u>7,231</u>	<u>401</u>	<u>9,991,111</u>
Total assets	<u>12,435,210</u>	<u>1,307,951</u>	<u>72,525</u>	<u>13,815,686</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow related to pension	684,966	-	-	684,966
Deferred outflow related to OPEB	37,395	-	-	37,395
Total deferred outflows of resources	<u>722,361</u>	<u>-</u>	<u>-</u>	<u>722,361</u>
LIABILITIES				
Current liabilities:				
Accounts payable	252,042	113,331	-	365,373
Accrued interest payable	-	-	66,810	66,810
Compensated absences	12,915	-	-	12,915
Bonds, notes and loans payable	382,988	-	-	382,988
Total current liabilities	<u>647,945</u>	<u>113,331</u>	<u>66,810</u>	<u>828,086</u>
Noncurrent liabilities:				
Net pension liability	1,808,034	-	-	1,808,034
Net OPEB liability	228,535	-	-	228,535
Compensated absences	72,985	-	-	72,985
Bonds, notes and loans payable	1,258,322	-	-	1,258,322
Total noncurrent liabilities	<u>3,367,876</u>	<u>-</u>	<u>-</u>	<u>3,367,876</u>
Total liabilities	<u>4,015,821</u>	<u>113,331</u>	<u>66,810</u>	<u>4,195,962</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension	195,077	-	-	195,077
Deferred inflows related to OPEB	14,654	-	-	14,654
Total deferred inflows of resources	<u>209,731</u>	<u>-</u>	<u>-</u>	<u>209,731</u>
NET POSITION				
Net investment in capital assets	8,330,163	-	-	8,330,163
Unrestricted	601,856	1,194,620	5,715	1,802,191
Total net position	<u>\$ 8,932,019</u>	<u>\$ 1,194,620</u>	<u>\$ 5,715</u>	<u>\$ 10,132,354</u>

City of Gresham, Oregon
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
Facilities & Fleet Management Fund
For the Fiscal Year Ended June 30, 2020

	Facilities & Fleet Management Fund	City Facility Capital Improvement Fund	City Facility Debt Service Fund	Eliminations	Total
OPERATING REVENUES					
Charges for services, internal	\$ 4,921,474	\$ -	\$ -	\$ -	\$ 4,921,474
Charges for services, external	118,467	-	-		118,467
Miscellaneous	12,304	-	-		12,304
Total operating revenues	<u>5,052,245</u>	<u>-</u>	<u>-</u>		<u>5,052,245</u>
OPERATING EXPENSES					
Personnel services	2,056,244	-	-		2,056,244
Professional and technical services	924,536	-	-		924,536
Property services	708,848	-	-		708,848
Other services	6,140	-	-		6,140
Supplies	1,259,973	-	-		1,259,973
Incentive programs	19,875	-	-		19,875
Internal services	526	-	-		526
Other materials and services	-	624,885	-		624,885
Depreciation and amortization	496,210	-	-		496,210
Total operating expenses	<u>5,472,352</u>	<u>624,885</u>	<u>-</u>		<u>6,097,237</u>
Operating income (loss)	<u>(420,107)</u>	<u>(624,885)</u>	<u>-</u>		<u>(1,044,992)</u>
NONOPERATING REVENUES (EXPENSES)					
Miscellaneous revenue (expense)	85,937	-	-		85,937
Interest and investment income	80,238	34,155	3,415		117,808
Interest expense	-	-	(75,841)		(75,841)
Total nonoperating revenues (expenses)	<u>166,175</u>	<u>34,155</u>	<u>(72,426)</u>		<u>127,904</u>
Income (loss) before contributions and transfers	<u>(253,932)</u>	<u>(590,730)</u>	<u>(72,426)</u>		<u>(917,088)</u>
Transfers in	556,943	1,487,550	439,452	(434,443)	2,049,502
Transfers out	<u>(106,374)</u>	<u>-</u>	<u>(363,443)</u>	434,443	<u>(35,374)</u>
Change in net position	<u>196,637</u>	<u>896,820</u>	<u>3,583</u>		<u>1,097,040</u>
Total net position - beginning	<u>8,735,382</u>	<u>297,800</u>	<u>2,132</u>		<u>9,035,314</u>
Total net position - ending	<u>\$ 8,932,019</u>	<u>\$ 1,194,620</u>	<u>\$ 5,715</u>		<u>\$ 10,132,354</u>

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Facilities & Fleet Management Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 93,000	\$ 93,000	\$ 95,245	\$ 2,245
Miscellaneous	110,895	110,895	160,549	49,654
Internal service charges	4,918,759	4,918,759	4,921,474	2,715
Total revenues	<u>5,122,654</u>	<u>5,122,654</u>	<u>5,177,268</u>	<u>54,614</u>
EXPENDITURES				
Finance and management services	5,378,410	5,378,410	4,466,132	912,278
Fire and emergency services	222,424	222,424	218,603	3,821
Operating contingency	280,000	280,000	-	280,000
Total expenditures	<u>5,880,834</u>	<u>5,880,834</u>	<u>4,684,735</u>	<u>1,196,099</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(758,180)</u>	<u>(758,180)</u>	<u>492,533</u>	<u>1,250,713</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	193,500	193,500	193,500	-
Transfers out	(106,374)	(106,374)	(106,374)	-
Total other financing sources (uses)	<u>87,126</u>	<u>87,126</u>	<u>87,126</u>	<u>-</u>
Net change in fund balances	(671,054)	(671,054)	579,659	1,250,713
Fund balances - beginning	<u>671,054</u>	<u>671,054</u>	<u>1,299,978</u>	<u>628,924</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,879,637</u>	<u>\$ 1,879,637</u>
Capital assets, net of depreciation			9,971,473	
Debt payable, net			(1,641,310)	
Due from other funds			196,865	
Pension asset/liability, net			(1,318,145)	
OPEB asset/liability, net			(205,794)	
Unrealized gain (loss) on investments			<u>49,293</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 8,932,019</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
City Facility Capital Improvement Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Miscellaneous	\$ 115,800	\$ 115,800	\$ 6,773	\$ (109,027)
Total revenues	<u>115,800</u>	<u>115,800</u>	<u>6,773</u>	<u>(109,027)</u>
EXPENDITURES				
Capital improvements	1,350,000	1,350,000	624,885	725,115
Total expenditures	<u>1,350,000</u>	<u>1,350,000</u>	<u>624,885</u>	<u>725,115</u>
Excess of expenditures over revenues	<u>(1,234,200)</u>	<u>(1,234,200)</u>	<u>(618,112)</u>	<u>616,088</u>
OTHER FINANCING SOURCES				
Transfers in	1,537,550	1,537,550	1,487,550	(50,000)
Total other financing sources	<u>1,537,550</u>	<u>1,537,550</u>	<u>1,487,550</u>	<u>(50,000)</u>
Net change in fund balances	303,350	303,350	869,438	566,088
Fund balances - beginning	<u>12,200</u>	<u>12,200</u>	<u>295,494</u>	<u>283,294</u>
Fund balances - ending	<u>\$ 315,550</u>	<u>\$ 315,550</u>	<u>\$ 1,164,932</u>	<u>\$ 849,382</u>
Unrealized gain (loss) on investments			<u>29,688</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 1,194,620</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
City Facility Debt Service Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 1,769	\$ 1,769
Total revenues	<u>-</u>	<u>-</u>	<u>1,769</u>	<u>1,769</u>
EXPENDITURES				
Debt service	456,000	456,000	452,717	3,283
Total expenditures	<u>456,000</u>	<u>456,000</u>	<u>452,717</u>	<u>3,283</u>
Excess of expenditures over revenues	<u>(456,000)</u>	<u>(456,000)</u>	<u>(450,948)</u>	<u>5,052</u>
OTHER FINANCING SOURCES				
Transfers in	441,000	441,000	439,452	(1,548)
Total other financing sources	<u>441,000</u>	<u>441,000</u>	<u>439,452</u>	<u>(1,548)</u>
Net change in fund balances	(15,000)	(15,000)	(11,496)	3,504
Fund balances - beginning	<u>69,000</u>	<u>69,000</u>	<u>82,375</u>	<u>13,375</u>
Fund balances - ending	<u>\$ 54,000</u>	<u>\$ 54,000</u>	\$ 70,879	<u>\$ 16,879</u>
Accrued interest			(66,810)	
Unrealized gain (loss) on investments			<u>1,646</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 5,715</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Legal Services Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Charges for services	\$ -	\$ -	\$ 637	\$ 637
Miscellaneous	-	-	11,378	11,378
Internal service charges	1,304,918	1,304,918	1,104,918	(200,000)
Total revenues	<u>1,304,918</u>	<u>1,304,918</u>	<u>1,116,933</u>	<u>(187,985)</u>
EXPENDITURES				
City attorney office	1,282,918	1,282,918	995,450	287,468
Operating contingency	192,000	192,000	-	192,000
Total expenditures	<u>1,474,918</u>	<u>1,474,918</u>	<u>995,450</u>	<u>479,468</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(170,000)</u>	<u>(170,000)</u>	<u>121,483</u>	<u>291,483</u>
Net change in fund balances	(170,000)	(170,000)	121,483	291,483
Fund balances - beginning	<u>170,000</u>	<u>170,000</u>	<u>192,000</u>	<u>22,000</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 313,483</u>	<u>\$ 313,483</u>
Pension asset/liability, net			(1,091,055)	
Unrealized gain (loss) on investments			<u>9,219</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ (768,353)</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Administrative Services Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 328,040	\$ 328,040	\$ 383,991	\$ 55,951
Charges for services	115,000	115,000	126,693	11,693
Miscellaneous	303,200	303,200	521,834	218,634
Internal service charges	16,821,476	16,821,476	15,899,477	(921,999)
Total revenues	<u>17,567,716</u>	<u>17,567,716</u>	<u>16,931,995</u>	<u>(635,721)</u>
EXPENDITURES				
Office of governance and management	2,484,088	2,484,088	2,297,566	186,522
Finance and management services	4,143,208	4,143,208	3,838,578	304,630
Information technologies	4,175,422	4,175,422	3,809,464	365,958
City-wide services	6,528,664	6,528,664	5,036,264	1,492,400
Community livability	1,561,571	1,561,571	1,332,721	228,850
Operating contingency	582,000	582,000	-	582,000
Total expenditures	<u>19,474,953</u>	<u>19,474,953</u>	<u>16,314,593</u>	<u>3,160,360</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,907,237)</u>	<u>(1,907,237)</u>	<u>617,402</u>	<u>2,524,639</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,417,200	2,417,200	2,052,847	(364,353)
Transfers out	(1,279,114)	(1,279,114)	(1,279,114)	-
Total other financing sources (uses)	<u>1,138,086</u>	<u>1,138,086</u>	<u>773,733</u>	<u>(364,353)</u>
Net change in fund balances	(769,151)	(769,151)	1,391,135	2,160,286
Fund balances - beginning	<u>2,392,000</u>	<u>2,392,000</u>	<u>3,588,957</u>	<u>1,196,957</u>
Fund balances - ending	<u>\$ 1,622,849</u>	<u>\$ 1,622,849</u>	<u>\$ 4,980,092</u>	<u>\$ 3,357,243</u>
Capital assets, net of depreciation			1,350,563	
Due from other funds			1,192,281	
Pension asset/liability, net			(10,870,649)	
OPEB asset/liability, net			(1,129,265)	
Unrealized gain (loss) on investments			<u>200,517</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ (4,276,461)</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Enterprise System Replacement Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 61,974	\$ 61,974
Total revenues	<u>-</u>	<u>-</u>	<u>61,974</u>	<u>61,974</u>
EXPENDITURES				
Capital improvements	3,180,000	3,180,000	1,742,044	1,437,956
Total expenditures	<u>3,180,000</u>	<u>3,180,000</u>	<u>1,742,044</u>	<u>1,437,956</u>
Excess of expenditures over revenues	<u>(3,180,000)</u>	<u>(3,180,000)</u>	<u>(1,680,070)</u>	<u>1,499,930</u>
OTHER FINANCING SOURCES				
Transfers in	2,130,000	2,130,000	2,130,000	-
Total other financing sources	<u>2,130,000</u>	<u>2,130,000</u>	<u>2,130,000</u>	<u>-</u>
Net change in fund balances	(1,050,000)	(1,050,000)	449,930	1,499,930
Fund balances - beginning	<u>1,050,000</u>	<u>1,050,000</u>	<u>1,437,620</u>	<u>387,620</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,887,550</u>	<u>\$ 1,887,550</u>
Unrealized gain (loss) on investments			<u>47,301</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 1,934,851</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Equipment Replacement Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Miscellaneous	\$ 142,459	\$ 142,459	\$ 355,117	\$ 212,658
Internal service charges	3,430,483	3,430,483	2,845,483	(585,000)
Total revenues	<u>3,572,942</u>	<u>3,572,942</u>	<u>3,200,600</u>	<u>(372,342)</u>
EXPENDITURES				
City-wide services	7,868,113	7,868,113	1,521,878	6,346,235
Total expenditures	<u>7,868,113</u>	<u>7,868,113</u>	<u>1,521,878</u>	<u>6,346,235</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,295,171)</u>	<u>(4,295,171)</u>	<u>1,678,722</u>	<u>5,973,893</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	61,488	61,488	61,488	-
Transfers out	(930,000)	(930,000)	(930,000)	-
Total other financing sources (uses)	<u>(868,512)</u>	<u>(868,512)</u>	<u>(868,512)</u>	<u>-</u>
Net change in fund balances	(5,163,683)	(5,163,683)	810,210	5,973,893
Fund balances - beginning	<u>14,726,174</u>	<u>14,726,174</u>	<u>14,548,851</u>	<u>(177,323)</u>
Fund balances - ending	<u>\$ 9,562,491</u>	<u>\$ 9,562,491</u>	\$ 15,359,061	<u>\$ 5,796,570</u>
Due to other funds			(15,350,910)	
Unrealized gain (loss) on investments			<u>363,096</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 371,247</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Workers Comp & Liability Management Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Miscellaneous	\$ 224,400	\$ 224,400	\$ 253,205	\$ 28,805
Internal service charges	3,020,000	3,020,000	3,019,286	(714)
Total revenues	<u>3,244,400</u>	<u>3,244,400</u>	<u>3,272,491</u>	<u>28,091</u>
EXPENDITURES				
City attorney office	4,552,845	4,552,845	2,740,077	1,812,768
Operating contingency	579,700	579,700	-	579,700
Total expenditures	<u>5,132,545</u>	<u>5,132,545</u>	<u>2,740,077</u>	<u>2,392,468</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,888,145)</u>	<u>(1,888,145)</u>	<u>532,414</u>	<u>2,420,559</u>
OTHER FINANCING SOURCES				
Transfers in	2,600,000	2,600,000	1,966,502	(633,498)
Total other financing sources	<u>2,600,000</u>	<u>2,600,000</u>	<u>1,966,502</u>	<u>(633,498)</u>
Net change in fund balances	711,855	711,855	2,498,916	1,787,061
Fund balances - beginning	<u>1,203,600</u>	<u>1,203,600</u>	<u>1,626,624</u>	<u>423,024</u>
Fund balances - ending	<u>\$ 1,915,455</u>	<u>\$ 1,915,455</u>	<u>\$ 4,125,540</u>	<u>\$ 2,210,085</u>
Capital assets, net of depreciation			7,516	
Pension asset/liability, net			(589,729)	
Unrealized gain (loss) on investments			<u>195,645</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 3,738,972</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
COG Health & Dental Plans Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Miscellaneous	\$ 1,469,000	\$ 1,469,000	\$ 2,875,501	\$ 1,406,501
Internal service charges	10,359,000	10,359,000	7,853,696	(2,505,304)
Total revenues	<u>11,828,000</u>	<u>11,828,000</u>	<u>10,729,197</u>	<u>(1,098,803)</u>
EXPENDITURES				
City-wide services	12,991,000	12,991,000	9,791,681	3,199,319
Operating contingency	<u>1,970,000</u>	<u>1,970,000</u>	-	<u>1,970,000</u>
Total expenditures	<u>14,961,000</u>	<u>14,961,000</u>	<u>9,791,681</u>	<u>5,169,319</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,133,000)</u>	<u>(3,133,000)</u>	<u>937,516</u>	<u>4,070,516</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	900,000	900,000	766,384	(133,616)
Transfers out	<u>(139,200)</u>	<u>(139,200)</u>	<u>(139,200)</u>	<u>-</u>
Total other financing sources (uses)	<u>760,800</u>	<u>760,800</u>	<u>627,184</u>	<u>(133,616)</u>
Net change in fund balances	(2,372,200)	(2,372,200)	1,564,700	3,936,900
Fund balances - beginning	<u>4,400,000</u>	<u>4,400,000</u>	<u>3,904,151</u>	<u>(495,849)</u>
Fund balances - ending	<u>\$ 2,027,800</u>	<u>\$ 2,027,800</u>	\$ 5,468,851	<u>\$ 3,441,051</u>
Unrealized gain (loss) on investments			<u>163,744</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 5,632,595</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Workers' Compensation Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Total expenditures	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
OTHER FINANCING (USES)				
Transfers out	(2,600,000)	(2,600,000)	(1,966,502)	633,498
Total other financing (uses)	(2,600,000)	(2,600,000)	(1,966,502)	633,498
Net change in fund balances	(2,600,000)	(2,600,000)	(1,966,502)	633,498
Fund balances - beginning	2,600,000	2,600,000	1,966,502	(633,498)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Dental Insurance Benefits Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Total expenditures	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
OTHER FINANCING (USES)				
Transfers out	(900,000)	(900,000)	(766,384)	133,616
Total other financing (uses)	(900,000)	(900,000)	(766,384)	133,616
Net change in fund balances	(900,000)	(900,000)	(766,384)	133,616
Fund balances - beginning	900,000	900,000	766,384	(133,616)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Information Technology Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Total expenditures	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
OTHER FINANCING (USES)				
Transfers out	(1,600,000)	(1,600,000)	(1,250,647)	349,353
Total other financing (uses)	(1,600,000)	(1,600,000)	(1,250,647)	349,353
Net change in fund balances	(1,600,000)	(1,600,000)	(1,250,647)	349,353
Fund balances - beginning	1,600,000	1,600,000	1,250,647	(349,353)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF
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Other Schedules

City of Gresham, Oregon
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2020

Federal Grantor/ Pass-through Grantor Program Title or Cluster Title	Federal CFDA Number	Agency or Pass-Through Number	Expenditures of Federal Awards	Amounts Provided to Sub Recipients
U.S. Department of Housing and Urban Development				
Direct Assistance:				
Community Development Block Grants/Entitlement Grants	14.218	B-19-MC-41-0006	\$ 987,493	\$ 573,829
Pass-through assistance:				
City of Portland				
Home Investment Partnerships Program	14.239	30006888	<u>629,804</u>	<u>394,571</u>
Total U.S. Department of Housing and Urban Development			<u>1,617,297</u>	<u>968,400</u>
U.S. Department of Justice				
Direct Assistance:				
Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-0103	38,775	-
Public Safety Partnership and Community Policing Grants - 2015	16.710	2015-UM-WX-0134	19,465	-
Public Safety Partnership and Community Policing Grants - 2016	16.710	2016-UM-WX-0075	47,167	-
Public Safety Partnership and Community Policing Grants - 2017	16.710	2017-UM-WX-0001	<u>38,776</u>	<u>-</u>
Subtotal for CFDA 16.710			105,408	-
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	2017-MO-BX-0011	116,280	-
Body Worn Camera Policy and Implementation	16.835	2017-BC-BX-0052	113,923	-
Equitable Sharing Program	16.922	N/A	<u>19,023</u>	<u>-</u>
Total U.S. Department of Justice			<u>393,409</u>	<u>-</u>
U.S. Department of Transportation				
Pass-through assistance:				
Highway Planning and Construction Cluster:				
Oregon Department of Transportation				
Safe Routes to School	20.205	HU-19-10-15	3,014	-
City of Gresham Safety Project	20.205	20303	38,563	-
NE Cleveland Ave: SE Stark St - NE Burnside	20.205	20808	13,843	-
Sandy Blvd: NE 181st Ave to East Gresham City Limit	20.205	19279	263,410	-
East Multnomah County Road Connection ITS (Variable Message Signs)	20.205	21195	<u>77,179</u>	<u>-</u>
Total Highway Planning and Construction Cluster			396,009	-

City of Gresham, Oregon
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2020

Federal Grantor/ Pass-through Grantor Program Title or Cluster Title	Federal CFDA Number	Agency or Pass-Through Number	Expenditures of Federal Awards	Amounts Provided to Sub Recipients
Highway Safety Cluster:				
Oregon Impact				
State and Community Highway Safety (Pedestrian Safety Enhancement Grant)	20.600	Contract 7641	1,000	-
Oregon Department of Transportation				
State and Community Highway Safety (Safety Belt Overtime Grants)	20.600	Contract 7638	7,016	-
Subtotal for CFDA 20.600			<u>8,016</u>	-
Oregon Impact				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	Contract 7640	7,448	-
Oregon Department of Transportation				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	Contract 7466	3,633	-
Subtotal for CFDA 20.608			<u>11,081</u>	-
Total Highway Safety Cluster			<u>19,097</u>	-
Total U.S. Department of Transportation			<u>415,106</u>	-
Department of Health and Human Services Centers for Disease Control and Prevention				
Pass-through assistance:				
Multnomah County				
PPHF: Racial and Ethnic Approaches to Community Health Program				
Financed Solely by Public Prevention and Health Funds	93.738	4400001507/HD-IGA-E-10649-2019	71,584	-
Total Department of Health and Human Services Centers for Disease Control and Prevention			<u>71,584</u>	-
U.S. Department of Homeland Security				
Direct Assistance:				
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2016-FH-00476	254,485	-
Pass-through assistance:				
Oregon Office of Emergency Management				
Emergency Management Performance Grants - 2019	97.042	19-540	109,929	-
Pre-Disaster Mitigation	97.047	EMS-2018-PC-0003	176,280	-
Total U.S. Department of Homeland Security			<u>540,694</u>	-
Total Federal Expenditures			<u>\$ 3,038,090</u>	<u>\$ 968,400</u>

City of Gresham, Oregon
Notes to the Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2020

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Gresham under programs of the federal government for the year ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of 2 CFR 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flow of the City.

Note 2. Summary of Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. Expenditures reported on this schedule are recognized following the cost principles in 2 CFR 200, where certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3. Loan or Loan Guarantee Programs

The City of Gresham had the following loan balances outstanding at June 30, 2020. Loans made during the year are included in the federal expenditures presented in the schedule.

<u>Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass Through Number</u>	<u>Amount Outstanding</u>
Community Development Block Grants_Section 108 Loan Guarantees	14.248	B-12-MC-41-0006-A	\$ 366,000

Note 4. Indirect Cost Rate

The City does not qualify to use the 10% de minimus rate per 2 CFR 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* because a negotiated rate exists.

Statistical Section

This part of the City of Gresham's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance has changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity

These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment where the City's financial activities take place and to help make comparisons over time.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of Gresham, Oregon
Net Position by Component
for the last ten fiscal years
 (accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental activities				
Net investment in capital assets	\$ 863,746,464	\$ 828,386,469	\$ 796,126,418	\$ 749,923,076
Restricted	40,281,459	35,457,503	31,868,109	31,749,851
Unrestricted	9,323,501	11,376,559	6,742,722	17,581,665
Total governmental activities net position	<u>913,351,424</u>	<u>875,220,531</u>	<u>834,737,249</u>	<u>799,254,592</u>
Business-type activities				
Net investment in capital assets	196,080,153	201,004,436	203,517,713	202,461,179
Restricted	9,640,806	9,931,470	10,074,559	15,331,003
Unrestricted	76,919,257	77,422,112	74,674,199	75,243,789
Total business-type activities net position	<u>282,640,216</u>	<u>288,358,018</u>	<u>288,266,471</u>	<u>293,035,971</u>
Primary government				
Net investment in capital assets	1,059,826,617	1,029,390,905	999,644,131	952,384,255
Restricted	49,922,265	45,388,973	41,942,668	47,080,854
Unrestricted	86,242,758	88,798,671	81,416,921	92,825,454
Total primary government net position	<u>\$ 1,195,991,640</u>	<u>\$ 1,163,578,549</u>	<u>\$ 1,123,003,720</u>	<u>\$ 1,092,290,563</u>

Information derived from current and past years' Comprehensive Annual Financial Reports.

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 716,667,046	\$ 681,572,417	\$ 688,607,182	\$ 615,299,091	\$ 595,420,402	\$ 589,574,607
42,700,948	46,864,238	49,493,800	47,562,955	64,175,811	84,559,497
(5,567,160)	(22,236,961)	(55,927,410)	(10,610,161)	(25,564,149)	(36,119,104)
<u>753,800,834</u>	<u>706,199,694</u>	<u>682,173,572</u>	<u>652,251,885</u>	<u>634,032,064</u>	<u>638,015,000</u>
207,475,404	208,952,590	214,549,637	212,138,253	219,895,246	220,619,246
5,530,116	5,513,755	5,663,183	12,938,449	11,853,063	11,141,221
84,669,268	88,354,709	87,848,527	90,209,099	93,469,113	98,919,275
<u>297,674,788</u>	<u>302,821,054</u>	<u>308,061,347</u>	<u>315,285,801</u>	<u>325,217,422</u>	<u>330,679,742</u>
924,142,450	890,525,007	903,156,819	827,437,344	815,315,648	810,193,853
48,231,064	52,377,993	55,156,983	60,501,404	76,028,874	95,700,718
79,102,108	66,117,748	31,921,117	79,598,938	67,904,964	62,800,171
<u>\$ 1,051,475,622</u>	<u>\$ 1,009,020,748</u>	<u>\$ 990,234,919</u>	<u>\$ 967,537,686</u>	<u>\$ 959,249,486</u>	<u>\$ 968,694,742</u>

City of Gresham, Oregon
Changes in Net Position
for the last ten fiscal years
 (accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Expenses				
Governmental activities:				
General government	\$ 18,132,134	\$ 18,508,873	\$ 19,027,820	\$ 29,166,371
Public safety	29,307,610	30,006,778	31,831,095	26,559,777
Transportation	48,966,993	49,006,201	49,128,434	48,609,374
Urban design and planning	3,539,297	2,611,405	2,500,604	1,365,870
Community development	3,376,329	2,913,104	2,799,343	3,023,856
Economic development services	481,400	519,584	412,783	405,782
Parks operation	-	-	-	-
Environmental services	5,229,337	3,762,583	4,217,117	3,493,637
Community Livability	-	-	-	-
Urban renewal	7,161,360	5,000,945	4,386,824	6,476,339
Interest on long-term debt	2,743,009	2,608,776	2,160,278	2,456,107
Total governmental activities expenses	<u>118,937,469</u>	<u>114,938,249</u>	<u>116,464,298</u>	<u>121,557,113</u>
Business-type activities:				
Water	10,345,989	11,047,719	11,250,320	11,289,468
Stormwater	7,141,091	6,748,674	7,971,656	6,796,580
Wastewater	16,359,697	16,541,486	17,289,060	16,986,874
Total business-type activities expenses	<u>33,846,777</u>	<u>34,337,879</u>	<u>36,511,036</u>	<u>35,072,922</u>
Total government expenses	<u>\$ 152,784,246</u>	<u>\$ 149,276,128</u>	<u>\$ 152,975,334</u>	<u>\$ 156,630,035</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 3,797,023	\$ 3,978,220	\$ 4,773,215	\$ 4,774,350
Public safety	5,738,956	5,900,559	5,760,133	9,509,578
Transportation	4,252,562	4,361,142	4,451,642	4,599,347
Urban design and planning	394,869	285,700	314,702	823,950
Community Development	2,501,368	2,808,480	2,437,662	2,883,906
Economic development services	-	-	-	-
Parks operations	-	-	-	-
Environmental services	3,339,115	2,511,339	2,561,845	2,902,722
Community Livability	-	-	-	-
Urban renewal	5,137,001	3,463,210	3,480,705	5,301,090
Operating grants and contributions	10,679,998	10,432,437	9,596,941	9,336,157
Capital grants and contributions	4,492,794	1,953,926	3,420,093	1,531,378
Total governmental activities program revenues	<u>40,333,686</u>	<u>35,695,013</u>	<u>36,796,938</u>	<u>41,662,478</u>
Business-type activities				
Charges for services:				
Water	12,243,099	12,341,723	12,956,278	12,746,233
Stormwater	6,731,757	7,069,240	7,278,802	7,405,949
Wastewater	14,727,342	15,395,361	15,959,110	16,489,981
Operating grants and contributions	-	-	-	-
Capital grants and contributions	1,193,828	2,152,577	481,812	194,587
Total business-type activities program revenues	<u>34,896,026</u>	<u>36,958,901</u>	<u>36,676,002</u>	<u>36,836,750</u>
Total government program revenues	<u>75,229,712</u>	<u>72,653,914</u>	<u>73,472,940</u>	<u>78,499,228</u>

Information derived from current and past years' Comprehensive Annual Financial Reports.

	2015	2016	2017	2018	2019	2020
\$	27,229,600	\$ 33,371,670	\$ 34,548,635	\$ 34,781,828	\$ 41,942,083	\$ 42,553,953
	21,713,792	44,825,834	35,570,784	40,292,312	41,598,297	48,656,343
	45,661,889	48,409,354	48,175,064	43,807,972	33,337,155	15,291,969
	957,688	2,117,987	1,992,752	2,548,099	2,331,719	2,848,473
	2,590,182	4,446,844	3,817,693	4,468,594	4,145,004	4,965,073
	391,025	1,248,089	782,765	523,019	491,227	1,058,414
	1,505,531	1,508,485	1,405,582	2,002,434	1,833,193	1,737,992
	1,481,087	3,135,670	2,704,270	2,818,835	3,023,306	3,697,987
	-	-	-	-	337,859	377,035
	10,334,396	3,066,437	5,472,373	2,079,618	8,448,044	1,843,211
	2,375,332	2,635,798	2,385,663	2,217,715	2,398,404	2,337,423
	<u>114,240,522</u>	<u>144,766,168</u>	<u>136,855,581</u>	<u>135,540,426</u>	<u>139,886,291</u>	<u>125,367,873</u>
	9,907,852	13,321,861	12,486,828	13,856,477	15,740,141	15,184,878
	5,818,448	7,802,970	8,225,600	8,835,420	10,428,543	10,164,466
	14,914,216	17,609,484	17,255,130	19,079,128	19,769,908	20,950,403
	30,640,516	38,734,315	37,967,558	41,771,025	45,938,592	46,299,747
\$	<u>144,881,038</u>	<u>\$ 183,500,483</u>	<u>\$ 174,823,139</u>	<u>\$ 177,311,451</u>	<u>\$ 185,824,883</u>	<u>\$ 171,667,620</u>
\$	4,727,746	\$ 4,483,991	\$ 4,583,748	\$ 5,126,082	\$ 5,921,164	\$ 7,232,725
	9,496,947	10,175,747	10,507,044	11,302,429	11,461,167	11,190,312
	3,919,783	4,111,318	4,169,029	4,266,299	4,324,129	192,132
	653,708	761,785	1,040,149	908,382	1,141,846	558,186
	4,628,102	3,051,610	3,883,470	4,654,328	7,631,613	5,423,429
	-	-	-	-	916,397	2,443,050
	221,240	241,634	246,548	250,107	226,783	233,254
	5,658,899	6,141,968	6,590,650	8,259,424	8,924,045	12,883,093
	-	-	-	-	557,301	388,325
	8,724,220	1,582,585	3,697,421	69,938	90,205	62,216
	10,515,883	10,056,115	11,006,815	12,817,532	11,454,437	15,841,587
	4,093,377	5,450,478	4,691,150	1,877,424	5,682,032	5,291,148
	<u>52,639,905</u>	<u>46,057,231</u>	<u>50,416,024</u>	<u>49,531,945</u>	<u>58,331,119</u>	<u>61,739,457</u>
	11,419,158	13,298,124	13,208,556	14,173,310	14,795,502	15,200,656
	6,933,480	8,958,410	8,001,761	8,286,851	8,861,833	10,122,042
	14,459,367	16,488,480	18,010,136	18,473,667	19,061,257	19,875,064
	-	124,918	-	-	-	-
	391,284	2,574,730	2,430,750	6,189,170	8,060,045	2,243,294
	33,203,289	41,444,662	41,651,203	47,122,998	50,778,637	47,441,056
	<u>85,843,194</u>	<u>87,501,893</u>	<u>92,067,227</u>	<u>96,654,943</u>	<u>109,109,756</u>	<u>109,180,513</u>

Changes in Net Position continued

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Net (Expense) Revenue				
Governmental activities	(78,603,783)	(79,243,236)	(79,667,360)	(79,894,635)
Business-type activities	1,049,249	2,621,022	164,966	1,763,828
Total net expenses	<u>(77,554,534)</u>	<u>(76,622,214)</u>	<u>(79,502,394)</u>	<u>(78,130,807)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes, levied for general purposes	25,846,750	26,380,647	27,150,149	27,078,547
Property taxes, levied for debt service	12,178	37,346	9,182	-
License fees	7,980,453	8,936,935	9,061,648	9,100,066
Business income taxes	3,778,125	4,215,128	4,472,110	4,973,382
Hotel and motel taxes	460,311	495,019	604,569	664,241
Other taxes	230,942	163,055	145,842	117,820
Grants and contributions	2,093,534	2,392,870	2,478,538	2,590,468
Interest and investment earnings	736,259	711,744	158,511	1,335,686
Gain on sale of capital assets	-	-	-	-
Transfers	(2,030,812)	(2,220,401)	71,129	(1,448,232)
Total governmental activities revenues	<u>39,107,740</u>	<u>41,112,343</u>	<u>44,151,678</u>	<u>44,411,978</u>
Business-type activities:				
Interest and investment earnings	864,775	876,379	29,683	1,557,440
Transfers	2,030,812	2,220,401	(71,129)	1,448,232
Total business-type activities revenue (expense)	<u>2,895,587</u>	<u>3,096,780</u>	<u>(41,446)</u>	<u>3,005,672</u>
Total government revenues	<u>\$ 42,003,327</u>	<u>\$ 44,209,123</u>	<u>\$ 44,110,232</u>	<u>\$ 47,417,650</u>
Change in Net Position				
Governmental activities	\$ (39,496,043)	\$ (38,130,893)	\$ (35,515,682)	\$ (35,482,657)
Prior period adjustment to governmental activities	-	-	(4,658,333)	-
Cumulative effect of change in accounting principle	-	-	(309,267)	-
Business-type activities	3,944,836	5,717,802	123,520	4,769,500
Cumulative effect of change in accounting principle	-	-	(215,067)	-
Total government	<u>\$ (35,551,207)</u>	<u>\$ (32,413,091)</u>	<u>\$ (40,574,829)</u>	<u>\$ (30,713,157)</u>

Information derived from current and past years' Comprehensive Annual Financial Reports.

2015	2016	2017	2018	2019	2020
(61,600,617)	(98,708,937)	(86,439,557)	(86,008,481)	(81,555,172)	(63,628,416)
2,562,773	2,710,347	3,683,645	5,351,973	4,840,045	1,141,309
<u>(59,037,844)</u>	<u>(95,998,590)</u>	<u>(82,755,912)</u>	<u>(80,656,508)</u>	<u>(76,715,127)</u>	<u>(62,487,107)</u>
29,746,987	30,145,355	31,294,955	32,185,065	34,381,162	35,803,461
-	-	-	-	-	-
9,117,451	9,324,117	20,309,911	11,889,588	12,563,826	13,403,183
5,406,445	6,874,811	6,423,412	7,226,463	8,289,994	6,897,295
808,826	977,317	1,046,122	994,578	968,036	854,107
95,254	115,545	257,704	407,668	421,070	531,554
2,669,644	2,669,472	2,867,087	3,548,018	3,500,367	3,809,427
962,189	1,644,731	872,940	1,020,669	4,543,258	6,118,456
98,765	164,749	99,211	79,239	107,646	57,089
<u>(3,711,628)</u>	<u>(808,300)</u>	<u>(757,907)</u>	<u>(1,777,219)</u>	<u>(1,440,008)</u>	<u>136,780</u>
<u>45,193,933</u>	<u>51,107,797</u>	<u>62,413,435</u>	<u>55,574,069</u>	<u>63,335,351</u>	<u>67,611,352</u>
1,053,440	1,627,619	798,741	877,567	3,651,568	4,457,791
3,711,628	808,300	757,907	1,777,219	1,440,008	(136,780)
4,765,068	2,435,919	1,556,648	2,654,786	5,091,576	4,321,011
<u>\$ 49,959,001</u>	<u>\$ 53,543,716</u>	<u>\$ 63,970,083</u>	<u>\$ 58,228,855</u>	<u>\$ 68,426,927</u>	<u>\$ 71,932,363</u>
\$ (16,406,684)	\$ (47,601,140)	\$ (24,026,122)	\$ (30,434,412)	\$ (18,219,821)	\$ 3,982,936
-	-	-	-	-	-
(29,047,074)	-	-	512,725	-	-
7,327,841	5,146,266	5,240,293	8,006,759	9,931,621	5,462,320
<u>(2,689,024)</u>	-	-	<u>(782,305)</u>	-	-
<u>\$ (40,814,941)</u>	<u>\$ (42,454,874)</u>	<u>\$ (18,785,829)</u>	<u>\$ (22,697,233)</u>	<u>\$ (8,288,200)</u>	<u>\$ 9,445,256</u>

City of Gresham, Oregon
Fund Balances of Governmental Funds¹
for the last ten fiscal years
(modified accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund				
Unassigned	\$ 9,871,456	\$ 10,985,939	\$ 9,711,024	\$ 14,509,323
Total General Fund	<u>9,871,456</u>	<u>10,985,939</u>	<u>9,711,024</u>	<u>14,509,323</u>
Transportation Fund				
Restricted	10,306,944	9,800,186	10,497,186	11,700,976
Total Transportation Fund	<u>10,306,944</u>	<u>9,800,186</u>	<u>10,497,186</u>	<u>11,700,976</u>
System Development Charge Fund				
Restricted	14,947,502	12,551,182	10,391,604	9,003,097
Total System Development Charges Fund	<u>14,947,502</u>	<u>12,551,182</u>	<u>10,391,604</u>	<u>9,003,097</u>
CDBG and Home Fund ^{2,3}				
Restricted	-	-	-	-
Assigned	-	-	-	-
Total CDBG and HOME Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
City Backed Urban Renewal Fund				
Nonspendable	18,418,585	-	18,887,999	21,062,612
Restricted	25,219	-	26,586	8,452
Assigned	-	-	-	-
Total City Backed Urban Renewal Fund	<u>18,443,804</u>	<u>-</u>	<u>18,914,585</u>	<u>21,071,064</u>
Rockwood UR Debt Service Fund				
Restricted	-	-	-	-
Unassigned	(11,488,256)	(11,859,277)	(12,319,388)	(14,247,748)
Total Rockwood UR Debt Service Fund	<u>(11,488,256)</u>	<u>(11,859,277)</u>	<u>(12,319,388)</u>	<u>(14,247,748)</u>
Nonmajor Governmental Funds				
Restricted	9,208,059	7,607,560	6,979,591	12,670,071
Committed	-	-	-	-
Assigned	5,034,433	5,968,924	5,318,272	6,635,762
Unassigned	-	-	(76)	-
Total Nonmajor Governmental Funds	<u>14,242,492</u>	<u>13,576,484</u>	<u>12,297,787</u>	<u>19,305,833</u>
Total all funds	<u>\$ 56,323,942</u>	<u>\$ 35,054,514</u>	<u>\$ 49,492,798</u>	<u>\$ 61,342,545</u>

¹ Includes all governmental type funds

² Individual funds included when major for the fiscal year. If not major, it is included in Nonmajor Governmental Funds.

³ The Dedicated Revenue Fund changed name to the CDBG and HOME fund in FY 2020.

2015	2016	2017	2018	2019	2020
\$ 16,242,524	\$ 17,407,220	\$ 26,563,568	\$ 26,554,424	\$ 22,857,805	\$ 19,421,845
<u>16,242,524</u>	<u>17,407,220</u>	<u>26,563,568</u>	<u>26,554,424</u>	<u>22,857,805</u>	<u>19,421,845</u>
14,531,483	15,787,346	17,564,409	19,449,673	23,446,993	27,829,159
<u>14,531,483</u>	<u>15,787,346</u>	<u>17,564,409</u>	<u>19,449,673</u>	<u>23,446,993</u>	<u>27,829,159</u>
7,978,841	10,781,925	13,035,598	15,594,217	18,989,060	27,551,044
<u>7,978,841</u>	<u>10,781,925</u>	<u>13,035,598</u>	<u>15,594,217</u>	<u>18,989,060</u>	<u>27,551,044</u>
-	-	-	-	-	145,626
-	-	-	743,929	766,165	103,064
<u>-</u>	<u>-</u>	<u>-</u>	<u>743,929</u>	<u>766,165</u>	<u>248,690</u>
-	-	-	-	-	-
904	-	-	-	-	-
<u>17,930,173</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
17,931,077	-	-	-	-	-
-	-	978,730	3,509,320	4,949,130	8,989,523
<u>(9,327,503)</u>	<u>(7,057,486)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(9,327,503)	(7,057,486)	978,730	3,509,320	4,949,130	8,989,523
14,672,998	13,508,228	9,466,281	11,324,298	14,707,627	20,114,763
742,438	713,856	777,980	820,577	914,316	974,026
10,183,132	26,384,613	19,622,437	17,591,543	16,040,433	16,406,440
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
25,598,568	40,606,697	29,866,698	29,736,418	31,662,376	37,495,229
<u>\$ 72,954,990</u>	<u>\$ 77,525,702</u>	<u>\$ 88,009,003</u>	<u>\$ 95,587,981</u>	<u>\$ 102,671,529</u>	<u>\$ 121,535,490</u>

City of Gresham, Oregon
Changes in Fund Balances of Governmental Funds
for the last ten fiscal years
(modified accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenues				
Taxes	\$ 30,120,054	\$ 30,823,141	\$ 32,213,880	\$ 33,227,830
Licenses and permits	2,069,498	2,239,950	1,947,906	2,075,363
Intergovernmental	29,439,638	29,206,206	29,064,640	30,355,384
Charges for services	4,182,773	3,632,593	5,091,724	8,509,853
License fees	7,980,452	8,936,935	9,061,648	9,100,065
Miscellaneous	847,642	923,738	461,340	1,370,393
Contributions and donations	17,210	-	-	-
Internal service charges	3,887,185	3,528,690	3,277,629	3,230,739
Total revenues	<u>78,544,452</u>	<u>79,291,253</u>	<u>81,118,767</u>	<u>87,869,627</u>
Expenditures				
Current:				
General government	960,022	6,305	29,902	30,131
Public safety	39,395,779	39,772,617	43,288,184	42,486,706
Transportation	7,983,123	8,208,975	8,274,290	8,125,186
Urban design and planning	4,763,971	3,596,322	3,440,197	2,091,026
Community development	4,571,322	3,874,064	3,768,133	4,652,916
Parks	-	-	-	-
Environmental services	5,531,132	5,132,674	4,932,885	4,274,926
Economic development services	642,641	734,209	573,901	610,212
Community Livability	-	-	-	-
Urban renewal	5,145,898	4,802,798	4,167,675	6,115,006
Debt service:				
Interest	4,276,495	5,515,742	5,135,273	5,773,293
Principal	10,822,000	3,506,944	2,961,659	3,921,633
Capital outlay	7,324,727	6,353,435	6,407,429	9,254,972
Total expenditures	<u>91,417,110</u>	<u>81,504,085</u>	<u>82,979,528</u>	<u>87,336,007</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,872,658)</u>	<u>(2,212,832)</u>	<u>(1,860,761)</u>	<u>533,620</u>
Other financing sources (uses)				
Debt/refunding proceeds	1,350,000	2,605,000	3,226,480	18,113,517
Transfers in	13,520,106	13,534,774	13,902,344	17,825,884
Transfers out	<u>(17,031,835)</u>	<u>(17,508,103)</u>	<u>(18,842,157)</u>	<u>(24,623,274)</u>
Total other financing sources (uses)	<u>(2,161,729)</u>	<u>(1,368,329)</u>	<u>(1,713,333)</u>	<u>11,316,127</u>
Net change in fund balance:	<u><u>\$(15,034,387)</u></u>	<u><u>\$ (3,581,161)</u></u>	<u><u>\$ (3,574,094)</u></u>	<u><u>\$ 11,849,747</u></u>
Total expenditures	91,417,110	81,504,085	82,979,528	87,336,007
Less: capital expenditures	<u>(6,756,129)</u>	<u>(8,253,734)</u>	<u>(7,757,540)</u>	<u>(13,437,494)</u>
Total noncapital expenditures	84,660,981	73,250,351	75,221,988	73,898,513
Governmental capital expenditures	6,756,129	8,253,734	7,757,540	13,437,494
Debt service as a percentage of noncapital expenditures	17.8%	12.3%	10.8%	13.1%

Information derived from current and past years' Comprehensive Annual Financial Reports.

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 35,268,843	\$ 37,876,770	\$ 38,789,436	\$ 41,052,961	\$ 44,778,408	\$ 44,090,377
2,601,458	2,868,139	2,762,215	3,351,012	4,088,553	3,651,927
36,284,744	27,703,501	30,313,399	30,224,230	38,079,121	32,333,003
11,551,188	12,849,976	13,409,046	15,688,696	17,009,318	20,227,608
9,117,450	9,324,117	20,309,912	11,889,588	12,563,828	13,403,184
1,483,901	2,189,992	1,995,894	2,831,874	4,911,661	6,919,896
-	100	5,000	-	-	-
3,735,489	3,526,244	3,395,097	4,448,399	4,699,604	4,779,051
<u>100,043,073</u>	<u>96,338,839</u>	<u>110,979,999</u>	<u>109,486,760</u>	<u>126,130,493</u>	<u>125,405,046</u>
36,327	121,549	390,185	488,079	64,317	65,806
46,063,033	49,528,990	53,367,814	57,625,177	62,787,415	61,880,198
7,607,574	7,501,485	7,447,012	7,980,413	8,829,454	8,845,732
2,132,148	2,425,750	3,065,661	3,724,108	3,455,288	3,664,944
5,028,741	5,369,228	5,827,958	6,556,409	6,502,729	6,390,223
2,362,206	2,419,159	2,477,379	2,677,575	3,118,728	2,805,319
2,565,785	2,612,337	3,072,076	3,438,271	3,636,960	3,625,208
690,642	1,379,573	1,248,395	751,702	755,124	1,567,741
-	-	-	-	579,201	613,316
9,658,420	2,467,469	4,854,590	2,944,694	9,591,430	2,157,176
4,551,954	6,185,825	5,882,948	5,728,221	7,650,372	2,719,699
11,158,057	3,692,811	5,521,001	3,703,036	11,049,666	7,211,689
9,704,079	7,219,611	7,645,272	8,495,480	16,655,496	13,899,717
<u>101,558,966</u>	<u>90,923,787</u>	<u>100,800,291</u>	<u>104,113,165</u>	<u>134,676,180</u>	<u>115,446,768</u>
<u>(1,515,893)</u>	<u>5,415,052</u>	<u>10,179,708</u>	<u>5,373,595</u>	<u>(8,545,687)</u>	<u>9,958,278</u>
16,728,777	-	605,000	5,644,000	17,632,800	11,428,400
28,138,566	17,626,838	20,787,604	14,008,862	16,441,028	15,421,064
<u>(31,739,005)</u>	<u>(18,796,178)</u>	<u>(21,739,011)</u>	<u>(17,447,479)</u>	<u>(18,444,593)</u>	<u>(17,943,786)</u>
<u>13,128,338</u>	<u>(844,340)</u>	<u>303,593</u>	<u>2,205,383</u>	<u>15,629,235</u>	<u>8,905,678</u>
<u>\$ 11,612,445</u>	<u>\$ 4,570,712</u>	<u>\$ 10,483,301</u>	<u>\$ 7,578,978</u>	<u>\$ 7,083,548</u>	<u>\$ 18,863,956</u>
101,558,966	90,923,787	100,800,291	104,113,165	134,676,180	115,446,768
<u>(9,764,061)</u>	<u>(8,188,166)</u>	<u>(9,136,825)</u>	<u>(10,221,292)</u>	<u>(14,592,866)</u>	<u>(14,922,982)</u>
91,794,905	82,735,621	91,663,466	93,891,873	120,083,314	100,523,786
9,764,061	8,188,166	9,136,825	10,221,292	14,592,866	14,922,982
17.1%	11.9%	12.4%	10.0%	15.6%	9.9%

City of Gresham, Oregon
Tax Revenues by Source, Governmental Funds
for the last ten fiscal years
(modified accrual basis of accounting)

Fiscal Year	Property Taxes	Hotel and Motel Taxes	Business Income Tax	Other Taxes	Total Taxes
2011	25,876,592	460,311	3,778,125	5,053	30,120,080
2012	26,107,853	495,019	4,215,128	5,198	30,823,197
2013	27,131,524	604,569	4,472,110	5,703	32,213,907
2014	27,585,831	664,241	4,973,382	4,579	33,228,033
2015	29,051,146	808,826	5,406,445	2,509	35,268,926
2016	30,019,240	977,317	6,874,811	5,402	37,876,770
2017	31,185,226	1,046,122	6,423,412	134,676	38,789,436
2018	32,503,307	994,578	7,226,463	328,613	41,052,961
2019	35,093,756	968,036	8,289,994	426,622	44,778,408
2020	35,807,421	854,107	6,897,295	531,554	44,090,377

Information derived from current and prior years' Comprehensive Annual Financial Reports.

City of Gresham, Oregon

Assessed Value and Estimated Real Market Value of Taxable Property

for the last ten fiscal years

Fiscal Year	Real Property	Personal Property	Public Utility Property	Total Assessed Value	Total Direct Tax Rate	Estimated Real Market Value (RMV)	Assessed Value as a Percentage of RMV
2011	6,341,756,820	260,748,199	196,546,700	6,799,051,719	3.61	10,582,761,469	64.25%
2012	6,417,642,120	252,482,730	226,602,170	6,896,727,020	3.61	9,923,441,577	69.50%
2013	6,459,601,300	255,043,090	221,252,700	6,935,897,090	3.61	9,899,881,645	70.06%
2014	6,631,585,970	266,091,047	221,583,260	7,119,260,277	3.61	10,055,582,781	70.80%
2015	6,970,891,870	281,369,921	233,868,800	7,486,130,591	3.61	10,841,379,559	69.05%
2016	7,210,632,020	289,381,277	231,165,800	7,731,179,097	3.61	11,719,951,231	65.97%
2017	7,394,949,020	295,395,622	238,820,800	7,929,165,442	3.61	12,964,718,943	61.16%
2018	7,708,546,630	336,896,480	248,523,166	8,293,966,276	3.61	14,684,246,877	56.48%
2019	8,097,671,350	325,059,520	179,819,800	8,602,550,670	3.61	16,268,459,937	52.88%
2020	8,413,807,310	330,488,190	190,495,200	8,934,790,700	3.61	16,836,411,973	53.07%

Source: Multnomah County Assessor's Office

City of Gresham, Oregon
Property Tax Rates - Direct and Overlapping Governments
for the last ten fiscal years
(rate per \$1,000 of assessed value)

Fiscal year	City Direct Rates			Overlapping Rates		
	Permanent Rate	General Obligation Debt Service	Total Direct Rate	Mt. Hood Community College	Multnomah County	Multnomah County Library
2011	3.61	-	3.61	0.49	4.49	0.89
2012	3.61	-	3.61	0.49	4.55	0.89
2013	3.61	-	3.61	0.49	4.53	0.89
2014	3.61	-	3.61	0.49	4.51	1.18
2015	3.61	-	3.61	0.49	4.49	1.18
2016	3.61	-	3.61	0.49	4.49	1.18
2017	3.61	-	3.61	0.49	4.39	1.18
2018	3.61	-	3.61	0.49	4.39	1.18
2019	3.61	-	3.61	0.49	4.39	1.20
2020	3.61	-	3.61	0.49	4.39	1.21

Source: Multnomah County Assessors Office.

¹ Portions of Centennial School District No. 28 and Reynolds School District No. 7 also reside in the City of Gresham but are not included. Their tax rates are similar to School District No. 10.

Multnomah County ESD	School District No. 10¹	Port of Portland	Tri-Met & Metro Service District	E Mult. Soil & Water Conserv.	Total Direct & Overlapping Rate
0.46	5.59	0.07	0.50	0.10	16.20
0.46	5.57	0.07	0.37	0.10	16.12
0.46	5.61	0.07	0.40	0.10	16.17
0.46	5.56	0.07	0.47	0.10	16.45
0.46	5.56	0.07	0.46	0.10	16.42
0.46	5.55	0.07	0.39	0.10	16.34
0.46	5.51	0.07	0.40	0.10	16.21
0.46	7.14	0.07	0.41	0.10	17.85
0.46	7.27	0.07	0.47	0.10	18.07
0.46	7.40	0.07	0.66	0.10	18.40

City of Gresham, Oregon
Principal Property Taxpayers
Current year and nine years ago

Company Name	2020			2011		
	Assessed Value	Rank	Percent of Total Value	Assessed Value	Rank	Percent of Total Value
Boeing Company	\$ 270,157,770	1	3.02%	165,439,750	1	2.43%
Microchip Technology Inc.	164,566,840	2	1.84%	122,602,350	2	1.80%
On Semiconductor Components	114,875,940	3	1.29%	46,598,130	6	0.69%
Portland General Electric Co.	94,659,750	4	1.06%	66,011,010	3	0.97%
New Albertson's Inc.	53,904,530	5	0.60%	54,893,340	5	0.81%
U.S. National Bank of Oregon	46,047,590	6	0.52%	40,541,230	8	0.60%
Cascade Corporation	41,148,140	7	0.46%	-	-	-
Madison-Specht Vista Logistics LLC	41,015,630	8	0.46%	-	-	-
HIP Gresham Station LLC	39,153,000	9	0.44%	-	-	-
U.S. Bancorp	35,554,810	10	0.40%	-	-	-
Frontier Communications	-	-	-	54,918,710	4	0.81%
Comcast Corporation	-	-	-	40,679,400	7	0.60%
GE Capital	-	-	-	36,945,710	9	0.54%
Owens Corning Foam	-	-	-	28,313,810	10	0.42%
Total	\$ 901,084,000		10.09%	\$ 656,943,440		9.66%
Total Gresham Assessed Value	\$ 8,934,790,700			\$ 6,799,051,719		

Largest Public Utilities
Current year and nine years ago

Company Name	2020			2011		
	Assessed Value	Rank	Percent of Total Value	Assessed Value	Rank	Percent of Total Value
Portland General Electric Co.	\$ 94,659,750	1	1.06%	\$ 6,559,000	4	0.10%
Comcast Coporation	25,403,000	2	0.28%	40,679,400	2	0.60%
Northwest Natural Gas Co.	19,356,000	3	0.22%	10,909,200	3	0.16%
Frontier Communications	18,584,000	4	0.21%	44,648,200	1	0.66%

Sources: Multnomah County Assessors Office, and the 2010-2011 Comprehensive Annual Financial Report.

City of Gresham, Oregon
Property Tax Levies and Collections
for the last ten fiscal years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected & Adjusted Within the Fiscal Year of the Levy		Collections & Adjustments in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	26,689,893	25,949,168	97.22%	738,295	26,687,463	99.99%
2012	27,113,606	26,271,629	96.89%	796,092	27,067,721	99.83%
2013	27,926,932	27,163,116	97.26%	760,152	27,923,268	99.99%
2014	28,399,207	27,660,571	97.40%	735,525	28,396,096	99.99%
2015	29,945,588	29,240,886	97.65%	699,727	29,940,613	99.98%
2016	30,966,452	30,290,117	97.82%	666,060	30,956,177	99.97%
2017	32,204,477	31,584,209	98.07%	571,524	32,155,733	99.85%
2018	33,755,330	33,243,271	98.48%	392,983	33,636,254	99.65%
2019	35,290,714	34,759,802	98.50%	309,262	35,069,064	99.37%
2020	37,042,008	36,479,108	98.48%	-	36,479,108	98.48%

Source: Current and prior years' Comprehensive Annual Financial Reports and Multnomah County Assessor's Office.

City of Gresham, Oregon
Ratios of Outstanding Debt by Type
for the last ten fiscal years

Governmental Activities						
Fiscal Year	General Obligation Bonds	Full Faith & Credit Bonds	Other Notes	Capital Leases	Pension Bonds	Lines of Credit
2011	\$ -	\$28,735,680	\$ 938,912	\$ 107,352	\$ 18,910,000	\$ 1,350,000
2012	-	26,631,203	655,327	-	18,660,000	2,605,000
2013	-	19,415,269	629,834	-	18,340,000	4,780,104
2014	-	31,458,317	39,471	-	17,940,000	8,319,604
2015	-	32,809,589	13,207,854	-	17,452,898	-
2016	-	30,170,533	11,781,240	-	16,873,066	-
2017	-	24,270,219	10,296,027	-	16,195,000	605,000
2018	-	21,069,491	10,691,622	-	15,398,402	5,249,000
2019	-	18,107,576	16,029,262	-	14,483,570	8,256,800
2020	-	15,091,222	15,333,839	-	13,435,000	18,185,200

Business-type Activities							
Fiscal Year	Water Revenue Bonds	Water Bonds & Notes	Stormwater Rev Bonds, Notes & LOC	Wastewater Bonds & Notes	Total (Governmental & Business)	Percentage of Personal Income	Per Capita
2011	\$ 5,630,000	\$ 2,361,232	\$ 4,350,000	\$24,617,204	\$ 87,000,380	0.09%	\$ 822
2012	4,300,000	2,687,497	3,995,000	22,827,014	82,361,041	0.08%	777
2013	3,535,000	3,486,556	3,625,000	20,982,058	74,793,821	0.07%	704
2014	2,740,000	3,998,994	3,301,000	19,081,926	86,879,312	0.08%	816
2015	-	7,682,126	2,989,012	17,208,774	91,350,253	0.08%	853
2016	-	7,393,176	4,053,920	15,224,435	85,496,370	0.07%	791
2017	-	7,560,568	7,001,608	12,909,061	78,837,483	0.06%	718
2018	-	8,945,547	6,374,954	11,363,309	79,092,325	0.06%	716
2019	-	10,608,978	5,628,082	9,213,285	82,327,554	0.06%	736
2020	-	12,944,720	4,856,210	6,997,667	86,843,858 *		771

*Personal Income information for 2020 is unavailable at this time.
 Details regarding the City's outstanding debt can be found in the notes to the financial statements.
 Information derived from current and past years' Comprehensive Annual Financial Reports.

City of Gresham, Oregon
Ratios of General Bonded Debt Outstanding
for the last ten fiscal years

Fiscal Year	Population	Assessed Value	Gross General Obligation Bonded Debt	Less Debt Service Fund	Net Bonded Debt	Coverage %	Net Bonded Debt Per Capita
2011	105,795	6,799,051,719	-	-	-	-	-
2012	105,970	6,896,727,020	-	-	-	-	-
2013	106,180	6,935,897,090	-	-	-	-	-
2014	106,455	7,119,260,277	-	-	-	-	-
2015	107,065	7,486,130,591	-	-	-	-	-
2016	108,150	7,731,179,097	-	-	-	-	-
2017	109,820	7,929,165,442	-	-	-	-	-
2018	110,505	8,293,966,276	-	-	-	-	-
2019	111,810	8,602,550,670	-	-	-	-	-
2020	112,660 *	8,934,790,700	-	-	-	-	-

Information derived from current and past years' Comprehensive Annual Financial Reports.

*Source: Population Research Center, Portland State University

City of Gresham, Oregon

Direct and Overlapping Governmental Activities Debt

as of June 30, 2020

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
<i>Debt repaid with property taxes</i>			
Lusted Water District	\$ 605,000	0.64%	\$ 3,859
Metro	964,085,000	4.28%	41,310,078
Mt. Hood Community College	20,510,000	29.15%	5,977,681
Multnomah County	322,191,877	8.20%	26,404,913
Multnomah County School District 10J (Gresham-Barlow)	334,402,433	74.77%	250,033,368
Multnomah County School District 28J (Centennial)	15,045,275	36.37%	5,472,282
Multnomah County School District 7 (Reynolds)	192,394,881	36.88%	70,957,156
<i>Other debt</i>			
Metro	15,660,000	4.28%	671,016
Mt. Hood Community College	31,807,708	29.15%	9,270,420
Multnomah County School District 7 (Reynolds)	1,428,571	36.88%	526,871
Multnomah ESD	25,230,000	8.08%	2,038,231
Port of Portland	56,255,000	3.94%	2,217,291
Rockwood Water PUD	4,375,000	67.93%	2,972,086
Subtotal, overlapping debt	<u>\$1,983,990,745</u>		<u>\$ 417,855,252</u>
City direct debt			<u>\$ 62,045,262</u>
Total direct and overlapping debt			<u>\$ 479,900,514</u>

Source: Oregon State Treasury, Debt Management Division

Note:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. The State of Oregon provides overlapping debt data based on real market valuation of properties for each jurisdiction.

CITY OF
GRESHAM
GOING BEYOND

City of Gresham, Oregon
Legal Debt Margin Information
for the last ten fiscal years

	Fiscal Year			
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt limit	\$ 317,482,844	\$ 297,703,247	\$ 296,996,449	\$ 301,667,483
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<u><u>\$ 317,482,844</u></u>	<u><u>\$ 297,703,247</u></u>	<u><u>\$ 296,996,449</u></u>	<u><u>\$ 301,667,483</u></u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%

Note: Oregon Revised Statutes Section 287A.050 provides a debt limit of 3% of real market value of all taxable property within City boundaries for general obligation debt.

Source: Current and prior years' Comprehensive Annual Financial Reports and Multnomah County Assessor's Office.

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 325,241,387	\$ 351,598,537	\$ 388,941,568	\$ 440,527,406	\$ 488,053,798	\$ 505,092,359
-	-	-	-	-	-
<u>\$ 325,241,387</u>	<u>\$ 351,598,537</u>	<u>\$ 388,941,568</u>	<u>\$ 440,527,406</u>	<u>\$ 488,053,798</u>	<u>\$ 505,092,359</u>

0.00%

0.00%

0.00%

0.00%

0.00%

0.00%

City of Gresham, Oregon
Pledged Revenue Coverage
for the last ten fiscal years

Water Revenue Bonds

Fiscal Year	Gross Revenues	Less Operating Expenses	Net Available Revenue	Debt Service Requirements		Coverage %
				Principal	Interest	
2011	11,651,375	7,666,521	3,984,854	1,465,000	300,844	2.26
2012	12,211,561	7,976,473	4,235,088	1,028,734	242,912	3.33
2013	12,758,603	8,422,097	4,336,506	1,055,837	223,405	3.39
2014	12,900,829	8,343,926	4,556,903	891,562	183,338	4.24
2015 ⁽¹⁾	12,658,156	8,874,201	3,783,955	951,555	197,847	3.29
2016	13,653,330	9,011,762	4,641,568	269,061	253,610	8.88
2017	13,597,345	9,593,994	4,003,351	284,519	260,652	7.34
2018	14,669,775	10,442,299	4,227,476	296,326	274,762	7.40
2019	15,420,595	10,554,563	4,866,032	303,464	310,656	7.92
2020	15,800,698	11,468,252	4,332,446	315,468	367,438	6.34

Stormwater Revenue Bonds

Fiscal Year	Gross Revenues	Less Operating Expenses	Net Available Revenue	Debt Service Requirements		Coverage %
				Principal	Interest	
2011	6,642,574	4,562,811	2,079,763	340,000	198,115	3.86
2012	6,987,917	4,680,663	2,307,254	355,000	185,598	4.27
2013	7,267,024	4,709,944	2,557,080	370,000	172,000	4.72
2014	7,247,546	4,759,877	2,487,669	380,000	157,370	4.63
2015	7,466,394	5,081,162	2,385,232	395,000	138,052	4.47
2016	7,811,665	5,571,777	2,239,888	420,000	148,080	3.94
2017	8,204,059	5,702,425	2,501,634	440,000	113,700	4.52
2018	8,521,607	6,292,334	2,229,273	664,390	93,222	2.94
2019	9,232,732	6,623,837	2,608,895	731,780	68,450	3.26
2020	10,533,140	7,327,676	3,205,464	756,780	44,200	4.00

Wastewater Revenue Bonds & Notes

Fiscal Year	Gross Revenues	Less Operating Expenses	Net Available Revenue	Debt Service Requirements		Coverage %
				Principal	Interest	
2011	15,373,071	10,211,804	5,161,267	1,603,176	982,160	2.00
2012	15,526,926	10,782,896	4,744,030	1,912,690	861,113	1.71
2013	15,730,193	11,152,405	4,577,788	1,967,456	791,296	1.66
2014	16,939,221	11,258,513	5,680,708	2,022,632	689,186	2.09
2015 ⁽¹⁾	17,983,466	11,782,087	6,201,379	2,081,113	643,396	2.28
2016	17,850,267	11,790,666	6,059,601	2,062,656	592,153	2.28
2017	18,515,111	12,361,414	6,153,697	2,103,200	542,291	2.33
2018	19,103,845	12,710,443	6,393,402	2,164,762	474,630	2.42
2019	19,821,720	12,652,612	7,169,108	2,228,341	403,357	2.72
2020	20,611,342	13,252,111	7,359,231	2,293,936	329,134	2.81

Gross revenues are composed of Charges for Services, Interest and Investment earnings, and other revenues available for debt service payments. Internal Service Charges and Transfers are normally excluded.

⁽¹⁾ Water and Wastewater funds refunded previously issued debt in late 2015. The principal and interest requirements were maintained at the pre-refunding amounts so as not to distort the coverage calculations for FY 2015.

City of Gresham, Oregon
Demographic and Economic Statistics
for the last ten fiscal years

Fiscal Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate	(1)
2011	105,795	93,449,170	41,302	9.5%	
2012	105,970	98,698,029	43,103	8.2%	
2013	106,180	101,210,007	43,728	7.6%	
2014	106,455	107,536,731	45,794	6.1%	
2015	107,065	115,690,881	48,422	5.4%	
2016	108,150	122,433,633	50,489	5.2%	
2017	109,820	131,861,400	53,751	3.9%	
2018	110,505	141,269,900	56,991	3.8%	
2019	111,810	149,346,827	59,921	3.9%	
2020	112,660	*	*	11.8%	

Sources:

2019 Comprehensive Annual Financial Report

Population Research Center, Portland State University

Personal income: Bureau of Economic Analysis. Information for the Portland - Vancouver - Hillsboro Oregon/Washington area.

Per capita income: Bureau of Economic Analysis. Information for the Portland - Vancouver - Hillsboro Oregon/Washington area.

Unemployment rate: U.S. Department of Labor, Bureau of Labor Statistics, not seasonally adjusted.

(1) As of June 30.

* Information unavailable at this time

City of Gresham, Oregon
Principal Employers
current year and nine years ago

Employer	2020			2011		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Boeing of Portland	1,948	1	3.94%	1,357	2	2.81%
U.S. Bancorp	1,636	2	3.30%	1,636	1	3.39%
Gresham Barlow School District	1,027	3	2.07%	1,014	3	2.10%
ON Semiconductor	744	4	1.50%	504	7	1.04%
Mt. Hood Community College	721	5	1.46%	-	-	-
Centennial School District	676	6	1.36%	-	-	-
Legacy Mt. Hood Medical Center	601	7	1.21%	601	5	1.24%
City of Gresham	598	8	1.21%	553	6	1.15%
Microchip Technology Center	546	9	1.10%	408	9	0.85%
Albertson's Distribution Center	332	10	0.67%	414	8	0.86%
ACS Commercial Solutions Inc.	-	-	-	680	4	1.41%
Cascade Corporation	-	-	-	212	10	0.44%
Total	<u>8,828</u>		<u>17.83%</u>	<u>7,379</u>		<u>15.28%</u>
Total of employees in Gresham	49,502			48,277		

Sources:

- 2011 Comprehensive Annual Financial Report
- City of Gresham Business Licensing Division
- City of Gresham Budget Division
- Adopted budgets for Mt. Hood Community College, Centennial School District and Gresham-Barlow School District
- U.S. Department of Labor, Bureau of Labor Statistics

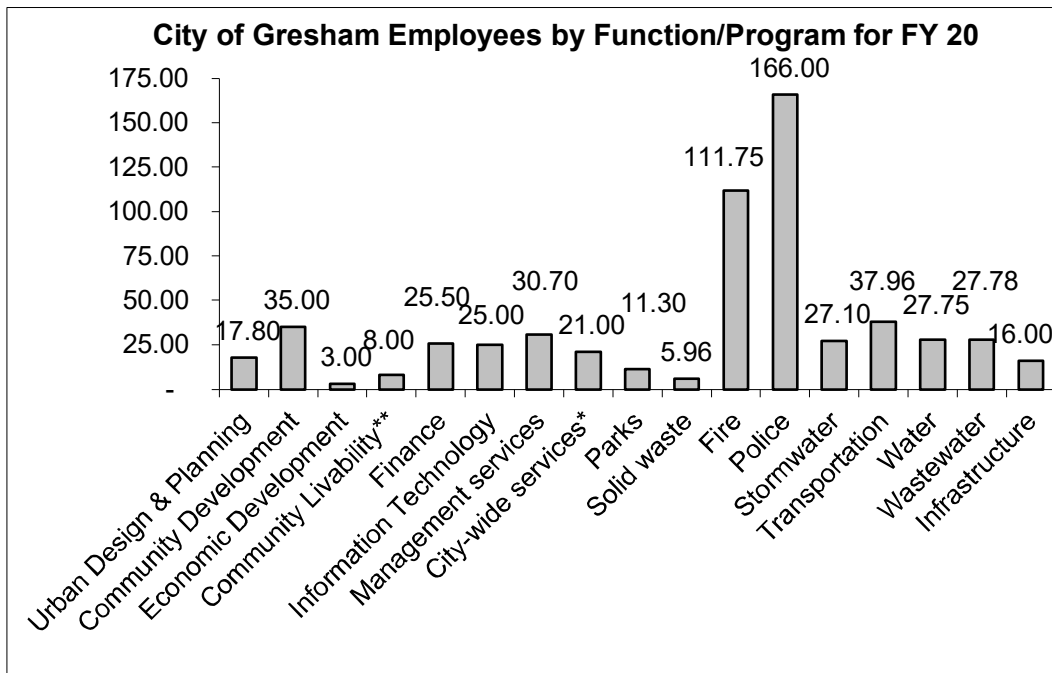
CITY OF
GRESHAM
GOING BEYOND

City of Gresham, Oregon
Full-time Equivalent City Government Employees by Function
for the last ten fiscal years

Function/Program	Full-time equivalent employees				
	2011	2012	2013	2014	2015
General government					
Urban Design & Planning	15.00	16.00	14.50	12.50	12.50
Community Development	38.00	25.00	24.00	25.00	25.00
Economic Development	3.75	3.75	3.75	3.75	3.75
Community Livability**	-	-	-	-	-
Finance	32.10	26.60	24.60	24.60	24.40
Information Technology	13.00	17.00	17.00	17.00	18.00
Management services	41.90	31.40	30.40	30.90	30.80
City-wide services*	-	23.00	23.00	24.50	23.50
Parks	8.59	8.38	8.33	8.33	8.30
Solid waste	4.91	4.91	4.95	5.01	4.41
Public safety					
Fire	95.50	90.00	89.50	89.50	95.50
Police	161.00	149.00	152.00	152.00	152.00
Stormwater	23.88	22.93	23.13	23.12	25.40
Transportation	35.85	33.91	33.92	34.90	39.20
Water	27.26	27.32	27.72	27.71	28.53
Wastewater	27.86	26.85	29.25	29.23	29.76
Infrastructure	24.50	14.50	12.50	11.50	11.50
Total	553.10	520.55	518.55	519.55	532.55

* New department in 2011/2012.

** New department in 2018/2019.



Source: City of Gresham Budget Division

2016	2017	2018	2019	2020
13.00	15.80	17.80	17.80	17.80
25.00	29.00	35.00	32.00	35.00
3.75	4.00	3.00	3.00	3.00
-	-	-	8.00	8.00
24.40	24.40	25.40	25.50	25.50
19.00	19.00	21.00	22.00	25.00
30.80	30.80	32.80	31.70	30.70
23.50	24.00	23.00	20.00	21.00
8.30	8.30	8.30	11.30	11.30
4.46	4.46	4.96	5.96	5.96
96.75	96.75	103.75	111.75	111.75
157.00	159.00	165.00	166.00	166.00
24.77	24.77	25.10	25.10	27.10
38.76	35.96	36.96	36.96	37.96
27.93	27.93	27.75	27.75	27.75
28.43	28.43	28.28	28.28	27.78
11.50	14.50	14.50	15.50	16.00
537.35	547.10	572.60	588.60	597.60

City of Gresham, Oregon
Operating Indicators by Function
For the last ten years

Function/Program	Fiscal Year			
	2011	2012	2013	2014
Governmental activities:				
Community development				
Residential building permits applications issued	340	460	481	646
Valuation	\$ 18,875,751	\$ 32,840,052	\$ 30,590,592	\$ 36,364,810
Commercial building permits application issued	537	550	557	577
Valuation	\$ 90,891,638	\$ 69,637,169	\$ 40,527,872	\$ 44,619,928
Building inspections conducted	9,903	9,656	8,526	8,951
Police				
Part I crimes (person)	4,461	4,980	4,244	4,266
Part II crimes (property)	5,823	5,437	5,469	5,391
Calls for service	75,232	75,180	72,657	74,276
Fire				
Emergency responses	13,000	13,474	13,000	13,000
Fire inspections	1,050	1,283	1,350	1,230
Business-type activities:				
Water				
Accounts	17,061	17,081	17,190	18,704
Average daily consumption (millions of gallons)	7	7	7	6
Stormwater				
Accounts	24,094	24,164	24,228	25,962
Wastewater				
Accounts	24,141	24,214	24,281	25,866
Average daily sewage treatment (millions of gallons)	12	12	13	13

Sources:

- City of Gresham Community Development
- City of Gresham Police Department
- City of Gresham Fire Department
- City of Gresham Finance and Management Services Department
- City of Gresham Office of Governance and Management
- City of Gresham Department of Environmental Services

2015	2016	2017	2018	2019	2020
767	713	709	797	854	792
\$ 66,156,164	\$ 53,612,230	\$ 41,814,606	\$ 81,402,290	\$104,593,157	\$127,434,862
690	850	745	418	718	889
\$ 92,421,494	\$243,011,292	\$ 95,422,482	\$ 10,277,185	\$519,865,616	\$217,965,315
10,866	13,577	13,320	14,158	21,824	23,246
4,144	3,743	4,036	4,274	4,169	1,060
4,131	3,786	3,548	2,816	3,332	4,763
73,951	74,875	73,012	74,147	71,619	67,200
14,601	16,000	16,869	16,357	16,457	16,335
2,166	2,100	1,811	1,750	2,461	2,429
16,656	16,734	16,844	16,986	17,292	17,297
7	7	6	7	7	6
24,038	24,123	24,028	24,177	24,450	24,635
24,006	24,093	23,966	24,114	24,454	24,583
13	13	13	12	12	10

City of Gresham, Oregon
Capital Assets Statistics by Function
For the last ten years

Function/Program	Fiscal Year			
	2011	2012	2013	2014
Governmental activities:				
General government				
City-owned building facilities	9	9	10	12
Police				
Police station	1	1	1	2
Community police office	1	1	1	1
K9 officers	2	2	2	2
Police patrol cars	38	34	25	23
Police motorcycles	5	5	6	6
Fire				
Fire stations	6	6	6	6
Fire vehicles				
Ladder trucks	1	1	1	1
Engines (In service)	6	7	7	7
Specialized emergency vehicles	5	3	6	6
Parks				
Acres of parks & trails (developed & undeveloped)	258	258	257	257
Acres of natural area	942	942	989	989
Acres from other providers	584	584	584	584
Playgrounds	16	16	16	16
Baseball/softball diamonds	14	14	14	14
Soccer/football fields	10	10	10	10
Business-type activities:				
Water				
Local storage capacity (in millions of gallons)	27.2	27.3	27.3	27.3
Stormwater				
Catch basins	8,122	8,154	8,068	8,083
Drywells	1,100	1,100	1,102	1,103
Wastewater				
Wastewater plant capacity (millions of gallons per day)	20	20	20	20
Transportation				
Street lights	7,957	7,969	8,210	8,195
Traffic signals	115	102	102	102
Transportation signs*	12,552	12,075	12,986	15,111
Miles of streets **	891	897	898	901

*These include City owned signs maintained by the County.

**In 2009, the Transportation Department changed to a more accurate method of calculating miles of streets. They are now calculated using lane miles instead of center lane miles.

Sources:

City of Gresham Police Department
City of Gresham Fire Department
City of Gresham Department of Environmental Services
City of Gresham GIS Department
City of Gresham Finance & Management Services Department

2015	2016	2017	2018	2019	2020
14	14	14	14	14	14
2	2	2	2	2	2
1	1	1	1	1	1
2	2	3	3	3	3
23	26	25	32	36	38
5	5	3	3	3	3
6	6	6	6	6	6
1	1	1	1	1	1
7	7	6	7	6	7
6	6	5	7	5	6
278	293	294	294	294	344
963	956	964	964	964	932
621	624	659	659	659	648
16	16	16	16	16	18
14	14	14	14	14	14
10	10	10	10	10	15
27.2	27.2	27.2	27.2	27.2	27.2
8,198	7,958	7,925	8,006	8,022	8,083
1,117	1,105	1,105	1,120	1,126	1,124
20	20	20	20	20	20
8,386	8,306	8,490	8,494	8,552	8,587
103	103	104	104	104	104
15,828	16,897	17,288	17,767	19,030	18,617
901	905	907	909	913	917

City of Gresham, Oregon

Miscellaneous Statistics

Current Year

Elections:

Number of registered voters for last primary election (May 19, 2020)	66,726
Number of votes cast in last primary election	24,636
Percentage of registered voters voting in the last primary election	37%
Number of registered voters for last general election (November 6, 2018)	68,453
Number of votes cast in last general election	40,774
Percentage of registered voters voting in the last general election	60%

Census population count for the last six decades

1960	3,944
1970	9,875
1980	33,005
1990	68,235
2000	90,205
2010	105,594

Age distribution of population for the last six decades

Year	Percent Under 18	Percent 18-64	Percent Over 65
1960	30.0	52.0	18.0
1970	36.8	53.8	9.4
1980	30.5	61.3	8.2
1990	27.4	62.6	10.0
2000	27.5	62.7	9.8
2010	26.4	62.9	10.7

Income level of population for the last six decades

1960	Median (family)	\$	5,737
1970	Median (family)		10,933
1980	Median (family)		24,266
1990	Median (family)		36,664
2000	Median (family)		51,126
2010	Median (family)		47,515

Historical Data:

City Founded	1905
City Incorporated	1905
First Charter Adopted	1948
Present Charter Adopted	1978
Present Charter Amended	1980, 1983, 1984, 1986, 1994 1996, 1998, 2005, 2012
Form of Government	Council-Manager
Area - Square Miles	23.43

Sources:

U.S. Census Bureau
 Elections information: Multnomah County Elections Division
 Area - Square Miles: City of Gresham Information Technology Department
 All other information: 2018-2019 Comprehensive Annual Financial Report

Reports Required by Statutes

INDEPENDENT AUDITORS' REPORT
REQUIRED BY OREGON STATE REGULATIONS



To the Honorable Mayor, Members of the
City Council and the City Manager
City of Gresham, Oregon

1976 Garden Ave.
Eugene, OR 97403
541.342.5161
www.islercpa.com

We have audited the basic financial statements of City of Gresham, Oregon as of and for the year ended June 30, 2020, and have issued our report thereon dated January 29, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*.

Compliance

As part of obtaining reasonable assurance about whether City of Gresham's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-000 to 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

In connection with our testing nothing came to our attention that caused us to believe City of Gresham was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control

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

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

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

This report is intended solely for the information and use of the Honorable Mayor, members of the City Council, the City Manager, management for the City of Gresham and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than those specified parties.

ISLER CPA



By: Gatlin Hawkins, CPA, a member of the firm
Eugene, Oregon
January 29, 2021

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



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

1976 Garden Ave.
Eugene, OR 97403
541.342.5161
www.islercpa.com

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Gresham, Oregon ("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 and have issued our report thereon dated January 29, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) 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.

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

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

Compliance and Other Matters

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

Purpose of This Report

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

Isler CPA



By: Gatlin Hawkins, CPA, a member of the firm
Eugene, Oregon
January 29, 2021

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE



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

1976 Garden Ave.
Eugene, OR 97403
541.342.5161
www.islercpa.com

Report on Compliance for Each Major Federal Program

We have audited the City of Gresham's ("the City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2020. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with types of requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

Isler CPA



By: Gatlin Hawkins, CPA, a member of the firm
Eugene, Oregon
January 29, 2021

City of Gresham, Oregon
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2020

Section I - Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered material weakness?	No
Noncompliance material to financial statements noted?	No

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	No
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 516(a) of the Uniform Guidance?	No

Identification of Major Programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>	
14.218	CDBG – Entitlement Grants Cluster	
Dollar threshold used to distinguish between type A and type B programs:		\$750,000
Auditee qualified as low-risk auditee?		Yes

City of Gresham, Oregon
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2020

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

None.

Section IV - Summary Schedule of Prior Audit Findings

None.

Continuing Disclosure

ANNUAL DISCLOSURE INFORMATION FOR FULL FAITH & CREDIT OBLIGATIONS

In conformance with SEC Rule 15c2-12, as amended (17 CFR Part 240 § 240.15c2-12) (the "Rule"), the City will provide annually the type of information presented in the tables of this section to EMMA (the permanent electronic repository of the MSRB). See "FORM OF CONTINUING DISCLOSURE CERTIFICATE" in bond transcripts for more information.

Outstanding Obligations as of June 30, 2020

	Dated Date	Maturity Date	Principal Issued	Principal Outstanding as of 6/30/2020
Full Faith and Credit Obligations				
2004 Pension Obligation Bonds	5/27/2004	6/1/2028	\$ 19,280,000	\$ 13,435,000
2010 Financing Agreement City of Gresham/Urban Renewal	6/4/2010	6/1/2023	23,470,000	6,455,488
2013 Full Faith & Credit Obligations Series B	7/30/2013	7/1/2033	4,655,000	2,410,000
2013 Full Faith & Credit Obligations Series C	7/30/2013	7/1/2033	7,610,000	3,415,000
2014 Section 108 Fountain Loan	6/30/2014	6/30/2033	1,500,000	366,000
2015 Section 108 Nadaka Park Loan	5/13/2015	8/1/2019	85,000	-
2015 Full Faith & Credit City of Gresham/Urban Renewal	5/27/2015	5/1/2035	8,957,582	5,138,750
2015 Gresham Redevelopment Commission	6/1/2015	6/1/2023	6,700,000	2,701,790
2017 Gresham Redevelopment Commission Revolving Note	2/22/2017	6/1/2023	1,000,000	8,200,000
2018 Weston Property Loan	7/31/2018	7/31/2023	1,770,000	1,304,995
2018-22 Line of Credit*	5/10/2018	5/9/2022	24,000,000	18,185,200
Total Full Faith and Credit Obligations			<u>99,027,582</u>	<u>61,612,222</u>
			<u>99,027,582</u>	<u>61,612,222</u>
Total Direct Debt				
Debt Backed by Water Revenue				
Water Meter Replacement Notes 2011	6/1/2011	12/1/2030	2,361,232	1,454,745
2015 Full Faith & Credit - Water	5/27/2015	5/1/2035	5,332,418	4,396,250
2018-22 Line of Credit*	5/10/2018	5/9/2022	22,000,000	6,825,200
Total Debt Backed by Water Revenue			<u>29,693,650</u>	<u>12,676,195</u>
Debt Backed by Stormwater Revenue				
Stormwater Revenue Refunding Bonds, Series 2006	12/21/2006	5/1/2021	2,850,000	530,000
State of Oregon SRF UIC Improvements	4/4/2017	8/1/2037	4,935,608	4,318,658
Total Debt Backed by Stormwater Revenue			<u>7,785,608</u>	<u>4,848,658</u>
Debt Backed by Wastewater Revenue				
2009 Wastewater Financing Agreement	9/15/2009	5/1/2021	19,351,000	1,912,000
R39190 Wastewater Second Clarifier	10/15/2009	8/1/2029	407,058	227,522
2015 Full Faith & Credit - Wastewater	5/27/2015	5/1/2031	5,670,000	4,275,000
2018-22 Line of Credit*	5/10/2018	5/9/2022	500,000	250,200
Total Debt Backed by Wastewater Revenue			<u>25,928,058</u>	<u>6,664,722</u>
			<u>63,407,316</u>	<u>24,189,575</u>
Total Utility Obligations				
Total Outstanding Obligations			<u>* \$ 142,434,898</u>	<u>\$ 85,801,797</u>

* The City closed on a Line of Credit that allows a maximum amount of \$50 Million. The uses allow for Government Activity and/or Business Type projects. Principal Issued is the projected usage of the line through maturity.

Overlapping Debt as of June 30, 2020

Governmental Unit	Total Net Debt	Percent Within City	City's Pro-Rata Share
Debt repaid with property taxes			
Lusted Water District	\$ 650,000	0.59%	\$ 3,859
Metro	819,020,000	5.04%	41,310,078
Mt. Hood Community College	20,660,000	28.93%	5,977,681
Multnomah County	330,220,117	8.00%	26,404,913
Multnomah County School District 10J (Gresham-Barlow)	344,989,393	72.48%	250,033,368
Multnomah County School District 28J (Centennial)	17,677,677	30.96%	5,472,282
Multnomah County School District 7 (Reynolds)	198,463,864	35.75%	70,957,156
Other debt			
Metro	15,660,000	4.28%	671,016
Mt. Hood Community College	31,807,708	29.15%	9,270,420
Multnomah County School District 7 (Reynolds)	1,428,571	36.88%	526,871
Multnomah ESD	25,230,000	8.08%	2,038,231
Port of Portland	56,255,000	3.94%	2,217,291
Rockwood Water PUD	4,375,000	67.93%	2,972,086
	<u>\$ 1,866,437,330</u>		<u>\$ 417,855,252</u>

Debt Ratios

	Values	Per Capita	Percent of RMV
Estimated Population	112,660	-	-
Real Market Value (RMV)	\$ 16,836,411,973	\$ 149,444	-
Total Direct Debt	61,612,222	547	0.37%
Overlapping Debt	417,855,252	3,709	2.48%
Total Direct Debt and Overlapping Debt	<u>\$ 479,467,474</u>	<u>\$ 4,256</u>	2.86%

Ten Largest Taxpayers

Business		Assessed Value	Percentage of Total Assessed Value
Boeing Company	Aircraft Frame Structures	\$ 270,157,770	3.02%
Microchip Technology Inc.	Microelectronics Products	164,566,840	1.84%
On Semiconductor Components	Microelectronics Products	114,875,940	1.29%
Portland General Electric Co.	Utility Service	94,659,750	1.06%
New Albertson's Inc.	Grocery Retail	53,904,530	0.60%
U.S. National Bank of Oregon	Financial Services	46,047,590	0.52%
Cascade Corporation	Equipment Manufacturing	41,148,140	0.46%
Madison-Specht Vista Logistics LLC	Property Development	41,015,630	0.46%
HIP Gresham Station LLC	Property Development	39,153,000	0.44%
U.S. Bancorp	Financial Services	35,554,810	0.40%
		\$ 901,084,000	10.09%

Total Assessed Value, City of Gresham \$ 8,934,790,700

General Fund Consecutive Balance Sheet -- As of June 30, 2019

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
ASSETS					
Cash & investments	\$ 8,880,265	\$ 19,541,653	\$ 16,752,117	\$ 13,994,039	\$ 10,094,256
Receivables, net	2,782,304	2,600,795	3,552,571	4,260,697	4,180,634
Property taxes receivable, net	1,740,868	1,815,252	1,582,093	889,625	877,187
Due from other funds	5,950,815	5,377,174	6,419,640	5,655,919	6,127,023
Other assets	23,542	61,855	64,283	87,133	55,118
Total assets	<u>\$ 19,377,794</u>	<u>\$ 29,396,729</u>	<u>\$ 28,370,704</u>	<u>\$ 24,887,413</u>	<u>\$ 21,334,218</u>
LIABILITIES					
Accounts payable	\$ 304,924	\$ 1,091,552	\$ 371,021	\$ 1,231,289	\$ 1,126,624
Other accrued liabilities	-	-	90	-	147
Deposits	779	-	-	210	210
Total liabilities	<u>305,703</u>	<u>1,091,552</u>	<u>371,111</u>	<u>1,231,499</u>	<u>1,126,981</u>
DEFERRED INFLOWS OF RESOURCES ⁽¹⁾					
Unavailable revenue - property taxes	1,664,871	1,741,609	1,445,169	798,109	785,392
Total deferred inflows of resources	<u>1,664,871</u>	<u>1,741,609</u>	<u>1,445,169</u>	<u>798,109</u>	<u>785,392</u>
FUND BALANCES					
Unassigned	17,407,220	26,563,568	26,554,424	22,857,805	19,421,845
Total fund balances	<u>17,407,220</u>	<u>26,563,568</u>	<u>26,554,424</u>	<u>22,857,805</u>	<u>19,421,845</u>
Total liabilities, deferred inflows and fund balances:	<u>\$ 19,377,794</u>	<u>\$ 29,396,729</u>	<u>\$ 28,370,704</u>	<u>\$ 24,887,413</u>	<u>\$ 21,334,218</u>

(1) The Governmental Accounting Standards Board (GASB) issued Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position and Statement No. 65, Items Previously Reported as Assets and Liabilities. The City implemented GASB Statement No. 63 and 65 in the year ending June 30, 2013.

General Fund Consecutive Statement of Revenues and Expenditures -- For year ended June 30, 2020

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenues					
Taxes	\$ 34,054,860	\$ 34,334,328	\$ 36,316,588	\$ 39,422,284	\$ 38,141,211
Licenses and permits	363,188	391,184	420,372	429,794	512,243
Intergovernmental revenues	9,120,395	9,722,168	11,154,782	11,249,913	10,512,297
Charges for services	393,259	390,925	399,666	430,599	4,604,117
License fees	8,185,900	19,134,086	10,380,166	10,641,085	11,180,201
Miscellaneous revenues	290,445	258,100	427,531	933,633	997,084
Internal service charges	453,658	617,423	944,378	518,052	415,127
Total revenues	<u>52,861,705</u>	<u>64,848,214</u>	<u>60,043,483</u>	<u>63,625,360</u>	<u>66,362,280</u>
Expenditures					
Public safety	43,200,956	46,571,744	49,862,005	55,553,564	59,955,541
Community development	957,934	1,048,957	1,205,897	788,436	614,006
Economic development services	657,407	672,471	665,351	753,124	693,741
Parks ⁽²⁾	2,143,114	2,194,447	2,356,032	2,778,617	2,786,119
Total expenditures	<u>46,959,411</u>	<u>50,487,619</u>	<u>54,089,285</u>	<u>59,873,741</u>	<u>64,049,407</u>
Excess of revenues over (under) expenditures	<u>5,902,294</u>	<u>14,360,595</u>	<u>5,954,198</u>	<u>3,751,619</u>	<u>2,312,873</u>
Other financing sources (uses)					
Issuance of debt	-	-	1,275,000	-	-
Operating transfers in	175,658	75,000	75,000	75,000	75,000
Operating transfers out	(4,913,256)	(5,279,247)	(7,313,342)	(7,523,238)	(5,892,912)
	<u>(4,737,598)</u>	<u>(5,204,247)</u>	<u>(5,963,342)</u>	<u>(7,448,238)</u>	<u>(5,817,912)</u>
Fund balances					
Beginning of year	16,242,524	17,407,220	26,563,568	22,866,949	22,926,884
End of year	<u>\$ 17,407,220</u>	<u>\$ 26,563,568</u>	<u>\$ 26,554,424</u>	<u>\$ 19,170,330</u>	<u>\$ 19,421,845</u>

ANNUAL DISCLOSURE INFORMATION FOR STORMWATER OBLIGATIONS

In conformance with SEC Rule 15c2-12, as amended (17 CFR Part 240 § 240.15c2-12) (the "Rule"), the City will provide annually the type of information presented in the tables of this section to EMMA (the permanent electronic repository of the MSRB). See "FORM OF CONTINUING DISCLOSURE CERTIFICATE" in bond transcripts for more information.

Ten Largest Stormwater System Customers

Customer	Annual DRUs	Annual Service Charges	Percent of Total Charges
Gresham Barlow School District	12,380	\$ 166,224	13.94%
Boeing	12,863	161,371	13.54%
Mt. Hood Community College	12,291	155,102	13.01%
Albertson's Inc	8,539	125,650	10.54%
City of Gresham	7,928	120,441	10.10%
Subaru of America	6,777	91,627	7.69%
KRC Property Management	6,066	83,534	7.01%
Microchip Technology, Inc	4,896	79,087	6.63%
Centennial School District	4,895	71,624	6.01%
MIREF Gateway LLC	5,646	70,825	5.94%
Southshore Commerce Center	5,321	66,746	5.60%
Total		<u>\$ 1,192,231</u>	

Total gross stormwater system service revenue for Fiscal Year 2019-20 was: \$ 10,163,022

Stormwater System Capital Assets

Facility	Depreciated Value
Land, buildings and improvements	\$ 6,984,513
Infrastructure	1,217,909
Machinery and equipment	51,639,779
Construction in progress	948,070
	<u>\$ 60,790,271</u>

System Rates and Charges

	2015-16	2016-17	2017-18	2018-19	2019-20
Monthly rate per DRU	10.34	10.60	11.32	12.12	12.97
System development charge per DRU*	824	824	824	1,203	1,225

* Within current City limits

Monthly 2019-20 Residential Stormwater Rate Comparison for a "Typical" Residence

Agency	Residential Rate
City of Portland	\$30.05
City of Gresham	12.97
City of Beaverton	11.31
City of Wilsonville	11.90
City of Fairview	10.36
City of Hillsboro	9.57

Stormwater Fund Consecutive Net Position/Balance Sheet (GAAP Basis) -- As of June 30, 2020

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
ASSETS					
Current assets:					
Cash and investments	\$ 19,640,784	\$ 19,469,870	\$ 20,870,399	\$ 22,115,362	\$ 23,765,746
Receivables, net	1,446,573	1,494,292	1,885,446	1,250,058	1,675,125
Due from other funds	1,275,912	976,647	1,115,089	1,115,226	1,198,004
Total current assets	<u>22,363,269</u>	<u>21,940,809</u>	<u>23,870,934</u>	<u>24,480,646</u>	<u>26,638,875</u>
Noncurrent assets:					
Other assets	49,847	60,577	80,473	138,703	135,589
Net Pension Asset ⁽²⁾	-	-	-	-	-
Restricted cash and investments	562,500	623,390	623,390	623,390	623,390
Capital assets					
Nondepreciable	9,535,593	5,152,557	8,818,111	7,996,705	8,202,422
Depreciable, net	45,390,304	49,774,022	49,009,986	53,392,501	52,587,849
Total noncurrent assets	<u>55,538,244</u>	<u>55,610,546</u>	<u>58,531,960</u>	<u>62,151,299</u>	<u>61,549,250</u>
Total assets	<u>77,901,513</u>	<u>77,551,355</u>	<u>82,402,894</u>	<u>86,631,945</u>	<u>88,188,125</u>
DEFERRED OUTFLOWS OF RESOURCES ⁽¹⁾					
Deferred refunding amount on debt issuance	176,700	137,434	98,167	58,900	19,633
Deferred outflow related to pension ⁽²⁾	160,907	1,221,972	918,162	1,556,409	1,092,208
Deferred outflow related to OPEB	-	-	10,829	41,780	43,710
Total deferred outflows of resources	<u>337,607</u>	<u>1,359,406</u>	<u>1,027,158</u>	<u>1,657,089</u>	<u>1,155,551</u>
LIABILITIES					
Current liabilities:					
Accounts payable	339,496	433,133	289,649	211,615	417,619
Accrued interest payable	18,757	15,248	11,160	7,367	3,754
Other accrued liabilities	4,923,238	11,937	-	10,805	25,477
Compensated absences	33,255	33,355	36,655	43,855	56,455
Bonds, notes and loans payable	2,011,092	679,482	746,872	771,872	791,872
Total current liabilities	<u>7,325,838</u>	<u>1,173,155</u>	<u>1,084,336</u>	<u>1,045,514</u>	<u>1,295,177</u>
Noncurrent liabilities:					
Net Pension Liability ⁽²⁾	923,286	2,441,127	2,466,665	2,877,192	3,406,162
Net OPEB Liability	-	-	268,167	304,718	294,310
Compensated absences	188,445	188,745	207,845	248,745	319,745
Bonds, notes and loans payable	2,042,828	6,374,954	5,628,082	4,856,210	4,064,338
Total noncurrent liabilities	<u>3,154,559</u>	<u>9,004,826</u>	<u>8,570,759</u>	<u>8,286,865</u>	<u>8,084,555</u>
Total liabilities	<u>10,480,397</u>	<u>10,177,981</u>	<u>9,655,095</u>	<u>9,332,379</u>	<u>9,379,732</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pension ⁽²⁾	315,898	131,208	146,311	738,755	328,734
Deferred inflows related to OPEB	-	-	15,819	20,579	43,110
Total deferred inflows of resources	<u>315,898</u>	<u>131,208</u>	<u>162,130</u>	<u>759,334</u>	<u>371,844</u>
NET POSITION					
Net investment in capital assets	51,048,678	52,960,277	51,551,310	55,820,024	55,941,613
Restricted for:					
Loan covenant requirement	-	-	123,390	123,390	123,390
Rate stabilization	500,000	500,000	500,000	500,000	500,000
Debt service	85,226	218,078	-	68,440	78,019
Unrestricted	15,808,921	14,923,217	21,438,127	21,685,467	22,949,078
Total net position	<u>\$ 67,442,825</u>	<u>\$ 68,601,572</u>	<u>\$ 73,612,827</u>	<u>\$ 78,197,321</u>	<u>\$ 79,592,100</u>

(1) The Governmental Accounting Standards Board (GASB) issued Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position and Statement No. 65, Items Previously Reported as Assets and Liabilities. The City implemented GASB Statement No. 63 and 65 in the year ending June 30, 2013.

(2) The Governmental Accounting Standards Board (GASB) issued Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27. The City implemented GASB Statement No. 68 in the year ending June 30, 2015.

Stormwater Fund Statement of Revenues, Expenses & Changes in Net Position (GAAP Basis) -- For year ended June 30, 2020

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
OPERATING REVENUES					
Charges for services	\$ 7,619,985	\$ 7,988,222	\$ 8,273,632	\$ 8,881,364	\$ 10,163,022
Miscellaneous	1,334,433	236,911	728,305	3,221,538	-
Total operating revenues	<u>8,954,418</u>	<u>8,225,133</u>	<u>9,001,937</u>	<u>12,102,902</u>	<u>10,163,022</u>
OPERATING EXPENSES					
Personnel services	2,609,766	2,556,358	2,754,533	2,470,304	3,364,864
Professional and technical services	751,503	495,818	527,946	594,199	674,799
Property services	78,579	96,800	85,553	97,641	89,272
Other services	155,783	159,230	244,060	318,567	39,196
Supplies	106,822	113,454	135,872	145,218	157,922
Internal services	1,853,423	2,045,171	2,281,559	2,394,476	2,639,605
Incentive programs	-	-	-	-	339,871
Other materials and services	107,081	601,891	534,048	713,665	404,330
Depreciation and amortization	1,926,700	2,047,260	2,158,540	2,284,732	2,367,018
Total operating expenses	<u>7,589,657</u>	<u>8,115,982</u>	<u>8,722,111</u>	<u>9,018,802</u>	<u>10,076,877</u>
Operating income (loss)	<u>1,364,761</u>	<u>109,151</u>	<u>279,826</u>	<u>3,084,100</u>	<u>86,145</u>
NONOPERATING REVENUES (EXPENSES)					
Miscellaneous revenue (expense)	25,954	12,849	(527)	(23,482)	3,942
Interest and investment income	332,247	156,175	172,517	757,693	975,447
Interest expense	(143,157)	(108,933)	(113,309)	(88,832)	(87,589)
Gain (loss) on disposition of assets	(70,156)	(685)	12,225	(1,316,957)	6,185
Total nonoperating revenues (expenses)	<u>144,888</u>	<u>59,406</u>	<u>70,906</u>	<u>(671,578)</u>	<u>897,985</u>
Income (loss) before contributions and transfers	<u>1,509,649</u>	<u>168,557</u>	<u>350,732</u>	<u>2,412,522</u>	<u>984,130</u>
Capital contributions	1,212,097	710,102	3,740,213	2,063,100	639,550
Transfers in	669,111	655,413	1,809,916	1,045,173	1,106,155
Transfers out	(370,650)	(375,325)	(630,650)	(936,301)	(1,335,056)
Change in net position	3,020,207	1,158,747	5,270,211	4,584,494	1,394,779
Total net position - beginning	<u>64,422,616</u>	<u>67,442,823</u>	<u>68,601,570</u>	<u>73,612,825</u>	<u>78,197,319</u>
Cumulative effect of change in accounting principle			<u>(258,956)</u>		
Total net position - ending	<u>\$ 67,442,823</u>	<u>\$ 68,601,570</u>	<u>\$ 73,612,825</u>	<u>\$ 78,197,319</u>	<u>\$ 79,592,098</u>

Five-Year Stormwater Fund Revenues, Expenses and Debt Service Coverage

	2016	2017	2018	2019	2020	2021 Projected	2022 Projected
Gross Revenues							
Charges for services	\$ 7,619,985	\$ 7,988,222	\$ 8,273,632	\$ 8,881,364	\$ 10,163,022	\$10,026,000	\$10,769,000
System development charges ¹	-	-	-	-	-	-	-
Other revenues	28,872	38,537	3,702	579	3,942	\$557,200	\$441,200
Interest earnings	332,247	156,175	172,517	545,305	975,447	\$186,360	\$170,745
Total Gross Revenues	<u>7,981,104</u>	<u>8,182,934</u>	<u>8,449,851</u>	<u>9,427,248</u>	<u>11,142,411</u>	<u>10,769,560</u>	<u>11,380,945</u>
Operating Expenses							
Net operating transfers included for coverage	226,350	221,675	(153,050)	(578,101)	(925,583)	(\$335,896)	(\$219,564)
Environmental services	<u>5,555,876</u>	<u>5,466,831</u>	<u>6,029,523</u>	<u>6,020,405</u>	<u>7,305,529</u>	<u>\$7,222,093</u>	<u>\$7,756,616</u>
Total Operating Expenses	<u>5,782,226</u>	<u>5,688,506</u>	<u>5,876,473</u>	<u>5,442,304</u>	<u>6,379,946</u>	<u>6,886,196</u>	<u>7,537,052</u>
Net Coverage Revenues	\$ 2,198,878	\$ 2,494,428	\$ 2,573,378	\$ 3,984,944	\$ 4,762,465	\$ 3,883,364	\$ 3,843,893
Debt Service	\$ 567,844	\$ 575,160	\$ 881,002	\$ 824,291	\$ 823,807	\$ 823,898	\$ 267,139
Debt Service Coverage	3.87	4.34	2.92	4.83	5.78	4.71	14.39

¹ Transfers for debt service.

Outstanding Obligations as of June 30, 2019

	Dated Date	Maturity Date	Amount Issued	Outstanding as of 6/30/2019
2006 Stormwater Revenue Refunding	12/21/2006	5/1/2021	\$ 2,850,000	\$ 1,040,000
2018-22 Line of Credit ²	5/10/2018	5/9/2022	30,000,000	-
2017 State of Oregon SRF Loan	4/4/2017	8/1/2037	4,935,608	4,565,438
Total Stormwater Revenue Bonds			<u>\$ 37,785,608</u>	<u>\$ 5,605,438</u>

² The Line of Credit has a maximum of \$30,000,000 for all project supported draws.