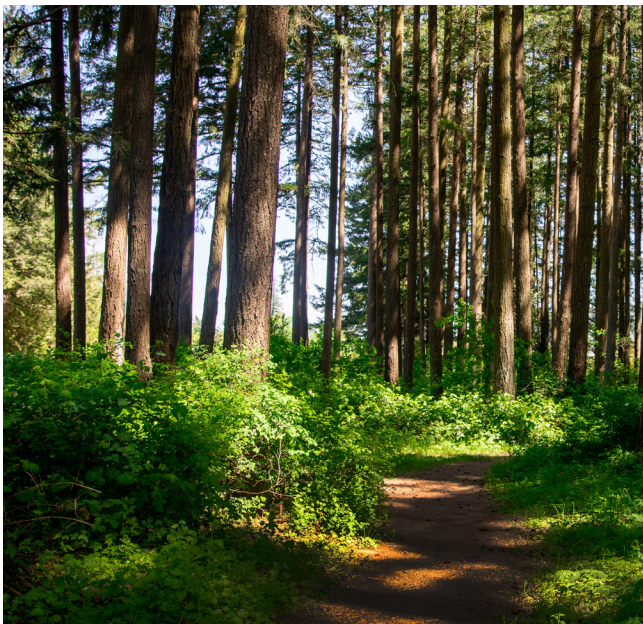


ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended
June 30, 2021



CITY OF GRESHAM, OREGON

ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Fiscal Year Ended June 30, 2021

Prepared by
Budget and Finance Department

CITY OF
GRESHAM
GOING BEYOND

**City Of Gresham, Oregon
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2021**

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CITY OF
GRESHAM
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February 12, 2022

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

The Department of Budget and Finance is pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Gresham, Oregon for the fiscal year ended June 30, 2021. 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 ACFR 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 ACFR.

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. She 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, Budget & Finance, Information Technology, Citywide 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 remains 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 economic growth is surging as the pandemic wanes. Due to federal fiscal policy, consumers have higher incomes than before COVID-19 began, resulting in the strongest near-term economic growth seen in decades. Currently, incomes in Oregon are 20% higher, in part due to the temporary federal relief measures. Excluding the direct federal aid, incomes are back to pre-pandemic levels and expected to grow 6-7% this year and next.

Gresham has continued 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 small business grants and a technical support team through Gresham’s Small Business Center.

Employment growth is on track to add a record number of jobs this next year with full job recovery predicted by the summer of 2022, a full quarter earlier than previously forecast. In August Oregon’s unemployment rate dropped below 5% for the first time since March 2020. The speed of the recovery has been immense as demonstrated by a peak of 13.2% in April 2020 to 4.9% in August 2021. It is reported that Oregon has gained back 204,700 jobs or 72% of those lost during the COVID-19 induced recession. Our economic path still remains uncertain 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 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. At the October 6, 2020 Council Business Meeting, a temporary increase of \$7.50 per month was approved effective January 1, 2021 thru June 30, 2022 to preserve key core services and positions affected by lost revenues due to the pandemic and subsequent economic downturn. This temporary measure has been extended through fiscal year 2023 to allow the City to align financial sustainability long term planning efforts with a strategic planning process led by City Council. 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 2021 Council Work Plan was adopted on March 16, 2021 and outlined 6 priorities focused on Covid-19 Response and Recovery,

Diversity, Equity, and Inclusion, Parks and Recreation, Public Safety, Financial Sustainability and Housing and Houselessness.

Significant projects in the 2021 Plan include a number of innovative programs to help the community cope with the impacts of Covid-19 such as utility assistance, tenant protections, and small business assistance grants. In December of 2020 the city began a project to lay the foundation for the creation of a sustainable, actionable, long-term DEI program; Phase II of that project will continue into this next fiscal year to include comprehensive program design and implementation. A robust parks system is a key community priority, in 2021 the council will form a Parks Community Advisory Group to assist with that goal. Guided by a Council-led public engagement process, the Police Department will work to build trust with Gresham's communities of color and ensure community safety for all residents. Long term financial stability continues to be a critical need for the City, in 2021, with meaningful participation from the community, the City will hold strategic conversations and determine options to establish long-term financial stability. Housing affordability and houselessness continue to be a critical issue for Gresham and the region. The City will continue to explore new strategies, funding, and partnerships to address houselessness as well as continue rental protections put in place as a response to the pandemic.

AWARDS AND ACKNOWLEDGEMENTS

Awards. For the 41st 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 Annual Comprehensive Financial Report (ACFR) for the Fiscal Year Ended June 30, 2020. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR that satisfies both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements. The preparation of the annual comprehensive 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, Terryl Aguon, 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
GOING BEYOND

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:	Travis Stovall Travis.Stovall@GreshamOregon.gov		December 2022
Councilors:	Dina DiNucci Dina.DiNucci@GreshamOregon.gov	1	December 2024
	Eddy Morales Eddy.Morales@GreshamOregon.gov	2	December 2022
	Vincent Jones-Dixon Vincent.JonesDixon@GreshamOregon.gov	3	December 2024
	Mario Palmero Mario.Palmero@GreshamOregon.gov	4	December 2022
	Sue Piazza Sue.Piazza@GreshamOregon.gov	5	December 2024
	Janine Gladfelter Janine.Gladfelter@GreshamOregon.gov	6	December 2022

Principal Officials:

- Nina Vetter, City Manager**
- Corey Falls, Deputy City Manager
- Eric Schmidt, Assistant City Manager
- Elizabeth Coffey, Assistant City Manager
- Steve Fancher, Assistant City Manager
- David Berniker, Urban Design & Planning Director
- Pat Hartley, Information Technology Director
- Mitch Snyder, Fire Chief
- Sharron Monohon, Director of Budget & Finance
- Karen Pearson, Human Resources Director
- Kevin McConnell, City Attorney
- Travis Gullberg, Police Chief
- Shannon Stadey, Economic Development Services Director
- Emily Bower, Director of Urban Renewal

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



Councilor Janine Gladfelter



Mayor Travis Stovall



Councilor Eddy Morales



Councilor Vincent Jones-Dixon

*Gresham's
Leadership*



Councilor Mario Palmero



Councilor Dina DiNucci

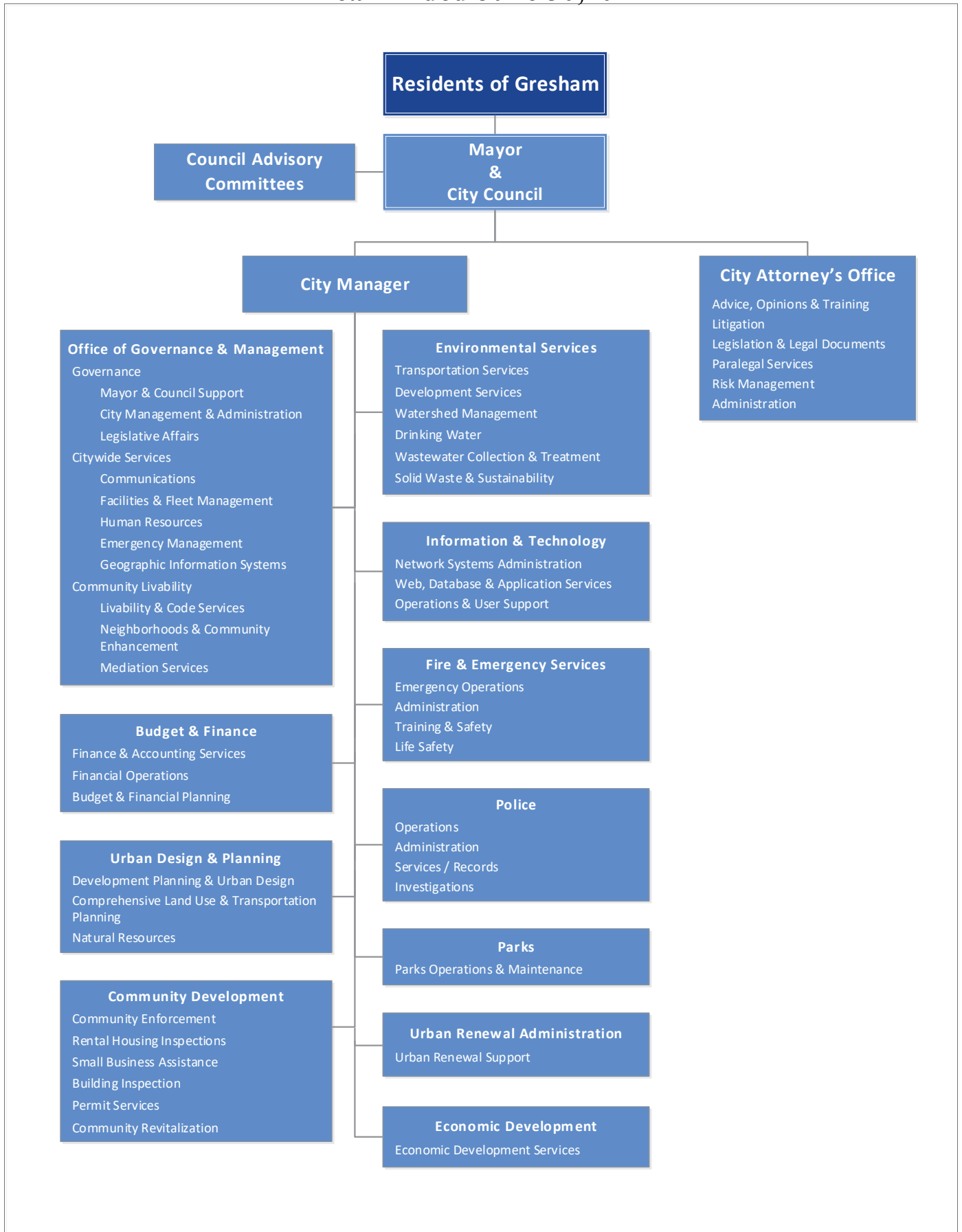


Councilor Sue Piazza



City Manager Nina Vetter

City of Gresham, Oregon Departments and Programs Year Ended June 30, 2021





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Gresham
Oregon**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

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, 2021, 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, 2021, 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 Designated Purpose Fund, the System Development Charges Fund, the Transportation Fund, the CDBG & HOME Fund (the "budgetary schedules"); the Schedule of the Changes in the City's Total OPEB Liability and Related Ratios Implicit Rate Subsidy; the Schedule of the City's Proportionate Share of the Net OPEB Liability (Asset) – Oregon Public Employee's Retirement System, Retirement Health Insurance Account; the Schedule of the City's Contributions – Oregon Public Employee's Retirement System; and the Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) – Oregon Public Employee's 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 the Changes in the City's Total OPEB Liability and Related Ratios Implicit Rate Subsidy; the Schedule of the City's Proportionate Share of the Net OPEB Liability (Asset) – Oregon Public Employee's Retirement System, Retirement Health Insurance Account; the Schedule of the City's Contributions – Oregon Public Employee's Retirement System; and the Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) – Oregon Public Employee's 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 February 12, 2022 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 February 12, 2022 on our consideration of the City’s compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

ISLER CPA



By: Gatlin Hawkins, CPA, a member of the firm
Eugene, Oregon
February 12, 2022

CITY OF
GRESHAM
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CITY OF GRESHAM, OREGON MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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 Annual Comprehensive Financial Report (ACFR).

FINANCIAL HIGHLIGHTS

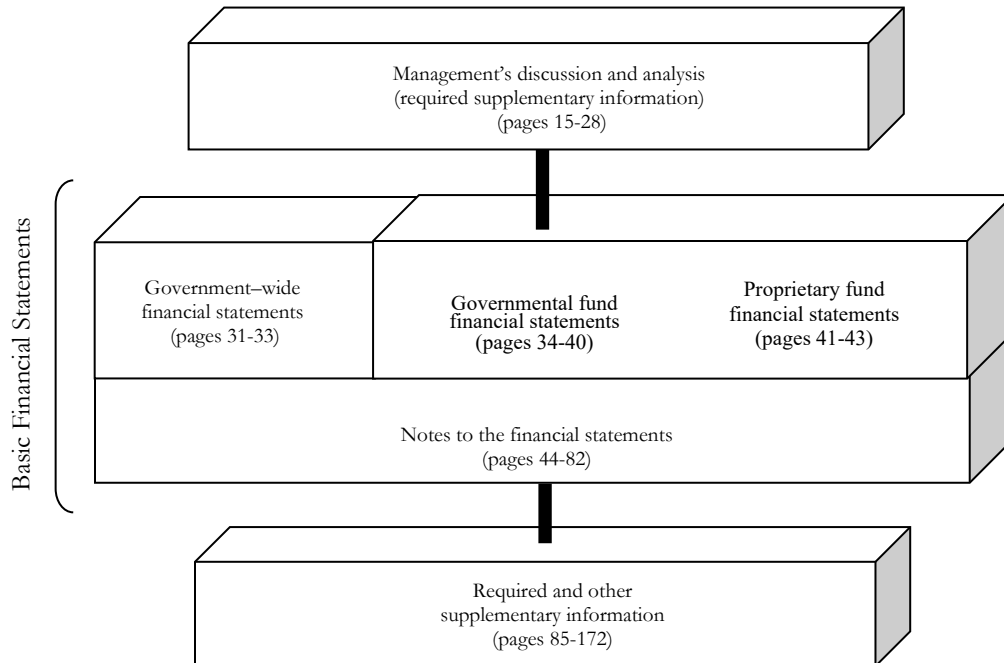
- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$971.4 million (net position). Of this amount, \$64.1 million in unrestricted net position (primarily intended for utility infrastructure replacement) 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 \$9.0 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 \$2.7 million. Governmental activities showed a decrease of \$4.9 million, primarily the result of increases in tax revenue and intergovernmental revenue as well as an increase in license fees and offset by larger increases in expenses for community development and urban renewal. Business-type activities net position increased by \$7.6 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 \$132.7 million, a \$11.2 million increase from the prior year primarily due to debt issuance and increased intergovernmental revenue while continuing to maintain service levels and contain costs.
- At year-end, the unassigned fund balance for the General Fund was \$27.8 million or 42.4% of General Fund operating expenditures during the year. The fund balance for the General Fund includes amounts due from other funds. The ratio is up from 30.3% in the prior year.
- Long term liabilities in the City increased by \$24.0 million primarily due to increases in net pension liability, debt issuance and debt repayment. Long term debt levels in the City increased by \$22.6 million for governmental activities and increased by \$1.4 million for business-type activities. Increases include a \$28.6 million increase in net pension liability, draws of \$8.4 million on the City's Line of Credit, and a \$3.8 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 ACFR 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, Designated Purpose 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

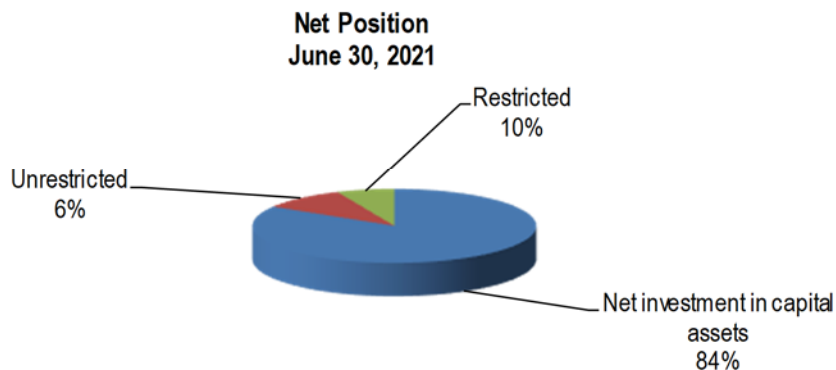
The following paragraphs provide an analysis of the City's overall financial position and results of operations. To reduce complexity, dollar amounts are presented in millions. Insignificant rounding difference may exist between amounts presented here and amounts presented in the financial statements.

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	
	2021	2020	2021	2020	2021	2020
ASSETS						
Current and other assets	\$ 187.5	\$ 169.1	\$ 131.6	\$ 126.1	\$ 319.1	\$ 295.2
Capital assets	637.5	637.3	250.7	245.4	888.2	882.7
Total assets	825.0	806.4	382.3	371.5	1,207.3	1,177.9
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflow related to pension/OPEB	37.7	29.9	4.6	3.4	42.3	33.3
LIABILITIES						
Current and other liabilities	53.3	46.0	18.5	15.7	71.8	61.7
Long-term liabilities	165.9	143.3	28.5	27.1	194.4	170.4
Total liabilities	219.2	189.3	47.0	42.8	266.2	232.1
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions/OPEB	10.4	9.0	1.6	1.4	12.0	10.4
NET POSITION						
Net investment in capital assets	588.4	589.6	224.3	220.6	812.7	810.2
Restricted	84.5	84.5	10.1	11.2	94.6	95.7
Unrestricted	(39.8)	(36.1)	103.9	98.9	64.1	62.8
Total net position	\$ 633.1	\$ 638.0	\$ 338.3	\$ 330.7	\$ 971.4	\$ 968.7



The City ended the year with \$971.4 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 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 decreased 0.8% or \$4.9 million. Current and other assets (primarily cash and investments) increased by \$18.4 million. The increase in working capital is a result of increased collections in taxes, intergovernmental revenue, and license fees.

The City added \$16.0 million in governmental capital assets during the year. However, this was offset by depreciation of \$15.8 million of which, depreciation on infrastructure comprised \$11.7 million. The net effect to capital assets is an increase of \$0.2 million. See the notes to the financial statements for more detailed information on capital assets.

Current liabilities increased by \$7.3 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 \$22.6 million primarily due to the \$25.2 million increase in the actuarial determined net pension liability. Draws on the line of credit during the year offset a decrease of \$7.0 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 2.3% or \$7.6 million. Current and other assets increased by \$5.5 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 \$16.4 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 \$11.1 million for the year. The net effect of capital asset activity was an increase of \$5.3 million and reflects business type activities adding new infrastructure in addition to replacement of existing depreciated infrastructure.

Long-term liabilities of business-type activities increased by a net \$1.4 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 \$2.8 million due to a line of credit draw for infrastructure projects offset by 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	
	2021	2020	2021	2020	2021	2020
REVENUES						
Program Revenues:						
Charges for services	\$ 38.7	\$ 40.6	\$ 47.3	\$ 45.2	\$ 86.0	\$ 85.8
Operating grants and contributions	36.2	15.8	0.2	-	36.4	15.8
Capital grants and contributions	2.8	5.3	3.9	2.3	6.7	7.6
General Revenues:						
Property taxes	37.2	35.8	-	-	37.2	35.8
Franchise and license fees	17.7	13.4	-	-	17.7	13.4
Business income taxes	9.3	6.9	-	-	9.3	6.9
Other taxes	1.6	1.4	-	-	1.6	1.4
Gain on sale of capital assets	0.1	0.1	-	-	0.1	0.1
Unrestricted grants and contributions	4.1	3.8	-	-	4.1	3.8
Unrestricted interest and investment earnings	0.6	6.1	0.5	4.5	1.1	10.6
Total revenues	<u>148.3</u>	<u>129.2</u>	<u>51.9</u>	<u>52.0</u>	<u>200.2</u>	<u>181.2</u>
EXPENSES						
General government	4.9	1.8	-	-	4.9	1.8
Public safety	76.4	76.8	-	-	76.4	76.8
Transportation	21.2	19.3	-	-	21.2	19.3
Urban design and planning	4.2	4.5	-	-	4.2	4.5
Community development	25.2	7.9	-	-	25.2	7.9
Economic development services	1.0	1.8	-	-	1.0	1.8
Parks operation	2.8	3.0	-	-	2.8	3.0
Environmental services	5.3	5.4	-	-	5.3	5.4
Community Livability	0.4	0.7	-	-	0.4	0.7
Urban renewal	11.0	1.8	-	-	11.0	1.8
Interest on long-term debt	2.2	2.3	-	-	2.2	2.3
Water	-	-	15.0	15.2	15.0	15.2
Stormwater	-	-	10.1	10.2	10.1	10.2
Wastewater	-	-	17.8	21.0	17.8	21.0
Total expenses	<u>154.6</u>	<u>125.3</u>	<u>42.9</u>	<u>46.4</u>	<u>197.5</u>	<u>171.7</u>
Excess (deficit) before transfers	(6.3)	3.9	9.0	5.6	2.7	9.5
Transfers, Net	<u>1.4</u>	<u>0.1</u>	<u>(1.4)</u>	<u>(0.1)</u>	<u>-</u>	<u>-</u>
Change in net position	(4.9)	4.0	7.6	5.5	2.7	9.5
Net position - beginning	<u>638.0</u>	<u>634.0</u>	<u>330.7</u>	<u>325.2</u>	<u>968.7</u>	<u>959.2</u>
Net position - ending	<u>\$ 633.1</u>	<u>\$ 638.0</u>	<u>\$ 338.3</u>	<u>\$ 330.7</u>	<u>\$ 971.4</u>	<u>\$ 968.7</u>

The City-wide net position increased by \$2.7 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 decreased by \$4.9 million as a result of operations and transfers. Revenues increased by \$19.1 million, primarily related to higher operating grants across multiple functions for CARES Act Federal revenue, and in Community Development in local grants to fund affordable housing projects. Expenses increased by \$29.3 million, with \$16.4 million of this directly

MANAGEMENT'S DISCUSSION & ANALYSIS

related to the increased revenues for affordable housing, and an additional \$9.2 million in additional project costs in Urban Renewal.

Unrestricted net position decreased by \$3.7 million to a deficit of \$39.8 million while net position invested in capital assets decreased by \$1.2 million.

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 2021 property tax revenue increased by 3.9%.

Franchise and license fees increased 32.1% or \$4.3 million, with most of the increase coming from the City's water, stormwater and wastewater utilities and from solid waste and electrical utility license fees. Increases in underlying utility rates and use resulted in these higher license fees.

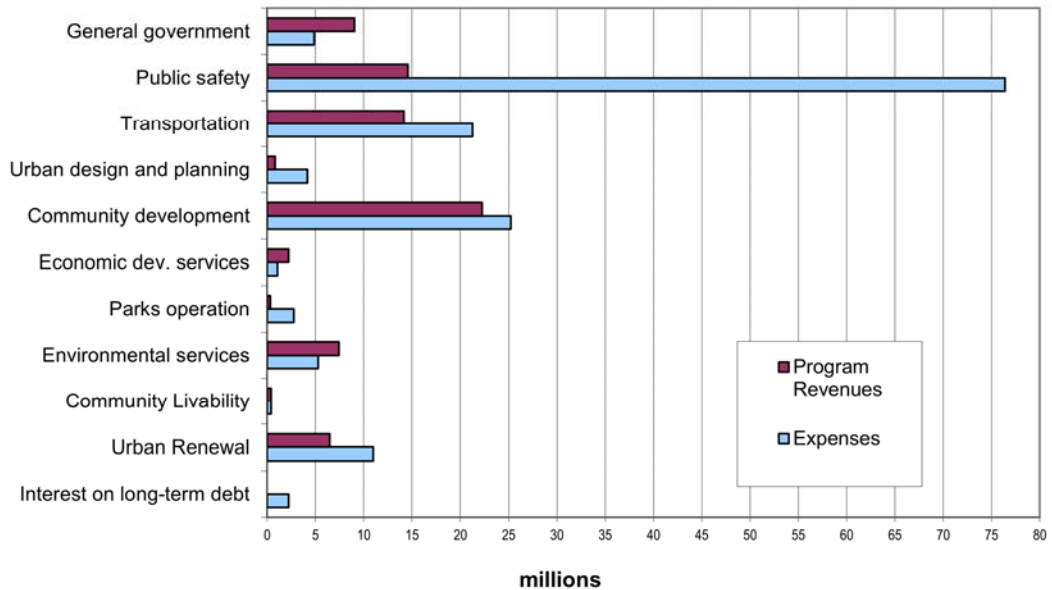
Business income taxes increased by \$2.4 million or 34.8% in 2021, due primarily to higher collection rate. Development related charges for services have seen decreases, largely related to the pandemic and reduced activity, with Community Development decreasing charges for services by 31.4% or \$1.7 million.

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 \$7.1 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 decreased by 58.1% or \$6.5 million in 2021 as significant one-time projects with large system development charges occurred in 2020 but activity returned closer to long term trends in 2021. In accordance with financial reporting requirements, resources from the collection of business-type system development charges are reported as governmental activities. During the year \$1.8 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 less than expenses for infrastructure construction. As a result, net position restricted for system development decreased by \$3.4 million.

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

FY 2021 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 49% (up from 46% in 2020) 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.

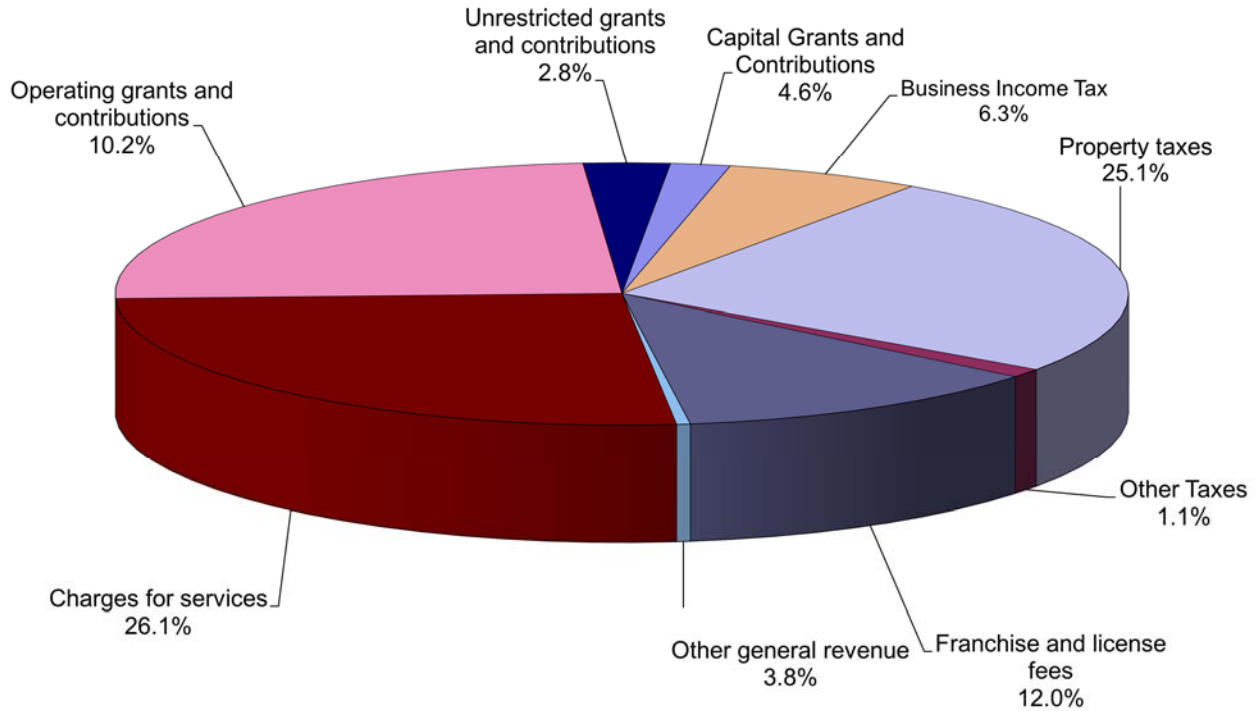
Economic development services include: business retention, expansion and relocation services, as well as support for new businesses. General revenues fund this function, as well as community service fees.

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

Parks operation is budgeted as 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:

**Revenues by Source -
Governmental Activities**



Business-type Activities. Net position for business-type activities increased by \$7.6 million during the fiscal year. Utility payments and service fees of \$47.3 million were higher than direct expenses for water, stormwater, and wastewater of \$42.9 million. Capital grants and contributions of \$3.9 million consist primarily of easements and developer contributed capital assets.

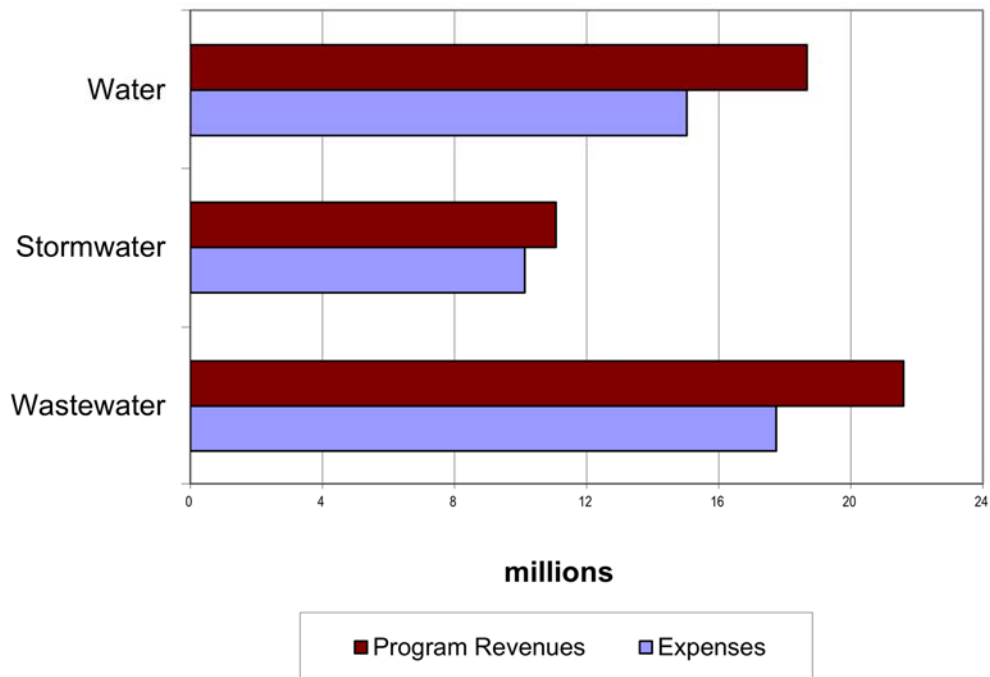
Business-type activities received \$1.8 million in transfers from system development charge resources reported as governmental activities. The funds were used for a variety of capacity increasing purposes and for the payment of debt.

Unrestricted investment earnings of \$0.5 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 2021 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 \$132.7 million, of which \$101.8 million (77%) was in the major funds. Fund balances of all governmental funds increased by \$11.2 million from the prior year. This is the net result of changes in a variety of funds including the increased collections tax increment revenues, increases in shared intergovernmental revenues, payment of

MANAGEMENT'S DISCUSSION & ANALYSIS

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 \$27.8 million, an increase of \$8.3 million from prior year. Revenues increased by \$12.1 million while expenditures increased by \$3.0 million. Total tax revenues in the general fund increased by 10.9% from the prior year. Property taxes receipts increased 5.1% or \$1.5 million. Business Income Tax (BIT) increased \$2.7 million or 32.1%. BIT increased due to several factors, but largely due to an increase in collection and an increase in activity as business begin the slow recovery from previous coronavirus pandemic restrictions. State-shared intergovernmental revenues had increases in State revenue sharing and shared revenue for liquor taxes totaling \$294 thousand or 7.7%.

The Designated Purpose Fund had an ending balance of \$6.6 million, an increase of \$1.9 million over last year. Revenues increased \$17.0 million as expenditures increased \$14.3 million, both increases a direct result of projects funded by the Metro Affordable Housing Bond.

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 decreased by \$3.4 million to \$24.2 million. About \$4.9 million in system development charges (SDC) and related interest were collected during the year while the fund transferred \$8.2 million to construction funds for infrastructure development. SDC charges decreased primarily due to some significant multi-family development projects in process, while transfers out increased based on related capital project activity.

The Transportation Fund ending balance increased \$3.4 million. \$8.3 million in gas tax revenue was received during the year to provide for road maintenance, which is a \$0.8 million increase over 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 \$4.3 million of revenue, a decrease of \$0.3 million from the prior year. Transfers out of \$6.2 million included \$4.7 million 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 2021 by \$277 thousand, with corresponding increases to expenditures of \$468 thousand. The fund balance increased by \$17 thousand.

The GRDC - Rockwood Debt Service Fund had an ending balance of \$11.7 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 remained at \$5.9 million in 2021. Debt service expenses remain on schedule.

Net position for the enterprise funds increased by \$7.6 million. The Water Fund, Stormwater Fund and Wastewater fund reported operating income of \$3.8 million, \$574 thousand and \$2.9 million respectively. The result of operations for the enterprise funds was net operating income of \$7.2 million. 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.

Combined transfers in for the utility funds were \$1.9 million, which were offset by transfers out of \$3.3 million, resulting in a net transfer out of the utility funds of \$1.4 million. Transfers out consisted primarily of payments for central city services and permits while transfers in consisted of monies from the System

CITY OF GRESHAM, OREGON

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 \$7.7 million due to property tax growth and a higher collection rate, intergovernmental revenue for pandemic response, and collection of certain revenues over expectations, including marijuana taxes, business income taxes, and state shared revenues for liquor.

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 \$3.0 million, \$1.2 thousand, \$600 thousand, \$475 thousand, and \$166 thousand, respectively.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of year-end, the City had \$888.1 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 \$5.4 million from last year.

Governmental activities' capital assets increased by a net \$16.0 million before depreciation. This was primarily attributed to the work on street surfacing improvements, full pavement reconstruction on local streets, sidewalk ramps ADA improvements, and intersection improvements on Palmquist/HWY 26 and Hogan-Powell to Burnside. 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 \$15.8 million.

Business-type activities' assets increased by a net \$16.4 million before depreciation. Capital improvement projects include: ongoing upsizing replacement of aging utility infrastructure throughout the City, wastewater treatment plant FOG (fats, oils and grease) screening improvement, gravity belt thickener refurbishment and upper barscreens replacement, development and construction of test wells, Gresham's Well #2 and #3, replacement of Grant Butte pipelines and reservoir retrofit, enhancing the capacity of the water lines, and re-construction of stormwater 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 \$11.2 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

**City of Gresham, Oregon
Outstanding Bonds and Notes Payable
(in millions)**

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
	Notes Payable & Other Long-term Debt	\$ 61.8	\$ 61.6	\$ 25.8	\$ 23.7	\$ 87.6
Revenue Bonds	-	-	-	0.5	-	0.5
Total	\$ 61.8	\$ 61.6	\$ 25.8	\$ 24.2	\$ 87.6	\$ 85.8

As of year-end, the City had \$87.6 million in bonds and notes outstanding. Of that amount, \$42.5 million is considered due within one year. Bonds and notes payable increased by \$1.8 million due to \$10.4 million in payments and \$12.2 million in new issuance.

Long term debt from governmental activities increased by \$172 thousand. During the year, the City issued \$3.4 million of new debt on a line of credit for infrastructure related projects, issued \$3.8 million in debt for urban renewal projects, and made all regularly schedule payments.

Business-type activities saw debt issued of \$5.0 million which was offset by principal payments of \$3.4 million. New debt issued include a line of credit for a water project. The net result, including other liabilities, was an increase of business-type long term debt of \$1.6 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 reflect the strong financial underpinnings that support the City’s Full Faith and Credit obligations. Subsequent to year-end, the City received a rating of AA- from Standard and Poors for a 2021 Water Revenue Bonds issuance.

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.
- 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 2020/21 Gresham’s total assessed value was \$9,363,503,800, a 4.8% increase from the previous year. The increase in the growth rate of the tax base is a result of local development and economic progress.

CITY OF GRESHAM, OREGON

- The City continues to aggressively seek and use federal grants to supplement services and improve infrastructure. During the fiscal year the City spent \$10.6 million in federal program funds of which \$1.7 million of Department of Transportation grants were used for infrastructure. \$2.0 million of funding was received from HUD of which \$1.3 was passed through to sub-recipients. \$3.9 million was received from the Department of the Treasury in Coronavirus Relief funds.
- The City regularly reviews utility rates and business fees to evaluate their effectiveness in supporting operating and capital needs. Following a five-year utility rate package approved in January 2017, the City approved an additional five-year utility rate schedule in October 2021, increasing rates in order to keep pace with inflationary expenses and end-of-life infrastructure replacements, with additional annual rate increases approved through January 1, 2027. During 2021, the temporary increase in the City's Police, Fire and Parks fee that became effective January 1st was extended through fiscal year 2023. The new expiration date of the temporary increase is June 30, 2023.
- Major capital projects budgeted for 2021-22 include: \$16.8 million for wastewater services including treatment plant upgrade of existing facilities and utilities such as FOG (fats, oils and grease) screening improvements, upper barscreens replacement and gravity belt thickener refurbishment, ongoing systematic sanitary sewer pipeline rehabilitation, maintenance and expansion including lower Kelly Creek and East Basin trunk upgrade which would increase the capacity of the sewage system; \$22.8 million for water projects including replacement of failing waterlines, construction of new production wells and infrastructure (Gresham Well #2 and #3), Grant Butte seismic piping and reservoir retrofitting, potential development and construction of test wells, Cascade reservoir #1 rehabilitation and construction of Cascade reservoir #2 as well as groundwater filtration system; \$31.6 million for various transportation, street and footpath related projects which will preserve existing infrastructure, increase roadway capacity, and enhance neighborhood livability, which includes full pavement reconstruction on local streets, street surfacing improvement for pavement preservations, increase intersection capacity at Stark and 223rd, pedestrian and bicycle enhancements on Division street Corridor, Hogan-Powell to Burnside as well as NE Cleveland (Stark – Burnside); \$3.8 million for stormwater projects including repair and new construction to replace deficient stormwater system; and \$8.7 million for urban renewal projects such as development of Catalyst site/Downtown Rockwood, Rockwood Urban Plaza, 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

CITY OF
GRESHAM
GOING BEYOND

CITY OF
GRESHAM
GOING BEYOND

City of Gresham, Oregon
Statement of Net Position
June 30, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 170,708,938	\$ 108,731,318	\$ 279,440,256
Property taxes receivable	986,557	-	986,557
Receivables, net	18,517,198	8,526,030	27,043,228
Internal balances	(6,861,182)	6,861,182	-
Other assets	596,388	397,947	994,335
Net OPEB asset	614,469	-	614,469
Restricted cash and investments	2,935,444	7,070,479	10,005,923
Capital assets:			
Non-depreciable	489,421,274	24,111,546	513,532,820
Depreciable, net	148,058,132	226,536,506	374,594,638
Total assets	<u>824,977,218</u>	<u>382,235,008</u>	<u>1,207,212,226</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to pension	35,862,798	4,424,718	40,287,516
Related to OPEB	1,889,832	133,540	2,023,372
Total deferred outflows of resources	<u>37,752,630</u>	<u>4,558,258</u>	<u>42,310,888</u>
LIABILITIES			
Accounts payable	6,686,439	2,913,129	9,599,568
Deposits	2,936,255	1,106,370	4,042,625
Accrued interest payable	408,632	145,627	554,259
Accrued claims payable	5,157,521	-	5,157,521
Other accrued liabilities	1,573,136	114,216	1,687,352
Unearned revenue	6,726,668	-	6,726,668
Long-term liabilities:			
Due within one year			
Bonds and notes payable	28,407,425	14,245,454	42,652,879
Compensated absences	1,466,500	178,800	1,645,300
Due in more than one year			
Bonds and notes payable	33,669,832	12,115,305	45,785,137
Compensated absences	8,310,100	1,012,900	9,323,000
Net pension liability	115,477,760	14,481,591	129,959,351
Total OPEB liability	8,382,565	674,919	9,057,484
Total liabilities	<u>219,202,833</u>	<u>46,988,311</u>	<u>266,191,144</u>
DEFERRED INFLOWS OF RESOURCES			
Related to pension	9,148,800	1,226,213	10,375,013
Related to OPEB	1,231,255	331,855	1,563,110
Total deferred inflows of resources	<u>10,380,055</u>	<u>1,558,068</u>	<u>11,938,123</u>
NET POSITION			
Net investment in capital assets	588,448,433	224,287,293	812,735,726
Restricted for:			
Transportation system construction and maintenance	35,330,662	-	35,330,662
System development	24,172,834	-	24,172,834
Building development review and inspection	7,906,576	-	7,906,576
Utility and public facilities construction	-	2,568,895	2,568,895
Loan covenant requirement	-	666,214	666,214
Urban renewal	1,227,367	-	1,227,367
Law enforcement equipment	34,053	-	34,053
Rate stabilization	-	3,229,000	3,229,000
Debt service	15,849,794	3,634,991	19,484,785
Unrestricted	(39,822,759)	103,860,494	64,037,735
Total net position	<u>\$ 633,146,960</u>	<u>\$ 338,246,887</u>	<u>\$ 971,393,847</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, 2021

Functions	Direct Expenses	Indirect Expenses Allocation	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:					
General government	\$ 43,059,687	\$ (38,202,752)	\$ 6,013,553	\$ 3,020,070	\$ -
Public safety	53,776,887	22,609,147	13,300,542	1,215,474	58,968
Urban renewal	10,973,647	-	5,155,613	1,221	1,327,621
Urban design and planning	2,935,646	1,221,136	652,837	122,884	57,100
Community development	16,911,682	8,331,871	3,720,232	18,542,798	-
Economic development services	733,525	315,114	2,221,712	-	-
Community livability	251,712	142,358	250,238	154,978	-
Parks	1,812,865	959,131	324,917	-	-
Environmental services	3,959,372	1,317,304	6,620,584	306,463	513,407
Transportation	17,942,322	3,306,691	435,679	12,846,442	867,514
Interest on long-term debt	2,215,312	-	-	-	-
Total governmental activities	<u>154,572,657</u>	<u>-</u>	<u>38,695,907</u>	<u>36,210,330</u>	<u>2,824,610</u>
Business-type activities:					
Water	15,032,417	-	16,370,699	68,672	2,227,722
Stormwater	10,131,077	-	10,607,226	42,587	421,706
Wastewater	17,740,282	-	20,284,110	73,647	1,236,875
Total business-type activities	<u>42,903,776</u>	<u>-</u>	<u>47,262,035</u>	<u>184,906</u>	<u>3,886,303</u>
Total government	<u>\$ 197,476,433</u>	<u>\$ -</u>	<u>\$ 85,957,942</u>	<u>\$ 36,395,236</u>	<u>\$ 6,710,913</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**

Governmental Activities	Business-type Activities	Total
\$ 4,176,688	\$ -	\$ 4,176,688
(61,811,050)	-	(61,811,050)
(4,489,192)	-	(4,489,192)
(3,323,961)	-	(3,323,961)
(2,980,523)	-	(2,980,523)
1,173,073	-	1,173,073
11,146	-	11,146
(2,447,079)	-	(2,447,079)
2,163,778	-	2,163,778
(7,099,378)	-	(7,099,378)
(2,215,312)	-	(2,215,312)
<u>(76,841,810)</u>	<u>-</u>	<u>(76,841,810)</u>
-	3,634,676	3,634,676
-	940,442	940,442
-	3,854,350	3,854,350
-	8,429,468	8,429,468
<u>\$ (76,841,810)</u>	<u>\$ 8,429,468</u>	<u>\$ (68,412,342)</u>
37,194,154	-	37,194,154
17,749,623	-	17,749,623
9,321,460	-	9,321,460
870,432	-	870,432
747,807	-	747,807
4,103,442	-	4,103,442
568,318	477,553	1,045,871
78,658	-	78,658
1,339,876	(1,339,876)	-
<u>71,973,770</u>	<u>(862,323)</u>	<u>71,111,447</u>
(4,868,040)	7,567,145	2,699,105
638,015,000	330,679,742	968,694,742
<u>\$ 633,146,960</u>	<u>\$ 338,246,887</u>	<u>\$ 971,393,847</u>

City of Gresham, Oregon
Balance Sheet
Governmental Funds
June 30, 2021

	General Fund	Designated Purpose Fund	System Development Charges Fund
ASSETS			
Cash and investments	\$ 14,649,873	\$ 6,378,288	\$ 26,751,714
Property taxes receivable, net	835,188	-	-
Receivables, net	5,972,440	622,131	3,118,435
Other assets	50,285	22,911	91,764
Due from other funds	8,449,170	-	-
Advance to other funds	-	-	-
Restricted cash and investments	-	265,006	-
Total assets	<u>\$ 29,956,956</u>	<u>\$ 7,288,336</u>	<u>\$ 29,961,913</u>
LIABILITIES			
Accounts payable	\$ 1,437,089	\$ 40,003	\$ 48
Other accrued liabilities	-	-	-
Deposits	11,329	265,006	-
Unearned revenue	-	344,111	2,670,955
Due to other funds	-	-	-
Advance from other funds	-	-	-
Total liabilities	<u>1,448,418</u>	<u>649,120</u>	<u>2,671,003</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	758,142	-	-
Unavailable revenue - loans receivable	-	-	3,118,076
Total deferred inflows of resources	<u>758,142</u>	<u>-</u>	<u>3,118,076</u>
FUND BALANCES			
Restricted	-	6,307,118	24,172,834
Committed	-	-	-
Assigned	-	332,098	-
Unassigned	27,750,396	-	-
Total fund balances	<u>27,750,396</u>	<u>6,639,216</u>	<u>24,172,834</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 29,956,956</u>	<u>\$ 7,288,336</u>	<u>\$ 29,961,913</u>

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

Transportation Fund	CDBG & HOME Fund	GRDC - Rockwood Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 27,485,814	\$ 25,140	\$ 13,074,042	\$ 29,397,828	\$ 117,762,699
-	-	151,369	-	986,557
1,874,483	3,942,337	-	1,998,892	17,528,718
94,613	78	51,107	103,341	414,099
2,544,125	29,856	-	465,327	11,488,478
-	-	-	3,232,717	3,232,717
-	149,893	1,800,000	720,545	2,935,444
<u>\$ 31,999,035</u>	<u>\$ 4,147,304</u>	<u>\$ 15,076,518</u>	<u>\$ 35,918,650</u>	<u>\$ 154,348,712</u>
\$ 110,558	\$ 449,955	\$ -	\$ 2,649,598	\$ 4,687,251
453	-	-	330,957	331,410
653,862	-	-	2,004,554	2,934,751
-	2,999,299	-	8,325	6,022,690
-	432,739	-	-	432,739
-	-	3,232,717	-	3,232,717
<u>764,873</u>	<u>3,881,993</u>	<u>3,232,717</u>	<u>4,993,434</u>	<u>17,641,558</u>
-	-	137,198	-	895,340
-	-	-	-	3,118,076
-	-	137,198	-	4,013,416
31,234,162	145,626	11,706,603	13,844,117	87,410,460
-	-	-	1,121,617	1,121,617
-	119,685	-	15,959,482	16,411,265
-	-	-	-	27,750,396
<u>31,234,162</u>	<u>265,311</u>	<u>11,706,603</u>	<u>30,925,216</u>	<u>132,693,738</u>
<u>\$ 31,999,035</u>	<u>\$ 4,147,304</u>	<u>\$ 15,076,518</u>	<u>\$ 35,918,650</u>	<u>\$ 154,348,712</u>

City of Gresham, Oregon
Reconciliation of the Balance Sheet of Governmental Funds to Governmental Activities on the Statement of Net Position
June 30, 2021

Total fund balances - governmental funds		\$ 132,693,738
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	1,373,921,720	
Less: Accumulated depreciation & amortization	<u>(736,442,314)</u>	637,479,406
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	15,362,149	
Capital assets included in total above	(10,777,791)	
Accrued Interest payable	51,305	
Pension amounts included in totals below	18,048,577	
OPEB amounts included in totals below	1,395,808	
Compensated absences included in total below	1,757,800	
Bonds and notes payable, net included in total below	<u>1,258,322</u>	27,096,170
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	(115,477,760)	
Net OPEB asset	614,469	
Total OPEB liability	(8,382,565)	
Deferred outflows of resources related to pensions	35,862,798	
Deferred outflows of resources related to OPEB	1,889,832	
Deferred inflows of resources related to pensions	(9,148,800)	
Deferred inflows of resources related to OPEB	<u>(1,231,255)</u>	(95,873,281)
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		4,013,416
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	(61,784,053)	
Bond premiums, net of accumulated amortization	(293,204)	
Accrued interest payable	(408,632)	
Compensated absences	<u>(9,776,600)</u>	<u>(72,262,489)</u>
Total net position - governmental activities		<u>\$ 633,146,960</u>

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

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, 2021

	General Fund	Designated Purpose Fund	System Development Charges Fund
REVENUES			
Taxes	\$ 42,312,872	\$ -	\$ -
Licenses and permits	471,790	-	-
Intergovernmental	13,559,200	18,382,121	-
Charges for services	6,116,524	57,839	4,699,659
License fees	14,812,890	-	-
Miscellaneous	413,024	2,240,953	171,127
Internal service charges	490,204	-	-
Total revenues	<u>78,176,504</u>	<u>20,680,913</u>	<u>4,870,786</u>
EXPENDITURES			
Current:			
General government	-	56,145	-
Public safety	61,569,784	868,920	-
Urban renewal	-	-	-
Urban design and planning	-	33,406	-
Community development	542,251	16,430,588	-
Economic development services	686,621	183,617	-
Community livability	-	393,144	-
Parks	2,648,792	-	-
Environmental services	-	35,086	-
Transportation	-	-	-
Capital outlay	-	-	-
Debt service	-	-	-
Total expenditures	<u>65,447,448</u>	<u>18,000,906</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,729,056</u>	<u>2,680,007</u>	<u>4,870,786</u>
OTHER FINANCING SOURCES (USES)			
Issuance of debt	-	-	-
Transfers in	1,219,000	263,527	-
Transfers out	(5,619,505)	(1,100,000)	(8,248,996)
Total other financing sources (uses)	<u>(4,400,505)</u>	<u>(836,473)</u>	<u>(8,248,996)</u>
Net change in fund balances	<u>8,328,551</u>	<u>1,843,534</u>	<u>(3,378,210)</u>
Fund balances - beginning	<u>19,421,845</u>	<u>4,795,682</u>	<u>27,551,044</u>
Fund balances - ending	<u>\$ 27,750,396</u>	<u>\$ 6,639,216</u>	<u>\$ 24,172,834</u>

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

Transportation Fund	CDBG & HOME Fund	GRDC - Rockwood Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 5,854,371	\$ -	\$ 48,167,243
-	-	-	2,380,097	2,851,887
12,769,370	1,957,124	35,670	10,431,829	57,135,314
350,807	27,297	-	3,454,353	14,706,479
1,609,189	-	-	1,327,544	17,749,623
129,154	13,662	73,983	224,131	3,266,034
2,196,867	-	-	2,652,855	5,339,926
<u>17,055,387</u>	<u>1,998,083</u>	<u>5,964,024</u>	<u>20,470,809</u>	<u>149,216,506</u>
-	-	-	2,966	59,111
-	-	-	-	62,438,704
-	-	-	7,164,967	7,164,967
-	-	-	3,338,953	3,372,359
-	1,903,570	-	4,133,359	23,009,768
-	-	-	-	870,238
-	-	-	-	393,144
-	-	-	-	2,648,792
-	-	-	3,602,855	3,637,941
8,687,443	-	-	444,504	9,131,947
-	-	-	19,763,660	19,763,660
-	-	4,770,601	5,872,320	10,642,921
<u>8,687,443</u>	<u>1,903,570</u>	<u>4,770,601</u>	<u>44,323,584</u>	<u>143,133,552</u>
<u>8,367,944</u>	<u>94,513</u>	<u>1,193,423</u>	<u>(23,852,775)</u>	<u>6,082,954</u>
-	-	-	7,206,600	7,206,600
1,192,886	-	1,523,657	17,431,841	21,630,911
<u>(6,155,827)</u>	<u>(77,892)</u>	<u>-</u>	<u>(2,559,997)</u>	<u>(23,762,217)</u>
<u>(4,962,941)</u>	<u>(77,892)</u>	<u>1,523,657</u>	<u>22,078,444</u>	<u>5,075,294</u>
<u>3,405,003</u>	<u>16,621</u>	<u>2,717,080</u>	<u>(1,774,331)</u>	<u>11,158,248</u>
<u>27,829,159</u>	<u>248,690</u>	<u>8,989,523</u>	<u>32,699,547</u>	<u>121,535,490</u>
<u>\$ 31,234,162</u>	<u>\$ 265,311</u>	<u>\$ 11,706,603</u>	<u>\$ 30,925,216</u>	<u>\$ 132,693,738</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, 2021

Net change in fund balances - governmental funds \$ 11,158,248

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	15,058,972	
Contributions	926,482	
Less:		
Depreciation & amortization expense	<u>(15,791,987)</u>	193,467

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	78,659	
Proceeds from disposition of capital assets	<u>(87,143)</u>	(8,484)

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	(7,206,600)	
Debt principal repayments from governmental funds	<u>7,034,770</u>	(171,830)

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	(1,403,056)	
Change in capital asset activity included in total above	551,761	
Change in bonds and notes payable included in total above	(377,550)	
Pension expense included in total below	4,178,999	
OPEB expense included in total below	60,749	
Amortization of premium included in total below	(5,438)	
Accrued interest reversal and accrual included in total below	(15,505)	
Change in compensated absences included in total below	<u>132,200</u>	3,122,160

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	(33,391)	
Change in miscellaneous receivables	<u>795,547</u>	762,156

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	(889)	
Pension expense	(18,564,773)	
OPEB expense	(401,669)	
Change in compensated absences	<u>(1,096,261)</u>	<u>(19,923,757)</u>

Change in net position - governmental activities \$ (4,868,040)

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

City of Gresham, Oregon
Statement of Net Position
Proprietary Funds
June 30, 2021

Enterprise Funds					
	Water	Stormwater	Wastewater	Total	Internal Service Funds
ASSETS					
Current assets:					
Cash and investments	\$ 40,062,168	\$ 23,469,343	\$ 45,199,807	\$ 108,731,318	\$ 52,946,239
Receivables, net	3,008,370	1,774,539	3,743,121	8,526,030	988,480
Due from other funds	2,101,830	1,490,467	3,268,885	6,861,182	1,530,479
Total current assets	<u>45,172,368</u>	<u>26,734,349</u>	<u>52,211,813</u>	<u>124,118,530</u>	<u>55,465,198</u>
Noncurrent assets:					
Other assets	142,167	82,274	173,506	397,947	182,289
Restricted cash and investments	1,265,370	500,000	5,305,109	7,070,479	-
Capital assets:					
Non-depreciable	8,368,372	9,168,595	6,574,579	24,111,546	2,307,618
Depreciable, net	66,550,369	51,640,195	108,345,942	226,536,506	8,470,173
Total noncurrent assets	<u>76,326,278</u>	<u>61,391,064</u>	<u>120,399,136</u>	<u>258,116,478</u>	<u>10,960,080</u>
Total assets	<u>121,498,646</u>	<u>88,125,413</u>	<u>172,610,949</u>	<u>382,235,008</u>	<u>66,425,278</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflow related to pension	1,437,896	1,613,863	1,372,959	4,424,718	8,732,272
Deferred outflow related to OPEB	58,781	49,790	24,969	133,540	312,058
Total deferred outflows of resources	<u>1,496,677</u>	<u>1,663,653</u>	<u>1,397,928</u>	<u>4,558,258</u>	<u>9,044,330</u>
LIABILITIES					
Current liabilities:					
Accounts payable	1,335,368	224,444	1,353,317	2,913,129	1,999,188
Other accrued liabilities	37,984	35,275	40,957	114,216	6,594
Accrued claims payable	-	-	-	-	5,157,521
Accrued interest payable	113,206	-	32,421	145,627	51,305
Other liabilities	-	-	-	-	1,235,132
Deposits	1,106,370	-	-	1,106,370	1,504
Unearned revenue	-	-	-	-	703,978
Due to other funds	-	-	-	-	19,447,400
Compensated absences	63,300	65,200	50,300	178,800	263,700
Bonds, notes and loans payable	13,273,166	246,780	725,508	14,245,454	403,266
Total current liabilities	<u>15,929,394</u>	<u>571,699</u>	<u>2,202,503</u>	<u>18,703,596</u>	<u>29,269,588</u>
Noncurrent liabilities:					
Net pension liability	4,895,677	4,683,588	4,902,326	14,481,591	24,372,012
Total OPEB liability	332,455	263,619	78,845	674,919	1,344,131
Compensated absences	359,000	369,200	284,700	1,012,900	1,494,100
Bonds, notes and loans payable	4,188,743	3,825,098	4,101,464	12,115,305	855,056
Total noncurrent liabilities	<u>9,775,875</u>	<u>9,141,505</u>	<u>9,367,335</u>	<u>28,284,715</u>	<u>28,065,299</u>
Total liabilities	<u>25,705,269</u>	<u>9,713,204</u>	<u>11,569,838</u>	<u>46,988,311</u>	<u>57,334,887</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pension	417,424	373,873	434,916	1,226,213	2,408,837
Deferred inflows related to OPEB	186,047	88,057	57,751	331,855	363,735
Total deferred inflows of resources	<u>603,471</u>	<u>461,930</u>	<u>492,667</u>	<u>1,558,068</u>	<u>2,772,572</u>
NET POSITION					
Net investment in capital assets	57,456,831	56,736,912	110,093,550	224,287,293	9,523,261
Restricted for:					
Construction	-	-	2,568,895	2,568,895	-
Loan requirement	159,000	-	507,214	666,214	-
Rate stabilization	-	500,000	2,729,000	3,229,000	-
Debt service	21,047	204,796	3,409,148	3,634,991	-
Unrestricted	39,049,705	22,172,224	42,638,565	103,860,494	5,838,888
Total net position	<u>\$ 96,686,583</u>	<u>\$ 79,613,932</u>	<u>\$ 161,946,372</u>	<u>\$ 338,246,887</u>	<u>\$ 15,362,149</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, 2021

	Enterprise Funds				Internal Service Funds
	Water	Stormwater	Wastewater	Total	
OPERATING REVENUES					
Charges for services	\$ 18,410,438	\$ 10,674,046	\$ 20,440,781	\$ 49,525,265	\$ 35,082,224
Miscellaneous	-	-	-	-	36,230
Total operating revenues	<u>18,410,438</u>	<u>10,674,046</u>	<u>20,440,781</u>	<u>49,525,265</u>	<u>35,118,454</u>
OPERATING EXPENSES					
Personnel services	3,097,828	3,567,423	3,419,172	10,084,423	20,261,731
Professional and technical services	153,875	724,481	4,091,073	4,969,429	2,346,684
Property services	641,346	101,649	133,624	876,619	1,015,060
Other services	55,657	19,433	39,462	114,552	275,880
Supplies	115,445	132,310	181,931	429,686	2,667,104
Water purchase	3,252,394	-	-	3,252,394	-
Incentive programs	11,000	152,039	-	163,039	141,296
Insurance claims	-	-	-	-	9,302,079
Internal services	1,193,440	1,514,619	1,824,070	4,532,129	758
Other materials and services	2,842,368	1,501,170	2,356,784	6,700,322	3,994,129
Depreciation and amortization	3,288,610	2,387,101	5,481,226	11,156,937	696,298
Total operating expenses	<u>14,651,963</u>	<u>10,100,225</u>	<u>17,527,342</u>	<u>42,279,530</u>	<u>40,701,019</u>
Operating income (loss)	<u>3,758,475</u>	<u>573,821</u>	<u>2,913,439</u>	<u>7,245,735</u>	<u>(5,582,565)</u>
NONOPERATING REVENUES (EXPENSES)					
Miscellaneous revenue (expense)	(8,598)	(9,238)	6,394	(11,442)	660,050
Interest and investment income	23,790	115,356	351,243	490,389	108,327
Interest expense	(380,454)	(30,852)	(212,940)	(624,246)	(56,258)
Gain/(loss) on disposition of capital assets	-	51	7,905	7,956	(3,792)
Total nonoperating revenues (expenses)	<u>(365,262)</u>	<u>75,317</u>	<u>152,602</u>	<u>(137,343)</u>	<u>708,327</u>
Income (loss) before contributions and transfers	<u>3,393,213</u>	<u>649,138</u>	<u>3,066,041</u>	<u>7,108,392</u>	<u>(4,874,238)</u>
Capital contributions	256,922	406,658	1,135,049	1,798,629	-
Transfers in	877,631	603,019	455,158	1,935,808	4,225,114
Transfers out	(791,583)	(1,636,983)	(847,118)	(3,275,684)	(753,932)
Change in net position	<u>3,736,183</u>	<u>21,832</u>	<u>3,809,130</u>	<u>7,567,145</u>	<u>(1,403,056)</u>
Total net position - beginning	<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>
Total net position - ending	<u>\$ 96,686,583</u>	<u>\$ 79,613,932</u>	<u>\$ 161,946,372</u>	<u>\$ 338,246,887</u>	<u>\$ 15,362,149</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, 2021

	Enterprise Funds				Internal Service Funds
	Water	Stormwater	Wastewater	Total	
Cash flows from operating activities:					
Receipts from customers	\$ 17,764,506	\$ 10,574,632	\$ 20,216,625	\$ 48,555,763	\$ 2,167,201
Receipts for internal services provided	-	-	-	-	32,981,318
Payments to suppliers for goods and services	(7,995,476)	(4,329,078)	(9,385,432)	(21,709,986)	(19,902,518)
Payments to employees for services	(2,311,490)	(2,700,137)	(2,690,721)	(7,702,348)	(15,934,849)
Other operating receipts (payments)	(157,643)	(9,238)	6,394	(160,487)	85,623
Net cash provided by (used in) operating activities	<u>7,299,897</u>	<u>3,536,179</u>	<u>8,146,866</u>	<u>18,982,942</u>	<u>(603,225)</u>
Cash flows from noncapital financing activities:					
Receipts from other funds	45,467	119,612	425	165,504	8,321,604
Payments to other funds	(1,214,288)	(1,929,446)	(1,107,311)	(4,251,045)	(895,265)
Net cash provided by (used in) noncapital financing activities	<u>(1,168,821)</u>	<u>(1,809,834)</u>	<u>(1,106,886)</u>	<u>(4,085,541)</u>	<u>7,426,339</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(8,272,063)	(1,998,962)	(4,325,043)	(14,596,068)	(144,537)
Proceeds from debt issuance	4,865,900	-	92,600	4,958,500	-
Receipts from system development charges	837,501	483,407	454,733	1,775,641	-
Principal portion of debt service	(328,820)	(776,780)	(2,483,050)	(3,588,650)	(377,549)
Interest portion of debt service	(365,825)	(22,525)	(237,257)	(625,607)	(77,202)
Proceeds from disposition of capital assets	-	51	7,905	7,956	(3,792)
Net cash provided by (used in) capital and related financing activities	<u>(3,263,307)</u>	<u>(2,314,809)</u>	<u>(6,490,112)</u>	<u>(12,068,228)</u>	<u>(603,080)</u>
Cash flows from investing activities:					
Change in investments	1,069,855	1,213,982	6,497,489	8,781,327	(6,400,558)
Interest on investments	88,238	168,671	452,931	709,840	184,255
Net cash provided by (used in) investing activities	<u>1,158,093</u>	<u>1,382,653</u>	<u>6,950,420</u>	<u>9,491,167</u>	<u>(6,216,303)</u>
Net increase (decrease) in cash and cash equivalents	4,025,862	794,189	7,500,288	12,320,340	3,731
Cash and cash equivalents - beginning	1,883,763	1,197,948	2,600,005	5,681,716	2,275,110
Cash and cash equivalents - ending	<u>\$ 5,909,625</u>	<u>\$ 1,992,137</u>	<u>\$ 10,100,293</u>	<u>\$ 18,002,056</u>	<u>\$ 2,278,841</u>
Classified on the Statement of Net Position as:					
Cash and investments	\$ 5,736,902	\$ 1,962,037	\$ 7,281,689	\$ 14,980,628	\$ 2,278,841
Restricted cash and cash equivalents	172,723	30,100	2,818,604	3,021,427	-
	<u>\$ 5,909,625</u>	<u>\$ 1,992,137</u>	<u>\$ 10,100,293</u>	<u>\$ 18,002,056</u>	<u>\$ 2,278,841</u>
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	\$ 3,758,475	\$ 573,821	\$ 2,913,439	\$ 7,245,735	\$ (5,582,565)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation and amortization	3,288,610	2,387,101	5,481,226	11,156,937	696,298
Pension adjustments	739,380	800,910	730,093	2,270,383	4,178,999
OPEB adjustments	4,258	8,176	(3,842)	8,592	60,749
Other	(8,598)	(9,238)	6,394	(11,442)	660,050
Changes in assets and liabilities:					
Receivables	(645,932)	(99,414)	(224,156)	(969,502)	(547,180)
Accounts payable	288,577	(193,175)	(681,316)	(585,914)	(28,286)
Other liabilities	(124,873)	67,998	(74,972)	(131,847)	(41,290)
Net cash provided by (used in) operating activities	<u>\$ 7,299,897</u>	<u>\$ 3,536,179</u>	<u>\$ 8,146,866</u>	<u>\$ 18,982,942</u>	<u>\$ (603,225)</u>
Noncash investing, capital, and financing activities:					
Contributed capital assets	\$ 256,922	\$ 406,658	\$ 1,135,049	\$ 1,798,629	\$ -
Increase (Decrease) in fair value of investments	(472,066)	(273,192)	(576,128)	(1,321,386)	(605,285)

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, 2021

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 \$40,429,232 at fiscal year-end 2021. 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 *Designated Purpose Fund* accounts for monies donated to the City to support specific activities. Some grant funded expenditures are reported in this fund. Resources include intergovernmental revenue, and donations from businesses and individuals.

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 *Transportation Fund* accounts primarily for State of Oregon shared gas tax revenues used to

NOTES TO THE FINANCIAL STATEMENTS

construct, maintain, and repair streets.

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

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, 2021, the City implemented the following GASB pronouncements:

CITY OF GRESHAM, OREGON

GASB Statement No. 90, Majority Equity Interests

The objectives of this statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. Given that the City does not have any majority equity interests in any separate legal organization, GASB Statement 90 will not have an impact on the City's financial statements.

GASB Statement No. 92, Omnibus 2020

The primary objective of this Statement is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Different effective dates apply to each topic in the Statement, with most effective for the fiscal year ended June 30, 2021. Management has evaluated the requirements of this Statement and concluded that the only requirements applicable to the city are those related to the effective date of GASB Statement 87 for Leases, which were superseded by GASB Statement 95. GASB Statement 92 will not have an immediate impact on the City's financial statements.

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No.14 and No.84, and a supersession of GASB Statement No.32

The objectives of this statement are to increase consistency and comparability relating to the reporting of fiduciary component units, mitigate costs associated with defined contribution plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pensions plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements, and enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. GASB Statement 97 will not have an immediate impact on the City's financial statements.

GASB Statement No. 98, The Annual Comprehensive Financial Report

This statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. The new term and its acronym replace *comprehensive annual financial report* and its acronym in generally accepted principles for state and local governments.

This statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This statement's introduction of the new term is founded on a commitment to promoting inclusiveness. This statement is effective for the fiscal year ending June 30, 2022.

Management has elected to implement Statement 98 early with the issuance of financial reports for the year ended June 30, 2021.

NOTES TO THE FINANCIAL STATEMENTS

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.

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.

CITY OF GRESHAM, OREGON

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 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.

NOTES TO THE FINANCIAL STATEMENTS

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, 2021, six 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 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, 2021 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.

CITY OF GRESHAM, OREGON

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.

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 adopted one supplemental budget and made a number of appropriation transfers and additional resource appropriations.

B. Deficit Fund Equity

The Legal Services Fund and the Administrative Services Fund had deficit net position of \$910,065 and \$8,413,570 respectively at June 30, 2021. The deficits in net position were a

NOTES TO THE FINANCIAL STATEMENTS

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 \$3,218,204. The total bank balance was \$3,357,065. Of these deposits, \$250,000 was fully covered by the federal depository insurance's general deposit rules and \$2,968,204 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 Budget and Finance 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 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.

CITY OF GRESHAM, OREGON

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

Investments	Risk Concentration	Weighted Average Final Maturity (Days)	Fair Value+Accrued
Cash/LGIP	15.1%	1	\$ 43,792,774
Corporate Obligations	23.6%	174	68,278,978
Commercial Paper	1.7%	1	4,998,800
Municipal Bonds	9.1%	62	26,325,116
US Treasury	19.4%	182	56,005,253
US Agency	31.1%	353	90,045,257
	100.0%	192	\$ 289,446,179

Shown on the Statement of Net Position as: Cash and investments	\$ 279,440,256
Restricted cash and investments	10,005,923
	\$ 289,446,179

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.

Fair Value Measurements Value as of June 30, 2021

	Level 1	Level 2	Level 3	Total
Investments:				
US Treasury	\$ 56,005,253	\$ -	\$ -	\$ 56,005,253
Agency Securities	-	90,045,258	-	90,045,258
Corporate Bonds	-	73,277,778	-	73,277,778
Municipal	-	13,288,266	13,036,849	26,325,116
Total	\$ 56,005,253	\$ 176,611,302	\$ 13,036,849	\$ 245,653,405

NOTES TO THE FINANCIAL STATEMENTS

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 32.7 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 (at the time of purchase)	S&P	Moody's	Fair Value June 30, 2021	Percentage of Total FV
Cash/LGIP	- / -	-	-	\$ 43,792,774	15.1%
Commercial Paper	A-1/P-1	A-1	P-1	4,998,800	1.7%
Corporate Bonds	AA-/Aa3	A	A1	5,419,319	1.9%
Corporate Bonds	AA-/Aa3	A	A2	4,690,073	1.6%
Corporate Bonds	AA-/Aa3	A	A3	4,987,992	1.7%
Corporate Bonds	AA-/Aa3	AA	A1	2,654,137	0.9%
Corporate Bonds	AA-/Aa3	AA+	Aa1	15,335,404	5.3%
Corporate Bonds	AA-/Aa3	AA-	Aa2	5,131,042	1.8%
Corporate Bonds	AA-/Aa3	AA-	Aa3	5,135,361	1.8%
Corporate Bonds	AA-/Aa3	A+	A1	5,423,338	1.9%
Corporate Bonds	AA-/Aa3	A+	Aa3	3,275,938	1.1%
Corporate Bonds	AA-/Aa3	A+	Aa2	8,116,900	2.8%
Corporate Bonds	AA-/Aa3	A-	A2	5,129,259	1.8%
Corporate Bonds	AA-/Aa3	AAA	Aaa	2,980,215	1.0%
Municipal - CA	AA-/Aa3	AA-	Aa2	5,174,750	1.8%
Municipal- WA	AA-/Aa3	AA+	Aaa	1,052,139	0.4%
Municipal- WA	AA-/Aa3	NA	Aa1	1,994,824	0.7%
Municipal- OR	A-/A3	AAA	Aa1	1,098,816	0.4%
Municipal- OR	A-/A3	AA+	Aa1	703,184	0.2%
Municipal- OR	A-/A3	AAA	Aaa	3,264,554	1.1%
Municipal-GRDC	A-/A3	NA	Aa2	13,036,849	4.5%
US Instrumentality: FFCB	AA+/Aaa	AA+	Aaa	15,480,764	5.3%
US Instrumentality: FHLB	AA+/Aaa	AA+	Aaa	14,998,288	5.2%
US Instrumentality: FHLMC	AA+/Aaa	AA+	Aaa	28,842,694	10.0%
US Instrumentality: FNMA	AA+/Aaa	AA+	Aaa	30,723,511	10.6%
US Treasury	AA+/Aaa	AA+	Aaa	56,005,253	19.4%
				<u>\$ 289,446,179</u>	<u>100.0%</u>

CITY OF GRESHAM, OREGON

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	\$ 6,177,154	\$ 835,188	\$ 7,012,342	\$ (204,713)	\$ 6,807,629
Designated purpose	957,698	-	957,698	(335,567)	622,131
Transportation	2,057,521	-	2,057,521	(183,038)	1,874,483
System development charges	3,118,435	-	3,118,435	-	3,118,435
CDBG & HOME	3,942,336	-	3,942,336	-	3,942,336
Rockwood UR debt service	-	151,369	151,369	-	151,369
Nonmajor governmental	2,096,543	-	2,096,543	(97,651)	1,998,892
Internal service	1,003,856	-	1,003,856	(15,376)	988,480
	<u>\$ 19,353,543</u>	<u>\$ 986,557</u>	<u>\$ 20,340,100</u>	<u>\$ (836,345)</u>	<u>\$ 19,503,755</u>
Business-Type Activities					
Water	\$ 3,019,234	\$ -	\$ 3,019,234	\$ (10,864)	\$ 3,008,370
Stormwater	1,776,080	-	1,776,080	(1,541)	1,774,539
Wastewater	3,745,779	-	3,745,779	(2,658)	3,743,121
	<u>\$ 8,541,093</u>	<u>\$ -</u>	<u>\$ 8,541,093</u>	<u>\$ (15,063)</u>	<u>\$ 8,526,030</u>
			Total receivables		<u>\$ 28,029,785</u>
			Shown on the Statement of Net Position as:		
			Receivables, net		\$ 27,043,228
			Property taxes receivable, net		986,557
					<u>\$ 28,029,785</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:

NOTES TO THE FINANCIAL STATEMENTS

	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
Governmental Activities					
Non-depreciated & non-amortized:					
Land	\$ 34,122,554	\$ -	\$ -	\$ -	\$ 34,122,554
Construction in progress	3,179,238	4,036,264	-	(1,167,021)	6,048,481
Easements	448,831,332	396,907	-	-	449,228,239
Licenses	22,000	-	-	-	22,000
Total non-depr. & non-amort.	<u>486,155,124</u>	<u>4,433,171</u>	<u>-</u>	<u>(1,167,021)</u>	<u>489,421,274</u>
Depreciated & amortized:					
Buildings	27,299,194	-	-	-	27,299,194
Improvements	26,635,195	2,460,511	(17,450)	-	29,078,256
Machinery and equipment	27,129,687	1,190,093	(973,852)	1,167,021	28,512,949
Infrastructure	788,691,605	7,893,089	-	-	796,584,694
Software	3,016,763	8,590	-	-	3,025,353
Total depr. & amort. at historical cost	<u>872,772,444</u>	<u>11,552,283</u>	<u>(991,302)</u>	<u>1,167,021</u>	<u>884,500,446</u>
Less accumulated depr. & amort. for:					
Buildings	(14,687,121)	(599,251)	-	-	(15,286,372)
Improvements	(8,763,440)	(1,186,430)	17,450	-	(9,932,420)
Machinery and equipment	(18,029,176)	(2,185,538)	965,368	-	(19,249,346)
Infrastructure	(678,236,776)	(11,716,829)	-	-	(689,953,605)
Software	(1,916,632)	(103,939)	-	-	(2,020,571)
Total accumulated depr. & amort.	<u>(721,633,145)</u>	<u>(15,791,987)</u>	<u>982,818</u>	<u>-</u>	<u>(736,442,314)</u>
Depreciated & amortized, net	<u>151,139,299</u>	<u>(4,239,704)</u>	<u>(8,484)</u>	<u>1,167,021</u>	<u>148,058,132</u>
Governmental Activities capital assets, net	<u>\$ 637,294,423</u>	<u>\$ 193,467</u>	<u>\$ (8,484)</u>	<u>\$ -</u>	<u>\$ 637,479,406</u>

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

General government	\$ 27,105
Public safety	1,536,603
Transportation	12,080,161
Community development	120,838
Environmental services	987,566
Internal service funds	696,298
Urban renewal	343,416
Total depreciation and amortization expense	<u>\$ 15,791,987</u>

	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
Business-Type Activities					
Non-depreciated & non-amortized:					
Land	\$ 8,264,078	\$ -	\$ -	\$ -	\$ 8,264,078
Construction in progress	2,885,500	7,710,611	-	(557,245)	10,038,866
Easements	4,518,166	1,290,436	-	-	5,808,602
Total non-depr. & non-amort.	<u>15,667,744</u>	<u>9,001,047</u>	<u>-</u>	<u>(557,245)</u>	<u>24,111,546</u>
Depreciated & amortized:					
Buildings	13,341,007	-	-	-	13,341,007
Improvements	16,568	-	-	-	16,568
Machinery and equipment	10,999,893	713,630	(58,351)	125,680	11,780,852
Infrastructure	396,849,901	6,680,020	-	431,565	403,961,486
Software	405,735	-	-	-	405,735
Total depr. & amort. at historical cost	<u>421,613,104</u>	<u>7,393,650</u>	<u>(58,351)</u>	<u>557,245</u>	<u>429,505,648</u>
Less accumulated depr. & amort. for:					
Buildings	(3,616,733)	(475,923)	-	-	(4,092,656)
Improvements	(16,568)	-	-	-	(16,568)
Machinery and equipment	(7,021,768)	(752,762)	58,351	-	(7,716,179)
Infrastructure	(181,056,774)	(9,859,207)	-	-	(190,915,981)
Software	(158,713)	(69,045)	-	-	(227,758)
Total accumulated depr. & amort.	<u>(191,870,556)</u>	<u>(11,156,937)</u>	<u>58,351</u>	<u>-</u>	<u>(202,969,142)</u>
Depreciated & amortized, net	<u>229,742,548</u>	<u>(3,763,287)</u>	<u>-</u>	<u>557,245</u>	<u>226,536,506</u>
Business-Type Activities capital assets, net	<u>\$ 245,410,292</u>	<u>\$ 5,237,760</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 250,648,052</u>

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

Water	\$ 3,288,610
Stormwater	2,387,101
Wastewater	5,481,226
Total depreciation and amortization expense	<u>\$ 11,156,937</u>

CITY OF GRESHAM, OREGON

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 \$3 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	\$ 425,000	
	Internal Service	<u>8,024,170</u>	\$ 8,449,170
Transportation	Internal Service	<u>2,544,125</u>	2,544,125
CDBG & HOME	Internal Service	<u>29,856</u>	29,856
Nonmajor Governmental	CDBG & HOME	4,449	
	Internal Service	460,878	
	Rockwood UR Debt Service	<u>3,232,717</u>	3,698,044
Water	CDBG & HOME	205	
	Internal Service	<u>2,101,625</u>	2,101,830
Stormwater	CDBG & HOME	212	
	Internal Service	<u>1,490,255</u>	1,490,467
Wastewater	CDBG & HOME	425	
	Internal Service	<u>3,268,460</u>	3,268,885
Internal Service	CDBG & HOME	2,448	
	Various Internal Service Components	<u>1,528,031</u>	<u>1,530,479</u>
			<u>\$ 23,112,856</u>

NOTES TO THE FINANCIAL STATEMENTS

Interfund transfers during the fiscal year were as follows:

Transfer To	Transfer From	Amount	Purpose
General	Nonmajor Governmental	\$ 44,000	Internal transfers
	Water, Stormwater, and Wastewater	75,000	Confined space
	Designated Purpose	<u>1,100,000</u>	Internal transfers
		\$ 1,219,000	
Designated Purpose	Nonmajor Governmental	4,188	Small business program transfers
	Internal Service	34,000	Program contributions
	General	<u>225,339</u>	Small business program transfers, grant matches
		263,527	
Transportation	Nonmajor Governmental	92,750	Administration of streetlight program
	System Development Charge	246,036	SDC improvement
	Stormwater	<u>854,100</u>	Funding for vegetation and street sweeping
		1,192,886	
GRDC - Rockwood Debt Service	Nonmajor Governmental	<u>1,523,657</u>	Debt service
		1,523,657	
Nonmajor Governmental	CDBG & HOME	72,402	Project reimbursement, Section 108 debt payments
	Nonmajor Governmental	715,002	CIP, streetlight transfers
	Water, Stormwater, and Wastewater	1,551,884	Green business program, small business program transfers, Dev eng and public works transfers
	General	3,078,732	Planning services, debt service
	Transportation	5,826,427	Dev engineering & public works inspection, CIP, debt service
	System Development Charge	<u>6,187,394</u>	SDC funded projects and interest, SDC credits
		17,431,841	
Water	CDBG & HOME	205	Project reimbursement
	System Development Charge	<u>877,426</u>	SDC funded debt and interest payment
		877,631	
Stormwater	CDBG & HOME	212	Project reimbursement
	Transportation	119,400	Impervious surface charge
	System Development Charge	<u>483,407</u>	SDC funded debt and interest payments
		603,019	
Wastewater	CDBG & HOME	425	Project reimbursement
	System Development Charge	<u>454,733</u>	SDC funded debt and interest payments
		455,158	
Internal Service	CDBG & HOME	4,648	City facility project transfer
	Nonmajor Governmental	180,400	City facility project transfer, closing funds transfers
	Transportation	210,000	DES support of GIS internal transfers, project support
	Internal Service	719,932	Roof, debt transfers, admin support, enterprise systems replacement, ERF
	Water, Stormwater, and Wastewater	794,700	City facility project transfer, DES support of GIS internal transfers
	General	2,315,434	Fire facilities, City facilities, Community Livability support, ERF
		<u>4,225,114</u>	
		<u>\$27,791,833</u>	

CITY OF GRESHAM, OREGON

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	\$ 61,612,223	\$ 7,206,600	\$ 7,034,770	\$ 61,784,053	\$ 28,273,028	\$ 33,511,025
Premiums	433,039	-	139,835	293,204	134,397	158,807
Total bonds and notes payable	62,045,262	7,206,600	7,174,605	62,077,257	28,407,425	33,669,832
Other liabilities:						
Compensated absences	8,680,339	4,993,672	3,897,411	9,776,600	1,466,500	8,310,100
Other post-employment benefits liability	8,546,714	1,947,493	2,111,642	8,382,565	-	8,382,565
Net pension liability	90,288,770	57,389,937	32,200,947	115,477,760	-	115,477,760
Governmental Activities Long-Term Liabilities	\$ 169,561,085	\$ 71,537,702	\$ 45,384,605	\$ 195,714,182	\$ 29,873,925	\$ 165,840,257
Business-Type Activities						
Bonds and notes payable	\$ 23,659,575	\$ 4,958,500	\$ 2,813,650	\$ 25,804,425	\$ 14,184,537	\$ 11,619,888
Revenue bonds	530,000	-	530,000	-	-	-
Premiums	609,023	-	52,689	556,334	60,917	495,417
Total bonds and notes payable	24,798,598	4,958,500	3,396,339	26,360,759	14,245,454	12,115,305
Other liabilities:						
Compensated absences	1,088,600	624,904	521,804	1,191,700	178,800	1,012,900
Other post-employment benefits liability	809,762	110,760	245,603	674,919	-	674,919
Net pension liability	11,048,195	7,304,050	3,870,654	14,481,591	-	14,481,591
Business-Type Activities Long-Term Liabilities	\$ 37,745,155	\$ 12,998,214	\$ 8,034,400	\$ 42,708,969	\$ 14,424,254	\$ 28,284,715
Deferred Outflow of Resources						
Deferred Refunding Amounts on Debt	\$ 30,804	\$ -	\$ 30,804	\$ -	\$ -	\$ -

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 \$87.6 million in outstanding bonds and notes (excluding Revenue bonds) to fund the following:

\$ 29,714,211	Property, buildings and infrastructure
12,240,000	Pension bonds
18,129,842	Urban renewal projects
1,145,000	Equipment
555,000	Miscellaneous other
<u>61,784,053</u>	Governmental activities bonds and notes payable
4,519,272	Wastewater system improvements
17,213,275	Water system improvements
4,071,878	Stormwater system improvements
<u>25,804,425</u>	Business-Type activities notes payable
<u>\$ 87,588,478</u>	Total outstanding bonds and notes payable

NOTES TO THE FINANCIAL STATEMENTS

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
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	\$ 13,435,000	\$ -	\$ 1,195,000	\$ 12,240,000
2013 Full Faith & Credit Obligations Series B	3.25% to 4.25%	4,655,000	2,410,000	-	465,000	1,945,000
2013 Full Faith & Credit Obligations Series C*	3.05% to 4.85%	7,610,000	3,415,000	-	375,000	3,040,000
2015 Full Faith & Credit Obligations	3.25% to 5.00%	8,951,250	5,138,750	-	896,250	4,242,500
Total bonds payable		<u>40,496,250</u>	<u>24,398,750</u>	<u>-</u>	<u>2,931,250</u>	<u>21,467,500</u>
<i>Notes Payable</i>						
Governmental Funds						
2010 Financing Agmt Gresham-GRDC	3.550% to 5.250%	23,470,000	6,455,488	-	2,062,332	\$ 4,393,156
2014 Section 108 Loan - Fountain	variable	1,500,000	366,000	-	66,000	300,000
2015 GRDC Note	3.00%	6,700,000	2,701,790	-	872,639	1,829,151
2017 GRDC Note	0.86% to 3.50%	1,000,000	8,200,000	3,780,000	800,000	11,180,000
2018 Property Purchase	5.05%	1,593,000	1,304,995	-	302,549	1,002,446
2018-22 Gresham Line of Credit**	2.12%	50,000,000	18,185,200	3,426,600	-	21,611,800
Total notes payable		<u>84,263,000</u>	<u>37,213,473</u>	<u>7,206,600</u>	<u>4,103,520</u>	<u>40,316,553</u>
Total Governmental Activities bonds and notes payable		<u>\$124,759,250</u>	<u>\$ 61,612,223</u>	<u>\$ 7,206,600</u>	<u>\$ 7,034,770</u>	<u>\$ 61,784,053</u>
Business-Type Activities						
Wastewater - Second Clarifier	2.98%	\$ 407,058	\$ 227,522	\$ -	\$ 21,050	\$ 206,472
2009 Wastewater Fin. Agmt.	3.50%	19,351,000	1,912,000	-	1,912,000	-
2015 FF&C Obligations - Wastewater	3.25% to 5.00%	5,670,000	4,275,000	-	305,000	3,970,000
Water Meter Replacement Notes	3.00%	2,361,232	1,454,745	-	115,070	1,339,675
2015 FF&C Obligations - Water	3.25% to 5.00%	5,338,750	4,396,250	-	213,750	4,182,500
2017 State of Oregon Stormwater UIC	0.00%	4,935,608	4,318,658	-	246,780	4,071,878
2018-22 Gresham Line of Credit**	2.12%	50,000,000	7,075,400	4,958,500	-	12,033,900
Total Business-Type Activities bonds and notes payable		<u>\$ 88,063,648</u>	<u>\$ 23,659,575</u>	<u>\$ 4,958,500</u>	<u>\$ 2,813,650</u>	<u>\$ 25,804,425</u>

* 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.

CITY OF GRESHAM, OREGON

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 Agmt		2013 FF&C Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
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	2,125,000	349,853	-	-	420,000	73,693
2027 - 2031	3,615,000	296,826	-	-	1,375,000	132,550
2032 - 2034	-	-	-	-	155,000	10,063
	<u>\$ 12,240,000</u>	<u>\$ 3,089,384</u>	<u>\$ 4,393,156</u>	<u>\$ 264,724</u>	<u>\$ 4,985,000</u>	<u>\$ 752,345</u>

Fiscal Year	Section 108 Loans		2015 Gresham/URA FF&C		2015 GRDC	
	Principal	Interest*	Principal	Interest	Principal	Interest
2022	\$ 151,000	\$ 3,000	\$ 932,500	\$ 185,586	\$ 899,383	\$ 48,869
2023	73,000	1,490	975,000	138,961	929,768	21,305
2024	76,000	760	151,250	90,211	-	-
2025	-	-	163,750	82,648	-	-
2026	-	-	170,000	74,461	-	-
2027 - 2031	-	-	958,750	256,805	-	-
2032 - 2035	-	-	891,250	79,144	-	-
	<u>\$ 300,000</u>	<u>\$ 5,250</u>	<u>\$ 4,242,500</u>	<u>\$ 907,816</u>	<u>\$ 1,829,151</u>	<u>\$ 70,174</u>

Fiscal Year	2017 GRDC		2018-2022 Line of Credit		2018 Property Purchase	
	Principal	Interest	Principal	Interest**	Principal	Interest
2022	-	\$ 281,358	\$ 21,611,800	\$ 458,170	\$ 317,828	\$ 50,624
2023	\$ 11,180,000	281,358	-	-	333,878	34,573
2024	-	-	-	-	350,740	17,712
	<u>\$ 11,180,000</u>	<u>\$ 562,716</u>	<u>\$ 21,611,800</u>	<u>\$ 458,170</u>	<u>\$ 1,002,446</u>	<u>\$ 102,909</u>

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

** Line of Credit interest is estimated.

NOTES TO THE FINANCIAL STATEMENTS

Business-Type Activities						
Fiscal Year	Wastewater - Second Clarifier		Wastewater - 2015 FF&C		Water Meter Replacement Notes	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 21,682	\$ 7,024	\$ 320,000	\$ 168,244	\$ 1,339,676	\$ 37,846
2023	22,333	6,265	335,000	152,244	-	-
2024	23,002	5,484	350,000	135,494	-	-
2025	23,693	4,678	370,000	117,994	-	-
2026	24,405	3,848	390,000	99,494	-	-
2027 - 2031	91,357	6,585	2,205,000	232,087	-	-
	<u>\$ 206,472</u>	<u>\$ 33,884</u>	<u>\$ 3,970,000</u>	<u>\$ 905,556</u>	<u>\$ 1,339,676</u>	<u>\$ 37,846</u>

Fiscal Year	Water - 2015 FF&C		Storm-Underground Injection Control		2018-2022 Line of Credit	
	Principal	Interest	Principal	Interest*	Principal	Interest**
2022	\$ 222,500	\$ 166,795	\$ 246,780	\$ 20,359	\$ 12,033,900	\$ 255,119
2023	235,000	155,670	246,780	19,125	-	-
2024	243,750	143,920	246,780	17,892	-	-
2025	261,250	131,733	246,780	16,658	-	-
2026	270,000	118,670	246,780	15,424	-	-
2027 - 2031	1,531,250	409,682	1,233,900	58,610	-	-
2032 - 2036	1,418,750	126,131	1,233,900	27,763	-	-
2037 - 2038	-	-	370,178	2,468	-	-
	<u>\$ 4,182,500</u>	<u>\$ 1,252,601</u>	<u>\$ 4,071,878</u>	<u>\$ 177,681</u>	<u>\$ 12,033,900</u>	<u>\$ 255,119</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.

CITY OF GRESHAM, OREGON

Privately Issued Debt

Governmental Activities

	6/30/2021	Maturity	Covenants /Terms
2010 Fin. Agmt. Gresham-GRDC (Series A & B)	\$ 2,505,183	6/1/2023	(a)
2010 Fin. Agmt. GRDC (Series C)	1,887,973	6/1/2023	(b)
2014 Section 108 Loan - HUD	300,000	8/1/2029	(c)
2015 GRDC Note	1,829,151	6/1/2023	(d)
2017 GRDC Note	11,180,000	6/1/2023	(d)
2018 Property Acquisition	1,002,446	7/31/2023	(i)
2020 Line of Credit - Government	21,611,800	5/10/2022	(e)
Total Governmental Activities	\$ 40,316,553		

Business-Type Activities

	6/30/2021	Maturity	Covenants & Terms
2010 Wastewater - Second Clarifier	\$ 206,472	8/1/2029	(f)
2010 Water Meter Replacement Notes	1,339,676	12/1/2030	(g)
2017 State of Oregon - Stormwater	4,071,878	8/1/2037	(h)
2018 Line of Credit - Business	12,033,900	5/10/2022	(e)
Total Business Activities	\$ 17,651,926		
Grand Total	\$ 57,968,478		

(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.

NOTES TO THE FINANCIAL STATEMENTS

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	\$ 530,000	-	\$ 530,000	-

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, 2021, borrowings outstanding were \$21,611,800 in Governmental Activities and \$12,033,900 in Business-Type Projects for a total of \$33,645,700.

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.

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 10 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

CITY OF GRESHAM, OREGON

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 ACFR 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 results. Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of Final Average Salary will be limited for all members beginning in 2020. The limit was \$195,000 in 2020 and will be indexed with inflation in later years.

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
- 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.

NOTES TO THE FINANCIAL STATEMENTS

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.

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.

CITY OF GRESHAM, OREGON

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, 2021 contributions exclusive of the 6% "pick-up" was \$7,234,969.

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 \$3,299,270 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, 2021, the City reported a liability of \$129,959,351 for its proportionate share of the OPERS net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018 rolled forward to June 30, 2020. 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, 2020, the City's proportion was 0.5955%, which is an increase from its proportion of 0.5858% measured as of June 30, 2019.

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For the year ended June 30, 2021, the City recognized pension expense of \$28,070,125. At June 30, 2021, 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	\$ 5,719,784	\$ -
Changes of assumptions	6,974,508	244,372
Net difference between projected and actual earnings on investments	15,281,531	-
Changes in proportionate share	5,076,724	860
Differences between employer contributions and employer's proportionate share of system contributions	-	10,129,781
Contributions subsequent to the measurement date	7,234,969	-
Total	\$ 40,287,516	\$ 10,375,013

Deferred outflows of resources related to pensions of \$7,234,969 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, 2022. 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:

2022	\$	4,827,873
2023		7,056,673
2024		6,618,092
2025		4,360,744
2026		(185,848)
Total	\$	22,677,534

Actuarial Methods and Assumptions

The total pension liability in the December 31, 2018 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%

CITY OF GRESHAM, OREGON

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:

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

Active members:

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

Disabled retirees:

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

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2018 experience study which reviewed experience for the four-year period ending on December 31, 2018.

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 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.

NOTES TO THE FINANCIAL STATEMENTS

Asset Class	Target	Compound Annual Return (Geometric)
Core Fixed Income	9.60%	4.07%
Short-Term Bonds	9.60	3.68
Bank/Leveraged Loans	3.60	5.19
High Yield Bonds	1.20	5.74
Large/Mid Cap US Equities	16.17	6.30
Small Cap US Equities	1.35	6.68
Micro Cap US Equities	1.35	6.79
Developed Foreign Equities	13.48	6.91
Emerging Market Equities	4.24	7.69
Non-US Small Cap Equities	1.93	7.25
Private Equity	17.50	8.33
Real Estate (Property)	10.00	5.55
Real Estate (REITS)	2.50	6.69
Hedge Fund of Funds – Diversified	1.50	4.06
Hedge Fund – Event-driven	0.38	5.59
Timber	1.13	5.61
Farmland	1.13	6.12
Infrastructure	2.25	6.67
Commodities	1.13	3.79
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)	\$ 192,978,903	\$ 129,959,351	\$ 77,114,535

CITY OF GRESHAM, OREGON

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, 2020. Most of these changes are expected to reduce the system's actuarial accrued liability, including redirecting a portion of the 6% member contribution from the Individual Account Program to Employee Pension Stability Accounts beginning in July 2020.

In July 2021, the PERS Board approved changes to assumptions for the 2020 valuation, which will impact the system's actuarial accrued liability. These changes include reducing the assumed rate of return from 7.20% to 6.90% and reducing the assumed annual inflation from 2.50% to 2.40%, which together will increase the actuarial accrued liability.

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	\$ -	\$ 614,469	\$ 614,469
Deferred Outflows of Resources			
Contributions After the Measurement Date	490,740	11,103	501,843
Change in Proportionate Share	-	186,108	186,108
Difference in Earnings	-	68,334	68,334
Difference in Experience	1,040,045	-	1,040,045
Change in Assumptions	227,042	-	227,042
Total OPEB Liability	(9,057,484)	-	(9,057,484)
Deferred Inflows of Resources			
Change in Proportionate Share	-	(7,996)	(7,996)
Change in Assumptions	(1,459,635)	(32,662)	(1,492,297)
Difference in Experience	-	(62,817)	(62,817)
OPEB Expense (Included in program expenses on Statement of Activities)	919,173	(7,069)	912,104

NOTES TO THE FINANCIAL STATEMENTS

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 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, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	74
Active employees	596
	670

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 \$9,057,484 was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2020.

For the fiscal year ended June 30, 2021, the City recognized OPEB expense from this plan of \$919,173. At June 30, 2021, 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	\$ 227,042	\$ (1,459,635)
Differences between expected and actual experience	1,040,045	-
Contributions subsequent to the measurement date	490,740	-
Total	\$ 1,757,827	\$ (1,459,635)

Deferred outflows of resources related to OPEB of \$490,740 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

CITY OF GRESHAM, OREGON

Year ended June 30:	
2022	\$ (23,008)
2023	(23,008)
2024	(23,008)
2025	(23,008)
2026	(23,008)
Thereafter	(77,508)
Total	<u>\$ (192,548)</u>

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2020 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	Pub-2010 General and Safety Employee and Healthy Retiree tables, sex-distinct for members and dependents, with a one-year setback for male general service employees and female safety employees.
Discount rate	2.21% (change from 3.50% in previous measurement period)
Healthcare cost trend rate	Medical and vision: 5.75% per year, decreasing to 4.00% Dental: 4.00% 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, 2020	\$ 9,356,476
Changes for the year:	
Service cost	602,967
Interest on Total OPEB Liability	339,214
Effect of economic/demographic gains or losses	543,254
Effect of assumptions changes or inputs	(1,244,551)
Benefit payments	(539,876)
Balance as of June 30, 2021	<u>\$ 9,057,484</u>

Changes in assumptions includes the impact of the Further Consolidations Appropriations Act of 2020, which repeals the Cadillac Tax and removes the Health Insurer Fee beginning in 2021. The impact of these changes is offset by the change in the discount rate from 3.50 to 2.21.

NOTES TO THE FINANCIAL STATEMENTS

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 (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare trend assumption.

Discount Rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB Liability	\$ 9,830,079	\$ 9,057,484	\$ 8,342,572

Healthcare Cost Trend:

	1% Decrease (4.75% decreasing to 3.00%)	Current Healthcare Trend Rate (5.75% decreasing to 4.00%)	1% Increase (6.75% decreasing to 5.00%)
Total OPEB Liability	\$ 8,018,578	\$ 9,057,484	\$ 10,301,463

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

CITY OF GRESHAM, OREGON

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, 2021 was \$11,103.

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

At June 30, 2021, the City reported an asset of \$614,469 for its proportionate share of the OPERS net OPEB asset. The net OPEB asset was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2018 rolled forward to June 30, 2020. 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, 2020, the City's proportionate share was 0.3016%, which is a decrease from its proportion of 0.4841% as of June 30, 2019.

For the year ended June 30, 2021, the City recognized an OPEB expense reduction from this plan of \$7,069. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 62,817
Changes of assumptions	-	32,662
Net difference between projected and actual earnings	68,334	-
Changes in proportionate share	186,108	7,996
Contributions subsequent to the measurement date	11,103	-
Total	<u>\$ 265,545</u>	<u>\$ 103,475</u>

Deferred outflows of resources related to OPEB of \$11,103 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

NOTES TO THE FINANCIAL STATEMENTS

Year ended June 30:

2022	\$ 29,385
2023	74,767
2024	25,260
2025	21,555
Total	<u>\$ 150,967</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	\$ 496,080	\$ 614,469	\$ 715,696

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, 2021, the amount deferred and investment earnings thereon, adjusted to fair market value, amount to \$75,451,756. The amounts accumulated under the Plan, including investment earnings, are excluded from the financial statements of the City.

CITY OF GRESHAM, OREGON

I. Fund Balance Components

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

Fund Balances	General Fund	Designated Purpose Fund	System Development Charge Fund	Transportation Fund	CDBG & HOME Fund	GRDC - Rockwood Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Restricted:								
Transportation Projects	\$ -	\$ -	\$ -	\$ 31,234,162	\$ -	\$ -	\$ -	\$ 31,234,162
City System Development	-	-	24,172,834	-	-	-	-	24,172,834
Streetlights	-	-	-	-	-	-	4,710,174	4,710,174
Building Inspection & Permits	-	-	-	-	-	-	7,906,576	7,906,576
Urban Renewal Area	-	-	-	-	-	11,706,603	1,227,367	12,933,970
Misc. Grants and Programs	-	6,307,118	-	-	145,626	-	-	6,452,744
Total Restricted Fund Balances	-	6,307,118	24,172,834	31,234,162	145,626	11,706,603	13,844,117	87,410,460
Committed:								
Rental Inspections	-	-	-	-	-	-	1,121,617	1,121,617
Assigned:								
Infrastructure Development	-	-	-	-	-	-	4,572,450	4,572,450
Urban Design and Planning	-	-	-	-	-	-	1,198,625	1,198,625
Solid Waste	-	-	-	-	-	-	750,217	750,217
Misc. Grants and Programs	-	332,098	-	-	119,685	-	-	451,783
Capital Projects	-	-	-	-	-	-	5,294,999	5,294,999
Debt Service	-	-	-	-	-	-	4,143,191	4,143,191
Total Assigned Fund Balances	-	332,098	-	-	119,685	-	15,959,482	16,411,265
Unassigned:	27,750,396	-	-	-	-	-	-	27,750,396
Total Fund Balances	\$ 27,750,396	\$ 6,639,216	\$ 24,172,834	\$ 31,234,162	\$ 265,311	\$ 11,706,603	\$ 30,925,216	\$ 132,693,738

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 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.

NOTES TO THE FINANCIAL STATEMENTS

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
2020	\$ 3,824,000	\$ 345,586	\$ (520,586)	\$ 3,649,000
2021	3,649,000	619,921	(499,921)	3,769,000

Liability Claims

Fiscal Year	Beginning Balance	New claims and changes in estimates	Claim payments	Ending Balance
2020	\$ 843,194	\$ 190,208	\$ (454,882)	\$ 578,520
2021	578,520	396,111	(511,110)	463,521

Health Insurance Claims

Fiscal Year	Beginning Balance	New claims and changes in estimates	Claim payments	Ending Balance
2020	\$ 901,000	\$ 8,365,060	\$ (8,437,060)	\$ 829,000
2021	829,000	5,560,162	(5,496,162)	893,000

Dental Insurance Claims

Fiscal Year	Beginning Balance	New claims and changes in estimates	Claim payments	Ending Balance
2020	\$ 34,000	\$ 525,146	\$ (527,146)	\$ 32,000
2021	32,000	580,729	(580,729)	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.

CITY OF GRESHAM, OREGON

C. Construction Commitments

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

Project Description	Contract Commitment	Expended as of June 30, 2021	Remaining Commitment
WWTP Maintenance Project	\$ 37,561,282	\$ 4,437,020	33,124,262
1950's Pipe Rehab/Maint	3,552,771	3,376,870	175,901
Gresham's Well #2	1,496,111	1,337,404	158,707
WWTP Asset Mgmt Implementation	178,231	85,366	92,865
WWTP FOG Screening Improv	223,532	155,560	67,972
Division St Corridor "Complete St"	138,513	95,215	43,298
Streetlight Replacement & In	135,145	92,053	43,092
Bridge Inspection/Monitoring/Maint	498,785	208,989	289,796
Grant Butte Seismic Retro	3,501,176	3,476,272	24,904
Local St Reconsruc Coord	1,047,169	985,955	61,214
Time Travel & VMS on Hwy 26	165,319	99,385	65,934
WA System Plan/Test Wells	253,076	188,493	64,583
Amer w/Disab Curb Ramp	1,943,525	1,593,770	349,755
Pedestrian Enhancement	66,470	-	66,470
Water Main Condition Assessment	859,849	501,843	358,006
Minor Drainage Problems	139,990	87,484	52,506
City Stormwater Master Plan Update	71,640	31,121	40,519
Catalyst Site	29,340	2,500	26,840
Mayor Charles Becker Park Const	1,147,804	1,070,606	77,198
SE Palmquist Rd at US26 Roadway Improv	1,500,280	1,428,288	71,992
McKinley Sewer Extension	1,430,907	129,090	1,301,817
Totals	\$ 55,940,915	\$ 19,383,284	\$ 36,557,631

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, 2021 for governmental activities was \$379,431 and for business-type activities \$28,517.

Future minimum payments for operating leases, based on fiscal year 2021's level of usage, are as follows:

Fiscal Year	Governmental Activities	Business-Type Activities	Total
2022	\$ 336,158	\$ 25,338	\$ 361,496
2023	37,624	22,914	60,538
2024	34,495	19,254	53,749
2025	19,744	6,437	26,181
2026	8,786	3,983	12,770
Totals	\$ 436,807	\$ 77,927	\$ 514,734

NOTES TO THE FINANCIAL STATEMENTS

E. Pledged Revenue

Revenues of the City are pledged to debt service of the 2010 Series C Notes only, the 2015 GRDC Note and the 2017 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 2021 the City recorded \$5,854,371 of revenues that were pledged to debt service and debt service for the related instruments was \$2,226,269. 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
2022	919,528	87,050	899,383	48,869	-	281,358	2,176,860
2023	968,446	38,133	929,768	21,305	11,180,000	281,358	8,879,682
	<u>\$ 1,887,974</u>	<u>\$ 125,182</u>	<u>\$ 1,829,151</u>	<u>\$ 70,174</u>	<u>\$ 11,180,000</u>	<u>\$ 562,716</u>	<u>\$ 15,655,197</u>

F. Tax Abatements

As of June 30, 2021, 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

CITY OF GRESHAM, OREGON

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, 2021, the City's property tax revenues were reduced by an estimated \$1,233,999 as a result of the Enterprise Zone program. Community service fees of \$1,305,196 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, 2021, there were not any active participants in this program, and no impact to estimated tax revenues.

G. Subsequent Events

Since June 30, 2021, the City has drawn \$3,971,200 on its revolving line of credit. The draw proceeds were used to support \$2,300,200 of governmental projects and \$1,671,100 of business type projects. The City has also refunded \$13,360,400 in Water project expenses on the line with the Series 2021 Water Revenue bonds described below. The line has a \$50,000,000 maximum and the total outstanding draw principal is currently \$24,256,500.

The Gresham City Council, on August 17, 2021, approved an interagency agreement with Metro for the allocation of up to \$2.475 million of Gresham's \$5.4 million in 2019 Park & Nature Bond Measure Local Share Program resources for the acquisition of the property at 3535 W Powell Blvd (Shaul Property). The acquisition of the 7.8 acre property secures it as a permanent public asset, protecting its natural resources and providing future access to nature opportunities. The acquisition closed November 12, 2021.

NOTES TO THE FINANCIAL STATEMENTS

On October 19, 2021 the Gresham Redevelopment Commission approved Amendment #1 to the Downtown Rockwood, LLC Land Development Agreement to reflect the allocation of \$3 million of urban renewal funds to Building B of the Downtown Rockwood project.

The Gresham Redevelopment Commission issued additional debt on the 2017 GRDC Revolving Note for the support of on-going project and administrative expenses. On November 5 and 9, 2021 the Area issued Du Jour debt in the amount of \$1.9 million each, both repaid the following business day.

The City prepaid the balance on the Water Meter Replacement Notes on November 5, 2021, which had an outstanding balance as of June 30, 2021 of \$1,339,676. The original payment schedule required payment of \$118,522 during fiscal year 2022, and the City prepaid the remaining amount prior to issuing new water revenue bonds in December 2021.

On December 29, 2021, the City issued Water Revenue bonds for a principal amount of \$41,455,000. The issuance was rated AA- by S&P Global Ratings. The proceeds from the sale of the bonds will be used to finance capital improvements to the City's Water System, including, but not limited to reservoir improvements, transmission improvements, treatment facility construction and improvements, well pump construction and improvements, meter station construction and improvements, and seismic resiliency retrofitting and upgrades. A portion of the proceeds will be used to pay down the revolving line of credit, as described above.

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 Four Fiscal Years^{1,2}

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service cost	\$ 602,967	\$ 535,072	\$ 488,313	\$ 527,273
Interest	339,214	348,060	281,973	226,913
Changes in benefit terms	-	-	-	-
Difference between expected and actual experience	543,254	-	794,837	-
Changes of assumptions or other inputs	(1,244,551)	284,520	(76,043)	(495,221)
Benefit payments	<u>(539,876)</u>	<u>(534,746)</u>	<u>(304,424)</u>	<u>(307,149)</u>
Net change in OPEB liability	(298,992)	632,906	1,184,656	(48,184)
Total OPEB Liability - beginning	<u>9,356,476</u>	<u>8,723,570</u>	<u>7,538,914</u>	<u>7,587,098</u>
Total OPEB Liability - ending	<u><u>9,057,484</u></u>	<u><u>9,356,476</u></u>	<u><u>8,723,570</u></u>	<u><u>7,538,914</u></u>
City's Covered-Employee Payroll	\$ 54,179,317	\$ 52,717,193	\$ 48,351,316	\$ 45,518,553
Total OPEB Liability as a percentage of its covered payroll	16.7%	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 2021 is July 1, 2019 - June 30, 2020

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%, in fiscal year 2020 from 3.87% to 3.50%, and in fiscal year 2021 from 3.50% to 2.21%.

There are no assets accumulated in a trust that meets the criteria of GASB codification P52.101 to pay related benefits for the OPEB plan.

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 Five Fiscal Years ^{1,2}

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability (asset)	0.3016%	0.4841%	0.4573%	0.4422%	0.4524%
City's proportionate share of the net OPEB liability (asset)	\$ (614,469)	\$ (935,438)	\$ (510,468)	\$ (184,537)	\$ 122,862
City's covered-employee payroll	\$ 54,179,317	\$ 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-employee payroll	-1.1%	-1.8%	-1.1%	-0.4%	0.3%
Plan fiduciary net position as a percentage of the total OPEB liability	150.1%	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 2021 is July 1, 2019 - June 30, 2020

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

	2021	2020
Contractually required contributions	\$ 11,103	\$ 21,535
Contributions in relation to the contractually required contribution	(11,103)	(21,535)
Contribution deficiency (excess)	\$ -	\$ -
City's covered-employee payroll	\$ 55,145,912	\$ 54,179,317
Contributions as a percentage of covered-employee payroll	0.02%	0.04%

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

2019	2018	2017	2016	2015	2014
\$ 239,926	\$ 221,425	\$ 222,487	\$ 212,695	\$ 225,666	\$ 223,852
<u>(239,926)</u>	<u>(221,425)</u>	<u>(222,487)</u>	<u>(212,695)</u>	<u>(225,666)</u>	<u>(223,852)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 52,717,193	\$ 48,351,316	\$ 45,518,553	\$ 43,126,740	\$ 41,316,121	\$ 40,497,083
0.46%	0.46%	0.49%	0.49%	0.55%	0.55%

December 31, 2015
July 2017 - June 2019
Entry Age Normal
Market Value

2.50 percent
3.50 percent
7.50 percent

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 Eight Fiscal Years^{1, 2}

	<u>2021</u>	<u>2020</u>	<u>2019</u>
City's proportion of the net pension liability (asset)	0.5955%	0.5858%	0.5463%
City's proportionate share of the net pension liability (asset)	\$ 129,959,351	\$ 101,336,965	\$ 82,752,686
City's covered payroll	\$ 54,179,317	\$ 52,717,193	\$ 48,351,316
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	239.9%	192.2%	171.1%
Plan fiduciary net position as a percentage of the total pension liability	75.8%	80.2%	82.1%

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 2021 is July 1, 2019 - June 30, 2020

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.

2018	2017	2016	2015	2014
0.5250%	0.5176%	0.5178%	0.4564%	0.4564%
\$ 70,776,159	\$ 77,701,855	\$ 29,730,233	\$ (10,345,364)	\$ 23,290,937
\$ 45,518,553	\$ 43,126,740	\$ 41,316,121	\$ 40,497,083	\$ 39,389,914
155.5%	180.2%	72.0%	-25.5%	59.1%
83.1%	80.5%	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 Eight Fiscal Years ¹

	2021	2020
Contractually required contributions	\$ 7,234,969	\$ 7,073,362
Contributions in relation to the contractually required contribution	(7,234,969)	(7,073,362)
Contribution deficiency (excess)	\$ -	\$ -
City's covered payroll	\$ 55,145,912	\$ 54,179,317
Contributions as a percentage of covered payroll	13.12%	13.06%

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

2019	2018	2017	2016	2015	2014
\$ 5,194,350	\$ 4,877,479	\$ 3,670,758	\$ 3,536,948	\$ 2,709,239	\$ 2,631,112
<u>(5,194,350)</u>	<u>(4,877,479)</u>	<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>	<u>\$ -</u>	<u>\$ -</u>
\$ 52,717,193	\$ 48,351,316	\$ 45,518,553	\$ 43,126,740	\$ 41,316,121	\$ 40,497,083
9.85%	10.09%	8.06%	8.20%	6.56%	6.50%

December 31, 2015
July 2017 - June 2019
Entry Age Normal
Market Value

2.50 percent
3.50 percent
7.50 percent

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.

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

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.

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

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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Taxes	\$ 40,046,000	\$ 38,902,000	\$ 42,312,872	\$ 3,410,872
Licenses and permits	489,000	489,000	471,790	(17,210)
Intergovernmental	10,705,000	10,705,000	13,559,200	2,854,200
Charges for services	4,394,000	4,394,000	6,116,524	1,722,524
License fees	14,653,000	14,653,000	14,812,890	159,890
Miscellaneous	648,000	648,000	579,994	(68,006)
Internal service charges	838,257	838,257	490,204	(348,053)
Total revenues	<u>71,773,257</u>	<u>70,629,257</u>	<u>78,343,474</u>	<u>7,714,217</u>
EXPENDITURES				
Police	39,477,202	39,477,202	36,432,587	3,044,615
Fire and emergency services	27,127,116	27,127,116	27,125,854	1,262
Community development	1,045,441	1,045,441	570,561	474,880
Economic development services	854,143	854,143	688,405	165,738
Parks	3,499,257	3,499,257	2,899,691	599,566
Total expenditures	<u>73,118,159</u>	<u>73,118,159</u>	<u>67,717,098</u>	<u>5,401,061</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,344,902)</u>	<u>(2,488,902)</u>	<u>10,626,376</u>	<u>13,115,278</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	175,000	1,319,000	1,219,000	(100,000)
Transfers out	(5,622,200)	(5,622,200)	(5,619,505)	2,695
Total other financing sources (uses)	<u>(5,447,200)</u>	<u>(4,303,200)</u>	<u>(4,400,505)</u>	<u>(97,305)</u>
Net change in fund balances	(6,792,102)	(6,792,102)	6,225,871	13,017,973
Fund balances - beginning	<u>10,612,000</u>	<u>10,612,000</u>	<u>12,947,719</u>	<u>2,335,719</u>
Fund balances - ending	<u>\$ 3,819,898</u>	<u>\$ 3,819,898</u>	<u>\$ 19,173,590</u>	<u>\$ 15,353,692</u>
Accrued compensation			493,313	
Due from other funds			8,024,170	
Unrealized gain (loss) on investments			<u>59,323</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 27,750,396</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 12,151,474	\$ 21,172,474	\$ 18,382,121	\$ (2,790,353)
Charges for services	321,100	321,100	57,839	(263,261)
Miscellaneous	2,440,000	2,440,000	2,317,028	(122,972)
Total revenues	<u>14,912,574</u>	<u>23,933,574</u>	<u>20,756,988</u>	<u>(3,176,586)</u>
EXPENDITURES				
Office of governance and management	62,800	87,800	36,045	51,755
City-wide services	78,300	78,300	20,100	58,200
Police	1,824,109	1,824,109	571,054	1,253,055
Fire and emergency services	623,626	623,626	297,866	325,760
Urban design and planning	245,150	245,150	33,406	211,744
Community development	10,446,000	19,467,000	16,430,588	3,036,412
Economic development services	5,700,000	4,600,000	183,617	4,416,383
Community livability	769,400	769,400	393,144	376,256
Parks	100,000	100,000	-	100,000
Environmental services	290,000	290,000	35,086	254,914
Total expenditures	<u>20,139,385</u>	<u>28,085,385</u>	<u>18,000,906</u>	<u>10,084,479</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,226,811)</u>	<u>(4,151,811)</u>	<u>2,756,082</u>	<u>6,907,893</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	848,000	848,000	263,527	(584,473)
Transfers out	(100,000)	(1,200,000)	(1,100,000)	100,000
Total other financing sources (uses)	<u>748,000</u>	<u>(352,000)</u>	<u>(836,473)</u>	<u>(484,473)</u>
Net change in fund balances	(4,478,811)	(4,503,811)	1,919,609	6,423,420
Fund balances - beginning	<u>4,863,807</u>	<u>4,888,807</u>	<u>4,690,605</u>	<u>(198,202)</u>
Fund balances - ending	<u>\$ 384,996</u>	<u>\$ 384,996</u>	<u>\$ 6,610,214</u>	<u>\$ 6,225,218</u>
Unrealized gain (loss) on investments			<u>29,002</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 6,639,216</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Charges for services	\$ 34,423,100	\$ 34,423,100	\$ 4,699,659	\$ (29,723,441)
Miscellaneous	287,000	287,000	475,830	188,830
Total revenues	<u>34,710,100</u>	<u>34,710,100</u>	<u>5,175,489</u>	<u>(29,534,611)</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>34,710,100</u>	<u>34,710,100</u>	<u>5,175,489</u>	<u>(29,534,611)</u>
OTHER FINANCING (USES)				
Transfers out	<u>(43,040,705)</u>	<u>(43,040,705)</u>	<u>(8,248,996)</u>	<u>34,791,709</u>
Total other financing (uses)	<u>(43,040,705)</u>	<u>(43,040,705)</u>	<u>(8,248,996)</u>	<u>34,791,709</u>
Net change in fund balances	(8,330,605)	(8,330,605)	(3,073,507)	5,257,098
Fund balances - beginning	<u>9,568,900</u>	<u>9,568,900</u>	<u>26,912,501</u>	<u>17,343,601</u>
Fund balances - ending	<u>\$ 1,238,295</u>	<u>\$ 1,238,295</u>	<u>\$ 23,838,994</u>	<u>\$ 22,600,699</u>
Unrealized gain (loss) on investments			<u>333,840</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 24,172,834</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 13,933,000	\$ 13,933,000	\$ 12,769,370	\$ (1,163,630)
Charges for services	86,800	86,800	350,807	264,007
License fees	1,364,400	1,364,400	1,609,189	244,789
Miscellaneous	238,000	238,000	443,318	205,318
Internal service charges	1,579,939	1,579,939	2,196,867	616,928
Total revenues	<u>17,202,139</u>	<u>17,202,139</u>	<u>17,369,551</u>	<u>167,412</u>
EXPENDITURES				
Environmental services	10,331,033	10,331,033	9,189,803	1,141,230
Operating contingency	1,550,000	1,550,000	-	1,550,000
Total expenditures	<u>11,881,033</u>	<u>11,881,033</u>	<u>9,189,803</u>	<u>2,691,230</u>
Excess of revenues over expenditures	<u>5,321,106</u>	<u>5,321,106</u>	<u>8,179,748</u>	<u>2,858,642</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,701,750	4,701,750	1,192,886	(3,508,864)
Transfers out	(24,426,200)	(24,426,200)	(6,155,827)	18,270,373
Total other financing sources (uses)	<u>(19,724,450)</u>	<u>(19,724,450)</u>	<u>(4,962,941)</u>	<u>14,761,509</u>
Net change in fund balances	(14,403,344)	(14,403,344)	3,216,807	17,620,151
Fund balances - beginning	<u>24,357,900</u>	<u>24,357,900</u>	<u>24,625,749</u>	<u>267,849</u>
Fund balances - ending	<u>\$ 9,954,556</u>	<u>\$ 9,954,556</u>	<u>\$ 27,842,556</u>	<u>\$ 17,888,000</u>
Accrued compensation			599,800	
Due from other funds			2,544,125	
Unrealized gain (loss) on investments			<u>247,681</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 31,234,162</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 3,353,893	\$ 4,685,412	\$ 1,957,124	\$ (2,728,288)
Charges for services	-	-	27,297	27,297
Miscellaneous	-	-	13,923	13,923
Total revenues	<u>3,353,893</u>	<u>4,685,412</u>	<u>1,998,344</u>	<u>(2,687,068)</u>
EXPENDITURES				
Community development	<u>3,038,566</u>	<u>4,370,085</u>	<u>1,923,887</u>	<u>2,446,198</u>
Total expenditures	<u>3,038,566</u>	<u>4,370,085</u>	<u>1,923,887</u>	<u>2,446,198</u>
Excess of revenues over expenditures	<u>315,327</u>	<u>315,327</u>	<u>74,457</u>	<u>(240,870)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	20,000	20,000	-	(20,000)
Transfers out	<u>(229,600)</u>	<u>(229,600)</u>	<u>(77,892)</u>	<u>151,708</u>
Total other financing sources (uses)	<u>(209,600)</u>	<u>(209,600)</u>	<u>(77,892)</u>	<u>131,708</u>
Net change in fund balances	105,727	105,727	(3,435)	(109,162)
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>213,409</u>	<u>213,409</u>
Fund balances - ending	<u>\$ 105,727</u>	<u>\$ 105,727</u>	<u>\$ 209,974</u>	<u>\$ 104,247</u>
Accrued compensation			22,900	
Due from other funds			29,856	
Unrealized gain (loss) on investments			<u>2,581</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 265,311</u>	

**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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Taxes	\$ 5,598,800	\$ 5,598,800	\$ 5,854,371	\$ 255,571
Intergovernmental	29,800	29,800	35,670	5,870
Miscellaneous	163,600	163,600	243,685	80,085
Total revenues	<u>5,792,200</u>	<u>5,792,200</u>	<u>6,133,726</u>	<u>341,526</u>
EXPENDITURES				
Debt service	<u>7,356,600</u>	<u>7,356,600</u>	<u>4,770,601</u>	<u>2,585,999</u>
Total expenditures	<u>7,356,600</u>	<u>7,356,600</u>	<u>4,770,601</u>	<u>2,585,999</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,564,400)</u>	<u>(1,564,400)</u>	<u>1,363,125</u>	<u>2,927,525</u>
Net change in fund balances	(1,564,400)	(1,564,400)	1,363,125	2,927,525
Fund balances - beginning	<u>10,901,300</u>	<u>10,901,300</u>	<u>13,435,049</u>	<u>2,533,749</u>
Fund balances - ending	<u>\$ 9,336,900</u>	<u>\$ 9,336,900</u>	\$ 14,798,174	<u>\$ 5,461,274</u>
Advance from other funds			(3,232,717)	
Unrealized gain (loss) on investments			<u>141,146</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 11,706,603</u>	

City of Gresham, Oregon
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Debt Service Funds</u>	<u>Total</u>
ASSETS				
Cash and investments	\$ 21,295,798	\$ 7,194,690	\$ 907,340	\$ 29,397,828
Receivables, net	501,750	1,497,142	-	1,998,892
Other assets	75,656	24,551	3,134	103,341
Due from other funds	465,327	-	-	465,327
Advance to other funds	-	-	3,232,717	3,232,717
Restricted cash and investments	720,545	-	-	720,545
Total assets	<u>\$ 23,059,076</u>	<u>\$ 8,716,383</u>	<u>\$ 4,143,191</u>	<u>\$ 35,918,650</u>
LIABILITIES				
Accounts payable	\$ 529,591	\$ 2,120,007	\$ -	\$ 2,649,598
Other accrued liabilities	206,173	124,784	-	330,957
Deposits	2,002,554	2,000	-	2,004,554
Unearned revenue	8,325	-	-	8,325
Total liabilities	<u>2,746,643</u>	<u>2,246,791</u>	<u>-</u>	<u>4,993,434</u>
FUND BALANCES				
Restricted	12,669,524	1,174,593	-	13,844,117
Committed	1,121,617	-	-	1,121,617
Assigned	6,521,292	5,294,999	4,143,191	15,959,482
Total fund balances	<u>20,312,433</u>	<u>6,469,592</u>	<u>4,143,191</u>	<u>30,925,216</u>
Total liabilities and fund balances	<u>\$ 23,059,076</u>	<u>\$ 8,716,383</u>	<u>\$ 4,143,191</u>	<u>\$ 35,918,650</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, 2021

	Special Revenue Funds	Capital Project Funds	Debt Service Funds	Total
REVENUES				
Licenses and permits	\$ 2,380,097	\$ -	\$ -	\$ 2,380,097
Intergovernmental	1,706,679	7,022,579	1,702,571	10,431,829
Charges for services	3,451,753	2,600	-	3,454,353
License fees	1,327,544	-	-	1,327,544
Miscellaneous	132,726	82,012	9,393	224,131
Internal service charges	563,579	-	2,089,276	2,652,855
Total revenues	<u>9,562,378</u>	<u>7,107,191</u>	<u>3,801,240</u>	<u>20,470,809</u>
EXPENDITURES				
Current:				
General government	-	-	2,966	2,966
Urban renewal	1,077,967	6,087,000	-	7,164,967
Urban design and planning	3,338,953	-	-	3,338,953
Community development	4,133,359	-	-	4,133,359
Environmental services	3,602,855	-	-	3,602,855
Transportation	444,504	-	-	444,504
Capital outlay	-	19,763,660	-	19,763,660
Debt service	-	-	5,872,320	5,872,320
Total expenditures	<u>12,597,638</u>	<u>25,850,660</u>	<u>5,875,286</u>	<u>44,323,584</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,035,260)</u>	<u>(18,743,469)</u>	<u>(2,074,046)</u>	<u>(23,852,775)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	7,206,600	-	7,206,600
Transfers in	4,480,898	10,792,070	2,158,873	17,431,841
Transfers out	(1,036,340)	-	(1,523,657)	(2,559,997)
Total other financing sources (uses)	<u>3,444,558</u>	<u>17,998,670</u>	<u>635,216</u>	<u>22,078,444</u>
Net change in fund balances	<u>409,298</u>	<u>(744,799)</u>	<u>(1,438,830)</u>	<u>(1,774,331)</u>
Fund balances - beginning	<u>19,903,135</u>	<u>7,214,391</u>	<u>5,582,021</u>	<u>32,699,547</u>
Fund balances - ending	<u>\$ 20,312,433</u>	<u>\$ 6,469,592</u>	<u>\$ 4,143,191</u>	<u>\$ 30,925,216</u>

CITY OF
GRESHAM
GOING BEYOND

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.

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, 2021

	Urban Design & Planning Fund	Solid Waste & Recycling Fund	Rental Inspection Fund	Infrastructure Development Fund
ASSETS				
Cash and investments	\$ 1,437,315	\$ 636,618	\$ 1,027,583	\$ 5,555,305
Receivables, net	77,248	118,680	8,536	6,028
Other assets	4,949	2,192	3,535	21,357
Due from other funds	-	4,449	90,723	178,077
Restricted cash and investments	9,900	-	-	638,936
Total assets	<u>\$ 1,529,412</u>	<u>\$ 761,939</u>	<u>\$ 1,130,377</u>	<u>\$ 6,399,703</u>
LIABILITIES				
Accounts payable	\$ 28,798	\$ 11,722	\$ 435	\$ 6,701
Other accrued liabilities	206,173	-	-	-
Deposits	95,816	-	-	1,820,552
Unearned revenue	-	-	8,325	-
Total liabilities	<u>330,787</u>	<u>11,722</u>	<u>8,760</u>	<u>1,827,253</u>
FUND BALANCES				
Restricted	-	-	-	-
Committed	-	-	1,121,617	-
Assigned	1,198,625	750,217	-	4,572,450
Total fund balances	<u>1,198,625</u>	<u>750,217</u>	<u>1,121,617</u>	<u>4,572,450</u>
Total liabilities and fund balances	<u>\$ 1,529,412</u>	<u>\$ 761,939</u>	<u>\$ 1,130,377</u>	<u>\$ 6,399,703</u>

Streetlight Fund	Building Fund	Urban Renewal Support Fund	Total
\$ 4,482,747	\$ 8,087,075	\$ 69,155	\$ 21,295,798
224,582	66,676	-	501,750
15,415	27,995	213	75,656
-	192,078	-	465,327
-	71,709	-	720,545
<u>\$ 4,722,744</u>	<u>\$ 8,445,533</u>	<u>\$ 69,368</u>	<u>\$ 23,059,076</u>
\$ 12,570	\$ 452,771	\$ 16,594	\$ 529,591
-	-	-	206,173
-	86,186	-	2,002,554
-	-	-	8,325
<u>12,570</u>	<u>538,957</u>	<u>16,594</u>	<u>2,746,643</u>
4,710,174	7,906,576	52,774	12,669,524
-	-	-	1,121,617
-	-	-	6,521,292
<u>4,710,174</u>	<u>7,906,576</u>	<u>52,774</u>	<u>20,312,433</u>
<u>\$ 4,722,744</u>	<u>\$ 8,445,533</u>	<u>\$ 69,368</u>	<u>\$ 23,059,076</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, 2021

	Urban Design & Planning Fund	Solid Waste & Recycling Fund	Rental Inspection Fund
REVENUES			
Licenses and permits	\$ 52,387	\$ -	\$ 683,220
Intergovernmental	89,678	169,553	33,296
Charges for services	598,288	712,020	-
License fees	-	-	-
Miscellaneous	7,345	10,772	44,174
Internal service charges	-	-	-
Total revenues	<u>747,698</u>	<u>892,345</u>	<u>760,690</u>
EXPENDITURES			
Current:			
Urban renewal	-	-	-
Urban design and planning	3,338,953	-	-
Community development	-	-	560,299
Environmental services	-	880,100	-
Transportation	-	-	-
Total expenditures	<u>3,338,953</u>	<u>880,100</u>	<u>560,299</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,591,255)</u>	<u>12,245</u>	<u>200,391</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	2,335,000	109,698	-
Transfers out	<u>(165,600)</u>	<u>(13,200)</u>	<u>(52,800)</u>
Total other financing sources (uses)	<u>2,169,400</u>	<u>96,498</u>	<u>(52,800)</u>
Net change in fund balances	<u>(421,855)</u>	<u>108,743</u>	<u>147,591</u>
Fund balances - beginning	<u>1,620,480</u>	<u>641,474</u>	<u>974,026</u>
Fund balances - ending	<u>\$ 1,198,625</u>	<u>\$ 750,217</u>	<u>\$ 1,121,617</u>

Infrastructure Development Fund	Streetlight Fund	Building Fund	Urban Renewal Support Fund	Total
\$ -	\$ -	\$ 1,644,490	\$ -	2,380,097
10,910	110,053	296,675	996,514	1,706,679
1,062,328	43,614	1,035,503	-	3,451,753
-	1,327,544	-	-	1,327,544
22,428	9,663	38,344	-	132,726
563,579	-	-	-	563,579
<u>1,659,245</u>	<u>1,490,874</u>	<u>3,015,012</u>	<u>996,514</u>	<u>9,562,378</u>
-	-	-	1,077,967	1,077,967
-	-	-	-	3,338,953
-	-	3,573,060	-	4,133,359
2,722,755	-	-	-	3,602,855
-	444,504	-	-	444,504
<u>2,722,755</u>	<u>444,504</u>	<u>3,573,060</u>	<u>1,077,967</u>	<u>12,597,638</u>
<u>(1,063,510)</u>	<u>1,046,370</u>	<u>(558,048)</u>	<u>(81,453)</u>	<u>(3,035,260)</u>
1,921,200	-	115,000	-	4,480,898
(38,500)	(692,752)	(62,488)	(11,000)	(1,036,340)
<u>1,882,700</u>	<u>(692,752)</u>	<u>52,512</u>	<u>(11,000)</u>	<u>3,444,558</u>
<u>819,190</u>	<u>353,618</u>	<u>(505,536)</u>	<u>(92,453)</u>	<u>409,298</u>
<u>3,753,260</u>	<u>4,356,556</u>	<u>8,412,112</u>	<u>145,227</u>	<u>19,903,135</u>
<u>\$ 4,572,450</u>	<u>\$ 4,710,174</u>	<u>\$ 7,906,576</u>	<u>\$ 52,774</u>	<u>\$ 20,312,433</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Licenses and permits	\$ -	\$ -	\$ 52,387	\$ 52,387
Intergovernmental	-	-	89,678	89,678
Charges for services	1,039,000	1,039,000	598,288	(440,712)
Miscellaneous	21,000	21,000	23,778	2,778
Total revenues	<u>1,060,000</u>	<u>1,060,000</u>	<u>764,131</u>	<u>(295,869)</u>
EXPENDITURES				
Urban design and planning	4,009,867	4,009,867	3,351,153	658,714
Operating contingency	401,000	401,000	-	401,000
Total expenditures	<u>4,410,867</u>	<u>4,410,867</u>	<u>3,351,153</u>	<u>1,059,714</u>
Excess of expenditures over revenues	<u>(3,350,867)</u>	<u>(3,350,867)</u>	<u>(2,587,022)</u>	<u>763,845</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,335,000	2,335,000	2,335,000	-
Transfers out	<u>(165,600)</u>	<u>(165,600)</u>	<u>(165,600)</u>	<u>-</u>
Total other financing sources (uses)	<u>2,169,400</u>	<u>2,169,400</u>	<u>2,169,400</u>	<u>-</u>
Net change in fund balances	(1,181,467)	(1,181,467)	(417,622)	763,845
Fund balances - beginning	<u>1,336,000</u>	<u>1,336,000</u>	<u>1,305,495</u>	<u>(30,505)</u>
Fund balances - ending	<u>\$ 154,533</u>	<u>\$ 154,533</u>	<u>\$ 887,873</u>	<u>\$ 733,340</u>
Accrued compensation			288,300	
Unrealized gain (loss) on investments			<u>22,452</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 1,198,625</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 200,225	\$ 200,225	\$ 169,553	\$ (30,672)
Charges for services	748,000	748,000	712,020	(35,980)
Miscellaneous	10,000	10,000	18,051	8,051
Total revenues	<u>958,225</u>	<u>958,225</u>	<u>899,624</u>	<u>(58,601)</u>
EXPENDITURES				
Environmental services	1,084,664	1,084,664	893,400	191,264
Operating contingency	130,000	130,000	-	130,000
Total expenditures	<u>1,214,664</u>	<u>1,214,664</u>	<u>893,400</u>	<u>321,264</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(256,439)</u>	<u>(256,439)</u>	<u>6,224</u>	<u>262,663</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	105,249	105,249	109,698	4,449
Transfers out	(13,200)	(13,200)	(13,200)	-
Total other financing sources (uses)	<u>92,049</u>	<u>92,049</u>	<u>96,498</u>	<u>4,449</u>
Net change in fund balances	(164,390)	(164,390)	102,722	267,112
Fund balances - beginning	<u>505,711</u>	<u>505,711</u>	<u>593,238</u>	<u>87,527</u>
Fund balances - ending	<u>\$ 341,321</u>	<u>\$ 341,321</u>	\$ 695,960	<u>\$ 354,639</u>
Accrued compensation			48,700	
Unrealized gain (loss) on investments			<u>5,557</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 750,217</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Licenses and permits	\$ 700,000	\$ 700,000	\$ 683,220	\$ (16,780)
Intergovernmental	-	-	33,296	33,296
Miscellaneous	21,300	21,300	55,911	34,611
Total revenues	<u>721,300</u>	<u>721,300</u>	<u>772,427</u>	<u>51,127</u>
EXPENDITURES				
Community development	939,937	939,937	667,933	272,004
Operating contingency	94,000	94,000	-	94,000
Total expenditures	<u>1,033,937</u>	<u>1,033,937</u>	<u>667,933</u>	<u>366,004</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(312,637)</u>	<u>(312,637)</u>	<u>104,494</u>	<u>417,131</u>
OTHER FINANCING (USES)				
Transfers out	(8,800)	(52,800)	(52,800)	-
Total other financing (uses)	<u>(8,800)</u>	<u>(52,800)</u>	<u>(52,800)</u>	<u>-</u>
Net change in fund balances	(321,437)	(365,437)	51,694	417,131
Fund balances - beginning	648,700	692,700	876,845	184,145
Fund balances - ending	<u>\$ 327,263</u>	<u>\$ 327,263</u>	\$ 928,539	<u>\$ 601,276</u>
Accrued compensation			92,400	
Due from other funds			90,723	
Unrealized gain (loss) on investments			<u>9,955</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 1,121,617</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 10,910	\$ 10,910
Charges for services	851,100	851,100	1,062,327	211,227
Miscellaneous	43,700	43,700	93,344	49,644
Internal service charges	401,000	401,000	563,579	162,579
Total revenues	<u>1,295,800</u>	<u>1,295,800</u>	<u>1,730,160</u>	<u>434,360</u>
EXPENDITURES				
Environmental services	3,289,234	3,289,234	2,880,115	409,119
Operating contingency	493,000	493,000	-	493,000
Total expenditures	<u>3,782,234</u>	<u>3,782,234</u>	<u>2,880,115</u>	<u>902,119</u>
Excess of expenditures over revenues	<u>(2,486,434)</u>	<u>(2,486,434)</u>	<u>(1,149,955)</u>	<u>1,336,479</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,921,200	1,921,200	1,921,200	-
Transfers out	<u>(38,500)</u>	<u>(38,500)</u>	<u>(38,500)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,882,700</u>	<u>1,882,700</u>	<u>1,882,700</u>	<u>-</u>
Net change in fund balances	(603,734)	(603,734)	732,745	1,336,479
Fund balances - beginning	<u>2,915,500</u>	<u>2,915,500</u>	<u>3,378,535</u>	<u>463,035</u>
Fund balances - ending	<u>\$ 2,311,766</u>	<u>\$ 2,311,766</u>	<u>\$ 4,111,280</u>	<u>\$ 1,799,514</u>
Accrued compensation			237,200	
Due from other funds			178,077	
Unrealized gain (loss) on investments			<u>45,893</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 4,572,450</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 77,800	\$ 77,800	\$ 110,053	\$ 32,253
Charges for services	-	-	43,614	43,614
License fees	1,290,000	1,290,000	1,327,544	37,544
Miscellaneous	56,000	56,000	60,850	4,850
Total revenues	<u>1,423,800</u>	<u>1,423,800</u>	<u>1,542,061</u>	<u>118,261</u>
EXPENDITURES				
Environmental services	518,631	518,631	444,504	74,127
Operating contingency	78,000	78,000	-	78,000
Total expenditures	<u>596,631</u>	<u>596,631</u>	<u>444,504</u>	<u>152,127</u>
Excess of revenues ove expenditures	<u>827,169</u>	<u>827,169</u>	<u>1,097,557</u>	<u>270,388</u>
OTHER FINANCING (USES)				
Transfers out	(1,468,650)	(1,468,650)	(692,752)	775,898
Total other financing (uses)	<u>(1,468,650)</u>	<u>(1,468,650)</u>	<u>(692,752)</u>	<u>775,898</u>
Net change in fund balances	(641,481)	(641,481)	404,805	1,046,286
Fund balances - beginning	<u>3,736,000</u>	<u>3,736,000</u>	<u>4,260,531</u>	<u>524,531</u>
Fund balances - ending	<u>\$ 3,094,519</u>	<u>\$ 3,094,519</u>	<u>\$ 4,665,336</u>	<u>\$ 1,570,817</u>
Unrealized gain (loss) on investments			<u>44,838</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 4,710,174</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Licenses and permits	\$ 2,288,000	\$ 2,288,000	\$ 1,644,490	\$ (643,510)
Intergovernmental	226,000	226,000	296,675	70,675
Charges for services	1,702,000	1,702,000	1,035,503	(666,497)
Miscellaneous	115,000	115,000	131,302	16,302
Total revenues	<u>4,331,000</u>	<u>4,331,000</u>	<u>3,107,970</u>	<u>(1,223,030)</u>
EXPENDITURES				
Community development	4,787,270	4,787,270	3,846,564	940,706
Operating contingency	477,000	477,000	-	477,000
Total expenditures	<u>5,264,270</u>	<u>5,264,270</u>	<u>3,846,564</u>	<u>1,417,706</u>
Excess of expenditures over revenues	<u>(933,270)</u>	<u>(933,270)</u>	<u>(738,594)</u>	<u>194,676</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	115,000	115,000	115,000	-
Transfers out	(88,300)	(88,300)	(62,488)	25,812
Total other financing sources (uses)	<u>26,700</u>	<u>26,700</u>	<u>52,512</u>	<u>25,812</u>
Net change in fund balances	(906,570)	(906,570)	(686,082)	220,488
Fund balances - beginning	<u>8,275,000</u>	<u>8,275,000</u>	<u>7,922,045</u>	<u>(352,955)</u>
Fund balances - ending	<u>\$ 7,368,430</u>	<u>\$ 7,368,430</u>	<u>\$ 7,235,963</u>	<u>\$ (132,467)</u>
Accrued compensation			379,300	
Due from other funds			192,078	
Unrealized gain (loss) on investments			<u>99,235</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 7,906,576</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 1,914,900	\$ 1,914,900	\$ 997,221	\$ (917,679)
Total revenues	<u>1,914,900</u>	<u>1,914,900</u>	<u>997,221</u>	<u>(917,679)</u>
EXPENDITURES				
Urban renewal	1,899,374	1,899,374	1,081,967	817,407
Operating contingency	68,126	68,126	-	68,126
Total expenditures	<u>1,967,500</u>	<u>1,967,500</u>	<u>1,081,967</u>	<u>885,533</u>
Excess of expenditures over revenues	<u>(52,600)</u>	<u>(52,600)</u>	<u>(84,746)</u>	<u>(32,146)</u>
OTHER FINANCING (USES)				
Transfers out	<u>(51,000)</u>	<u>(51,000)</u>	<u>(11,000)</u>	<u>40,000</u>
Total other financing (uses)	<u>(51,000)</u>	<u>(51,000)</u>	<u>(11,000)</u>	<u>40,000</u>
Net change in fund balances	(103,600)	(103,600)	(95,746)	7,854
Fund balances - beginning	<u>103,600</u>	<u>103,600</u>	<u>100,152</u>	<u>(3,448)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	\$ 4,406	<u>\$ 4,406</u>
Accrued compensation			45,500	
Unrealized gain (loss) on investments			<u>2,868</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 52,774</u>	

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, 2021

	<u>Parks Capital Improvement Fund</u>	<u>General Development Capital Improvement Fund</u>	<u>Transportation Capital Improvement Fund</u>
ASSETS			
Cash and investments	\$ 1,214,028	\$ -	\$ 5,423,288
Receivables, net	-	-	283,097
Other assets	4,171	-	18,623
Total assets	<u>\$ 1,218,199</u>	<u>\$ -</u>	<u>\$ 5,725,008</u>
LIABILITIES			
Accounts payable	\$ 19,700	\$ -	\$ 1,503,724
Other accrued liabilities	-	-	124,784
Deposits	-	-	-
Total liabilities	<u>19,700</u>	<u>-</u>	<u>1,628,508</u>
FUND BALANCES			
Restricted	-	-	-
Assigned	1,198,499	-	4,096,500
Total fund balances	<u>1,198,499</u>	<u>-</u>	<u>4,096,500</u>
Total liabilities and fund balances	<u>\$ 1,218,199</u>	<u>\$ -</u>	<u>\$ 5,725,008</u>

Urban Renewal Capital Improvement Fund	GRDC - Rockwood Capital Improvement Fund	Total
\$ 132,947	\$ 424,427	\$ 7,194,690
1,208,620	5,425	1,497,142
459	1,298	24,551
<u>\$ 1,342,026</u>	<u>\$ 431,150</u>	<u>\$ 8,716,383</u>
\$ 596,583	\$ -	\$ 2,120,007
-	-	124,784
-	2,000	2,000
<u>596,583</u>	<u>2,000</u>	<u>2,246,791</u>
745,443	429,150	1,174,593
-	-	5,294,999
<u>745,443</u>	<u>429,150</u>	<u>6,469,592</u>
<u>\$ 1,342,026</u>	<u>\$ 431,150</u>	<u>\$ 8,716,383</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, 2021

	Parks Capital Improvement Fund	General Development Capital Improvement Fund	Transportation Capital Improvement Fund
REVENUES			
Intergovernmental	\$ -	\$ -	\$ 605,481
Charges for services	-	-	2,600
Miscellaneous	5,515	-	-
Total revenues	<u>5,515</u>	<u>-</u>	<u>608,081</u>
EXPENDITURES			
Current:			
Urban renewal	-	-	-
Capital outlay	149,700	2,464,982	11,164,706
Total expenditures	<u>149,700</u>	<u>2,464,982</u>	<u>11,164,706</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(144,185)</u>	<u>(2,464,982)</u>	<u>(10,556,625)</u>
OTHER FINANCING SOURCES (USES)			
Issuance of debt	-	-	3,386,000
Transfers in	144,651	2,464,982	7,964,171
Total other financing sources (uses)	<u>144,651</u>	<u>2,464,982</u>	<u>11,350,171</u>
Net change in fund balances	<u>466</u>	<u>-</u>	<u>793,546</u>
Fund balances - beginning	<u>1,198,033</u>	<u>-</u>	<u>3,302,954</u>
Fund balances - ending	<u>\$ 1,198,499</u>	<u>\$ -</u>	<u>\$ 4,096,500</u>

Urban Renewal Capital Improvement Fund	GRDC - Rockwood Capital Improvement Fund	Total
\$ 6,417,098	\$ -	\$ 7,022,579
-	-	2,600
-	76,497	82,012
<u>6,417,098</u>	<u>76,497</u>	<u>7,107,191</u>
-	6,087,000	6,087,000
5,984,272	-	19,763,660
<u>5,984,272</u>	<u>6,087,000</u>	<u>25,850,660</u>
<u>432,826</u>	<u>(6,010,503)</u>	<u>(18,743,469)</u>
40,600	3,780,000	7,206,600
218,266	-	10,792,070
<u>258,866</u>	<u>3,780,000</u>	<u>17,998,670</u>
<u>691,692</u>	<u>(2,230,503)</u>	<u>(744,799)</u>
<u>53,751</u>	<u>2,659,653</u>	<u>7,214,391</u>
<u>\$ 745,443</u>	<u>\$ 429,150</u>	<u>\$ 6,469,592</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 3,000,000	\$ 3,000,000	\$ -	\$ (3,000,000)
Miscellaneous	25,100	25,100	19,364	(5,736)
Total revenues	<u>3,025,100</u>	<u>3,025,100</u>	<u>19,364</u>	<u>(3,005,736)</u>
EXPENDITURES				
Capital improvements	4,829,700	4,829,700	149,700	4,680,000
Total expenditures	<u>4,829,700</u>	<u>4,829,700</u>	<u>149,700</u>	<u>4,680,000</u>
Excess of expenditures over revenues	<u>(1,804,600)</u>	<u>(1,804,600)</u>	<u>(130,336)</u>	<u>1,674,264</u>
OTHER FINANCING SOURCES				
Transfers in	1,770,900	1,770,900	144,651	(1,626,249)
Total other financing sources	<u>1,770,900</u>	<u>1,770,900</u>	<u>144,651</u>	<u>(1,626,249)</u>
Net change in fund balances	(33,700)	(33,700)	14,315	48,015
Fund balances - beginning	<u>1,088,000</u>	<u>1,088,000</u>	<u>1,170,839</u>	<u>82,839</u>
Fund balances - ending	<u>\$ 1,054,300</u>	<u>\$ 1,054,300</u>	\$ 1,185,154	<u>\$ 130,854</u>
Unrealized gain (loss) on investments			<u>13,345</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 1,198,499</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Capital improvements	30,759,000	30,759,000	2,464,982	28,294,018
Total expenditures	30,759,000	30,759,000	2,464,982	28,294,018
Excess of expenditures over revenues	(30,759,000)	(30,759,000)	(2,464,982)	28,294,018
OTHER FINANCING SOURCES				
Issuance of debt	200,000	200,000	-	(200,000)
Transfers in	30,559,000	30,559,000	2,464,982	(28,094,018)
Total other financing sources	30,759,000	30,759,000	2,464,982	(28,294,018)
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 8,093,500	\$ 8,093,500	\$ 637,925	\$ (7,455,575)
Charges for services	-	-	2,600	2,600
Miscellaneous	5,600	5,600	29,394	23,794
Total revenues	<u>8,099,100</u>	<u>8,099,100</u>	<u>669,919</u>	<u>(7,429,181)</u>
EXPENDITURES				
Capital improvements	<u>47,584,200</u>	<u>47,584,200</u>	<u>11,164,706</u>	<u>36,419,494</u>
Total expenditures	<u>47,584,200</u>	<u>47,584,200</u>	<u>11,164,706</u>	<u>36,419,494</u>
Excess of expenditures over revenues	<u>(39,485,100)</u>	<u>(39,485,100)</u>	<u>(10,494,787)</u>	<u>28,990,313</u>
OTHER FINANCING SOURCES				
Issuance of debt	21,693,000	21,693,000	3,386,000	(18,307,000)
Transfers in	<u>17,330,900</u>	<u>17,330,900</u>	<u>7,964,171</u>	<u>(9,366,729)</u>
Total other financing sources	<u>39,023,900</u>	<u>39,023,900</u>	<u>11,350,171</u>	<u>(27,673,729)</u>
Net change in fund balances	(461,200)	(461,200)	855,384	1,316,584
Fund balances - beginning	<u>2,587,400</u>	<u>2,587,400</u>	<u>3,187,847</u>	<u>600,447</u>
Fund balances - ending	<u>\$ 2,126,200</u>	<u>\$ 2,126,200</u>	<u>\$ 4,043,231</u>	<u>\$ 1,917,031</u>
Unrealized gain (loss) on investments			<u>53,269</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 4,096,500</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 10,200,300	\$ 10,200,300	\$ 6,418,621	\$ (3,781,679)
Total revenues	<u>10,200,300</u>	<u>10,200,300</u>	<u>6,418,621</u>	<u>(3,781,679)</u>
EXPENDITURES				
Capital improvements	13,857,900	13,857,900	5,984,272	7,873,628
Total expenditures	<u>13,857,900</u>	<u>13,857,900</u>	<u>5,984,272</u>	<u>7,873,628</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,657,600)</u>	<u>(3,657,600)</u>	<u>434,349</u>	<u>4,091,949</u>
OTHER FINANCING SOURCES				
Issuance of debt	2,220,800	2,220,800	40,600	(2,180,200)
Transfers in	1,436,900	1,436,900	218,266	(1,218,634)
Total other financing sources	<u>3,657,700</u>	<u>3,657,700</u>	<u>258,866</u>	<u>(3,398,834)</u>
Net change in fund balances	100	100	693,215	693,115
Fund balances - beginning	<u>104,700</u>	<u>104,700</u>	<u>51,454</u>	<u>(53,246)</u>
Fund balances - ending	<u>\$ 104,800</u>	<u>\$ 104,800</u>	<u>\$ 744,669</u>	<u>\$ 639,869</u>
Unrealized gain (loss) on investments			<u>774</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 745,443</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 2,000,000	\$ 2,000,000	\$ -	\$ (2,000,000)
Charges for services	65,100	65,100	-	(65,100)
Miscellaneous	2,800	2,800	80,807	78,007
Total revenues	<u>2,067,900</u>	<u>2,067,900</u>	<u>80,807</u>	<u>(1,987,093)</u>
EXPENDITURES				
Urban renewal	9,298,300	9,298,300	6,087,000	3,211,300
Total expenditures	<u>9,298,300</u>	<u>9,298,300</u>	<u>6,087,000</u>	<u>3,211,300</u>
Excess of expenditures over revenues	<u>(7,230,400)</u>	<u>(7,230,400)</u>	<u>(6,006,193)</u>	<u>1,224,207</u>
OTHER FINANCING SOURCES				
Issuance of debt	7,448,300	7,448,300	3,780,000	(3,668,300)
Total other financing sources	<u>7,448,300</u>	<u>7,448,300</u>	<u>3,780,000</u>	<u>(3,668,300)</u>
Net change in fund balances	217,900	217,900	(2,226,193)	(2,444,093)
Fund balances - beginning	<u>155,600</u>	<u>155,600</u>	<u>2,599,568</u>	<u>2,443,968</u>
Fund balances - ending	<u>\$ 373,500</u>	<u>\$ 373,500</u>	\$ 373,375	<u>\$ (125)</u>
Unrealized gain (loss) on investments			<u>55,775</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 429,150</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, 2021

	General Government Debt Service Fund	Pension Bond Debt Service Fund	Urban Renewal Debt Service Fund	Total
ASSETS				
Cash and investments	\$ 256,662	\$ 622,294	\$ 28,384	\$ 907,340
Other assets	892	2,144	98	3,134
Advance to other funds	-	-	3,232,717	3,232,717
Total assets	<u>\$ 257,554</u>	<u>\$ 624,438</u>	<u>\$ 3,261,199</u>	<u>\$ 4,143,191</u>
FUND BALANCES				
Assigned	\$ 257,554	\$ 624,438	\$ 3,261,199	\$ 4,143,191
Total fund balances	<u>257,554</u>	<u>624,438</u>	<u>3,261,199</u>	<u>4,143,191</u>
Total fund balances	<u>\$ 257,554</u>	<u>\$ 624,438</u>	<u>\$ 3,261,199</u>	<u>\$ 4,143,191</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, 2021

	General Government Debt Service Fund	Pension Bond Debt Service Fund	Urban Renewal Debt Service Fund	Total
REVENUES				
Intergovernmental	\$ 480	\$ -	\$ 1,702,091	\$ 1,702,571
Miscellaneous	-	9,393	-	9,393
Internal service charges	-	2,089,276	-	2,089,276
Total revenues	<u>480</u>	<u>2,098,669</u>	<u>1,702,091</u>	<u>3,801,240</u>
EXPENDITURES				
General government	2,966	-	-	2,966
Debt service	<u>2,159,302</u>	<u>2,010,603</u>	<u>1,702,415</u>	<u>5,872,320</u>
Total expenditures	<u>2,162,268</u>	<u>2,010,603</u>	<u>1,702,415</u>	<u>5,875,286</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,161,788)</u>	<u>88,066</u>	<u>(324)</u>	<u>(2,074,046)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,158,873	-	-	2,158,873
Transfers out	-	-	<u>(1,523,657)</u>	<u>(1,523,657)</u>
Total other financing sources (uses)	<u>2,158,873</u>	<u>-</u>	<u>(1,523,657)</u>	<u>635,216</u>
Net change in fund balances	<u>(2,915)</u>	<u>88,066</u>	<u>(1,523,981)</u>	<u>(1,438,830)</u>
Fund balances - beginning	<u>260,469</u>	<u>536,372</u>	<u>4,785,180</u>	<u>5,582,021</u>
Fund balances - ending	<u>\$ 257,554</u>	<u>\$ 624,438</u>	<u>\$ 3,261,199</u>	<u>\$ 4,143,191</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 480	\$ 480
Total revenues	<u>-</u>	<u>-</u>	<u>480</u>	<u>480</u>
EXPENDITURES				
Debt service	36,690,000	36,690,000	2,159,302	34,530,698
Total expenditures	<u>36,690,000</u>	<u>36,690,000</u>	<u>2,159,302</u>	<u>34,530,698</u>
Excess of expenditures over revenues	<u>(36,690,000)</u>	<u>(36,690,000)</u>	<u>(2,158,822)</u>	<u>34,531,178</u>
OTHER FINANCING SOURCES				
Issuance of debt	25,084,000	25,084,000	-	(25,084,000)
Transfers in	11,610,400	11,610,400	2,158,873	(9,451,527)
Total other financing sources	<u>36,694,400</u>	<u>36,694,400</u>	<u>2,158,873</u>	<u>(34,535,527)</u>
Net change in fund balances	4,400	4,400	51	(4,349)
Fund balances - beginning	<u>3,000</u>	<u>3,000</u>	<u>257,966</u>	<u>254,966</u>
Fund balances - ending	<u>\$ 7,400</u>	<u>\$ 7,400</u>	<u>\$ 258,017</u>	<u>\$ 250,617</u>
Unrealized gain (loss) on investments			<u>(463)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 257,554</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 16,512	\$ 16,512
Internal service charges	2,011,000	2,011,000	2,089,276	78,276
Total revenues	<u>2,011,000</u>	<u>2,011,000</u>	<u>2,105,788</u>	<u>94,788</u>
EXPENDITURES				
Debt service	2,511,000	2,511,000	2,010,603	500,397
Total expenditures	<u>2,511,000</u>	<u>2,511,000</u>	<u>2,010,603</u>	<u>500,397</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(500,000)</u>	<u>(500,000)</u>	<u>95,185</u>	<u>595,185</u>
Net change in fund balances	(500,000)	(500,000)	95,185	595,185
Fund balances - beginning	<u>501,000</u>	<u>501,000</u>	<u>524,197</u>	<u>23,197</u>
Fund balances - ending	<u>\$ 1,000</u>	<u>\$ 1,000</u>	\$ 619,382	<u>\$ 618,382</u>
Unrealized gain (loss) on investments			<u>5,056</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 624,438</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 1,715,000	\$ 1,715,000	\$ 1,702,415	\$ (12,585)
Total revenues	<u>1,715,000</u>	<u>1,715,000</u>	<u>1,702,415</u>	<u>(12,585)</u>
EXPENDITURES				
Debt service	1,715,000	1,715,000	1,702,415	12,585
Total expenditures	<u>1,715,000</u>	<u>1,715,000</u>	<u>1,702,415</u>	<u>12,585</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balances - beginning	<u>71,000</u>	<u>71,000</u>	<u>28,152</u>	<u>(42,848)</u>
Fund balances - ending	<u>\$ 71,000</u>	<u>\$ 71,000</u>	<u>\$ 28,152</u>	<u>\$ (42,848)</u>
Advance to other funds			3,232,717	
Unrealized gain (loss) on investments			<u>330</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 3,261,199</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, 2021

	Water Fund	Water Capital Improvement Fund	Water Debt Service Fund	Total
ASSETS				
Current assets:				
Cash and investments	\$ 29,680,025	\$ 10,248,894	\$ 133,249	\$ 40,062,168
Receivables, net	2,709,692	298,678	-	3,008,370
Due from other funds	2,101,830	-	-	2,101,830
Total current assets	<u>34,491,547</u>	<u>10,547,572</u>	<u>133,249</u>	<u>45,172,368</u>
Noncurrent assets:				
Other assets	106,028	35,135	1,004	142,167
Restricted cash and investments	1,106,370	-	159,000	1,265,370
Capital assets:				
Non-depreciable	8,368,372	-	-	8,368,372
Depreciable, net	66,550,369	-	-	66,550,369
Total noncurrent assets	<u>76,131,139</u>	<u>35,135</u>	<u>160,004</u>	<u>76,326,278</u>
Total assets	<u>110,622,686</u>	<u>10,582,707</u>	<u>293,253</u>	<u>121,498,646</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow related to pension	1,437,896	-	-	1,437,896
Deferred outflow related to OPEB	58,781	-	-	58,781
Total deferred outflows of resources	<u>1,496,677</u>	<u>-</u>	<u>-</u>	<u>1,496,677</u>
LIABILITIES				
Current liabilities:				
Accounts payable	358,608	976,760	-	1,335,368
Other accrued liabilities	-	37,984	-	37,984
Accrued interest payable	-	-	113,206	113,206
Deposits	1,106,370	-	-	1,106,370
Compensated absences	63,300	-	-	63,300
Bonds, notes and loans payable	13,273,166	-	-	13,273,166
Total current liabilities	<u>14,801,444</u>	<u>1,014,744</u>	<u>113,206</u>	<u>15,929,394</u>
Noncurrent liabilities:				
Net pension liability	4,895,677	-	-	4,895,677
Net OPEB liability	332,455	-	-	332,455
Compensated absences	359,000	-	-	359,000
Bonds, notes and loans payable	4,188,743	-	-	4,188,743
Total noncurrent liabilities	<u>9,775,875</u>	<u>-</u>	<u>-</u>	<u>9,775,875</u>
Total liabilities	<u>24,577,319</u>	<u>1,014,744</u>	<u>113,206</u>	<u>25,705,269</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension	417,424	-	-	417,424
Deferred inflows related to OPEB	186,047	-	-	186,047
Total deferred inflows of resources	<u>603,471</u>	<u>-</u>	<u>-</u>	<u>603,471</u>
NET POSITION				
Net investment in capital assets	57,456,831	-	-	57,456,831
Restricted for:				
Loan requirement	-	-	159,000	159,000
Debt service	-	-	21,047	21,047
Unrestricted	29,481,742	9,567,963	-	39,049,705
Total net position	<u>\$ 86,938,573</u>	<u>\$ 9,567,963</u>	<u>\$ 180,047</u>	<u>\$ 96,686,583</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, 2021

	Water Fund	Water Capital Improvement Fund	Water Debt Service Fund	Eliminations	Total
OPERATING REVENUES					
Charges for services	\$ 16,439,639	\$ 1,970,799	\$ -	\$ -	\$ 18,410,438
Total operating revenues	<u>16,439,639</u>	<u>1,970,799</u>	<u>-</u>		<u>18,410,438</u>
OPERATING EXPENSES					
Personnel services	3,097,828	-	-		3,097,828
Professional and technical services	153,875	-	-		153,875
Property services	641,346	-	-		641,346
Other services	55,657	-	-		55,657
Supplies	115,445	-	-		115,445
Water purchase	3,252,394	-	-		3,252,394
Incentive programs	11,000	-	-		11,000
Internal services	1,193,440	-	-		1,193,440
Other materials and services	14,389	2,827,979	-		2,842,368
Depreciation and amortization	3,288,610	-	-		3,288,610
Total operating expenses	<u>11,823,984</u>	<u>2,827,979</u>	<u>-</u>		<u>14,651,963</u>
Operating income (loss)	<u>4,615,655</u>	<u>(857,180)</u>	<u>-</u>		<u>3,758,475</u>
NONOPERATING REVENUES (EXPENSES)					
Miscellaneous revenue (expense)	(6,038)	-	(2,560)		(8,598)
Interest and investment income	-	23,790	-		23,790
Interest expense	-	-	(380,454)		(380,454)
Total nonoperating revenues (expenses)	<u>(6,038)</u>	<u>23,790</u>	<u>(383,014)</u>		<u>(365,262)</u>
Income (loss) before contributions and transfers	<u>4,609,617</u>	<u>(833,390)</u>	<u>(383,014)</u>		<u>3,393,213</u>
Capital contributions	256,922	-	-		256,922
Transfers in	1,716,254	812,425	349,194	(2,000,242)	877,631
Transfers out	<u>(1,913,277)</u>	<u>(878,548)</u>	<u>-</u>	2,000,242	<u>(791,583)</u>
Change in net position	<u>4,669,516</u>	<u>(899,513)</u>	<u>(33,820)</u>		<u>3,736,183</u>
Total net position - beginning	<u>82,269,057</u>	<u>10,467,476</u>	<u>213,867</u>		<u>92,950,400</u>
Total net position - ending	<u>\$ 86,938,573</u>	<u>\$ 9,567,963</u>	<u>\$ 180,047</u>		<u>\$ 96,686,583</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 85,000	\$ 85,000	\$ 164,476	\$ 79,476
Charges for services	15,852,300	15,852,300	16,275,163	422,863
Miscellaneous	518,700	518,700	591,027	72,327
Internal service charges	698,000	698,000	952,871	254,871
Total revenues	<u>17,154,000</u>	<u>17,154,000</u>	<u>17,983,537</u>	<u>829,537</u>
EXPENDITURES				
Environmental services	12,677,354	12,677,354	11,694,721	982,633
Debt service	1,004,000	1,004,000	-	1,004,000
Operating contingency	1,902,000	1,902,000	-	1,902,000
Total expenditures	<u>15,583,354</u>	<u>15,583,354</u>	<u>11,694,721</u>	<u>3,888,633</u>
Excess of revenues over expenditures	<u>1,570,646</u>	<u>1,570,646</u>	<u>6,288,816</u>	<u>4,718,170</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	1,004,000	1,004,000	-	(1,004,000)
Transfers in	411,700	411,700	837,706	426,006
Transfers out	<u>(2,319,083)</u>	<u>(2,319,083)</u>	<u>(2,261,988)</u>	<u>57,095</u>
Total other financing sources (uses)	<u>(903,383)</u>	<u>(903,383)</u>	<u>(1,424,282)</u>	<u>(520,899)</u>
Net change in fund balances	667,263	667,263	4,864,534	4,197,271
Fund balances - beginning	<u>24,005,000</u>	<u>24,005,000</u>	<u>26,589,481</u>	<u>2,584,481</u>
Fund balances - ending	<u>\$ 24,672,263</u>	<u>\$ 24,672,263</u>	<u>\$ 31,454,015</u>	<u>\$ 6,781,752</u>
Capital assets, net of depreciation			74,918,741	
Debt payable, net			(17,461,909)	
Due from other funds			2,101,625	
Pension asset/liability, net			(3,875,205)	
OPEB asset/liability, net			(459,721)	
Unrealized gain (loss) on investments			<u>261,027</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 86,938,573</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 2,079,900	\$ 2,079,900	\$ 1,970,799	\$ (109,101)
Miscellaneous	159,700	159,700	140,457	(19,243)
Total revenues	<u>2,239,600</u>	<u>2,239,600</u>	<u>2,111,256</u>	<u>(128,344)</u>
EXPENDITURES				
Capital improvements	25,576,900	25,576,900	8,572,427	17,004,473
Total expenditures	<u>25,576,900</u>	<u>25,576,900</u>	<u>8,572,427</u>	<u>17,004,473</u>
Excess of expenditures over revenues	<u>(23,337,300)</u>	<u>(23,337,300)</u>	<u>(6,461,171)</u>	<u>16,876,129</u>
OTHER FINANCING SOURCES				
Issuance of debt	20,317,900	20,317,900	4,865,900	(15,452,000)
Transfers in	812,237	812,237	812,425	188
Total other financing sources	<u>21,130,137</u>	<u>21,130,137</u>	<u>5,678,325</u>	<u>(15,451,812)</u>
Net change in fund balances	(2,207,163)	(2,207,163)	(782,846)	1,424,317
Fund balances - beginning	12,848,300	12,848,300	10,217,007	(2,631,293)
Fund balances - ending	<u>\$ 10,641,137</u>	<u>\$ 10,641,137</u>	\$ 9,434,161	<u>\$ (1,206,976)</u>
Unrealized gain (loss) on investments			<u>133,802</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 9,567,963</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 3,287	\$ 3,287
Total revenues	<u>-</u>	<u>-</u>	<u>3,287</u>	<u>3,287</u>
EXPENDITURES				
Debt service	704,000	704,000	697,159	6,841
Total expenditures	<u>704,000</u>	<u>704,000</u>	<u>697,159</u>	<u>6,841</u>
Excess of expenditures over revenues	<u>(704,000)</u>	<u>(704,000)</u>	<u>(693,872)</u>	<u>10,128</u>
OTHER FINANCING SOURCES				
Transfers in	750,000	750,000	697,905	(52,095)
Total other financing sources	<u>750,000</u>	<u>750,000</u>	<u>697,905</u>	<u>(52,095)</u>
Net change in fund balances	46,000	46,000	4,033	(41,967)
Fund balances - beginning	<u>221,000</u>	<u>221,000</u>	<u>285,912</u>	<u>64,912</u>
Fund balances - ending	<u>\$ 267,000</u>	<u>\$ 267,000</u>	<u>\$ 289,945</u>	<u>\$ 22,945</u>
Accrued interest			(113,206)	
Unrealized gain (loss) on investments			<u>3,308</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 180,047</u>	

City of Gresham, Oregon
Combining Schedule of Net Position
Stormwater Fund
June 30, 2021

	Stormwater Fund	Stormwater Capital Improvement Fund	Stormwater Debt Service Fund	Total
ASSETS				
Current assets:				
Cash and investments	\$ 12,958,511	\$ 10,305,491	\$ 205,341	\$ 23,469,343
Receivables, net	1,772,802	1,737	-	1,774,539
Due from other funds	1,490,467	-	-	1,490,467
Total current assets	<u>16,221,780</u>	<u>10,307,228</u>	<u>205,341</u>	<u>26,734,349</u>
Noncurrent assets:				
Other assets	46,200	35,369	705	82,274
Restricted cash and investments	500,000	-	-	500,000
Capital assets:				
Non-depreciable	9,168,595	-	-	9,168,595
Depreciable, net	51,640,195	-	-	51,640,195
Total noncurrent assets	<u>61,354,990</u>	<u>35,369</u>	<u>705</u>	<u>61,391,064</u>
Total assets	<u>77,576,770</u>	<u>10,342,597</u>	<u>206,046</u>	<u>88,125,413</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow related to pension	1,613,863	-	-	1,613,863
Deferred outflow related to OPEB	49,790	-	-	49,790
Total deferred outflows of resources	<u>1,663,653</u>	<u>-</u>	<u>-</u>	<u>1,663,653</u>
LIABILITIES				
Current liabilities:				
Accounts payable	207,271	15,923	1,250	224,444
Other accrued liabilities	-	35,275	-	35,275
Compensated absences	65,200	-	-	65,200
Bonds, notes and loans payable	246,780	-	-	246,780
Total current liabilities	<u>519,251</u>	<u>51,198</u>	<u>1,250</u>	<u>571,699</u>
Noncurrent liabilities:				
Net pension liability	4,683,588	-	-	4,683,588
Net OPEB liability	263,619	-	-	263,619
Compensated absences	369,200	-	-	369,200
Bonds, notes and loans payable	3,825,098	-	-	3,825,098
Total noncurrent liabilities	<u>9,141,505</u>	<u>-</u>	<u>-</u>	<u>9,141,505</u>
Total liabilities	<u>9,660,756</u>	<u>51,198</u>	<u>1,250</u>	<u>9,713,204</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension	373,873	-	-	373,873
Deferred inflows related to OPEB	88,057	-	-	88,057
Total deferred inflows of resources	<u>461,930</u>	<u>-</u>	<u>-</u>	<u>461,930</u>
NET POSITION				
Net investment in capital assets	56,736,912	-	-	56,736,912
Restricted for:				
Rate stabilization	500,000	-	-	500,000
Debt service	-	-	204,796	204,796
Unrestricted	11,880,825	10,291,399	-	22,172,224
Total net position	<u>\$ 69,117,737</u>	<u>\$ 10,291,399</u>	<u>\$ 204,796</u>	<u>\$ 79,613,932</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, 2021

	Stormwater Fund	Stormwater Capital Improvement Fund	Stormwater Debt Service Fund	Eliminations	Total
OPERATING REVENUES					
Charges for services	\$ 10,674,046	\$ -	\$ -	\$ -	\$ 10,674,046
Total operating revenues	<u>10,674,046</u>	<u>-</u>	<u>-</u>		<u>10,674,046</u>
OPERATING EXPENSES					
Personnel services	3,567,423	-	-		3,567,423
Professional and technical services	724,481	-	-		724,481
Property services	101,649	-	-		101,649
Other services	19,433	-	-		19,433
Supplies	132,310	-	-		132,310
Incentive programs	152,039	-	-		152,039
Internal services	1,514,619	-	-		1,514,619
Other materials and services	12,050	1,489,120	-		1,501,170
Depreciation and amortization	2,387,101	-	-		2,387,101
Total operating expenses	<u>8,611,105</u>	<u>1,489,120</u>	<u>-</u>		<u>10,100,225</u>
Operating income (loss)	<u>2,062,941</u>	<u>(1,489,120)</u>	<u>-</u>		<u>573,821</u>
NONOPERATING REVENUES (EXPENSES)					
Miscellaneous revenue (expense)	13,605	-	(22,843)		(9,238)
Interest and investment income	78,795	35,678	883		115,356
Interest expense	(12,081)	-	(18,771)		(30,852)
Gain/(loss) on disposition of capital assets	51	-	-		51
Total nonoperating revenues (expenses)	<u>80,370</u>	<u>35,678</u>	<u>(40,731)</u>		<u>75,317</u>
Income (loss) before contributions and transfers	<u>2,143,311</u>	<u>(1,453,442)</u>	<u>(40,731)</u>		<u>649,138</u>
Capital contributions	406,658	-	-		406,658
Transfers in	213,591	1,375,481	44,118	(1,030,171)	603,019
Transfers out	(2,667,154)	-	-	1,030,171	(1,636,983)
Change in net position	<u>96,406</u>	<u>(77,961)</u>	<u>3,387</u>		<u>21,832</u>
Total net position - beginning	<u>69,021,331</u>	<u>10,369,360</u>	<u>201,409</u>		<u>79,592,100</u>
Total net position - ending	<u>\$ 69,117,737</u>	<u>\$ 10,291,399</u>	<u>\$ 204,796</u>		<u>\$ 79,613,932</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Charges for services	\$ 10,096,200	\$ 10,096,200	\$ 10,631,460	\$ 535,260
Miscellaneous	186,360	186,360	245,861	59,501
Internal service charges	487,000	487,000	557,109	70,109
Total revenues	<u>10,769,560</u>	<u>10,769,560</u>	<u>11,477,016</u>	<u>707,456</u>
EXPENDITURES				
Environmental services	8,153,774	8,153,774	7,501,112	652,662
Operating contingency	1,223,000	1,223,000	-	1,223,000
Total expenditures	<u>9,376,774</u>	<u>9,376,774</u>	<u>7,501,112</u>	<u>1,875,662</u>
Excess of revenues over expenditures	<u>1,392,786</u>	<u>1,392,786</u>	<u>3,975,904</u>	<u>2,583,118</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	335,900	335,900	213,591	(122,309)
Transfers out	<u>(4,261,283)</u>	<u>(4,261,283)</u>	<u>(4,206,062)</u>	<u>55,221</u>
Total other financing sources (uses)	<u>(3,925,383)</u>	<u>(3,925,383)</u>	<u>(3,992,471)</u>	<u>(67,088)</u>
Net change in fund balances	(2,532,597)	(2,532,597)	(16,567)	2,516,030
Fund balances - beginning	<u>12,424,000</u>	<u>12,424,000</u>	<u>14,494,732</u>	<u>2,070,732</u>
Fund balances - ending	<u>\$ 9,891,403</u>	<u>\$ 9,891,403</u>	<u>\$ 14,478,165</u>	<u>\$ 4,586,762</u>
Capital assets, net of depreciation			60,808,790	
Debt payable, net			(4,071,878)	
Due from other funds			1,490,255	
Pension asset/liability, net			(3,443,598)	
OPEB asset/liability, net			(301,886)	
Unrealized gain (loss) on investments			<u>157,889</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 69,117,737</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Miscellaneous	\$ 91,500	\$ 91,500	\$ 153,119	\$ 61,619
Total revenues	<u>91,500</u>	<u>91,500</u>	<u>153,119</u>	<u>61,619</u>
EXPENDITURES				
Capital improvements	7,739,300	7,739,300	2,251,248	5,488,052
Total expenditures	<u>7,739,300</u>	<u>7,739,300</u>	<u>2,251,248</u>	<u>5,488,052</u>
Excess of expenditures over revenues	<u>(7,647,800)</u>	<u>(7,647,800)</u>	<u>(2,098,129)</u>	<u>5,549,671</u>
OTHER FINANCING SOURCES				
Transfers in	2,771,200	2,771,200	2,137,609	(633,591)
Total other financing sources	<u>3,862,200</u>	<u>3,862,200</u>	<u>2,137,609</u>	<u>(1,724,591)</u>
Net change in fund balances	(3,785,600)	(3,785,600)	39,480	3,825,080
Fund balances - beginning	<u>11,104,700</u>	<u>11,104,700</u>	<u>10,128,640</u>	<u>(976,060)</u>
Fund balances - ending	<u>\$ 7,319,100</u>	<u>\$ 7,319,100</u>	<u>\$ 10,168,120</u>	<u>\$ 2,849,020</u>
Unrealized gain (loss) on investments			<u>123,279</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 10,291,399</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 3,225	\$ 3,225
Total revenues	<u>-</u>	<u>-</u>	<u>3,225</u>	<u>3,225</u>
EXPENDITURES				
Debt service	826,000	826,000	822,148	3,852
Total expenditures	<u>826,000</u>	<u>826,000</u>	<u>822,148</u>	<u>3,852</u>
Excess of expenditures over revenues	<u>(826,000)</u>	<u>(826,000)</u>	<u>(818,923)</u>	<u>7,077</u>
OTHER FINANCING SOURCES				
Transfers in	800,000	800,000	820,898	20,898
Total other financing sources	<u>800,000</u>	<u>800,000</u>	<u>820,898</u>	<u>20,898</u>
Net change in fund balances	(26,000)	(26,000)	1,975	27,975
Fund balances - beginning	<u>171,000</u>	<u>171,000</u>	<u>200,506</u>	<u>29,506</u>
Fund balances - ending	<u>\$ 145,000</u>	<u>\$ 145,000</u>	<u>\$ 202,481</u>	<u>\$ 57,481</u>
Unrealized gain (loss) on investments			<u>2,315</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 204,796</u>	

City of Gresham, Oregon
Combining Schedule of Net Position
Wastewater Fund
June 30, 2021

	<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	\$ 20,463,110	\$ 23,654,106	\$ 1,082,591	\$ 45,199,807
Receivables, net	3,743,121	-	-	3,743,121
Due from other funds	3,268,885	-	-	3,268,885
Total current assets	<u>27,475,116</u>	<u>23,654,106</u>	<u>1,082,591</u>	<u>52,211,813</u>
Noncurrent assets:				
Other assets	88,108	81,637	3,761	173,506
Restricted cash and investments	5,297,895	-	7,214	5,305,109
Capital assets:				
Non-depreciable	6,574,579	-	-	6,574,579
Depreciable, net	108,345,942	-	-	108,345,942
Total noncurrent assets	<u>120,306,524</u>	<u>81,637</u>	<u>10,975</u>	<u>120,399,136</u>
Total assets	<u>147,781,640</u>	<u>23,735,743</u>	<u>1,093,566</u>	<u>172,610,949</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow related to pension	1,372,959	-	-	1,372,959
Deferred outflow related to OPEB	24,969	-	-	24,969
Total deferred outflows of resources	<u>1,397,928</u>	<u>-</u>	<u>-</u>	<u>1,397,928</u>
LIABILITIES				
Current liabilities:				
Accounts payable	1,004,757	348,560	-	1,353,317
Other accrued liabilities	-	40,957	-	40,957
Accrued interest payable	-	-	32,421	32,421
Compensated absences	50,300	-	-	50,300
Bonds, notes and loans payable	725,508	-	-	725,508
Total current liabilities	<u>1,780,565</u>	<u>389,517</u>	<u>32,421</u>	<u>2,202,503</u>
Noncurrent liabilities:				
Net pension liability	4,902,326	-	-	4,902,326
Net OPEB liability	78,845	-	-	78,845
Compensated absences	284,700	-	-	284,700
Bonds, notes and loans payable	4,101,464	-	-	4,101,464
Total noncurrent liabilities	<u>9,367,335</u>	<u>-</u>	<u>-</u>	<u>9,367,335</u>
Total liabilities	<u>11,147,900</u>	<u>389,517</u>	<u>32,421</u>	<u>11,569,838</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension	434,916	-	-	434,916
Deferred inflows related to OPEB	57,751	-	-	57,751
Total deferred inflows of resources	<u>492,667</u>	<u>-</u>	<u>-</u>	<u>492,667</u>
NET POSITION				
Net investment in capital assets	110,093,550	-	-	110,093,550
Restricted for:				
Construction	2,568,895	-	-	2,568,895
Loan requirement	-	-	507,214	507,214
Rate stabilization	2,729,000	-	-	2,729,000
Debt service	2,855,217	-	553,931	3,409,148
Unrestricted	19,292,339	23,346,226	-	42,638,565
Total net position	<u>\$ 137,539,001</u>	<u>\$ 23,346,226</u>	<u>\$ 1,061,145</u>	<u>\$ 161,946,372</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, 2021

	Wastewater Fund	Wastewater Capital Improvement Fund	Wastewater Debt Service Fund	Eliminations	Total
OPERATING REVENUES					
Charges for services	\$ 20,436,018	\$ -	\$ 4,763	\$ -	\$ 20,440,781
Total operating revenues	<u>20,436,018</u>	<u>-</u>	<u>4,763</u>		<u>20,440,781</u>
OPERATING EXPENSES					
Personnel services	3,419,172	-	-		3,419,172
Professional and technical services	4,091,073	-	-		4,091,073
Property services	133,624	-	-		133,624
Other services	39,462	-	-		39,462
Supplies	181,931	-	-		181,931
Internal services	1,824,070	-	-		1,824,070
Other materials and services	269,328	2,087,456	-		2,356,784
Depreciation and amortization	5,481,226	-	-		5,481,226
Total operating expenses	<u>15,439,886</u>	<u>2,087,456</u>	<u>-</u>		<u>17,527,342</u>
Operating income (loss)	<u>4,996,132</u>	<u>(2,087,456)</u>	<u>4,763</u>		<u>2,913,439</u>
NONOPERATING REVENUES (EXPENSES)					
Miscellaneous revenue (expense)	13,198	(4,503)	(2,301)		6,394
Interest and investment income	342,740	-	8,503		351,243
Interest expense	(2,736)	-	(210,204)		(212,940)
Gain/(loss) on disposition of capital assets	7,905	-	-		7,905
Total nonoperating revenues (expenses)	<u>361,107</u>	<u>(4,503)</u>	<u>(204,002)</u>		<u>152,602</u>
Income (loss) before contributions and transfers	<u>5,357,239</u>	<u>(2,091,959)</u>	<u>(199,239)</u>		<u>3,066,041</u>
Capital contributions	1,135,049	-	-		1,135,049
Transfers in	453,444	7,880,892	225,483	(8,104,661)	455,158
Transfers out	<u>(8,951,779)</u>	<u>-</u>	<u>-</u>	8,104,661	<u>(847,118)</u>
Change in net position	<u>(2,006,047)</u>	<u>5,788,933</u>	<u>26,244</u>		<u>3,809,130</u>
Total net position - beginning	<u>139,545,048</u>	<u>17,557,293</u>	<u>1,034,901</u>		<u>158,137,242</u>
Total net position - ending	<u>\$ 137,539,001</u>	<u>\$ 23,346,226</u>	<u>\$ 1,061,145</u>		<u>\$ 161,946,372</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Licenses and permits	\$ 6,000	\$ 6,000	\$ 6,132	\$ 132
Intergovernmental	200,300	200,300	463,746	263,446
Charges for services	20,129,400	20,129,400	19,966,140	(163,260)
Miscellaneous	481,600	481,600	533,907	52,307
Internal service charges	843,000	843,000	557,601	(285,399)
Total revenues	<u>21,660,300</u>	<u>21,660,300</u>	<u>21,527,526</u>	<u>(132,774)</u>
EXPENDITURES				
Environmental services	15,570,244	15,772,064	13,725,296	2,046,768
Debt service	126,500	126,500	125,236	1,264
Operating contingency	2,336,000	2,336,000	-	2,336,000
Total expenditures	<u>18,032,744</u>	<u>18,234,564</u>	<u>13,850,532</u>	<u>4,384,032</u>
Excess of revenues over expenditures	<u>3,627,556</u>	<u>3,425,736</u>	<u>7,676,994</u>	<u>4,251,258</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	201,468	201,468	453,444	251,976
Transfers out	(11,698,583)	(11,698,583)	(11,758,094)	(59,511)
Total other financing sources (uses)	<u>(11,497,115)</u>	<u>(11,497,115)</u>	<u>(11,304,650)</u>	<u>192,465</u>
Net change in fund balances	(7,869,559)	(8,071,379)	(3,627,656)	4,443,723
Fund balances - beginning	<u>31,950,000</u>	<u>32,151,820</u>	<u>31,485,647</u>	<u>(666,173)</u>
Fund balances - ending	<u>\$ 24,080,441</u>	<u>\$ 24,080,441</u>	<u>\$ 27,857,991</u>	<u>\$ 3,777,550</u>
Capital assets, net of depreciation			114,920,521	
Debt payable, net			(4,826,972)	
Due from other funds			3,268,460	
Pension asset/liability, net			(3,964,283)	
OPEB asset/liability, net			(111,627)	
Unrealized gain (loss) on investments			<u>394,911</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 137,539,001</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 636,700	\$ 636,700	\$ -	\$ (636,700)
Charges for services	250,000	250,000	-	(250,000)
Miscellaneous	82,800	82,800	266,573	183,773
Total revenues	<u>969,500</u>	<u>969,500</u>	<u>266,573</u>	<u>(702,927)</u>
EXPENDITURES				
Capital improvements	21,606,400	21,606,400	2,734,245	18,872,155
Total expenditures	<u>21,606,400</u>	<u>21,606,400</u>	<u>2,734,245</u>	<u>18,872,155</u>
Excess of expenditures over revenues	<u>(20,636,900)</u>	<u>(20,636,900)</u>	<u>(2,467,672)</u>	<u>18,169,228</u>
OTHER FINANCING SOURCES				
Issuance of debt	678,300	678,300	92,600	(585,700)
Transfers in	9,338,400	9,338,400	8,435,081	(903,319)
Total other financing sources	<u>10,016,700</u>	<u>10,016,700</u>	<u>8,527,681</u>	<u>(1,489,019)</u>
Net change in fund balances	(10,620,200)	(10,620,200)	6,060,009	16,680,209
Fund balances - beginning	16,139,000	16,139,000	17,134,496	995,496
Fund balances - ending	<u>\$ 5,518,800</u>	<u>\$ 5,518,800</u>	\$ 23,194,505	<u>\$ 17,675,705</u>
Unrealized gain (loss) on investments			<u>151,721</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 23,346,226</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 223,000	\$ 223,000	\$ 222,766	\$ (234)
Miscellaneous	25,000	25,000	20,991	(4,009)
Total revenues	<u>248,000</u>	<u>248,000</u>	<u>243,757</u>	<u>(4,243)</u>
EXPENDITURES				
Debt service	<u>2,478,400</u>	<u>2,478,400</u>	<u>2,477,609</u>	<u>791</u>
Total expenditures	<u>2,478,400</u>	<u>2,478,400</u>	<u>2,477,609</u>	<u>791</u>
Excess of expenditures over revenues	<u>(2,230,400)</u>	<u>(2,230,400)</u>	<u>(2,233,852)</u>	<u>(3,452)</u>
OTHER FINANCING SOURCES				
Transfers in	<u>2,235,000</u>	<u>2,235,000</u>	<u>2,477,609</u>	<u>242,609</u>
Total other financing sources	<u>2,235,000</u>	<u>2,235,000</u>	<u>2,477,609</u>	<u>242,609</u>
Net change in fund balances	4,600	4,600	243,757	239,157
Fund balances - beginning	<u>646,000</u>	<u>646,000</u>	<u>842,724</u>	<u>196,724</u>
Fund balances - ending	<u>\$ 650,600</u>	<u>\$ 650,600</u>	<u>\$ 1,086,481</u>	<u>\$ 435,881</u>
Accrued interest			(32,421)	
Unrealized gain (loss) on investments			<u>7,085</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 1,061,145</u>	

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.

City of Gresham, Oregon
Combining Statement of Net Position
Internal Service Funds
June 30, 2021

	Facilities & Fleet Management Fund	Legal Services Fund	Administrative Services Fund	Enterprise System Replacement Fund
ASSETS				
Current assets:				
Cash and investments	\$ 5,843,404	\$ 508,569	\$ 7,698,892	\$ 1,339,600
Receivables, net	13,095	173	930,190	-
Due from other funds	234,726	-	1,295,753	-
Total current assets	<u>6,091,225</u>	<u>508,742</u>	<u>9,924,835</u>	<u>1,339,600</u>
Noncurrent assets:				
Other assets	20,252	1,755	26,349	4,541
Capital assets:				
Non-depreciable	2,268,057	-	39,561	-
Depreciable, net	7,245,366	-	1,218,293	-
Total noncurrent assets	<u>9,533,675</u>	<u>1,755</u>	<u>1,284,203</u>	<u>4,541</u>
Total assets	<u>15,624,900</u>	<u>510,497</u>	<u>11,209,038</u>	<u>1,344,141</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow related to pension	910,673	507,482	7,023,830	-
Deferred outflow related to OPEB	87,727	-	224,331	-
Total deferred outflows of resources	<u>998,400</u>	<u>507,482</u>	<u>7,248,161</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable	219,400	876	1,409,421	26,745
Other accrued liabilities	-	-	6,116	478
Accrued claims payable	-	-	-	-
Accrued interest payable	51,305	-	-	-
Other liabilities	-	-	1,235,132	-
Deposits	-	-	1,504	-
Unearned revenue	-	-	18,500	-
Due to other funds	-	-	-	-
Compensated absences	19,400	20,900	213,900	1,100
Bonds, notes and loans payable	403,266	-	-	-
Total current liabilities	<u>693,371</u>	<u>21,776</u>	<u>2,884,573</u>	<u>28,323</u>
Noncurrent liabilities:				
Net pension liability	2,452,237	1,431,871	19,795,441	-
Net OPEB liability	262,667	-	1,081,464	-
Compensated absences	110,100	118,700	1,211,900	6,000
Bonds, notes and loans payable	855,056	-	-	-
Total noncurrent liabilities	<u>3,680,060</u>	<u>1,550,571</u>	<u>22,088,805</u>	<u>6,000</u>
Total liabilities	<u>4,373,431</u>	<u>1,572,347</u>	<u>24,973,378</u>	<u>34,323</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension	202,747	355,697	1,580,193	-
Deferred inflows related to OPEB	46,537	-	317,198	-
Total deferred inflows of resources	<u>249,284</u>	<u>355,697</u>	<u>1,897,391</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	8,255,102	-	1,261,645	-
Unrestricted	3,745,483	(910,065)	(9,675,215)	1,309,818
Total net position	<u>\$ 12,000,585</u>	<u>\$ (910,065)</u>	<u>\$ (8,413,570)</u>	<u>\$ 1,309,818</u>

<u>Equipment Replacement Fund</u>	<u>Workers Comp & Liability Management Fund</u>	<u>COG Health & Dental Plans Fund</u>	<u>Total</u>
\$ 19,903,520	\$ 9,106,742	\$ 8,545,512	\$ 52,946,239
-	1,020	44,002	988,480
-	-	-	1,530,479
<u>19,903,520</u>	<u>9,107,762</u>	<u>8,589,514</u>	<u>55,465,198</u>
68,667	31,139	29,586	182,289
-	-	-	2,307,618
-	6,514	-	8,470,173
<u>68,667</u>	<u>37,653</u>	<u>29,586</u>	<u>10,960,080</u>
<u>19,972,187</u>	<u>9,145,415</u>	<u>8,619,100</u>	<u>66,425,278</u>
-	290,287	-	8,732,272
-	-	-	312,058
<u>-</u>	<u>290,287</u>	<u>-</u>	<u>9,044,330</u>
64,476	278,270	-	1,999,188
-	-	-	6,594
-	4,232,521	925,000	5,157,521
-	-	-	51,305
-	-	-	1,235,132
-	-	-	1,504
-	-	685,478	703,978
19,447,400	-	-	19,447,400
-	8,400	-	263,700
-	-	-	403,266
<u>19,511,876</u>	<u>4,519,191</u>	<u>1,610,478</u>	<u>29,269,588</u>
-	692,463	-	24,372,012
-	-	-	1,344,131
-	47,400	-	1,494,100
-	-	-	855,056
<u>-</u>	<u>739,863</u>	<u>-</u>	<u>28,065,299</u>
<u>19,511,876</u>	<u>5,259,054</u>	<u>1,610,478</u>	<u>57,334,887</u>
-	270,200	-	2,408,837
-	-	-	363,735
<u>-</u>	<u>270,200</u>	<u>-</u>	<u>2,772,572</u>
-	6,514	-	9,523,261
460,311	3,899,934	7,008,622	5,838,888
<u>\$ 460,311</u>	<u>\$ 3,906,448</u>	<u>\$ 7,008,622</u>	<u>\$ 15,362,149</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, 2021

	Facilities & Fleet Management Fund	Legal Services Fund	Administrative Services Fund	Enterprise System Replacement Fund
OPERATING REVENUES				
Charges for services, internal	\$ 5,296,370	\$ 1,142,222	\$ 13,626,725	\$ -
Charges for services, external	519,458	9,436	964,495	4,270
Miscellaneous	6,118	1,108	27,996	-
Total operating revenues	<u>5,821,946</u>	<u>1,152,766</u>	<u>14,619,216</u>	<u>4,270</u>
OPERATING EXPENSES				
Personnel services	2,261,488	1,207,256	16,127,833	-
Professional and technical services	665,360	74,555	1,189,633	-
Property services	809,181	3,354	202,525	-
Other services	1,679	7,309	266,757	-
Supplies	1,139,100	2,315	1,460,323	-
Incentive programs	22,050	-	119,246	-
Insurance claims	-	-	121,610	-
Internal services	758	-	-	-
Other materials and services	214,163	-	-	1,322,166
Depreciation and amortization	496,535	-	198,761	-
Total operating expenses	<u>5,610,314</u>	<u>1,294,789</u>	<u>19,686,688</u>	<u>1,322,166</u>
Operating income (loss)	<u>211,632</u>	<u>(142,023)</u>	<u>(5,067,472)</u>	<u>(1,317,896)</u>
NONOPERATING REVENUES (EXPENSES)				
Miscellaneous revenue (expense)	86,930	-	238,593	-
Interest and investment income	1,283	311	23,138	13,863
Interest expense	(56,258)	-	-	-
Gain/(loss) on disposition of capital assets	-	-	(3,792)	-
Total nonoperating revenues (expenses)	<u>31,955</u>	<u>311</u>	<u>257,939</u>	<u>13,863</u>
Income (loss) before contributions and transfers	<u>243,587</u>	<u>(141,712)</u>	<u>(4,809,533)</u>	<u>(1,304,033)</u>
Transfers in	1,661,952	-	1,242,248	679,000
Transfers out	<u>(37,308)</u>	<u>-</u>	<u>(569,824)</u>	<u>-</u>
Change in net position	<u>1,868,231</u>	<u>(141,712)</u>	<u>(4,137,109)</u>	<u>(625,033)</u>
Total net position - beginning	<u>10,132,354</u>	<u>(768,353)</u>	<u>(4,276,461)</u>	<u>1,934,851</u>
Total net position - ending	<u>\$ 12,000,585</u>	<u>\$ (910,065)</u>	<u>\$ (8,413,570)</u>	<u>\$ 1,309,818</u>

Equipment Replacement Fund	Workers Comp & Liability Management Fund	COG Health & Dental Plans Fund	Total
\$ 1,950,013	\$ 3,280,447	\$ 7,685,541	\$ 32,981,318
-	1,020	602,227	2,100,906
-	1,008	-	36,230
<u>1,950,013</u>	<u>3,282,475</u>	<u>8,287,768</u>	<u>35,118,454</u>
-	665,154	-	20,261,731
-	91,521	325,615	2,346,684
-	-	-	1,015,060
-	135	-	275,880
65,340	26	-	2,667,104
-	-	-	141,296
-	2,444,713	6,735,756	9,302,079
-	-	-	758
2,457,800	-	-	3,994,129
-	1,002	-	696,298
<u>2,523,140</u>	<u>3,202,551</u>	<u>7,061,371</u>	<u>40,701,019</u>
<u>(573,127)</u>	<u>79,924</u>	<u>1,226,397</u>	<u>(5,582,565)</u>
-	61,494	273,033	660,050
20,277	26,058	23,397	108,327
-	-	-	(56,258)
-	-	-	(3,792)
<u>20,277</u>	<u>87,552</u>	<u>296,430</u>	<u>708,327</u>
<u>(552,850)</u>	<u>167,476</u>	<u>1,522,827</u>	<u>(4,874,238)</u>
641,914	-	-	4,225,114
-	-	(146,800)	(753,932)
<u>89,064</u>	<u>167,476</u>	<u>1,376,027</u>	<u>(1,403,056)</u>
<u>371,247</u>	<u>3,738,972</u>	<u>5,632,595</u>	<u>16,765,205</u>
<u>\$ 460,311</u>	<u>\$ 3,906,448</u>	<u>\$ 7,008,622</u>	<u>\$ 15,362,149</u>

City of Gresham, Oregon
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2021

	<u>Facilities & Fleet Management Fund</u>	<u>Legal Services Fund</u>	<u>Administrative Services Fund</u>
Cash flows from operating activities:			
Receipts from customers	\$ 601,608	\$ 9,263	\$ 964,495
Receipts for internal services provided	5,296,370	1,142,222	13,626,725
Payments to suppliers for goods and services	(2,998,264)	(87,613)	(3,243,880)
Payments to employees for services	(1,776,039)	(961,125)	(12,592,978)
Other operating receipts (payments)	93,048	1,108	(345,489)
Net cash provided by (used in) operating activities	<u>1,216,723</u>	<u>103,855</u>	<u>(1,591,127)</u>
Cash flows from noncapital financing activities:			
Receipts from other funds	1,661,952	-	1,242,248
Payments to other funds	(75,169)	-	(673,296)
Net cash provided by (used in) noncapital financing activities	<u>1,586,783</u>	<u>-</u>	<u>568,952</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(38,485)	-	(106,052)
Principal portion of debt service	(377,549)	-	-
Interest portion of debt service	(77,202)	-	-
Proceeds from disposition of capital assets	-	-	(3,792)
Net cash provided by (used in) capital and related financing activities	<u>(493,236)</u>	<u>-</u>	<u>(109,844)</u>
Cash flows from investing activities:			
Change in investments	(2,353,484)	(122,704)	836,970
Interest on investments	669	802	45,628
Net cash provided by (used in) investing activities	<u>(2,352,815)</u>	<u>(121,902)</u>	<u>882,598</u>
Net increase (decrease) in cash and cash equivalents	(42,545)	(18,047)	(249,421)
Cash and cash equivalents - beginning	165,841	18,962	412,638
Cash and cash equivalents - ending	<u>\$ 123,296</u>	<u>\$ 915</u>	<u>\$ 163,217</u>
Classified on the Statement of Net Position as:			
Cash and investments	\$ 123,296	\$ 915	\$ 163,217
	<u>\$ 123,296</u>	<u>\$ 915</u>	<u>\$ 163,217</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ 211,632	\$ (142,023)	\$ (5,067,472)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Depreciation and amortization	496,535	-	198,761
Pension adjustments	426,166	189,031	3,481,155
OPEB adjustments	15,683	-	45,066
Other	86,930	-	238,593
Changes in assets and liabilities:			
Receivables	82,150	(173)	(630,578)
Accounts payable	(145,973)	(80)	309,930
Other liabilities	43,600	57,100	(166,582)
Net cash provided by (used in) operating activities	<u>\$ 1,216,723</u>	<u>\$ 103,855</u>	<u>\$ (1,591,127)</u>
Noncash investing, capital, and financing activities:			
Increase (Decrease) in fair value of investments	\$ (67,243)	\$ (5,827)	\$ (87,493)

Enterprise System Replacement Fund	Equipment Replacement Fund	Workers Comp & Liability Management Fund	COG Health & Dental Plans Fund	Total
\$ 4,270	\$ -	\$ 1,020	\$ 586,545	\$ 2,167,201
-	1,950,013	3,280,447	7,685,541	32,981,318
(1,395,891)	(2,732,951)	(2,336,695)	(7,107,224)	(19,902,518)
(41,000)	-	(563,707)	-	(15,934,849)
-	-	61,482	275,474	85,623
<u>(1,432,621)</u>	<u>(782,938)</u>	<u>442,547</u>	<u>1,440,336</u>	<u>(603,225)</u>
679,000	4,738,404	-	-	8,321,604
-	-	-	(146,800)	(895,265)
<u>679,000</u>	<u>4,738,404</u>	<u>-</u>	<u>(146,800)</u>	<u>7,426,339</u>
-	-	-	-	(144,537)
-	-	-	-	(377,549)
-	-	-	-	(77,202)
-	-	-	-	(3,792)
-	-	-	-	(603,080)
641,781	(3,317,264)	(641,565)	(1,444,292)	(6,400,558)
20,843	40,048	42,571	33,694	184,255
<u>662,624</u>	<u>(3,277,216)</u>	<u>(598,994)</u>	<u>(1,410,598)</u>	<u>(6,216,303)</u>
(90,997)	678,250	(156,447)	(117,062)	3,731
97,293	746,842	452,416	381,118	2,275,110
<u>\$ 6,296</u>	<u>\$ 1,425,092</u>	<u>\$ 295,969</u>	<u>\$ 264,056</u>	<u>\$ 2,278,841</u>
\$ 6,296	\$ 1,425,092	\$ 295,969	\$ 264,056	\$ 2,278,841
\$ 6,296	\$ 1,425,092	\$ 295,969	\$ 264,056	\$ 2,278,841
\$ (1,317,896)	\$ (573,127)	\$ 79,924	\$ 1,226,397	\$ (5,582,565)
-	-	1,002	-	696,298
-	-	82,647	-	4,178,999
-	-	-	-	60,749
-	-	61,494	273,033	660,050
-	-	(1,020)	2,441	(547,180)
(67,414)	(209,811)	194,699	(109,637)	(28,286)
(47,311)	-	23,801	48,102	(41,290)
<u>\$ (1,432,621)</u>	<u>\$ (782,938)</u>	<u>\$ 442,547</u>	<u>\$ 1,440,336</u>	<u>\$ (603,225)</u>
\$ (15,079)	\$ (228,008)	\$ (103,396)	\$ (98,239)	\$ (605,285)

City of Gresham, Oregon
Combining Schedule of Net Position
Facilities & Fleet Management
June 30, 2021

	Facilities & Fleet Management Fund	City Facility Capital Improvement Fund	City Facility Debt Service Fund	Total
ASSETS				
Current assets:				
Cash and investments	\$ 3,507,375	\$ 2,277,730	\$ 58,299	\$ 5,843,404
Receivables, net	13,095	-	-	13,095
Due from other funds	234,726	-	-	234,726
Total current assets	<u>3,755,196</u>	<u>2,277,730</u>	<u>58,299</u>	<u>6,091,225</u>
Noncurrent assets:				
Other assets	12,152	7,901	199	20,252
Capital assets:				
Non-depreciable	2,268,057	-	-	2,268,057
Depreciable, net	7,245,366	-	-	7,245,366
Total noncurrent assets	<u>9,525,575</u>	<u>7,901</u>	<u>199</u>	<u>9,533,675</u>
Total assets	<u>13,280,771</u>	<u>2,285,631</u>	<u>58,498</u>	<u>15,624,900</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow related to pension	910,673	-	-	910,673
Deferred outflow related to OPEB	87,727	-	-	87,727
Total deferred outflows of resources	<u>998,400</u>	<u>-</u>	<u>-</u>	<u>998,400</u>
LIABILITIES				
Current liabilities:				
Accounts payable	219,400	-	-	219,400
Accrued interest payable	-	-	51,305	51,305
Compensated absences	19,400	-	-	19,400
Bonds, notes and loans payable	403,266	-	-	403,266
Total current liabilities	<u>642,066</u>	<u>-</u>	<u>51,305</u>	<u>693,371</u>
Noncurrent liabilities:				
Net pension liability	2,452,237	-	-	2,452,237
Net OPEB liability	262,667	-	-	262,667
Compensated absences	110,100	-	-	110,100
Bonds, notes and loans payable	855,056	-	-	855,056
Total noncurrent liabilities	<u>3,680,060</u>	<u>-</u>	<u>-</u>	<u>3,680,060</u>
Total liabilities	<u>4,322,126</u>	<u>-</u>	<u>51,305</u>	<u>4,373,431</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension	202,747	-	-	202,747
Deferred inflows related to OPEB	46,537	-	-	46,537
Total deferred inflows of resources	<u>249,284</u>	<u>-</u>	<u>-</u>	<u>249,284</u>
NET POSITION				
Net investment in capital assets	8,255,102	-	-	8,255,102
Unrestricted	1,452,659	2,285,631	7,193	3,745,483
Total net position	<u>\$ 9,707,761</u>	<u>\$ 2,285,631</u>	<u>\$ 7,193</u>	<u>\$ 12,000,585</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, 2021

	Facilities & Fleet Management Fund	City Facility Capital Improvement Fund	City Facility Debt Service Fund	Eliminations	Total
OPERATING REVENUES					
Charges for services, internal	\$ 5,296,370	\$ -	\$ -	\$ -	\$ 5,296,370
Charges for services, external	396,604	122,854	-		519,458
Miscellaneous	6,118	-	-		6,118
Total operating revenues	<u>5,699,092</u>	<u>122,854</u>	<u>-</u>		<u>5,821,946</u>
OPERATING EXPENSES					
Personnel services	2,261,488	-	-		2,261,488
Professional and technical services	665,360	-	-		665,360
Property services	809,181	-	-		809,181
Other services	1,679	-	-		1,679
Supplies	1,139,100	-	-		1,139,100
Incentive programs	22,050	-	-		22,050
Internal services	758	-	-		758
Other materials and services	38,486	175,677	-		214,163
Depreciation and amortization	496,535	-	-		496,535
Total operating expenses	<u>5,434,637</u>	<u>175,677</u>	<u>-</u>		<u>5,610,314</u>
Operating income (loss)	<u>264,455</u>	<u>(52,823)</u>	<u>-</u>		<u>211,632</u>
NONOPERATING REVENUES (EXPENSES)					
Miscellaneous revenue (expense)	45,108	42,551	(729)		86,930
Interest and investment income	-	1,283	-		1,283
Interest expense	-	-	(56,258)		(56,258)
Total nonoperating revenues (expenses)	<u>45,108</u>	<u>43,834</u>	<u>(56,987)</u>		<u>31,955</u>
Income (loss) before contributions and transfers	<u>309,563</u>	<u>(8,989)</u>	<u>(56,987)</u>		<u>243,587</u>
Transfers in	576,487	1,100,000	441,452	(455,987)	1,661,952
Transfers out	(110,308)	-	(382,987)	455,987	(37,308)
Change in net position	<u>775,742</u>	<u>1,091,011</u>	<u>1,478</u>		<u>1,868,231</u>
Total net position - beginning	<u>8,932,019</u>	<u>1,194,620</u>	<u>5,715</u>		<u>10,132,354</u>
Total net position - ending	<u>\$ 9,707,761</u>	<u>\$ 2,285,631</u>	<u>\$ 7,193</u>		<u>\$ 12,000,585</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 93,000	\$ 93,000	\$ 381,276	\$ 288,276
Miscellaneous	129,211	129,211	106,906	(22,305)
Internal service charges	<u>5,296,370</u>	<u>5,296,370</u>	<u>5,296,370</u>	<u>-</u>
Total revenues	<u>5,518,581</u>	<u>5,518,581</u>	<u>5,784,552</u>	<u>265,971</u>
EXPENDITURES				
Finance and management services	5,735,029	5,735,029	4,363,234	1,371,795
Fire and emergency services	218,380	218,380	209,366	9,014
Operating contingency	298,000	298,000	-	298,000
Total expenditures	<u>6,251,409</u>	<u>6,251,409</u>	<u>4,572,600</u>	<u>1,678,809</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(732,828)</u>	<u>(732,828)</u>	<u>1,211,952</u>	<u>1,944,780</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	193,500	193,500	193,500	-
Transfers out	<u>(110,308)</u>	<u>(110,308)</u>	<u>(110,308)</u>	<u>-</u>
Total other financing sources (uses)	<u>83,192</u>	<u>83,192</u>	<u>83,192</u>	<u>-</u>
Net change in fund balances	(649,636)	(649,636)	1,295,144	1,944,780
Fund balances - beginning	<u>649,636</u>	<u>649,636</u>	<u>1,879,637</u>	<u>1,230,001</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,174,781</u>	<u>\$ 3,174,781</u>
Capital assets, net of depreciation			9,513,423	
Debt payable, net			(1,258,322)	
Due from other funds			234,726	
Pension asset/liability, net			(1,744,311)	
OPEB asset/liability, net			(221,477)	
Unrealized gain (loss) on investments			<u>8,941</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 9,707,761</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 122,854	\$ 122,854
Miscellaneous	-	-	70,065	70,065
Total revenues	<u>-</u>	<u>-</u>	<u>192,919</u>	<u>192,919</u>
EXPENDITURES				
Capital improvements	1,770,000	1,770,000	175,677	1,594,323
Total expenditures	<u>1,770,000</u>	<u>1,770,000</u>	<u>175,677</u>	<u>1,594,323</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,770,000)</u>	<u>(1,770,000)</u>	<u>17,242</u>	<u>1,787,242</u>
OTHER FINANCING SOURCES				
Transfers in	1,150,000	1,150,000	1,100,000	(50,000)
Total other financing sources	<u>1,150,000</u>	<u>1,150,000</u>	<u>1,100,000</u>	<u>(50,000)</u>
Net change in fund balances	(620,000)	(620,000)	1,117,242	1,737,242
Fund balances - beginning	<u>700,000</u>	<u>700,000</u>	<u>1,164,932</u>	<u>464,932</u>
Fund balances - ending	<u>\$ 80,000</u>	<u>\$ 80,000</u>	\$ 2,282,174	<u>\$ 2,202,174</u>
Unrealized gain (loss) on investments			<u>3,457</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 2,285,631</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Debt service	457,000	457,000	454,818	2,182
Total expenditures	<u>457,000</u>	<u>457,000</u>	<u>454,818</u>	<u>2,182</u>
Excess of expenditures over revenues	<u>(457,000)</u>	<u>(457,000)</u>	<u>(454,818)</u>	<u>2,182</u>
OTHER FINANCING SOURCES				
Transfers in	442,000	442,000	441,452	(548)
Total other financing sources	<u>442,000</u>	<u>442,000</u>	<u>441,452</u>	<u>(548)</u>
Net change in fund balances	(15,000)	(15,000)	(13,366)	1,634
Fund balances - beginning	<u>247,000</u>	<u>247,000</u>	<u>70,879</u>	<u>(176,121)</u>
Fund balances - ending	<u>\$ 232,000</u>	<u>\$ 232,000</u>	\$ 57,513	<u>\$ (174,487)</u>
Accrued interest			(51,305)	
Unrealized gain (loss) on investments			<u>985</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 7,193</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 9,436	\$ 9,436
Miscellaneous	-	-	7,245	7,245
Internal service charges	1,142,222	1,142,222	1,142,222	-
Total revenues	<u>1,142,222</u>	<u>1,142,222</u>	<u>1,158,903</u>	<u>16,681</u>
EXPENDITURES				
City attorney office	1,160,222	1,160,222	1,105,758	54,464
Operating contingency	174,000	174,000	-	174,000
Total expenditures	<u>1,334,222</u>	<u>1,334,222</u>	<u>1,105,758</u>	<u>228,464</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(192,000)</u>	<u>(192,000)</u>	<u>53,145</u>	<u>245,145</u>
Net change in fund balances	(192,000)	(192,000)	53,145	245,145
Fund balances - beginning	<u>192,000</u>	<u>192,000</u>	<u>313,483</u>	<u>121,483</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 366,628</u>	<u>\$ 366,628</u>
Pension asset/liability, net			(1,280,086)	
Unrealized gain (loss) on investments			<u>3,393</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ (910,065)</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 362,540	\$ 362,540	\$ 855,276	\$ 492,736
Charges for services	118,000	118,000	109,219	(8,781)
Miscellaneous	150,000	150,000	377,219	227,219
Internal service charges	16,661,536	16,661,536	13,626,725	(3,034,811)
Total revenues	<u>17,292,076</u>	<u>17,292,076</u>	<u>14,968,439</u>	<u>(2,323,637)</u>
EXPENDITURES				
Office of governance and management	2,581,402	2,581,402	2,036,988	544,414
Finance and management services	4,221,633	4,321,633	3,714,320	607,313
Information technologies	4,273,835	4,273,835	3,938,228	335,607
City-wide services	6,039,690	6,039,690	4,945,566	1,094,124
Community livability	1,756,492	1,756,492	1,537,471	219,021
Operating contingency	585,000	585,000	-	585,000
Total expenditures	<u>19,458,052</u>	<u>19,558,052</u>	<u>16,172,573</u>	<u>3,385,479</u>
Excess of expenditures over revenues	<u>(2,165,976)</u>	<u>(2,265,976)</u>	<u>(1,204,134)</u>	<u>1,061,842</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,239,800	1,239,800	1,242,248	2,448
Transfers out	(573,824)	(573,824)	(569,824)	4,000
Total other financing sources (uses)	<u>665,976</u>	<u>665,976</u>	<u>672,424</u>	<u>6,448</u>
Net change in fund balances	(1,500,000)	(1,600,000)	(531,710)	1,068,290
Fund balances - beginning	<u>2,000,000</u>	<u>2,100,000</u>	<u>4,980,092</u>	<u>2,880,092</u>
Fund balances - ending	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 4,448,382</u>	<u>\$ 3,948,382</u>
Capital assets, net of depreciation			1,257,854	
Due from other funds			1,293,305	
Pension asset/liability, net			(14,351,804)	
OPEB asset/liability, net			(1,174,331)	
Unrealized gain (loss) on investments			<u>113,024</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ (8,413,570)</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 4,270	\$ 4,270
Miscellaneous	-	-	28,942	28,942
Total revenues	<u>-</u>	<u>-</u>	<u>33,212</u>	<u>33,212</u>
EXPENDITURES				
Capital improvements	2,439,000	2,439,000	1,322,166	1,116,834
Total expenditures	<u>2,439,000</u>	<u>2,439,000</u>	<u>1,322,166</u>	<u>1,116,834</u>
Excess of expenditures over revenues	<u>(2,439,000)</u>	<u>(2,439,000)</u>	<u>(1,288,954)</u>	<u>1,150,046</u>
OTHER FINANCING SOURCES				
Transfers in	679,000	679,000	679,000	-
Total other financing sources	<u>679,000</u>	<u>679,000</u>	<u>679,000</u>	<u>-</u>
Net change in fund balances	(1,760,000)	(1,760,000)	(609,954)	1,150,046
Fund balances - beginning	1,760,000	1,760,000	1,887,550	127,550
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	\$ 1,277,596	<u>\$ 1,277,596</u>
Unrealized gain (loss) on investments			<u>32,222</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 1,309,818</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Miscellaneous	\$ 138,909	\$ 138,909	\$ 248,287	\$ 109,378
Internal service charges	3,434,502	3,434,502	6,046,502	2,612,000
Total revenues	<u>3,573,411</u>	<u>3,573,411</u>	<u>6,294,789</u>	<u>2,721,378</u>
EXPENDITURES				
City-wide services	6,425,058	7,015,893	2,523,140	4,492,753
Total expenditures	<u>6,425,058</u>	<u>7,015,893</u>	<u>2,523,140</u>	<u>4,492,753</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,851,647)</u>	<u>(3,442,482)</u>	<u>3,771,649</u>	<u>7,214,131</u>
OTHER FINANCING SOURCES				
Transfers in	73,132	73,132	641,914	568,782
Total other financing sources	<u>73,132</u>	<u>73,132</u>	<u>641,914</u>	<u>568,782</u>
Net change in fund balances	(2,778,515)	(3,369,350)	4,413,563	7,782,913
Fund balances - beginning	<u>14,716,337</u>	<u>15,307,172</u>	<u>15,359,061</u>	<u>51,889</u>
Fund balances - ending	<u>\$ 11,937,822</u>	<u>\$ 11,937,822</u>	\$ 19,772,624	<u>\$ 7,834,802</u>
Due to other funds			(19,447,400)	
Unrealized gain (loss) on investments			<u>135,087</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 460,311</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 1,020	\$ 1,020
Miscellaneous	161,000	161,000	191,956	30,956
Internal service charges	3,245,635	3,245,635	3,280,447	34,812
Total revenues	<u>3,406,635</u>	<u>3,406,635</u>	<u>3,473,423</u>	<u>66,788</u>
EXPENDITURES				
City attorney office	4,554,670	4,554,670	3,118,902	1,435,768
Operating contingency	600,000	600,000	-	600,000
Total expenditures	<u>5,154,670</u>	<u>5,154,670</u>	<u>3,118,902</u>	<u>2,035,768</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,748,035)</u>	<u>(1,748,035)</u>	<u>354,521</u>	<u>2,102,556</u>
Net change in fund balances	(1,748,035)	(1,748,035)	354,521	2,102,556
Fund balances - beginning	<u>3,032,000</u>	<u>3,032,000</u>	<u>4,125,540</u>	<u>1,093,540</u>
Fund balances - ending	<u>\$ 1,283,965</u>	<u>\$ 1,283,965</u>	\$ 4,480,061	<u>\$ 3,196,096</u>
Capital assets, net of depreciation			6,514	
Pension asset/liability, net			(672,376)	
Unrealized gain (loss) on investments			<u>92,249</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 3,906,448</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Miscellaneous	\$ 3,287,800	\$ 3,287,800	\$ 996,896	\$ (2,290,904)
Internal service charges	10,784,000	10,784,000	7,685,541	(3,098,459)
Total revenues	<u>14,071,800</u>	<u>14,071,800</u>	<u>8,682,437</u>	<u>(5,389,363)</u>
EXPENDITURES				
City-wide services	14,749,000	14,749,000	7,061,371	7,687,629
Operating contingency	2,235,000	2,235,000	-	2,235,000
Total expenditures	<u>16,984,000</u>	<u>16,984,000</u>	<u>7,061,371</u>	<u>9,922,629</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,912,200)</u>	<u>(2,912,200)</u>	<u>1,621,066</u>	<u>4,533,266</u>
OTHER FINANCING (USES)				
Transfers out	(146,800)	(146,800)	(146,800)	-
Total other financing (uses)	<u>(146,800)</u>	<u>(146,800)</u>	<u>(146,800)</u>	<u>-</u>
Net change in fund balances	(3,059,000)	(3,059,000)	1,474,266	4,533,266
Fund balances - beginning	<u>5,470,000</u>	<u>5,470,000</u>	<u>5,468,851</u>	<u>(1,149)</u>
Fund balances - ending	<u>\$ 2,411,000</u>	<u>\$ 2,411,000</u>	\$ 6,943,117	<u>\$ 4,532,117</u>
Unrealized gain (loss) on investments			<u>65,505</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 7,008,622</u>	

Other Schedules

City of Gresham, Oregon
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2021

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-20-MC-41-0006	\$ 870,632	\$ 594,709
COVID-19 - Community Development Block Grants/Entitlement Grants	14.218	B-20-MW-41-0006	400,611	157,314
Subtotal for CFDA 14.218			<u>1,271,243</u>	<u>752,023</u>
Pass-through assistance:				
City of Portland				
Home Investment Partnerships Program	14.239	30007334	717,058	551,800
Total U.S. Department of Housing and Urban Development			<u>1,988,301</u>	<u>1,303,823</u>
U.S. Department of Justice				
Direct Assistance:				
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-0103	97,372	-
Public Safety Partnership and Community Policing Grants - 2017	16.710	2017-UM-WX-0001	38,544	-
Criminal and Juvenile Justice and Mental Health Collaboration Program - 2017	16.745	2017-MO-BX-0011	51,585	51,585
Criminal and Juvenile Justice and Mental Health Collaboration Program - 2020	16.745	2020-MO-BX-0031	10,044	10,044
Subtotal for CFDA 16.745			<u>61,629</u>	<u>61,629</u>
Body Worn Camera Policy and Implementation	16.835	2017-BC-BX-0052	5,934	-
Equitable Sharing Program	16.922	N/A	52,675	-
Pass-through assistance:				
City of Portland				
Edward Byrne Memorial Justice Assistance Grant Program - 2017	16.738	2017-DJ-BX-0666	83,181	-
Edward Byrne Memorial Justice Assistance Grant Program - 2018	16.738	2018-DJ-BX-0720	53,149	-
Edward Byrne Memorial Justice Assistance Grant Program - 2019	16.738	2019-DJ-BX-0715	40,435	-
Subtotal for CFDA 16.738			<u>176,765</u>	<u>-</u>
Total U.S. Department of Justice			<u>432,919</u>	<u>61,629</u>
U.S. Department of Transportation				
Pass-through assistance:				
Highway Planning and Construction Cluster:				
Oregon Department of Transportation				
Highway Planning and Construction - City of Gresham Safety Project	20.205	20303	98,936	-
Highway Planning and Construction - NE Cleveland Ave: SE Stark St - NE Burnside	20.205	20808	155,406	-
Highway Planning and Construction - Sandy Blvd: NE 181st Ave to East Gresham City Limit	20.205	19279	1,327,621	-
Highway Planning and Construction - NW Division Complete St - Phase 1: Wallula Ave - Birdsdales Ave	20.205	16986	629	-
Highway Planning and Construction - East Multnomah County Road Connection ITS (Variable Message Signs)	20.205	21195	129,024	-
Total Highway Planning and Construction Cluster			<u>1,711,616</u>	<u>-</u>
Metro				
Federal Transit Formula Grants - Gresham Rockwood Bike Route	20.507	936707	14,538	-
Federal Transit Formula Grants - WyEast Way and Gresham-Fairview Trail Wayfinding	20.507	936748	8,381	-
Subtotal for CFDA 20.507			<u>22,919</u>	<u>-</u>
Highway Safety Cluster:				
Oregon Impact				
State and Community Highway Safety - Distracted Driving Grant	20.600	N/A	1,252	-
State and Community Highway Safety - Pedestrian Safety Enhancement Grant	20.600	N/A	1,284	-
Oregon Department of Transportation				
State and Community Highway Safety - Safety Belt Overtime Grants	20.600	N/A	622	-
Subtotal for CFDA 20.600			<u>3,158</u>	<u>-</u>

City of Gresham, Oregon
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2021

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
Oregon Impact				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	N/A	1,058	-
Oregon Department of Transportation				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	N/A	385	-
Subtotal for CFDA 20.608			<u>1,443</u>	-
Total Highway Safety Cluster			<u>4,601</u>	-
Total U.S. Department of Transportation			<u>1,739,136</u>	-
Department of the Treasury				
Pass-through assistance:				
City of Portland				
Coronavirus Relief Fund	21.019	30007520	3,879,148	-
Oregon Business Development Department				
Coronavirus Relief Fund	21.019	C2020365	105,044	-
Total Department of the Treasury			<u>3,984,192</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	42,225	-
Total Department of Health and Human Services Centers for Disease Control and Prevention			<u>42,225</u>	-
U.S. Department of Homeland Security				
Direct Assistance:				
Staffing for Adequate Fire and Emergency Response (SAFER) - 2016	97.083	EMW-2016-FH-00476	5,346	-
Staffing for Adequate Fire and Emergency Response (SAFER) - 2018	97.083	EMW-2018-FH-00293	139,568	-
Subtotal for CFDA 97.083			<u>144,914</u>	-
Pass-through assistance:				
Oregon Office of Emergency Management				
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4499-DR-OR	124,831	-
Emergency Management Performance Grants - 2020	97.042	20-540	90,317	-
Pre-Disaster Mitigation	97.047	EMS-2018-PC-0003	2,009,889	-
University of Oregon				
Cooperating Technical Partners	97.045	EMS-2019-CA-00027	670	-
Total U.S. Department of Homeland Security			<u>2,370,621</u>	-
Total Federal Expenditures			<u>\$ 10,557,394</u>	<u>\$ 1,365,452</u>

City of Gresham, Oregon
Notes to the Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2021

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, 2021. 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, 2021. 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	\$ 300,000

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 annual comprehensive 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 annual comprehensive 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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental activities				
Net investment in capital assets	\$ 828,386,469	\$ 796,126,418	\$ 749,923,076	\$ 716,667,046
Restricted	35,457,503	31,868,109	31,749,851	42,700,948
Unrestricted	11,376,559	6,742,722	17,581,665	(5,567,160)
Total governmental activities net position	<u>875,220,531</u>	<u>834,737,249</u>	<u>799,254,592</u>	<u>753,800,834</u>
Business-type activities				
Net investment in capital assets	201,004,436	203,517,713	202,461,179	207,475,404
Restricted	9,931,470	10,074,559	15,331,003	5,530,116
Unrestricted	77,422,112	74,674,199	75,243,789	84,669,268
Total business-type activities net position	<u>288,358,018</u>	<u>288,266,471</u>	<u>293,035,971</u>	<u>297,674,788</u>
Primary government				
Net investment in capital assets	1,029,390,905	999,644,131	952,384,255	924,142,450
Restricted	45,388,973	41,942,668	47,080,854	48,231,064
Unrestricted	88,798,671	81,416,921	92,825,454	79,102,108
Total primary government net position	<u>\$ 1,163,578,549</u>	<u>\$ 1,123,003,720</u>	<u>\$ 1,092,290,563</u>	<u>\$ 1,051,475,622</u>

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

2016	2017	2018	2019	2020	2021
\$ 681,572,417	\$ 688,607,182	\$ 615,299,091	\$ 595,420,402	\$ 589,574,607	588,448,433
46,864,238	49,493,800	47,562,955	64,175,811	84,559,497	84,521,286
(22,236,961)	(55,927,410)	(10,610,161)	(25,564,149)	(36,119,104)	(39,827,759)
<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>	<u>633,141,960</u>
208,952,590	214,549,637	212,138,253	219,895,246	220,619,246	224,287,293
5,513,755	5,663,183	12,938,449	11,853,063	11,141,221	10,099,100
88,354,709	87,848,527	90,209,099	93,469,113	98,919,275	103,860,494
<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>	<u>338,246,887</u>
890,525,007	903,156,819	827,437,344	815,315,648	810,193,853	812,735,726
52,377,993	55,156,983	60,501,404	76,028,874	95,700,718	94,620,386
66,117,748	31,921,117	79,598,938	67,904,964	62,800,171	64,032,735
<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>	<u>\$ 971,388,847</u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Expenses				
Governmental activities:				
General government	\$ 18,508,873	\$ 19,027,820	\$ 29,166,371	\$ 27,229,600
Public safety	30,006,778	31,831,095	26,559,777	21,713,792
Transportation	49,006,201	49,128,434	48,609,374	45,661,889
Urban design and planning	2,611,405	2,500,604	1,365,870	957,688
Community development	2,913,104	2,799,343	3,023,856	2,590,182
Economic development services	519,584	412,783	405,782	391,025
Parks operation	-	-	-	1,505,531
Environmental services	3,762,583	4,217,117	3,493,637	1,481,087
Community Livability	-	-	-	-
Urban renewal	5,000,945	4,386,824	6,476,339	10,334,396
Interest on long-term debt	2,608,776	2,160,278	2,456,107	2,375,332
Total governmental activities expenses	<u>114,938,249</u>	<u>116,464,298</u>	<u>121,557,113</u>	<u>114,240,522</u>
Business-type activities:				
Water	11,047,719	11,250,320	11,289,468	9,907,852
Stormwater	6,748,674	7,971,656	6,796,580	5,818,448
Wastewater	16,541,486	17,289,060	16,986,874	14,914,216
Total business-type activities expenses	<u>34,337,879</u>	<u>36,511,036</u>	<u>35,072,922</u>	<u>30,640,516</u>
Total government expenses	<u>\$ 149,276,128</u>	<u>\$ 152,975,334</u>	<u>\$ 156,630,035</u>	<u>\$ 144,881,038</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 3,978,220	\$ 4,773,215	\$ 4,774,350	\$ 4,727,746
Public safety	5,900,559	5,760,133	9,509,578	9,496,947
Transportation	4,361,142	4,451,642	4,599,347	3,919,783
Urban design and planning	285,700	314,702	823,950	653,708
Community Development	2,808,480	2,437,662	2,883,906	4,628,102
Economic development services	-	-	-	-
Parks operations	-	-	-	221,240
Environmental services	2,511,339	2,561,845	2,902,722	5,658,899
Community Livability	-	-	-	-
Urban renewal	3,463,210	3,480,705	5,301,090	8,724,220
Operating grants and contributions	10,432,437	9,596,941	9,336,157	10,515,883
Capital grants and contributions	1,953,926	3,420,093	1,531,378	4,093,377
Total governmental activities program revenues	<u>35,695,013</u>	<u>36,796,938</u>	<u>41,662,478</u>	<u>52,639,905</u>
Business-type activities				
Charges for services:				
Water	12,341,723	12,956,278	12,746,233	11,419,158
Stormwater	7,069,240	7,278,802	7,405,949	6,933,480
Wastewater	15,395,361	15,959,110	16,489,981	14,459,367
Operating grants and contributions	-	-	-	-
Capital grants and contributions	2,152,577	481,812	194,587	391,284
Total business-type activities program revenues	<u>36,958,901</u>	<u>36,676,002</u>	<u>36,836,750</u>	<u>33,203,289</u>
Total government program revenues	<u>72,653,914</u>	<u>73,472,940</u>	<u>78,499,228</u>	<u>85,843,194</u>

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

	2016	2017	2018	2019	2020	2021
\$	33,371,670	\$ 34,548,635	\$ 34,781,828	\$ 41,942,083	\$ 42,553,953	\$ 43,059,687
	44,825,834	35,570,784	40,292,312	41,598,297	48,656,343	53,776,887
	48,409,354	48,175,064	43,807,972	33,337,155	15,291,969	17,942,322
	2,117,987	1,992,752	2,548,099	2,331,719	2,848,473	2,935,646
	4,446,844	3,817,693	4,468,594	4,145,004	4,965,073	16,911,682
	1,248,089	782,765	523,019	491,227	1,058,414	733,525
	1,508,485	1,405,582	2,002,434	1,833,193	1,737,992	1,812,865
	3,135,670	2,704,270	2,818,835	3,023,306	3,697,987	3,959,372
	-	-	-	337,859	377,035	251,712
	3,066,437	5,472,373	2,079,618	8,448,044	1,843,211	10,973,647
	2,635,798	2,385,663	2,217,715	2,398,404	2,337,423	2,215,312
	<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>	<u>154,572,657</u>
	13,321,861	12,486,828	13,856,477	15,740,141	15,184,878	15,032,417
	7,802,970	8,225,600	8,835,420	10,428,543	10,164,466	10,131,077
	17,609,484	17,255,130	19,079,128	19,769,908	20,950,403	17,740,282
	38,734,315	37,967,558	41,771,025	45,938,592	46,299,747	42,903,776
\$	<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>	<u>\$ 197,476,433</u>
\$	4,483,991	\$ 4,583,748	\$ 5,126,082	\$ 5,921,164	\$ 7,232,725	\$ 6,013,553
	10,175,747	10,507,044	11,302,429	11,461,167	11,190,312	13,300,542
	4,111,318	4,169,029	4,266,299	4,324,129	192,132	435,679
	761,785	1,040,149	908,382	1,141,846	558,186	652,837
	3,051,610	3,883,470	4,654,328	7,631,613	5,423,429	3,720,232
	-	-	-	916,397	2,443,050	2,221,712
	241,634	246,548	250,107	226,783	233,254	324,917
	6,141,968	6,590,650	8,259,424	8,924,045	12,883,093	6,620,584
	-	-	-	557,301	388,325	250,238
	1,582,585	3,697,421	69,938	90,205	62,216	5,155,613
	10,056,115	11,006,815	12,817,532	11,454,437	15,841,587	36,210,330
	5,450,478	4,691,150	1,877,424	5,682,032	5,291,148	2,824,610
	<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>	<u>77,730,847</u>
	13,298,124	13,208,556	14,173,310	14,795,502	15,200,656	16,370,699
	8,958,410	8,001,761	8,286,851	8,861,833	10,122,042	10,607,226
	16,488,480	18,010,136	18,473,667	19,061,257	19,875,064	20,284,110
	124,918	-	-	-	-	184,906
	2,574,730	2,430,750	6,189,170	8,060,045	2,243,294	3,886,303
	41,444,662	41,651,203	47,122,998	50,778,637	47,441,056	51,333,244
	<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>	<u>129,064,091</u>

Changes in Net Position continued

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Net (Expense) Revenue				
Governmental activities	(79,243,236)	(79,667,360)	(79,894,635)	(61,600,617)
Business-type activities	2,621,022	164,966	1,763,828	2,562,773
Total net expenses	<u>(76,622,214)</u>	<u>(79,502,394)</u>	<u>(78,130,807)</u>	<u>(59,037,844)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes, levied for general purposes	26,380,647	27,150,149	27,078,547	29,746,987
Property taxes, levied for debt service	37,346	9,182	-	-
License fees	8,936,935	9,061,648	9,100,066	9,117,451
Business income taxes	4,215,128	4,472,110	4,973,382	5,406,445
Hotel and motel taxes	495,019	604,569	664,241	808,826
Other taxes	163,055	145,842	117,820	95,254
Grants and contributions	2,392,870	2,478,538	2,590,468	2,669,644
Interest and investment earnings	711,744	158,511	1,335,686	962,189
Gain on sale of capital assets	-	-	-	98,765
Transfers	(2,220,401)	71,129	(1,448,232)	(3,711,628)
Total governmental activities revenues	<u>41,112,343</u>	<u>44,151,678</u>	<u>44,411,978</u>	<u>45,193,933</u>
Business-type activities:				
Interest and investment earnings	876,379	29,683	1,557,440	1,053,440
Transfers	2,220,401	(71,129)	1,448,232	3,711,628
Total business-type activities revenue (expense)	<u>3,096,780</u>	<u>(41,446)</u>	<u>3,005,672</u>	<u>4,765,068</u>
Total government revenues	<u>\$ 44,209,123</u>	<u>\$ 44,110,232</u>	<u>\$ 47,417,650</u>	<u>\$ 49,959,001</u>
Change in Net Position				
Governmental activities	\$ (38,130,893)	\$ (35,515,682)	\$ (35,482,657)	\$ (16,406,684)
Prior period adjustment to governmental activities	-	(4,658,333)	-	-
Cumulative effect of change in accounting principle	-	(309,267)	-	(29,047,074)
Business-type activities	5,717,802	123,520	4,769,500	7,327,841
Cumulative effect of change in accounting principle	-	(215,067)	-	(2,689,024)
Total government	<u>\$ (32,413,091)</u>	<u>\$ (40,574,829)</u>	<u>\$ (30,713,157)</u>	<u>\$ (40,814,941)</u>

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

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
(98,708,937)	(86,439,557)	(86,008,481)	(81,555,172)	(63,628,416)	(76,841,810)
<u>2,710,347</u>	<u>3,683,645</u>	<u>5,351,973</u>	<u>4,840,045</u>	<u>1,141,309</u>	<u>8,429,468</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>	<u>(68,412,342)</u>
30,145,355	31,294,955	32,185,065	34,381,162	35,803,461	37,194,154
-	-	-	-	-	-
9,324,117	20,309,911	11,889,588	12,563,826	13,403,183	17,749,623
6,874,811	6,423,412	7,226,463	8,289,994	6,897,295	9,321,460
977,317	1,046,122	994,578	968,036	854,107	870,432
115,545	257,704	407,668	421,070	531,554	747,807
2,669,472	2,867,087	3,548,018	3,500,367	3,809,427	4,103,442
1,644,731	872,940	1,020,669	4,543,258	6,118,456	568,318
164,749	99,211	79,239	107,646	57,089	78,658
<u>(808,300)</u>	<u>(757,907)</u>	<u>(1,777,219)</u>	<u>(1,440,008)</u>	<u>136,780</u>	<u>1,339,876</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>	<u>71,973,770</u>
1,627,619	798,741	877,567	3,651,568	4,457,791	477,553
<u>808,300</u>	<u>757,907</u>	<u>1,777,219</u>	<u>1,440,008</u>	<u>(136,780)</u>	<u>(1,339,876)</u>
<u>2,435,919</u>	<u>1,556,648</u>	<u>2,654,786</u>	<u>5,091,576</u>	<u>4,321,011</u>	<u>(862,323)</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>	<u>\$ 71,111,447</u>
\$ (47,601,140)	\$ (24,026,122)	\$ (30,434,412)	\$ (18,219,821)	\$ 3,982,936	\$ (4,868,040)
-	-	-	-	-	-
-	-	512,725	-	-	-
5,146,266	5,240,293	8,006,759	9,931,621	5,462,320	7,567,145
-	-	(782,305)	-	-	-
<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>	<u>\$ 2,699,105</u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund				
Unassigned	\$ 10,985,939	\$ 9,711,024	\$ 14,509,323	\$ 16,242,524
Total General Fund	<u>10,985,939</u>	<u>9,711,024</u>	<u>14,509,323</u>	<u>16,242,524</u>
Designated Purpose Fund				
Restricted	-	-	-	-
Assigned	-	-	-	-
Total Designated Purpose Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transportation Fund				
Restricted	<u>9,800,186</u>	<u>10,497,186</u>	<u>11,700,976</u>	<u>14,531,483</u>
Total Transportation Fund	<u>9,800,186</u>	<u>10,497,186</u>	<u>11,700,976</u>	<u>14,531,483</u>
System Development Charge Fund				
Restricted	<u>12,551,182</u>	<u>10,391,604</u>	<u>9,003,097</u>	<u>7,978,841</u>
Total System Development Charges Fund	<u>12,551,182</u>	<u>10,391,604</u>	<u>9,003,097</u>	<u>7,978,841</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	-	18,887,999	21,062,612	-
Restricted	-	26,586	8,452	904
Assigned	-	-	-	17,930,173
Total City Backed Urban Renewal Fund	<u>-</u>	<u>18,914,585</u>	<u>21,071,064</u>	<u>17,931,077</u>
Rockwood UR Debt Service Fund				
Restricted	-	-	-	-
Unassigned	<u>(11,859,277)</u>	<u>(12,319,388)</u>	<u>(14,247,748)</u>	<u>(9,327,503)</u>
Total Rockwood UR Debt Service Fund	<u>(11,859,277)</u>	<u>(12,319,388)</u>	<u>(14,247,748)</u>	<u>(9,327,503)</u>
Nonmajor Governmental Funds				
Restricted	7,607,560	6,979,591	12,670,071	14,672,998
Committed	-	-	-	742,438
Assigned	5,968,924	5,318,272	6,635,762	10,183,132
Unassigned	-	(76)	-	-
Total Nonmajor Governmental Funds	<u>13,576,484</u>	<u>12,297,787</u>	<u>19,305,833</u>	<u>25,598,568</u>
Total all funds	<u>\$ 35,054,514</u>	<u>\$ 49,492,798</u>	<u>\$ 61,342,545</u>	<u>\$ 72,954,990</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 its name to the CDBG and HOME fund in FY 2020.

2016	2017	2018	2019	2020	2021
<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>	<u>\$ 27,750,396</u>
17,407,220	26,563,568	26,554,424	22,857,805	19,421,845	27,750,396
-	-	-	-	-	6,307,118
-	-	-	-	-	332,098
-	-	-	-	-	6,639,216
<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>	<u>31,234,162</u>
15,787,346	17,564,409	19,449,673	23,446,993	27,829,159	31,234,162
<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>	<u>24,172,834</u>
10,781,925	13,035,598	15,594,217	18,989,060	27,551,044	24,172,834
-	-	-	-	145,626	145,626
-	-	743,929	766,165	103,064	119,685
-	-	743,929	766,165	248,690	265,311
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	978,730	3,509,320	4,949,130	8,989,523	11,706,603
(7,057,486)	-	-	-	-	-
(7,057,486)	978,730	3,509,320	4,949,130	8,989,523	11,706,603
13,508,228	9,466,281	11,324,298	14,707,627	20,114,763	13,844,117
713,856	777,980	820,577	914,316	974,026	1,121,617
26,384,613	19,622,437	17,591,543	16,040,433	16,406,440	15,959,482
-	-	-	-	-	-
40,606,697	29,866,698	29,736,418	31,662,376	37,495,229	30,925,216
<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>	<u>\$ 132,693,738</u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues				
Taxes	\$ 30,823,141	\$ 32,213,880	\$ 33,227,830	\$ 35,268,843
Licenses and permits	2,239,950	1,947,906	2,075,363	2,601,458
Intergovernmental	29,206,206	29,064,640	30,355,384	36,284,744
Charges for services	3,632,593	5,091,724	8,509,853	11,551,188
License fees	8,936,935	9,061,648	9,100,065	9,117,450
Miscellaneous	923,738	461,340	1,370,393	1,483,901
Contributions and donations	-	-	-	-
Internal service charges	3,528,690	3,277,629	3,230,739	3,735,489
Total revenues	<u>79,291,253</u>	<u>81,118,767</u>	<u>87,869,627</u>	<u>100,043,073</u>
Expenditures				
Current:				
General government	6,305	29,902	30,131	36,327
Public safety	39,772,617	43,288,184	42,486,706	46,063,033
Transportation	8,208,975	8,274,290	8,125,186	7,607,574
Urban design and planning	3,596,322	3,440,197	2,091,026	2,132,148
Community development	3,874,064	3,768,133	4,652,916	5,028,741
Parks	-	-	-	2,362,206
Environmental services	5,132,674	4,932,885	4,274,926	2,565,785
Economic development services	734,209	573,901	610,212	690,642
Community Livability	-	-	-	-
Urban renewal	4,802,798	4,167,675	6,115,006	9,658,420
Debt service:				
Interest	5,515,742	5,135,273	5,773,293	4,551,954
Principal	3,506,944	2,961,659	3,921,633	11,158,057
Capital outlay	6,353,435	6,407,429	9,254,972	9,704,079
Total expenditures	<u>81,504,085</u>	<u>82,979,528</u>	<u>87,336,007</u>	<u>101,558,966</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,212,832)</u>	<u>(1,860,761)</u>	<u>533,620</u>	<u>(1,515,893)</u>
Other financing sources (uses)				
Debt/refunding proceeds	2,605,000	3,226,480	18,113,517	16,728,777
Transfers in	13,534,774	13,902,344	17,825,884	28,138,566
Transfers out	(17,508,103)	(18,842,157)	(24,623,274)	(31,739,005)
Total other financing sources (uses)	<u>(1,368,329)</u>	<u>(1,713,333)</u>	<u>11,316,127</u>	<u>13,128,338</u>
Net change in fund balance:	<u>\$ (3,581,161)</u>	<u>\$ (3,574,094)</u>	<u>\$ 11,849,747</u>	<u>\$ 11,612,445</u>
Governmental capital expenditures	8,253,734	7,757,540	13,437,494	9,764,061
Debt service as a percentage of noncapital expenditures	12.3%	10.8%	13.1%	17.1%

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

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 37,876,770	\$ 38,789,436	\$ 41,052,961	\$ 44,778,408	\$ 44,090,377	\$ 48,167,243
2,868,139	2,762,215	3,351,012	4,088,553	3,651,927	2,851,887
27,703,501	30,313,399	30,224,230	38,079,121	32,333,003	57,135,314
12,849,976	13,409,046	15,688,696	17,009,318	20,227,608	14,706,479
9,324,117	20,309,912	11,889,588	12,563,828	13,403,184	17,749,623
2,189,992	1,995,894	2,831,874	4,911,661	6,919,896	3,266,034
100	5,000	-	-	-	-
3,526,244	3,395,097	4,448,399	4,699,604	4,779,051	5,339,926
<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>	<u>149,216,506</u>
121,549	390,185	488,079	64,317	65,806	59,111
49,528,990	53,367,814	57,625,177	62,787,415	61,880,198	62,438,704
7,501,485	7,447,012	7,980,413	8,829,454	8,845,732	9,131,947
2,425,750	3,065,661	3,724,108	3,455,288	3,664,944	3,372,359
5,369,228	5,827,958	6,556,409	6,502,729	6,390,223	23,009,768
2,419,159	2,477,379	2,677,575	3,118,728	2,805,319	2,648,792
2,612,337	3,072,076	3,438,271	3,636,960	3,625,208	3,637,941
1,379,573	1,248,395	751,702	755,124	1,567,741	870,238
-	-	-	579,201	613,316	393,144
2,467,469	4,854,590	2,944,694	9,591,430	2,157,176	7,164,967
6,185,825	5,882,948	5,728,221	7,650,372	2,719,699	2,453,946
3,692,811	5,521,001	3,703,036	11,049,666	7,211,689	8,188,975
7,219,611	7,645,272	8,495,480	16,655,496	13,899,717	19,763,660
<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>143,133,552</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>	<u>6,082,954</u>
-	605,000	5,644,000	17,632,800	11,428,400	7,206,600
17,626,838	20,787,604	14,008,862	16,441,028	15,421,064	21,630,911
<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>(23,762,217)</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>5,075,294</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>	<u>\$ 11,158,248</u>
8,188,166	9,136,825	10,221,292	14,592,866	14,922,982	15,058,972
11.9%	12.4%	10.0%	15.6%	9.9%	8.3%

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
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
2021	37,227,545	870,432	9,321,460	747,806	48,167,243

Information derived from current and past years' Annual Comprehensive 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
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%
2021	8,800,226,690	343,631,610	219,645,500	9,363,503,800	3.61	17,831,383,551	52.51%

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
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
2021	3.61	-	3.61	0.49	4.39	1.22

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. 10 ¹	Port of Portland	Tri-Met & Metro Service District	E Mult. Soil & Water Conserv.	Total Direct & Overlapping Rate
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
0.46	7.41	0.07	0.59	0.10	18.34

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

Company Name	2021			2012		
	Assessed Value	Rank	Percent of Total Value	Assessed Value	Rank	Percent of Total Value
Boeing Company	\$ 382,836,800	1	4.09%	163,001,200	1	2.36%
Microchip Technology Inc.	135,226,730	2	1.44%	126,676,990	2	1.84%
Semiconductor Components Industries	108,858,860	3	1.16%	36,389,620	6	0.53%
RREEF CPIF 17505 NE San Rafael LLC	55,521,660	4	0.59%	-	-	-
US National Bank of Oregon	47,429,010	5	0.51%	39,514,500	5	0.57%
HIP Gresham Station LLC	40,378,980	6	0.43%	-	-	-
BCIF Vista Logistics Park LLC	36,717,070	7	0.39%	-	-	-
Cascade Corporation	33,545,330	8	0.36%	25,345,040	8	0.37%
GP/RPC Holly Ridge LLC	31,704,440	9	0.34%	24,298,890	9	0.35%
IP Eat One LLC	31,327,980	10	0.33%	-	-	-
GE Capital	-	-	-	62,105,730	3	0.90%
New Albertson's Inc.	-	-	-	56,577,110	4	0.82%
Westlake Gresham Center LLC	-	-	-	26,060,550	7	0.38%
Catellus Development Corp.	-	-	-	23,235,590	10	0.34%
Total	\$ 903,546,860		9.65%	\$ 583,205,220		8.46%
Total Gresham Assessed Value	\$ 9,363,503,800			\$ 6,896,727,020		

Largest Public Utilities
Current year and nine years ago

Company Name	2021			2012		
	Assessed Value	Rank	Percent of Total Value	Assessed Value	Rank	Percent of Total Value
Portland General Electric Co.	\$ 117,672,000	1	1.26%	\$ 67,759,571	2	0.98%
Comcast Corporation	25,320,000	2	0.27%	69,461,000	1	1.01%
Frontier Communications	22,229,000	3	0.24%	51,872,230	3	0.75%
Northwest Natural Gas Co.	21,244,000	4	0.23%	19,758,900	4	0.29%

Sources: Multnomah County Assessors Office, and the 2011-2012 Annual Comprehensive 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
2012	\$ 27,113,606	\$ 26,271,629	96.89%	\$ 794,676	\$ 27,066,305	99.83%
2013	27,926,932	27,163,116	97.26%	760,489	27,923,605	99.99%
2014	28,399,207	27,660,571	97.40%	736,054	28,396,625	99.99%
2015	29,945,588	29,240,886	97.65%	701,812	29,942,698	99.99%
2016	30,966,452	30,290,117	97.82%	670,751	30,960,868	99.98%
2017	32,204,477	31,584,209	98.07%	609,231	32,193,440	99.97%
2018	33,755,330	33,243,271	98.48%	462,506	33,705,777	99.85%
2019	35,290,714	34,759,802	98.50%	411,766	35,171,568	99.66%
2020	37,042,008	36,479,108	98.48%	347,066	36,826,174	99.42%
2021	38,378,306	37,863,884	98.66%	-	37,863,884	98.66%

Source: Current and prior years' Annual Comprehensive 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
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
2021	-	12,025,886	16,199,570	-	12,240,000	21,611,800

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
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	0.06%	771
2021	-	17,461,909	4,071,878	4,826,971	88,438,014	*	773

*Personal Income information for 2021 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' Annual Comprehensive 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
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	-	-	-	-	-
2021	114,361 *	9,363,503,800	-	-	-	-	-

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

*Source: Population Research Center, Portland State University

City of Gresham, Oregon

Direct and Overlapping Governmental Activities Debt

as of June 30, 2021

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
<i>Debt repaid with property taxes</i>			
Lusted Water District	\$ 555,000	0.63%	\$ 3,500
Metro	920,585,000	4.33%	39,859,489
Mt. Hood Community College	19,160,000	29.52%	5,656,415
Multnomah County	690,660,604	8.32%	57,482,991
Multnomah County School District 10J (Gresham-Barlow)	322,924,553	75.20%	242,823,118
Multnomah County School District 28J (Centennial)	64,567,710	36.98%	23,875,589
Multnomah County School District 7 (Reynolds)	181,521,115	37.06%	67,276,445
<i>Other debt</i>			
Metro	37,995,000	4.33%	1,645,108
Mt. Hood Community College	30,460,059	29.52%	8,992,419
Multnomah County School District 7 (Reynolds)	1,142,857	37.06%	423,572
Multnomah ESD	23,395,000	8.20%	1,919,513
Port of Portland	51,330,000	3.98%	2,042,831
Subtotal, overlapping debt	<u>\$2,344,296,898</u>		<u>\$ 452,000,990</u>
City direct debt			<u>\$ 62,077,257</u>
Total direct and overlapping debt			<u>\$ 514,078,247</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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt limit	\$ 297,703,247	\$ 296,996,449	\$ 301,667,483	\$ 325,241,387
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<u>\$ 297,703,247</u>	<u>\$ 296,996,449</u>	<u>\$ 301,667,483</u>	<u>\$ 325,241,387</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' Annual Comprehensive Financial Reports and Multnomah County Assessor's Office.

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 351,598,537	\$ 388,941,568	\$ 440,527,406	\$ 488,053,798	\$ 505,092,359	\$ 534,941,507
-	-	-	-	-	-
<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>	<u>\$ 534,941,507</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	
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
2021	17,030,666	11,694,721	5,335,945	328,820	365,825	7.68

Stormwater Revenue Bonds

Fiscal Year	Gross Revenues	Less Operating Expenses	Net Available Revenue	Debt Service Requirements		Coverage %
				Principal	Interest	
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
2021	10,877,321	7,501,112	3,376,209	776,780	22,525	4.22

Wastewater Revenue Bonds & Notes

Fiscal Year	Gross Revenues	Less Operating Expenses	Net Available Revenue	Debt Service Requirements		Coverage %
				Principal	Interest	
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
2021	20,969,925	13,725,296	7,244,629	2,360,550	239,994	2.79

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)
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	157,150,249	62,603	11.8%	
2021	114,361	*	*	5.0%	

Sources:

2020 Annual Comprehensive 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	2021			2012		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Boeing of Portland	1,948	1	3.72%	1,742	1	3.40%
Gresham Barlow School District	1,043	2	1.99%	945	3	1.85%
U.S. Bank of OR Columbia Center	1,013	3	1.94%	1,636	2	3.20%
Mt. Hood Community College	895	4	1.41%	-	-	-
ON Semiconductor	740	5	1.29%	504	7	0.98%
Microchip Technology Inc.	675	6	1.27%	408	8	0.80%
Centennial School District	665	7	1.13%	-	-	-
City of Gresham	589	8	1.71%	521	6	1.02%
Albertson's District Center	332	9	0.63%	384	9	0.75%
Celestica	301	10	0.58%	-	-	-
ACS Commerical Solutions, Inc.	-	-	-	680	4	1.33%
Mt. Hood Medical Center	-	-	-	601	5	1.17%
Cascade Corporation	-	-	-	212	10	0.41%
Total	<u>8,199</u>		<u>15.67%</u>	<u>7,633</u>		<u>14.91%</u>
Total of employees in Gresham	52,320			51,198		

Sources:

2012 Annual Comprehensive 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

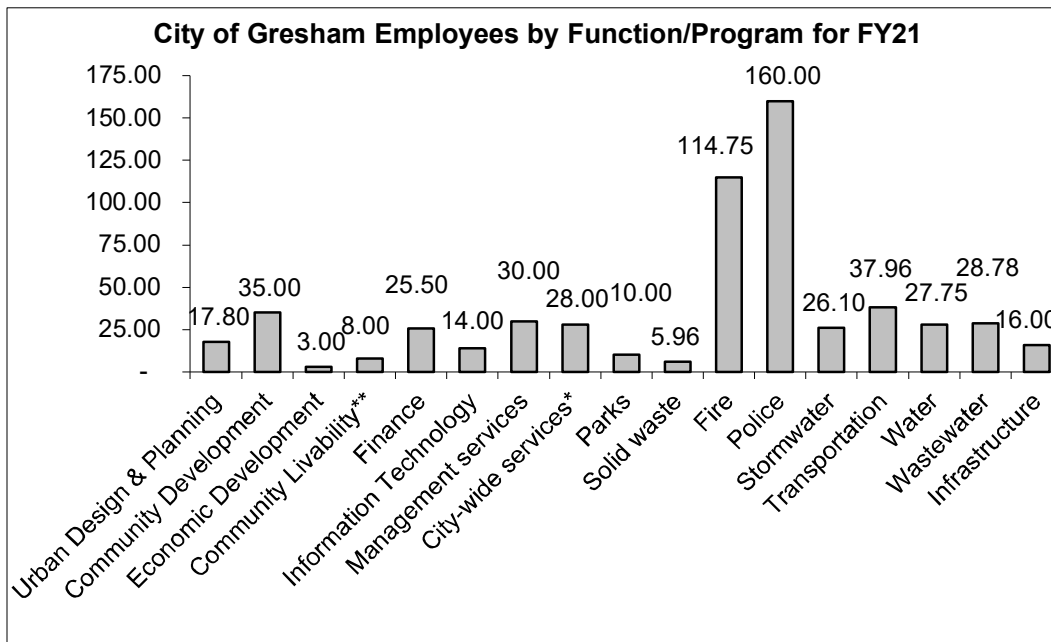
U.S. Department of Labor, Bureau of Labor Statistics

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				
	2012	2013	2014	2015	2016
General government					
Urban Design & Planning	16.00	14.50	12.50	12.50	13.00
Community Development	25.00	24.00	25.00	25.00	25.00
Economic Development	3.75	3.75	3.75	3.75	3.75
Community Livability**	-	-	-	-	-
Finance	26.60	24.60	24.60	24.40	24.40
Information Technology	17.00	17.00	17.00	18.00	19.00
Management services	31.40	30.40	30.90	30.80	30.80
City-wide services*	23.00	23.00	24.50	23.50	23.50
Parks	8.38	8.33	8.33	8.30	8.30
Solid waste	4.91	4.95	5.01	4.41	4.46
Public safety					
Fire	90.00	89.50	89.50	95.50	96.75
Police	149.00	152.00	152.00	152.00	157.00
Stormwater	22.93	23.13	23.12	25.40	24.77
Transportation	33.91	33.92	34.90	39.20	38.76
Water	27.32	27.72	27.71	28.53	27.93
Wastewater	26.85	29.25	29.23	29.76	28.43
Infrastructure	14.50	12.50	11.50	11.50	11.50
Total	520.55	518.55	519.55	532.55	537.35

* New department in 2011/2012.
 ** New department in 2018/2019.



Source: City of Gresham Budget Division

2017	2018	2019	2020	2021
15.80	17.80	17.80	17.80	17.80
29.00	35.00	32.00	35.00	35.00
4.00	3.00	3.00	3.00	3.00
-	-	8.00	8.00	8.00
24.40	25.40	25.50	25.50	25.50
19.00	21.00	22.00	25.00	14.00
30.80	32.80	31.70	30.70	30.00
24.00	23.00	20.00	21.00	28.00
8.30	8.30	11.30	11.30	10.00
4.46	4.96	5.96	5.96	5.96
96.75	103.75	111.75	111.75	114.75
159.00	165.00	166.00	166.00	160.00
24.77	25.10	25.10	27.10	26.10
35.96	36.96	36.96	37.96	37.96
27.93	27.75	27.75	27.75	27.75
28.43	28.28	28.28	27.78	28.78
14.50	14.50	15.50	16.00	16.00
547.10	572.60	588.60	597.60	588.60

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

Function/Program	Fiscal Year			
	2012	2013	2014	2015
Governmental activities:				
Community development				
Residential building permits applications issued	460	481	646	767
Valuation	\$32,840,052	\$ 30,590,592	\$ 36,364,810	\$ 66,156,164
Commercial building permits application issued	550	557	577	690
Valuation	\$69,637,169	\$ 40,527,872	\$ 44,619,928	\$ 92,421,494
Building inspections conducted	9,656	8,526	8,951	10,866
Police				
Part I crimes (person)	4,980	4,244	4,266	4,144
Part II crimes (property)	5,437	5,469	5,391	4,131
Calls for service	75,180	72,657	74,276	73,951
Fire				
Emergency responses	13,474	13,000	13,000	14,601
Fire inspections	1,283	1,350	1,230	2,166
Business-type activities				
Water				
Accounts	17,081	17,190	18,704	16,656
Average daily consumption (millions of gallons)	7	7	6	7
Stormwater				
Accounts	24,164	24,228	25,962	24,038
Wastewater				
Accounts	24,214	24,281	25,866	24,006
Average daily sewage treatment (millions of gallons)	12	13	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

2016	2017	2018	2019	2020	2021
713	709	797	854	792	2,794 *
\$ 53,612,230	\$ 41,814,606	\$ 81,402,290	\$104,593,157	\$127,434,862	\$ 76,399,774 *
850	745	418	718	889	1,780 *
\$243,011,292	\$ 95,422,482	\$ 10,277,185	\$519,865,616	\$217,965,315	\$188,971,791 *
13,577	13,320	14,158	21,824	23,246	17,816 *
3,743	4,036	4,274	4,169	1,060	3,528
3,786	3,548	2,816	3,332	4,763	2,545
74,875	73,012	74,147	71,619	67,200	55,777
16,000	16,869	16,357	16,457	16,335	18,073
2,100	1,811	1,750	2,461	2,429	1,631
16,734	16,844	16,986	17,292	17,297	17,346
7	6	7	7	6	6
24,123	24,028	24,177	24,450	24,635	24,691
24,093	23,966	24,114	24,454	24,583	24,621
13	13	12	12	10	11

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

Function/Program	Fiscal Year			
	2012	2013	2014	2015
Governmental activities:				
General government				
City-owned building facilities	9	10	12	14
Police				
Police station	1	1	2	2
Community police office	1	1	1	1
K9 officers	2	2	2	2
Police patrol cars	34	25	23	23
Police motorcycles	5	6	6	5
Fire				
Fire stations	6	6	6	6
Fire vehicles				
Ladder trucks	1	1	1	1
Engines (In service)	7	7	7	7
Specialized emergency vehicles	3	6	6	6
Parks				
Acres of parks & trails (developed & undeveloped)	258	257	257	278
Acres of natural area	942	989	989	963
Acres from other providers	584	584	584	621
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)	27.3	27.3	27.3	27.2
Stormwater				
Catch basins	8,154	8,068	8,083	8,198
Drywells	1,100	1,102	1,103	1,117
Wastewater				
Wastewater plant capacity (millions of gallons per day)	20	20	20	20
Transportation				
Street lights	7,969	8,210	8,195	8,386
Traffic signals	102	102	102	103
Transportation signs*	12,075	12,986	15,111	15,828
Miles of streets **	897	898	901	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

2016	2017	2018	2019	2020	2021
14	14	14	14	14	14
2	2	2	2	2	2
1	1	1	1	1	1
2	3	3	3	3	3
26	25	32	36	38	38
5	3	3	3	3	3
6	6	6	6	6	6
1	1	1	1	1	1
7	6	7	6	7	7
6	5	7	5	6	5
293	294	294	294	344	347
956	964	964	964	932	933
624	659	659	659	648	645
16	16	16	16	18	18
14	14	14	14	14	14
10	10	10	10	15	15
27.2	27.2	27.2	27.2	27.2	27.2
7,958	7,925	8,006	8,022	8,083	8,091
1,105	1,105	1,120	1,126	1,124	1,126
20	20	20	20	20	20
8,306	8,490	8,494	8,552	8,587	8,600
103	104	104	104	104	104
16,897	17,288	17,767	19,030	18,617	19,030
905	907	909	913	917	920

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 3, 2020)	70,239
Number of votes cast in last general election	51,835
Percentage of registered voters voting in the last general election	74%

Census population count for the last six decades

1970	9,875
1980	33,005
1990	68,235
2000	90,205
2010	105,594
2020	114,247

Age distribution of population for the last six decades

Year	Percent Under 18	Percent 18-64	Percent Over 65
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
2020	31.0	55.4	13.6

Income level of population for the last six decades

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
2020	Median (family)	54,084

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: 2019-2020 Annual Comprehensive 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, 2021, and have issued our report thereon dated February 12, 2022. 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
February 12, 2022

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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 12, 2022.

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

A handwritten signature in cursive script that reads "Gatlin Hawkins".

By: Gatlin Hawkins, CPA, a member of the firm
Eugene, Oregon
February 12, 2022

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, 2021. 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, 2021.

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
February 12, 2022

City of Gresham, Oregon
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2021

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>	
21.019	Coronavirus Relief Fund	
97.047	Pre-Disaster Mitigation	
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, 2021

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

None.

Section IV - Summary Schedule of Prior Audit Findings

None.

CITY OF
GRESHAM
GOING BEYOND

Continuing Disclosure

CITY OF
GRESHAM
GOING BEYOND

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, 2021

	Dated Date	Maturity Date	Principal Issued	Principal Outstanding as of 6/30/2021
Full Faith and Credit Obligations				
2004 Pension Obligation Bonds	5/27/2004	6/1/2028	\$ 19,280,000	\$ 12,240,000
2010 Financing Agreement City of Gresham/Urban Renewal	6/4/2010	6/1/2023	23,470,000	4,393,156
2013 Full Faith & Credit Obligations Series B	7/30/2013	7/1/2033	4,655,000	1,945,000
2013 Full Faith & Credit Obligations Series C	7/30/2013	7/1/2033	7,610,000	3,040,000
2014 Section 108 Fountain Loan	6/30/2014	6/30/2033	1,500,000	300,000
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	4,242,500
2015 Gresham Redevelopment Commission	6/1/2015	6/1/2023	6,700,000	1,829,151
2017 Gresham Redevelopment Commission Revolving Note	2/22/2017	6/1/2023	1,000,000	11,180,000
2018 Weston Property Loan	7/31/2018	7/31/2023	1,770,000	1,002,446
2018-22 Line of Credit*	5/10/2018	5/9/2022	24,000,000	21,611,800
Total Full Faith and Credit Obligations			<u>99,027,582</u>	<u>61,784,053</u>
			<u>99,027,582</u>	<u>61,784,053</u>
Total Direct Debt				
Debt Backed by Water Revenue				
Water Meter Replacement Notes 2011	6/1/2011	12/1/2030	2,361,232	1,339,676
2015 Full Faith & Credit - Water	5/27/2015	5/1/2035	5,332,418	4,182,500
2018-22 Line of Credit*	5/10/2018	5/9/2022	22,000,000	11,691,100
Total Debt Backed by Water Revenue			<u>29,693,650</u>	<u>17,213,276</u>
Debt Backed by Stormwater Revenue				
State of Oregon SRF UIC Improvements	4/4/2017	8/1/2037	4,935,608	4,071,878
Total Debt Backed by Stormwater Revenue			<u>4,935,608</u>	<u>4,071,878</u>
Debt Backed by Wastewater Revenue				
R39190 Wastewater Second Clarifier	10/15/2009	8/1/2029	407,058	206,472
2015 Full Faith & Credit - Wastewater	5/27/2015	5/1/2031	5,670,000	3,970,000
2018-22 Line of Credit*	5/10/2018	5/9/2022	500,000	342,800
Total Debt Backed by Wastewater Revenue			<u>6,577,058</u>	<u>4,519,272</u>
			<u>41,206,316</u>	<u>25,804,426</u>
Total Utility Obligations				
Total Outstanding Obligations			<u>* \$ 120,233,898</u>	<u>\$ 87,588,479</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, 2021

Governmental Unit	Total Net Debt	Percent Within City	City's Pro-Rata Share
Debt repaid with property taxes			
Lusted Water District	\$ 555,000	0.63%	\$ 3,500
Metro	920,585,000	4.33%	39,859,489
Mt. Hood Community College	19,160,000	29.52%	5,656,415
Multnomah County	690,660,604	8.32%	57,482,991
Multnomah County School District 10J (Gresham-Barlow)	322,924,553	75.20%	242,823,118
Multnomah County School District 28J (Centennial)	64,567,710	36.98%	23,875,589
Multnomah County School District 7 (Reynolds)	181,521,115	37.06%	67,276,445
Other debt			
Metro	37,995,000	4.33%	1,645,108
Mt. Hood Community College	30,460,059	29.52%	8,992,419
Multnomah County School District 7 (Reynolds)	1,142,857	37.06%	423,572
Multnomah ESD	23,395,000	8.20%	1,919,513
Port of Portland	51,330,000	3.98%	2,042,831
	<u>\$ 2,344,296,898</u>		<u>\$ 452,000,990</u>

Debt Ratios

	Values	Per Capita	Percent of RMV
Estimated Population	114,361	-	-
Real Market Value (RMV)	\$ 17,831,383,551	\$ 155,922	-
Total Direct Debt	61,784,053	540	0.35%
Overlapping Debt	452,000,990	3,952	2.53%
Total Direct Debt and Overlapping Debt	<u>\$ 513,785,043</u>	<u>\$ 4,493</u>	2.89%

Ten Largest Taxpayers

Business		Assessed Value	Percentage of Total Assessed Value
Boeing Company	Aircraft Frame Structures	\$ 382,836,800	4.09%
Microchip Technology Inc.	Microelectronics Products	135,226,730	1.44%
Semiconductor Components Industries	Microelectronics Products	108,858,860	1.16%
RREEF CPIF 17505 NE San Rafael LLC	Property Management	55,521,660	0.59%
U.S. National Bank of Oregon	Financial Services	47,429,010	0.51%
HIP Gresham Station LLC	Property Development	40,378,980	0.43%
BCIF Vista Logistics Park LLC	Property Management	36,717,070	0.39%
Cascade Corporation	Equipment Manufacturing	33,545,330	0.36%
GP/PC Holly Ridge LLC	Property Management	31,704,440	0.34%
IP Eat One LLC	Property Development	31,327,980	0.33%
		\$ 903,546,860	9.65%
Total Assessed Value, City of Gresham		\$ 9,363,503,800	

General Fund Consecutive Balance Sheet -- As of June 30, 2021

	2017	2018	2019	2020	2021
ASSETS					
Cash & investments	\$ 19,541,653	\$ 16,752,117	\$ 13,994,039	\$ 10,094,256	\$ 14,649,873
Receivables, net	2,600,795	3,552,571	4,260,697	4,180,634	5,972,440
Property taxes receivable, net	1,815,252	1,582,093	889,625	877,187	835,188
Due from other funds	5,377,174	6,419,640	5,655,919	6,127,023	8,449,170
Other assets	61,855	64,283	87,133	55,118	50,285
Total assets	<u>\$ 29,396,729</u>	<u>\$ 28,370,704</u>	<u>\$ 24,887,413</u>	<u>\$ 21,334,218</u>	<u>\$ 29,956,956</u>
LIABILITIES					
Accounts payable	\$ 1,091,552	\$ 371,021	\$ 1,231,289	\$ 1,126,624	\$ 1,437,089
Other accrued liabilities	-	90	-	147	-
Deposits	-	-	210	210	11,329
Total liabilities	<u>1,091,552</u>	<u>371,111</u>	<u>1,231,499</u>	<u>1,126,981</u>	<u>1,448,418</u>
DEFERRED INFLOWS OF RESOURCES ⁽¹⁾					
Unavailable revenue - property taxes	1,741,609	1,445,169	798,109	785,392	758,142
Total deferred inflows of resources	<u>1,741,609</u>	<u>1,445,169</u>	<u>798,109</u>	<u>785,392</u>	<u>758,142</u>
FUND BALANCES					
Unassigned	26,563,568	26,554,424	22,857,805	19,421,845	27,750,396
Total fund balances	<u>26,563,568</u>	<u>26,554,424</u>	<u>22,857,805</u>	<u>19,421,845</u>	<u>27,750,396</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 29,396,729</u>	<u>\$ 28,370,704</u>	<u>\$ 24,887,413</u>	<u>\$ 21,334,218</u>	<u>\$ 29,956,956</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, 2021

	2017	2018	2019	2020	2021
Revenues					
Taxes	\$ 34,334,328	\$ 36,316,588	\$ 39,422,284	\$ 38,141,211	\$ 42,312,872
Licenses and permits	391,184	420,372	429,794	512,243	471,790
Intergovernmental revenues	9,722,168	11,154,782	11,249,913	10,512,297	13,559,200
Charges for services	390,925	399,666	430,599	4,604,117	6,116,524
License fees	19,134,086	10,380,166	10,641,085	11,180,201	14,812,890
Miscellaneous revenues	258,100	427,531	933,633	997,084	413,024
Internal service charges	617,423	944,378	518,052	415,127	490,204
Total revenues	<u>64,848,214</u>	<u>60,043,483</u>	<u>63,625,360</u>	<u>66,362,280</u>	<u>78,176,504</u>
Expenditures					
Public safety	46,571,744	49,862,005	55,553,564	59,955,541	61,569,784
Community development	1,048,957	1,205,897	788,436	614,006	542,251
Economic development services	672,471	665,351	753,124	693,741	686,621
Parks ⁽²⁾	2,194,447	2,356,032	2,778,617	2,786,119	2,648,792
Total expenditures	<u>50,487,619</u>	<u>54,089,285</u>	<u>59,873,741</u>	<u>64,049,407</u>	<u>65,447,448</u>
Excess of revenues over (under) expenditures	<u>14,360,595</u>	<u>5,954,198</u>	<u>3,751,619</u>	<u>2,312,873</u>	<u>12,729,056</u>
Other financing sources (uses)					
Issuance of debt	-	1,275,000	-	-	-
Operating transfers in	75,000	75,000	75,000	75,000	1,219,000
Operating transfers out	(5,279,247)	(7,313,342)	(7,523,238)	(5,892,912)	(5,619,505)
	<u>(5,204,247)</u>	<u>(5,963,342)</u>	<u>(7,448,238)</u>	<u>(5,817,912)</u>	<u>(4,400,505)</u>
Fund balances					
Beginning of year	<u>17,407,220</u>	<u>26,563,568</u>	<u>26,554,424</u>	<u>22,926,884 ⁽²⁾</u>	<u>19,421,845</u>
End of year	<u>\$ 26,563,568</u>	<u>\$ 26,554,424</u>	<u>\$ 22,857,805</u>	<u>\$ 19,421,845</u>	<u>\$ 27,750,396</u>

(2) General Fund beginning balance includes fund balance for a closed fund in FY 19

Five-Year Stormwater Fund Revenues, Expenses and Debt Service Coverage

	2017	2018	2019	2020	2021
Gross Revenues					
Charges for services	\$ 7,988,222	\$ 8,273,632	\$ 8,881,364	\$ 10,163,022	\$ 10,674,046
Other revenues	38,537	3,702	579	3,942	13,605
Interest earnings	156,175	172,517	545,305	975,447	115,356
Total Gross Revenues	<u>8,182,934</u>	<u>8,449,851</u>	<u>9,427,248</u>	<u>11,142,411</u>	<u>10,803,007</u>
Operating Expenses					
Net operating transfers included for coverage	221,675	(153,050)	(578,101)	(925,583)	(1,275,083)
Environmental services	5,466,831	6,029,523	6,020,405	7,305,529	6,211,954
Total Operating Expenses	<u>5,688,506</u>	<u>5,876,473</u>	<u>5,442,304</u>	<u>6,379,946</u>	<u>4,936,871</u>
Net Coverage Revenues	\$ 2,494,428	\$ 2,573,378	\$ 3,984,944	\$ 4,762,465	\$ 5,866,136
Debt Service	\$ 575,160	\$ 881,002	\$ 824,291	\$ 823,807	\$ 822,148
Debt Service Coverage	4.34	2.92	4.83	5.78	7.14

Five-Year Wastewater Fund Revenues, Expenses and Debt Service Coverage

	2017	2018	2019	2020	2021
Gross Revenues					
Charges for services	\$ 17,085,086	\$ 18,205,479	\$ 18,395,517	\$ 19,840,820	\$ 20,440,781
Net operating transfers included for coverage	575,898	490,613	1,238,789	229,941	(391,960)
Other revenues	925,050	268,189	665,741	34,243	14,299
Interest earnings	413,739	448,781	1,744,384	1,996,101	351,243
Total Gross Revenues	<u>18,999,773</u>	<u>19,413,062</u>	<u>22,044,431</u>	<u>22,101,105</u>	<u>20,414,363</u>
Operating Expenses					
Environmental services	12,375,060	13,760,576	14,338,727	15,253,924	12,046,116
Total Operating Expenses	<u>12,375,060</u>	<u>13,760,576</u>	<u>14,338,727</u>	<u>15,253,924</u>	<u>12,046,116</u>
Net Coverage Revenues	\$ 6,624,713	\$ 5,652,486	\$ 7,705,704	\$ 6,847,181	\$ 8,368,247
Debt Service	\$ 2,645,491	\$ 2,637,452	\$ 2,631,698	\$ 2,623,070	\$ 2,600,544
Debt Service Coverage	2.50	2.14	2.93	2.61	3.22

ANNUAL DISCLOSURE INFORMATION FOR WATER 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.

Water Revenue Bonds⁽¹⁾			
Projected Debt Service Requirements			
Fiscal Year	2021 Water Revenue Bonds		Total Debt Service
	Principal	Interest	
2022	\$	442,114	\$ 442,114
2023		1,047,112	1,047,112
2024		1,047,112	1,047,112
2025		1,047,112	1,047,112
2026		1,047,112	1,047,112
2027		1,047,112	1,047,112
2028		1,047,112	1,047,112
2029	\$	1,545,000	2,592,112
2030		1,625,000	2,594,862
2031		1,705,000	2,593,612
2032		1,790,000	2,593,362
2033		1,860,000	2,591,762
2034		1,900,000	2,594,562
2035		1,935,000	2,591,563
2036		1,975,000	2,592,863
2037		2,015,000	2,593,363
2038		2,055,000	2,593,063
2039		2,095,000	2,591,963
2040		2,140,000	2,595,063
2041		2,180,000	2,592,263
2042		2,225,000	2,593,663
2043		2,275,000	2,596,381
2044		2,320,000	2,593,038
2045		2,375,000	2,595,838
2046		2,425,000	2,592,400
2047		2,480,000	2,592,838
2048		2,535,000	2,592,038
	\$	41,455,000	\$ 17,136,395
		\$	58,591,395

(1) At the time they were issued, the 2021 Bonds were the only issue outstanding secured by a pledge of Net Revenues. The City uses Net Revenues to pay debt service on a portion of its Full Faith and Credit Obligations, Series 2015, however Net Revenues are not pledged to repay the issue. The City also intends to enter into a WIFA Loan in the spring of 2022 which the City expects to issue as Parity Bonds.

The following table shows the breakdown of the City's Water System customers by type of accounts.

**Number of Water Accounts by Customer Class
(Fiscal Years)**

Account Type	2017	2018	2019	2020	2021
Residential (Includes Multi-Family and Other)	16,117	16,212	16,415	16,637	16,678
Business and Industrial	697	700	722	728	731
Public Entities ⁽¹⁾	125	129	128	129	126
Wholesale	1	1	1	1	1
Total	16,940	17,042	17,266	17,495	17,536

(1) Category includes City parks, the school district and other public entities. Each building or location is entered as a separate account, therefore one public entity can have multiple accounts

The following table shows the City's ten largest water customers by amount billed.

**Major Water Accounts
(Fiscal Year 2021)**

Name	Description	in Hundred Cubic Feet (CCF)	Percent of Total Consumption	Total Annual Charges	Percent of Total Charges
OnSemi Conductor	Industrial	383,983	12.52%	\$ 1,136,212	7.44%
Kempton Downs	Apartment Complex	29,159	0.95%	88,486	0.58%
Lumina	Apartment Complex	20,338	0.66%	67,530	0.44%
Berry Ridge	Apartment Complex	21,243	0.69%	65,266	0.43%
Highland Park	Apartment Complex	19,023	0.62%	54,478	0.36%
Powell Valley	Apartment Complex	18,884	0.62%	58,932	0.39%
Heatherwood	Apartment Complex	17,062	0.56%	51,748	0.34%
Townfair Terrace	Apartment Complex	15,810	0.52%	54,091	0.35%
The Groves	Apartment Complex	14,926	0.49%	43,588	0.29%
Aspen Highland	Apartment Complex	14,786	0.48%	42,776	0.28%
Total Top 10		555,214	18.10%	\$ 1,663,107	10.89%
Totals		3,067,481		\$ 15,271,873	

Historical Net Revenues and Debt Service Coverage

(Fiscal Years)

	2017	2018	2019	2020	2021
Gross Revenues					
Intergovernmental revenues	\$ 85,564	\$ 86,615	\$ 85,671	\$ 87,377	\$ 164,477
Charges for services	13,121,126	13,999,232	14,440,181	14,634,548	16,082,123
Interest Income	257,587	339,779	496,830	595,143	466,285
Miscellaneous income	133,068	244,150	397,912	483,630	317,781
Internal service charges	379,851	374,015	628,679	605,461	952,871
System Development Charges	359,628	805,534	941,488	972,132	398,632
Total Gross Revenues	<u>14,336,824</u>	<u>15,849,325</u>	<u>16,990,761</u>	<u>17,378,291</u>	<u>18,382,169</u>
Operating Expenses					
Operation, Maintenance & Replacements	9,593,994	10,442,300	10,554,562	11,468,252	11,694,721
Transfers to other funds	335,800	427,650	483,798	686,448	791,583
Total Operating Expenses	<u>9,929,794</u>	<u>10,869,950</u>	<u>11,038,360</u>	<u>12,154,700</u>	<u>12,486,304</u>
Net Revenues	\$ 4,407,030	\$ 4,979,375	\$ 5,952,401	\$ 5,223,591	\$ 5,895,865
Coverage Revenues (no SDC's)	4,047,402	4,173,841	5,010,913	4,251,459	5,497,233
Debt Service & Coverage:					
Water Meter Replacement Note	\$ 158,712	\$ 158,712	\$ 158,712	\$ 158,712	\$ 158,712
Debt Service Coverage with Net Revenues ⁽¹⁾	27.77	31.37	37.50	32.91	37.15
Debt Service Coverage with Coverage Revenues ¹	25.50	26.30	31.57	26.79	34.64

(1) The Water Meter Replacement Note requires only a rate covenant of 1.10 for Net Revenues