

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2019



CITY OF GRESHAM OREGON

CITY OF GRESHAM, OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT For the Fiscal Year Ended June 30, 2019

Prepared by
Finance & Management Services Department

CITY OF
GRESHAM
GOING BEYOND

**City Of Gresham, Oregon
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019**

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CITY OF
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January 27, 2020

To Mayor Shane Bemis, Council Members, and the Citizens of Gresham:

The Department of Finance and Management Services is pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Gresham, Oregon for the fiscal year ended June 30, 2019. The report is published in accordance with Oregon Revised Statutes which require all municipal corporations to publish audited financial statements within six months after the close of the fiscal year.

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

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

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

CITY PROFILE

The City of Gresham is located in northwestern Oregon, in the eastern part of the Portland metropolitan area, in Multnomah County. It is comprised of approximately 23.3 square miles reaching north to the Columbia River and south to the county line. With an estimated population of 111,810 Gresham is the fourth largest city in Oregon. Major manufacturing industries include aircraft frames, integrated circuits for the microelectronics industry, industrial equipment and food processing.

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

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

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

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

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

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

Factors Impacting the City's Financial Condition

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

Local Economy.

Oregon's economy continues strong despite the tapered slowing of job growth a little more than expected. The strong economic growth through 2018 has resulted in near historically low unemployment and local wage growth outpaces national figures due to a strong labor market. Throughout the region both the availability and affordability of housing continues to be a stressor on the economy and our citizens. Under the direction of the Council Subcommittee on Homelessness, Gresham continues to explore new strategies, funding and partnership opportunities to address chronic homelessness and mitigate its impact on public safety and livability.

Aggressive programs begun during the recession continue to help attract new small businesses to Gresham. This coming year will see expanded programming, technical support, and outreach services in our Small Business Center, and continued focus on a rapid response team and expedited review timelines to continue 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.

Employment growth in the area remains steady at near historic lows, with jobs in large service sector industries have led job growth with above-average growth rates, these jobs include professional and business services, health services, and leisure and hospitality industries. The metro region unemployment rate rose slightly from 3.8% in June of 2018 to 3.9% in June of 2019, matching the U.S. rate at 3.8% and below the Oregon (4.0%) rate. The size of the total labor force continued moderate growth during fiscal year 2019, ending with an increase over the previous year. A stronger economy and demographics as retirements

increase have resulted in a continued tight labor; an issue not just being felt in Gresham and the metro area but across the economy as a more sustainable rates are achieved.

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 growth. Future revenue growth is expected to remain consistent with historic trends, unless substantial new development continues to increase the tax base.

The last few years have seen strong growth in business taxes as the economic environment in the Portland Metro area stabilizes and unemployment rates return to historic lows. Utility license fee revenues are also expected to increase, the result of anticipated rate increases by utility providers. State shared revenue is expected to continue to grow based on strong consumer behavior and the addition of shared revenues related to marijuana sales. As the marijuana industry in Oregon is still relatively new, it is difficult to reliably predict revenue patterns. The 2019-20 budget continues a strategy of cost containment and revenue enhancement combined with maximizing innovative and ambitious strategies for quality service.

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

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

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

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 2019 Council Work Plan was adopted on February 5, 2019 and outlined more than 30 projects focused towards a safe community, opportunity and livability, and sustainable services.

New projects in the 2019 Plan include a review of assets and opportunities related to parks facilities, a community emergency preparedness, a review of options related to the Hogan Butte Historic Home, housing opportunities, economic development and future growth strategies, arterial litter remediation, and emerging technologies in local government. Multi-year projects continuing in the 2019 Plan include urban redevelopment projects in the Rockwood, Civic, and Downtown areas, as well as legislative advocacy, finance models and opportunities, commercial development fees and incentives, and refinement of the Pleasant Valley Transportation System Plan. Implementation continues on projects that began in the 2017 Plan including public safety health services, mobile integrated health, Police mental health team, and the continuation of research study of mental health services and their implications for public safety; neighborhood nuisance, community engagement and branding, homelessness, commercial business and development support, industrial land opportunities study, and rebuilding local streets.

AWARDS AND ACKNOWLEDGEMENTS

Awards. For the 39th consecutive year, the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Gresham for its Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended June 30, 2018. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements. The preparation of the comprehensive annual financial report was made possible by the staff of the Finance & Management Services Department with assistance and collaboration from the Budget and Financial Planning department. Orion Jarrell, Trang Nguyen, Alyona Sultanova, Terryl Aguon, Tanner Warner, Melanie Wynne, Catherine Kaminski, Ann Travers and Susan Brown deserve special recognition for their work. All of the staff of the Finance & Management Services 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,



Bernard Seeger
Finance and Management Services Director

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

Mayor and City Council

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

Principal Officials:

Erik Kvarsten, City Manager

David Berniker, Urban Design & Planning Director

Elizabeth Coffey, Communications Manager

Corey Falls, Deputy City Manager

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

Pat Hartley, Information Technology Director

Mitch Snyder, Fire Chief

Sharron Monohon, Budget & Financial Planning Director

Karen Pearson, Human Resources Director

Kevin McConnell, Interim City Attorney

Eric Schmidt, Community Development Director

Bernard Seeger, Finance and Management Services Director

Robin Sells, Police Chief

Shannon Stadey, Economic Development Services Director

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



Councilor Jerry Hinton



Mayor Shane Bemis



Councilor Eddy Morales



Councilor Karylenn Echols

*Gresham's
Leadership*



Councilor Mario Palmero



Councilor David Widmark



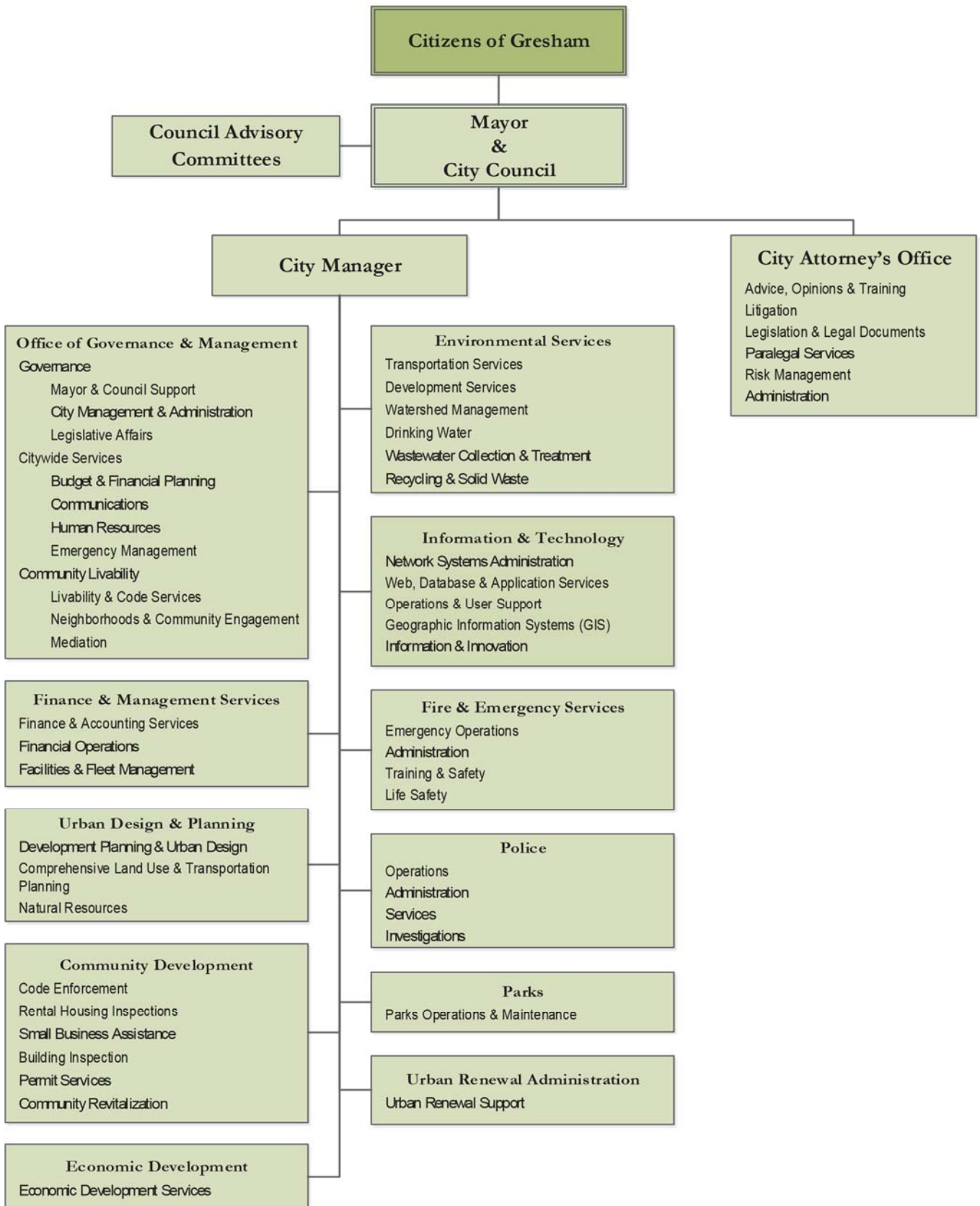
Councilor Janine Gladfelter



City Manager Erik Kvarsten

City of Gresham, Oregon Departments and Programs

Year Ended June 30, 2019





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Gresham
Oregon**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

CITY OF
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GOING BEYOND

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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedules of Revenues, Expenditures and Changes in Fund Balances – budget and actual of the General Fund, the Transportation Fund, the System Development Charges Fund, (the "budgetary schedules"), the Schedule of Funding Progress – Other Postemployment Healthcare Benefits, the Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) – Oregon Public Employees Retirement System, and the Schedule of the City's Contributions – Oregon Public Employees Retirement System, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to Management's Discussion and Analysis, the Schedule of Funding Progress – Other Postemployment Healthcare Benefits, the Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) – Oregon Public Employees Retirement System, and the Schedule of the City's Contributions – Oregon Public Employees Retirement System in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The budgetary schedules described above are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The budgetary schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and budgetary comparison schedules, statistical section, and continuing disclosure section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the Minimum Standards of Audits of Oregon Municipal Corporations, we have issued our report dated January 27, 2020 on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

ISLER CPA



By: Gatlin Hawkins, CPA, a member of the firm
Eugene, Oregon
January 27, 2020

CITY OF
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CITY OF GRESHAM, OREGON MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

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

FINANCIAL HIGHLIGHTS

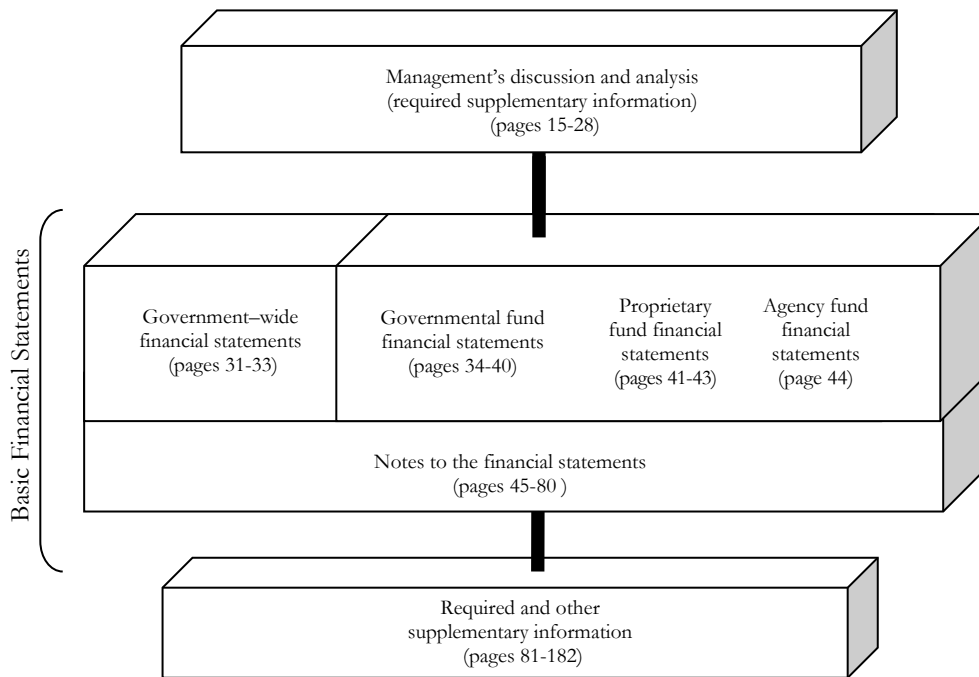
- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$959.2 million (net position). Of this amount, \$67.9 million in unrestricted net position (primarily intended for utility infrastructure replacement) 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 \$7.6 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 decreased by \$8.3 million. Governmental activities showed a decrease of \$18.3 million, primarily caused by transportation infrastructure depreciation. Business-type activities net position increased by \$9.9 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 \$102.7 million, a \$7.1 million increase from the prior year primarily due to debt issuance and expanding revenue bases while continuing to maintain service levels and contain costs.
- At year-end, the unassigned fund balance for the General Fund was \$22.9 million or 38.2% of General Fund operating expenditures during the year. The fund balance for the General Fund includes amounts due from other funds. The ratio is down from 49.2% in the prior year.
- Long term liabilities in the City increased by \$3.7 million primarily due to increases in net pension liability, debt issuance and debt repayment. Long term debt levels in the City increased by \$5.7 million for governmental activities and decreased by \$2 million for business-type activities. Increases include a \$12 million increase in net pension liability, a \$7.7 million Gresham Redevelopment Commission Note issuance, and were offset by regularly scheduled debt payments.

OVERVIEW OF THE FINANCIAL STATEMENTS

Report Layout

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

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



Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

The City reports information separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Transportation Fund, System Development Charges Fund, Dedicated Revenue Fund, and Rockwood UR 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 reserves, information technology services, general liability reserves, health and dental reserves, equipment replacement reserves, legal services, utility financial 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.

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

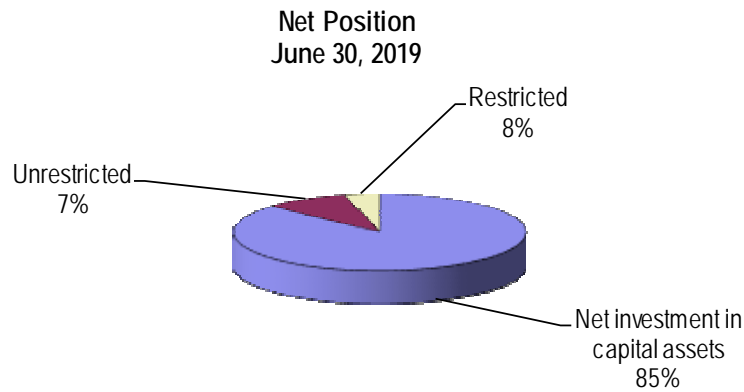
The following paragraphs provide an analysis of the City's overall financial position and results of operations. To reduce complexity, dollar amounts are presented in millions. Insignificant rounding difference may exist between amounts presented here and amounts presented in the financial statements.

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	
	2019	2018	2019	2018	2019	2018
ASSETS						
Current and other assets	\$ 142.1	\$ 131.4	\$ 119.0	\$ 114.6	\$ 261.1	\$ 246.0
Capital assets	635.2	649.3	245.3	238.7	880.5	888.0
Total assets	777.3	780.7	364.3	353.3	1,141.6	1,134.0
DEFERRED OUTFLOWS OF RESOURCES						
Deferred refunding amount on debt issuance	-	-	0.1	0.2	0.1	0.2
Deferred outflow related to pension	26.3	20.8	4.9	2.7	31.2	23.5
Total deferred outflows of resources	26.3	20.8	5.0	2.9	31.3	23.7
LIABILITIES						
Current and other liabilities	39.6	27.5	12.5	9.4	52.1	36.9
Long-term liabilities	123.6	117.9	28.8	30.8	152.4	148.7
Total liabilities	163.2	145.4	41.3	40.2	204.5	185.6
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions	6.4	3.8	2.8	0.8	9.2	4.6
NET POSITION						
Net investment in capital assets	595.4	615.3	219.9	212.1	815.3	827.4
Restricted	64.2	47.6	11.8	12.9	76.0	60.5
Unrestricted	(25.6)	(10.6)	93.5	90.2	67.9	79.6
Total net position	\$ 634.0	\$ 652.3	\$ 325.2	\$ 315.2	\$ 959.2	\$ 967.5



The City ended the year with \$959.2 million in total net position. Approximately 85% 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 8% 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 7% 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 declined. This is primarily attributable to changes in net pension liability and depreciation expense on transportation infrastructure. A more detailed analysis of both governmental and business-type net position follows.

Governmental Activities. Total net position of governmental activities decreased 2.7% or \$17.2 million. Current and other assets (primarily cash and investments, receivables) increased by \$10.7 million. The increase in working capital is a result of increasing development related revenue and slightly increased current payables.

The City added \$19.3 million in governmental capital assets during the year. However, this was offset by depreciation of \$33.4 million of which, depreciation on infrastructure comprised \$29.6 million. The net effect to capital assets is a reduction of \$14.1 million. See the notes to the financial statements for more detailed information on capital assets.

Current liabilities increased by \$12.1 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 \$5.7 million primarily due to the \$10.7 million increase in the actuarial determined net pension liability offsetting a decrease of \$5.8 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 3.1% or \$10 million. Current and other assets increased by \$4.4 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 \$18.4 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 \$10.4 million for the year. During the year an infrastructure replacement project resulted in the loss on disposal of \$1.3 million. The net effect of capital asset activity was an increase of \$6.6 million and reflects business type activities adding new infrastructure in addition to replacement of existing depreciated infrastructure.

Long-term liabilities of business-type activities decreased by a net \$2 million primarily due to changes in the net pension liability and regularly scheduled payments on debt. The City made all scheduled debt service payments. Current and other liabilities increased by \$3.1 million due to a line of credit draw for infrastructure projects and small variances related to timing of payments near year end.

CITY OF GRESHAM, OREGON

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
Summary of Changes in Net Position
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
REVENUES						
Program Revenues:						
Charges for services	\$ 41.2	\$ 34.8	\$ 42.7	\$ 40.9	\$ 83.9	\$ 75.7
Operating grants and contributions	11.5	12.8	-	-	11.5	12.8
Capital grants and contributions	5.7	1.9	8.1	6.2	13.8	8.1
General Revenues:						
Property taxes	34.4	32.2	-	-	34.4	32.2
Franchise and license fees	12.6	11.9	-	-	12.6	11.9
Business income taxes	8.3	7.2	-	-	8.3	7.2
Other taxes	1.4	1.4	-	-	1.4	1.4
Gain on sale of capital assets	0.1	0.1	-	-	0.1	0.1
Unrestricted grants and contributions	3.5	3.5	-	-	3.5	3.5
Unrestricted interest and investment earnings	4.5	1.0	3.6	0.9	8.1	1.9
Total revenues	<u>123.2</u>	<u>106.8</u>	<u>54.4</u>	<u>48.0</u>	<u>177.6</u>	<u>154.8</u>
EXPENSES						
General government	1.6	1.6	-	-	1.6	1.6
Public safety	69.9	63.4	-	-	69.9	63.4
Transportation	37.3	47.0	-	-	37.3	47.0
Urban design and planning	3.9	4.0	-	-	3.9	4.0
Community development	7.1	7.1	-	-	7.1	7.1
Economic development services	0.8	0.8	-	-	0.8	0.8
Parks operation	3.2	3.1	-	-	3.2	3.1
Environmental services	4.7	4.2	-	-	4.7	4.2
Community Livability	0.6	-	-	-	0.6	-
Urban renewal	8.5	2.1	-	-	8.5	2.1
Interest on long-term debt	2.4	2.2	-	-	2.4	2.2
Water	-	-	15.7	13.8	15.7	13.8
Stormwater	-	-	10.4	8.8	10.4	8.8
Wastewater	-	-	19.8	19.1	19.8	19.1
Total expenses	<u>140.0</u>	<u>135.5</u>	<u>45.9</u>	<u>41.7</u>	<u>185.9</u>	<u>177.2</u>
Excess (deficit) before transfers	(16.8)	(28.7)	8.5	6.3	(8.3)	(22.4)
Transfers, Net	<u>(1.4)</u>	<u>(1.8)</u>	<u>1.4</u>	<u>1.8</u>	<u>-</u>	<u>-</u>
Change in net position	(18.2)	(30.5)	9.9	8.1	(8.3)	(22.4)
Net position - beginning (as reported)	652.2	682.2	315.3	308.0	967.5	990.2
Cumulative effect of change in accounting principle	-	0.5	-	(0.8)	-	(0.3)
Net position - beginning (restated)	<u>652.2</u>	<u>682.7</u>	<u>315.3</u>	<u>307.2</u>	<u>967.5</u>	<u>989.9</u>
Net position - ending	<u>\$ 634.0</u>	<u>\$ 652.2</u>	<u>\$ 325.2</u>	<u>\$ 315.3</u>	<u>\$ 959.2</u>	<u>\$ 967.5</u>

MANAGEMENT'S DISCUSSION & ANALYSIS

The City-wide net position decreased by \$8.3 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 \$18.2 million as a result of operations and transfers. The most significant causes of the decline related to operations was transportation system infrastructure depreciation. Relative to depreciation of \$33.4 million any changes related to maintaining public service levels, ongoing tax revenue limitations appear insubstantial.

Unrestricted net position decreased by \$15 million to a deficit of \$25.6 million while net position invested in capital assets decreased by \$19.9 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 were identified in the City's 2007 Long-Term Financial Plan as significantly hindering the ability to meet basic services. The growth in taxable assessed value had 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 2019 property tax revenue increased by 6.7% due to growth in assessed values and new construction.

Franchise and license fees increased 5.9% or \$700 thousand, with the majority of the increase coming from electrical utility license fees. Increased electrical price and use resulted in the higher license fees.

Business income taxes increased by \$1.1 million or 14.7% in 2019 and exceeded expectations, and Hotel and Motel taxes decreased by less than 3%. Local marijuana tax has increased to \$420 thousand in 2019 from \$310 thousand in 2018. There were significant increased in development related charges for services with Community Development increasing charges for services by 64% or \$3 million. Collectively, Economic Development and Urban Design and Planning charges for services increased from \$900 thousand in 2018 to \$2.1 million in 2019. The substantial revenue growth in these departments is a result of increases in quantity and scope of construction permit applications. This has led to a lasting elevated revenue stream and work load for staff. Revenues driven by construction activity, such as system development charges, building permits, plan review, and building and infrastructure inspection fees have all seen increases.

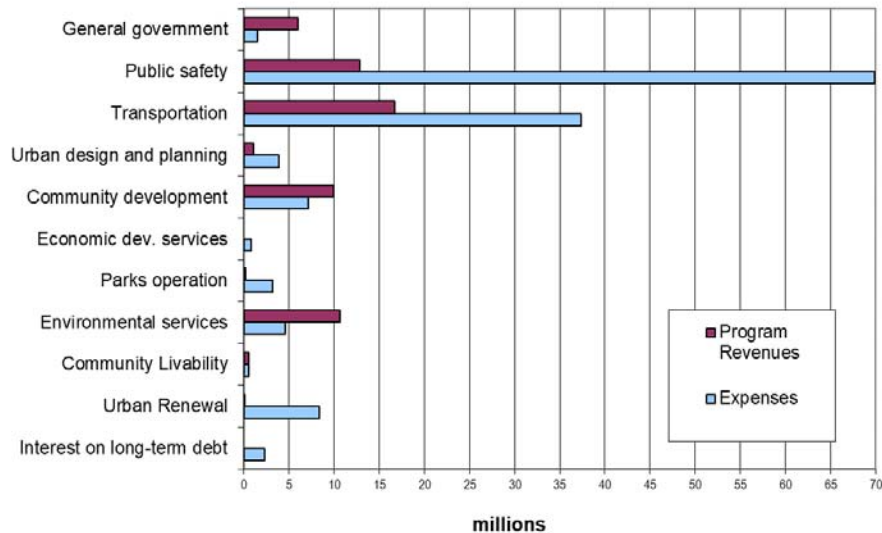
Transportation functions are largely funded by gas tax shared by the state. On January 1, 2011 the state gas tax was increased for the first time since 1991 (an increase of 6 cents per gallon to 30 cents per gallon). Gas tax revenue has been rising slowly since the tax increase, however, depreciation on transportation infrastructure continued to outpace available revenues resulting in a \$20.6 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.

In accordance with financial reporting requirements, resources from the collection of business-type system development charges are reported as governmental activities. During the year \$1.4 million of these resources were transferred to business-type activities for the construction of utility capital assets and debt service. New system development revenues from housing and commercial development were more than expenses for infrastructure construction. As a result, net position restricted for system development increased by \$3.4 million.

CITY OF GRESHAM, OREGON

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

FY 2019 Expenses and Program Revenues - Governmental Activities



General government support services (administrative, financial, legal, and management services) generate some external revenues, but are primarily funded from charges to the functions they support. The public safety function (Police, Fire and Emergency Services) generates program revenues as well, but property taxes, business income taxes, state shared revenues, and utility license fee revenues fund the majority of its costs. City policy requires that all general property taxes be used for public safety services. For the fiscal year, general property taxes accounted for 46% (down from 51% in 2018) 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.

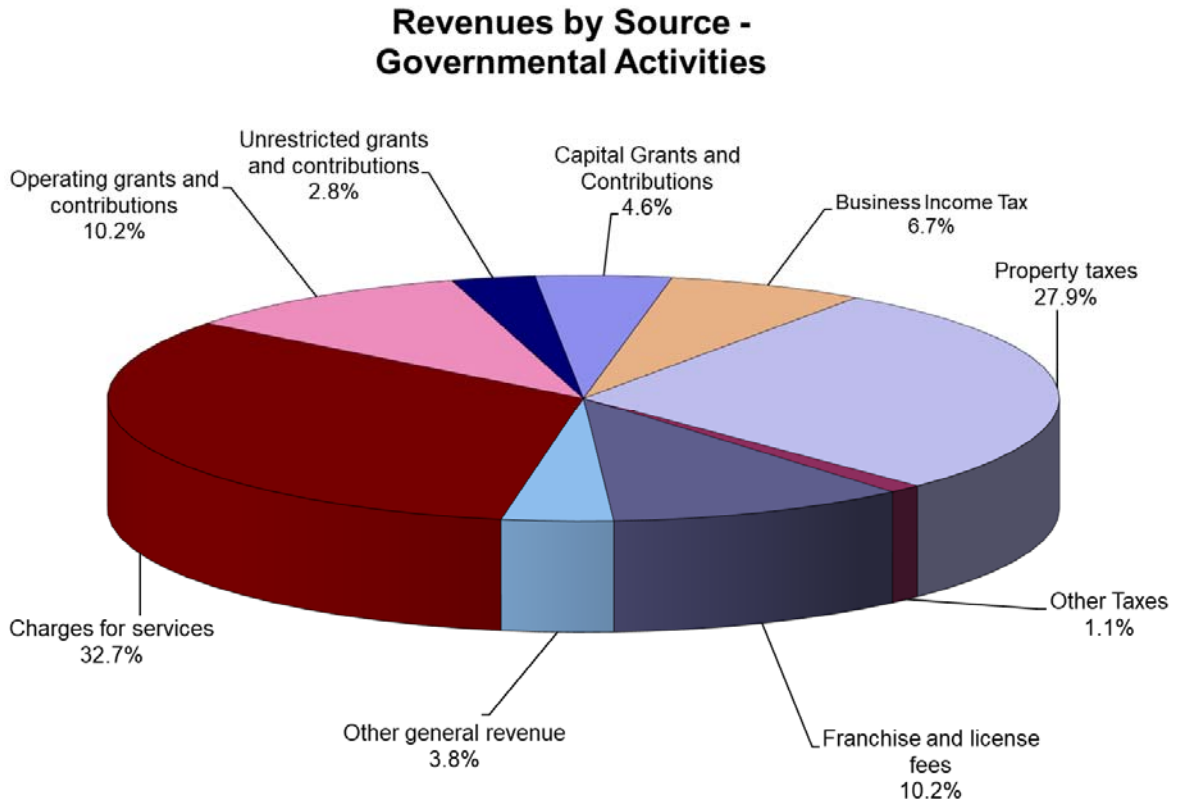
The urban design and planning, and development services functions provide a variety of growth and development services. Activities are funded with Federal Housing and Urban Development Department grant revenues, charges for building permits, development planning and inspection fees, and other grants.

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

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

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

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



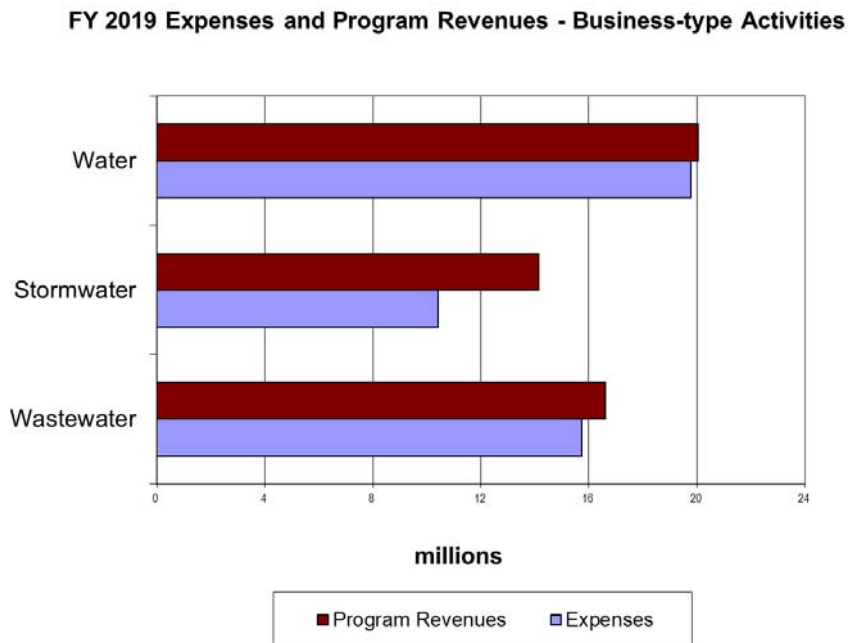
Business-type Activities. Net position for business-type activities increased by \$9.9 million during the fiscal year. Utility payments and service fees of \$42.7 million were slightly lower than direct expenses for water, stormwater, and wastewater of \$45.9 million. Capital grants and contributions of \$8.1 million consist primarily of easements and developer contributed capital assets.

Business-type activities received \$1.4 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 \$3.6 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:



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 \$102.7 million, of which \$71 million (69%) was in the major funds. Fund balances of all governmental funds increased by \$7.1 million from the prior year. This is the net result of changes in a variety of funds including the increased collections of system development charges and tax increment revenues, payment of debt issued in the prior years, purchase of capital assets, and the result of operations. Operations results reflect a focus on maintaining public trust with consistent service levels while containing costs.

The General Fund had an ending balance of \$22.9 million a decrease of \$3.7 million from prior year. Revenues increased by \$3.6 million while expenditures increased by \$4.8 million. General fund costs of providing public safety services were increased by \$5.7 million. An additional \$1.3 million was transferred from the general fund to other special revenue funds for public safety purposes. The overall revenue increase is primarily due to increases in taxes collected. Total tax revenues in the general fund increased by

MANAGEMENT'S DISCUSSION & ANALYSIS

8.6% from the prior year. Property taxes receipts increased 7% or \$2 million. The increase in property tax is a result of the combination of increasing property values and new development. Business Income Tax (BIT) increased \$1.1 million or 14.7%. BIT increased due to several factors, but largely due to timing of business activity and increased activity. State-shared intergovernmental revenues and charges for services remained roughly unchanged from prior year.

The Transportation Fund ending balance increased \$4 million. \$8 million in gas tax revenue was received during the year to provide for road maintenance this is a \$1 million increase from prior year. Gas tax revenue is determined by statewide fuel tax revenue collections. An intergovernmental agreement with Multnomah County for maintenance of roads provided \$4.1 million of revenue, an amount unchanged from prior year. Transfers out of \$3.9 million were provided to the Transportation Construction Fund for capital improvement projects.

The System Development Charges Fund is statutorily required and accounts for transportation, park, water, stormwater, and wastewater system connection impact charges. The ending balance in this fund increased by \$3.4 million to \$19 million. About \$7.3 million in system development charges (SDC) and related interest were collected during the year while the fund transferred \$4.5 million to construction funds for infrastructure development. SDC charges increased primarily due to revised SDC methodology and increasing use of the City's SDC credit program, while transfers out decreased based on related capital project activity.

The Dedicated Revenue Fund has two primary activities. First, it administers the Federal CDBG and HOME grants programs with intergovernmental revenue and community development expenses. Activity in this area was down slightly due to grant funding being applied elsewhere. Second, the Dedicated Revenue Fund administers the solid waste services for the City with charges for services revenue and environmental services expenses. Revenues were slightly decreased and expenses slightly increased during the fiscal year, however the changes were an anticipated use of fund balance.

The Rockwood UR Debt Service Fund had an ending balance of \$4.9 million. The Rockwood West-Gresham Urban Renewal Area is a separate legal entity and is budgeted separately from the City under Oregon budget law. For financial reporting purposes, the Area's funds are blended with the City's. The City makes loans to the Area for development projects and is paid back through collection of tax increment. Property tax revenue increased to \$5.5 million in 2019 from \$4.7 million in 2018 because of increasing property values. Debt service expenses remain on schedule.

Net position for the enterprise funds increased by \$9.9 million. The Stormwater Fund, Water fund and Wastewater Fund reported an operating loss of \$140 thousand, \$590 thousand and \$550 thousand respectively. The result of operations for the enterprise funds was net operating loss of \$1.3 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 \$3.3 million, which were offset by transfers out of \$1.9 million, resulting in a net transfer in to 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 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.

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. A supplemental budget was adopted for the General Fund to allow for appropriation of \$440 thousand in intergovernmental revenue related to wildfire reimbursements to pay for the related overtime and equipment uses. City Council approval is required to make appropriation changes during the year.

Revenue in the General Fund exceeded budget by \$3.7 million due to business income tax increases above expectation, property tax growth, and reimbursement from other agencies for emergency response assistance. Investment returns and auction proceeds contributed to miscellaneous revenue exceeding budget by 132%.

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 special revenue fund activity, 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 \$1.4 million, \$1.2 million, \$273 thousand, \$380 thousand and \$349 thousand, respectively.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of year-end, the City had \$880.5 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 decrease (including additions, deletions, and depreciation) of \$7.5 million from last year.

Governmental activities' capital assets increased by a net \$18.5 million before depreciation. This was primarily attributed to the work on street surfacing improvements, full pavement reconstruction on local streets, intersection improvements, sidewalk ramps ADA improvements and purchase of five parcels of land. 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 \$33.4 million.

Business-type activities' assets increased by a net \$16.7 million before depreciation. Capital improvement projects include: the upsizing replacement of aging utility infrastructure throughout the City, the solids processing improvement and replacement of the primary clarifiers at the wastewater treatment plant, enhancing the capacity of the water lines, and removal of temporary major culvert and replacement with long-term new culvert that was damaged during a storm, comprised most of the increase. Private developer contributions and replacement of aging machinery and equipment also contributed to the increase in assets. Depreciation on business-type assets was \$10.4 million.

MANAGEMENT'S DISCUSSION & ANALYSIS

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

Long-term Debt

As of year-end, the City had \$80 million in bonds and notes outstanding. Of that amount, \$28 million is considered due within one year. Bonds and notes payable increased by \$3.9 million due to \$17.3 million in payments and \$21.2 million in new issuance.

City of Gresham, Oregon						
Outstanding Bonds and Notes Payable						
(in millions)						
	Governmental		Business-type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
Notes Payable & Other Long-term Debt	\$ 56.3	\$ 51.7	\$ 23.7	\$ 24.4	\$ 80.0	\$ 76.1
Revenue Bonds	-	-	1.0	1.5	1.0	1.5
Total	\$ 56.3	\$ 51.7	\$ 24.7	\$ 25.9	\$ 81.0	\$ 77.6

Long term debt from governmental activities increased by \$4.6 million. During the year, the City issued \$7.7 million of new debt on a line of credit for infrastructure related projects, issued \$7.7 million in debt for urban renewal projects, financed the purchase of property for \$1.6 million, and made all regularly schedule payments.

Business-type activities saw debt issued of \$4.2 million which was offset by principal payments of \$7.1 million. New debt issued include a line of credit for a water project. The net result, including other liabilities, was a decrease of business-type long term debt of \$1.2 million.

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

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

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

FINANCIAL CONDITIONS AND NEXT YEAR'S BUDGETS AND RATES

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

CITY OF GRESHAM, OREGON

- Property tax regulations set permanent rates for each jurisdiction in the State of Oregon as well as limit the growth of taxable assessed value to a maximum of 3% per year. Gresham's permanent rate is \$3.6129 per \$1,000 of tax assessed value. For fiscal year 2018/19 Gresham's total assessed value was \$8,602,550,670, a 3.8% increase from the previous year. The increase in the growth rate of the tax base is a result of local development and economic progress.
- The City continues to aggressively seek and use federal grants to supplement services and improve infrastructure. During the fiscal year the City spent \$6.5 million in federal program funds of which \$3.9 million of Department of Transportation grants were used for infrastructure. \$1.4 million of funding was received from HUD of which \$870 thousand was passed through to sub-recipients.
- The City regularly reviews utility rates and business fees to evaluate their effectiveness in supporting operating and capital needs. In January 2017 the City adopted a five-year rate increase schedule. On January 1, 2018 the City began to increase utility rates in order to keep pace with inflationary expenses and end-of-life infrastructure replacements, with additional annual rate increases approved through January 1, 2022.
- Major capital projects budgeted for 2019-20 include: \$7.2 million for wastewater services including upgrade of existing facilities and utilities at the wastewater treatment plant, as well as systematic sanitary sewer pipeline rehabilitation and maintenance; \$4.5 million for water projects including replacement of failing waterlines and Grant Butte seismic piping and reservoir retrofitting; \$18.8 million for various transportation and street related projects which will preserve existing infrastructure, increase roadway capacity, and enhance neighborhood livability including \$7.8 million for full pavement reconstruction on local streets, \$2.9 million for intersection improvements and \$5.8 million for pedestrian enhancements; \$2.8 million for parks projects including the expansion of Graden Sports Community Park and Mayor Charles Becker Park; \$7.6 million for stormwater projects including the improvement and restoration of natural resource conditions for the Fairview Creek & Columbia Slough Watershed and repair and new construction to replace deficient stormwater system; and \$1.4 million for urban renewal projects such development of Rockwood Urban Plaza 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 Finance & Management Services Department, Finance and Accounting Services Division, 1333 NW Eastman Parkway, Gresham, Oregon 97030-3813

Basic Financial Statements

CITY OF
GRESHAM
GOING BEYOND

City of Gresham, Oregon
Statement of Net Position
June 30, 2019

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 126,941,089	\$ 100,882,730	\$ 227,823,819
Receivables, net	13,232,493	6,687,684	19,920,177
Property taxes receivable	1,039,934	-	1,039,934
Assessments receivable	4,280	-	4,280
Internal balances	(5,489,470)	5,489,470	-
Other assets	796,748	634,508	1,431,256
Net OPEB asset	510,468	-	510,468
Restricted cash and investments	5,094,394	5,306,999	10,401,393
Capital assets:			
Non-depreciable	484,146,788	22,296,987	506,443,775
Depreciable, net	151,015,984	222,956,195	373,972,179
Total assets	<u>777,292,708</u>	<u>364,254,573</u>	<u>1,141,547,281</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to refunding of debt issuance	-	92,412	92,412
Related to pension	24,946,541	4,779,918	29,726,459
Related to OPEB	1,376,785	112,437	1,489,222
Total deferred outflows of resources	<u>26,323,326</u>	<u>4,984,767</u>	<u>31,308,093</u>
LIABILITIES			
Accounts payable	3,714,049	2,975,184	6,689,233
Deposits	2,849,223	1,288,395	4,137,618
Accrued interest payable	462,805	137,673	600,478
Accrued claims payable	5,602,194	-	5,602,194
Other accrued liabilities	97,904	253,237	351,141
Unearned revenue	4,590,505	-	4,590,505
Long-term liabilities:			
Due within one year			
Bonds and notes payable	21,067,146	7,727,149	28,794,295
Compensated absences	1,224,934	141,670	1,366,604
Due in more than one year			
Bonds and notes payable	35,810,062	17,723,197	53,533,259
Compensated absences	6,548,887	802,830	7,351,717
Total OPEB liability	7,915,896	807,674	8,723,570
Net pension liability	73,340,386	9,412,300	82,752,686
Total liabilities	<u>163,223,991</u>	<u>41,269,309</u>	<u>204,493,300</u>
DEFERRED INFLOWS OF RESOURCES			
Related to pension	5,898,727	2,607,097	8,505,824
Related to OPEB	461,252	145,512	606,764
Total deferred inflows of resources	<u>6,359,979</u>	<u>2,752,609</u>	<u>9,112,588</u>
NET POSITION			
Net investment in capital assets	595,420,402	219,895,246	815,315,648
Restricted for:			
Transportation system construction and maintenance	25,916,973	-	25,916,973
System development	18,989,060	-	18,989,060
Building development review and inspection	7,011,818	-	7,011,818
Utility and public facilities construction	-	2,924,093	2,924,093
Loan covenant requirement	-	789,604	789,604
Urban renewal	318,649	-	318,649
Law enforcement equipment	34,053	-	34,053
Rate stabilization	-	3,229,000	3,229,000
Debt service	11,905,258	4,910,366	16,815,624
Unrestricted	(25,564,149)	93,469,113	67,904,964
Total net position	<u>\$ 634,032,064</u>	<u>\$ 325,217,422</u>	<u>\$ 959,249,486</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, 2019

Functions	Direct Expenses	Indirect Expenses Allocation	Charges for Services	Program Revenues	
				Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:					
General government	\$ 41,942,083	\$ (40,374,673)	\$ 5,921,164	\$ 78,595	\$ -
Public safety	41,598,297	28,272,172	11,461,167	1,486,707	-
Transportation	33,337,155	3,975,762	4,324,129	8,196,191	4,161,771
Urban design and planning	2,331,719	1,555,861	1,141,846	-	-
Community development	4,145,004	2,928,075	7,631,613	1,419,445	-
Economic development services	491,227	340,020	916,397	-	-
Parks operation	1,833,193	1,404,313	226,783	-	-
Environmental services	3,023,306	1,637,665	8,924,045	273,499	1,520,261
Community Livability	337,859	260,805	557,301	-	-
Urban renewal	8,448,044	-	90,205	-	-
Interest on long-term debt	2,398,404	-	-	-	-
Total governmental activities	<u>139,886,291</u>	<u>-</u>	<u>41,194,650</u>	<u>11,454,437</u>	<u>5,682,032</u>
Business-type activities:					
Water	15,740,141	-	14,795,502	-	1,799,034
Stormwater	10,428,543	-	8,861,833	-	5,284,638
Wastewater	19,769,908	-	19,061,257	-	976,373
Total business-type activities	<u>45,938,592</u>	<u>-</u>	<u>42,718,592</u>	<u>-</u>	<u>8,060,045</u>
Total government	<u>\$ 185,824,883</u>	<u>\$ -</u>	<u>\$ 83,913,242</u>	<u>\$ 11,454,437</u>	<u>\$ 13,742,077</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

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

Governmental Activities	Business-type Activities	Total
\$ 4,432,349	\$ -	\$ 4,432,349
(56,922,595)	-	(56,922,595)
(20,630,826)	-	(20,630,826)
(2,745,734)	-	(2,745,734)
1,977,979	-	1,977,979
85,150	-	85,150
(3,010,723)	-	(3,010,723)
6,056,834	-	6,056,834
(41,363)	-	(41,363)
(8,357,839)	-	(8,357,839)
(2,398,404)	-	(2,398,404)
<u>(81,555,172)</u>	<u>-</u>	<u>(81,555,172)</u>
-	854,395	854,395
-	3,717,928	3,717,928
-	<u>267,722</u>	<u>267,722</u>
-	<u>4,840,045</u>	<u>4,840,045</u>
<u>(81,555,172)</u>	<u>4,840,045</u>	<u>(76,715,127)</u>
34,381,162	-	34,381,162
12,563,826	-	12,563,826
8,289,994	-	8,289,994
968,036	-	968,036
421,070	-	421,070
3,500,367	-	3,500,367
4,543,258	3,651,568	8,194,826
107,646	-	107,646
<u>(1,440,008)</u>	<u>1,440,008</u>	<u>-</u>
<u>63,335,351</u>	<u>5,091,576</u>	<u>68,426,927</u>
(18,219,821)	9,931,621	(8,288,200)
652,251,885	315,285,801	967,537,686
<u>\$ 634,032,064</u>	<u>\$ 325,217,422</u>	<u>\$ 959,249,486</u>

City of Gresham, Oregon
Balance Sheet
Governmental Funds
June 30, 2019

	General Fund	Transportation Fund	System Development Charge Fund
ASSETS			
Cash and investments	\$ 13,994,039	\$ 20,333,674	\$ 19,453,096
Receivables, net	4,260,697	1,817,775	1,498,179
Property taxes receivable, net	889,625	-	-
Due from other funds	5,655,919	2,068,458	-
Other assets	87,133	127,558	122,578
Advance to Rockwood UR Debt Service Fund	-	-	-
Restricted cash and investments	-	-	-
Total assets	\$ 24,887,413	\$ 24,347,465	\$ 21,073,853
LIABILITIES			
Accounts payable	\$ 1,231,289	\$ 246,610	\$ -
Other accrued liabilities	-	-	-
Unearned revenue	-	-	587,276
Deposits	210	653,862	-
Due to other funds	-	-	-
Advance from City Backed Urban Renewal Fund	-	-	-
Total liabilities	1,231,499	900,472	587,276
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	798,109	-	-
Unavailable revenue - loans receivable	-	-	1,497,517
Total deferred inflows of resources	798,109	-	1,497,517
FUND BALANCES (DEFICITS)			
Restricted	-	23,446,993	18,989,060
Committed	-	-	-
Assigned	-	-	-
Unassigned	22,857,805	-	-
Total fund balances (deficits)	22,857,805	23,446,993	18,989,060
Total liabilities, deferred inflows of resources, and fund balances	\$ 24,887,413	\$ 24,347,465	\$ 21,073,853

Dedicated Revenue Fund	Rockwood UR Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 350,572	\$ 9,239,827	\$ 25,426,405	\$ 88,797,613
3,300,013	-	2,114,050	12,990,714
-	150,309	-	1,039,934
12,982	-	187,960	7,925,319
2,207	58,002	159,903	557,381
-	-	6,164,425	6,164,425
124,407	1,800,000	1,192,671	3,117,078
<u>\$ 3,790,181</u>	<u>\$ 11,248,138</u>	<u>\$ 35,245,414</u>	<u>\$ 120,592,464</u>
\$ 99,198	\$ -	\$ 499,484	\$ 2,076,581
-	-	42,662	42,662
2,924,818	-	344,111	3,856,205
-	-	2,195,151	2,849,223
-	-	501,630	501,630
-	6,164,425	-	6,164,425
<u>3,024,016</u>	<u>6,164,425</u>	<u>3,583,038</u>	<u>15,490,726</u>
-	134,583	-	932,692
-	-	-	1,497,517
-	<u>134,583</u>	-	<u>2,430,209</u>
-	4,949,130	14,707,627	62,092,810
-	-	914,316	914,316
766,165	-	16,040,433	16,806,598
-	-	-	22,857,805
<u>766,165</u>	<u>4,949,130</u>	<u>31,662,376</u>	<u>102,671,529</u>
<u>\$ 3,790,181</u>	<u>\$ 11,248,138</u>	<u>\$ 35,245,414</u>	<u>\$ 120,592,464</u>

City of Gresham, Oregon

**Reconciliation of the Balance Sheet of Governmental Funds to Governmental Activities on the Statement of Net Position
June 30, 2019**

Total fund balances - governmental funds		\$ 102,671,529
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	1,342,193,152	
Less: Accumulated depreciation & amortization	<u>(707,030,380)</u>	635,162,772
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position:		
Internal service funds total net position	16,513,330	
Capital assets included in total above	(11,978,992)	
Accrued Interest payable	80,243	
Pension amounts included in totals below	10,358,148	
OPEB amounts included in totals below	1,278,873	
Compensated absences included in total below	1,407,500	
Bonds and notes payable, net included in total below	<u>2,004,753</u>	19,663,855
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	(73,340,386)	
Net OPEB asset	510,468	
Total OPEB liability	(7,915,896)	
Deferred outflows of resources related to pensions	24,946,541	
Deferred outflows of resources related to OPEB	1,376,785	
Deferred inflows of resources related to pensions	(5,898,727)	
Deferred inflows of resources related to OPEB	<u>(461,252)</u>	(60,782,467)
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		2,430,209
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	(56,304,334)	
Bond premiums, net of accumulated amortization	(572,874)	
Accrued interest payable	(462,805)	
Compensated absences	<u>(7,773,821)</u>	<u>(65,113,834)</u>
Total net position - governmental activities		<u>\$ 634,032,064</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, 2019

	<u>General Fund</u>	<u>Transportation Fund</u>	<u>System Development Charge Fund</u>
REVENUES			
Taxes	\$ 39,422,284	\$ -	\$ -
Licenses and permits	429,794	-	-
Intergovernmental	11,249,913	12,159,733	-
Charges for services	430,599	63,284	7,286,384
License fees	10,641,085	646,550	-
Miscellaneous	933,633	711,456	646,885
Internal service charges	518,052	1,883,103	-
Total revenues	<u>63,625,360</u>	<u>15,464,126</u>	<u>7,933,269</u>
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	55,553,564	-	-
Transportation	-	8,404,015	-
Urban design and planning	-	-	-
Community development	788,436	-	-
Parks	2,778,617	-	-
Environmental services	-	-	-
Economic development services	753,124	-	-
Community Livability	-	-	-
Urban renewal	-	-	-
Debt service	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>59,873,741</u>	<u>8,404,015</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,751,619</u>	<u>7,060,111</u>	<u>7,933,269</u>
OTHER FINANCING SOURCES (USES)			
Issuance of debt	-	-	-
Transfers in	75,000	813,649	-
Transfers out	<u>(7,523,238)</u>	<u>(3,876,440)</u>	<u>(4,538,426)</u>
Total other financing sources (uses)	<u>(7,448,238)</u>	<u>(3,062,791)</u>	<u>(4,538,426)</u>
Net change in fund balances	<u>(3,696,619)</u>	<u>3,997,320</u>	<u>3,394,843</u>
Fund balances - beginning	<u>26,554,424</u>	<u>19,449,673</u>	<u>15,594,217</u>
Fund balances - ending	<u>\$ 22,857,805</u>	<u>\$ 23,446,993</u>	<u>\$ 18,989,060</u>

Dedicated Revenue Fund	Rockwood UR Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 5,356,124	\$ -	\$ 44,778,408
-	-	3,658,759	4,088,553
1,360,187	50,435	13,258,853	38,079,121
698,474	-	8,530,577	17,009,318
-	-	1,276,193	12,563,828
16,889	423,518	2,179,280	4,911,661
-	-	2,298,449	4,699,604
<u>2,075,550</u>	<u>5,830,077</u>	<u>31,202,111</u>	<u>126,130,493</u>
-	-	64,317	64,317
-	-	7,233,851	62,787,415
-	-	425,439	8,829,454
-	-	3,455,288	3,455,288
1,237,866	-	4,476,427	6,502,729
-	-	340,111	3,118,728
931,442	-	2,705,518	3,636,960
-	-	2,000	755,124
-	-	579,201	579,201
-	-	9,591,430	9,591,430
-	5,808,571	12,891,467	18,700,038
-	-	16,655,496	16,655,496
<u>2,169,308</u>	<u>5,808,571</u>	<u>58,420,545</u>	<u>134,676,180</u>
<u>(93,758)</u>	<u>21,506</u>	<u>(27,218,434)</u>	<u>(8,545,687)</u>
-	-	17,632,800	17,632,800
308,683	1,418,304	13,825,392	16,441,028
<u>(192,689)</u>	<u>-</u>	<u>(2,313,800)</u>	<u>(18,444,593)</u>
<u>115,994</u>	<u>1,418,304</u>	<u>29,144,392</u>	<u>15,629,235</u>
<u>22,236</u>	<u>1,439,810</u>	<u>1,925,958</u>	<u>7,083,548</u>
<u>743,929</u>	<u>3,509,320</u>	<u>29,736,418</u>	<u>95,587,981</u>
<u>\$ 766,165</u>	<u>\$ 4,949,130</u>	<u>\$ 31,662,376</u>	<u>\$ 102,671,529</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, 2019

Net change in fund balances - governmental funds \$ 7,083,548

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

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

Capital asset expenditures and contributions		
Capitalized expenditures	14,592,866	
Contributions	4,737,119	
Less:		
Depreciation & amortization expense	<u>(33,421,542)</u>	(14,091,557)

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	107,646	
Proceeds from disposition of capital assets	<u>(111,030)</u>	(3,384)

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	(15,392,800)	
Debt principal repayments from governmental funds	<u>12,377,272</u>	(3,015,528)

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	(178,350)	
Change in capital asset activity included in total above	(1,262,675)	
Change in bonds and notes payable included in total above	(70,000)	
Pension expense included in total below	1,744,104	
OPEB expense included in total below	49,354	
Amortization of premium included in total below	(5,439)	
Accrued interest reversal and accrual included in total below	71,043	
Change in compensated absences included in total below	<u>70,200</u>	418,237

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	(718,146)	
Change in miscellaneous receivables	<u>1,274,653</u>	556,507

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	(131,092)	
Pension expense	(8,663,316)	
OPEB expense	45,613	
Change in compensated absences	<u>(558,684)</u>	(9,167,644)

Change in net position - governmental activities \$ (18,219,821)

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, 2019

	Enterprise Funds				Internal Service Funds
	Water	Stormwater	Wastewater	Total	
ASSETS					
Current assets:					
Cash and investments	\$ 32,931,785	\$ 22,115,362	\$ 45,835,583	\$ 100,882,730	\$ 38,143,476
Receivables, net	2,159,207	1,250,058	3,278,419	6,687,684	241,779
Due from other funds	1,550,725	1,115,226	2,823,519	5,489,470	1,257,420
Total current assets	<u>36,641,717</u>	<u>24,480,646</u>	<u>51,937,521</u>	<u>113,059,884</u>	<u>39,642,675</u>
Noncurrent assets:					
Assessments receivable	-	-	-	-	4,280
Advance to other funds	245,000	-	-	245,000	-
Other assets	207,289	138,703	288,516	634,508	239,367
Restricted cash and investments	1,447,395	623,390	3,236,214	5,306,999	1,977,316
Capital assets:					
Non-depreciable	2,355,647	7,996,705	11,944,635	22,296,987	2,268,057
Depreciable, net	65,556,349	53,392,501	104,007,345	222,956,195	9,710,935
Total noncurrent assets	<u>69,811,680</u>	<u>62,151,299</u>	<u>119,476,710</u>	<u>251,439,689</u>	<u>14,199,955</u>
Total assets	<u>106,453,397</u>	<u>86,631,945</u>	<u>171,414,231</u>	<u>364,499,573</u>	<u>53,842,630</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred refunding amount on debt issuance	-	58,900	33,512	92,412	-
Deferred outflow related to pension	1,649,588	1,556,409	1,573,921	4,779,918	7,982,009
Deferred outflow related to OPEB	57,338	41,780	13,319	112,437	225,507
Total deferred outflows of resources	<u>1,706,926</u>	<u>1,657,089</u>	<u>1,620,752</u>	<u>4,984,767</u>	<u>8,207,516</u>
LIABILITIES					
Current liabilities:					
Accounts payable	582,389	211,615	2,181,180	2,975,184	1,637,468
Deposits	1,288,395	-	-	1,288,395	-
Accrued interest payable	71,060	7,367	59,246	137,673	80,243
Accrued claims payable	-	-	-	-	5,602,194
Other accrued liabilities	30,588	10,805	211,844	253,237	55,242
Unearned revenue	-	-	-	-	734,300
Compensated absences	50,545	43,855	47,270	141,670	211,115
Due to other funds	-	-	-	-	14,170,579
Bonds, notes and loans payable	4,489,459	771,872	2,465,818	7,727,149	363,443
Total current liabilities	<u>6,512,436</u>	<u>1,045,514</u>	<u>4,965,358</u>	<u>12,523,308</u>	<u>22,854,584</u>
Noncurrent liabilities:					
Advance from other funds	-	-	245,000	245,000	-
Net pension liability	3,279,789	2,877,192	3,255,319	9,412,300	14,545,822
Net OPEB liability	413,909	304,718	89,047	807,674	1,420,201
Compensated absences	286,555	248,745	267,530	802,830	1,196,385
Bonds, notes and loans payable	6,119,520	4,856,210	6,747,467	17,723,197	1,641,310
Total noncurrent liabilities	<u>10,099,773</u>	<u>8,286,865</u>	<u>10,604,363</u>	<u>28,991,001</u>	<u>18,803,718</u>
Total liabilities	<u>16,612,209</u>	<u>9,332,379</u>	<u>15,569,721</u>	<u>41,514,309</u>	<u>41,658,302</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pension	927,413	738,755	940,929	2,607,097	3,794,335
Deferred inflows related to OPEB	88,341	20,579	36,592	145,512	84,179
Total deferred inflows of resources	<u>1,015,754</u>	<u>759,334</u>	<u>977,521</u>	<u>2,752,609</u>	<u>3,878,514</u>
NET POSITION					
Net investment in capital assets	57,303,017	55,820,024	106,772,205	219,895,246	9,974,239
Restricted for:					
Utility construction	-	-	2,924,093	2,924,093	-
Loan covenant requirement	159,000	123,390	507,214	789,604	-
Rate stabilization	-	500,000	2,729,000	3,229,000	-
Debt service	54,266	68,440	4,787,660	4,910,366	-
Unrestricted	33,016,077	21,685,467	38,767,569	93,469,113	6,539,091
Total net position	<u>\$ 90,532,360</u>	<u>\$ 78,197,321</u>	<u>\$ 156,487,741</u>	<u>\$ 325,217,422</u>	<u>\$ 16,513,330</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, 2019

	Enterprise Funds				Internal Service Funds
	Water	Stormwater	Wastewater	Total	
OPERATING REVENUES					
Charges for services	\$ 14,677,572	\$ 8,881,364	\$ 18,395,517	\$ 41,954,453	\$ 38,923,203
Miscellaneous	174,377	-	453,250	627,627	355,563
Total operating revenues	<u>14,851,949</u>	<u>8,881,364</u>	<u>18,848,767</u>	<u>42,582,080</u>	<u>39,278,766</u>
OPERATING EXPENSES					
Personnel services	2,985,333	2,470,304	2,681,634	8,137,271	17,047,288
Professional and technical services	89,994	594,199	3,983,454	4,667,647	2,875,679
Property services	631,672	97,641	170,822	900,135	1,204,322
Other services	76,827	318,567	59,131	454,525	2,242,711
Supplies	274,428	145,218	175,938	595,584	2,604,443
Insurance claims	-	-	-	-	9,771,986
Water purchase	2,712,628	-	-	2,712,628	-
Internal services	3,456,508	2,394,476	4,626,743	10,477,727	1,870,239
Other materials and services	2,145,089	713,665	2,641,005	5,499,759	4,056,513
Depreciation and amortization	3,069,076	2,284,732	5,059,268	10,413,076	773,113
Total operating expenses	<u>15,441,555</u>	<u>9,018,802</u>	<u>19,397,995</u>	<u>43,858,352</u>	<u>42,446,294</u>
Operating income (loss)	<u>(589,606)</u>	<u>(137,438)</u>	<u>(549,228)</u>	<u>(1,276,272)</u>	<u>(3,167,528)</u>
NONOPERATING REVENUES (EXPENSES)					
Miscellaneous revenue (expense)	524	(23,482)	194,007	171,049	1,177,866
Interest and investment income	1,149,490	757,693	1,744,384	3,651,567	1,330,360
Interest expense	(298,586)	(88,832)	(371,913)	(759,331)	(82,605)
Gain (loss) on disposition of capital assets	31,736	(1,316,957)	18,484	(1,266,737)	-
Total nonoperating revenues (expenses)	<u>883,164</u>	<u>(671,578)</u>	<u>1,584,962</u>	<u>1,796,548</u>	<u>2,425,621</u>
Income (loss) before contributions and transfers	<u>293,558</u>	<u>(809,016)</u>	<u>1,035,734</u>	<u>520,276</u>	<u>(741,907)</u>
Capital contributions	1,710,326	5,284,638	976,373	7,971,337	-
Transfers in	581,831	1,045,173	1,728,513	3,355,517	3,450,657
Transfers out	(489,484)	(936,301)	(489,724)	(1,915,509)	(2,887,100)
Change in net position	<u>2,096,231</u>	<u>4,584,494</u>	<u>3,250,896</u>	<u>9,931,621</u>	<u>(178,350)</u>
Total net position - beginning	<u>88,436,129</u>	<u>73,612,827</u>	<u>153,236,845</u>	<u>315,285,801</u>	<u>16,691,680</u>
Total net position - ending	<u>\$ 90,532,360</u>	<u>\$ 78,197,321</u>	<u>\$ 156,487,741</u>	<u>\$ 325,217,422</u>	<u>\$ 16,513,330</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, 2019

	Enterprise Funds				Internal Service Funds
	Water	Stormwater	Wastewater	Total	
Cash flows from operating activities:					
Receipts from customers	\$ 14,560,907	\$ 9,516,752	\$ 18,814,917	\$ 42,892,576	\$ 1,529,637
Receipts for internal services provided	-	-	-	-	37,388,539
Payments to suppliers for goods and services	(9,683,794)	(4,330,995)	(10,582,815)	(24,597,604)	(23,091,747)
Payments to employees for services	(2,597,746)	(2,047,120)	(2,336,299)	(6,981,165)	(15,214,309)
Other operating receipts (payments)	529,895	3,198,056	647,257	4,375,208	1,511,147
Net cash provided by (used in) operating activities	<u>2,809,262</u>	<u>6,336,693</u>	<u>6,543,060</u>	<u>15,689,015</u>	<u>2,123,267</u>
Cash flows from noncapital financing activities:					
Receipts from other funds	38,899	666,185	636,838	1,341,922	2,209,768
Payments to other funds	(479,388)	(936,438)	(156,654)	(1,572,480)	(3,281,012)
Net cash provided by (used in) noncapital financing activities	<u>(440,489)</u>	<u>(270,253)</u>	<u>480,184</u>	<u>(230,558)</u>	<u>(1,071,244)</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(2,098,635)	(3,782,741)	(6,367,039)	(12,248,415)	(442,788)
Proceeds from debt issuance	1,981,100	-	-	1,981,100	-
Receipts from system development charges	549,216	378,988	1,091,675	2,019,879	-
Principal portion of debt service	(297,778)	(731,780)	(2,228,342)	(3,257,900)	(70,000)
Interest portion of debt service	(310,656)	(68,446)	(398,529)	(777,631)	(17,001)
Proceeds from disposition of capital assets	31,736	(1,316,957)	18,484	(1,266,737)	-
Net cash provided by (used in) capital and related financing activities	<u>(145,017)</u>	<u>(5,520,936)</u>	<u>(7,883,751)</u>	<u>(13,549,704)</u>	<u>(529,789)</u>
Cash flows from investing activities:					
Change in investments	(6,057,740)	(3,279,948)	(5,561,910)	(14,899,598)	(5,457,083)
Investment earnings	1,051,614	699,459	1,630,317	3,381,390	1,233,864
Net cash provided by (used in) investing activities	<u>(5,006,126)</u>	<u>(2,580,489)</u>	<u>(3,931,593)</u>	<u>(11,518,208)</u>	<u>(4,223,219)</u>
Net increase (decrease) in cash and cash equivalents	(2,782,370)	(2,034,985)	(4,792,100)	(9,609,455)	(3,700,985)
Cash and cash equivalents - beginning	6,231,276	4,388,045	9,714,375	20,333,696	7,829,513
Cash and cash equivalents - ending	<u>\$ 3,448,906</u>	<u>\$ 2,353,060</u>	<u>\$ 4,922,275</u>	<u>\$ 10,724,241</u>	<u>\$ 4,128,528</u>
Classified on the Statement of Net Position as:					
Cash and cash equivalents	\$ 3,303,746	\$ 2,290,540	\$ 4,597,712	\$ 10,191,998	\$ 3,930,221
Restricted cash and cash equivalents	145,160	62,520	324,563	532,243	198,307
	<u>\$ 3,448,906</u>	<u>\$ 2,353,060</u>	<u>\$ 4,922,275</u>	<u>\$ 10,724,241</u>	<u>\$ 4,128,528</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (589,606)	\$ 3,084,100	\$ (549,228)	\$ 1,945,266	\$ (3,167,528)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	3,069,076	2,284,732	5,059,268	10,413,076	773,113
Pension adjustments	357,786	364,724	330,354	1,052,864	1,744,104
OPEB adjustments	6,701	10,360	(1,519)	15,542	49,354
Other	524	(23,482)	194,007	171,049	1,177,866
Changes in assets and liabilities:					
Receivables	(116,665)	635,388	419,400	938,123	(14,517)
Accounts payable	(300,519)	(78,034)	922,726	544,173	773,803
Other liabilities	381,965	58,905	168,052	608,922	787,072
Net cash provided by (used in) operating activities	<u>\$ 2,809,262</u>	<u>\$ 6,336,693</u>	<u>\$ 6,543,060</u>	<u>\$ 15,689,015</u>	<u>\$ 2,123,267</u>
Noncash investing, capital, and financing activities:					
Contributed capital assets	\$ 1,710,326	\$ 2,063,100	\$ 976,373	\$ 4,749,799	\$ -
Noncash financed asset purchase	-	-	-	-	1,593,000
Increase (Decrease) in fair value of investments	445,190	301,921	670,243	1,417,354	536,598

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

City of Gresham, Oregon
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019

	<u>Agency Fund</u>
	<u>Benefits Fund</u>
ASSETS	
Cash and investments	\$ 1,864,103
Receivables, net	20,393
Other assets	11,748
Total assets	<u>\$ 1,896,244</u>
LIABILITIES	
Accounts payable	489,908
Other liabilities	1,406,336
Total liabilities	<u>\$ 1,896,244</u>

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, 2019

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 \$45,709,323 at fiscal year-end 2019. 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, proprietary funds, and fiduciary funds, though fiduciary funds are excluded from the government-wide financial statements. 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*. The fiduciary funds are reported in the same manner, except the agency fund has no measurement focus under accrual accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

The *Dedicated Revenue Fund* accounts for the receipt of solid waste fees and 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.

The *agency fund* accounts for assets held in a custodial capacity. The City maintains an agency fund to account for liabilities, like payroll benefits and withholdings that are due to private organizations and other governments.

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, 2019, the City implemented the following GASB pronouncements:

CITY OF GRESHAM, OREGON

GASB Statement No. 83, Certain Asset Retirement Obligations

This statement establishes standards of accounting and financial reporting for certain asset retirement obligations (AROs) not previously addressed in GASB standards by establishing uniform accounting and financial reporting requirements for these obligations. An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset, specifically a tangible capital asset that is permanently removed from service and includes its sale, abandonment, recycling, or other manner of disposal. This statement is effective for the fiscal year ended June 30, 2019.

Management has determined that the City has no asset retirement obligations in the current year nor any liability from previous asset retirements subject to this statement. There is no immediate impact to the City's financial statements from this statement.

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.

NOTES TO THE FINANCIAL STATEMENTS

Capital Assets

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

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

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, a separate section for deferred outflows of resources will sometimes be reported. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

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

Compensated Absences

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

CITY OF GRESHAM, OREGON

Long-term Debt

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Premiums, discounts, and deferred refunding amounts are accumulated and amortized as interest expense over the life of the debt using the straight-line method.

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

The Tax Reform Act of 1986 requires that governmental entities issuing tax-exempt debt after August 1986 calculate and rebate arbitrage earnings to the federal government. Specifically, the excess of the aggregated amount earned on investments purchased with bond proceeds over the amount that would have been earned if the proceeds were invested at a rate equal to the bond yield, is rebated to the federal government. At June 30, 2019, eight of the City's long-term debt issues were subject to federal arbitrage regulations, but no rebate liability was incurred this fiscal year. The issues which are not subject to rebate are either issued as taxable obligations or are monies borrowed from non-bond sources.

Other post-employment benefits (OPEB)

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

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

Net Pension Liability

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

NOTES TO THE FINANCIAL STATEMENTS

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, 2019 and classified fund balances into the following five categories:

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

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

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

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

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

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

Indirect Expenses Allocation

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

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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.

CITY OF GRESHAM, OREGON

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, Utility Financial Services Fund, and the Administrative Services Fund had deficit net position of \$588,146, \$1,395,564, and \$1,576,614 respectively at June 30, 2019. The deficits in net position were a result of net pension liability valuation. These funds are internal service funds and operate primarily on a cost reimbursement basis.

NOTE 3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Cash, Cash Equivalents, and Investments

Cash with financial institutions primarily consist of bank demand deposits. The total book balance in deposits at year-end was \$2,032,825. The total bank balance was \$2,693,150. Of these deposits, \$250,000 was fully covered by the federal depository insurance's general deposit rules and \$2,443,150 was in a qualified depository bank and collateralized in compliance with ORS 295. The City does not have a policy related to custodial risk over cash. The difference between the book balance and the bank balance represents outstanding items at year-end.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

and specify the types and maturities of investments. The Oregon Audits Division audits the LGIP annually. The Division's most recent audit report on the LGIP was unqualified. The fair value of pool shares is equal to the City's proportionate position in the pool.

Interest Rate Risk

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

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

Investments	Risk Concentration	Weighted Average Final Maturity (Days)	Fair Value
Cash/LGIP	10.2%	1	\$ 24,497,916
Corporate Obligations	34.1%	602	81,858,836
Municipal Bonds	7.1%	1,156	16,952,984
US Treasury	20.1%	463	48,278,446
US Agency	28.5%	494	68,501,133
	<u>100.0%</u>	<u>521</u>	<u>\$ 240,089,315</u>

Shown on the Statement of Net Position as: Cash and investments	\$ 227,823,819
Restricted cash and investments	10,401,393
Shown on the Statement of Fiduciary Net Position as: Cash and investments	1,864,103
	<u>\$ 240,089,315</u>

Fair Value Measurements

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

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

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

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

CITY OF GRESHAM, OREGON

Fair Value Measurements Value as of June 30, 2019

	Level 1	Level 2	Level 3	Total
Investments:				
US Treasury	\$ -	\$ 48,278,446	\$ -	\$ 48,278,446
Agency Securities	-	68,501,133	-	68,501,133
Corporate Bonds	-	81,858,836	-	81,858,836
Municipal	-	6,704,758	10,248,226	16,952,984
Total	\$ -	\$ 205,343,173	\$ 10,248,226	\$ 215,591,399

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 43.5 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, 2019	Percentage of Total FV
Cash/LGIP	- / -	-	-	\$ 24,497,916	10.2%
Corporate Bonds	AA-/Aa3	AA	Aa2	2,907,344	1.2%
Corporate Bonds	AA-/Aa3	AA-	Aa1	8,119,574	3.4%
Corporate Bonds	AA-/Aa3	AA+	Aa1	5,012,645	2.0%
Corporate Bonds	AA-/Aa3	AA-	Aa2	5,079,185	2.1%
Corporate Bonds	AA-/Aa3	AA-	Aa3	23,328,672	9.7%
Corporate Bonds	AA-/Aa3	AA-	A1	8,631,600	3.6%
Corporate Bonds	AA-/Aa3	A+	Aa3	7,761,750	3.2%
Corporate Bonds	AA-/Aa3	A+	Aa2	21,018,066	8.8%
Municipal	AA-/Aa3	AA+	Aa1	3,400,725	1.4%
Municipal- OR	A-/A3	AAA	Aaa	3,304,033	1.4%
Municipal- OR	A-/A3	NR	Aa2	10,248,226	4.3%
US Instrumentality: FFCB	AA+/Aaa	AA+	Aaa	8,459,265	3.4%
US Instrumentality: FHLB	AA+/Aaa	AA+	Aaa	30,397,549	12.7%
US Instrumentality: FHLMC	AA+/Aaa	AA+	Aaa	16,989,642	7.1%
US Instrumentality: FNMA	AA+/Aaa	AA+	Aaa	12,654,677	5.3%
US Treasury	AA+/Aaa	AA+	Aaa	48,278,446	20.1%
				<u>\$ 240,089,315</u>	<u>100.0%</u>

NOTES TO THE FINANCIAL STATEMENTS

B. Receivables

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

	Accounts	Taxes	Assessments	Gross Receivables	Allowance for Doubtful Accounts	Receivables, Net
Governmental Activities						
General	\$ 4,351,292	\$ 889,625	\$ -	\$ 5,240,917	\$ (90,595)	\$ 5,150,322
Transportation	1,944,117	-	-	1,944,117	(126,342)	1,817,775
System development charges	1,498,179	-	-	1,498,179	-	1,498,179
Dedicated revenue	3,300,613	-	-	3,300,613	(600)	3,300,013
Rockwood UR debt service	-	150,309	-	150,309	-	150,309
Nonmajor governmental	2,873,083	-	-	2,873,083	(759,033)	2,114,050
Internal service	273,727	-	4,280	278,007	(31,948)	246,059
	<u>\$ 14,241,011</u>	<u>\$ 1,039,934</u>	<u>\$ 4,280</u>	<u>\$ 15,285,225</u>	<u>\$ (1,008,518)</u>	<u>\$ 14,276,707</u>
Business-Type Activities						
Water	\$ 2,167,704	\$ -	\$ -	\$ 2,167,704	\$ (8,497)	\$ 2,159,207
Stormwater	1,251,955	-	-	1,251,955	(1,897)	1,250,058
Wastewater	3,290,136	-	-	3,290,136	(11,717)	3,278,419
	<u>\$ 6,709,795</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,709,795</u>	<u>\$ (22,111)</u>	<u>\$ 6,687,684</u>
				Total receivables		<u>\$ 20,964,391</u>
				Shown on the Statement of Net Position as:		
				Receivables, net		\$ 19,920,177
				Property taxes receivable, net		1,039,934
				Assessments receivable, net		4,280
						<u>\$ 20,964,391</u>

Assessments receivable represent the uncollected amounts levied against benefited property for the cost of local improvements.

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

C. Capital Assets

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

Capital asset activity during the fiscal year was as follows:

CITY OF GRESHAM, OREGON

	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
Governmental Activities					
Non-depreciated & non-amortized:					
Land	\$ 32,352,554	\$ 1,770,000	\$ -	\$ -	\$ 34,122,554
Construction in progress	4,957,837	9,939,680	-	(12,669,938)	2,227,579
Easements	445,609,234	2,165,421	-	-	447,774,655
Licenses	22,000	-	-	-	22,000
Total non-depr. & non-amort.	482,941,625	13,875,101	-	(12,669,938)	484,146,788
Depreciated & amortized:					
Buildings	27,209,592	-	-	89,602	27,299,194
Improvements	21,886,885	-	-	3,149,069	25,035,954
Machinery and equipment	24,739,991	2,637,789	(826,655)	52,238	26,603,363
Infrastructure	763,936,369	2,817,095	-	9,337,626	776,091,090
Software	2,975,360	-	-	41,403	3,016,763
Total depr. & amort. at historical cost	840,748,197	5,454,884	(826,655)	12,669,938	858,046,364
Less accumulated depr. & amort. for:					
Buildings	(13,404,928)	(682,943)	-	-	(14,087,871)
Improvements	(6,662,482)	(996,753)	-	-	(7,659,235)
Machinery and equipment	(15,229,086)	(2,041,910)	823,271	-	(16,447,725)
Infrastructure	(637,449,018)	(29,583,269)	-	-	(667,032,287)
Software	(1,686,595)	(116,667)	-	-	(1,803,262)
Total accumulated depr. & amort.	(674,432,109)	(33,421,542)	823,271	-	(707,030,380)
Depreciated & amortized, net	166,316,088	(27,966,658)	(3,384)	12,669,938	151,015,984
Governmental Activities capital assets, net	\$ 649,257,713	\$ (14,091,557)	\$ (3,384)	\$ -	\$ 635,162,772

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

General government	\$ 15,666
Public safety	1,443,686
Transportation	29,668,656
Community development	104,571
Environmental services	1,072,434
Internal service funds	773,113
Urban renewal	343,416
Total depreciation and amortization expense	\$ 33,421,542

	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
Business-Type Activities					
Non-depreciated & non-amortized:					
Land	\$ 8,264,078	\$ -	\$ -	\$ -	\$ 8,264,078
Construction in progress	7,762,590	13,343,948	-	(11,525,396)	9,581,142
Easements	4,431,543	20,224	-	-	4,451,767
Total non-depr. & non-amort.	20,458,211	13,364,172	-	(11,525,396)	22,296,987
Depreciated & amortized:					
Buildings	13,341,006	-	-	-	13,341,006
Improvements	16,568	-	-	-	16,568
Machinery and equipment	9,856,056	560,302	(144,301)	134,170	10,406,227
Infrastructure	365,916,391	4,394,700	(1,447,822)	11,130,951	379,994,220
Software	79,885	-	-	260,275	340,160
Total depr. & amort. at historical cost	389,209,906	4,955,002	(1,592,123)	11,525,396	404,098,181
Less accumulated depr. & amort. for:					
Buildings	(2,664,518)	(476,292)	-	-	(3,140,810)
Improvements	(16,568)	-	-	-	(16,568)
Machinery and equipment	(5,823,146)	(725,146)	144,303	-	(6,403,989)
Infrastructure	(162,435,510)	(9,177,739)	126,860	-	(171,486,389)
Software	(60,331)	(33,899)	-	-	(94,230)
Total accumulated depr. & amort.	(171,000,073)	(10,413,076)	271,163	-	(181,141,986)
Depreciated & amortized, net	218,209,833	(5,458,074)	(1,320,960)	11,525,396	222,956,195
Business-Type Activities capital assets, net	\$ 238,668,044	\$ 7,906,098	\$ (1,320,960)	\$ -	\$ 245,253,182

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

Water	\$ 3,069,076
Stormwater	2,284,732
Wastewater	5,059,268
Total depreciation and amortization expense	\$ 10,413,076

NOTES TO THE FINANCIAL STATEMENTS

D. Interfund Receivables, Payables and Transfers

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

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

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

<u>Due to/Advance from</u>	<u>Due from/Advance to</u>	<u>Amount</u>	
General	Nonmajor Governmental	\$ 433,629	
	Internal Service	<u>5,222,290</u>	\$ 5,655,919
Transportation	Internal Service	<u>2,068,458</u>	2,068,458
Dedicated Revenue	Internal Service	<u>12,982</u>	12,982
Nonmajor Governmental	Nonmajor Governmental	68,001	
	Internal Service	119,959	
	Rockwood UR Debt Service	<u>6,164,425</u>	6,352,385
Water	Wastewater	245,000	
	Internal Service	<u>1,550,725</u>	1,795,725
Stormwater	Internal Service	<u>1,115,226</u>	1,115,226
Wastewater	Internal Service	<u>2,823,519</u>	2,823,519
Internal Service	Various Internal Service Components	<u>1,257,420</u>	<u>1,257,420</u>
			<u>\$ 21,081,634</u>

CITY OF GRESHAM, OREGON

Interfund transfers during the fiscal year were as follows:

<u>Transfer To</u>	<u>Transfer From</u>	<u>Amount</u>		<u>Purpose</u>
General	Water, Stormwater, and Wastewater	\$ 75,000	\$ 75,000	Confined space rescue
Transportation	Nonmajor Governmental	120,400		Administration of streetlight program
	System Development Charge	245,149		SDC improvement
	Stormwater	<u>448,100</u>		Funding for vegetation and street sweeping
			813,649	
Dedicated Revenue	Water, Stormwater, and Wastewater	105,249		Great Business Program
	General	<u>203,434</u>		Interest reimbursement, Section 108 correction
			308,683	
Rockwood UR Debt Service	Nonmajor Governmental	<u>1,418,304</u>	1,418,304	Debt service
Nonmajor Governmental	Dedicated Revenue	192,689		Section 108 correction
	Internal Service	663,000		LOC repayment for radio replacements
	Nonmajor Governmental	749,096		Permit center services, streetlight maintenance projects, project support, Garage to Storefront program
	Water, Stormwater, and Wastewater	1,287,160		Dev engineering & public works inspections, GREAT business program, Garage to Storefront program
	System Development Charge	1,295,960		SDC funded projects and interest, SDC credits
	Transportation	3,518,240		Dev engineering & public works inspection, street maintenance projects, CIP transfers
	General	6,119,247		Police, fire and park services, planning services, project support, debt service payments, grant match, Garage to Storefront program
			13,825,392	
Water	System Development Charge	<u>581,831</u>	581,831	SDC funded debt and interest payment
Stormwater	Transportation	358,200		Impervious surface charge
	System Development Charge	<u>686,973</u>		SDC funded debt and interest payments
			1,045,173	
Wastewater	System Development Charge	<u>1,728,513</u>	1,728,513	SDC funded debt and interest payments
Internal Service	Nonmajor Governmental	26,000		ERP cost share
	General	1,200,557		Fire facilities, veterans reimbursement agreement, fire conflagration reimbursement, community livability support
	Internal Service	<u>2,224,100</u>		ERP replacement, dental and health admin support
			<u>3,450,657</u>	
			<u>\$ 23,247,202</u>	

NOTES TO THE FINANCIAL STATEMENTS

E. Long-term Liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year	Amounts Due in More Than One Year
Governmental Activities¹						
Bonds and notes payable	\$ 51,695,806	\$ 16,985,800	\$ 12,377,272	\$ 56,304,334	\$ 20,927,311	\$ 35,377,023
Premiums	712,709	-	139,835	572,874	139,835	433,039
Total bonds and notes payable	52,408,515	16,985,800	12,517,107	56,877,208	21,067,146	35,810,062
Other liabilities:						
Compensated absences	7,215,137	4,869,894	4,311,209	7,773,822	1,224,934	6,548,887
Other post-employment benefits liability	6,728,781	2,156,457	969,342	7,915,896	-	7,915,896
Net pension liability	62,584,908	28,350,103	17,594,625	73,340,386	-	73,340,386
Governmental Activities Long-Term Liabilities	\$ 128,937,341	\$ 52,362,254	\$ 35,392,283	\$ 145,907,312	\$ 22,292,080	\$ 123,615,231
Business-Type Activities						
Bonds and notes payable	\$ 24,391,458	\$ 4,221,100	\$ 4,890,399	\$ 23,722,159	\$ 7,137,984	\$ 16,584,175
Revenue bonds	1,525,000	-	485,000	1,040,000	510,000	530,000
Premiums	767,352	-	79,165	688,187	79,165	609,022
Total bonds and notes payable	26,683,810	4,221,100	5,454,564	25,450,346	7,727,149	17,723,197
Other liabilities:						
Compensated absences	856,800	652,876	565,176	944,500	141,670	802,830
Other post-employment benefits liability	810,133	87,550	90,009	807,674	-	807,674
Net pension liability	8,191,251	3,392,493	2,171,444	9,412,300	-	9,412,300
Business-Type Activities Long-Term Liabilities	\$ 36,541,994	\$ 8,354,019	\$ 8,281,193	\$ 36,614,820	\$ 7,868,819	\$ 28,746,001
Deferred Outflow of Resources						
Deferred Refunding Amounts on Debt	\$ 154,019	\$ -	\$ 61,608	\$ 92,411	\$ 61,608	\$ 30,803

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 \$78.4 million in outstanding bonds and notes (excluding Revenue bonds) to fund the following:

\$ 19,356,647	Property, buildings and infrastructure
14,485,000	Pension bonds
20,002,687	Urban renewal projects
1,840,000	Equipment
620,000	Miscellaneous other
<u>56,304,334</u>	<u>Governmental activities bonds and notes payable</u>
8,836,158	Wastewater system improvements
10,320,563	Water system improvements
4,565,438	Stormwater system improvements
<u>23,722,159</u>	<u>Business-Type activities notes payable</u>
<u>\$ 80,026,493</u>	<u>Total outstanding bonds and notes payable</u>

CITY OF GRESHAM, OREGON

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

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

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

	Coupon Rates on Outstanding	Original Issue	Amount Outstanding Beginning	Issued	Matured/ Redeemed	Amount Outstanding Ending
Governmental Activities						
<i>Bonds Payable</i>						
Governmental Funds						
2004 Limited Tax Obligations	6.015% to 6.095%	\$ 19,280,000	\$ 15,400,000	\$ -	\$ 915,000	\$ 14,485,000
2013 Full Faith & Credit Obligations Series B	3.25% to 4.25%	4,655,000	3,245,000	-	395,000	2,850,000
2013 Full Faith & Credit Obligations Series C*	2.65% to 4.85%	7,610,000	4,165,000	-	375,000	3,790,000
2015 Full Faith & Credit Obligations	3.25% to 5.00%	8,951,250	6,775,686	-	835,686	5,940,000
Total bonds payable		40,496,250	29,585,686	-	2,520,686	27,065,000
<i>Notes Payable</i>						
Governmental Funds						
2010 Financing Agmt Gresham-GRDC	3.550% to 5.250%	23,470,000	10,546,642	-	2,003,334	8,543,308
2014 Section 108 Loan - Fountain	variable	1,500,000	905,000	-	326,000	579,000
2015 Section 108 Loan - Nadaka Park	variable	85,000	37,000	-	18,000	19,000
2015 GRDC Note	3.00%	6,700,000	4,372,478	-	824,252	3,548,226
2017 GRDC Note	2.19% to 3.50%	1,000,000	1,000,000	7,700,000	2,000,000	6,700,000
2018 Property Purchase	5.05%	1,593,000	-	1,593,000	-	1,593,000
2018-22 Gresham Line of Credit**	3.39%	30,000,000	5,249,000	7,692,800	4,685,000	8,256,800
Total notes payable		64,348,000	22,110,120	16,985,800	9,856,586	29,239,334
Total Governmental Activities bonds and notes payable		\$104,844,250	\$ 51,695,806	\$16,985,800	\$12,377,272	\$ 56,304,334
Business-Type Activities						
Wastewater - Second Clarifier	2.98%	\$ 407,058	\$ 267,799	\$ -	\$ 19,841	\$ 247,958
2009 Wastewater Fin. Agmt.	3.50%	19,351,000	5,569,000	-	1,801,000	3,768,000
2015 FF&C Obligations - Wastewater	3.25% to 5.00%	5,670,000	4,855,000	-	285,000	4,570,000
Water Meter Replacement Notes	3.00%	2,361,232	1,674,927	-	108,464	1,566,463
2015 FF&C Obligations - Water	3.25% to 5.00%	5,338,750	4,789,314	-	189,314	4,600,000
2017 State of Oregon Stormwater UIC	0.00%	4,935,608	4,812,218	-	246,780	4,565,438
2018-22 Gresham Line of Credit**	3.39%	30,000,000	2,423,200	4,221,100	2,240,000	4,404,300
Total Business-Type Activities bonds and notes payable		\$ 68,063,648	\$ 24,391,458	\$ 4,221,100	\$ 4,890,399	\$ 23,722,159

* 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 \$30 Million. The uses allow for Government Activity and/or Business Type projects.

NOTES TO THE FINANCIAL STATEMENTS

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

Governmental Activities						
Fiscal Year	2004 Limited Tax Obligation (Pension Bonds)		2010 Gresham/URA Financing		2013 FF&C Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 1,050,000	\$ 878,761	\$ 2,087,820	\$ 383,587	\$ 815,000	\$ 240,711
2021	1,195,000	815,603	2,062,332	283,849	840,000	211,924
2022	1,355,000	743,724	2,150,517	184,300	855,000	181,211
2023	1,525,000	662,221	2,242,639	80,424	870,000	149,149
2024	1,710,000	570,492	-	-	895,000	115,536
2025 - 2029	7,650,000	1,112,947	-	-	2,105,000	279,398
2030 - 2034	-	-	-	-	260,000	27,051
	\$ 14,485,000	\$ 4,783,748	\$ 8,543,308	\$ 932,160	\$ 6,640,000	\$ 1,204,980

Fiscal Year	Section 108 Loans		2015 Gresham/URA FF&C		2015 GRDC	
	Principal	Interest*	Principal	Interest	Principal	Interest
2020	82,000	\$ 21,479	\$ 801,250	\$ 253,486	\$ 846,436	\$ 101,816
2021	66,000	15,480	896,250	221,436	872,639	75,613
2022	69,000	13,500	932,500	185,586	899,383	48,869
2023	73,000	11,430	975,000	138,961	929,768	21,305
2024	76,000	9,240	151,250	90,211	-	-
2025 - 2029	232,000	13,560	891,250	331,108	-	-
2030 - 2034	-	-	1,062,500	153,900	-	-
2035	-	-	230,000	8,050	-	-
	\$ 598,000	\$ 84,689	\$ 5,940,000	\$ 1,382,738	\$ 3,548,226	\$ 247,603

Fiscal Year	2017 GRDC		2018-2022 Line of Credit		2018 Property Purchase	
	Principal	Interest	Principal	Interest**	Principal	Interest
2020	\$ -	\$ 222,334	\$ 8,256,800	\$ 286,124	\$ 288,005	\$ 80,447
2021	-	221,726	-	-	302,549	65,902
2022	-	222,030	-	-	317,828	50,624
2023	6,700,000	222,030	-	-	333,878	34,573
2024	-	-	-	-	350,740	17,712
	\$ 6,700,000	\$ 888,120	\$ 8,256,800	\$ 286,124	\$ 1,593,000	\$ 249,258

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

** Line of Credit Interest is calculated based on estimated pay off date.

CITY OF GRESHAM, OREGON

Business-Type Activities						
Fiscal Year	Wastewater - Second Clarifier		Wastewater - 2009 Refi		Water Meter Replacement Notes	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 20,436	\$ 8,478	\$ 1,856,000	\$ 115,640	\$ 111,718	\$ 46,994
2021	21,050	7,762	1,912,000	50,190	115,070	43,642
2022	21,682	7,024	-	-	118,522	40,190
2023	22,333	6,265	-	-	122,077	36,635
2024	23,002	5,484	-	-	125,740	32,972
2025 - 2029	125,797	14,839	-	-	687,596	105,964
2030 - 2034	13,658	272	-	-	285,741	12,640
	<u>\$ 247,958</u>	<u>\$ 50,124</u>	<u>\$ 3,768,000</u>	<u>\$ 165,830</u>	<u>\$ 1,566,463</u>	<u>\$ 319,037</u>

Fiscal Year	Water - 2015 FF&C		Wastewater - 2015 FF&C		Storm-Underground Injection Control	
	Principal	Interest	Principal	Interest	Principal	Interest*
2020	\$ 203,750	\$ 183,495	\$ 295,000	\$ 192,244	\$ 246,780	\$ 22,827
2021	213,750	175,345	305,000	180,444	246,780	21,593
2022	222,500	166,795	320,000	168,244	246,780	20,359
2023	235,000	155,670	335,000	152,244	246,780	19,125
2024	243,750	143,920	350,000	135,494	246,780	17,892
2025 - 2029	1,418,750	528,035	2,040,000	402,494	1,233,900	70,949
2030 - 2034	1,692,500	245,231	925,000	47,081	1,233,900	40,102
2035 - 2039	370,000	12,950	-	-	863,738	9,871
	<u>\$ 4,600,000</u>	<u>\$ 1,611,441</u>	<u>\$ 4,570,000</u>	<u>\$ 1,278,245</u>	<u>\$ 4,565,438</u>	<u>\$ 222,718</u>

2018-2022 Line of Credit		
Fiscal Year	Principal	Interest
2019	\$ 4,404,300	\$ 152,624
	<u>\$ 4,404,300</u>	<u>\$ 152,624</u>

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

Summary of City of Gresham Non-Public Debt Outstanding

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

NOTES TO THE FINANCIAL STATEMENTS

Privately Issued Debt

Governmental Activities

	Balance 6/30/19	Maturity	Covenants /Terms
2010 Fin. Agmt. Gresham-GRDC (Series A & B)	\$ 4,953,272	6/1/2023	(a)
2010 Fin. Agmt. GRDC (Series C)	3,590,036	6/1/2023	(b)
2014 Section 108 Loan - HUD	579,000	8/1/2029	(c)
2015 Section 108 Loan - HUD	19,000	8/1/2020	(c)
2015 GRDC Note	3,548,226	6/1/2023	(d)
2017 GRDC Note	6,700,000	6/1/2023	(d)
2018 Property Acquisition	1,593,000	7/31/2023	(i)
2018 Line of Credit - Government	8,256,800	5/10/2022	(e)
Total Governmental Activities	\$ 29,239,334		

Business-Type Activities

	Balance 6/30/19	Maturity	Covenants & Terms
2009 Full Faith & Credit - Wastewater	\$ 3,768,000	5/1/2021	(a)
2010 Wastewater - Second Clarifier	247,958	8/1/2029	(f)
2010 Water Meter Replacement Notes	1,566,463	12/1/2030	(g)
2017 State of Oregon - Stormwater	4,565,438	8/1/2037	(h)
2018 Line of Credit - Business	4,404,300	5/10/2022	(e)
Total Business Activities	\$ 14,552,159		
Grand Total	\$ 43,791,493		

(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 2018-22 Line of Credit is revolving with a \$30.0 million maximum balance. The line has a fixed 3.39% rate, a rating requirement of A- or better and an unused line fee of \$15,000 if the line is not 50% utilized. A one time line reduction is allowed.

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

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

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

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

CITY OF GRESHAM, OREGON

Revenue Bonds

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

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

	Coupon Rates on Outstanding	Original Issue	Amount Outstanding Beginning	Issued	Matured/ Redeemed	Amount Outstanding Ending
<i>Business-Type Activities</i>						
Stormwater Revenue Bonds						
Series 2006	4.25%	\$ 2,850,000	\$ 1,525,000	-	\$ 485,000	\$ 1,040,000

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

Fiscal Year	2006 Stormwater	
	Principal	Interest
2020	\$ 510,000	\$ 44,200
2021	530,000	22,525
	<u>\$ 1,040,000</u>	<u>\$ 66,725</u>

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. At June 30, 2019, borrowings outstanding were \$8,256,800 in Governmental Activities and \$4,404,300 in Business-Type Projects for a total of \$12,660,300.

Prepayments

The City made one prepayment on its Section 108 Loan during fiscal 2018. The prepayment totaled \$266,000. The prepayments shortened the final maturity to August 2025. The City anticipates making additional prepayments in the future.

Section 108 Loans and Loan Guarantees

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

NOTES TO THE FINANCIAL STATEMENTS

A loan completed in 2010 created, by City Council resolution, a City guarantee for Human Solutions, a not-for-profit entity. This transaction was a New Market Tax Credits deal. Human Solutions has made all required payments to date. In the unlikely event that Human Solutions is unable to make required payments in the future, the City would be required to either make the payments or have its annual Community Development Block Grant funding reduced. The balance on this guaranteed loan is \$1 million which will be repaid over the remaining term of 12 years.

F. Pension Plan

Plan Description

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

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

Benefits Provided

Tier One/Tier Two Retirement Benefit

Pension Benefits. The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0% for police and fire employees, 1.67% for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit result.

A member is considered vested and will be eligible at a minimum retirement age for a service retirement allowance if he or she has had contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

Death Benefits. Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

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

CITY OF GRESHAM, OREGON

- the member was on an official leave of absence from a PERS-covered job at the time of death.

Disability Benefits. A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member for disability benefit regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

Benefit Changes After Retirement. Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA for creditable service earned before October 2013 is 2.00%. The COLA for creditable service earned after October 2013 is calculated as 1.25% on the first \$60,000 of annual benefit and 0.15% on amounts above \$60,000 of annual benefit.

OPSRP Pension Program

Pension Benefits. The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated by formula for members who attain normal retirement age. For general service members, 1.5% is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit. For police and fire members, 1.8% is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

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

Death Benefits. Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

Disability Benefits. A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit Changes After Retirement. Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA for creditable service earned before October 2013 is 2.00%. The COLA for creditable service earned after October 2013 is calculated as 1.25% on the first \$60,000 of annual benefit and 0.15% on amounts above \$60,000 of annual benefit.

NOTES TO THE FINANCIAL STATEMENTS

OPSRP Individual Account Program (IAP)

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

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

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

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

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2015 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2017. The City's contribution rates for the period were 14.89% for Tier One/Tier Two members, 4.53% for OPSRP General Service members, and 9.30% for OPSRP Police and Fire members. The City's total for the year ended June 30, 2019 contributions exclusive of the 6% "pick-up" was \$5,194,350.

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 \$3,150,157 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, 2019, the City reported a liability of \$82,752,686 for its proportionate share of the OPERS net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016 rolled forward to June 30, 2018. 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, 2018, the City's proportion was 0.5463%, which is an increase from its proportion of 0.5250% measured as of June 30, 2017.

The Oregon Supreme Court (Court) ruled on April 30, 2015 that certain provisions of Senate Bill (SB) 861, signed into law in October 2013, were unconstitutional. SB 861 included provisions that limited post-retirement COLA on benefits accrued prior to the signing of the law. The Court ruled

CITY OF GRESHAM, OREGON

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. This change in benefit items was reflected in the current valuation.

For the year ended June 30, 2019, the City recognized pension expense of \$14,910,530. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,814,999	\$ -
Changes of assumptions	19,239,842	-
Net difference between projected and actual earnings on investments	-	3,674,687
Changes in proportionate share	2,477,268	6,602
Differences between employer contributions and employer's proportionate share of system contributions	-	4,824,535
Contributions subsequent to the measurement date	5,194,350	-
Total	<u>\$ 29,726,459</u>	<u>\$ 8,505,824</u>

Deferred outflows of resources related to pensions of \$5,194,350 resulting from the City's contributions subsequent to the measurement date will be recognized as either a reduction of the net pension liability or an increase in the net pension asset in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2020	\$ 9,309,728
2021	6,604,669
2022	(1,207,564)
2023	854,929
2024	464,523
Total	<u>\$ 16,026,285</u>

Actuarial Methods and Assumptions

The total pension liability in the December 31, 2016 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

NOTES TO THE FINANCIAL STATEMENTS

Actuarial Assumptions:

Inflation Rate	2.50%
Investment Rate of Return	7.20%
Projected Salary Increases	3.50% overall payroll growth; salaries for individuals are assumed to grow at 3.50% plus assumed rates of merit/longevity increases based on service
Mortality	Healthy retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Active members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2016 experience study which reviewed experience for the four-year period ending on December 31, 2016.

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 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, revised as of June 7, 2017. 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.

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

Discount Rate

The discount rate used to measure the total pension liability was 7.20% for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of the net pension liability (asset)	\$ 138,295,371	\$ 82,752,686	\$ 36,906,744

NOTES TO THE FINANCIAL STATEMENTS

Pension Plan Fiduciary Net Position

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

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:

	Implicit Rate Subsidy Plan	PERS RHIA Plan	Total OPEB on Financials
Net OPEB Asset	\$ -	\$ 510,468	\$ 510,468
Deferred Outflows of Resources			
Contributions After the Measurement Date	534,746	239,926	774,672
Difference in Experience	714,550	-	714,550
Total OPEB Liability	(8,723,570)	-	(8,723,570)
Deferred Inflows of Resources			
Change in Proportionate Share	-	(3,641)	(3,641)
Change in Assumptions	(462,517)	(1,620)	(464,137)
Difference in Earnings	-	(110,056)	(110,056)
Difference in Experience	-	(28,930)	(28,930)
OPEB Expense (Included in program expenses on Statement of Activities)	792,359	(47,758)	744,601

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.

CITY OF GRESHAM, OREGON

Benefits Provided

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

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

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

The City's total OPEB liability of \$8,723,570 was measured as of June 30, 2018 and was determined by an actuarial valuation as of July 1, 2018.

For the fiscal year ended June 30, 2019, the City recognized OPEB expense from this plan of \$792,359. At June 30, 2019, 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	\$ -	\$ 462,517
Differences between expected and actual experience	714,550	-
Contributions subsequent to the measurement date	534,746	-
Total	<u>\$ 1,249,296</u>	<u>\$ 462,517</u>

Deferred outflows of resources related to OPEB of \$534,746 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2020	\$ 22,073
2021	22,073
2022	22,073
2023	22,073
2024	22,073
Thereafter	141,668
Total	<u>\$ 252,033</u>

Actuarial Assumptions and Other Inputs

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

NOTES TO THE FINANCIAL STATEMENTS

Actuarial cost method	Entry age normal
Inflation	2.5%
Salary increases	3.5%
Healthy mortality	RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the 2017 Oregon PERS valuation.
Discount rate	3.87% (change from 3.58% in previous measurement period)
Healthcare cost trend rate	Medical and vision: 7.00% per year, decreasing to 4.75% Dental: 4.50% per year

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

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance as of June 30, 2018	\$ 7,538,914
Changes for the year:	
Service cost	488,313
Interest on Total OPEB Liability	281,973
Effect of economic/demographic gains or losses	794,837
Effect of assumptions changes or inputs	(76,043)
Benefit payments	(304,424)
Balance as of June 30, 2019	<u>\$ 8,723,570</u>

Changes in assumptions is the result of the change in the discount rate from 3.58 to 3.87.

Sensitivity of the Total OPEB Liability

The following presents the City's total OPEB liability, as well as what the liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87 percent) or 1-percentage-point higher (4.87 percent) than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare trend assumption.

Discount Rate:

	<u>1% Decrease (2.87%)</u>	<u>Current Discount Rate (3.87%)</u>	<u>1% Increase (4.87%)</u>
Total OPEB Liability	\$ 9,472,560	\$ 8,723,570	\$ 8,039,065

Healthcare Cost Trend:

	<u>1% Decrease (6.0% decreasing to 3.75%)</u>	<u>Current Healthcare Trend Rate (7.0% decreasing to 4.75%)</u>	<u>1% Increase (8.0% decreasing to 5.75%)</u>
Total OPEB Liability	\$ 7,811,584	\$ 8,723,570	\$ 9,806,436

CITY OF GRESHAM, OREGON

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 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, 2015 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2017. The City's contribution rates for the period were 0.50% for Tier One/Tier Two members, and 0.43% for OPSRP members. The City's total contributions for the year ended June 30, 2019 was \$239,926.

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

At June 30, 2019, the City reported an asset of \$510,468 for its proportionate share of the OPERS net OPEB asset. The net OPEB asset was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2016 rolled forward to June 30, 2018. The City's proportion of

NOTES TO THE FINANCIAL STATEMENTS

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, 2018, the City's proportionate share was 0.4573%, which is an increase from its proportion of 0.4422% as of June 30, 2017.

For the year ended June 30, 2019, the City recognized an OPEB expense reduction from this plan of \$47,758. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 28,930
Changes of assumptions	-	1,620
Net difference between projected and actual earnings	-	110,056
Changes in proportionate share	-	3,641
Contributions subsequent to the measurement date	239,926	-
Total	\$ 239,926	\$ 144,247

Deferred outflows of resources related to OPEB of \$239,926 resulting from the City's contributions subsequent to the measurement date will be recognized as either a reduction of the net OPEB liability or an increase in the net OPEB asset in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2020	\$ (48,100)
2021	(47,876)
2022	(37,331)
2023	(10,940)
Total	\$ (144,247)

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	\$ 297,220	\$ 510,468	\$ 691,985

CITY OF GRESHAM, OREGON

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, 2019, the amount deferred and investment earnings thereon, adjusted to fair market value, amount to \$52,838,763. The amounts accumulated under the Plan, including investment earnings, are excluded from the financial statements of the City.

I. Fund Balance Components

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

Fund Balances	General Fund	Transportation Fund	System Development Charge Fund	Dedicated Revenue Fund	Rockwood UR Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Restricted:							
Transportation Projects	\$ -	\$ 23,446,993	\$ -	\$ -	\$ -	\$ -	\$ 23,446,993
City System Development	-	-	18,989,060	-	-	-	18,989,060
Streetslights	-	-	-	-	-	3,733,919	3,733,919
Building Inspection & Permits	-	-	-	-	-	7,011,818	7,011,818
Urban Renewal Area	-	-	-	-	4,949,130	318,649	5,267,779
Misc. Grants and Programs	-	-	-	-	-	3,643,241	3,643,241
Total Restricted Fund Balances	-	23,446,993	18,989,060	-	4,949,130	14,707,627	62,092,810
Committed:							
Rental Inspections	-	-	-	-	-	914,316	914,316
Assigned:							
Police, Fire and Parks	-	-	-	-	-	69,078	69,078
Infrastructure Development	-	-	-	-	-	3,098,387	3,098,387
Urban Design and Planning	-	-	-	-	-	2,202,107	2,202,107
Solid Waste	-	-	-	524,949	-	-	524,949
Misc. Grants and Programs	-	-	-	241,216	-	205,250	446,466
Capital Projects	-	-	-	-	-	3,509,483	3,509,483
Debt Service	-	-	-	-	-	6,956,128	6,956,128
Total Assigned Fund Balances	-	-	-	766,165	-	16,040,433	16,806,598
Unassigned:	22,857,805	-	-	-	-	-	22,857,805
Total Fund Balances	\$ 22,857,805	\$ 23,446,993	\$ 18,989,060	\$ 766,165	\$ 4,949,130	\$ 31,662,376	\$ 102,671,529

NOTES TO THE FINANCIAL STATEMENTS

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 one claim that exceeds \$500,000 for Fire and Police workers and \$375,000 for all other employees. 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 and automobile claims. 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 EBMS. The City carries supplemental insurance to manage health insurance risk. The policy limits the City's liability to \$200,000 per covered life and \$6,423,099 annually.

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

Workers' Compensation Claims

Fiscal Year	Beginning Balance	New claims and changes in estimates	Claim payments	Ending Balance
2018	\$ 1,896,225	\$ 1,810,780	\$ (422,005)	\$ 3,285,000
2019	3,285,000	1,131,777	(592,777)	3,824,000

Liability Claims

Fiscal Year	Beginning Balance	New claims and changes in estimates	Claim payments	Ending Balance
2018	\$ 259,515	\$ 860,761	\$ (161,336)	\$ 958,940
2019	958,940	203,614	(319,360)	843,194

Health Insurance Claims

Fiscal Year	Beginning Balance	New claims and changes in estimates	Claim payments	Ending Balance
2018	\$ 801,000	\$ 4,482,207	\$ (4,709,207)	\$ 574,000
2019	574,000	8,106,184	(7,779,184)	901,000

Dental Insurance Claims

Fiscal Year	Beginning Balance	New claims and changes in estimates	Claim payments	Ending Balance
2018	\$ 726,584	\$ (94,943)	\$ (594,641)	\$ 37,000
2019	37,000	538,665	(541,665)	34,000

CITY OF GRESHAM, OREGON

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.

Construction Commitments

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

<u>Project Description</u>	<u>Contract Commitment</u>	<u>Expended as of June 30, 2019</u>	<u>Remaining Commitment</u>
WWTP On-Call Engineering	100,000	-	100,000
WWTP Solids Process Improvements	5,420,615	3,656,537	1,764,078
WWTP Asset Repl & Refurb	100,000	31,610	68,390
Collec Sys Asset Refurb	1,887,824	1,812,704	75,120
1950's Pipe Rehab/Maint.	3,552,771	2,590,738	962,033
Linneman PS Parallel FM Phase I	719,348	-	719,348
Rockwood and 185th Ave Pump Station	759,804	-	759,804
Biological Biogas Treatment	657,000	170,646	486,354
Wastewater Collections System Master P	300,752	127,936	172,816
WWTP FOG Screening Imrov	99,950	35,996	63,954
NE Waterline Repl Pkg Ph II	742,690	499,576	243,114
Grant Butte Seismic Retro	490,824	72,002	418,822
Local St Reconsruc Coord	1,047,169	969,831	77,338
Reservoir Mixing Project	111,500	-	111,500
Street Surfacing Improvements/FDR	11,548,256	3,771,964	7,776,292
Amer w/Disab Curb Ramp	2,939,135	2,437,405	501,730
Pedestrian Enhancement	66,470	-	66,470
Infra Capacity Improv	241,896	182,025	59,871
City Stormwater Master Plan Update	555,058	392,491	162,567
Catalyst Site	387,150	293,250	93,900
Totals	<u>\$ 31,728,212</u>	<u>\$ 17,044,711</u>	<u>\$ 14,683,501</u>

C. 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, 2019 for governmental activities was \$383,852 and for business-type activities \$18,517.

Future minimum payments for operating leases, based on fiscal year 2019's level of usage, are as follows:

<u>Fiscal Year</u>	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>	
2020	\$ 339,576	\$ 18,739	\$ 358,315
2021	325,752	17,903	343,655
2022	313,210	15,239	328,449
2023	257,136	13,366	270,503
2024	253,410	10,539	263,949
Totals	<u>\$ 1,489,084</u>	<u>\$ 75,786</u>	<u>\$ 1,564,870</u>

NOTES TO THE FINANCIAL STATEMENTS

D. Pledged Revenue

Revenues of the City are pledged to debt service of the 2010 Series C Notes only and the 2015 GRDC Note. Other obligations are subject to an inter-governmental agreement promising the payment of debt service with all remaining revenues of the City. During 2019 the City recorded \$5,356,124 of revenues that were pledged to debt service and debt service for the related instruments was \$4,024,650. 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
2020	\$ 828,981	\$ 177,597	\$ 846,436	\$ 101,816	\$ -	\$ 222,334	\$ 2,177,164
2021	873,081	133,497	872,639	75,613	-	221,726	2,176,556
2022	919,528	87,050	899,383	48,869	-	222,030	2,176,860
2023	968,446	38,133	929,768	21,305	6,700,000	222,030	8,879,682
	<u>\$ 3,590,036</u>	<u>\$ 436,277</u>	<u>\$ 3,548,226</u>	<u>\$ 247,603</u>	<u>\$ 6,700,000</u>	<u>\$ 888,120</u>	<u>\$ 15,410,262</u>

E. Tax Abatements

As of June 30, 2019, 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, 2019, the City's property tax revenues were reduced by an estimated \$1,110,297 as a result of the Enterprise Zone program. Community service fees of \$916,397 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, 2019, there were not any active participants in this program, and no impact to estimated tax revenues.

F. Subsequent Events

Since June 30, 2019, the City has drawn \$6,075,000 on its revolving line of credit. The draw proceeds were used to support \$5,902,900 of governmental projects and \$172,100 of business type projects. The line has a \$30,000,000 maximum and the total outstanding draw principal is currently \$18,736,100.

The Gresham Redevelopment Commission issued additional debt on the 2017 GRDC Revolving Note for the support of on-going project and administrative expenses. On August 28, 2019 debt in the principal amount of \$500,000 was issued at interest rate of 2.19% and on November 14, 2019 in the principal amount of \$500,000 at an interest rate of 2.36%.

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 Two Fiscal Years ^{1,2}

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service cost	\$ 488,313	\$ 527,273
Interest	281,973	226,913
Changes in benefit terms	-	-
Difference between expected and actual experience	794,837	-
Changes of assumptions or other inputs	(76,043)	(495,221)
Benefit payments	<u>(304,424)</u>	<u>(307,149)</u>
Net change in OPEB liability	1,184,656	(48,184)
Total OPEB Liability - beginning	<u>7,538,914</u>	<u>7,587,098</u>
Total OPEB Liability - ending	<u><u>8,723,570</u></u>	<u><u>7,538,914</u></u>
City's Covered Payroll	\$ 48,351,316	\$ 45,518,553
Total OPEB Liability as a percentage of its covered payroll	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 2019 is July 1, 2017 - June 30, 2018

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%

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 Three Fiscal Years^{1,2}

	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability (asset)	0.4573%	0.4422%	0.4524%
City's proportionate share of the net OPEB liability (asset)	\$ (510,468)	\$ (184,537)	\$ 122,862
City's covered payroll	\$ 48,351,316	\$ 45,518,553	\$ 43,126,740
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-1.1%	-0.4%	0.3%
Plan fiduciary net position as a percentage of the total OPEB liability	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 2019 is July 1, 2017 - June 30, 2018

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contributions	\$ 239,926	\$ 221,425	\$ 222,487	\$ 212,695
Contributions in relation to the contractually required contribution	<u>(239,926)</u>	<u>(221,425)</u>	<u>(222,487)</u>	<u>(212,695)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$52,717,193	\$48,351,316	\$45,518,553	\$43,126,740
Contributions as a percentage of covered payroll	0.46%	0.46%	0.49%	0.49%

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, 2015	December 31, 2013
Effective	July 2017 - June 2019	July 2015 - June 2017
Actuarial cost method:	Entry Age Normal	Entry Age Normal
Actuarial valuation method:	Market Value	Market Value
Actuarial assumption:		
Inflation rate	2.50 percent	2.75 percent
Projected salary increases	3.50 percent	3.75 percent
Investment rate of return	7.50 percent	7.75 percent

<u>2015</u>	<u>2014</u>
\$ 225,666	\$ 223,852
<u>(225,666)</u>	<u>(223,852)</u>
<u>\$ -</u>	<u>\$ -</u>
\$41,316,121	\$40,497,083
0.55%	0.55%

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 Six Fiscal Years^{1,2}

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

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

² Amounts presented are for the measurement period reported during the fiscal year, which for FY 2019 is July 1, 2017 - June 30, 2018

NOTES TO SCHEDULE

Changes in Benefit Terms

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

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

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

Changes in Assumptions

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

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

City of Gresham, Oregon
Schedule of the City's Contributions
Oregon Public Employees Retirement System
Last Six Fiscal Years ¹

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contributions	\$ 5,194,350	\$ 4,877,479	\$ 3,670,758	\$ 3,536,948
Contributions in relation to the contractually required contribution	<u>(5,194,350)</u>	<u>(4,877,479)</u>	<u>(3,670,758)</u>	<u>(3,536,948)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 52,717,193	\$ 48,351,316	\$ 45,518,553	\$ 43,126,740
Contributions as a percentage of covered payroll	9.85%	10.09%	8.06%	8.20%

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, 2015	December 31, 2013
Effective	July 2017 - June 2019	July 2015 - June 2017
Actuarial cost method:	Entry Age Normal	Entry Age Normal
Actuarial valuation method:	Market Value	Market Value
Actuarial assumption:		
Inflation rate	2.50 percent	2.75 percent
Projected salary increases	3.50 percent	3.75 percent
Investment rate of return	7.50 percent	7.75 percent

<u>2015</u>	<u>2014</u>
\$ 2,709,239	\$ 2,631,112
<u>(2,709,239)</u>	<u>(2,631,112)</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 41,316,121	\$ 40,497,083
6.56%	6.50%

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

2.75 percent
3.75 percent
8.00 percent

CITY OF
GRESHAM
GOING BEYOND

Major Funds – General and Special Revenue

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

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

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

Dedicated Revenue Fund – Accounts for the receipt of solid waste fees and other dedicated revenues 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, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Taxes	\$ 36,702,100	\$ 36,702,100	\$ 39,422,284	\$ 2,720,184
Licenses and permits	362,000	362,000	429,795	67,795
Intergovernmental	10,200,000	10,639,116	11,197,658	558,542
Charges for services	258,000	258,000	430,599	172,599
License fees	10,579,000	10,579,000	10,641,084	62,084
Miscellaneous	309,900	309,900	719,025	409,125
Internal service charges	799,070	799,070	518,052	(281,018)
Total revenues	59,210,070	59,649,186	63,358,497	3,709,311
EXPENDITURES				
Police	34,059,459	34,059,459	32,673,686	1,385,773
Fire and emergency services	22,608,014	22,933,014	21,759,595	1,173,419
Community development	1,232,529	1,232,529	852,341	380,188
Economic development services	1,011,041	1,011,041	661,911	349,130
Parks	3,052,577	3,052,577	2,779,083	273,494
Operating contingency	923,000	923,000	-	923,000
Total expenditures	62,886,620	63,211,620	58,726,616	4,485,004
Excess (deficiency) of revenues over (under) expenditures	(3,676,550)	(3,562,434)	4,631,881	8,194,315
OTHER FINANCING SOURCES (USES)				
Transfers in	167,700	167,700	127,256	(40,444)
Transfers out	(8,813,500)	(8,927,616)	(7,523,238)	1,404,378
Total other financing sources (uses)	(8,645,800)	(8,759,916)	(7,395,982)	1,363,934
Net change in fund balances	(12,322,350)	(12,322,350)	(2,764,101)	9,558,249
Fund balances - beginning	16,901,000	16,901,000	20,014,665	3,113,665
Fund balances - ending	\$ 4,578,650	\$ 4,578,650	17,250,564	\$ 12,671,914
Grant revenues are reported as intergovernmental revenues on a GAAP Basis, rather than Transfers in				
Intergovernmental revenues			52,256	
Transfers in			(52,256)	
Unrealized gain (loss) on investments			72,662	
Accrued compensation			312,289	
Due from other funds			5,222,290	
Fund balances - generally accepted accounting principles basis, ending			\$ 22,857,805	

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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 12,598,000	\$ 12,598,000	\$ 12,159,733	\$ (438,267)
Charges for services	18,900	18,900	63,284	44,384
Franchise fees	826,400	826,400	646,550	(179,850)
Miscellaneous	222,000	222,000	462,913	240,913
Internal service charges	1,504,000	1,504,000	1,883,103	379,103
Total revenues	<u>15,169,300</u>	<u>15,169,300</u>	<u>15,215,583</u>	<u>46,283</u>
EXPENDITURES				
Environmental services	9,454,094	9,454,094	8,590,376	863,718
Debt service	1,790,000	1,790,000	-	1,790,000
Operating contingency	1,418,000	1,418,000	-	1,418,000
Total expenditures	<u>12,662,094</u>	<u>12,662,094</u>	<u>8,590,376</u>	<u>4,071,718</u>
Excess of revenues over expenditures	<u>2,507,206</u>	<u>2,507,206</u>	<u>6,625,207</u>	<u>4,118,001</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	1,790,000	1,790,000	-	(1,790,000)
Transfers in	3,928,300	3,928,300	813,649	(3,114,651)
Transfers out	(14,000,800)	(14,000,800)	(3,876,440)	10,124,360
Total other financing sources (uses)	<u>(8,282,500)</u>	<u>(8,282,500)</u>	<u>(3,062,791)</u>	<u>5,219,709</u>
Net change in fund balances	(5,775,294)	(5,775,294)	3,562,416	9,337,710
Fund balances - beginning	<u>18,621,300</u>	<u>18,621,300</u>	<u>17,219,246</u>	<u>(1,402,054)</u>
Fund balances - ending	<u>\$ 12,846,006</u>	<u>\$ 12,846,006</u>	20,781,662	<u>\$ 7,935,656</u>
Unrealized gain (loss) on investments			106,373	
Accrued compensation			490,500	
Due from other funds			<u>2,068,458</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 23,446,993</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
System Development Charge Fund
For the Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Charges for services	\$ 31,477,300	\$ 31,477,300	\$ 7,286,384	\$ (24,190,916)
Miscellaneous	217,000	217,000	403,800	186,800
Total revenues	<u>31,694,300</u>	<u>31,694,300</u>	<u>7,690,184</u>	<u>(24,004,116)</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>31,694,300</u>	<u>31,694,300</u>	<u>7,690,184</u>	<u>(24,004,116)</u>
OTHER FINANCING (USES)				
Transfers out	<u>(36,832,596)</u>	<u>(36,832,596)</u>	<u>(4,538,427)</u>	<u>32,294,169</u>
Total other financing (uses)	<u>(36,832,596)</u>	<u>(36,832,596)</u>	<u>(4,538,427)</u>	<u>32,294,169</u>
Net change in fund balances	(5,138,296)	(5,138,296)	3,151,757	8,290,053
Fund balances - beginning	<u>7,411,000</u>	<u>7,411,000</u>	<u>15,735,083</u>	<u>8,324,083</u>
Fund balances - ending	<u>\$ 2,272,704</u>	<u>\$ 2,272,704</u>	18,886,840	<u>\$ 16,614,136</u>
Unrealized gain (loss) on investments			<u>102,220</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 18,989,060</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Dedicated Revenue Fund
For the Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Charges for services	\$ 678,000	\$ 678,000	\$ 698,474	\$ 20,474
Miscellaneous	-	-	400	400
Total revenues	<u>678,000</u>	<u>678,000</u>	<u>698,874</u>	<u>20,874</u>
EXPENDITURES				
Development services	1,850,374	1,850,374	1,236,527	613,847
Environmental services	994,519	994,519	929,543	64,976
Operating contingency	100,000	100,000	-	100,000
Total expenditures	<u>2,944,893</u>	<u>2,944,893</u>	<u>2,166,070</u>	<u>778,823</u>
Excess of expenditures over revenues	<u>(2,266,893)</u>	<u>(2,266,893)</u>	<u>(1,467,196)</u>	<u>799,697</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,358,846	2,358,846	1,680,148	(678,698)
Transfers out	(193,000)	(193,000)	(192,689)	311
Total other financing sources (uses)	<u>2,165,846</u>	<u>2,165,846</u>	<u>1,487,459</u>	<u>(678,387)</u>
Net change in fund balances	(101,047)	(101,047)	20,263	121,310
Fund balances - beginning	<u>490,061</u>	<u>490,061</u>	<u>689,280</u>	<u>199,219</u>
Fund balances - ending	<u>\$ 389,014</u>	<u>\$ 389,014</u>	709,543	<u>\$ 320,529</u>

Grant revenues are reported as intergovernmental revenues and miscellaneous on a GAAP Basis, rather than Transfers in

Intergovernmental revenues	1,371,464
Transfers in	(1,371,464)
Unrealized gains (loss) on investment	1,840
Accrued compensation	41,800
Due from other funds	<u>12,982</u>
Fund balances - generally accepted accounting principles basis, ending	<u>\$ 766,165</u>

CITY OF
GRESHAM
GOING BEYOND

Other Supplementary Information

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

Major Funds – Debt Service

Rockwood UR 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
Rockwood UR Debt Service Fund
For the Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Taxes	\$ 5,198,900	\$ 5,198,900	\$ 5,356,124	\$ 157,224
Intergovernmental	49,900	49,900	50,435	535
Miscellaneous	118,000	118,000	271,698	153,698
Total revenues	<u>5,366,800</u>	<u>5,366,800</u>	<u>5,678,257</u>	<u>311,457</u>
EXPENDITURES				
Debt service	8,732,200	8,732,200	5,808,571	2,923,629
Total expenditures	<u>8,732,200</u>	<u>8,732,200</u>	<u>5,808,571</u>	<u>2,923,629</u>
Excess of expenditures over revenues	<u>(3,365,400)</u>	<u>(3,365,400)</u>	<u>(130,314)</u>	<u>3,235,086</u>
Net change in fund balances	(3,365,400)	(3,365,400)	(130,314)	3,235,086
Fund balances - beginning	<u>7,865,700</u>	<u>7,865,700</u>	<u>11,186,110</u>	<u>3,320,410</u>
Fund balances - ending	<u>\$ 4,500,300</u>	<u>\$ 4,500,300</u>	11,055,796	<u>\$ 6,555,496</u>
Unrealized gain (loss) on investments			57,759	
Advances from City Backed Urban Renewal Fund			<u>(6,164,425)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 4,949,130</u>	

City of Gresham, Oregon
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Debt Service Funds</u>	<u>Total</u>
ASSETS				
Cash and investments	\$ 21,060,329	\$ 3,579,326	\$ 786,750	\$ 25,426,405
Receivables, net	1,807,181	306,869	-	2,114,050
Due from other funds	119,959	68,001	-	187,960
Other assets	132,451	22,499	4,953	159,903
Advance to Rockwood UR Debt Service Fund	-	-	6,164,425	6,164,425
Restricted cash and investments	1,192,671	-	-	1,192,671
Total assets	<u>\$ 24,312,591</u>	<u>\$ 3,976,695</u>	<u>\$ 6,956,128</u>	<u>\$ 35,245,414</u>
LIABILITIES				
Accounts payable	\$ 290,612	\$ 208,872	\$ -	\$ 499,484
Other accrued liabilities	-	42,662	-	42,662
Unearned revenue	344,111	-	-	344,111
Deposits	2,193,151	2,000	-	2,195,151
Due to other funds	433,629	68,001	-	501,630
Total liabilities	<u>3,261,503</u>	<u>321,535</u>	<u>-</u>	<u>3,583,038</u>
FUND BALANCES (DEFICITS)				
Restricted	14,561,950	145,677	-	14,707,627
Committed	914,316	-	-	914,316
Assigned	5,574,822	3,509,483	6,956,128	16,040,433
Total fund balances	<u>21,051,088</u>	<u>3,655,160</u>	<u>6,956,128</u>	<u>31,662,376</u>
Total liabilities and fund balances	<u>\$ 24,312,591</u>	<u>\$ 3,976,695</u>	<u>\$ 6,956,128</u>	<u>\$ 35,245,414</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, 2019

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Debt Service Funds</u>	<u>Total</u>
REVENUES				
Licenses and permits	\$ 3,658,759	\$ -	\$ -	\$ 3,658,759
Intergovernmental	3,548,897	7,746,826	1,963,130	13,258,853
Charges for services	8,469,316	61,261	-	8,530,577
License fees	1,276,193	-	-	1,276,193
Miscellaneous	2,048,429	129,269	1,582	2,179,280
Internal service charges	449,651	-	1,848,798	2,298,449
Total revenues	<u>19,451,245</u>	<u>7,937,356</u>	<u>3,813,510</u>	<u>31,202,111</u>
EXPENDITURES				
Current:				
General government	64,317	-	-	64,317
Public safety	7,233,851	-	-	7,233,851
Transportation	425,439	-	-	425,439
Urban design and planning	3,455,288	-	-	3,455,288
Community development	4,476,427	-	-	4,476,427
Parks	340,111	-	-	340,111
Environmental services	2,705,518	-	-	2,705,518
Economic development services	2,000	-	-	2,000
Community Livability	579,201	-	-	579,201
Urban renewal	1,277,430	8,314,000	-	9,591,430
Debt service	-	-	12,891,467	12,891,467
Capital outlay	-	16,655,496	-	16,655,496
Total expenditures	<u>20,559,582</u>	<u>24,969,496</u>	<u>12,891,467</u>	<u>58,420,545</u>
Excess of expenditures over revenues	<u>(1,108,337)</u>	<u>(17,032,140)</u>	<u>(9,077,957)</u>	<u>(27,218,434)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	11,982,800	5,650,000	17,632,800
Transfers in	6,437,003	3,672,791	3,715,598	13,825,392
Transfers out	(893,235)	(2,261)	(1,418,304)	(2,313,800)
Total other financing sources (uses)	<u>5,543,768</u>	<u>15,653,330</u>	<u>7,947,294</u>	<u>29,144,392</u>
Net change in fund balances	4,435,431	(1,378,810)	(1,130,663)	1,925,958
Fund balances - beginning	<u>16,615,657</u>	<u>5,033,970</u>	<u>8,086,791</u>	<u>29,736,418</u>
Fund balances - ending	<u>\$ 21,051,088</u>	<u>\$ 3,655,160</u>	<u>\$ 6,956,128</u>	<u>\$ 31,662,376</u>

CITY OF
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Special Revenue Funds

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

Grants Fund – Accounts for the receipt and transfer to other operating funds of grant revenue.

Police, Fire, and Parks Fund – Accounts for the Police, Fire & Parks fee revenues collected to maintain public safety and parks services.

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

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.

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.

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.

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

City of Gresham, Oregon
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2019

	Police, Fire, and Parks Fund	Streetlight Fund	Rental Inspection Fund	Infrastructure Development Fund
ASSETS				
Cash and investments	\$ -	\$ 3,622,424	\$ 864,545	\$ 3,905,720
Receivables, net	502,707	117,259	2,650	43,819
Due from other funds	-	-	41,735	70,728
Other assets	-	22,802	5,442	24,585
Restricted cash and investments	-	-	-	649,540
Total assets	<u>\$ 502,707</u>	<u>\$ 3,762,485</u>	<u>\$ 914,372</u>	<u>\$ 4,694,392</u>
LIABILITIES				
Accounts payable	\$ -	\$ 28,566	\$ 56	\$ 4,487
Unearned revenue	-	-	-	-
Deposits	-	-	-	1,591,518
Due to other funds	433,629	-	-	-
Total liabilities	<u>433,629</u>	<u>28,566</u>	<u>56</u>	<u>1,596,005</u>
FUND BALANCES				
Restricted	-	3,733,919	-	-
Committed	-	-	914,316	-
Assigned	69,078	-	-	3,098,387
Total fund balances	<u>69,078</u>	<u>3,733,919</u>	<u>914,316</u>	<u>3,098,387</u>
Total liabilities and fund balances	<u>\$ 502,707</u>	<u>\$ 3,762,485</u>	<u>\$ 914,372</u>	<u>\$ 4,694,392</u>

Urban Design & Planning Fund	Building Fund	Urban Renewal Support Fund	Designated Purpose Fund	Total
\$ 2,250,798	\$ 7,057,773	\$ 178,316	\$ 3,180,753	\$ 21,060,329
-	18,400	-	1,122,346	1,807,181
-	7,496	-	-	119,959
14,168	44,427	1,122	19,905	132,451
5,601	80,886	-	456,644	1,192,671
<u>\$ 2,270,567</u>	<u>\$ 7,208,982</u>	<u>\$ 179,438</u>	<u>\$ 4,779,648</u>	<u>\$ 24,312,591</u>
\$ 4,357	\$ 116,278	\$ 6,466	\$ 130,402	\$ 290,612
-	-	-	344,111	344,111
64,103	80,886	-	456,644	2,193,151
-	-	-	-	433,629
<u>68,460</u>	<u>197,164</u>	<u>6,466</u>	<u>931,157</u>	<u>3,261,503</u>
-	7,011,818	172,972	3,643,241	14,561,950
-	-	-	-	914,316
2,202,107	-	-	205,250	5,574,822
<u>2,202,107</u>	<u>7,011,818</u>	<u>172,972</u>	<u>3,848,491</u>	<u>21,051,088</u>
<u>\$ 2,270,567</u>	<u>\$ 7,208,982</u>	<u>\$ 179,438</u>	<u>\$ 4,779,648</u>	<u>\$ 24,312,591</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, 2019

	Police, Fire, and Parks Fund	Streetlight Fund	Rental Inspection Fund	Infrastructure Development Fund
REVENUES				
Licenses and permits	\$ -	\$ -	\$ 689,283	\$ -
Intergovernmental	-	61,360	-	-
Charges for services	3,827,895	36,130	-	957,432
License fees	-	1,276,193	-	-
Miscellaneous	54,460	111,345	36,033	146,472
Internal service charges	289	-	-	449,362
Total revenues	<u>3,882,644</u>	<u>1,485,028</u>	<u>725,316</u>	<u>1,553,266</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	5,293,331	-	-	-
Transportation	-	425,439	-	-
Urban design and planning	-	-	-	-
Community development	-	-	631,577	-
Parks	311,017	-	-	-
Environmental services	-	-	-	2,516,253
Economic development services	-	-	-	-
Community Livability	-	-	-	-
Urban renewal	-	-	-	-
Total expenditures	<u>5,604,348</u>	<u>425,439</u>	<u>631,577</u>	<u>2,516,253</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,721,704)</u>	<u>1,059,589</u>	<u>93,739</u>	<u>(962,987)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,286,024	-	-	1,694,000
Transfers out	-	(716,452)	-	-
Total other financing sources (uses)	<u>1,286,024</u>	<u>(716,452)</u>	<u>-</u>	<u>1,694,000</u>
Net change in fund balances	(435,680)	343,137	93,739	731,013
Fund balances - beginning	<u>504,758</u>	<u>3,390,782</u>	<u>820,577</u>	<u>2,367,374</u>
Fund balances - ending	<u>\$ 69,078</u>	<u>\$ 3,733,919</u>	<u>\$ 914,316</u>	<u>\$ 3,098,387</u>

Urban Design & Planning Fund	Building Fund	Urban Renewal Support Fund	Designated Purpose Fund	Total
\$ -	\$ 2,969,476	\$ -	\$ -	\$ 3,658,759
-	191,743	1,400,000	1,895,794	3,548,897
1,141,509	2,448,641	-	57,709	8,469,316
-	-	-	-	1,276,193
75,188	285,036	1,586	1,338,309	2,048,429
-	-	-	-	449,651
<u>1,216,697</u>	<u>5,894,896</u>	<u>1,401,586</u>	<u>3,291,812</u>	<u>19,451,245</u>
-	-	-	64,317	64,317
-	-	-	1,940,520	7,233,851
-	-	-	-	425,439
3,455,288	-	-	-	3,455,288
-	3,817,172	-	27,678	4,476,427
-	-	-	29,094	340,111
-	-	-	189,265	2,705,518
-	-	-	2,000	2,000
-	-	-	579,201	579,201
-	-	1,277,430	-	1,277,430
<u>3,455,288</u>	<u>3,817,172</u>	<u>1,277,430</u>	<u>2,832,075</u>	<u>20,559,582</u>
<u>(2,238,591)</u>	<u>2,077,724</u>	<u>124,156</u>	<u>459,737</u>	<u>(1,108,337)</u>
2,625,000	151,000	-	680,979	6,437,003
(151,000)	(8,708)	(17,075)	-	(893,235)
<u>2,474,000</u>	<u>142,292</u>	<u>(17,075)</u>	<u>680,979</u>	<u>5,543,768</u>
235,409	2,220,016	107,081	1,140,716	4,435,431
<u>1,966,698</u>	<u>4,791,802</u>	<u>65,891</u>	<u>2,707,775</u>	<u>16,615,657</u>
<u>\$ 2,202,107</u>	<u>\$ 7,011,818</u>	<u>\$ 172,972</u>	<u>\$ 3,848,491</u>	<u>\$ 21,051,088</u>

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Grants Fund
For the Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 19,476,998	\$ 19,476,998	\$ 7,060,057	\$ (12,416,941)
Miscellaneous	-	-	11,277	11,277
Total revenues	<u>19,476,998</u>	<u>19,476,998</u>	<u>7,071,334</u>	<u>(12,405,664)</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>19,476,998</u>	<u>19,476,998</u>	<u>7,071,334</u>	<u>(12,405,664)</u>
OTHER FINANCING (USES)				
Transfers out	(19,476,998)	(19,476,998)	(7,071,334)	12,405,664
Total other financing (uses)	<u>(19,476,998)</u>	<u>(19,476,998)</u>	<u>(7,071,334)</u>	<u>12,405,664</u>
Net change in fund balances	-	-	-	-
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Grant revenue to be recognized in other funds			(7,071,334)	
Transfers recognized as revenue in other funds			<u>7,071,334</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ -</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Police, Fire, And Parks Fund
For the Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Charges for services	\$ 3,884,000	\$ 3,884,000	\$ 3,827,895	\$ (56,105)
Miscellaneous	52,000	52,000	54,454	2,454
Internal service charges	-	-	289	289
Total revenues	<u>3,936,000</u>	<u>3,936,000</u>	<u>3,882,638</u>	<u>(53,362)</u>
EXPENDITURES				
Police	3,576,702	3,576,702	2,960,671	616,031
Fire and emergency services	2,608,398	2,608,398	2,332,836	275,562
Parks	330,476	330,476	313,837	16,639
Total expenditures	<u>6,515,576</u>	<u>6,515,576</u>	<u>5,607,344</u>	<u>908,232</u>
Excess of expenditures over revenues	<u>(2,579,576)</u>	<u>(2,579,576)</u>	<u>(1,724,706)</u>	<u>854,870</u>
OTHER FINANCING SOURCES				
Transfers in	<u>2,200,000</u>	<u>2,200,000</u>	<u>1,286,024</u>	<u>(913,976)</u>
Total other financing sources	<u>2,200,000</u>	<u>2,200,000</u>	<u>1,286,024</u>	<u>(913,976)</u>
Net change in fund balances	(379,576)	(379,576)	(438,682)	(59,106)
Fund balances - beginning	<u>409,000</u>	<u>409,000</u>	<u>438,682</u>	<u>29,682</u>
Fund balances - ending	<u>\$ 29,424</u>	<u>\$ 29,424</u>	-	<u>\$ (29,424)</u>
Accrued compensation			<u>69,078</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 69,078</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 108,800	\$ 108,800	\$ 61,360	\$ (47,440)
Charges for services	-	-	36,130	36,130
License fees	1,319,000	1,319,000	1,276,193	(42,807)
Miscellaneous	50,000	50,000	64,570	14,570
Total revenues	<u>1,477,800</u>	<u>1,477,800</u>	<u>1,438,253</u>	<u>(39,547)</u>
EXPENDITURES				
Environmental services	492,110	492,110	425,439	66,671
Operating contingency	74,000	74,000	-	74,000
Total expenditures	<u>566,110</u>	<u>566,110</u>	<u>425,439</u>	<u>140,671</u>
Excess of revenues over expenditures	<u>911,690</u>	<u>911,690</u>	<u>1,012,814</u>	<u>101,124</u>
OTHER FINANCING (USES)				
Transfers out	(1,228,800)	(1,228,800)	(716,452)	512,348
Total other financing (uses)	<u>(1,228,800)</u>	<u>(1,228,800)</u>	<u>(716,452)</u>	<u>512,348</u>
Net change in fund balances	(317,110)	(317,110)	296,362	613,472
Fund balances - beginning	<u>3,310,000</u>	<u>3,310,000</u>	<u>3,418,542</u>	<u>108,542</u>
Fund balances - ending	<u>\$ 2,992,890</u>	<u>\$ 2,992,890</u>	<u>3,714,904</u>	<u>\$ 722,014</u>
Unrealized gain (loss) on investments			<u>19,015</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 3,733,919</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Licenses and permits	\$ 713,000	\$ 713,000	\$ 689,283	\$ (23,717)
Miscellaneous	42,300	42,300	25,460	(16,840)
Total revenues	<u>755,300</u>	<u>755,300</u>	<u>714,743</u>	<u>(40,557)</u>
EXPENDITURES				
Community development	835,493	835,493	614,016	221,477
Operating contingency	84,000	84,000	-	84,000
Total expenditures	<u>919,493</u>	<u>919,493</u>	<u>614,016</u>	<u>305,477</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(164,193)</u>	<u>(164,193)</u>	<u>100,727</u>	<u>264,920</u>
Net change in fund balances	(164,193)	(164,193)	100,727	264,920
Fund balances - beginning	<u>568,600</u>	<u>568,600</u>	<u>725,316</u>	<u>156,716</u>
Fund balances - ending	<u>\$ 404,407</u>	<u>\$ 404,407</u>	826,043	<u>\$ 421,636</u>
Unrealized gain (loss) on investments			4,538	
Accrued compensation			42,000	
Due from other funds			<u>41,735</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 914,316</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Charges for services	\$ 601,300	\$ 601,300	\$ 957,432	\$ 356,132
Miscellaneous	25,300	25,300	89,829	64,529
Internal service charges	326,000	326,000	449,362	123,362
Total revenues	<u>952,600</u>	<u>952,600</u>	<u>1,496,623</u>	<u>544,023</u>
EXPENDITURES				
Environmental services	2,945,441	2,945,441	2,503,858	441,583
Operating contingency	442,000	442,000	-	442,000
Total expenditures	<u>3,387,441</u>	<u>3,387,441</u>	<u>2,503,858</u>	<u>883,583</u>
Excess of expenditures over revenues	<u>(2,434,841)</u>	<u>(2,434,841)</u>	<u>(1,007,235)</u>	<u>1,427,606</u>
OTHER FINANCING SOURCES				
Transfers in	1,694,000	1,694,000	1,694,000	-
Total other financing sources	<u>1,694,000</u>	<u>1,694,000</u>	<u>1,694,000</u>	<u>-</u>
Net change in fund balances	(740,841)	(740,841)	686,765	1,427,606
Fund balances - beginning	<u>1,685,700</u>	<u>1,685,700</u>	<u>2,164,303</u>	<u>478,603</u>
Fund balances - ending	<u>\$ 944,859</u>	<u>\$ 944,859</u>	2,851,068	<u>\$ 1,906,209</u>
Unrealized gain (loss) on investments			23,891	
Accrued compensation			152,700	
Due from other funds			<u>70,728</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 3,098,387</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Charges for services	\$ 1,164,000	\$ 1,164,000	\$ 1,141,509	\$ (22,491)
Miscellaneous	27,400	27,400	45,859	18,459
Total revenues	<u>1,191,400</u>	<u>1,191,400</u>	<u>1,187,368</u>	<u>(4,032)</u>
EXPENDITURES				
Urban design and planning	4,562,561	4,562,561	3,465,489	1,097,072
Operating contingency	456,000	456,000	-	456,000
Total expenditures	<u>5,018,561</u>	<u>5,018,561</u>	<u>3,465,489</u>	<u>1,553,072</u>
Excess of expenditures over revenues	<u>(3,827,161)</u>	<u>(3,827,161)</u>	<u>(2,278,121)</u>	<u>1,549,040</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,625,000	2,625,000	2,625,000	-
Transfers out	(151,000)	(151,000)	(151,000)	-
Total other financing sources (uses)	<u>2,474,000</u>	<u>2,474,000</u>	<u>2,474,000</u>	<u>-</u>
Net change in fund balances	(1,353,161)	(1,353,161)	195,879	1,549,040
Fund balances - beginning	<u>1,759,000</u>	<u>1,759,000</u>	<u>1,778,684</u>	<u>19,684</u>
Fund balances - ending	<u>\$ 405,839</u>	<u>\$ 405,839</u>	1,974,563	<u>\$ 1,568,724</u>
Unrealized gain (loss) on investments			11,844	
Accrued compensation			<u>215,700</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 2,202,107</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Licenses and permits	\$ 3,429,000	\$ 3,429,000	\$ 2,969,476	\$ (459,524)
Intergovernmental	250,000	250,000	191,743	(58,257)
Charges for services	1,535,000	1,535,000	2,448,641	913,641
Miscellaneous	71,000	71,000	205,632	134,632
Total revenues	<u>5,285,000</u>	<u>5,285,000</u>	<u>5,815,492</u>	<u>530,492</u>
EXPENDITURES				
Community development	4,481,839	4,481,839	3,605,171	876,668
Operating contingency	448,000	448,000	-	448,000
Total expenditures	<u>4,929,839</u>	<u>4,929,839</u>	<u>3,605,171</u>	<u>1,324,668</u>
Excess of revenues over expenditures	<u>355,161</u>	<u>355,161</u>	<u>2,210,321</u>	<u>1,855,160</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	151,000	151,000	151,000	-
Transfers out	(30,000)	(30,000)	(8,708)	21,292
Total other financing sources (uses)	<u>121,000</u>	<u>121,000</u>	<u>142,292</u>	<u>21,292</u>
Net change in fund balances	476,161	476,161	2,352,613	1,876,452
Fund balances - beginning	<u>2,471,000</u>	<u>2,471,000</u>	<u>4,387,339</u>	<u>1,916,339</u>
Fund balances - ending	<u>\$ 2,947,161</u>	<u>\$ 2,947,161</u>	6,739,952	<u>\$ 3,792,791</u>
Unrealized gain (loss) on investments			37,470	
Accrued compensation			226,900	
Due from other funds			<u>7,496</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 7,011,818</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 2,000,300	\$ 2,000,300	\$ 1,400,000	\$ (600,300)
Total revenues	<u>2,000,300</u>	<u>2,000,300</u>	<u>1,400,000</u>	<u>(600,300)</u>
EXPENDITURES				
Urban renewal	1,787,827	1,787,827	1,280,229	507,598
Operating contingency	217,000	217,000	-	217,000
Total expenditures	<u>2,004,827</u>	<u>2,004,827</u>	<u>1,280,229</u>	<u>724,598</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,527)</u>	<u>(4,527)</u>	<u>119,771</u>	<u>124,298</u>
OTHER FINANCING (USES)				
Transfers out	(57,000)	(57,000)	(17,075)	39,925
Total other financing (uses)	<u>(57,000)</u>	<u>(57,000)</u>	<u>(17,075)</u>	<u>39,925</u>
Net change in fund balances	(61,527)	(61,527)	102,696	164,223
Fund balances - beginning	<u>63,400</u>	<u>63,400</u>	<u>840</u>	<u>(62,560)</u>
Fund balances - ending	<u>\$ 1,873</u>	<u>\$ 1,873</u>	<u>103,536</u>	<u>\$ 101,663</u>
Unrealized gain (loss) on investments			936	
Accrued compensation			<u>68,500</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 172,972</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 743,782	\$ 798,782	\$ 497,473	\$ (301,309)
Charges for services	332,000	332,000	57,709	(274,291)
Miscellaneous	1,008,100	1,008,100	1,297,571	289,471
Total revenues	<u>2,083,882</u>	<u>2,138,882</u>	<u>1,852,753</u>	<u>(286,129)</u>
EXPENDITURES				
Office of governance and management	54,450	54,450	41,982	12,468
City-wide services	30,600	30,600	22,336	8,264
Police	2,692,109	2,692,109	1,306,521	1,385,588
Fire and emergency services	1,211,482	1,211,482	633,997	577,485
Urban design and planning	773,515	773,515	-	773,515
Community development	205,000	205,000	27,678	177,322
Economic development services	2,168,000	2,168,000	2,000	2,166,000
Community Livability	525,900	580,900	579,204	1,696
Parks	100,000	100,000	29,094	70,906
Environmental services	523,110	523,110	189,266	333,844
Total expenditures	<u>8,284,166</u>	<u>8,339,166</u>	<u>2,832,078</u>	<u>5,507,088</u>
Excess of expenditures over revenues	<u>(6,200,284)</u>	<u>(6,200,284)</u>	<u>(979,325)</u>	<u>5,220,959</u>
OTHER FINANCING SOURCES				
Transfers in	4,514,136	4,514,136	2,079,302	(2,434,834)
Transfers out	-	-	-	-
Total other financing sources	<u>4,514,136</u>	<u>4,514,136</u>	<u>2,079,302</u>	<u>(2,434,834)</u>
Net change in fund balances	(1,686,148)	(1,686,148)	1,099,977	2,786,125
Fund balances - beginning	<u>2,473,353</u>	<u>2,473,353</u>	<u>2,729,532</u>	<u>256,179</u>
Fund balances - ending	<u>\$ 787,205</u>	<u>\$ 787,205</u>	3,829,509	<u>\$ 3,042,304</u>
Grant revenues are reported as intergovernmental revenues on a GAAP Basis, rather than Transfers in				
Intergovernmental revenues			1,398,322	
Transfers in			(1,398,322)	
Unrealized gain (loss) on investments			<u>18,982</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 3,848,491</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:

Footpaths and Bike Routes 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.

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

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

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

Rockwood UR Capital Projects Fund – Accounts for the Urban Renewal Area operations.

City of Gresham, Oregon
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2019

	Footpaths and Bike Routes Fund	Park Fund	General Development Fund
ASSETS			
Cash and investments	\$ 726,413	\$ 1,033,001	\$ 7,294
Receivables, net	35,999	-	-
Due from other funds	-	-	-
Other assets	4,734	6,502	-
Total assets	<u>\$ 767,146</u>	<u>\$ 1,039,503</u>	<u>\$ 7,294</u>
LIABILITIES			
Accounts payable	\$ 40,911	\$ -	\$ 7,294
Other accrued liabilities	42,662	-	-
Deposits	-	-	-
Due to other funds	-	-	-
Total liabilities	<u>83,573</u>	<u>-</u>	<u>7,294</u>
FUND BALANCES			
Restricted	-	-	-
Assigned	683,573	1,039,503	-
Total fund balances	<u>683,573</u>	<u>1,039,503</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 767,146</u>	<u>\$ 1,039,503</u>	<u>\$ 7,294</u>

Transportation Construction Fund	City UR Capital Improvement Fund	Rockwood UR Capital Projects Fund	Total
\$ 1,730,421	\$ 64,496	\$ 17,701	\$ 3,579,326
177,585	86,183	7,102	306,869
-	-	68,001	68,001
11,031	121	111	22,499
<u>\$ 1,919,037</u>	<u>\$ 150,800</u>	<u>\$ 92,915</u>	<u>\$ 3,976,695</u>
\$ 132,630	\$ 28,037	\$ -	\$ 208,872
-	-	-	42,662
-	-	2,000	2,000
-	68,001	-	68,001
<u>132,630</u>	<u>96,038</u>	<u>2,000</u>	<u>321,535</u>
-	54,762	90,915	145,677
1,786,407	-	-	3,509,483
<u>1,786,407</u>	<u>54,762</u>	<u>90,915</u>	<u>3,655,160</u>
<u>\$ 1,919,037</u>	<u>\$ 150,800</u>	<u>\$ 92,915</u>	<u>\$ 3,976,695</u>

City of Gresham, Oregon
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2019

	Footpaths and Bike Routes Fund	Park Fund	General Development Fund
REVENUES			
Intergovernmental	\$ 167,051	\$ -	\$ -
Charges for services	-	-	-
Miscellaneous	31,316	33,866	-
Total revenues	<u>198,367</u>	<u>33,866</u>	<u>-</u>
EXPENDITURES			
Urban renewal	-	-	-
Capital outlay	1,626,957	6,535	1,003,088
Total expenditures	<u>1,626,957</u>	<u>6,535</u>	<u>1,003,088</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,428,590)</u>	<u>27,331</u>	<u>(1,003,088)</u>
OTHER FINANCING SOURCES (USES)			
Issuance of debt	-	-	-
Transfers in	1,179,927	98,462	1,003,088
Transfers out	-	(2,261)	-
Total other financing sources (uses)	<u>1,179,927</u>	<u>96,201</u>	<u>1,003,088</u>
Net change in fund balances	(248,663)	123,532	-
Fund balances - beginning	<u>932,236</u>	<u>915,971</u>	<u>-</u>
Fund balances - ending	<u>\$ 683,573</u>	<u>\$ 1,039,503</u>	<u>\$ -</u>

Transportation Construction Fund	City UR Capital Improvement Fund	Rockwood UR Capital Projects Fund	Total
\$ 579,592	\$ 7,000,183	\$ -	\$ 7,746,826
-	-	61,261	61,261
37,259	358	26,470	129,269
<u>616,851</u>	<u>7,000,541</u>	<u>87,731</u>	<u>7,937,356</u>
-	-	8,314,000	8,314,000
7,067,662	6,951,254	-	16,655,496
<u>7,067,662</u>	<u>6,951,254</u>	<u>8,314,000</u>	<u>24,969,496</u>
<u>(6,450,811)</u>	<u>49,287</u>	<u>(8,226,269)</u>	<u>(17,032,140)</u>
4,282,800	-	7,700,000	11,982,800
1,385,936	5,378	-	3,672,791
-	-	-	(2,261)
<u>5,668,736</u>	<u>5,378</u>	<u>7,700,000</u>	<u>15,653,330</u>
(782,075)	54,665	(526,269)	(1,378,810)
2,568,482	97	617,184	5,033,970
<u>\$ 1,786,407</u>	<u>\$ 54,762</u>	<u>\$ 90,915</u>	<u>\$ 3,655,160</u>

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Footpaths And Bike Routes Fund
For the Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 111,500	\$ 111,500	\$ 122,315	\$ 10,815
Charges for services	-	-	-	-
Miscellaneous	7,000	7,000	19,698	12,698
Total revenues	<u>118,500</u>	<u>118,500</u>	<u>142,013</u>	<u>23,513</u>
EXPENDITURES				
Capital improvements	7,419,000	7,419,000	1,626,957	5,792,043
Total expenditures	<u>7,419,000</u>	<u>7,419,000</u>	<u>1,626,957</u>	<u>5,792,043</u>
Excess of expenditures over revenues	<u>(7,300,500)</u>	<u>(7,300,500)</u>	<u>(1,484,944)</u>	<u>5,815,556</u>
OTHER FINANCING SOURCES				
Issuance of debt	541,100	541,100	-	(541,100)
Transfers in	6,480,341	6,480,341	1,224,663	(5,255,678)
Total other financing sources	<u>7,021,441</u>	<u>7,021,441</u>	<u>1,224,663</u>	<u>(5,796,778)</u>
Net change in fund balances	(279,059)	(279,059)	(260,281)	18,778
Fund balances - beginning	<u>752,600</u>	<u>752,600</u>	<u>939,906</u>	<u>187,306</u>
Fund balances - ending	<u>\$ 473,541</u>	<u>\$ 473,541</u>	679,625	<u>\$ 206,084</u>
Grant revenues are reported as intergovernmental revenues on a GAAP Basis, rather than Transfers in				
Intergovernmental revenues			44,736	
Transfers in			(44,736)	
Unrealized gain (loss) on investments			<u>3,948</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 683,573</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Parks Fund
For the Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Charges for services	-	-	-	-
Miscellaneous	\$ 13,900	\$ 13,900	\$ 20,644	\$ 6,744
Total revenues	<u>13,900</u>	<u>13,900</u>	<u>20,644</u>	<u>6,744</u>
EXPENDITURES				
Capital improvements	1,963,700	1,963,700	6,535	1,957,165
Total expenditures	<u>1,963,700</u>	<u>1,963,700</u>	<u>6,535</u>	<u>1,957,165</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,949,800)</u>	<u>(1,949,800)</u>	<u>14,109</u>	<u>1,963,909</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,801,700	1,801,700	98,462	(1,703,238)
Transfers out	(4,200)	(4,200)	(2,261)	1,939
Total other financing sources (uses)	<u>1,797,500</u>	<u>1,797,500</u>	<u>96,201</u>	<u>(1,701,299)</u>
Net change in fund balances	(152,300)	(152,300)	110,310	262,610
Fund balances - beginning	<u>920,800</u>	<u>920,800</u>	<u>923,770</u>	<u>2,970</u>
Fund balances - ending	<u>\$ 768,500</u>	<u>\$ 768,500</u>	1,034,080	<u>\$ 265,580</u>
Unrealized gain (loss) on investments			<u>5,423</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 1,039,503</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Development Fund
For the Fiscal Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Capital improvements	29,296,100	29,296,100	1,003,088	28,293,012
Total expenditures	29,296,100	29,296,100	1,003,088	28,293,012
Excess of expenditures over revenues	(29,296,100)	(29,296,100)	(1,003,088)	28,293,012
OTHER FINANCING SOURCES				
Transfers in	29,296,100	29,296,100	1,003,088	(28,293,012)
Total other financing sources	29,296,100	29,296,100	1,003,088	(28,293,012)
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 Construction Fund
For the Fiscal Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 7,638	\$ 7,638
Total revenues	-	-	7,638	7,638
EXPENDITURES				
Capital improvements	29,929,700	29,929,700	7,067,662	22,862,038
Total expenditures	29,929,700	29,929,700	7,067,662	22,862,038
Excess of expenditures over revenues	(29,929,700)	(29,929,700)	(7,060,024)	22,869,676
OTHER FINANCING SOURCES				
Issuance of debt	22,898,419	22,898,419	4,282,800	(18,615,619)
Transfers in	8,342,400	8,342,400	1,952,204	(6,390,196)
Total other financing sources	31,240,819	31,240,819	6,235,004	(25,005,815)
Net change in fund balances	1,311,119	1,311,119	(825,020)	(2,136,139)
Fund balances - beginning	2,769,300	2,769,300	2,602,228	(167,072)
Fund balances - ending	\$ 4,080,419	\$ 4,080,419	1,777,208	\$ (2,303,211)
Grant revenues are reported as intergovernmental revenues on a GAAP Basis, rather than Transfers in				
Intergovernmental revenues			571,954	
Transfers in			(571,954)	
Unrealized gain (loss) on investments			9,199	
Fund balances - generally accepted accounting principles basis, ending			\$ 1,786,407	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
City UR Capital Improvement Fund
For the Fiscal Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 12,425,400	\$ 12,425,400	\$ 6,914,000	\$ (5,511,400)
Charges for services	-	-	-	-
Total revenues	12,425,400	12,425,400	6,914,000	(5,511,400)
EXPENDITURES				
Capital improvements	18,369,600	18,369,600	6,951,254	11,418,346
Total expenditures	18,369,600	18,369,600	6,951,254	11,418,346
Excess of expenditures over revenues	(5,944,200)	(5,944,200)	(37,254)	5,906,946
OTHER FINANCING SOURCES				
Issuance of debt	1,682,600	1,682,600	-	(1,682,600)
Transfers in	4,261,555	4,261,555	91,561	(4,169,994)
Total other financing sources	5,944,155	5,944,155	91,561	(5,852,594)
Net change in fund balances	(45)	(45)	54,307	54,352
Fund balances - beginning	11,800	11,800	354	(11,446)
Fund balances - ending	\$ 11,755	\$ 11,755	54,661	\$ 42,906
Grant revenues are reported as intergovernmental revenues on a GAAP Basis, rather than Transfers in				
Intergovernmental revenues			86,183	
Transfers in			(86,183)	
Unrealized gain (loss) on investments			101	
Fund balances - generally accepted accounting principles basis, ending			\$ 54,762	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Rockwood UR Capital Projects Fund
For the Fiscal Year Ended June 30, 2019

	<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	511,800	511,800	61,261	(450,539)
Miscellaneous	12,000	12,000	21,702	9,702
Total revenues	<u>2,523,800</u>	<u>2,523,800</u>	<u>82,963</u>	<u>(2,440,837)</u>
EXPENDITURES				
Urban renewal	14,425,700	14,425,700	8,314,000	6,111,700
Operating contingency	500,000	500,000	-	500,000
Total expenditures	<u>14,925,700</u>	<u>14,925,700</u>	<u>8,314,000</u>	<u>6,611,700</u>
Excess of expenditures over revenues	<u>(12,401,900)</u>	<u>(12,401,900)</u>	<u>(8,231,037)</u>	<u>4,170,863</u>
OTHER FINANCING SOURCES				
Loan proceeds	14,397,300	14,397,300	7,700,000	(6,697,300)
Total other financing sources	<u>14,397,300</u>	<u>14,397,300</u>	<u>7,700,000</u>	<u>(6,697,300)</u>
Net change in fund balances	1,995,400	1,995,400	(531,037)	(2,526,437)
Fund balances - beginning	<u>528,400</u>	<u>528,400</u>	<u>621,859</u>	<u>93,459</u>
Fund balances - ending	<u>\$ 2,523,800</u>	<u>\$ 2,523,800</u>	90,822	<u>\$ (2,432,978)</u>
Unrealized gain (loss) on investments			<u>93</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 90,915</u>	

CITY OF
GRESHAM
GOING BEYOND

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 Fund – Accounts for debt service payments on obligations of governmental funds.

City Backed Urban Renewal 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.

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.

City of Gresham, Oregon
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2019

	General Government Debt Fund	City Backed Urban Renewal Fund	Pension Bond Debt Service Fund	Total
ASSETS				
Cash and investments	\$ 260,582	\$ 28,244	\$ 497,924	\$ 786,750
Advance to Rockwood UR Debt Service Fund	-	6,164,425	-	6,164,425
Other assets	1,640	178	3,135	4,953
Total assets	\$ 262,222	\$ 6,192,847	\$ 501,059	\$ 6,956,128
FUND BALANCES				
Assigned	262,222	6,192,847	501,059	6,956,128
Total fund balances	\$ 262,222	\$ 6,192,847	\$ 501,059	\$ 6,956,128

City of Gresham, Oregon
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Fiscal Year Ended June 30, 2019

	General Government Debt Fund	City Backed Urban Renewal Fund	Pension Bond Debt Service Fund	Total
REVENUES				
Intergovernmental revenues	\$ 179,209	\$ 1,783,921	\$ -	\$ 1,963,130
Miscellaneous	1,428	154	-	1,582
Internal service charges	-	-	1,848,798	1,848,798
Total revenues	<u>180,637</u>	<u>1,784,075</u>	<u>1,848,798</u>	<u>3,813,510</u>
EXPENDITURES				
Debt service	9,286,650	1,756,348	1,848,469	12,891,467
Total expenditures	<u>9,286,650</u>	<u>1,756,348</u>	<u>1,848,469</u>	<u>12,891,467</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,106,013)</u>	<u>27,727</u>	<u>329</u>	<u>(9,077,957)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	5,650,000	-	-	5,650,000
Transfers in	3,715,598	-	-	3,715,598
Transfers out	-	(1,418,304)	-	(1,418,304)
Total other financing sources (uses)	<u>9,365,598</u>	<u>(1,418,304)</u>	<u>-</u>	<u>7,947,294</u>
Net change in fund balances	259,585	(1,390,577)	329	(1,130,663)
Fund balances - beginning	<u>2,637</u>	<u>7,583,424</u>	<u>500,730</u>	<u>8,086,791</u>
Fund balances - ending	<u>\$ 262,222</u>	<u>\$ 6,192,847</u>	<u>\$ 501,059</u>	<u>\$ 6,956,128</u>

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Government Debt Fund
For the Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Federal BAB subsidy	\$ 3,000	\$ 3,000	\$ 3,268	\$ 268
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>3,268</u>	<u>268</u>
EXPENDITURES				
Debt service	48,743,800	48,743,800	9,286,650	39,457,150
Total expenditures	<u>48,743,800</u>	<u>48,743,800</u>	<u>9,286,650</u>	<u>39,457,150</u>
Excess of expenditures over revenues	<u>(48,740,800)</u>	<u>(48,740,800)</u>	<u>(9,283,382)</u>	<u>39,457,418</u>
OTHER FINANCING SOURCES				
Issuance of debt	41,233,000	41,233,000	5,650,000	(35,583,000)
Transfers in	7,506,715	7,506,715	3,891,538	(3,615,177)
Total other financing sources	<u>48,739,715</u>	<u>48,739,715</u>	<u>9,541,538</u>	<u>(39,198,177)</u>
Net change in fund balances	(1,085)	(1,085)	258,156	259,241
Fund balances - beginning	<u>10,000</u>	<u>10,000</u>	<u>2,698</u>	<u>(7,302)</u>
Fund balances - ending	<u>\$ 8,915</u>	<u>\$ 8,915</u>	260,854	<u>\$ 251,939</u>
Grant revenues are reported as intergovernmental revenues on a GAAP Basis, rather than Transfers in				
Intergovernmental revenues			175,941	
Transfers in			(175,941)	
Unrealized gain (loss) on investments			<u>1,368</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 262,222</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
City Backed Urban Renewal Fund
For the Fiscal Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 1,766,200	\$ 1,766,200	\$ 1,783,921	\$ 17,721
Total revenues	1,766,200	1,766,200	1,783,921	17,721
EXPENDITURES				
Debt service	1,766,200	1,766,200	1,756,348	9,852
Total expenditures	1,766,200	1,766,200	1,756,348	9,852
Excess of revenues over expenditures	-	-	27,573	27,573
Net change in fund balances	-	-	27,573	27,573
Fund balances - beginning	-	-	701	701
Fund balances - ending	\$ -	\$ -	28,274	\$ 28,274
Unrealized gain (loss) on investments			148	
Advances to Rockwood UR Debt Service Fund			6,164,425	
Fund balances - generally accepted accounting principles basis, ending			\$ 6,192,847	

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, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Internal service charges	\$ 1,850,000	\$ 1,850,000	\$ 1,848,798	\$ (1,202)
Total revenues	1,850,000	1,850,000	1,848,798	(1,202)
EXPENDITURES				
Debt service	1,850,000	1,850,000	1,848,469	1,531
Total expenditures	1,850,000	1,850,000	1,848,469	1,531
Net change in fund balances	-	-	329	329
Fund balances - beginning	-	-	500,730	500,730
Fund balances - ending	\$ -	\$ -	\$ 501,059	\$ 501,059

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

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

Stormwater Fund

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

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

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

Wastewater Fund

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

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

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

City of Gresham, Oregon
Combining Schedule of Net Position
Water Fund
June 30, 2019

	Water Fund	Water Debt Service Fund	Water Construction Fund	Total
ASSETS				
Current assets:				
Cash and investments	\$ 21,990,687	\$ 124,542	\$ 10,816,556	\$ 32,931,785
Receivables, net	2,070,499	-	88,708	2,159,207
Due from other funds	1,550,725	-	-	1,550,725
Total current assets	<u>25,611,911</u>	<u>124,542</u>	<u>10,905,264</u>	<u>36,641,717</u>
Noncurrent assets:				
Advances to other funds	245,000	-	-	245,000
Other assets	138,418	784	68,087	207,289
Restricted cash and investments	1,288,395	159,000	-	1,447,395
Capital assets:				
Non-depreciable	2,355,647	-	-	2,355,647
Depreciable, net	65,556,349	-	-	65,556,349
Total noncurrent assets	<u>69,583,809</u>	<u>159,784</u>	<u>68,087</u>	<u>69,811,680</u>
Total assets	<u>95,195,720</u>	<u>284,326</u>	<u>10,973,351</u>	<u>106,453,397</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow related to pension	1,649,588	-	-	1,649,588
Deferred outflow related to OPEB	57,338	-	-	57,338
Total deferred outflows of resources	<u>1,706,926</u>	<u>-</u>	<u>-</u>	<u>1,706,926</u>
LIABILITIES				
Current liabilities:				
Accounts payable	337,435	-	244,954	582,389
Deposits	1,288,395	-	-	1,288,395
Accrued interest payable	-	71,060	-	71,060
Other accrued liabilities	-	-	30,588	30,588
Compensated absences	50,545	-	-	50,545
Bonds, notes and loans payable	4,489,459	-	-	4,489,459
Total current liabilities	<u>6,165,834</u>	<u>71,060</u>	<u>275,542</u>	<u>6,512,436</u>
Noncurrent liabilities:				
Net pension liability	3,279,789	-	-	3,279,789
Net OPEB liability	413,909	-	-	413,909
Compensated absences	286,555	-	-	286,555
Bonds, notes and loans payable	6,119,520	-	-	6,119,520
Total noncurrent liabilities	<u>10,099,773</u>	<u>-</u>	<u>-</u>	<u>10,099,773</u>
Total liabilities	<u>16,265,607</u>	<u>71,060</u>	<u>275,542</u>	<u>16,612,209</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension	927,413	-	-	927,413
Deferred inflows related to OPEB	88,341	-	-	88,341
Total deferred inflows of resources	<u>1,015,754</u>	<u>-</u>	<u>-</u>	<u>1,015,754</u>
NET POSITION				
Net investment in capital assets	57,303,017	-	-	57,303,017
Restricted for:				
Loan requirement	-	159,000	-	159,000
Debt service	-	54,266	-	54,266
Unrestricted	22,318,268	-	10,697,809	33,016,077
Total net position	<u>\$ 79,621,285</u>	<u>\$ 213,266</u>	<u>\$ 10,697,809</u>	<u>\$ 90,532,360</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, 2019

	<u>Water Fund</u>	<u>Water Debt Service Fund</u>	<u>Water Construction Fund</u>	<u>Eliminations</u>	<u>Total</u>
OPERATING REVENUES					
Charges for services	\$ 14,677,572	\$ -	\$ -	\$ -	\$ 14,677,572
Miscellaneous	85,669	-	88,708		174,377
Total operating revenues	<u>14,763,241</u>	<u>-</u>	<u>88,708</u>		<u>14,851,949</u>
OPERATING EXPENSES					
Personnel services	2,985,333	-	-		2,985,333
Professional and technical services	89,994	-	-		89,994
Property services	631,672	-	-		631,672
Other services	76,827	-	-		76,827
Supplies	274,428	-	-		274,428
Water purchase	2,712,628	-	-		2,712,628
Internal services	3,456,508	-	-		3,456,508
Other materials and services	-	-	2,145,089		2,145,089
Depreciation and amortization	3,069,076	-	-		3,069,076
Total operating expenses	<u>13,296,466</u>	<u>-</u>	<u>2,145,089</u>		<u>15,441,555</u>
Operating income (loss)	<u>1,466,775</u>	<u>-</u>	<u>(2,056,381)</u>		<u>(589,606)</u>
NONOPERATING REVENUES (EXPENSES)					
Miscellaneous revenue (expense)	1,452	(928)	-		524
Interest and investment income	788,303	3,687	357,500		1,149,490
Interest expense	-	(298,586)	-		(298,586)
Gain on disposition of capital assets	31,736	-	-		31,736
Total nonoperating revenues (expenses)	<u>821,491</u>	<u>(295,827)</u>	<u>357,500</u>		<u>883,164</u>
Income (loss) before contributions and transfers	<u>2,288,266</u>	<u>(295,827)</u>	<u>(1,698,881)</u>		<u>293,558</u>
Capital contributions	1,710,326	-	-		1,710,326
Transfers in	2,574,779	313,479	3,471,714	(5,778,141)	581,831
Transfers out	(4,242,063)	-	(2,025,562)	5,778,141	(489,484)
Change in net position	<u>2,331,308</u>	<u>17,652</u>	<u>(252,729)</u>		<u>2,096,231</u>
Total net position - beginning	<u>77,289,977</u>	<u>195,614</u>	<u>10,950,538</u>		<u>88,436,129</u>
Total net position - ending	<u>\$ 79,621,285</u>	<u>\$ 213,266</u>	<u>\$ 10,697,809</u>		<u>\$ 90,532,360</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 85,000	\$ 85,000	\$ 85,671	\$ 671
Charges for services	14,267,900	14,267,900	14,677,572	409,672
Miscellaneous	438,600	438,600	657,352	218,752
Internal service charges	530,000	530,000	628,679	98,679
Total revenues	<u>15,321,500</u>	<u>15,321,500</u>	<u>16,049,274</u>	<u>727,774</u>
EXPENDITURES				
Environmental services	11,238,838	11,238,838	10,554,563	684,275
Debt service	541,000	541,000	-	541,000
Operating contingency	1,686,000	1,686,000	-	1,686,000
Total expenditures	<u>13,465,838</u>	<u>13,465,838</u>	<u>10,554,563</u>	<u>2,911,275</u>
Excess of revenues over expenditures	<u>1,855,662</u>	<u>1,855,662</u>	<u>5,494,711</u>	<u>3,639,049</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	541,000	541,000	-	(541,000)
Transfers in	236,000	236,000	549,217	313,217
Transfers out	(2,746,583)	(2,746,583)	(2,578,632)	167,951
Total other financing sources (uses)	<u>(1,969,583)</u>	<u>(1,969,583)</u>	<u>(2,029,415)</u>	<u>(59,832)</u>
Net change in fund balances	(113,921)	(113,921)	3,465,296	3,579,217
Fund balances - beginning	<u>18,760,300</u>	<u>18,760,300</u>	<u>19,937,621</u>	<u>1,177,321</u>
Fund balances - ending	<u>\$ 18,646,379</u>	<u>\$ 18,646,379</u>	23,402,917	<u>\$ 4,756,538</u>
Capital assets, net of depreciation			67,911,996	
Unrealized gain (loss) on investments			122,152	
Due from other funds			1,550,725	
Advance to other funds			245,000	
Debt payable, net			(10,608,979)	
OPEB asset/liability, net			(444,912)	
Pension asset/liability, net			<u>(2,557,614)</u>	
Net position - generally accepted accounting principles basis, ending			<u>\$ 79,621,285</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, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service	798,000	798,000	615,049	182,951
Total expenditures	798,000	798,000	615,049	182,951
 Excess of expenditures over revenues	 (798,000)	 (798,000)	 (615,049)	 182,951
OTHER FINANCING SOURCES				
Transfers in	800,000	800,000	636,834	(163,166)
Total other financing sources	800,000	800,000	636,834	(163,166)
Net change in fund balances	2,000	2,000	21,785	19,785
Fund balances - beginning	250,000	250,000	261,058	11,058
Fund balances - ending	\$ 252,000	\$ 252,000	282,843	\$ 30,843
 Unrealized gain (loss) on investments			1,483	
Accrued interest			(71,060)	
Net position - generally accepted accounting principles basis, ending			\$ 213,266	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Water Construction Fund
For the Fiscal Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 88,708	\$ 88,708
Miscellaneous	114,100	114,100	202,638	88,538
Total revenues	114,100	114,100	291,346	177,246
EXPENDITURES				
Capital improvements	12,954,400	12,954,400	4,170,651	8,783,749
Total expenditures	12,954,400	12,954,400	4,170,651	8,783,749
Excess of expenditures over revenues	(12,840,300)	(12,840,300)	(3,879,305)	8,960,995
OTHER FINANCING SOURCES				
Issuance of debt	7,223,900	7,223,900	1,981,100	(5,242,800)
Transfers in	1,758,000	1,758,000	1,490,614	(267,386)
Total other financing sources	8,981,900	8,981,900	3,471,714	(5,510,186)
Net change in fund balances	(3,858,400)	(3,858,400)	(407,591)	3,450,809
Fund balances - beginning	11,575,500	11,575,500	11,048,621	(526,879)
Fund balances - ending	\$ 7,717,100	\$ 7,717,100	10,641,030	\$ 2,923,930
Unrealized gain (loss) on investments			56,779	
Net position - generally accepted accounting principles basis, ending			\$ 10,697,809	

City of Gresham, Oregon
Combining Schedule of Net Position
Stormwater Fund
June 30, 2019

	Stormwater Fund	Stormwater Debt Service Fund	Stormwater Construction Fund	Total
ASSETS				
Current assets:				
Cash and investments	\$ 13,980,793	\$ 75,332	\$ 8,059,237	\$ 22,115,362
Receivables, net	1,234,930	-	15,128	1,250,058
Due from other funds	1,115,226	-	-	1,115,226
Total current assets	<u>16,330,949</u>	<u>75,332</u>	<u>8,074,365</u>	<u>24,480,646</u>
Noncurrent assets:				
Other assets	88,005	475	50,223	138,703
Restricted cash and investments	500,000	123,390	-	623,390
Capital assets:				
Non-depreciable	7,996,705	-	-	7,996,705
Depreciable, net	53,392,501	-	-	53,392,501
Total noncurrent assets	<u>61,977,211</u>	<u>123,865</u>	<u>50,223</u>	<u>62,151,299</u>
Total assets	<u>78,308,160</u>	<u>199,197</u>	<u>8,124,588</u>	<u>86,631,945</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred refunding amount on debt issuance	58,900	-	-	58,900
Deferred outflow related to pension	1,556,409	-	-	1,556,409
Deferred outflow related to OPEB	41,780	-	-	41,780
Total deferred outflows of resources	<u>1,657,089</u>	<u>-</u>	<u>-</u>	<u>1,657,089</u>
LIABILITIES				
Current liabilities:				
Accounts payable	105,206	-	106,409	211,615
Other accrued liabilities	-	-	10,805	10,805
Accrued interest payable	-	7,367	-	7,367
Compensated absences	43,855	-	-	43,855
Bonds, notes and loans payable	771,872	-	-	771,872
Total current liabilities	<u>920,933</u>	<u>7,367</u>	<u>117,214</u>	<u>1,045,514</u>
Noncurrent liabilities:				
Net pension liability	2,877,192	-	-	2,877,192
Net OPEB liability	304,718	-	-	304,718
Compensated absences	248,745	-	-	248,745
Bonds, notes and loans payable	4,856,210	-	-	4,856,210
Total noncurrent liabilities	<u>8,286,865</u>	<u>-</u>	<u>-</u>	<u>8,286,865</u>
Total liabilities	<u>9,207,798</u>	<u>7,367</u>	<u>117,214</u>	<u>9,332,379</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension	738,755	-	-	738,755
Deferred inflows related to OPEB	20,579	-	-	20,579
Total deferred inflows of resources	<u>759,334</u>	<u>-</u>	<u>-</u>	<u>759,334</u>
NET POSITION				
Net investment in capital assets	55,820,024	-	-	55,820,024
Restricted for:				
Loan requirement	-	123,390	-	123,390
Rate stabilization	500,000	-	-	500,000
Debt service	-	68,440	-	68,440
Unrestricted	13,678,093	-	8,007,374	21,685,467
Total net position	<u>\$ 69,998,117</u>	<u>\$ 191,830</u>	<u>\$ 8,007,374</u>	<u>\$ 78,197,321</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, 2019

	<u>Stormwater Fund</u>	<u>Stormwater Debt Service Fund</u>	<u>Stormwater Construction Fund</u>	<u>Eliminations</u>	<u>Total</u>
OPERATING REVENUES					
Charges for services	\$ 8,881,364	\$ -	\$ -	\$ -	\$ 8,881,364
Total operating revenues	<u>8,881,364</u>	<u>-</u>	<u>-</u>		<u>8,881,364</u>
OPERATING EXPENSES					
Personnel services	2,470,304	-	-		2,470,304
Professional and technical services	594,199	-	-		594,199
Property services	97,641	-	-		97,641
Other services	318,567	-	-		318,567
Supplies	145,218	-	-		145,218
Internal services	2,394,476	-	-		2,394,476
Other materials and services	-	-	713,665		713,665
Depreciation and amortization	2,284,732	-	-		2,284,732
Total operating expenses	<u>8,305,137</u>	<u>-</u>	<u>713,665</u>		<u>9,018,802</u>
Operating income (loss)	<u>576,227</u>	<u>-</u>	<u>(713,665)</u>		<u>(137,438)</u>
NONOPERATING REVENUES (EXPENSES)					
Miscellaneous revenue (expense)	579	(24,061)	-		(23,482)
Interest and investment income	545,305	2,712	209,676		757,693
Interest expense	(24,175)	(64,657)	-		(88,832)
Gain/(Loss) on disposition of capital assets	(1,316,957)	-	-		(1,316,957)
Total nonoperating revenues (expenses)	<u>(795,248)</u>	<u>(86,006)</u>	<u>209,676</u>		<u>(671,578)</u>
Income (loss) before contributions and transfers	<u>(219,021)</u>	<u>(86,006)</u>	<u>(503,989)</u>		<u>(809,016)</u>
Capital contributions	1,905,604	-	3,379,034		5,284,638
Transfers in	5,854,463	92,511	2,884,028	(7,785,829)	1,045,173
Transfers out	(3,604,855)	-	(5,117,275)	7,785,829	(936,301)
Change in net position	<u>3,936,191</u>	<u>6,505</u>	<u>641,798</u>		<u>4,584,494</u>
Total net position - beginning	<u>66,061,926</u>	<u>185,325</u>	<u>7,365,576</u>		<u>73,612,827</u>
Total net position - ending	<u>\$ 69,998,117</u>	<u>\$ 191,830</u>	<u>\$ 8,007,374</u>		<u>\$ 78,197,321</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Charges for services	\$ 8,941,900	\$ 8,941,900	\$ 8,881,364	\$ (60,536)
Miscellaneous	247,270	247,270	351,368	104,098
Internal service charges	830,000	830,000	834,508	4,508
Total revenues	<u>10,019,170</u>	<u>10,019,170</u>	<u>10,067,240</u>	<u>48,070</u>
EXPENDITURES				
Environmental services	7,511,292	7,511,292	6,623,837	887,455
Operating contingency	1,127,000	1,127,000	-	1,127,000
Total expenditures	<u>8,638,292</u>	<u>8,638,292</u>	<u>6,623,837</u>	<u>2,014,455</u>
Excess of revenues over expenditures	<u>1,380,878</u>	<u>1,380,878</u>	<u>3,443,403</u>	<u>2,062,525</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	476,800	476,800	737,188	260,388
Transfers out	(4,456,883)	(4,456,883)	(4,336,635)	120,248
Total other financing sources (uses)	<u>(3,980,083)</u>	<u>(3,980,083)</u>	<u>(3,599,447)</u>	<u>380,636</u>
Net change in fund balances	(2,599,205)	(2,599,205)	(156,044)	2,443,161
Fund balances - beginning	<u>13,818,000</u>	<u>13,818,000</u>	<u>15,485,967</u>	<u>1,667,967</u>
Fund balances - ending	<u>\$ 11,218,795</u>	<u>\$ 11,218,795</u>	15,329,923	<u>\$ 4,111,128</u>
Capital assets, net of depreciation			61,389,206	
Unrealized gain (loss) on investments			75,999	
Due from other funds			1,115,226	
Debt payable, net			(5,569,182)	
OPEB asset/liability, net			(283,517)	
Pension asset/liability, net			<u>(2,059,538)</u>	
Net position - generally accepted accounting principles basis, ending			<u>\$ 69,998,117</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, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service	866,000	866,000	824,291	41,709
Total expenditures	866,000	866,000	824,291	41,709
 Excess of expenditures over revenues	 (866,000)	 (866,000)	 (824,291)	 41,709
OTHER FINANCING SOURCES				
Transfers in	850,000	850,000	824,291	(25,709)
Total other financing sources	850,000	850,000	824,291	(25,709)
 Net change in fund balances	 (16,000)	 (16,000)	 -	 16,000
 Fund balances - beginning	 215,000	 215,000	 198,158	 (16,842)
 Fund balances - ending	 \$ 199,000	 \$ 199,000	 198,158	 \$ (842)
 Unrealized gain (loss) on investments			1,039	
 Accrued interest			(7,367)	
 Net position - generally accepted accounting principles basis, ending			 \$ 191,830	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Stormwater Construction Fund
For the Fiscal Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Miscellaneous	\$ 92,500	\$ 92,500	\$ 108,934	\$ 16,434
Total revenues	92,500	92,500	108,934	16,434
EXPENDITURES				
Capital improvements	12,990,800	12,990,800	5,673,444	7,317,356
Total expenditures	12,990,800	12,990,800	5,673,444	7,317,356
Excess of expenditures over revenues	(12,898,300)	(12,898,300)	(5,564,510)	7,333,790
OTHER FINANCING SOURCES				
Issuance of debt	1,462,400	1,462,400	-	(1,462,400)
Transfers in	8,039,200	8,039,200	6,105,566	(1,933,634)
Total other financing sources	9,501,600	9,501,600	6,105,566	(3,396,034)
Net change in fund balances	(3,396,700)	(3,396,700)	541,056	3,937,756
Fund balances - beginning	10,794,700	10,794,700	7,424,436	(3,370,264)
Fund balances - ending	\$ 7,398,000	\$ 7,398,000	7,965,492	\$ 567,492
Grant revenues are reported as intergovernmental revenues on a GAAP Basis, rather than Transfers in				
Intergovernmental revenues			3,221,538	
Transfers in			(3,221,538)	
Unrealized gain (loss) on investments			41,882	
Net position - generally accepted accounting principles basis, ending			\$ 8,007,374	

City of Gresham, Oregon
Combining Schedule of Net Position
Wastewater Fund
June 30, 2019

	<u>Wastewater Fund</u>	<u>Wastewater Debt Service Fund</u>	<u>Wastewater Construction Fund</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and investments	\$ 27,761,385	\$ 103,228	\$ 17,970,970	\$ 45,835,583
Receivables, net	2,841,074	437,345	-	3,278,419
Due from other funds	2,823,519	-	-	2,823,519
Total current assets	<u>33,425,978</u>	<u>540,573</u>	<u>17,970,970</u>	<u>51,937,521</u>
Noncurrent assets:				
Other assets	174,744	650	113,122	288,516
Restricted cash and investments	2,729,000	507,214	-	3,236,214
Capital assets:				
Non-depreciable	11,944,635	-	-	11,944,635
Depreciable, net	104,007,345	-	-	104,007,345
Total noncurrent assets	<u>118,855,724</u>	<u>507,864</u>	<u>113,122</u>	<u>119,476,710</u>
Total assets	<u>152,281,702</u>	<u>1,048,437</u>	<u>18,084,092</u>	<u>171,414,231</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred refunding amount on debt issuance	33,512	-	-	33,512
Deferred outflow related to pension	1,573,921	-	-	1,573,921
Deferred outflow related to OPEB	13,319	-	-	13,319
Total deferred outflows of resources	<u>1,620,752</u>	<u>-</u>	<u>-</u>	<u>1,620,752</u>
LIABILITIES				
Current liabilities:				
Accounts payable	861,997	-	1,319,183	2,181,180
Accrued interest payable	-	59,246	-	59,246
Other accrued liabilities	-	-	211,844	211,844
Compensated absences	47,270	-	-	47,270
Bonds, notes and loans payable	2,465,818	-	-	2,465,818
Total current liabilities	<u>3,375,085</u>	<u>59,246</u>	<u>1,531,027</u>	<u>4,965,358</u>
Noncurrent liabilities:				
Advance from other funds	245,000	-	-	245,000
Net pension liability	3,255,319	-	-	3,255,319
Total OPEB liability	89,047	-	-	89,047
Compensated absences	267,530	-	-	267,530
Bonds, notes and loans payable	6,747,467	-	-	6,747,467
Total noncurrent liabilities	<u>10,604,363</u>	<u>-</u>	<u>-</u>	<u>10,604,363</u>
Total liabilities	<u>13,979,448</u>	<u>59,246</u>	<u>1,531,027</u>	<u>15,569,721</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension	940,929	-	-	940,929
Deferred inflows related to OPEB	36,592	-	-	36,592
Total deferred inflows of resources	<u>977,521</u>	<u>-</u>	<u>-</u>	<u>977,521</u>
NET POSITION				
Net investment in capital assets	106,772,205	-	-	106,772,205
Restricted for:				
Construction	2,924,093	-	-	2,924,093
Loan covenant requirement	-	507,214	-	507,214
Rate stabilization	2,729,000	-	-	2,729,000
Debt service	4,787,660	-	-	4,787,660
Unrestricted	21,732,527	481,977	16,553,065	38,767,569
Total net position	<u>\$ 138,945,485</u>	<u>\$ 989,191</u>	<u>\$ 16,553,065</u>	<u>\$ 156,487,741</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, 2019

	Wastewater Fund	Wastewater Debt Service Fund	Wastewater Construction Fund	Eliminations	Total
OPERATING REVENUES					
Charges for services	\$ 18,395,517	\$ -	\$ -	\$ -	\$ 18,395,517
Miscellaneous	453,250	-	-		453,250
Total operating revenues	<u>18,848,767</u>	<u>-</u>	<u>-</u>		<u>18,848,767</u>
OPERATING EXPENSES					
Personnel services	2,681,634	-	-		2,681,634
Professional and technical services	3,983,454	-	-		3,983,454
Property services	170,822	-	-		170,822
Other services	59,131	-	-		59,131
Supplies	175,938	-	-		175,938
Internal services	4,626,743	-	-		4,626,743
Other materials and services	-	-	2,641,005		2,641,005
Depreciation and amortization	5,059,268	-	-		5,059,268
Total operating expenses	<u>16,756,990</u>	<u>-</u>	<u>2,641,005</u>		<u>19,397,995</u>
Operating income (loss)	<u>2,091,777</u>	<u>-</u>	<u>(2,641,005)</u>		<u>(549,228)</u>
NONOPERATING REVENUES (EXPENSES)					
Miscellaneous revenue (expense)	194,184	(177)	-		194,007
Interest and investment income	1,176,918	43,535	523,931		1,744,384
Interest expense	-	(371,913)	-		(371,913)
Gain on disposition of capital assets	18,484	-	-		18,484
Total nonoperating revenues (expenses)	<u>1,389,586</u>	<u>(328,555)</u>	<u>523,931</u>		<u>1,584,962</u>
Income (loss) before contributions and transfers	<u>3,481,363</u>	<u>(328,555)</u>	<u>(2,117,074)</u>		<u>1,035,734</u>
Capital contributions	976,373	-	-		976,373
Transfers in	6,812,394	78,601	7,316,238	(12,478,720)	1,728,513
Transfers out	<u>(7,247,725)</u>	<u>-</u>	<u>(5,720,719)</u>	12,478,720	<u>(489,724)</u>
Change in net position	<u>4,022,405</u>	<u>(249,954)</u>	<u>(521,555)</u>		<u>3,250,896</u>
Total net position - beginning	<u>134,923,080</u>	<u>1,239,145</u>	<u>17,074,620</u>		<u>153,236,845</u>
Total net position - ending	<u>\$ 138,945,485</u>	<u>\$ 989,191</u>	<u>\$ 16,553,065</u>		<u>\$ 156,487,741</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Licenses and permits	\$ 6,300	\$ 6,300	\$ 6,194	\$ (106)
Intergovernmental	171,800	171,800	447,056	275,256
Charges for services	18,658,100	18,658,100	18,395,517	(262,583)
Miscellaneous	464,300	464,300	972,945	508,645
Internal service charges	829,000	829,000	976,760	147,760
Total revenues	<u>20,129,500</u>	<u>20,129,500</u>	<u>20,798,472</u>	<u>668,972</u>
EXPENDITURES				
Environmental services	13,964,820	13,964,820	12,652,612	1,312,208
Debt service	161,936	161,936	128,784	33,152
Operating contingency	2,095,000	2,095,000	-	2,095,000
Total expenditures	<u>16,221,756</u>	<u>16,221,756</u>	<u>12,781,396</u>	<u>3,440,360</u>
Excess of revenues over expenditures	<u>3,907,744</u>	<u>3,907,744</u>	<u>8,017,076</u>	<u>4,109,332</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	31,936	31,936	-	(31,936)
Transfers in	247,300	247,300	1,091,675	844,375
Transfers out	(9,367,983)	(9,367,983)	(9,369,124)	(1,141)
Total other financing sources (uses)	<u>(9,088,747)</u>	<u>(9,088,747)</u>	<u>(8,277,449)</u>	<u>811,298</u>
Net change in fund balances	(5,181,003)	(5,181,003)	(260,373)	4,920,630
Fund balances - beginning	<u>30,790,000</u>	<u>30,790,000</u>	<u>32,429,822</u>	<u>1,639,822</u>
Fund balances - ending	<u>\$ 25,608,997</u>	<u>\$ 25,608,997</u>	<u>32,169,449</u>	<u>\$ 6,560,452</u>
Capital assets, net of depreciation			115,951,980	
Unrealized gain (loss) on investments			159,960	
Due from other funds			2,823,519	
Advance from other funds			(245,000)	
Debt payable, net			(9,179,776)	
OPEB asset/liability, net			(112,320)	
Pension asset/liability, net			<u>(2,622,327)</u>	
Net position - generally accepted accounting principles basis, ending			<u>\$ 138,945,485</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 210,000	\$ 210,000	\$ 211,863	\$ 1,863
Miscellaneous	46,000	46,000	34,725	(11,275)
Total revenues	<u>256,000</u>	<u>256,000</u>	<u>246,588</u>	<u>(9,412)</u>
EXPENDITURES				
Debt service	2,524,500	2,524,500	2,504,550	19,950
Total expenditures	<u>2,524,500</u>	<u>2,524,500</u>	<u>2,504,550</u>	<u>19,950</u>
Excess of expenditures over revenues	<u>(2,268,500)</u>	<u>(2,268,500)</u>	<u>(2,257,962)</u>	<u>10,538</u>
OTHER FINANCING SOURCES				
Transfers in	2,200,000	2,200,000	2,200,000	-
Total other financing sources	<u>2,200,000</u>	<u>2,200,000</u>	<u>2,200,000</u>	<u>-</u>
Net change in fund balances	(68,500)	(68,500)	(57,962)	10,538
Fund balances - beginning	<u>900,000</u>	<u>900,000</u>	<u>665,867</u>	<u>(234,133)</u>
Fund balances - ending	<u>\$ 831,500</u>	<u>\$ 831,500</u>	607,905	<u>\$ (223,595)</u>
Unrealized gain (loss) on investments			3,187	
Accrued interest			(59,246)	
Long-term debt receivable			<u>437,345</u>	
Net position - generally accepted accounting principles basis, ending			<u>\$ 989,191</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Wastewater Construction Fund
For the Fiscal Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Miscellaneous	\$ 166,200	\$ 166,200	\$ 279,139	\$ 112,939
Total revenues	166,200	166,200	279,139	112,939
EXPENDITURES				
Capital improvements	20,005,500	20,005,500	8,361,724	11,643,776
Total expenditures	20,005,500	20,005,500	8,361,724	11,643,776
Excess of expenditures over revenues	(19,839,300)	(19,839,300)	(8,082,585)	11,756,715
OTHER FINANCING SOURCES				
Issuance of debt	558,400	558,400	-	(558,400)
Transfers in	6,679,400	6,679,400	7,316,238	636,838
Total other financing sources	7,237,800	7,237,800	7,316,238	78,438
Net change in fund balances	(12,601,500)	(12,601,500)	(766,347)	11,835,153
Fund balances - beginning	23,848,500	23,848,500	17,225,077	(6,623,423)
Fund balances - ending	\$ 11,247,000	\$ 11,247,000	16,458,730	\$ 5,211,730
Unrealized gain (loss) on investments			94,335	
Net position - generally accepted accounting principles basis, ending			\$ 16,553,065	

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.

Workers' Compensation Fund—Accounts for the City's workers' compensation self-insurance program.

Health Insurance Benefits Fund—Accounts for the City's health insurance program.

Dental Insurance Benefits Fund—Accounts for the City's dental insurance program.

Information Technology Fund—Accounts for all City information technology and telecommunication services. For budgetary and operating purposes the activities of the Information Technology Fund, and the IT System Replacement Fund are accounted for separately.

Liability Management Fund—Accounts for risk management activities of the City (except for workers' compensation), including operation of the general and auto liability self-insurance program.

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

Legal Services Fund—Accounts for all City legal services.

Utility Financial Services Fund—Accounts for financial management services provided to the City's water, stormwater and wastewater utilities.

Administrative Services Fund—Accounts for general City administrative services.

City of Gresham, Oregon
Combining Statement of Net Position
Internal Service Funds
June 30, 2019

	Facilities & Fleet Management Fund	Workers' Compensation Fund	Health Insurance Benefits Fund	Dental Insurance Benefits Fund
ASSETS				
Current assets:				
Cash and investments	\$ 2,056,593	\$ 5,858,928	\$ 3,458,506	\$ 858,937
Receivables, net	300	-	41,542	4,315
Due from other funds	154,064	-	-	-
Total current assets	<u>2,210,957</u>	<u>5,858,928</u>	<u>3,500,048</u>	<u>863,252</u>
Noncurrent assets:				
Assessments receivable	-	-	-	-
Other assets	12,529	36,565	21,769	5,407
Restricted cash and investments	-	-	1,977,316	-
Capital assets:				
Non-depreciable	2,268,057	-	-	-
Depreciable, net	8,199,625	8,518	-	-
Total noncurrent assets	<u>10,480,211</u>	<u>45,083</u>	<u>1,999,085</u>	<u>5,407</u>
Total assets	<u>12,691,168</u>	<u>5,904,011</u>	<u>5,499,133</u>	<u>868,659</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow related to pension	976,507	269,390	-	-
Deferred outflow related to OPEB	30,727	-	-	-
Total deferred outflows of resources	<u>1,007,234</u>	<u>269,390</u>	<u>-</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable	297,127	63,097	-	-
Accrued interest payable	80,243	-	-	-
Accrued claims payable	-	3,824,000	901,000	34,000
Other accrued liabilities	-	-	-	-
Unearned revenue	-	-	665,514	63,766
Compensated absences	12,615	1,700	-	-
Bonds, notes and loans payable	363,443	-	-	-
Due to other funds	-	-	-	-
Total current liabilities	<u>753,428</u>	<u>3,888,797</u>	<u>1,566,514</u>	<u>97,766</u>
Noncurrent liabilities:				
Net pension liability	1,538,819	428,806	-	-
Net OPEB liability	215,670	-	-	-
Compensated absences	71,385	9,700	-	-
Bonds, notes and loans payable	1,641,310	-	-	-
Total noncurrent liabilities	<u>3,467,184</u>	<u>438,506</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>4,220,612</u>	<u>4,327,303</u>	<u>1,566,514</u>	<u>97,766</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow related to pension	428,209	116,133	-	-
Deferred inflow related to OPEB	14,267	-	-	-
Total deferred outflows of resources	<u>442,476</u>	<u>116,133</u>	<u>-</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	8,462,929	8,518	-	-
Unrestricted	572,385	1,721,447	3,932,619	770,893
Total net position	<u>\$ 9,035,314</u>	<u>\$ 1,729,965</u>	<u>\$ 3,932,619</u>	<u>\$ 770,893</u>

<u>Information Technology Fund</u>	<u>Liability Management Fund</u>	<u>Equipment Replacement Fund</u>	<u>Legal Services Fund</u>	<u>Utility Financial Services Fund</u>	<u>Admin Services Fund</u>	<u>Total</u>
\$ 3,197,263	\$ 2,676,348	\$ 14,978,798	\$ 243,738	\$ 287,916	\$ 4,526,449	\$ 38,143,476
1,449	-	-	-	122,136	72,037	241,779
1,025,976	-	-	-	36,647	40,733	1,257,420
<u>4,224,688</u>	<u>2,676,348</u>	<u>14,978,798</u>	<u>243,738</u>	<u>446,699</u>	<u>4,639,219</u>	<u>39,642,675</u>
-	-	-	-	4,280	-	4,280
20,126	16,847	94,287	1,534	1,812	28,491	239,367
-	-	-	-	-	-	1,977,316
-	-	-	-	-	-	2,268,057
1,410,130	-	-	-	28,953	63,709	9,710,935
<u>1,430,256</u>	<u>16,847</u>	<u>94,287</u>	<u>1,534</u>	<u>35,045</u>	<u>92,200</u>	<u>14,199,955</u>
<u>5,654,944</u>	<u>2,693,195</u>	<u>15,073,085</u>	<u>245,272</u>	<u>481,744</u>	<u>4,731,419</u>	<u>53,842,630</u>
2,143,490	87,406	-	545,104	854,319	3,105,793	7,982,009
85,267	-	-	-	20,289	89,224	225,507
<u>2,228,757</u>	<u>87,406</u>	<u>-</u>	<u>545,104</u>	<u>874,608</u>	<u>3,195,017</u>	<u>8,207,516</u>
263,139	197,927	445,608	4,993	246,397	119,180	1,637,468
-	-	-	-	-	-	80,243
-	843,194	-	-	-	-	5,602,194
18,647	-	-	-	17,234	19,361	55,242
-	-	-	-	-	5,020	734,300
34,800	1,700	-	7,000	22,700	130,600	211,115
-	-	-	-	-	-	363,443
-	-	14,170,579	-	-	-	14,170,579
<u>316,586</u>	<u>1,042,821</u>	<u>14,616,187</u>	<u>11,993</u>	<u>286,331</u>	<u>274,161</u>	<u>22,854,584</u>
3,449,166	162,152	-	1,056,456	1,739,605	6,170,818	14,545,822
389,016	-	-	-	142,234	673,281	1,420,201
197,200	9,700	-	40,000	128,300	740,100	1,196,385
-	-	-	-	-	-	1,641,310
<u>4,035,382</u>	<u>171,852</u>	<u>-</u>	<u>1,096,456</u>	<u>2,010,139</u>	<u>7,584,199</u>	<u>18,803,718</u>
<u>4,351,968</u>	<u>1,214,673</u>	<u>14,616,187</u>	<u>1,108,449</u>	<u>2,296,470</u>	<u>7,858,360</u>	<u>41,658,302</u>
887,620	41,451	-	270,073	446,490	1,604,359	3,794,335
20,625	-	-	-	8,956	40,331	84,179
<u>908,245</u>	<u>41,451</u>	<u>-</u>	<u>270,073</u>	<u>455,446</u>	<u>1,644,690</u>	<u>3,878,514</u>
1,410,130	-	-	-	28,953	63,709	9,974,239
1,213,358	1,524,477	456,898	(588,146)	(1,424,517)	(1,640,323)	6,539,091
<u>\$ 2,623,488</u>	<u>\$ 1,524,477</u>	<u>\$ 456,898</u>	<u>\$ (588,146)</u>	<u>\$ (1,395,564)</u>	<u>\$ (1,576,614)</u>	<u>\$ 16,513,330</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, 2019

	Facilities & Fleet Management Fund	Workers' Compensation Fund	Health Insurance Benefits Fund	Dental Insurance Benefits Fund
OPERATING REVENUES				
Charges for services, internal	\$ 4,782,402	\$ 1,410,000	\$ 7,298,168	\$ 713,873
Charges for services, external	104,999	-	921,680	57,007
Miscellaneous	560	-	-	-
Total operating revenues	<u>4,887,961</u>	<u>1,410,000</u>	<u>8,219,848</u>	<u>770,880</u>
OPERATING EXPENSES				
Personnel services	1,860,983	560,552	-	-
Professional and technical services	975,178	83,885	225,599	36,356
Property services	942,453	-	-	-
Other services	49,411	167,853	462,941	-
Supplies	1,048,903	5,505	-	-
Insurance claims	-	1,131,777	7,779,184	541,665
Internal services	5,720	-	-	-
Other materials and services	882,122	-	-	-
Depreciation and amortization	579,462	1,002	-	-
Total operating expenses	<u>6,344,232</u>	<u>1,950,574</u>	<u>8,467,724</u>	<u>578,021</u>
Operating income (loss)	<u>(1,456,271)</u>	<u>(540,574)</u>	<u>(247,876)</u>	<u>192,859</u>
NONOPERATING REVENUES (EXPENSES)				
Miscellaneous revenue (expense)	417,420	74,097	602,743	(4,635)
Interest and investment income	65,737	195,560	172,023	25,753
Interest expense	(82,605)	-	-	-
Total nonoperating revenues (expenses)	<u>400,552</u>	<u>269,657</u>	<u>774,766</u>	<u>21,118</u>
Income (loss) before contributions and transfers	<u>(1,055,719)</u>	<u>(270,917)</u>	<u>526,890</u>	<u>213,977</u>
Transfers in	608,012	-	-	-
Transfers out	-	-	(112,600)	(12,500)
Change in net position	<u>(447,707)</u>	<u>(270,917)</u>	<u>414,290</u>	<u>201,477</u>
Total net position - beginning	<u>9,483,021</u>	<u>2,000,882</u>	<u>3,518,329</u>	<u>569,416</u>
Total net position - ending	<u>\$ 9,035,314</u>	<u>\$ 1,729,965</u>	<u>\$ 3,932,619</u>	<u>\$ 770,893</u>

<u>Information Technology Fund</u>	<u>Liability Management Fund</u>	<u>Equipment Replacement Fund</u>	<u>Legal Services Fund</u>	<u>Utility Financial Services Fund</u>	<u>Admin Services Fund</u>	<u>Total</u>
\$ 4,905,538	\$ 1,480,000	\$ 5,114,558	\$ 879,041	\$ 1,900,769	\$ 8,904,190	\$ 37,388,539
22,141	-	-	-	392,983	35,854	1,534,664
2,078	-	-	-	-	352,925	355,563
<u>4,929,757</u>	<u>1,480,000</u>	<u>5,114,558</u>	<u>879,041</u>	<u>2,293,752</u>	<u>9,292,969</u>	<u>39,278,766</u>
3,663,856	166,051	-	1,170,974	1,856,899	7,767,973	17,047,288
353,901	6,725	-	34,876	218,673	940,486	2,875,679
188,082	-	-	4,728	12,064	56,995	1,204,322
74,858	905,124	-	12,549	70,009	499,966	2,242,711
1,008,784	-	185,945	8,398	136,072	210,836	2,604,443
-	319,360	-	-	-	-	9,771,986
1,277,703	-	-	3,405	531,885	51,526	1,870,239
-	-	3,174,391	-	-	-	4,056,513
169,313	-	-	-	15,277	8,059	773,113
<u>6,736,497</u>	<u>1,397,260</u>	<u>3,360,336</u>	<u>1,234,930</u>	<u>2,840,879</u>	<u>9,535,841</u>	<u>42,446,294</u>
(1,806,740)	82,740	1,754,222	(355,889)	(547,127)	(242,872)	(3,167,528)
-	2,156	154	-	-	85,931	1,177,866
68,019	81,288	542,292	19,257	22,029	138,402	1,330,360
-	-	-	-	-	-	(82,605)
<u>68,019</u>	<u>83,444</u>	<u>542,446</u>	<u>19,257</u>	<u>22,029</u>	<u>224,333</u>	<u>2,425,621</u>
(1,738,721)	166,184	2,296,668	(336,632)	(525,098)	(18,539)	(741,907)
2,099,000	-	140,545	-	-	603,100	3,450,657
-	-	(2,371,000)	-	-	(391,000)	(2,887,100)
<u>360,279</u>	<u>166,184</u>	<u>66,213</u>	<u>(336,632)</u>	<u>(525,098)</u>	<u>193,561</u>	<u>(178,350)</u>
<u>2,263,209</u>	<u>1,358,293</u>	<u>390,685</u>	<u>(251,514)</u>	<u>(870,466)</u>	<u>(1,770,175)</u>	<u>16,691,680</u>
<u>\$ 2,623,488</u>	<u>\$ 1,524,477</u>	<u>\$ 456,898</u>	<u>\$ (588,146)</u>	<u>\$ (1,395,564)</u>	<u>\$ (1,576,614)</u>	<u>\$ 16,513,330</u>

City of Gresham, Oregon
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2019

	Facilities & Fleet Management Fund	Workers' Compensation Fund	Health Insurance Benefits Fund	Dental Insurance Benefits Fund
Cash flows from operating activities:				
Receipts from customers	\$ 112,000	\$ -	\$ 909,269	\$ 56,513
Receipts for internal services provided	4,782,402	1,410,000	7,298,168	713,873
Payments to suppliers for goods and services	(3,886,912)	(831,171)	(8,141,724)	(581,021)
Payments to employees for services	(1,632,256)	(506,887)	-	-
Other operating receipts (payments)	417,980	74,097	597,477	(5,350)
Net cash provided by (used in) operating activities	<u>(206,786)</u>	<u>146,039</u>	<u>663,190</u>	<u>184,015</u>
Cash flows from noncapital financing activities:				
Receipts from other funds	670,010	-	-	-
Payments to other funds	(91,678)	-	(112,600)	(12,500)
Net cash provided by (used in) noncapital financing activities	<u>578,332</u>	<u>-</u>	<u>(112,600)</u>	<u>(12,500)</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(294,658)	-	-	-
Principal portion of debt service	(70,000)	-	-	-
Interest portion of debt service	(17,001)	-	-	-
Net cash provided by (used in) capital and related financing activities	<u>(381,659)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:				
Change in investments	(252,550)	(846,251)	(1,118,431)	(241,923)
Investment earnings	60,661	180,219	163,445	22,918
Net cash provided by (used in) investing activities	<u>(191,889)</u>	<u>(666,032)</u>	<u>(954,986)</u>	<u>(219,005)</u>
Net increase (decrease) in cash and cash equivalents	(202,002)	(519,993)	(404,396)	(47,490)
Cash and cash equivalents - beginning	467,872	1,152,575	949,560	133,633
Cash and cash equivalents - ending	<u>\$ 265,870</u>	<u>\$ 632,582</u>	<u>\$ 545,164</u>	<u>\$ 86,143</u>
Classified on the Statement of Net Position as:				
Cash and cash equivalents	\$ 265,870	\$ 632,582	\$ 346,857	\$ 86,143
Restricted cash and cash equivalents	-	-	198,307	-
	<u>\$ 265,870</u>	<u>\$ 632,582</u>	<u>\$ 545,164</u>	<u>\$ 86,143</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (1,456,271)	\$ (540,574)	\$ (247,876)	\$ 192,859
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	579,462	1,002	-	-
Pension adjustments	213,717	50,765	-	-
OPEB adjustments	6,210	-	-	-
Other	417,420	74,097	602,743	(4,635)
Changes in assets and liabilities:				
Receivables	7,001	-	(5,266)	(715)
Accounts payable	16,875	18,849	(1,000)	-
Other assets	-	-	-	-
Other liabilities	8,800	541,900	314,589	(3,494)
Net cash provided by (used in) operating activities	<u>\$ (206,786)</u>	<u>\$ 146,039</u>	<u>\$ 663,190</u>	<u>\$ 184,015</u>
Noncash investing, capital, and financing activities:				
Noncash financed asset purchase	\$ 1,593,000	\$ -	\$ -	\$ -
Increase (Decrease) in fair value of investments	26,904	77,358	68,787	10,189

Information Technology Fund	Liability Management Fund	Equipment Replacement Fund	Legal Services Fund	Utility Financial Services Fund	Admin Services Fund	Total
\$ 22,750	\$ -	\$ -	\$ -	\$ 393,251	\$ 35,854	\$ 1,529,637
4,905,538	1,480,000	5,114,558	879,041	1,900,769	8,904,190	37,388,539
(2,702,698)	(1,226,359)	(2,965,680)	(64,088)	(955,822)	(1,736,272)	(23,091,747)
(3,158,093)	(141,870)	-	(1,151,733)	(1,625,641)	(6,997,829)	(15,214,309)
2,078	2,156	154	-	-	422,555	1,511,147
<u>(930,425)</u>	<u>113,927</u>	<u>2,149,032</u>	<u>(336,780)</u>	<u>(287,443)</u>	<u>628,498</u>	<u>2,123,267</u>
2,099,000	-	(1,174,011)	-	-	614,769	2,209,768
(40,877)	-	(2,633,931)	-	1,574	(391,000)	(3,281,012)
2,058,123	-	(3,807,942)	-	1,574	223,769	(1,071,244)
(79,637)	-	-	-	(4,483)	(64,010)	(442,788)
-	-	-	-	-	-	(70,000)
-	-	-	-	-	-	(17,001)
<u>(79,637)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,483)</u>	<u>(64,010)</u>	<u>(529,789)</u>
(1,204,347)	(419,998)	(592,513)	228,589	185,066	(1,194,725)	(5,457,083)
55,996	74,074	510,435	19,893	22,369	123,854	1,233,864
<u>(1,148,351)</u>	<u>(345,924)</u>	<u>(82,078)</u>	<u>248,482</u>	<u>207,435</u>	<u>(1,070,871)</u>	<u>(4,223,219)</u>
(100,290)	(231,997)	(1,740,988)	(88,298)	(82,917)	(282,614)	(3,700,985)
420,947	500,411	3,243,224	112,743	111,792	736,756	7,829,513
<u>\$ 320,657</u>	<u>\$ 268,414</u>	<u>\$ 1,502,236</u>	<u>\$ 24,445</u>	<u>\$ 28,875</u>	<u>\$ 454,142</u>	<u>\$ 4,128,528</u>
\$ 320,657	\$ 268,414	\$ 1,502,236	\$ 24,445	\$ 28,875	\$ 454,142	\$ 3,930,221
-	-	-	-	-	-	198,307
<u>\$ 320,657</u>	<u>\$ 268,414</u>	<u>\$ 1,502,236</u>	<u>\$ 24,445</u>	<u>\$ 28,875</u>	<u>\$ 454,142</u>	<u>\$ 4,128,528</u>
\$ (1,806,740)	\$ 82,740	\$ 1,754,222	\$ (355,889)	\$ (547,127)	\$ (242,872)	\$ (3,167,528)
169,313	-	-	-	15,277	8,059	773,113
483,198	21,281	-	115,241	211,858	648,044	1,744,104
12,465	-	-	-	4,122	26,557	49,354
-	2,156	154	-	-	85,931	1,177,866
609	-	-	-	268	(16,414)	(14,517)
181,983	120,596	394,656	(132)	7,613	34,363	773,803
-	-	-	-	-	-	-
<u>28,747</u>	<u>(112,846)</u>	<u>-</u>	<u>(96,000)</u>	<u>20,546</u>	<u>84,830</u>	<u>787,072</u>
<u>\$ (930,425)</u>	<u>\$ 113,927</u>	<u>\$ 2,149,032</u>	<u>\$ (336,780)</u>	<u>\$ (287,443)</u>	<u>\$ 628,498</u>	<u>\$ 2,123,267</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,593,000
34,677	35,319	216,481	6,071	6,263	54,549	536,598

City of Gresham, Oregon
Combining Schedule of Net Position
Facilities & Fleet Management Fund
June 30, 2019

	Facilities & Fleet Management Fund	City Facility Capital Improvement Fund	City Hall Debt Service Fund	Total
ASSETS				
Current assets:				
Cash and investments	\$ 1,534,836	\$ 439,382	\$ 82,375	\$ 2,056,593
Receivables, net	300	-	-	300
Due from other funds	154,064	-	-	154,064
Total current assets	<u>1,689,200</u>	<u>439,382</u>	<u>82,375</u>	<u>2,210,957</u>
Noncurrent assets:				
Other assets	9,763	2,766	-	12,529
Capital assets:				
Non-depreciable	2,268,057	-	-	2,268,057
Depreciable, net	8,199,625	-	-	8,199,625
Total noncurrent assets	<u>10,477,445</u>	<u>2,766</u>	<u>-</u>	<u>10,480,211</u>
Total assets	<u>12,166,645</u>	<u>442,148</u>	<u>82,375</u>	<u>12,691,168</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow related to pension	976,507	-	-	976,507
Deferred outflow related to OPEB	30,727	-	-	30,727
Total deferred outflows of resources	<u>1,007,234</u>	<u>-</u>	<u>-</u>	<u>1,007,234</u>
LIABILITIES				
Current liabilities:				
Accounts payable	152,779	144,348	-	297,127
Accrued interest payable	-	-	80,243	80,243
Compensated absences	12,615	-	-	12,615
Bonds, notes and loans payable	363,443	-	-	363,443
Total current liabilities	<u>528,837</u>	<u>144,348</u>	<u>80,243</u>	<u>753,428</u>
Noncurrent liabilities:				
Net pension liability	1,538,819	-	-	1,538,819
Net OPEB liability	215,670	-	-	215,670
Compensated absences	71,385	-	-	71,385
Bonds, notes and loans payable	1,641,310	-	-	1,641,310
Total noncurrent liabilities	<u>3,467,184</u>	<u>-</u>	<u>-</u>	<u>3,467,184</u>
Total liabilities	<u>3,996,021</u>	<u>144,348</u>	<u>80,243</u>	<u>4,220,612</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow related to pension	428,209	-	-	428,209
Deferred inflow related to OPEB	14,267	-	-	14,267
Total deferred outflows of resources	<u>442,476</u>	<u>-</u>	<u>-</u>	<u>442,476</u>
NET POSITION				
Net investment in capital assets	8,462,929	-	-	8,462,929
Unrestricted	272,453	297,800	2,132	572,385
Total net position	<u>\$ 8,735,382</u>	<u>\$ 297,800</u>	<u>\$ 2,132</u>	<u>\$ 9,035,314</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, 2019

	Facilities & Fleet Management Fund	City Facility Capital Improvement Fund	City Hall Debt Service Fund	Eliminations	Total
OPERATING REVENUES					
Charges for services, internal	\$ 4,782,402	\$ -	\$ -	\$ -	\$ 4,782,402
Charges for services, external	104,999	-	-		104,999
Miscellaneous	560	-	-		560
Total operating revenues	<u>4,887,961</u>	<u>-</u>	<u>-</u>		<u>4,887,961</u>
OPERATING EXPENSES					
Personnel services	1,860,983	-	-		1,860,983
Professional and technical services	975,178	-	-		975,178
Property services	942,453	-	-		942,453
Other services	49,411	-	-		49,411
Supplies	1,048,903	-	-		1,048,903
Internal services	5,720	-	-		5,720
Other materials and services	-	882,122	-		882,122
Depreciation and amortization	579,462	-	-		579,462
Total operating expenses	<u>5,462,110</u>	<u>882,122</u>	<u>-</u>		<u>6,344,232</u>
Operating income (loss)	<u>(574,149)</u>	<u>(882,122)</u>	<u>-</u>		<u>(1,456,271)</u>
NONOPERATING REVENUES (EXPENSES)					
Miscellaneous revenue (expense)	131,497	286,416	(493)		417,420
Interest and investment income	55,223	10,514	-		65,737
Interest expense	-	-	(82,605)		(82,605)
Total nonoperating revenues (expenses)	<u>186,720</u>	<u>296,930</u>	<u>(83,098)</u>		<u>400,552</u>
Income (loss) before contributions and transfers	<u>(387,429)</u>	<u>(585,192)</u>	<u>(83,098)</u>		<u>(1,055,719)</u>
Transfers in	847,102	302,512	12,562	(554,164)	608,012
Transfers out	<u>(287,562)</u>	<u>(266,602)</u>	<u>-</u>	554,164	<u>-</u>
Change in net position	<u>172,111</u>	<u>(549,282)</u>	<u>(70,536)</u>		<u>(447,707)</u>
Total net position - beginning	<u>8,563,271</u>	<u>847,082</u>	<u>72,668</u>		<u>9,483,021</u>
Total net position - ending	<u>\$ 8,735,382</u>	<u>\$ 297,800</u>	<u>\$ 2,132</u>		<u>\$ 9,035,314</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 93,000	\$ 93,000	\$ 84,682	\$ (8,318)
Miscellaneous	95,779	95,779	191,208	95,429
Internal service charges	4,778,861	4,778,861	4,782,402	3,541
Total revenues	<u>4,967,640</u>	<u>4,967,640</u>	<u>5,058,292</u>	<u>90,652</u>
EXPENDITURES				
Finance and management services	5,138,400	5,138,400	4,522,383	616,017
Fire and emergency services	208,740	208,740	198,077	10,663
Operating contingency	262,000	262,000	-	262,000
Total expenditures	<u>5,609,140</u>	<u>5,609,140</u>	<u>4,720,460</u>	<u>888,680</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(641,500)</u>	<u>(641,500)</u>	<u>337,832</u>	<u>979,332</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	580,500	580,500	580,500	-
Transfers out	<u>(163,000)</u>	<u>(363,000)</u>	<u>(363,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>417,500</u>	<u>217,500</u>	<u>217,500</u>	<u>-</u>
Net change in fund balances	(224,000)	(424,000)	555,332	979,332
Fund balances - beginning	<u>224,000</u>	<u>424,000</u>	<u>744,646</u>	<u>320,646</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	1,299,978	<u>\$ 1,299,978</u>
Capital assets, net of depreciation			10,467,683	
Unrealized gain (loss) on investments			8,141	
Due from other funds			154,064	
Debt payable, net			(2,004,753)	
OPEB asset/liability, net			(199,210)	
Pension asset/liability, net			<u>(990,521)</u>	
Net position - generally accepted accounting principles basis, ending			<u>\$ 8,735,382</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 286,417	\$ 286,417
Total revenues	<u>-</u>	<u>-</u>	<u>286,417</u>	<u>286,417</u>
EXPENDITURES				
Capital improvements	1,225,000	1,425,000	1,148,724	276,276
Total expenditures	<u>1,225,000</u>	<u>1,425,000</u>	<u>1,148,724</u>	<u>276,276</u>
Excess of expenditures over revenues	<u>(1,225,000)</u>	<u>(1,425,000)</u>	<u>(862,307)</u>	<u>562,693</u>
OTHER FINANCING SOURCES				
Transfers in	125,000	325,000	302,512	(22,488)
Total other financing sources	<u>125,000</u>	<u>325,000</u>	<u>302,512</u>	<u>(22,488)</u>
Net change in fund balances	(1,100,000)	(1,100,000)	(559,795)	540,205
Fund balances - beginning	<u>1,111,600</u>	<u>1,111,600</u>	<u>855,289</u>	<u>(256,311)</u>
Fund balances - ending	<u>\$ 11,600</u>	<u>\$ 11,600</u>	295,494	<u>\$ 283,894</u>
Unrealized gain (loss) on investments			<u>2,306</u>	
Net position - generally accepted accounting principles basis, ending			<u>\$ 297,800</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
City Hall Debt Service Fund
For the Fiscal Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service	88,000	88,000	87,493	507
Total expenditures	<u>88,000</u>	<u>88,000</u>	<u>87,493</u>	<u>507</u>
Excess of expenditures over revenues	<u>(88,000)</u>	<u>(88,000)</u>	<u>(87,493)</u>	<u>507</u>
OTHER FINANCING SOURCES				
Transfers in	88,000	88,000	88,000	-
Total other financing sources	<u>88,000</u>	<u>88,000</u>	<u>88,000</u>	<u>-</u>
Net change in fund balances	-	-	507	507
Fund balances - beginning	<u>78,000</u>	<u>78,000</u>	<u>81,868</u>	<u>3,868</u>
Fund balances - ending	<u>\$ 78,000</u>	<u>\$ 78,000</u>	82,375	<u>\$ 4,375</u>
Accrued interest			<u>(80,243)</u>	
Net position - generally accepted accounting principles basis, ending			<u>\$ 2,132</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Workers' Compensation Fund
For the Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Miscellaneous	\$ 114,300	\$ 114,300	\$ 192,299	\$ 77,999
Internal service charges	1,410,000	1,410,000	1,410,000	-
Total revenues	<u>1,524,300</u>	<u>1,524,300</u>	<u>1,602,299</u>	<u>77,999</u>
EXPENDITURES				
City attorney office	2,460,051	2,460,051	1,898,807	561,244
Operating contingency	550,000	550,000	-	550,000
Total expenditures	<u>3,010,051</u>	<u>3,010,051</u>	<u>1,898,807</u>	<u>1,111,244</u>
Excess of expenditures over revenues	<u>(1,485,751)</u>	<u>(1,485,751)</u>	<u>(296,508)</u>	<u>1,189,243</u>
Net change in fund balances	(1,485,751)	(1,485,751)	(296,508)	1,189,243
Fund balances - beginning	<u>2,344,160</u>	<u>2,344,160</u>	<u>2,263,011</u>	<u>(81,149)</u>
Fund balances - ending	<u>\$ 858,409</u>	<u>\$ 858,409</u>	1,966,503	<u>\$ 1,108,094</u>
Capital assets, net of depreciation			8,518	
Unrealized gain (loss) on investments			30,493	
Pension asset/liability, net			<u>(275,549)</u>	
Net position - generally accepted accounting principles basis, ending			<u>\$ 1,729,965</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Health Insurance Benefits Fund
For the Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Miscellaneous	\$ 1,397,000	\$ 1,397,000	\$ 1,627,658	\$ 230,658
Internal service charges	9,442,000	9,442,000	7,298,168	(2,143,832)
Total revenues	<u>10,839,000</u>	<u>10,839,000</u>	<u>8,925,826</u>	<u>(1,913,174)</u>
EXPENDITURES				
City-wide services	10,889,000	10,889,000	8,467,723	2,421,277
Operating contingency	1,650,000	1,650,000	-	1,650,000
Total expenditures	<u>12,539,000</u>	<u>12,539,000</u>	<u>8,467,723</u>	<u>4,071,277</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,700,000)</u>	<u>(1,700,000)</u>	<u>458,103</u>	<u>2,158,103</u>
OTHER FINANCING (USES)				
Transfers out	<u>(112,600)</u>	<u>(112,600)</u>	<u>(112,600)</u>	<u>-</u>
Total other financing (uses)	<u>(112,600)</u>	<u>(112,600)</u>	<u>(112,600)</u>	<u>-</u>
Net change in fund balances	(1,812,600)	(1,812,600)	345,503	2,158,103
Fund balances - beginning	<u>1,912,000</u>	<u>1,912,000</u>	<u>3,558,647</u>	<u>1,646,647</u>
Fund balances - ending	<u>\$ 99,400</u>	<u>\$ 99,400</u>	<u>3,904,150</u>	<u>\$ 3,804,750</u>
Unrealized gain (loss) on investments			<u>28,469</u>	
Net position - generally accepted accounting principles basis, ending			<u>\$ 3,932,619</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Dental Insurance Benefits Fund
For the Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Miscellaneous	\$ 57,000	\$ 57,000	\$ 67,936	\$ 10,936
Internal service charges	873,000	873,000	713,873	(159,127)
Total revenues	<u>930,000</u>	<u>930,000</u>	<u>781,809</u>	<u>(148,191)</u>
EXPENDITURES				
City-wide services	918,000	918,000	578,021	339,979
Operating contingency	140,000	140,000	-	140,000
Total expenditures	<u>1,058,000</u>	<u>1,058,000</u>	<u>578,021</u>	<u>479,979</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(128,000)</u>	<u>(128,000)</u>	<u>203,788</u>	<u>331,788</u>
OTHER FINANCING (USES)				
Transfers out	(12,500)	(12,500)	(12,500)	-
Total other financing (uses)	<u>(12,500)</u>	<u>(12,500)</u>	<u>(12,500)</u>	<u>-</u>
Net change in fund balances	(140,500)	(140,500)	191,288	331,788
Fund balances - beginning	<u>600,000</u>	<u>600,000</u>	<u>575,096</u>	<u>(24,904)</u>
Fund balances - ending	<u>\$ 459,500</u>	<u>\$ 459,500</u>	<u>766,384</u>	<u>\$ 306,884</u>
Unrealized gain (loss) on investments			<u>4,509</u>	
Net position - generally accepted accounting principles basis, ending			<u>\$ 770,893</u>	

City of Gresham, Oregon
Combining Schedule of Net Position
Information Technology Fund
June 30, 2019

	Information Technology Fund	Enterprise Systems Replacement Fund	Total
ASSETS			
Current assets:			
Cash and investments	\$ 1,651,224	\$ 1,546,039	\$ 3,197,263
Receivables, net	1,449	-	1,449
Due from other funds	1,025,976	-	1,025,976
Total current assets	<u>2,678,649</u>	<u>1,546,039</u>	<u>4,224,688</u>
Noncurrent assets:			
Other assets	10,394	9,732	20,126
Capital assets:			
Depreciable, net	1,410,130	-	1,410,130
Total noncurrent assets	<u>1,420,524</u>	<u>9,732</u>	<u>1,430,256</u>
Total assets	<u>4,099,173</u>	<u>1,555,771</u>	<u>5,654,944</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow related to pension	2,143,490	-	2,143,490
Deferred outflow related to OPEB	85,267	-	85,267
Total deferred outflows of resources	<u>2,228,757</u>	<u>-</u>	<u>2,228,757</u>
LIABILITIES			
Current liabilities:			
Accounts payable	198,851	64,288	263,139
Other accrued liabilities	-	18,647	18,647
Compensated absences	30,700	4,100	34,800
Total current liabilities	<u>229,551</u>	<u>87,035</u>	<u>316,586</u>
Noncurrent liabilities:			
Net pension liability	3,449,166	-	3,449,166
Net OPEB liability	389,016	-	389,016
Compensated absences	174,200	23,000	197,200
Total noncurrent liabilities	<u>4,012,382</u>	<u>23,000</u>	<u>4,035,382</u>
Total liabilities	<u>4,241,933</u>	<u>110,035</u>	<u>4,351,968</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow related to pension	887,620	-	887,620
Deferred inflow related to OPEB	20,625	-	20,625
Total deferred outflows of resources	<u>908,245</u>	<u>-</u>	<u>908,245</u>
NET POSITION			
Net investment in capital assets	1,410,130	-	1,410,130
Unrestricted	(232,378)	1,445,736	1,213,358
Total net position	<u>\$ 1,177,752</u>	<u>\$ 1,445,736</u>	<u>\$ 2,623,488</u>

City of Gresham, Oregon
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
Information Technology Fund
For the Fiscal Year Ended June 30, 2019

	Information Technology Fund	Enterprise Systems Replacement Fund	Eliminations	Total
OPERATING REVENUES				
Charges for services, internal	\$ 4,905,538	\$ -	\$ -	\$ 4,905,538
Charges for services, external	22,141	-		22,141
Miscellaneous	2,078	-		2,078
Total operating revenues	<u>4,929,757</u>	<u>-</u>		<u>4,929,757</u>
OPERATING EXPENSES				
Personnel services	3,663,856	-		3,663,856
Professional and technical services	353,901	-		353,901
Property services	188,082	-		188,082
Other services	74,858	-		74,858
Supplies	1,008,784	-		1,008,784
Internal services	31,728	1,245,975		1,277,703
Depreciation and amortization	169,313	-		169,313
Total operating expenses	<u>5,490,522</u>	<u>1,245,975</u>		<u>6,736,497</u>
Operating income (loss)	<u>(560,765)</u>	<u>(1,245,975)</u>		<u>(1,806,740)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest and investment income	57,946	10,073		68,019
Total nonoperating revenues (expenses)	<u>57,946</u>	<u>10,073</u>		<u>68,019</u>
Income (loss) before contributions and transfers	<u>(502,819)</u>	<u>(1,235,902)</u>		<u>(1,738,721)</u>
Transfers in	-	2,500,000	(401,000)	2,099,000
Transfers out	<u>(401,000)</u>	<u>-</u>	401,000	<u>-</u>
Change in net position	(903,819)	1,264,098		360,279
Total net position - beginning	<u>2,081,571</u>	<u>181,638</u>		<u>2,263,209</u>
Total net position - ending	<u>\$ 1,177,752</u>	<u>\$ 1,445,736</u>		<u>\$ 2,623,488</u>

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Information Technology Fund
For the Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 590	\$ 590	\$ 2,078	\$ 1,488
Charges for services	-	-	22,141	22,141
Miscellaneous	-	-	33,342	33,342
Internal service charges	4,905,538	4,905,538	4,905,538	-
Total revenues	<u>4,906,128</u>	<u>4,906,128</u>	<u>4,963,099</u>	<u>56,971</u>
EXPENDITURES				
Information technologies	5,255,128	5,255,128	4,946,060	309,068
Operating contingency	500,000	500,000	-	500,000
Total expenditures	<u>5,755,128</u>	<u>5,755,128</u>	<u>4,946,060</u>	<u>809,068</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(849,000)</u>	<u>(849,000)</u>	<u>17,039</u>	<u>866,039</u>
OTHER FINANCING (USES)				
Transfers out	(401,000)	(401,000)	(401,000)	-
Total other financing (uses)	<u>(401,000)</u>	<u>(401,000)</u>	<u>(401,000)</u>	<u>-</u>
Net change in fund balances	(1,250,000)	(1,250,000)	(383,961)	866,039
Fund balances - beginning	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,634,609</u>	<u>384,609</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	1,250,648	<u>\$ 1,250,648</u>
Capital assets, net of depreciation			1,410,130	
Unrealized gain (loss) on investments			8,668	
Due from other funds			1,025,976	
OPEB asset/liability, net			(324,374)	
Pension asset/liability, net			<u>(2,193,296)</u>	
Net position - generally accepted accounting principles basis, ending			<u>\$ 1,177,752</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Enterprise Systems Replacement Fund
For the Fiscal Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Capital improvements	2,500,000	2,500,000	1,245,975	1,254,025
Total expenditures	2,500,000	2,500,000	1,245,975	1,254,025
Excess of expenditures over revenues	(2,500,000)	(2,500,000)	(1,245,975)	1,254,025
OTHER FINANCING SOURCES				
Issuance of debt	-	-	-	-
Transfers in	2,500,000	2,500,000	2,500,000	-
Total other financing sources	2,500,000	2,500,000	2,500,000	-
Net change in fund balances	-	-	1,254,025	1,254,025
Fund balances - beginning	-	-	183,595	183,595
Fund balances - ending	\$ -	\$ -	1,437,620	\$ 1,437,620
Unrealized gain (loss) on investments			8,116	
Net position - generally accepted accounting principles basis, ending			\$ 1,445,736	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Liability Management Fund
For the Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Miscellaneous	\$ 52,000	\$ 52,000	\$ 48,125	\$ (3,875)
Internal service charges	1,480,000	1,480,000	1,480,000	-
Total revenues	<u>1,532,000</u>	<u>1,532,000</u>	<u>1,528,125</u>	<u>(3,875)</u>
EXPENDITURES				
City attorney office	1,724,183	1,724,183	1,375,979	348,204
Operating contingency	184,200	184,200	-	184,200
Total expenditures	<u>1,908,383</u>	<u>1,908,383</u>	<u>1,375,979</u>	<u>532,404</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(376,383)</u>	<u>(376,383)</u>	<u>152,146</u>	<u>528,529</u>
Net change in fund balances	(376,383)	(376,383)	152,146	528,529
Fund balances - beginning	<u>1,476,700</u>	<u>1,476,700</u>	<u>1,474,479</u>	<u>(2,221)</u>
Fund balances - ending	<u>\$ 1,100,317</u>	<u>\$ 1,100,317</u>	1,626,625	<u>\$ 526,308</u>
Unrealized gain (loss) on investments			14,049	
Pension asset/liability, net			<u>(116,197)</u>	
Net position - generally accepted accounting principles basis, ending			<u>\$ 1,524,477</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Miscellaneous	\$ 126,128	\$ 126,128	\$ 325,965	\$ 199,837
Internal service charges	3,537,074	3,537,074	3,537,074	-
Total revenues	<u>3,663,202</u>	<u>3,663,202</u>	<u>3,863,039</u>	<u>199,837</u>
EXPENDITURES				
Finance and management services	5,524,039	5,838,155	3,360,336	2,477,819
Total expenditures	<u>5,524,039</u>	<u>5,838,155</u>	<u>3,360,336</u>	<u>2,477,819</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,860,837)</u>	<u>(2,174,953)</u>	<u>502,703</u>	<u>2,677,656</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	126,000	240,116	140,545	(99,571)
Transfers out	(2,371,000)	(2,371,000)	(2,371,000)	-
Total other financing sources (uses)	<u>(2,245,000)</u>	<u>(2,130,884)</u>	<u>(2,230,455)</u>	<u>(99,571)</u>
Net change in fund balances	(4,105,837)	(4,305,837)	(1,727,752)	2,578,085
Fund balances - beginning	<u>14,899,786</u>	<u>15,099,786</u>	<u>16,276,603</u>	<u>1,176,817</u>
Fund balances - ending	<u>\$ 10,793,949</u>	<u>\$ 10,793,949</u>	14,548,851	<u>\$ 3,754,902</u>
Unrealized gain (loss) on investments			78,626	
Due to other funds			<u>(14,170,579)</u>	
Net position - generally accepted accounting principles basis, ending			<u>\$ 456,898</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, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Charges for services	-	-	-	-
Miscellaneous	\$ -	\$ -	\$ 13,186	\$ 13,186
Internal service charges	1,254,526	1,254,526	879,041	(375,485)
Total revenues	1,254,526	1,254,526	892,227	(362,299)
EXPENDITURES				
City attorney office	1,184,526	1,184,526	1,119,689	64,837
Operating contingency	170,000	170,000	-	170,000
Total expenditures	1,354,526	1,354,526	1,119,689	234,837
Excess of expenditures over revenues	(100,000)	(100,000)	(227,462)	(127,462)
Net change in fund balances	(100,000)	(100,000)	(227,462)	(127,462)
Fund balances - beginning	100,000	100,000	419,462	319,462
Fund balances - ending	\$ -	\$ -	192,000	\$ 192,000
Unrealized gain (loss) on investments			1,279	
Pension asset/liability, net			(781,425)	
Net position - generally accepted accounting principles basis, ending			\$ (588,146)	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Utility Financial Services Fund
For the Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Charges for services	\$ 124,900	\$ 124,900	\$ 392,983	\$ 268,083
Miscellaneous	335,900	335,900	15,765	(320,135)
Internal service charges	2,356,190	2,356,190	1,900,769	(455,421)
Total revenues	<u>2,816,990</u>	<u>2,816,990</u>	<u>2,309,517</u>	<u>(507,473)</u>
EXPENDITURES				
Finance and management services	2,817,990	2,817,990	2,612,531	205,459
Operating contingency	167,000	167,000	-	167,000
Total expenditures	<u>2,984,990</u>	<u>2,984,990</u>	<u>2,612,531</u>	<u>372,459</u>
Excess of expenditures over revenues	<u>(168,000)</u>	<u>(168,000)</u>	<u>(303,014)</u>	<u>(135,014)</u>
Net change in fund balances	(168,000)	(168,000)	(303,014)	(135,014)
Fund balances - beginning	<u>168,000</u>	<u>168,000</u>	<u>303,014</u>	<u>135,014</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Capital assets, net of depreciation			28,954	
Unrealized gain (loss) on investments			1,512	
Due from other funds			36,647	
OPEB asset/liability, net			(130,901)	
Pension asset/liability, net			<u>(1,331,776)</u>	
Net position - generally accepted accounting principles basis, ending			<u>\$ (1,395,564)</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, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 63,790	\$ 94,865	\$ 203,985	\$ 109,120
Charges for services	14,000	14,000	35,854	21,854
Miscellaneous	-	-	169,784	169,784
Internal service charges	8,636,919	8,636,919	8,904,190	267,271
Total revenues	8,714,709	8,745,784	9,313,813	568,029
EXPENDITURES				
Office of governance and management	2,329,596	2,329,596	2,314,451	15,145
Finance and management services	2,054,842	2,054,842	1,725,667	329,175
City-wide services	3,815,781	3,815,781	3,499,973	315,808
Community Livability	1,382,940	1,414,015	1,365,431	48,584
Operating contingency	250,000	250,000	-	250,000
Total expenditures	9,833,159	9,864,234	8,905,522	958,712
Excess (deficiency) of revenues over (under) expenditures	(1,118,450)	(1,118,450)	408,291	1,526,741
OTHER FINANCING SOURCES (USES)				
Transfers in	776,450	776,450	752,040	(24,410)
Transfers out	(391,000)	(391,000)	(391,000)	-
Total other financing sources (uses)	385,450	385,450	361,040	(24,410)
Net change in fund balances	(733,000)	(733,000)	769,331	1,502,331
Fund balances - beginning	1,730,000	1,730,000	2,819,625	1,089,625
Fund balances - ending	\$ 997,000	\$ 997,000	3,588,956	\$ 2,591,956
Grant revenues are reported as intergovernmental revenues on a GAAP Basis, rather than Transfers in				
Intergovernmental revenues			148,940	
Transfers in			(148,940)	
Capital assets, net of depreciation			63,709	
Unrealized gain (loss) on investments			23,760	
Due from other funds			40,733	
OPEB asset/liability, net			(624,388)	
Pension asset/liability, net			(4,669,384)	
Net position - generally accepted accounting principles basis, ending			\$ (1,576,614)	

Fiduciary Funds

Fiduciary funds are used to account for assets held in a trustee or agency capacity for others and therefore, cannot be used to support the City's own programs. The funds included in this fund type are:

Benefits Fund – Agency fund that accounts for the accumulation and disbursement of monies for employee payroll taxes, and fringe benefits.

City of Gresham, Oregon
Statement of Changes in Assets and Liabilities
Benefits Fund
For the Fiscal Year Ended June 30, 2019

	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
ASSETS				
Cash and investments	\$ 1,564,801	\$ 38,834,787	\$ 38,535,485	\$ 1,864,103
Receivables	17,585	203,932	201,124	20,393
Other assets	6,059	11,748	6,059	11,748
Total assets	<u>\$ 1,588,445</u>	<u>\$ 39,050,467</u>	<u>\$ 38,742,668</u>	<u>\$ 1,896,244</u>
LIABILITIES				
Liabilities:				
Accounts payable	\$ 452,865	\$ 6,992,893	\$ 7,029,936	\$ 489,908
Other liabilities	1,135,580	37,297,760	37,568,516	1,406,336
Total liabilities	<u>\$ 1,588,445</u>	<u>\$ 44,290,653</u>	<u>\$ 44,598,452</u>	<u>\$ 1,896,244</u>

Other Schedules

City of Gresham, Oregon
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2019

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-18-MC-41-0006	\$ 947,589	\$ 581,823
Pass-through assistance:				
City of Portland				
Home Investment Partnerships Program	14.239	30006376	440,100	283,524
Total U.S. Department of Housing and Urban Development			1,387,689	865,347
U.S. Department of Justice				
Direct Assistance:				
Public Safety Partnership and Community Policing Grants - 2014	16.710	2014-UM-WX-0119	12,389	-
Public Safety Partnership and Community Policing Grants - 2015	16.710	2015-UM-WX-0134	76,013	-
Public Safety Partnership and Community Policing Grants - 2016	16.710	2016-UM-WX-0075	78,487	-
Public Safety Partnership and Community Policing Grants - 2017	16.710	2017-UM-WX-0001	23,989	-
Subtotal for CFDA 16.710			190,878	-
Pass-through assistance:				
City of Portland				
Edward Byrne Memorial Justice Assistance Grant Program - 2015	16.738	2015-DJ-BX-0532	21,609	-
Edward Byrne Memorial Justice Assistance Grant Program - 2017	16.738	2017-DJ-BX-0666	6,029	-
Total JAG Program Cluster			27,638	-
Direct Assistance:				
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	2017-MO-BX-0011	130,726	-
Equitable Sharing Program	16.922	N/A	6,984	-
Total U.S. Department of Justice			356,226	-
U.S. Department of Transportation				
Pass-through assistance:				
Highway Planning and Construction Cluster:				
Oregon Department of Transportation				
Work Zone Enforcement Grants	20.205	1719WKZN-421 EEE	3,651	-
Safe Routes to School	20.205	N/A	6,106	-
NE Kane Road at Kelly Creek Culvert	20.205	31267	3,221,538	-
City of Gresham Safety Project	20.205	30922	18,279	-
Hogan - Powell to Burnside	20.205	32600	143,922	-
Sandy Blvd: NE 181st Ave to East Gresham City Limit	20.205	30914	86,183	-
East Metro Connections ITS	20.205	29582	422,364	-
Total Highway Planning and Construction Cluster			3,902,043	-
Highway Safety Cluster:				
Oregon Department of Transportation				
State and Community Highway Safety (Speed Enforcement Grant)	20.600	SC-17-35-04 EEE	4,613	-
Oregon Impact				
State and Community Highway Safety (Distracted Driving Grant)	20.600	N/A	3,936	-
State and Community Highway Safety (Pedestrian Safety Enhancement Grant)	20.600	N/A	6,593	-
Subtotal for CFDA 20.600			15,142	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated (July 2018 - June 2019)	20.608	N/A	9,838	-
Oregon Department of Transportation				
National Priority Safety Program (Safety Belt Overtime Grants)	20.616	N/A	1,030	-
Total Highway Safety Cluster			26,010	-
Total U.S. Department of Transportation			3,928,053	-

City of Gresham, Oregon
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2019

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
Department of Health and Human Services Centers for Disease Control and Prevention				
Pass-through assistance:				
Multnomah County				
Crime Prevention Through Enhanced Design	93.136	44000003971/HD-IGA-E-1812-2018	10,000	-
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	<u>75,424</u>	-
Total Department of Health and Human Services Centers for Disease Control and Prevention			<u>85,424</u>	<u>-</u>
U.S. Department of Homeland Security				
Direct Assistance:				
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2016-FH-00476	362,635	-
Pass-through assistance:				
Oregon Office of Emergency Management				
Emergency Management Performance Grants - 2018	97.042	18-540	96,875	-
Pre-Disaster Mitigation	97.047	EMS-2018-PC-0003	88,708	-
Homeland Security Grant Program	97.067	UA17-008	<u>177,377</u>	-
Total U.S. Department of Homeland Security			<u>725,595</u>	<u>-</u>
Total Federal Expenditures			<u>\$ 6,482,987</u>	<u>\$ 865,347</u>

City of Gresham, Oregon
Notes to the Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2019

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, 2019. 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, 2019. 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	\$ 579,000
Community Development Block Grants_Section 108 Loan Guarantees	14.248	B-12-MC-41-0006	697,000

Note 4. Indirect Cost Rate

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

Statistical Section

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental activities				
Net investment in capital assets	\$ 901,963,958	\$ 863,746,464	\$ 828,386,469	\$ 796,126,418
Restricted	48,400,592	40,281,459	35,457,503	31,868,109
Unrestricted	<u>2,482,917</u>	<u>9,323,501</u>	<u>11,376,559</u>	<u>6,742,722</u>
Total governmental activities net position	<u>952,847,467</u>	<u>913,351,424</u>	<u>875,220,531</u>	<u>834,737,249</u>
Business-type activities				
Net investment in capital assets	195,087,866	196,080,153	201,004,436	203,517,713
Restricted	8,147,682	9,640,806	9,931,470	10,074,559
Unrestricted	<u>75,459,832</u>	<u>76,919,257</u>	<u>77,422,112</u>	<u>74,674,199</u>
Total business-type activities net position	<u>278,695,380</u>	<u>282,640,216</u>	<u>288,358,018</u>	<u>288,266,471</u>
Primary government				
Net investment in capital assets	1,097,051,824	1,059,826,617	1,029,390,905	999,644,131
Restricted	56,548,274	49,922,265	45,388,973	41,942,668
Unrestricted	<u>77,942,749</u>	<u>86,242,758</u>	<u>88,798,671</u>	<u>81,416,921</u>
Total primary government net position	<u>\$ 1,231,542,847</u>	<u>\$ 1,195,991,640</u>	<u>\$ 1,163,578,549</u>	<u>\$ 1,123,003,720</u>

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

2014	2015	2016	2017	2018	2019
\$ 749,923,076	\$ 716,667,046	\$ 681,572,417	\$ 688,607,182	\$ 615,299,091	\$ 595,420,402
31,749,851	42,700,948	46,864,238	49,493,800	47,562,955	64,175,811
17,581,665	(5,567,160)	(22,236,961)	(55,927,410)	(10,610,161)	(25,564,149)
<u>799,254,592</u>	<u>753,800,834</u>	<u>706,199,694</u>	<u>682,173,572</u>	<u>652,251,885</u>	<u>634,032,064</u>
202,461,179	207,475,404	208,952,590	214,549,637	212,138,253	219,895,246
15,331,003	5,530,116	5,513,755	5,663,183	12,938,449	11,853,063
75,243,789	84,669,268	88,354,709	87,848,527	90,209,099	93,469,113
<u>293,035,971</u>	<u>297,674,788</u>	<u>302,821,054</u>	<u>308,061,347</u>	<u>315,285,801</u>	<u>325,217,422</u>
952,384,255	924,142,450	890,525,007	903,156,819	827,437,344	815,315,648
47,080,854	48,231,064	52,377,993	55,156,983	60,501,404	76,028,874
92,825,454	79,102,108	66,117,748	31,921,117	79,598,938	67,904,964
<u>\$ 1,092,290,563</u>	<u>\$ 1,051,475,622</u>	<u>\$ 1,009,020,748</u>	<u>\$ 990,234,919</u>	<u>\$ 967,537,686</u>	<u>\$ 959,249,486</u>

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Expenses				
<i>Governmental activities:</i>				
General government	\$ 16,979,629	\$ 18,132,134	\$ 18,508,873	\$ 19,027,820
Public safety	29,698,462	29,307,610	30,006,778	31,831,095
Transportation	46,532,755	48,966,993	49,006,201	49,128,434
Urban design and planning	3,161,075	3,539,297	2,611,405	2,500,604
Community development	3,611,731	3,376,329	2,913,104	2,799,343
Economic development services	381,287	481,400	519,584	412,783
Parks operation	-	-	-	-
Environmental services	4,286,201	5,229,337	3,762,583	4,217,117
Community Livability	-	-	-	-
Urban renewal	2,449,717	7,161,360	5,000,945	4,386,824
Interest on long-term debt	1,823,668	2,743,009	2,608,776	2,160,278
Total governmental activities expenses	<u>108,924,525</u>	<u>118,937,469</u>	<u>114,938,249</u>	<u>116,464,298</u>
<i>Business-type activities:</i>				
Water	9,841,207	10,345,989	11,047,719	11,250,320
Stormwater	6,232,881	7,141,091	6,748,674	7,971,656
Wastewater	14,071,421	16,359,697	16,541,486	17,289,060
Total business-type activities expenses	<u>30,145,509</u>	<u>33,846,777</u>	<u>34,337,879</u>	<u>36,511,036</u>
Total government expenses	<u>\$ 139,070,034</u>	<u>\$ 152,784,246</u>	<u>\$ 149,276,128</u>	<u>\$ 152,975,334</u>
Program Revenues				
<i>Governmental activities:</i>				
Charges for services:				
General government	\$ 3,702,204	\$ 3,797,023	\$ 3,978,220	\$ 4,773,215
Public safety	5,803,781	5,738,956	5,900,559	5,760,133
Transportation	4,357,869	4,252,562	4,361,142	4,451,642
Urban design and planning	351,013	394,869	285,700	314,702
Community Development	1,657,231	2,501,368	2,808,480	2,437,662
Economic development services	-	-	-	-
Parks operations	-	-	-	-
Environmental services	3,041,148	3,339,115	2,511,339	2,561,845
Community Livability	-	-	-	-
Urban renewal	2,436,269	5,137,001	3,463,210	3,480,705
Operating grants and contributions	9,278,757	10,679,998	10,432,437	9,596,941
Capital grants and contributions	7,880,879	4,492,794	1,953,926	3,420,093
Total governmental activities program revenues	<u>38,509,151</u>	<u>40,333,686</u>	<u>35,695,013</u>	<u>36,796,938</u>
<i>Business-type activities</i>				
Charges for services:				
Water	12,091,945	12,243,099	12,341,723	12,956,278
Stormwater	6,453,171	6,731,757	7,069,240	7,278,802
Wastewater	14,392,924	14,727,342	15,395,361	15,959,110
Operating grants and contributions	-	-	-	-
Capital grants and contributions	2,103,428	1,193,828	2,152,577	481,812
Total business-type activities program revenues	<u>35,041,468</u>	<u>34,896,026</u>	<u>36,958,901</u>	<u>36,676,002</u>
Total government program revenues	<u>73,550,619</u>	<u>75,229,712</u>	<u>72,653,914</u>	<u>73,472,940</u>

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

2014	2015	2016	2017	2018	2019
\$ 29,166,371	\$ 27,229,600	\$ 33,371,670	\$ 34,548,635	\$ 34,781,828	\$ 41,942,083
26,559,777	21,713,792	44,825,834	35,570,784	40,292,312	41,598,297
48,609,374	45,661,889	48,409,354	48,175,064	43,807,972	33,337,155
1,365,870	957,688	2,117,987	1,992,752	2,548,099	2,331,719
3,023,856	2,590,182	4,446,844	3,817,693	4,468,594	4,145,004
405,782	391,025	1,248,089	782,765	523,019	491,227
-	1,505,531	1,508,485	1,405,582	2,002,434	1,833,193
3,493,637	1,481,087	3,135,670	2,704,270	2,818,835	3,023,306
-	-	-	-	-	337,859
6,476,339	10,334,396	3,066,437	5,472,373	2,079,618	8,448,044
2,456,107	2,375,332	2,635,798	2,385,663	2,217,715	2,398,404
<u>121,557,113</u>	<u>114,240,522</u>	<u>144,766,168</u>	<u>136,855,581</u>	<u>135,540,426</u>	<u>139,886,291</u>
11,289,468	9,907,852	13,321,861	12,486,828	13,856,477	15,740,141
6,796,580	5,818,448	7,802,970	8,225,600	8,835,420	10,428,543
<u>16,986,874</u>	<u>14,914,216</u>	<u>17,609,484</u>	<u>17,255,130</u>	<u>19,079,128</u>	<u>19,769,908</u>
<u>35,072,922</u>	<u>30,640,516</u>	<u>38,734,315</u>	<u>37,967,558</u>	<u>41,771,025</u>	<u>45,938,592</u>
<u>\$ 156,630,035</u>	<u>\$ 144,881,038</u>	<u>\$ 183,500,483</u>	<u>\$ 174,823,139</u>	<u>\$ 177,311,451</u>	<u>\$ 185,824,883</u>
\$ 4,774,350	\$ 4,727,746	\$ 4,483,991	\$ 4,583,748	\$ 5,126,082	\$ 5,921,164
9,509,578	9,496,947	10,175,747	10,507,044	11,302,429	11,461,167
4,599,347	3,919,783	4,111,318	4,169,029	4,266,299	4,324,129
823,950	653,708	761,785	1,040,149	908,382	1,141,846
2,883,906	4,628,102	3,051,610	3,883,470	4,654,328	7,631,613
-	-	-	-	-	916,397
-	221,240	241,634	246,548	250,107	226,783
2,902,722	5,658,899	6,141,968	6,590,650	8,259,424	8,924,045
-	-	-	-	-	557,301
5,301,090	8,724,220	1,582,585	3,697,421	69,938	90,205
9,336,157	10,515,883	10,056,115	11,006,815	12,817,532	11,454,437
1,531,378	4,093,377	5,450,478	4,691,150	1,877,424	5,682,032
<u>41,662,478</u>	<u>52,639,905</u>	<u>46,057,231</u>	<u>50,416,024</u>	<u>49,531,945</u>	<u>58,331,119</u>
12,746,233	11,419,158	13,298,124	13,208,556	14,173,310	14,795,502
7,405,949	6,933,480	8,958,410	8,001,761	8,286,851	8,861,833
16,489,981	14,459,367	16,488,480	18,010,136	18,473,667	19,061,257
-	-	124,918	-	-	-
<u>194,587</u>	<u>391,284</u>	<u>2,574,730</u>	<u>2,430,750</u>	<u>6,189,170</u>	<u>8,060,045</u>
<u>36,836,750</u>	<u>33,203,289</u>	<u>41,444,662</u>	<u>41,651,203</u>	<u>47,122,998</u>	<u>50,778,637</u>
<u>78,499,228</u>	<u>85,843,194</u>	<u>87,501,893</u>	<u>92,067,227</u>	<u>96,654,943</u>	<u>109,109,756</u>

Changes in Net Position continued

	2010	2011	2012	2013
Net (Expense) Revenue				
Governmental activities	(70,415,374)	(78,603,783)	(79,243,236)	(79,667,360)
Business-type activities	4,895,959	1,049,249	2,621,022	164,966
Total net expenses	<u>(65,519,415)</u>	<u>(77,554,534)</u>	<u>(76,622,214)</u>	<u>(79,502,394)</u>
General Revenues and Other Changes in Net Position				
<i>Governmental activities:</i>				
Taxes				
Property taxes, levied for general purposes	25,132,892	25,846,750	26,380,647	27,150,149
Property taxes, levied for debt service	14,198	12,178	37,346	9,182
License fees	8,207,930	7,980,453	8,936,935	9,061,648
Business income taxes	3,428,710	3,778,125	4,215,128	4,472,110
Hotel and motel taxes	454,954	460,311	495,019	604,569
Other taxes	103,368	230,942	163,055	145,842
Grants and contributions	2,012,939	2,093,534	2,392,870	2,478,538
Interest and investment earnings	1,026,427	736,259	711,744	158,511
Gain on sale of capital assets	-	-	-	-
Transfers	(2,127,139)	(2,030,812)	(2,220,401)	71,129
Total governmental activities revenues	<u>38,254,279</u>	<u>39,107,740</u>	<u>41,112,343</u>	<u>44,151,678</u>
<i>Business-type activities:</i>				
Interest and investment earnings	1,196,466	864,775	876,379	29,683
Transfers	2,127,139	2,030,812	2,220,401	(71,129)
Total business-type activities revenue (expense)	<u>3,323,605</u>	<u>2,895,587</u>	<u>3,096,780</u>	<u>(41,446)</u>
Total government revenues	<u>\$ 41,577,884</u>	<u>\$ 42,003,327</u>	<u>\$ 44,209,123</u>	<u>\$ 44,110,232</u>
Change in Net Position				
Governmental activities	\$ (32,161,095)	\$ (39,496,043)	\$ (38,130,893)	\$ (35,515,682)
Prior period adjustment to governmental activities	-	-	-	(4,658,333)
Cumulative effect of change in accounting principle	-	-	-	(309,267)
Business-type activities	8,219,564	3,944,836	5,717,802	123,520
Prior period adjustment to business-type activities	-	-	-	-
Cumulative effect of change in accounting principle	-	-	-	(215,067)
Total government	<u>\$ (23,941,531)</u>	<u>\$ (35,551,207)</u>	<u>\$ (32,413,091)</u>	<u>\$ (40,574,829)</u>

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

2014	2015	2016	2017	2018	2019
(79,894,635)	(61,600,617)	(98,708,937)	(86,439,557)	(86,008,481)	(81,555,172)
1,763,828	2,562,773	2,710,347	3,683,645	5,351,973	4,840,045
<u>(78,130,807)</u>	<u>(59,037,844)</u>	<u>(95,998,590)</u>	<u>(82,755,912)</u>	<u>(80,656,508)</u>	<u>(76,715,127)</u>
27,078,547	29,746,987	30,145,355	31,294,955	32,185,065	34,381,162
-	-	-	-	-	-
9,100,066	9,117,451	9,324,117	20,309,911	11,889,588	12,563,826
4,973,382	5,406,445	6,874,811	6,423,412	7,226,463	8,289,994
664,241	808,826	977,317	1,046,122	994,578	968,036
117,820	95,254	115,545	257,704	407,668	421,070
2,590,468	2,669,644	2,669,472	2,867,087	3,548,018	3,500,367
1,335,686	962,189	1,644,731	872,940	1,020,669	4,543,258
-	98,765	164,749	99,211	79,239	107,646
(1,448,232)	(3,711,628)	(808,300)	(757,907)	(1,777,219)	(1,440,008)
<u>44,411,978</u>	<u>45,193,933</u>	<u>51,107,797</u>	<u>62,413,435</u>	<u>55,574,069</u>	<u>63,335,351</u>
1,557,440	1,053,440	1,627,619	798,741	877,567	3,651,568
1,448,232	3,711,628	808,300	757,907	1,777,219	1,440,008
3,005,672	4,765,068	2,435,919	1,556,648	2,654,786	5,091,576
<u>\$ 47,417,650</u>	<u>\$ 49,959,001</u>	<u>\$ 53,543,716</u>	<u>\$ 63,970,083</u>	<u>\$ 58,228,855</u>	<u>\$ 68,426,927</u>
\$ (35,482,657)	\$ (16,406,684)	\$ (47,601,140)	\$ (24,026,122)	\$ (30,434,412)	\$ (18,219,821)
-	-	-	-	-	-
-	(29,047,074)	-	-	512,725	-
4,769,500	7,327,841	5,146,266	5,240,293	8,006,759	9,931,621
-	-	-	-	-	-
-	(2,689,024)	-	-	(782,305)	-
<u>\$ (30,713,157)</u>	<u>\$ (40,814,941)</u>	<u>\$ (42,454,874)</u>	<u>\$ (18,785,829)</u>	<u>\$ (22,697,233)</u>	<u>\$ (8,288,200)</u>

City of Gresham, Oregon

Fund Balances of Governmental Funds¹

for the last ten fiscal years

(modified accrual basis of accounting)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Fund				
Unassigned	\$ 10,423,352	\$ 9,871,456	\$ 10,985,939	\$ 9,711,024
Total General Fund	<u>10,423,352</u>	<u>9,871,456</u>	<u>10,985,939</u>	<u>9,711,024</u>
Transportation Fund				
Restricted	10,103,391	10,306,944	9,800,186	10,497,186
Total Transportation Fund	<u>10,103,391</u>	<u>10,306,944</u>	<u>9,800,186</u>	<u>10,497,186</u>
System Development Charge Fund				
Restricted	17,372,915	14,947,502	12,551,182	10,391,604
Total System Development Charges Fund	<u>17,372,915</u>	<u>14,947,502</u>	<u>12,551,182</u>	<u>10,391,604</u>
Dedicated Revenue Fund ²				
Assigned	-	-	-	-
Total Dedicated Revenue Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
City Backed Urban Renewal Fund				
Nonspendable	18,137,905	18,418,585	-	18,887,999
Restricted	9,433,775	25,219	-	26,586
Assigned	-	-	-	-
Total City Backed Urban Renewal Fund	<u>27,571,680</u>	<u>18,443,804</u>	<u>-</u>	<u>18,914,585</u>
Rockwood UR Debt Service Fund				
Restricted	-	-	-	-
Unassigned	(12,105,060)	(11,488,256)	(11,859,277)	(12,319,388)
Total Rockwood UR Debt Service Fund	<u>(12,105,060)</u>	<u>(11,488,256)</u>	<u>(11,859,277)</u>	<u>(12,319,388)</u>
Nonmajor Governmental Funds				
Restricted		9,208,059	7,607,560	6,979,591
Committed	-	-	-	-
Assigned	4,412,887	5,034,433	5,968,924	5,318,272
Total Nonmajor Governmental Funds	<u>4,412,887</u>	<u>14,242,492</u>	<u>13,576,484</u>	<u>12,297,787</u>
Total all funds	<u>\$ 57,779,165</u>	<u>\$ 56,323,942</u>	<u>\$ 35,054,514</u>	<u>\$ 49,492,798</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.

2014	2015	2016	2017	2018	2019
\$ 14,509,323	\$ 16,242,524	\$ 17,407,220	\$ 26,563,568	\$ 26,554,424	\$ 22,857,805
14,509,323	16,242,524	17,407,220	26,563,568	26,554,424	22,857,805
11,700,976	14,531,483	15,787,346	17,564,409	19,449,673	23,446,993
11,700,976	14,531,483	15,787,346	17,564,409	19,449,673	23,446,993
9,003,097	7,978,841	10,781,925	13,035,598	15,594,217	18,989,060
9,003,097	7,978,841	10,781,925	13,035,598	15,594,217	18,989,060
-	-	-	-	743,929	766,165
-	-	-	-	743,929	766,165
21,062,612	-	-	-	-	-
8,452	904	-	-	-	-
-	17,930,173	-	-	-	-
21,071,064	17,931,077	-	-	-	-
-	-	-	978,730	3,509,320	4,949,130
(14,247,748)	(9,327,503)	(7,057,486)	-	-	-
(14,247,748)	(9,327,503)	(7,057,486)	978,730	3,509,320	4,949,130
12,670,071	14,672,998	13,508,228	9,466,281	11,324,298	14,707,627
-	742,438	713,856	777,980	820,577	914,316
6,635,762	10,183,132	26,384,613	19,622,437	17,591,543	16,040,433
19,305,833	25,598,568	40,606,697	29,866,698	29,736,418	31,662,376
\$ 61,342,545	\$ 72,954,990	\$ 77,525,702	\$ 88,009,003	\$ 95,587,981	\$ 102,671,529

City of Gresham, Oregon

Changes in Fund Balances of Governmental Funds

for the last ten fiscal years

(modified accrual basis of accounting)

	2010	2011	2012	2013
Revenues				
Taxes	\$ 29,034,739	\$ 30,120,054	\$ 30,823,141	\$ 32,213,880
Licenses and permits	1,869,010	2,069,498	2,239,950	1,947,906
Intergovernmental	27,354,915	29,439,638	29,206,206	29,064,640
Charges for services	3,627,949	4,182,773	3,632,593	5,091,724
License fees	8,188,851	7,980,452	8,936,935	9,061,648
Miscellaneous	1,214,733	847,642	923,738	461,340
Contributions and donations	73,978	17,210	-	-
Internal service charges	4,071,341	3,887,185	3,528,690	3,277,629
Total revenues	<u>75,435,516</u>	<u>78,544,452</u>	<u>79,291,253</u>	<u>81,118,767</u>
Expenditures				
Current:				
General government	663,066	960,022	6,305	29,902
Public safety	37,774,358	39,395,779	39,772,617	43,288,184
Transportation	7,369,449	7,983,123	8,208,975	8,274,290
Urban design and planning	4,202,110	4,763,971	3,596,322	3,440,197
Community development	4,618,959	4,571,322	3,874,064	3,768,133
Parks	-	-	-	-
Environmental services	5,401,021	5,531,132	5,132,674	4,932,885
Economic development services	492,422	642,641	734,209	573,901
Community Livability	-	-	-	-
Urban renewal	2,505,655	5,145,898	4,802,798	4,167,675
Debt service:				
Interest	1,456,737	4,276,495	5,515,742	5,135,273
Principal	6,679,550	10,822,000	3,506,944	2,961,659
Capital outlay	8,913,457	7,324,727	6,353,435	6,407,429
Total expenditures	<u>80,076,784</u>	<u>91,417,110</u>	<u>81,504,085</u>	<u>82,979,528</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,641,268)</u>	<u>(12,872,658)</u>	<u>(2,212,832)</u>	<u>(1,860,761)</u>
Other financing sources (uses)				
Debt/refunding proceeds	24,970,000	1,350,000	2,605,000	3,226,480
Asset sale proceeds	-	-	-	-
Transfers in	74,093,922	13,520,106	13,534,774	13,902,344
Transfers out	<u>(77,832,725)</u>	<u>(17,031,835)</u>	<u>(17,508,103)</u>	<u>(18,842,157)</u>
Total other financing sources (uses)	<u>21,231,197</u>	<u>(2,161,729)</u>	<u>(1,368,329)</u>	<u>(1,713,333)</u>
Net change in fund balances	<u>\$ 16,589,929</u>	<u>\$ (15,034,387)</u>	<u>\$ (3,581,161)</u>	<u>\$ (3,574,094)</u>
Total expenditures	80,076,784	91,417,110	81,504,085	82,979,528
Less: capital expenditures	<u>(9,928,319)</u>	<u>(6,756,129)</u>	<u>(8,253,734)</u>	<u>(7,757,540)</u>
Total noncapital expenditures	70,148,465	84,660,981	73,250,351	75,221,988
Governmental capital expenditures	9,928,319	6,756,129	8,253,734	7,757,540
Debt service as a percentage of noncapital expenditures	11.6%	17.8%	12.3%	10.8%

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

	2014	2015	2016	2017	2018	2019
\$	33,227,830	\$ 35,268,843	\$ 37,876,770	\$ 38,789,436	\$ 41,052,961	\$ 44,778,408
	2,075,363	2,601,458	2,868,139	2,762,215	3,351,012	4,088,553
	30,355,384	36,284,744	27,703,501	30,313,399	30,224,230	38,079,121
	8,509,853	11,551,188	12,849,976	13,409,046	15,688,696	17,009,318
	9,100,065	9,117,450	9,324,117	20,309,912	11,889,588	12,563,828
	1,370,393	1,483,901	2,189,992	1,995,894	2,831,874	4,911,661
	-	-	100	5,000	-	-
	3,230,739	3,735,489	3,526,244	3,395,097	4,448,399	4,699,604
	87,869,627	100,043,073	96,338,839	110,979,999	109,486,760	126,130,493
	30,131	36,327	121,549	390,185	488,079	64,317
	42,486,706	46,063,033	49,528,990	53,367,814	57,625,177	62,787,415
	8,125,186	7,607,574	7,501,485	7,447,012	7,980,413	8,829,454
	2,091,026	2,132,148	2,425,750	3,065,661	3,724,108	3,455,288
	4,652,916	5,028,741	5,369,228	5,827,958	6,556,409	6,502,729
	-	2,362,206	2,419,159	2,477,379	2,677,575	3,118,728
	4,274,926	2,565,785	2,612,337	3,072,076	3,438,271	3,636,960
	610,212	690,642	1,379,573	1,248,395	751,702	755,124
	-	-	-	-	-	579,201
	6,115,006	9,658,420	2,467,469	4,854,590	2,944,694	9,591,430
	5,773,293	4,551,954	6,185,825	5,882,948	5,728,221	7,650,372
	3,921,633	11,158,057	3,692,811	5,521,001	3,703,036	11,049,666
	9,254,972	9,704,079	7,219,611	7,645,272	8,495,480	16,655,496
	87,336,007	101,558,966	90,923,787	100,800,291	104,113,165	134,676,180
	533,620	(1,515,893)	5,415,052	10,179,708	5,373,595	(8,545,687)
	18,113,517	16,728,777	-	605,000	5,644,000	17,632,800
	-	-	325,000	650,000	-	-
	17,825,884	28,138,566	17,626,838	20,787,604	14,008,862	16,441,028
	(24,623,274)	(31,739,005)	(18,796,178)	(21,739,011)	(17,447,479)	(18,444,593)
	11,316,127	13,128,338	(844,340)	303,593	2,205,383	15,629,235
\$	11,849,747	\$ 11,612,445	\$ 4,570,712	\$ 10,483,301	\$ 7,578,978	\$ 7,083,548
	87,336,007	101,558,966	90,923,787	100,800,291	104,113,165	134,676,180
	(13,437,494)	(9,764,061)	(8,188,166)	(9,136,825)	(10,221,292)	(14,592,866)
	73,898,513	91,794,905	82,735,621	91,663,466	93,891,873	120,083,314
	13,437,494	9,764,061	8,188,166	9,136,825	10,221,292	14,592,866
	13.1%	17.1%	11.9%	12.4%	10.0%	15.6%

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
2010	\$ 25,147,783	\$ 454,954	\$ 3,428,710	\$ 3,292	\$ 29,034,739
2011	25,876,592	460,311	3,778,125	5,053	30,120,080
2012	26,107,853	495,019	4,215,128	5,198	30,823,197
2013	27,131,524	604,569	4,472,110	5,703	32,213,907
2014	27,585,831	664,241	4,973,382	4,579	33,228,033
2015	29,051,146	808,826	5,406,445	2,509	35,268,926
2016	30,019,240	977,317	6,874,811	5,402	37,876,770
2017	31,185,226	1,046,122	6,423,412	134,676	38,789,436
2018	32,503,307	994,578	7,226,463	328,613	41,052,961
2019	35,093,756	968,036	8,289,994	426,622	44,778,408

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

City of Gresham, Oregon

**Assessed Value and Estimated Real Market Value of Taxable Property
for the last ten fiscal years**

Fiscal Year	Real Property	Personal Property	Public Utility Property	Total Assessed Value	Total Direct Tax Rate	Estimated Real Market Value (RMV)	Assessed Value as a Percentage of RMV
2010	\$ 6,193,189,530	\$ 271,163,376	\$ 192,609,710	\$ 6,656,962,616	\$ 3.61	\$ 11,053,842,806	60.22%
2011	6,341,756,820	260,748,199	196,546,700	6,799,051,719	3.61	10,582,761,469	64.25%
2012	6,417,642,120	252,482,730	226,602,170	6,896,727,020	3.61	9,923,441,577	69.50%
2013	6,459,601,300	255,043,090	221,252,700	6,935,897,090	3.61	9,899,881,645	70.06%
2014	6,631,585,970	266,091,047	221,583,260	7,119,260,277	3.61	10,055,582,781	70.80%
2015	6,970,891,870	281,369,921	233,868,800	7,486,130,591	3.61	10,841,379,559	69.05%
2016	7,210,632,020	289,381,277	231,165,800	7,731,179,097	3.61	11,719,951,231	65.97%
2017	7,394,949,020	295,395,622	238,820,800	7,929,165,442	3.61	12,964,718,943	61.16%
2018	7,708,546,630	336,896,480	248,523,166	8,293,966,276	3.61	14,684,246,877	56.48%
2019	8,097,671,350	325,059,520	179,819,800	8,602,550,670	3.61	16,268,459,937	52.88%

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	Multnomah County ESD
2010	\$ 3.61	\$ -	\$ 3.61	\$ 0.49	\$ 4.51	\$ 0.89	\$ 0.46
2011	3.61	-	3.61	0.49	4.49	0.89	0.46
2012	3.61	-	3.61	0.49	4.55	0.89	0.46
2013	3.61	-	3.61	0.49	4.53	0.89	0.46
2014	3.61	-	3.61	0.49	4.51	1.18	0.46
2015	3.61	-	3.61	0.49	4.49	1.18	0.46
2016	3.61	-	3.61	0.49	4.49	1.18	0.46
2017	3.61	-	3.61	0.49	4.39	1.18	0.46
2018	3.61	-	3.61	0.49	4.39	1.18	0.46
2019	3.61	-	3.61	0.49	4.39	1.20	0.46

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.

School District No. 10 ¹	Port of Portland	Tri-Met & Metro Service District	E Mult. Soil & Water Conserv.	Total Direct & Overlapping Rate
\$ 5.95	\$ 0.07	\$ 0.52	\$ 0.10	\$ 16.60
5.59	0.07	0.50	0.10	16.20
5.57	0.07	0.37	0.10	16.12
5.61	0.07	0.40	0.10	16.17
5.56	0.07	0.47	0.10	16.45
5.56	0.07	0.46	0.10	16.42
5.55	0.07	0.39	0.10	16.34
5.51	0.07	0.40	0.10	16.21
7.14	0.07	0.41	0.10	17.85
7.27	0.07	0.47	0.10	18.07

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

Company Name	2019			2010		
	Assessed Value	Rank	Percent of Total Value	Assessed Value	Rank	Percent of Total Value
Boeing Company	\$ 288,374,510	1	3.35%	\$ 186,428,130	1	2.80%
Microchip Technology Inc.	164,810,680	2	1.92%	119,014,700	2	1.79%
Semiconductor Components Industries	109,377,780	3	1.27%	48,962,970	5	0.74%
Portland General Electric Co.	87,008,670	4	1.01%	60,867,000	3	0.91%
Albertson's Stores Sub LLC	52,784,830	5	0.61%	43,636,770	7	0.66%
U.S. National Bank of Oregon	45,454,690	6	0.53%	46,831,600	6	0.70%
U.S. Bancorp	42,586,080	7	0.50%	-	-	-
DDR Gresham Station Eat LLC	38,012,720	8	0.44%	-	-	-
Madison-Specht Vista Logistics LLC	33,872,160	9	0.39%	-	-	-
Cascade Corporation	30,037,570	10	0.35%	29,463,080	10	0.44%
Verizon Communications	-	-	-	56,311,800	4	0.85%
Comcast Corporation	-	-	-	41,771,800	8	0.63%
GE Capital	-	-	-	35,869,630	9	0.54%
Total	\$ 892,319,690		10.37%	\$ 669,157,480		10.05%
Total Gresham Assessed Value	\$ 8,602,550,670			\$ 6,656,962,616		

Largest Public Utilities
Current year and nine years ago

Company Name	2019			2010		
	Assessed Value	Rank	Percent of Total Value	Assessed Value	Rank	Percent of Total Value
Portland General Electric Co	\$ 87,008,670	1	1.01%	\$ 60,867,000	1	0.91%
Comcast Corporation	24,622,900	2	0.29%	41,771,800	3	0.63%
Northwest Natural Gas Co	19,527,000	3	0.23%	-	-	-
Verizon Communications	-	-	-	56,311,800	2	0.85%

Sources: Multnomah County Assessors Office, and the 2009-2010 Comprehensive Annual Financial Report.

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

Fiscal Year	Taxes Levied for the Fiscal Year	Collected & Adjusted Within the Fiscal Year of the Levy		Collections & Adjustments in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 25,897,175	\$ 25,080,617	96.85%	\$ 813,791	\$ 25,894,408	99.99%
2011	26,689,893	25,949,168	97.22%	737,949	26,687,117	99.99%
2012	27,113,606	26,271,629	96.89%	795,451	27,067,080	99.83%
2013	27,926,932	27,163,116	97.26%	759,220	27,922,336	99.98%
2014	28,399,207	27,660,571	97.40%	724,564	28,385,135	99.95%
2015	29,945,588	29,240,886	97.65%	694,912	29,935,798	99.97%
2016	30,966,452	30,290,117	97.82%	626,599	30,916,716	99.84%
2017	32,204,477	31,584,209	98.07%	508,862	32,093,071	99.65%
2018	33,755,330	33,243,271	98.48%	257,995	33,501,266	99.25%
2019	35,290,714	34,759,802	98.50%	-	34,759,802	98.50%

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

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

Governmental Activities						
Fiscal Year	General Obligation Bonds	Full Faith & Credit Bonds	Other Notes	Capital Leases	Pension Bonds	Lines of Credit
2010	\$ -	\$ 30,430,000	\$ 1,012,977	\$ 211,267	\$ 19,090,000	\$ 9,338,784
2011	-	28,735,680	938,912	107,352	18,910,000	1,350,000
2012	-	26,631,203	655,327	-	18,660,000	2,605,000
2013	-	19,415,269	629,834	-	18,340,000	4,780,104
2014	-	31,458,317	39,471	-	17,940,000	8,319,604
2015	-	32,809,589	13,207,854	-	17,452,898	-
2016	-	30,170,533	11,781,240	-	16,873,066	-
2017	-	24,270,219	10,296,027	-	16,195,000	605,000
2018	-	21,069,491	10,691,622	-	15,398,402	5,249,000
2019	-	18,107,576	16,029,262	-	14,483,570	8,256,800

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
2010	\$ 8,120,000	\$ -	\$ 4,690,000	\$ 22,624,382	\$ 95,517,410	0.11%	\$ 905
2011	5,630,000	2,361,232	4,350,000	24,617,204	87,000,380	0.09%	822
2012	4,300,000	2,687,497	3,995,000	22,827,014	82,361,041	0.08%	777
2013	3,535,000	3,486,556	3,625,000	20,982,058	74,793,821	0.07%	704
2014	2,740,000	3,998,994	3,301,000	19,081,926	86,879,312	0.08%	816
2015	-	7,682,126	2,989,012	17,208,774	91,350,253	0.08%	853
2016	-	7,393,176	4,053,920	15,224,435	85,496,370	0.07%	791
2017	-	7,560,568	7,001,608	12,909,061	78,837,483	0.06%	718
2018	-	8,945,547	6,374,954	11,363,309	79,092,325	0.06%	716
2019	-	10,608,978	5,628,082	9,213,285	82,327,554	*	736

*Personal Income information for 2019 is unavailable at this time.

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

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

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

Fiscal Year	Population	Assessed Value	Gross General Obligation Bonded Debt	Less Debt Service Fund	Net Bonded Debt	Coverage %	Net Bonded Debt Per Capita
2010	105,595	6,656,962,616	-	-	-	-	-
2011	105,795	6,799,051,719	-	-	-	-	-
2012	105,970	6,896,727,020	-	-	-	-	-
2013	106,180	6,935,897,090	-	-	-	-	-
2014	106,455	7,119,260,277	-	-	-	-	-
2015	107,065	7,486,130,591	-	-	-	-	-
2016	108,150	7,731,179,097	-	-	-	-	-
2017	109,820	7,929,165,442	-	-	-	-	-
2018	110,505	8,293,966,276	-	-	-	-	-
2019	111,810 *	8,602,550,670	-	-	-	-	-

Information derived from current and past years' Comprehensive Annual Financial Reports.
 *Source: Population Research Center, Portland State University

City of Gresham, Oregon
Direct and Overlapping Governmental Activities Debt
as of June 30, 2019

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
<i>Debt repaid with property taxes</i>			
Lusted Water District	\$ 650,000	1.00%	\$ 6,490
Metro	819,020,000	4.29%	35,135,958
Mt. Hood Community College	20,660,000	29.22%	6,036,088
Multnomah County	330,220,117	8.10%	26,756,085
Multnomah County School District 10J (Gresham-Barlow)	344,989,393	75.29%	259,750,793
Multnomah County School District 28J (Centennial)	17,677,677	36.72%	6,491,349
Multnomah County School District 7 (Reynolds)	198,463,864	37.02%	73,479,658
<i>Other debt</i>			
Metro	16,985,000	4.29%	728,656
Mt. Hood Community College	33,159,068	29.22%	9,687,852
Multnomah County School District 7 (Reynolds)	1,714,286	37.02%	634,701
Multnomah ESD	26,825,000	8.00%	2,145,410
Port of Portland	58,452,781	3.96%	2,313,912
Rockwood Water PUD	4,655,000	68.09%	3,169,627
Subtotal, overlapping debt	\$ 1,873,472,186		\$ 426,336,579
City direct debt			\$ 56,877,208
Total direct and overlapping debt			\$ 483,213,787

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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt limit	\$ 331,615,284	\$ 317,482,844	\$ 297,703,247	\$ 296,996,449
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<u>\$ 331,615,284</u>	<u>\$ 317,482,844</u>	<u>\$ 297,703,247</u>	<u>\$ 296,996,449</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%

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

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

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 301,667,483	\$ 325,241,387	\$ 351,598,537	\$ 388,941,568	\$ 440,527,406	\$ 488,053,798
-	-	-	-	-	-
<u>\$ 301,667,483</u>	<u>\$ 325,241,387</u>	<u>\$ 351,598,537</u>	<u>\$ 388,941,568</u>	<u>\$ 440,527,406</u>	<u>\$ 488,053,798</u>
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	
2010	\$ 11,389,852	\$ 7,430,784	\$ 3,959,068	\$ 1,415,000	\$ 329,140	2.27
2011	11,651,375	7,666,521	3,984,854	1,465,000	300,844	2.26
2012	12,211,561	7,976,473	4,235,088	1,028,734	242,912	3.33
2013	12,758,603	8,422,097	4,336,506	1,055,837	223,405	3.39
2014	12,900,829	8,343,926	4,556,903	891,562	183,338	4.24
2015 ⁽¹⁾	12,658,156	8,874,201	3,783,955	951,555	197,847	3.29
2016	13,653,330	9,011,762	4,641,568	269,061	253,610	8.88
2017	13,597,345	9,593,994	4,003,351	284,519	260,652	7.34
2018	14,669,775	10,442,299	4,227,476	296,326	274,762	7.40
2019	15,420,595	10,554,563	4,866,032	303,464	310,656	7.92

Stormwater Revenue Bonds

Fiscal Year	Gross Revenues	Less Operating Expenses	Net Available Revenue	Debt Service Requirements		Coverage %
				Principal	Interest	
2010	\$ 6,416,670	\$ 4,403,462	\$ 2,013,208	\$ 330,000	\$ 209,840	3.73
2011	6,642,574	4,562,811	2,079,763	340,000	198,115	3.86
2012	6,987,917	4,680,663	2,307,254	355,000	185,598	4.27
2013	7,267,024	4,709,944	2,557,080	370,000	172,000	4.72
2014	7,247,546	4,759,877	2,487,669	380,000	157,370	4.63
2015	7,466,394	5,081,162	2,385,232	395,000	138,052	4.47
2016	7,811,665	5,571,777	2,239,888	420,000	148,080	3.94
2017	8,204,059	5,702,425	2,501,634	440,000	113,700	4.52
2018	8,521,607	6,292,334	2,229,273	664,390	93,222	2.94
2019	9,232,732	6,623,837	2,608,895	731,780	68,450	3.26

Wastewater Revenue Bonds & Notes

Fiscal Year	Gross Revenues	Less Operating Expenses	Net Available Revenue	Debt Service Requirements		Coverage %
				Principal	Interest	
2010	\$ 14,779,406	\$ 9,635,109	\$ 5,144,297	\$ 1,319,575	\$ 859,062	2.36
2011	15,373,071	10,211,804	5,161,267	1,603,176	982,160	2.00
2012	15,526,926	10,782,896	4,744,030	1,912,690	861,113	1.71
2013	15,730,193	11,152,405	4,577,788	1,967,456	791,296	1.66
2014	16,939,221	11,258,513	5,680,708	2,022,632	689,186	2.09
2015 ⁽¹⁾	17,983,466	11,782,087	6,201,379	2,081,113	643,396	2.28
2016	17,850,267	11,790,666	6,059,601	2,062,656	592,153	2.28
2017	18,515,111	12,361,414	6,153,697	2,103,200	542,291	2.33
2018	19,103,845	12,710,443	6,393,402	2,164,762	474,630	2.42
2019	19,821,720	12,652,612	7,169,108	2,228,341	403,357	2.72

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

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (in thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u> ⁽¹⁾
2010	105,595	\$ 90,653,694	\$ 40,590	10.2%
2011	105,795	93,449,170	41,302	9.5%
2012	105,970	98,698,029	43,103	8.2%
2013	106,180	101,210,007	43,728	7.6%
2014	106,455	107,536,731	45,794	6.1%
2015	107,065	115,690,881	48,422	5.4%
2016	108,150	122,433,633	50,489	5.2%
2017	109,820	131,861,400	53,751	3.9%
2018	110,505	141,269,900	56,991	3.8%
2019	111,810	*	*	3.9%

Sources:

2018 Comprehensive Annual Financial Report

Population Research Center, Portland State University

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

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

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

⁽¹⁾ As of June 30.

* Information unavailable at this time

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

Employer	2019			2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Boeing of Portland	1,948	1	3.63%	1,579	2	3.38%
U.S. Bank of Oregon Col Center	1,636	2	3.05%	1,636	1	3.50%
Gresham Barlow School District	1,022	3	1.91%	1,030	3	2.20%
ON Semiconductor	807	4	1.50%	504	7	1.08%
Mt. Hood Community College	686	5	1.28%	-	-	-
Centennial School District	660	6	1.23%	-	-	-
City of Gresham	589	7	1.10%	543	6	1.16%
Microchip Technology Inc.	573	8	1.07%	348	9	0.74%
Conduent *	550	9	1.03%	680	4	1.45%
Albertson's Dist Center	332	10	0.62%	414	8	0.89%
Legacy Mt. Hood Medical Center	-	-	-	601	5	1.29%
Cascade Corporation	-	-	-	205	10	0.44%
Total	<u>8,803</u>		<u>16.42%</u>	<u>7,540</u>		<u>16.12%</u>
Total of employees in Gresham	53,624			46,765		

* Formerly known as ACS Commercial Solutions, Inc. in 2010.

Sources:

2010 Comprehensive Annual Financial Report

City of Gresham Business Licensing Division

City of Gresham Budget Division

Adopted budgets for Mt. Hood Community College, Centennial School District and Gresham-Barlow School District

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

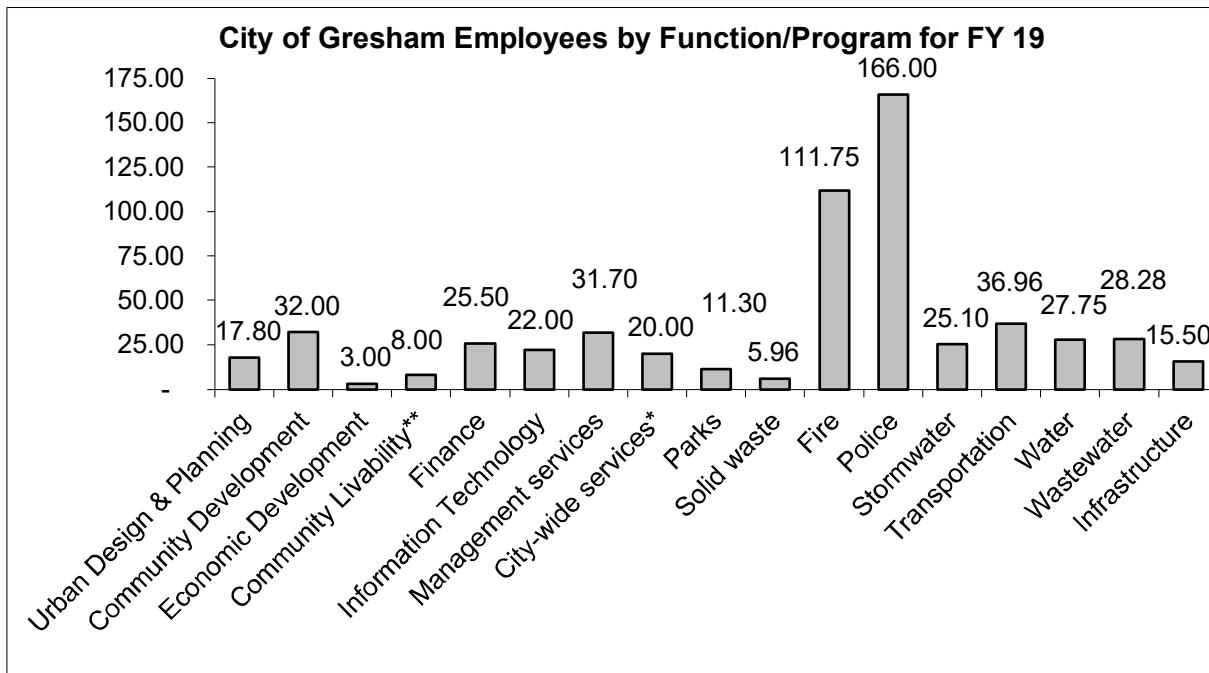
CITY OF
GRESHAM
GOING BEYOND

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

Function/Program	Full-time equivalent employees				
	2010	2011	2012	2013	2014
General government					
Urban Design & Planning	17.00	15.00	16.00	14.50	12.50
Community Development	42.00	38.00	25.00	24.00	25.00
Economic Development	3.50	3.75	3.75	3.75	3.75
Community Livability**	-	-	-	-	-
Finance	31.20	32.10	26.60	24.60	24.60
Information Technology	13.00	13.00	17.00	17.00	17.00
Management services	40.15	41.90	31.40	30.40	30.90
City-wide services*	-	-	23.00	23.00	24.50
Parks	8.59	8.59	8.38	8.33	8.33
Solid waste	4.91	4.91	4.91	4.95	5.01
Public safety					
Fire	94.00	95.50	90.00	89.50	89.50
Police	152.00	161.00	149.00	152.00	152.00
Stormwater	23.88	23.88	22.93	23.13	23.12
Transportation	33.85	35.85	33.91	33.92	34.90
Water	26.76	27.26	27.32	27.72	27.71
Wastewater	27.86	27.86	26.85	29.25	29.23
Infrastructure	24.50	24.50	14.50	12.50	11.50
Total	543.20	553.10	520.55	518.55	519.55

* New department in 2011/2012.

** New department in 2018/2019.



Source: City of Gresham Budget Division

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
12.50	13.00	15.80	17.80	17.80
25.00	25.00	29.00	35.00	32.00
3.75	3.75	4.00	3.00	3.00
-	-	-	-	8.00
24.40	24.40	24.40	25.40	25.50
18.00	19.00	19.00	21.00	22.00
30.80	30.80	30.80	32.80	31.70
23.50	23.50	24.00	23.00	20.00
8.30	8.30	8.30	8.30	11.30
4.41	4.46	4.46	4.96	5.96
95.50	96.75	96.75	103.75	111.75
152.00	157.00	159.00	165.00	166.00
25.40	24.77	24.77	25.10	25.10
39.20	38.76	35.96	36.96	36.96
28.53	27.93	27.93	27.75	27.75
29.76	28.43	28.43	28.28	28.28
11.50	11.50	14.50	14.50	15.50
<u>532.55</u>	<u>537.35</u>	<u>547.10</u>	<u>572.60</u>	<u>588.60</u>

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

Function/Program	Fiscal Year			
	2010	2011	2012	2013
Governmental activities:				
Community development				
Residential building permits applications issued	211	340	460	481
Valuation	\$ 6,964,375	\$ 18,875,751	\$ 32,840,052	\$ 30,590,592
Commercial building permits application issued	374	537	550	557
Valuation	\$ 33,664,983	\$ 90,891,638	\$ 69,637,169	\$ 40,527,872
Building inspections conducted	12,050	9,903	9,656	8,526
Police				
Part I crimes (person)	4,428	4,461	4,980	4,244
Part II crimes (property)	5,487	5,823	5,437	5,469
Calls for service	39,667	75,232	75,180	72,657
Fire				
Emergency responses	13,132	13,000	13,474	13,000
Fire inspections	1,242	1,050	1,283	1,350
Business-type activities:				
Water				
Accounts	16,991	17,061	17,081	17,190
Average daily consumption (millions of gallons)	6	7	7	7
Stormwater				
Accounts	24,018	24,094	24,164	24,228
Wastewater				
Accounts	24,070	24,141	24,214	24,281
Average daily sewage treatment (millions of gallons)	12	12	12	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

	2014	2015	2016	2017	2018	2019
	646	767	713	709	797	854
\$	36,364,810	\$ 66,156,164	\$ 53,612,230	\$ 41,814,606	\$ 81,402,290	\$ 104,593,157
	577	690	850	745	418	718
\$	44,619,928	\$ 92,421,494	\$ 243,011,292	\$ 95,422,482	\$ 10,277,185	\$ 519,865,616
	8,951	10,866	13,577	13,320	14,158	21,824
	4,266	4,144	3,743	4,036	4,274	4,169
	5,391	4,131	3,786	3,548	2,816	3,332
	74,276	73,951	74,875	73,012	74,147	71,619
	13,000	14,601	16,000	16,869	16,357	16,457
	1,230	2,166	2,100	1,811	1,750	2,461
	18,704	16,656	16,734	16,844	16,986	17,292
	6	7	7	6	7	7
	25,962	24,038	24,123	24,028	24,177	24,450
	25,866	24,006	24,093	23,966	24,114	24,454
	13	13	13	13	12	12

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

Function/Program	Fiscal Year		
	2010	2011	2012
Governmental activities:			
General government			
City-owned building facilities	9	9	9
Police			
Police station	1	1	1
Community police office	1	1	1
K9 officers	2	2	2
Police patrol cars	36	38	34
Police motorcycles	5	5	5
Fire			
Fire stations	6	6	6
Fire vehicles			
Ladder trucks	1	1	1
Engines (In service)	6	6	7
Specialized emergency vehicles	6	5	3
Parks			
Acres of parks & trails (developed & undeveloped)*	258	258	258
Acres of natural area*	942	942	942
Acres from other providers*	584	584	584
Playgrounds	16	16	16
Baseball/softball diamonds	14	14	14
Soccer/football fields	10	10	10
Business-type activities:			
Water			
Local storage capacity (in millions of gallons)	27.2	27.2	27.3
Stormwater			
Catch basins	8,182	8,122	8,154
Drywells	1,098	1,100	1,100
Wastewater			
Wastewater plant capacity (millions of gallons per day)	20	20	20
Transportation			
Street lights	8,157	7,957	7,969
Traffic signals	106	115	102
Transportation signs**	21,491	20,723	21,782
Miles of streets ***	891	891	897

*An in-depth analysis was done by the Parks Department in 2006-2007 that reclassified some acreage previously counted as park land to natural area land. A subsequent review in 2014-2015 further separates acres of natural land to acres from other providers.

**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

2013	2014	2015	2016	2017	2018	2019
10	12	14	14	14	14	14
1	2	2	2	2	2	2
1	1	1	1	1	1	1
2	2	2	2	3	3	3
25	23	23	26	25	32	36
6	6	5	5	3	3	3
6	6	6	6	6	6	6
1	1	1	1	1	1	1
7	7	7	7	6	7	6
6	6	6	6	5	7	5
257	257	278	293	294	294	294
989	989	963	956	964	964	964
584	584	621	624	659	659	659
16	16	16	16	16	16	16
14	14	14	14	14	14	14
10	10	10	10	10	10	10
27.3	27.3	27.2	27.2	27.2	27.2	27.2
8,068	8,083	8,198	7,958	7,925	8,029	8,047
1,102	1,103	1,117	1,105	1,105	1,097	1,101
20	20	20	20	20	20	20
8,210	8,195	8,386	8,306	8,490	8,494	8,552
102	102	103	103	104	104	104
22,693	24,818	25,535	26,604	26,995	27,474	28,737
898	901	901	905	907	909	913

City of Gresham, Oregon
Miscellaneous Statistics
Current Year

Elections:

Number of registered voters for last primary election (May 15, 2018)	65,672
Number of votes cast in last primary election	14,196
Percentage of registered voters voting in the last primary election	22%
Number of registered voters for last general election (November 6, 2018)	68,453
Number of votes cast in last general election	40,774
Percentage of registered voters voting in the last general election	60%

Census population count for the last six decades:

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

Age distribution of population for the last six decades:

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

Income level of population for the last six decades:

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

Historical Data:

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

Sources:

U.S. Census Bureau
 Elections information: Multnomah County Elections Division
 Area - Square Miles: City of Gresham Information Technology Department
 All other information: 2017-2018 Comprehensive Annual Financial Report

Reports Required by Statutes

INDEPENDENT AUDITORS' REPORT
REQUIRED BY OREGON STATE REGULATIONS



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

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

We have audited the basic financial statements of City of Gresham, Oregon as of and for the year ended June 30, 2019, and have issued our report thereon dated January 27, 2020. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*.

Compliance

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

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

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

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

OAR 162-10-0230 Internal Control

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

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

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

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

ISLER CPA



By: Gatlin Hawkins, CPA, a member of the firm
Eugene, Oregon
January 27, 2020

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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 27, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of This Report

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

Isler CPA



By: Gatlin Hawkins, CPA, a member of the firm
Eugene, Oregon
January 27, 2020

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
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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, 2019. 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, 2019.

Report on Internal Control Over Compliance

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

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

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

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

Isler CPA



By: Gatlin Hawkins, CPA, a member of the firm
Eugene, Oregon
January 27, 2020

City of Gresham, Oregon
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2019

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>	
20.205	Highway Planning and Construction Cluster	
Dollar threshold used to distinguish between type A and type B programs:		\$750,000
Auditee qualified as low-risk auditee?		No

City of Gresham, Oregon
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2019

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

None.

Section IV - Summary Schedule of Prior Audit Findings

Finding 2016-001

Program: Community Development Block Grant – Entitlement Grants, Community Development Block Grant – Section 108 Loan Program

Compliance Requirement: Matching, Level of Effort, Earmarking

During the Fiscal Year 2016 Single Audit, Isler CPA noted that the percentage of program funds expended on low- and moderate-income persons for the period of July 1, 2013 to June 30, 2016 was 65.37 percent of total program expenditures; not meeting the required 70 percent earmark.

Status of Corrective Action: Corrected

As a result of non-compliance with the 70% low-mod earmark, HUD requires the City to put non-federal funds back into our “credit line”. The City included the funding for this in our 2017-2018 Annual Action Plan and was waiting for HUD guidance on how to get the funds to our credit line when the City updated the status of this finding as of June 30, 2017 and June 30, 2018. The City included the funding in the 2018-19 Annual Actual Plan, and received approval from HUD to apply these funds as a prepayment of Section 108 debt service.

Summary Schedule of Prior Audit Findings For the Fiscal Year Ending June 30, 2019

Finding 2016-001

Program: Community Development Block Grant – Entitlement Grants, Community Development Block Grant – Section 108 Loan Program

Compliance Requirement: Matching, Level of Effort, Earmarking

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CITY OF
GRESHAM
GOING BEYOND

Continuing Disclosure

ANNUAL DISCLOSURE INFORMATION FOR FULL FAITH & CREDIT OBLIGATIONS

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

Outstanding Obligations as of June 30, 2019

	Dated Date	Maturity Date	Principal Issued	Principal Outstanding as of 6/30/2019
Full Faith and Credit Obligations				
2004 Pension Obligation Bonds	5/27/2004	6/1/2028	\$ 19,280,000	\$ 14,485,000
2010 Financing Agreement City of Gresham/Urban Renewal	6/4/2010	6/1/2023	23,470,000	8,543,308
2013 Full Faith & Credit Obligations Series B	7/30/2013	7/1/2033	4,655,000	2,850,000
2013 Full Faith & Credit Obligations Series C	7/30/2013	7/1/2033	7,610,000	3,790,000
2014 Section 108 Fountain Loan	6/30/2014	6/30/2033	1,500,000	579,000
2015 Section 108 Nadaka Park Loan	5/13/2015	8/1/2019	85,000	19,000
2015 Full Faith & Credit City of Gresham/Urban Renewal	5/27/2015	5/1/2035	8,957,582	5,940,000
2015 Gresham Redevelopment Commission	6/1/2015	6/1/2023	6,700,000	3,548,226
2017 Gresham Redevelopment Commission Revolving Note	2/22/2017	6/1/2023	1,000,000	6,700,000
2018-22 Line of Credit*	5/10/2018	5/9/2022	21,000,000	8,256,800
Total Full Faith and Credit Obligations			<u>94,257,582</u>	<u>54,711,334</u>
			Total Direct Debt	<u>54,711,334</u>
Debt Backed by Water Revenue				
Water Meter Replacement Notes 2011	6/1/2011	12/1/2030	2,361,232	1,566,463
2015 Full Faith & Credit - Water	5/27/2015	5/1/2035	5,332,418	4,600,000
2018-22 Line of Credit*	5/10/2018	5/9/2022	8,000,000	4,154,100
Total Debt Backed by Water Revenue			<u>15,693,650</u>	<u>10,320,563</u>
Debt Backed by Stormwater Revenue				
Stormwater Revenue Refunding Bonds, Series 2006	12/21/2006	5/1/2021	2,850,000	1,040,000
State of Oregon SRF UIC Improvements	4/4/2017	8/1/2037	4,935,608	4,565,438
Total Debt Backed by Stormwater Revenue			<u>7,785,608</u>	<u>5,605,438</u>
Debt Backed by Wastewater Revenue				
2009 Wastewater Financing Agreement	9/15/2009	5/1/2021	19,351,000	3,768,000
R39190 Wastewater Second Clarifier	10/15/2009	8/1/2029	407,058	247,958
2015 Full Faith & Credit - Wastewater	5/27/2015	5/1/2031	5,670,000	4,570,000
2018-22 Line of Credit*	5/10/2018	5/9/2022	500,000	250,200
Total Debt Backed by Wastewater Revenue			<u>25,928,058</u>	<u>8,836,158</u>
			Total Utility Obligations	<u>24,762,159</u>
Total Outstanding Obligations			<u>* \$ 123,664,898</u>	<u>\$ 79,473,493</u>

* The City closed on a Line of Credit that allows a maximum amount of \$30 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, 2019

Governmental Unit	Total Net Debt	Percent Within City	City's Pro-Rata Share
Debt repaid with property taxes			
Lusted Water District	\$ 650,000	1.00%	\$ 6,490
Metro	819,020,000	4.29%	35,135,958
Mt. Hood Community College	20,660,000	29.22%	6,036,088
Multnomah County	330,220,117	8.10%	26,756,085
Multnomah County School District 10J (Gresham-Barlow)	344,989,393	75.29%	259,750,793
Multnomah County School District 28J (Centennial)	17,677,677	36.72%	6,491,349
Multnomah County School District 7 (Reynolds)	198,463,864	37.02%	73,479,658
Other debt			
Metro	16,985,000	4.29%	728,656
Mt. Hood Community College	33,159,068	29.22%	9,687,852
Multnomah County School District 7 (Reynolds)	1,714,286	37.02%	634,701
Multnomah ESD	26,825,000	8.00%	2,145,410
Port of Portland	58,452,781	3.96%	2,313,912
Rockwood Water PUD	4,655,000	68.09%	3,169,627
	<u>\$ 1,873,472,186</u>		<u>\$ 426,336,579</u>

Debt Ratios

	Values	Per Capita	Percent of RMV
Estimated Population	111,810	-	-
Real Market Value (RMV)	\$ 16,268,459,937	\$ 145,501	-
Total Direct Debt	54,711,334	489	0.34%
Overlapping Debt	426,336,579	3,813	2.62%
Total Direct Debt and Overlapping Debt	<u>\$ 481,047,913</u>	<u>\$ 4,302</u>	2.97%

Ten Largest Taxpayers

Business		Assessed Value	Percentage of Total Assessed Value
Boeing Company	Aircraft Frame Structures	\$ 288,374,510	3.35%
Microchip Technology Inc.	Microelectronics Products	164,810,680	1.92%
Semiconductor Components Industries	Microelectronics Products	109,377,780	1.27%
Portland General Electric Co.	Utility Service	87,008,670	1.01%
Albertson's Stores Sub LLC	Grocery Retail	52,784,830	0.61%
U.S. National Bank of Oregon	Financial Services	45,454,690	0.53%
U.S. Bancorp	Financial Services	42,586,080	0.50%
DDR Gresham Station Eat LLC	Retail Sales	38,012,720	0.44%
Madison-Specht Vista Logistics LLC	Property Development	33,872,160	0.39%
Cascade Corporation	Equipment Manufacturing	30,037,570	0.35%
		\$ 892,319,690	10.37%

Total Assessed Value, City of Gresham

\$ 8,602,550,670

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
ASSETS					
Cash & investments	\$ 9,922,998	\$ 8,880,265	\$ 19,541,653	\$ 16,752,117	\$ 13,994,039
Receivables, net	1,983,145	2,782,304	2,600,795	3,552,571	4,260,697
Property taxes receivable, net	1,652,652	1,740,868	1,815,252	1,582,093	889,625
Due from other funds	5,093,005	5,950,815	5,377,174	6,419,640	5,655,919
Other assets	29,615	23,542	61,855	64,283	87,133
Total assets	<u>\$ 18,681,415</u>	<u>\$ 19,377,794</u>	<u>\$ 29,396,729</u>	<u>\$ 28,370,704</u>	<u>\$ 24,887,413</u>
LIABILITIES					
Accounts payable	\$ 874,603	\$ 304,924	\$ 1,091,552	\$ 371,021	\$ 1,231,289
Other accrued liabilities	-	-	-	90	-
Deposits	-	779	-	-	210
Total liabilities	<u>874,603</u>	<u>305,703</u>	<u>1,091,552</u>	<u>371,111</u>	<u>1,231,499</u>
DEFERRED INFLOWS OF RESOURCES ⁽¹⁾					
Unavailable revenue - property taxes	1,564,288	1,664,871	1,741,609	1,445,169	798,109
Total deferred inflows of resources	<u>1,564,288</u>	<u>1,664,871</u>	<u>1,741,609</u>	<u>1,445,169</u>	<u>798,109</u>
FUND BALANCES					
Unassigned	16,242,524	17,407,220	26,563,568	26,554,424	22,857,805
Total fund balances	<u>16,242,524</u>	<u>17,407,220</u>	<u>26,563,568</u>	<u>26,554,424</u>	<u>22,857,805</u>
Total liabilities, deferred inflows and fund balances:	<u>\$ 18,681,415</u>	<u>\$ 19,377,794</u>	<u>\$ 29,396,729</u>	<u>\$ 28,370,704</u>	<u>\$ 24,887,413</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, 2019

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues					
Taxes	\$ 31,697,312	\$ 34,054,860	\$ 34,334,328	\$ 36,316,588	\$ 39,422,284
Licenses and permits	343,887	363,188	391,184	420,372	429,794
Intergovernmental revenues	8,607,704	9,120,395	9,722,168	11,154,782	11,249,913
Charges for services	267,489	393,259	390,925	399,666	430,599
License fees	7,950,355	8,185,900	19,134,086	10,380,166	10,641,085
Miscellaneous revenues	252,394	290,445	258,100	427,531	933,633
Internal service charges	554,236	453,658	617,423	944,378	518,052
Total revenues	<u>49,673,377</u>	<u>52,861,705</u>	<u>64,848,214</u>	<u>60,043,483</u>	<u>63,625,360</u>
Expenditures					
Public safety	39,300,240	43,200,956	46,571,744	49,862,005	55,553,564
Community development	865,291	957,934	1,048,957	1,205,897	788,436
Economic development services	682,618	657,407	672,471	665,351	753,124
Parks ⁽²⁾	2,067,692	2,143,114	2,194,447	2,356,032	2,778,617
Total expenditures	<u>42,915,841</u>	<u>46,959,411</u>	<u>50,487,619</u>	<u>54,089,285</u>	<u>59,873,741</u>
Excess of revenues over (under) expenditures	<u>6,757,536</u>	<u>5,902,294</u>	<u>14,360,595</u>	<u>5,954,198</u>	<u>3,751,619</u>
Other financing sources (uses)					
Issuance of debt	-	-	-	1,275,000	-
Operating transfers in	166,754	175,658	75,000	75,000	75,000
Operating transfers out	(5,191,089)	(4,913,256)	(5,279,247)	(7,313,342)	(7,523,238)
	<u>(5,024,335)</u>	<u>(4,737,598)</u>	<u>(5,204,247)</u>	<u>(5,963,342)</u>	<u>(7,448,238)</u>
Fund balances					
Beginning of year	14,509,323	16,242,524	17,407,220	26,563,568	26,554,424
End of year	<u>\$ 16,242,524</u>	<u>\$ 17,407,220</u>	<u>\$ 26,563,568</u>	<u>\$ 26,554,424</u>	<u>\$ 22,857,805</u>

ANNUAL DISCLOSURE INFORMATION FOR STORMWATER OBLIGATIONS

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

Ten Largest Stormwater System Customers

Customer	Annual DRUs	Annual Service Charges	Percent of Total Charges
Boeing	12,863	\$ 150,759	15.54%
Gresham Barlow School District	12,380	145,096	14.96%
Mt. Hood Community College	12,291	144,052	14.85%
Albertson's Inc	8,492	99,525	10.26%
KRC Property Management	7,527	88,211	9.09%
City of Gresham	7,523	88,173	9.09%
Centennial School District	5,734	67,198	6.93%
MIREF Gateway LLC	5,646	66,167	6.82%
Southshore Commerce Center	5,321	62,357	6.43%
Subaru of America	5,001	58,615	6.04%
Total		<u>\$ 970,153</u>	

Total gross stormwater system service revenue for Fiscal Year 2018-19 was: \$ 8,881,364

Stormwater System Capital Assets

Facility	Depreciated Value
Land, buildings and improvements	\$ 6,943,977
Infrastructure	52,336,515
Machinery and equipment	1,055,986
Construction in progress	1,052,728
	<u>\$ 61,389,206</u>

System Rates and Charges

	2014-15	2015-16	2016-17	2017-18	2018-19
Monthly rate per DRU	9.84	10.34	10.34	11.32	12.12
System development charge per DRU *	824	824	824	824	1,203

* Within current City limits

Monthly 2018-19 Residential Stormwater Rate Comparison for a "Typical" Residence

Agency	Residential Rate
City of Portland	\$29.68
City of Gresham	12.12
City of Beaverton	11.31
City of Wilsonville	10.60
City of Fairview	10.36
City of Hillsboro	9.57

Stormwater Fund Consecutive Net Position/Balance Sheet (GAAP Basis) -- As of June 30, 2019

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
ASSETS					
Current assets:					
Cash and investments	\$ 16,324,464	\$ 19,640,784	\$ 19,469,870	\$ 20,870,399	\$ 22,115,362
Receivables, net	1,215,867	1,446,573	1,494,292	1,885,446	1,250,058
Due from other funds	1,069,718	1,275,912	976,647	1,115,089	1,115,226
Total current assets	<u>18,610,049</u>	<u>22,363,269</u>	<u>21,940,809</u>	<u>23,870,934</u>	<u>24,480,646</u>
Noncurrent assets:					
Other assets	47,372	49,847	60,577	80,473	138,703
Net Pension Asset ⁽²⁾	375,865	-	-	-	-
Restricted cash and investments	562,500	562,500	623,390	623,390	623,390
Capital assets					
Nondepreciable	9,171,562	9,535,593	5,152,557	8,818,111	7,996,705
Depreciable, net	44,148,463	45,390,304	49,774,022	49,009,986	53,392,501
Total noncurrent assets	<u>54,305,762</u>	<u>55,538,244</u>	<u>55,610,546</u>	<u>58,531,960</u>	<u>62,151,299</u>
Total assets	<u>72,915,811</u>	<u>77,901,513</u>	<u>77,551,355</u>	<u>82,402,894</u>	<u>86,631,945</u>
DEFERRED OUTFLOWS OF RESOURCES ⁽¹⁾					
Deferred refunding amount on debt issuance	215,967	176,700	137,434	98,167	58,900
Deferred outflow related to pension ⁽²⁾	84,137	160,907	1,221,972	918,162	1,556,409
Deferred outflow related to OPEB	-	-	-	10,829	41,780
Total deferred outflows of resources	<u>300,104</u>	<u>337,607</u>	<u>1,359,406</u>	<u>1,027,158</u>	<u>1,657,089</u>
LIABILITIES					
Current liabilities:					
Accounts payable	213,833	339,496	433,133	289,649	211,615
Accrued interest payable	21,779	18,757	15,248	11,160	7,367
Other accrued liabilities	4,657,564	4,923,238	11,937	-	10,805
Compensated absences	20,955	33,255	33,355	36,655	43,855
Bonds, notes and loans payable	491,650	2,011,092	679,482	746,872	771,872
Total current liabilities	<u>5,405,781</u>	<u>7,325,838</u>	<u>1,173,155</u>	<u>1,084,336</u>	<u>1,045,514</u>
Noncurrent liabilities:					
Net Pension Liability ⁽²⁾	-	923,286	2,441,127	2,466,665	2,877,192
Net OPEB Liability	-	-	-	268,167	304,718
Compensated absences	118,745	188,445	188,745	207,845	248,745
Bonds, notes and loans payable	2,497,362	2,042,828	6,374,954	5,628,082	4,856,210
Total noncurrent liabilities	<u>2,616,107</u>	<u>3,154,559</u>	<u>9,004,826</u>	<u>8,570,759</u>	<u>8,286,865</u>
Total liabilities	<u>8,021,888</u>	<u>10,480,397</u>	<u>10,177,981</u>	<u>9,655,095</u>	<u>9,332,379</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pension ⁽²⁾	771,409	315,898	131,208	146,311	738,755
Deferred inflows related to OPEB	-	-	-	15,819	20,579
Total deferred inflows of resources	<u>771,409</u>	<u>315,898</u>	<u>131,208</u>	<u>162,130</u>	<u>759,334</u>
NET POSITION					
Net investment in capital assets	50,546,980	51,048,678	52,960,277	51,551,310	55,820,024
Restricted for:					
Loan covenant requirement	-	-	-	123,390	123,390
Rate stabilization	500,000	500,000	500,000	500,000	500,000
Debt service	135,770	85,226	218,078	-	68,440
Unrestricted	13,239,868	15,808,921	14,923,217	21,438,127	21,685,467
Total net position	<u>\$ 64,422,618</u>	<u>\$ 67,442,825</u>	<u>\$ 68,601,572</u>	<u>\$ 73,612,827</u>	<u>\$ 78,197,321</u>

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

(2) The Governmental Accounting Standards Board (GASB) issued Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27. The City implemented GASB Statement No. 68 in the year ending June 30, 2015.

Stormwater Fund Statement of Revenues, Expenses & Changes in Net Position (GAAP Basis) -- For year ended June 30, 2019

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
OPERATING REVENUES					
Charges for services	\$ 7,155,913	\$ 7,619,985	\$ 7,988,222	\$ 8,273,632	\$ 8,881,364
Miscellaneous	10,049	1,334,433	236,911	728,305	3,221,538
Total operating revenues	<u>7,165,962</u>	<u>8,954,418</u>	<u>8,225,133</u>	<u>9,001,937</u>	<u>12,102,902</u>
OPERATING EXPENSES					
Personnel services	1,318,792	2,609,766	2,556,358	2,754,533	2,470,304
Professional and technical services	356,457	751,503	495,818	527,946	594,199
Property services	103,941	78,579	96,800	85,553	97,641
Other services	114,652	155,783	159,230	244,060	318,567
Supplies	133,575	106,822	113,454	135,872	145,218
Internal services	1,886,781	1,853,423	2,045,171	2,281,559	2,394,476
Other materials and services	138,759	107,081	601,891	534,048	713,665
Depreciation and amortization	1,852,455	1,926,700	2,047,260	2,158,540	2,284,732
Total operating expenses	<u>5,905,412</u>	<u>7,589,657</u>	<u>8,115,982</u>	<u>8,722,111</u>	<u>9,018,802</u>
Operating income (loss)	<u>1,260,550</u>	<u>1,364,761</u>	<u>109,151</u>	<u>279,826</u>	<u>3,084,100</u>
NONOPERATING REVENUES (EXPENSES)					
Miscellaneous revenue (expense)	2,132	25,954	12,849	(527)	(23,482)
Interest and investment income	183,038	332,247	156,175	172,517	757,693
Interest expense	(148,036)	(143,157)	(108,933)	(113,309)	(88,832)
Gain (loss) on disposition of assets	-	(70,156)	(685)	12,225	(1,316,957)
Total nonoperating revenues (expenses)	<u>37,134</u>	<u>144,888</u>	<u>59,406</u>	<u>70,906</u>	<u>(671,578)</u>
Income (loss) before contributions and transfers	<u>1,297,684</u>	<u>1,509,649</u>	<u>168,557</u>	<u>350,732</u>	<u>2,412,522</u>
Capital contributions	456,753	1,212,097	710,102	3,740,213	2,063,100
Transfers in	1,194,527	669,111	655,413	1,809,916	1,045,173
Transfers out	<u>(346,931)</u>	<u>(370,650)</u>	<u>(375,325)</u>	<u>(630,650)</u>	<u>(936,301)</u>
Change in net position	2,602,033	3,020,207	1,158,747	5,270,211	4,584,494
Total net position - beginning	62,571,194	<u>64,422,618</u>	<u>67,442,825</u>	68,601,572	73,612,827
Cumulative effect of change in accounting principle	<u>(750,609)</u>			<u>(258,956)</u>	
Total net position - ending	<u>\$ 64,422,618</u>	<u>\$ 67,442,825</u>	<u>\$ 68,601,572</u>	<u>\$ 73,612,827</u>	<u>\$ 78,197,321</u>

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

	2015	2016	2017	2018	2019	2020 Projected	2021 Projected
Gross Revenues							
Charges for services	\$ 7,155,913	\$ 7,619,985	\$ 7,988,222	\$ 8,273,632	\$ 8,881,364	\$ 9,335,000	\$ 10,026,000
System development charges ¹	199,612	-	-	-	-	-	-
Other revenues	12,506	28,872	38,537	3,702	579	244,600	304,200
Interest earnings	183,038	332,247	156,175	172,517	545,305	383,250	310,950
Total Gross Revenues	<u>7,551,069</u>	<u>7,981,104</u>	<u>8,182,934</u>	<u>8,449,851</u>	<u>9,427,248</u>	<u>9,962,850</u>	<u>10,641,150</u>
Operating Expenses							
Net operating transfers included for coverage	282,384	226,350	221,675	(153,050)	(578,101)	(475,205)	(342,776)
Environmental services	3,914,198	5,555,876	5,466,831	6,029,523	6,020,405	7,777,897	8,189,144
Total Operating Expenses	<u>4,196,582</u>	<u>5,782,226</u>	<u>5,688,506</u>	<u>5,876,473</u>	<u>5,442,304</u>	<u>7,302,692</u>	<u>7,846,369</u>
Net Coverage Revenues	\$ 3,354,487	\$ 2,198,878	\$ 2,494,428	\$ 2,573,378	\$ 3,984,944	\$ 2,660,158	\$ 2,794,781
Debt Service	\$ 533,219	\$ 567,844	\$ 575,160	\$ 881,002	\$ 824,291	\$ 823,807	\$ 820,898
Debt Service Coverage	6.29	3.87	4.34	2.92	4.83	3.23	3.40

¹ Transfers for debt service.

Outstanding Obligations as of June 30, 2019

	Dated Date	Maturity Date	Amount Issued	Outstanding as of 6/30/2019
2006 Stormwater Revenue Refunding	12/21/2006	5/1/2021	\$ 2,850,000	\$ 1,040,000
2018-22 Line of Credit ²	5/10/2018	5/9/2022	30,000,000	-
2017 State of Oregon SRF Loan	4/4/2017	8/1/2037	4,935,608	4,565,438
Total Stormwater Revenue Bonds			<u>\$37,785,608</u>	<u>\$ 5,605,438</u>

² The Line of Credit has a maximum of \$30,000,000 for all project supported draws.