

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended
June 30, 2022

CITY OF GRESHAM OREGON

CITY OF GRESHAM, OREGON

ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Fiscal Year Ended June 30, 2022

Prepared by
Budget and Finance Department

CITY OF
GRESHAM
GOING BEYOND

**City Of Gresham, Oregon
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2022**

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December 28, 2022

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

The Department of Budget and Finance is pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Gresham, Oregon for the fiscal year ended June 30, 2022. The report is published in accordance with Oregon Revised Statutes which require all municipal corporations to publish audited financial statements within six months after the close of the fiscal year.

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

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

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

CITY PROFILE

The City of Gresham is located in northwestern Oregon, in the eastern part of the Portland metropolitan area, in Multnomah County. It is comprised of approximately 23.3 square miles reaching north to the Columbia River and south to the county line. With an estimated population of 114,883, Gresham is the fourth largest city in Oregon. Major manufacturing industries include aircraft frames, integrated circuits for the microelectronics industry, industrial equipment and food processing.

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

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

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

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

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

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

Factors Impacting the City’s Financial Condition

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

Local Economy. Local Economy. The local economy has rebounded from the worst of the pandemic impact. However, labor shortages and inflation are working to temper growth. Inflation is a concern for local economic growth and for the City specifically. Many City contracts, including labor union contracts, have inflation built in inflation adjustments. The 2022 calendar year CPI-W, rose 5.8% over the first six months of 2022. The 12 month CPI-W as of October 2022 was 8.1%.

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

Employment growth is on track to add a record number of jobs this next year having already recovered most jobs lost during the pandemic. As of June 2022, the Portland region has added 173,100 jobs since the COVID crisis began in early 2020. This job growth represents a recovery of 100% of the jobs lost. The Oregon unemployment rate has fallen to 3.5% (from a high of 14% in April 2020) and resulting tightness in labor market may hamper future job gains.

Incomes for those in higher-paying industries and those with significant stock market holdings have largely remained intact or flourished over the past two years. As a result of emerging demographic trends, and very low interest rates the real estate market had been robust during the pandemic. However, given rising interest rates and the corresponding increase to borrowing costs, the real estate market is expected to slow considerably in 2022

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

The 2023 budget continues a strategy of cost containment and revenue enhancement combined with maximizing innovative and ambitious strategies for quality service.

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

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

The City has also taken actions to increase revenues in areas other than property taxes. In July 2011, the City increased utility license fees, resulting in approximately \$2.8 million per year in additional fees in the General Fund. Additionally, the council adopted a Police, Fire, and Parks Fee, which was first effective in February 2013 and renewed in 2014, in the amount of \$7.50 per month per household, business, and industrial customer. This fee supplements public safety and parks funding and generates \$3.8 million per year. At the October 6, 2020 Council Business Meeting, a temporary increase of \$7.50 per month was approved effective January 1, 2021 thru June 30, 2022 to preserve key core services and positions affected by lost revenues due to the pandemic and subsequent economic downturn. This temporary measure has been extended through fiscal year 2023 to allow the City to align financial sustainability long term planning efforts with a strategic planning process led by City Council. Additional revenue changes in the coming year are discussed in Management's Discussion and Analysis with information about the City's financial condition and the next year's budget and rates.

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

The City's Investment Policy defines eligible types of securities and transactions with the following objectives: preservation of capital and protection of investment principal, sufficient liquidity to meet operating needs, diversification to avoid risks regarding security types or individual financial institutions, and maximization of risk-optimized portfolio return throughout economic and fiscal cycles. Careful adherence to policy has protected the City's investments from the enormous volatility in the market particularly in the past several years. Overall, the City's investment portfolio continues to outperform the benchmarks established in the policy and comparable jurisdictions on a risk adjusted basis.

Major Initiatives. The Mayor and Council's commitment to responsive and efficient service delivery is evidenced in the Gresham Strategic Plan. For the first time in many years the City adopted a long-term strategic plan. The strategic plan, adopted in August of 2022, highlights five critical priorities: financial sustainability,

community safety, thriving economy, housing for all, and community vibrancy. The strategic plan is used to craft annual action plans. The 2023 Action Plan gives each critical priority a list of projects or actions.

Significant projects in the 2023 Action Plan include items for each of the critical priorities identified in the strategic plan. Financial sustainability projects are aligned with objectives to implement a financial road map that supports budget need long-term, responsible care of City resources, and the goals of the strategic plan. Community safety objectives include exploring creative ways to supply community safety that maintain core service levels, developing a public safety relationship with the community to build rapport and trust, improve livability and increase the community's sense of safety and security, and enhance safety around the City's public infrastructure. Thriving economy objectives include, promoting economic growth by supporting business owners, creating partnerships, and developing a strong local workforce. Housing for all objectives include, promoting and supporting housing development that is affordable to the Gresham community across all housing types, and providing resources to those experiencing homelessness or housing insecurity through collaboration and partnership with other government agencies, nonprofits, and the private sector. Community vibrancy objectives include, supporting and increasing a mix of recreational, arts, and cultural programming for youth and adults to foster community well-being for everyone.

AWARDS AND ACKNOWLEDGEMENTS

Awards. For the 42nd consecutive year, the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Gresham for its Annual Comprehensive Financial Report (ACFR) for the Fiscal Year Ended June 30, 2021. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR that satisfies both generally accepted accounting principles and applicable legal requirements.

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

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

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

Respectfully submitted,



Sharron Monohon
Budget and Finance Director

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

Principal Officials:

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

Officials noted are as of June 30, 2022.

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



Councilor Janine Gladfelter



Mayor Travis Stovall



Councilor Eddy Morales



Councilor Vincent Jones-Dixon

*Gresham's
Leadership*



Councilor Mario Palmero



Councilor Dina DiNucci

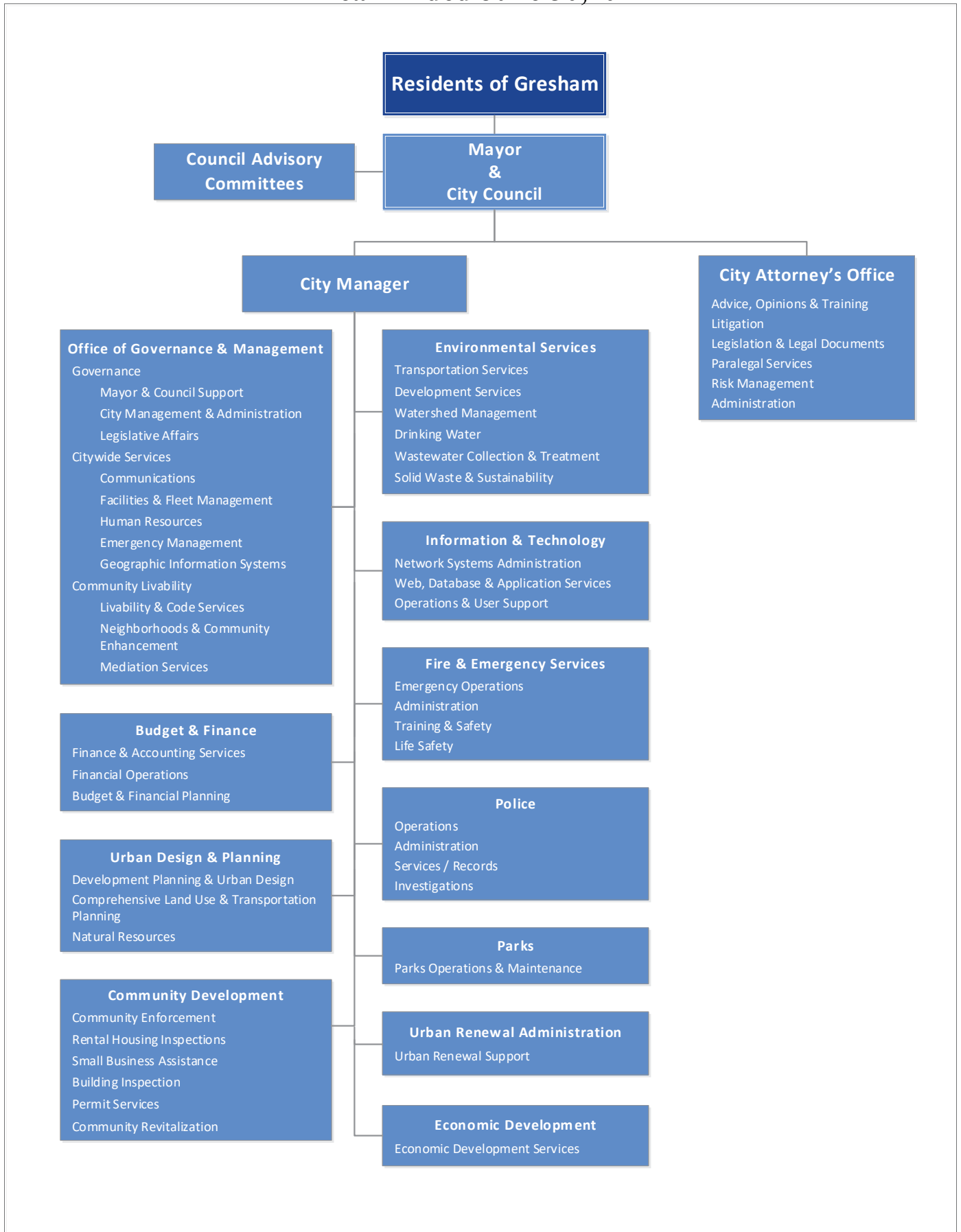


Councilor Sue Piazza



City Manager Nina Vetter

City of Gresham, Oregon Departments and Programs Year Ended June 30, 2022





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Gresham
Oregon**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

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

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

Report on the Audit of the Financial Statements

Opinions

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, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Gresham, Oregon's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Gresham, Oregon, as of June 30, 2022, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Gresham, Oregon and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Gresham, Oregon's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Gresham, Oregon's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Gresham, Oregon's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedules of Revenues, Expenditures and Changes in Fund Balances – budget and actual of the General Fund, the Designated Purpose Fund, the System Development Charges Fund, the Transportation Fund, (the "budgetary schedules"); the Schedule of the Changes in the City's Total OPEB Liability and Related Ratios Implicit Rate Subsidy Plan; the Schedule of the City's Proportionate Share of the Net OPEB Liability (Asset) – Oregon Public Employee's Retirement System, Retirement Health Insurance Account; the Schedule of the City's Contributions – Oregon Public Employee's Retirement System; and the Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) – Oregon Public Employee's Retirement System, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the Management's Discussion and Analysis and the pension and OPEB schedules referred to above 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 of Gresham, Oregon's basic financial statements. The information contained in the budgetary schedules referred to above is the responsibility of management and is derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Gresham, Oregon's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (budgetary schedules), and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory, statistical, and continuing disclosure sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2022, on our consideration of the City of Gresham, Oregon'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 solely 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 the effectiveness of the City of Gresham, Oregon's 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 City of Gresham, Oregon's internal control over financial reporting and compliance.

Other Required Legal and Regulatory Reporting

In accordance with the Minimum Standards of Audits of Oregon Municipal Corporations, we have issued our report dated December 30, 2022 on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Isler CPA



By Gatlin Hawkins, CPA
A member of the firm
Eugene, Oregon
December 30, 2022

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GRESHAM
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CITY OF GRESHAM, OREGON MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

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

FINANCIAL HIGHLIGHTS

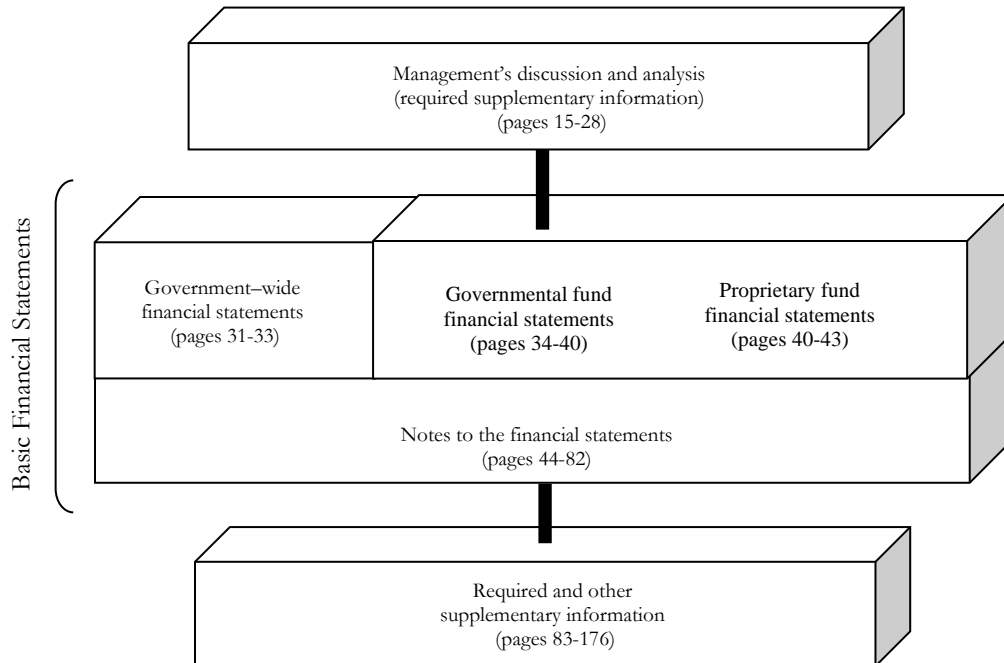
- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$1,005 million (net position). Of this amount, \$114.0 million in unrestricted net position (primarily intended for utility infrastructure replacement) may be used to meet the City's ongoing obligations to citizens and creditors.
- On a government-wide basis, the City's deferred outflows of resources increased by \$6.6 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 increased by \$33.5 million. Governmental activities showed an increase of \$26.2 million, primarily the result of a reduction in pension expense of \$15.0 million across several functions, \$5.7 million in reduced spending on urban renewal projects, and \$8.8 million increased transfers out to business type activities. Business-type activities net position increased by \$7.4 million due to increased volumes and containing costs and increased transfers from system development charges.
- On a fund basis, the City's governmental funds reported combined ending fund balances of \$145.4 million, a \$12.7 million increase from the prior year primarily due to debt issuance and increased charges for services revenue while continuing to maintain service levels and contain costs.
- At year-end, the unassigned fund balance for the General Fund was \$36.8 million or 50.9% of General Fund operating expenditures during the year. The fund balance for the General Fund includes amounts due from other funds. The ratio is up from 42.4% in the prior year.
- Long term liabilities in the City decreased by \$3.2 million primarily due to decreases in net pension liability, offset by debt issuance and debt repayment. Long term liability levels in the City decreased by \$39.2 million for governmental activities and increased by \$36.0 million for business-type activities. Increases include the issuance of a \$30.0 million Note Payable, Revenue Bonds of \$41.5 million, draws of \$3.9 million on the City's Line of Credit, and a \$6.0 million Gresham Redevelopment Commission Note issuance, and were offset by a \$53.0 reduction in the Net Pension Liability and regularly scheduled debt payments.

OVERVIEW OF THE FINANCIAL STATEMENTS

Report Layout

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

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



Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

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

Notes to the Financial Statements and Supplementary Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

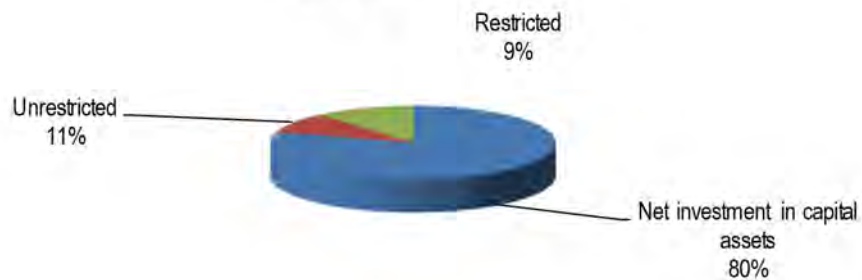
CITY OF GRESHAM, OREGON

Financial Position

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

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
ASSETS						
Current and other assets	\$ 218.7	\$ 187.5	\$ 158.0	\$ 131.6	\$ 376.7	\$ 319.1
Capital assets	642.2	637.5	261.7	250.7	903.9	888.2
Total assets	860.9	825.0	419.7	382.3	1,280.6	1,207.3
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflow related to pension/OPEB	41.7	37.7	7.2	4.6	48.9	42.3
LIABILITIES						
Current and other liabilities	55.6	53.3	6.5	18.5	62.1	71.8
Long-term liabilities	126.7	165.9	64.5	28.5	191.2	194.4
Total liabilities	182.3	219.2	71.0	47.0	253.3	266.2
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions/OPEB	61.0	10.4	10.4	1.6	71.4	12.0
NET POSITION						
Net investment in capital assets	594.9	588.4	206.2	224.3	801.1	812.7
Restricted	87.9	84.5	1.9	10.1	89.8	94.6
Unrestricted	(23.5)	(39.8)	137.5	103.9	114.0	64.1
Total net position	\$ 659.3	\$ 633.1	\$ 345.6	\$ 338.3	\$ 1,004.9	\$ 971.4

**Net Position
June 30, 2022**



The City ended the year with \$1,004.9 million in total net position. Approximately 80% 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 9% 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 11% of net position, referred to as unrestricted, may be used to meet ongoing obligations to citizens and creditors. The majority of these funds are intended for longer-term utility system infrastructure replacement and maintenance.

During the fiscal year, the overall financial position of the City improved. This is primarily attributable to changes in the net pension liability and other long-term debt. A more detailed analysis of both governmental and business-type net position follows.

Governmental Activities. Total net position of governmental activities increased 4.1% or \$26.2 million. Current and other assets (primarily cash and investments) increased by \$31.2 million. The increase in working capital is a result of debt proceeds issued but not yet spent during the fiscal year.

The City added \$21.3 million in governmental capital assets during the year. However, this was offset by depreciation of \$16.5 million of which, depreciation on infrastructure comprised \$12.1 million. The net effect to capital assets is an increase of \$4.7 million. See the notes to the financial statements for more detailed information on capital assets and leases.

Current liabilities increased by \$2.3 million primarily due to an increase in unearned revenue associated with the America Recovery Plan Act (ARPA) receipts that have not been expended, offset by reduced balances in bonds and notes payable due within one year. Long term liabilities decreased by \$39.2 million primarily due to the \$46.7 million decrease in the actuarial determined net pension liability. Debt issued during the year offset a decrease in long term debt due to payments. See the notes to the financial statements for more detailed information on debt and pension liabilities.

Business-type Activities. Total net position of business-type activities increased 2.1% or \$7.3 million. Current and other assets increased by \$26.4 million. This change was primarily due to debt proceeds from revenue bonds that have not yet been spent.

Business-type activities added \$22.5 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 \$10.2 million for the year. The net effect of capital asset activity was an increase of \$11.1 million and reflects business type activities adding new infrastructure in addition to replacement of existing depreciated infrastructure.

Long-term liabilities of business-type activities increased by a net \$36.0 million primarily due to changes in the net pension liability offset by an increase in bonds and notes payable. The City made all scheduled debt service payments. Current and other liabilities decreased by \$12.0 million due to balances on the line of credit that were refunded as part of the issuance of long-term water revenue bonds during the year.

Results of Operations

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

CITY OF GRESHAM, OREGON

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

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
REVENUES						
Program Revenues:						
Charges for services	\$ 43.2	\$ 38.7	\$ 49.3	\$ 47.3	\$ 92.5	\$ 86.0
Operating grants and contributions	32.2	36.2	-	0.2	32.2	36.4
Capital grants and contributions	7.1	2.8	1.2	3.9	8.3	6.7
General Revenues:						
Property taxes	39.3	37.2	-	-	39.3	37.2
Franchise and license fees	20.9	17.7	-	-	20.9	17.7
Business income taxes	10.9	9.3	-	-	10.9	9.3
Other taxes	1.9	1.6	-	-	1.9	1.6
Gain on sale of capital assets	0.2	0.1	-	-	0.2	0.1
Unrestricted grants and contributions	3.8	4.1	-	-	3.8	4.1
Unrestricted interest and investment earnings	-	0.6	-	0.5	-	1.1
Total revenues	159.5	148.3	50.5	51.9	210.0	200.2
EXPENSES						
General government	6.9	4.9	-	-	6.9	4.9
Public safety	67.3	76.4	-	-	67.3	76.4
Transportation	21.9	21.2	-	-	21.9	21.2
Urban design and planning	3.4	4.2	-	-	3.4	4.2
Community development	8.3	25.2	-	-	8.3	25.2
Economic development services	0.7	1.0	-	-	0.7	1.0
Parks operation	3.4	2.8	-	-	3.4	2.8
Environmental services	6.1	5.3	-	-	6.1	5.3
Community Livability	0.6	0.4	-	-	0.6	0.4
Urban renewal	5.3	11.0	-	-	5.3	11.0
Interest on long-term debt	2.0	2.2	-	-	2.0	2.2
Water	-	-	17.6	15.0	17.6	15.0
Stormwater	-	-	10.8	10.1	10.8	10.1
Wastewater	-	-	22.1	17.8	22.1	17.8
Total expenses	125.9	154.6	50.5	42.9	176.4	197.5
Excess (deficit) before transfers	33.6	(6.3)	-	9.0	33.6	2.7
Transfers, Net	(7.4)	1.4	7.4	(1.4)	-	-
Change in net position	26.2	(4.9)	7.4	7.6	33.6	2.7
Net position - beginning	633.1	638.0	338.2	330.6	971.3	968.6
Net position - ending	\$ 659.3	\$ 633.1	\$ 345.6	\$ 338.2	\$ 1,004.9	\$ 971.3

The City-wide net position increased by \$33.6 million as a result of activity and external factors. The impact of operations from governmental activities is much different from those of business-type activities due to the difference in funding mechanisms.

Governmental Activities. Net position of governmental activities increased by \$26.2 million as a result of operations and transfers. Revenues increased by \$11.2 million, primarily related to higher charges for services and capital grants across multiple functions and higher property taxes, business income taxes and franchise fees, offset by reduced revenues in Community Development related to affordable housing projects. Expenses decreased by \$28.7 million, with \$16.4 million of this directly related to the decreased revenues for

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affordable housing projects, and reductions in pension expense of \$15.0 across multiple functions, most notably public safety.

Unrestricted net position increased by \$16.3 million to a deficit of \$23.5 million while net position invested in capital assets increased by \$6.5 million.

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

The relatively low permanent tax rate and valuation method for new construction have long been identified as structural challenges that significantly hinder the ability to meet basic services. The growth in taxable assessed value has remained consistently near the statutory 3% growth cap. Future property tax revenue growth will be dependent on growth in the fair market value of property. In 2022 property tax revenue increased by 5.7%.

Franchise and license fees increased 18.1% or \$3.2 million, with most of the increase coming from the electrical, solid waste and natural gas utility license fees. Increases in underlying utility rates and use, as well as increased license rates resulted in these higher license fees.

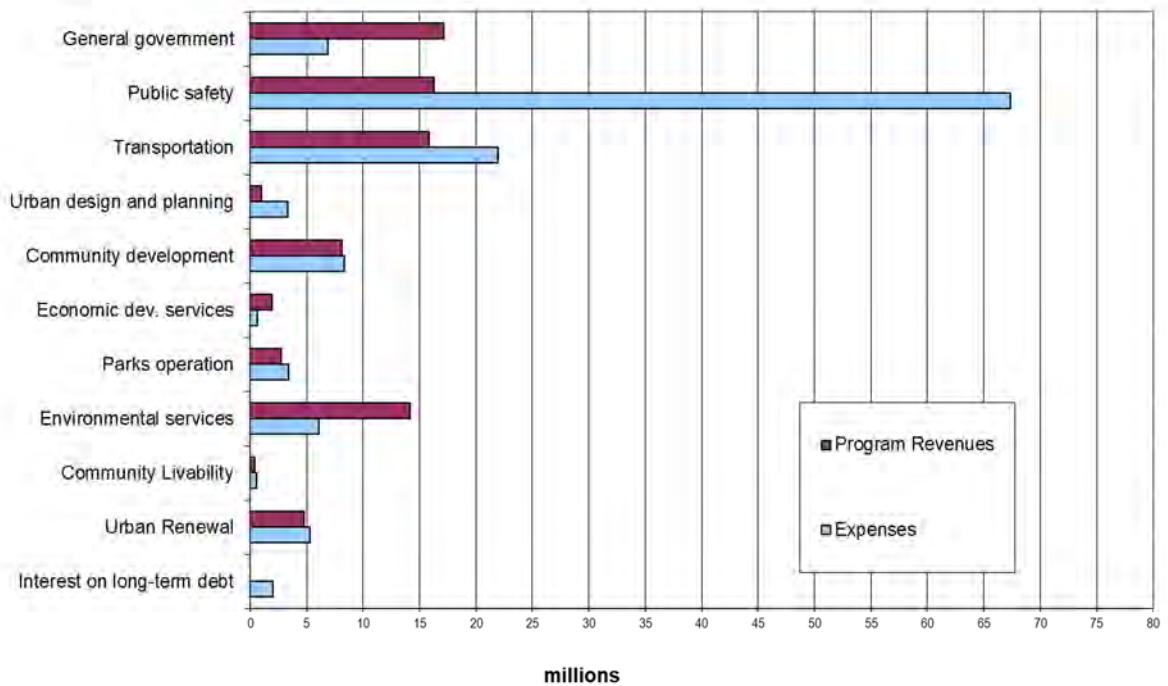
Business income taxes increased by \$1.6 million or 17.2% in 2022, due primarily to higher collection rate. Development related charges for services have seen increases as certain fee rates have increased and activities begin to return to pre-pandemic levels, with Community Development increasing charges for services by 48.2% or \$1.8 million.

Transportation functions are largely funded by gas tax shared by the state. On January 1, 2011, the state gas tax was increased for the first time since 1991 (an increase of 6 cents per gallon to 30 cents per gallon). Gas tax revenue has been rising slowly since the tax increase, however, depreciation on transportation infrastructure continued to outpace available revenues resulting in a \$6.1 million net loss for Transportation. It should be noted that maintenance and future replacement costs of transportation assets are only partially reflected in annual depreciation. Capital assets are depreciated based on historical (original) cost; current maintenance and replacement costs are much higher.

Environmental services charges for services revenues include system development charges, which increased by 164.7% or \$7.7 million in 2022 as development projects have increased, with multi-family developments within current city limits and new subdivision development in the Pleasant Valley annexation area. In accordance with financial reporting requirements, resources from the collection of business-type system development charges are reported as governmental activities. During the year \$2.3 million of these resources were transferred to business-type activities for the construction of utility capital assets and debt service. New system development revenues from housing and commercial development were less than expenses for infrastructure construction. As a result, net position restricted for system development decreased by \$5.9 million.

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

FY 2022 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 58% (up from 49% in 2021) of the total revenues needed to support public safety.

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

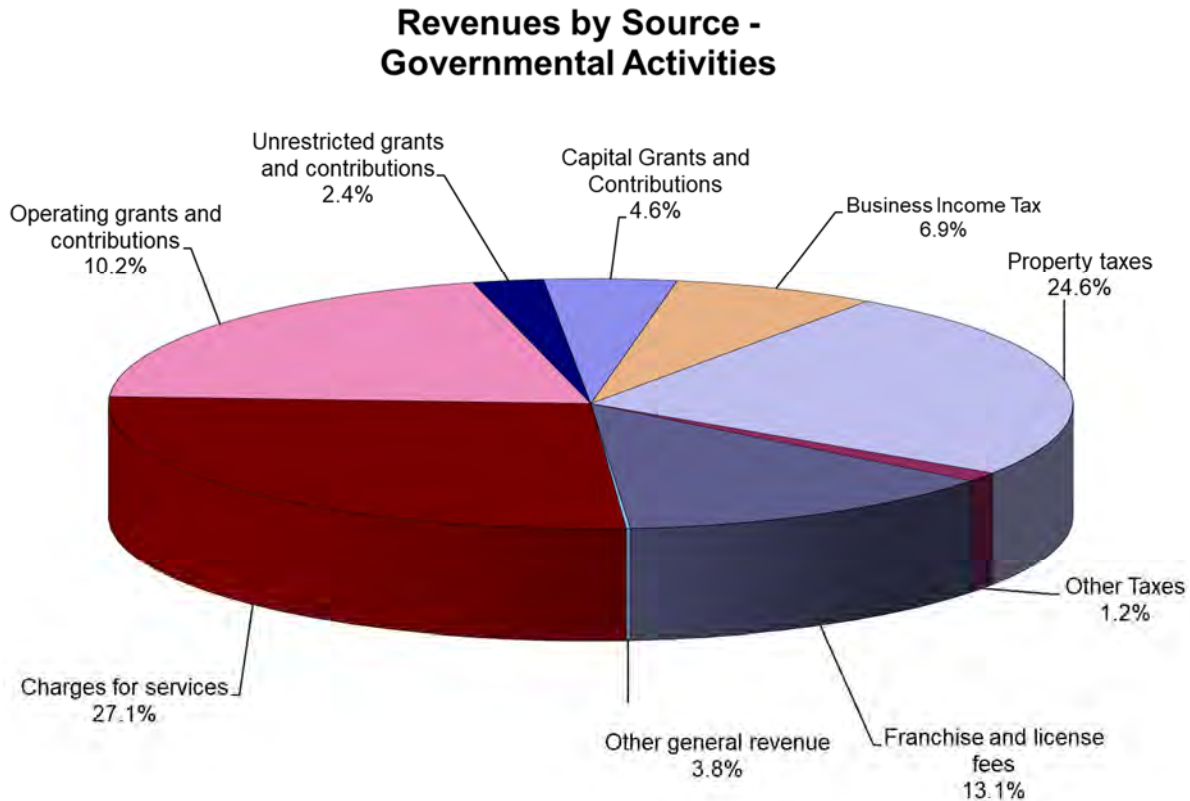
The urban design and planning, and community development services functions provide a variety of growth and development services. Activities are funded with Federal Housing and Urban Development Department grant revenues, charges for building permits, development planning and inspection fees, and other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

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

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

Parks operation is budgeted as a separate department. 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 \$7.4 million during the fiscal year. Utility payments and service fees of \$49.3 million were slightly lower than direct expenses for water, stormwater, and wastewater of \$50.5 million. Capital grants and contributions of \$1.2 million consist primarily of easements and developer contributed capital assets.

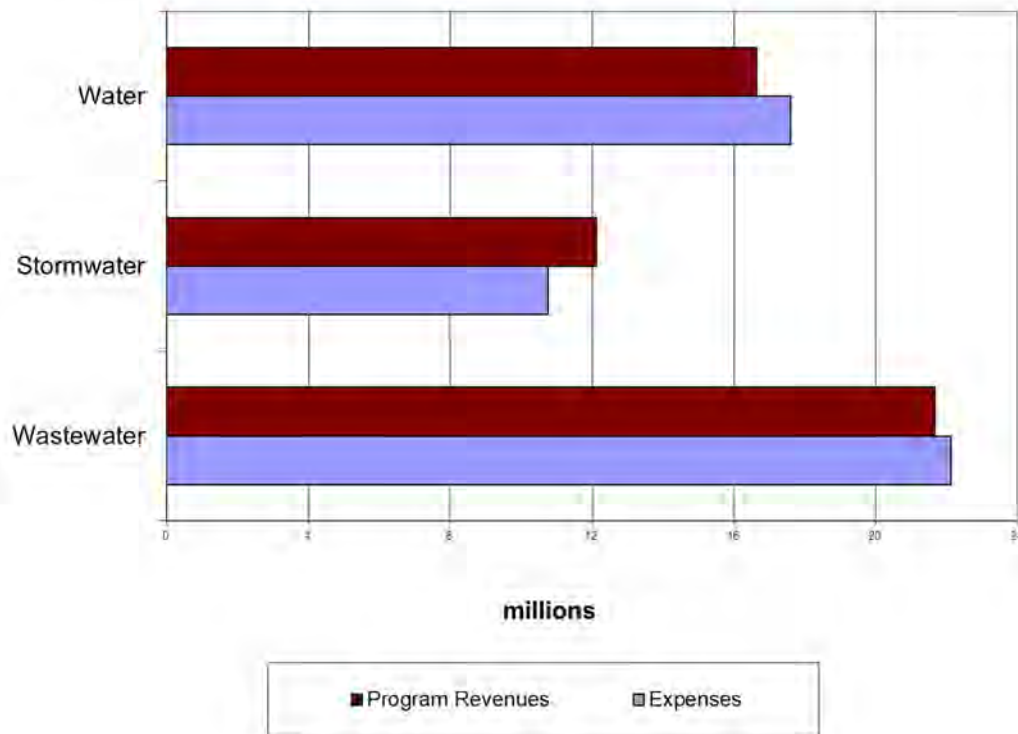
Business-type activities received \$2.3 million in transfers from system development charge resources reported as governmental activities. The funds were used for a variety of capacity increasing purposes and for the payment of debt.

Unrestricted investment earnings of \$1.5 million were recorded for business-type activities, but fair value adjustments eliminated this revenue. The City has not relied on investment earnings to fund operations, however, earnings on reserves help fund future utility infrastructure projects.

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

FY 2022 Expenses and Program Revenues - Business-type Activities



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

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

At the end of the fiscal year, the combined fund balances for governmental funds was \$145.4 million, of which \$106.8 million (73%) was in the major funds. Fund balances of all governmental funds increased by \$12.7 million from the prior year. This is the net result of changes in a variety of funds including the increased collections of tax increment revenues, increases in shared intergovernmental revenues, payment of

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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 \$36.8 million, an increase of \$9.1 million from prior year. Revenues increased by \$5.9 million while expenditures increased by \$6.9 million. Total tax revenues in the general fund increased by 7.5% from the prior year. Property taxes receipts increased 4.3% or \$1.3 million. Business Income Tax (BIT) increased \$1.6 million or 17.2%. BIT increased due to several factors, but largely due to an increase in collection and an increase in activity as businesses continue the slow recovery from previous coronavirus pandemic restrictions. State-shared intergovernmental revenues had decreases in State revenue sharing and shared revenue for liquor taxes totaling \$326 thousand or 7.9%.

The Designated Purpose Fund had an ending balance of \$6.8 million, an increase of \$134 thousand over last year. Revenues decreased \$13.1 million as expenditures decreased \$12.0 million, both changes a direct result of projects funded by the Metro Affordable Housing Bond in the previous year.

The System Development Charges Fund is statutorily required and accounts for transportation, park, water, stormwater, and wastewater system connection impact charges. The ending balance in this fund decreased by \$5.9 million to \$18.3 million. About \$11.5 million in system development charges (SDC) and related interest were collected during the year while the fund transferred \$17.4 million to construction funds for infrastructure development. SDC charges increased primarily due to some significant multi-family development projects in process, while transfers out increased based on related capital project activity.

The Transportation Fund ending balance increased \$3.8 million. \$9.0 million in gas tax revenue was received during the year to provide for road maintenance, which is a \$0.7 million increase over the prior year. Gas tax revenue is determined by statewide fuel tax revenue collections. An intergovernmental agreement with Multnomah County for maintenance of roads provided \$4.7 million of revenue, an increase of \$0.4 million from the prior year. Transfers out of \$4.6 million included \$2.4 million provided to the Transportation Construction Fund for capital improvement projects.

The General Governmental Debt Service Fund records principal and interest payments on all governmental debt. Resources in the fund include proceeds from issuance of debt of \$22.7 million, which was used to pay off an existing line of credit for transportation. Transfers in of \$3.6 million to fund existing debt service include \$1.5 million from the System Development Charges fund.

The GRDC - Rockwood Debt Service Fund had an ending balance of \$9.7 million. The Rockwood West-Gresham Urban Renewal Area is a separate legal entity and is budgeted separately from the City under Oregon budget law. For financial reporting purposes, the Area's funds are blended with the City's. The City makes loans to the Area for development projects and is paid back through collection of tax increment. Property tax revenue increased by \$787 thousand to \$6.6 million in 2022. Debt service expenses remain on schedule.

Net position for the enterprise funds increased by \$7.4 million. The Water Fund, Stormwater Fund and Wastewater fund reported operating income of \$2.8 million, \$1.5 million and \$1.1 million respectively. The result of operations for the enterprise funds was net operating income of \$5.4 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 \$10.6 million, which were offset by transfers out of \$3.2 million, resulting in a net transfer into the utility funds of \$7.4 million. Transfers out consisted primarily of payments for central city services and permits while transfers in consisted of monies from the System

CITY OF GRESHAM, OREGON

Development Charges Fund. The transfer proceeds were used to acquire capital assets and repay outstanding debt, and so contributed significantly to the improved net positions of the funds.

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

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund budget for the fiscal year was designed to contain costs while meeting service level needs and increasing efficiency through targeted investments. There was one supplemental budget and other modifications during the year. City Council approval is required to make appropriation changes during the year.

Revenue in the General Fund exceeded budget by \$8.5 million due to property tax growth and a higher collection rate, and collection of certain revenues over expectations, including business income taxes, utility license fees, and a community service fee related to affordable housing.

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

During the year, department staff continued focusing on lean operations by limiting materials and services expenditures. Expenditures in Police, Fire & Emergency Services, Parks, Community Development and Economic Development Services were kept under budget by \$2.1 million, \$408 thousand, \$490 thousand, \$343 thousand, and \$73 thousand, respectively.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of year-end, the City had \$903.9 million invested in a broad range of capital assets, including public safety vehicles and equipment, software, buildings, park facilities, land, easements, roads, bridges, and water, stormwater, and wastewater systems. This amount includes a net increase (including additions, deletions, and depreciation) of \$15.7 million from last year.

Governmental activities' capital assets increased by a net \$20.8 million before depreciation. This was primarily attributed to the work on street surfacing improvements, full pavement reconstruction on local streets, intersection improvements, construction of bicycle and pedestrian improvements on Division Street and NE Cleveland, as well as the purchase of land for Metro Local Share Park Improvements project. 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 \$16.3 million.

Business-type activities' assets increased by a net \$22.5 million before depreciation. Capital improvement projects include: ongoing upsizing or replacement of aging utility infrastructure throughout the City, wastewater treatment plant projects for the refurbishment and replacement of aging equipment such as FOG (fats, oils and grease) screening improvement, gravity belt thickener refurbishment and upper barscreens replacement, development and construction of groundwater system, as well as the replacement of Grant Butte pipelines and reservoir retrofit, enhancing the capacity of the water lines, and re-construction of stormwater facilities, comprised most of the increase. Private developer contributions and replacement of

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aging machinery and equipment also contributed to the increase in assets. Depreciation on business-type assets was \$11.4 million.

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

Long-term Debt

City of Gresham, Oregon						
Outstanding Bonds and Notes Payable						
(in millions)						
	Governmental		Business-type		Total	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Notes Payable & Other Long-term Debt	\$ 63.5	\$ 61.8	\$ 11.6	\$ 25.8	\$ 75.1	\$ 87.6
Revenue Bonds	-	-	41.5	-	41.5	-
Total	<u>\$ 63.5</u>	<u>\$ 61.8</u>	<u>\$ 53.1</u>	<u>\$ 25.8</u>	<u>\$ 116.6</u>	<u>\$ 87.6</u>

As of year-end, the City had \$116.6 million in bonds and notes outstanding. Of that amount, \$51.4 million is considered due within one year. Bonds and notes payable increased by \$29.0 million due to \$52.4 million in payments and \$81.4 million in new issuance.

Long term debt from governmental activities increased by \$1.7 million. During the year, the City issued \$32.3 million of new debt for infrastructure related projects, issued \$6.0 million in debt for urban renewal projects, and made all regularly schedule payments.

Business-type activities saw debt issued of \$43.1 million which was offset by principal payments of \$15.9 million. New debt issued include revenue bonds and a line of credit draw for a water project. The net result was an increase of business-type long term debt of \$27.3 million.

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

The City's underlying bond ratings were unchanged during the year. The Aa2 rating from Moody's Investors Service reflect the strong financial underpinnings that support the City's Full Faith and Credit obligations. During the year the City received a rating of AA- from Standard and Poors for a 2021 Water Revenue Bonds issuance.

FINANCIAL CONDITIONS AND NEXT YEAR'S BUDGETS AND RATES

- Due to the property tax and revenue structure, revenues are not projected to keep pace with the cost of providing the current levels of service in the City. Despite attempting to maximize the value of tax dollars, the widening gap between revenue and current-service-level expenses has caused the city to seek alternate revenue sources and make targeted investments in efficiencies.
- Property tax regulations set permanent rates for each jurisdiction in the State of Oregon as well as limit the growth of taxable assessed value to a maximum of 3% per year. Gresham's permanent rate is \$3.6129 per \$1,000 of tax assessed value. For fiscal year 2021/22 Gresham's total assessed value was

CITY OF GRESHAM, OREGON

\$9,765,170,900, a 4.3% 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 \$9.7 million in federal program funds of which \$1.9 million of Department of Transportation grants were used for infrastructure. \$2.5 million of funding was received from HUD of which \$1.6 was passed through to sub-recipients. \$4.2 million was spent in Coronavirus State and Fiscal Recovery Funds from the Department of the Treasury.
- The City regularly reviews utility rates and business fees to evaluate their effectiveness in supporting operating and capital needs. Following a five-year utility rate package approved in January 2017, the City approved an additional five-year utility rate schedule in October 2021, increasing rates in order to keep pace with inflationary expenses and end-of-life infrastructure replacements, with additional annual rate increases approved through January 1, 2027. A temporary increase in the City's Police, Fire and Parks fee that became effective January 1, 2021 was extended through fiscal year 2023. The new expiration date of the temporary increase is June 30, 2023.
- Major capital projects budgeted for 2022-23 include: \$23.1 million for wastewater services including treatment plant upgrade of existing facilities and utilities such as FOG (fats, oils and grease) screening improvements, upper plant nitrification improvement and gravity belt thickener refurbishment, belt press replacement, organics digestion capacity evaluation, outfall diffuser improvements, ongoing systematic sanitary sewer pipeline rehabilitation, maintenance and expansion, including seismic upgrades to sewer line crossing over Johnson Creek; \$41.2 million for water projects including replacement of aging waterlines throughout the city, development and construction of new wells and infrastructure and distribution pipelines for new groundwater system, Regner reservoir seismic piping and retrofitting, NW and Gabbert waterline replacement, repair and replacement of water meters; \$40.4 million for various transportation, street and footpath related projects which will preserve existing infrastructure, increase roadway capacity, and enhance neighborhood livability, which includes full pavement reconstruction on local streets, street surfacing improvement for pavement preservations, increase intersection capacity at Stark and 223rd to minimize congestion, enhance pedestrian and bicycle facilities on Division street Corridor, Hogan-Powell to Burnside as well as NE Cleveland (Stark – Burnside), construct school zone flashers to improve pedestrian safety; \$12.6 million for park projects including design and construction of additional softball or soccer fields at Gradin Sports Park, design and construction of park, trail improvements and amenities associated with Metro Local Share Park project, \$8.9 million for stormwater projects including repair and new construction to replace deficient stormwater system to eliminate flooding; and \$6.5 million for urban renewal projects such as construction of Catalyst site/Downtown Rockwood and Rockwood Urban Plaza, development of Sunrise site and Sandy Boulevard street improvements to attract new capital intensive industrial development.

REQUESTS FOR INFORMATION

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

Basic Financial Statements

CITY OF
GRESHAM
GOING BEYOND

City of Gresham, Oregon
Statement of Net Position
June 30, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 205,875,414	\$ 141,162,108	\$ 347,037,522
Property taxes receivable	906,844	-	906,844
Receivables, net	14,239,616	7,869,995	22,109,611
Internal balances	(7,140,078)	7,140,078	-
Other assets	615,312	421,202	1,036,514
Net OPEB asset	1,425,029	-	1,425,029
Restricted cash and investments	2,731,524	1,402,838	4,134,362
Capital assets:			
Non-depreciable	498,879,966	28,173,545	527,053,511
Depreciable, net	143,106,224	233,564,628	376,670,852
Leased assets, net	266,773	-	266,773
Total assets	<u>860,906,624</u>	<u>419,734,394</u>	<u>1,280,641,018</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to pension	40,097,559	7,059,393	47,156,952
Related to OPEB	1,579,756	149,318	1,729,074
Total deferred outflows of resources	<u>41,677,315</u>	<u>7,208,711</u>	<u>48,886,026</u>
LIABILITIES			
Accounts payable	7,677,103	4,345,366	12,022,469
Deposits	2,824,742	684,135	3,508,877
Accrued interest payable	325,580	140,872	466,452
Accrued claims payable	5,408,140	-	5,408,140
Other accrued liabilities	1,527,906	107,449	1,635,355
Unearned revenue	13,389,065	-	13,389,065
Long-term liabilities:			
Due within one year			
Bonds and notes payable	22,952,092	977,625	23,929,717
Lease payable	115,167	-	115,167
Compensated absences	1,432,600	195,000	1,627,600
Due in more than one year			
Bonds and notes payable	40,759,290	54,571,370	95,330,660
Lease payable	171,206	-	171,206
Compensated absences	8,118,000	1,104,900	9,222,900
Net pension liability	68,793,999	8,209,642	77,003,641
Total OPEB liability	8,815,417	614,148	9,429,565
Total liabilities	<u>182,310,307</u>	<u>70,950,507</u>	<u>253,260,814</u>
DEFERRED INFLOWS OF RESOURCES			
Related to pension	59,560,379	9,962,967	69,523,346
Related to OPEB	1,412,781	396,912	1,809,693
Total deferred inflows of resources	<u>60,973,160</u>	<u>10,359,879</u>	<u>71,333,039</u>
NET POSITION			
Net investment in capital assets	594,939,492	206,189,180	801,128,672
Restricted for:			
Transportation system construction and maintenance	44,521,658	-	44,521,658
System development	18,299,709	-	18,299,709
Building development review and inspection	7,645,651	-	7,645,651
Utility and public facilities construction	-	211,489	211,489
Loan covenant requirement	-	7,214	7,214
Urban renewal	5,105,154	-	5,105,154
Law enforcement equipment	34,053	-	34,053
Rate stabilization	-	500,000	500,000
Debt service	12,243,425	1,223,765	13,467,190
Unrestricted	(23,488,670)	137,501,071	114,012,401
Total net position	<u>\$ 659,300,472</u>	<u>\$ 345,632,719</u>	<u>\$ 1,004,933,191</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, 2022

Functions	Direct Expenses	Indirect Expenses Allocation	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:					
General government	\$ 41,563,762	\$ (34,660,023)	\$ 3,220,836	\$ 13,945,396	\$ -
Public safety	43,271,375	24,056,004	15,591,061	692,944	-
Urban renewal	5,292,529	-	3,740,391	22,269	1,043,162
Urban design and planning	2,161,911	1,195,095	812,552	37,000	109,174
Community development	5,507,407	2,827,565	5,512,671	2,601,433	-
Economic development services	404,413	231,365	1,959,764	-	-
Community livability	357,496	184,986	36,118	374,203	-
Parks	2,211,198	1,176,409	67,731	-	2,675,000
Environmental services	4,543,619	1,574,158	12,031,075	667,304	1,437,307
Transportation	18,519,518	3,414,441	192,615	13,801,447	1,815,431
Interest on long-term debt	2,019,789	-	-	-	-
Total governmental activities	<u>125,853,017</u>	<u>-</u>	<u>43,164,814</u>	<u>32,141,996</u>	<u>7,080,074</u>
Business-type activities:					
Water	17,590,381	-	16,405,388	4,576	216,691
Stormwater	10,761,512	-	11,483,555	1,328	643,250
Wastewater	22,123,457	-	21,342,415	12,718	310,887
Total business-type activities	<u>50,475,350</u>	<u>-</u>	<u>49,231,358</u>	<u>18,622</u>	<u>1,170,828</u>
Total government	<u>\$ 176,328,367</u>	<u>\$ -</u>	<u>\$ 92,396,172</u>	<u>\$ 32,160,618</u>	<u>\$ 8,250,902</u>

General Revenues:

Taxes:

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

- Unrestricted grants and contributions
- Gain on sale of capital assets

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending

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

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

Governmental Activities	Business-type Activities	Total
\$ 10,262,493	\$ -	\$ 10,262,493
(51,043,374)	-	(51,043,374)
(486,707)	-	(486,707)
(2,398,280)	-	(2,398,280)
(220,868)	-	(220,868)
1,323,986	-	1,323,986
(132,161)	-	(132,161)
(644,876)	-	(644,876)
8,017,909	-	8,017,909
(6,124,466)	-	(6,124,466)
(2,019,789)	-	(2,019,789)
<u>(43,466,133)</u>	<u>-</u>	<u>(43,466,133)</u>
-	(963,726)	(963,726)
-	1,366,621	1,366,621
-	(457,437)	(457,437)
-	(54,542)	(54,542)
<u>\$ (43,466,133)</u>	<u>\$ (54,542)</u>	<u>\$ (43,520,675)</u>
39,285,513	-	39,285,513
20,939,072	-	20,939,072
10,926,627	-	10,926,627
1,226,711	-	1,226,711
684,379	-	684,379
3,777,610	-	3,777,610
220,107	-	220,107
(7,440,374)	7,440,374	-
<u>69,619,645</u>	<u>7,440,374</u>	<u>77,060,019</u>
26,153,512	7,385,832	33,539,344
633,146,960	338,246,887	971,393,847
<u>\$ 659,300,472</u>	<u>\$ 345,632,719</u>	<u>\$ 1,004,933,191</u>

City of Gresham, Oregon
Balance Sheet
Governmental Funds
June 30, 2022

	General Fund	Designated Purpose Fund	System Development Charges Fund
ASSETS			
Cash and investments	\$ 20,400,939	\$ 16,311,339	\$ 28,017,680
Property taxes receivable, net	762,559	-	-
Receivables, net	6,075,970	601,848	650,675
Other assets	60,281	49,271	82,507
Due from other funds	11,265,152	-	-
Advance to other funds	-	-	-
Restricted cash and investments	-	258,289	-
Total assets	<u>\$ 38,564,901</u>	<u>\$ 17,220,747</u>	<u>\$ 28,750,862</u>
LIABILITIES			
Accounts payable	\$ 958,223	\$ 142,301	\$ -
Other accrued liabilities	-	-	-
Deposits	210	258,289	-
Unearned revenue	-	344,111	9,801,593
Due to other funds	-	-	-
Advance from other funds	-	-	-
Total liabilities	<u>958,433</u>	<u>744,701</u>	<u>9,801,593</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	697,902	-	-
Unavailable revenue - loans receivable	-	-	649,560
Unavailable revenue - other	67,565	9,703,138	-
Total deferred inflows of resources	<u>765,467</u>	<u>9,703,138</u>	<u>649,560</u>
FUND BALANCES			
Restricted	-	6,029,126	18,299,709
Committed	-	-	-
Assigned	-	743,782	-
Unassigned	36,841,001	-	-
Total fund balances	<u>36,841,001</u>	<u>6,772,908</u>	<u>18,299,709</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 38,564,901</u>	<u>\$ 17,220,747</u>	<u>\$ 28,750,862</u>

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

Transportation Fund	General Government Debt Service Fund	GRDC - Rockwood Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 30,884,986	\$ 245,130	\$ 9,456,595	\$ 41,190,649	\$ 146,507,318
-	-	144,285	-	906,844
2,006,837	733	-	4,577,902	13,913,965
91,309	-	33,064	123,574	440,006
2,821,680	-	-	580,508	14,667,340
-	-	-	1,647,566	1,647,566
-	-	1,800,000	673,235	2,731,524
<u>\$ 35,804,812</u>	<u>\$ 245,863</u>	<u>\$ 11,433,944</u>	<u>\$ 48,793,434</u>	<u>\$ 180,814,563</u>
\$ 204,374	\$ -	\$ -	\$ 4,855,454	\$ 6,160,352
453	-	-	97,200	97,653
583,794	-	-	1,980,945	2,823,238
-	-	-	2,522,354	12,668,058
-	-	-	300,049	300,049
-	-	1,647,566	-	1,647,566
<u>788,621</u>	<u>-</u>	<u>1,647,566</u>	<u>9,756,002</u>	<u>23,696,916</u>
-	-	131,672	-	829,574
-	-	-	-	649,560
-	-	-	427,746	10,198,449
-	-	131,672	427,746	11,677,583
35,016,191	-	9,654,706	17,721,479	86,721,211
-	-	-	953,324	953,324
-	245,863	-	19,934,883	20,924,528
-	-	-	-	36,841,001
<u>35,016,191</u>	<u>245,863</u>	<u>9,654,706</u>	<u>38,609,686</u>	<u>145,440,064</u>
<u>\$ 35,804,812</u>	<u>\$ 245,863</u>	<u>\$ 11,433,944</u>	<u>\$ 48,793,434</u>	<u>\$ 180,814,563</u>

City of Gresham, Oregon
Reconciliation of the Balance Sheet of Governmental Funds to Governmental Activities on the Statement of Net Position
June 30, 2022

Total fund balances - governmental funds \$ 145,440,064

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	1,393,917,501	
Less: Accumulated depreciation & amortization	<u>(751,664,538)</u>	642,252,963

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	17,127,755	
Capital assets included in total above	(10,295,011)	
Accrued Interest payable	34,992	
Leases payable	32,348	
Pension amounts included in totals below	18,205,734	
OPEB amounts included in totals below	1,420,555	
Compensated absences included in total below	1,902,600	
Bonds and notes payable, net included in total below	<u>855,056</u>	29,284,029

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	(68,793,999)	
Net OPEB asset	1,425,029	
Total OPEB liability	(8,815,417)	
Deferred outflows of resources related to pensions	40,097,559	
Deferred outflows of resources related to OPEB	1,579,756	
Deferred inflows of resources related to pensions	(59,560,379)	
Deferred inflows of resources related to OPEB	<u>(1,412,781)</u>	(95,480,232)

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		11,677,583
--	--	------------

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	(63,511,025)	
Bond premiums, net of accumulated amortization	(200,357)	
Leases payable	(286,373)	
Accrued interest payable	(325,580)	
Compensated absences	<u>(9,550,600)</u>	<u>(73,873,935)</u>

Total net position - governmental activities \$ 659,300,472

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, 2022

	General Fund	Designated Purpose Fund	System Development Charges Fund
REVENUES			
Taxes	\$ 45,479,874	\$ -	\$ -
Licenses and permits	473,841	-	-
Intergovernmental	11,010,147	5,480,114	-
Charges for services	8,298,509	412,804	11,534,329
License fees	18,020,274	-	-
Miscellaneous	257,234	1,679,317	-
Internal service charges	552,082	-	-
Total revenues	<u>84,091,961</u>	<u>7,572,235</u>	<u>11,534,329</u>
EXPENDITURES			
Current:			
General government	-	4,271,111	-
Public safety	67,413,474	749,798	-
Urban renewal	-	-	-
Urban design and planning	-	43,239	-
Community development	696,243	111,074	-
Economic development services	655,578	-	-
Community livability	-	524,163	-
Parks	3,333,383	-	-
Environmental services	-	344,231	-
Transportation	-	-	-
Capital outlay	254,025	-	-
Debt service	-	-	-
Total expenditures	<u>72,352,703</u>	<u>6,043,616</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,739,258</u>	<u>1,528,619</u>	<u>11,534,329</u>
OTHER FINANCING SOURCES (USES)			
Issuance of debt	-	-	-
Proceeds from sale of assets	187,982	-	-
Lease proceeds	254,025	-	-
Transfers in	1,775,000	305,073	-
Transfers out	(4,865,660)	(1,700,000)	(17,407,454)
Total other financing sources (uses)	<u>(2,648,653)</u>	<u>(1,394,927)</u>	<u>(17,407,454)</u>
Net change in fund balances	<u>9,090,605</u>	<u>133,692</u>	<u>(5,873,125)</u>
Fund balances - beginning	<u>27,750,396</u>	<u>6,639,216</u>	<u>24,172,834</u>
Fund balances - ending	<u>\$ 36,841,001</u>	<u>\$ 6,772,908</u>	<u>\$ 18,299,709</u>

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

Transportation Fund	General Government Debt Service Fund	GRDC - Rockwood Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 6,641,557	\$ -	\$ 52,121,431
-	-	-	3,088,084	3,561,925
12,754,171	-	22,269	13,639,713	42,906,414
70,649	-	-	3,627,465	23,943,756
1,487,781	-	-	1,272,614	20,780,669
-	-	-	57,514	1,994,065
1,865,099	-	-	2,649,214	5,066,395
<u>16,177,700</u>	<u>-</u>	<u>6,663,826</u>	<u>24,334,604</u>	<u>150,374,655</u>
-	10,924	328,903	-	4,610,938
-	-	-	-	68,163,272
-	-	-	5,934,874	5,934,874
-	-	-	3,343,091	3,386,330
-	-	-	7,204,658	8,011,975
-	-	-	-	655,578
-	-	-	-	524,163
-	-	-	-	3,333,383
-	-	-	4,116,183	4,460,414
9,164,681	-	-	510,220	9,674,901
-	-	-	26,145,632	26,399,657
-	26,320,911	9,971,971	3,834,507	40,127,389
<u>9,164,681</u>	<u>26,331,835</u>	<u>10,300,874</u>	<u>51,089,165</u>	<u>175,282,874</u>
<u>7,013,019</u>	<u>(26,331,835)</u>	<u>(3,637,048)</u>	<u>(26,754,561)</u>	<u>(24,908,219)</u>
-	22,745,495	-	15,554,705	38,300,200
30,377	-	-	7,208	225,567
-	-	-	-	254,025
1,342,819	3,574,649	1,585,151	21,452,324	30,035,016
(4,604,186)	-	-	(2,582,963)	(31,160,263)
<u>(3,230,990)</u>	<u>26,320,144</u>	<u>1,585,151</u>	<u>34,431,274</u>	<u>37,654,545</u>
<u>3,782,029</u>	<u>(11,691)</u>	<u>(2,051,897)</u>	<u>7,676,713</u>	<u>12,746,326</u>
<u>31,234,162</u>	<u>257,554</u>	<u>11,706,603</u>	<u>30,932,973</u>	<u>132,693,738</u>
<u>\$ 35,016,191</u>	<u>\$ 245,863</u>	<u>\$ 9,654,706</u>	<u>\$ 38,609,686</u>	<u>\$ 145,440,064</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, 2022

Net change in fund balances - governmental funds \$ 12,746,326

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	18,999,281	
Contributions	1,815,431	
Leases	479,343	
Less:		
Depreciation & amortization expense	<u>(16,466,949)</u>	4,827,106

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	172,017	
Proceeds from disposition of capital assets	<u>(225,566)</u>	(53,549)

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	(38,300,200)	
Debt principal repayments from governmental funds	36,573,228	
Lease proceeds	(479,343)	
Principal payment on lease	<u>192,970</u>	(2,013,345)

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

Internal service fund change in net position	1,765,606	
Change in capital asset activity included in total above	482,780	
Change in bonds and notes payable included in total above	(397,828)	
Change in leases payable	32,348	
Pension expense included in total below	157,157	
OPEB expense included in total below	24,747	
Amortization of premium included in total below	(5,438)	
Accrued interest reversal and accrual included in total below	(16,313)	
Change in compensated absences included in total below	<u>144,800</u>	2,187,859

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	(65,766)	
Change in miscellaneous receivables	<u>7,729,933</u>	7,664,167

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	92,847	
Change in accrued interest	83,052	
Pension expense	506,943	
OPEB expense	(113,894)	
Change in compensated absences	<u>226,000</u>	794,948

Change in net position - governmental activities \$ 26,153,512

City of Gresham, Oregon
Statement of Net Position
Proprietary Funds
June 30, 2022

	Enterprise Funds				Internal Service Funds
	Water	Stormwater	Wastewater	Total	
ASSETS					
Current assets:					
Cash and investments	\$ 65,661,967	\$ 23,660,065	\$ 51,840,076	\$ 141,162,108	\$ 59,368,096
Receivables, net	2,355,436	1,763,497	3,751,062	7,869,995	325,651
Due from other funds	2,063,100	1,753,008	3,323,970	7,140,078	1,563,677
Total current assets	<u>70,080,503</u>	<u>27,176,570</u>	<u>58,915,108</u>	<u>156,172,181</u>	<u>61,257,424</u>
Noncurrent assets:					
Other assets	196,543	71,159	153,500	421,202	175,306
Restricted cash and investments	684,135	500,000	218,703	1,402,838	-
Capital assets:					
Non-depreciable	11,565,047	8,190,045	8,418,453	28,173,545	2,268,057
Depreciable, net	69,684,646	52,197,397	111,682,585	233,564,628	8,008,561
Leases, net	-	-	-	-	18,393
Total noncurrent assets	<u>82,130,371</u>	<u>60,958,601</u>	<u>120,473,241</u>	<u>263,562,213</u>	<u>10,470,317</u>
Total assets	<u>152,210,874</u>	<u>88,135,171</u>	<u>179,388,349</u>	<u>419,734,394</u>	<u>71,727,741</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflow related to pension	2,335,973	2,486,463	2,236,957	7,059,393	13,032,633
Deferred outflow related to OPEB	37,087	40,997	71,234	149,318	266,343
Total deferred outflows of resources	<u>2,373,060</u>	<u>2,527,460</u>	<u>2,308,191</u>	<u>7,208,711</u>	<u>13,298,976</u>
LIABILITIES					
Current liabilities:					
Accounts payable	1,756,542	338,304	2,250,520	4,345,366	1,516,751
Other accrued liabilities	13,735	12,156	81,558	107,449	23,705
Accrued claims payable	-	-	-	-	5,408,140
Accrued interest payable	113,204	-	27,668	140,872	34,992
Other liabilities	-	-	-	-	1,406,548
Deposits	684,135	-	-	684,135	1,504
Unearned revenue	-	-	-	-	721,007
Due to other funds	-	-	-	-	23,071,046
Lease payable	-	-	-	-	32,348
Compensated absences	70,000	62,100	62,900	195,000	285,400
Bonds, notes and loans payable	332,486	246,780	398,359	977,625	419,317
Total current liabilities	<u>2,970,102</u>	<u>659,340</u>	<u>2,821,005</u>	<u>6,450,447</u>	<u>32,920,758</u>
Noncurrent liabilities:					
Net pension liability	2,748,275	2,795,545	2,665,822	8,209,642	14,239,323
Total OPEB liability	235,834	248,092	130,222	614,148	1,250,361
Compensated absences	396,600	352,100	356,200	1,104,900	1,617,200
Bonds, notes and loans payable	47,289,948	3,578,318	3,703,104	54,571,370	435,739
Total noncurrent liabilities	<u>50,670,657</u>	<u>6,974,055</u>	<u>6,855,348</u>	<u>64,500,060</u>	<u>17,542,623</u>
Total liabilities	<u>53,640,759</u>	<u>7,633,395</u>	<u>9,676,353</u>	<u>70,950,507</u>	<u>50,463,381</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pension	3,368,499	3,204,256	3,390,212	9,962,967	16,999,044
Deferred inflows related to OPEB	243,829	96,467	56,616	396,912	436,537
Total deferred inflows of resources	<u>3,612,328</u>	<u>3,300,723</u>	<u>3,446,828</u>	<u>10,359,879</u>	<u>17,435,581</u>
NET POSITION					
Net investment in capital assets	33,627,260	56,562,345	115,999,575	206,189,180	9,421,562
Restricted for:					
Construction	-	-	211,489	211,489	-
Loan requirement	-	-	7,214	7,214	-
Rate stabilization	-	500,000	-	500,000	-
Debt service	-	199,565	1,024,200	1,223,765	-
Unrestricted	63,703,587	22,466,603	51,330,881	137,501,071	7,706,193
Total net position	<u>\$ 97,330,847</u>	<u>\$ 79,728,513</u>	<u>\$ 168,573,359</u>	<u>\$ 345,632,719</u>	<u>\$ 17,127,755</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, 2022

	Enterprise Funds				Internal Service Funds
	Water	Stormwater	Wastewater	Total	
OPERATING REVENUES					
Charges for services	\$ 17,288,698	\$ 11,499,693	\$ 21,341,818	\$ 50,130,209	\$ 38,510,647
Miscellaneous	-	-	-	-	39,082
Total operating revenues	<u>17,288,698</u>	<u>11,499,693</u>	<u>21,341,818</u>	<u>50,130,209</u>	<u>38,549,729</u>
OPERATING EXPENSES					
Personnel services	2,465,912	2,936,871	2,607,281	8,010,064	17,617,755
Professional and technical services	127,685	748,772	4,138,502	5,014,959	2,440,132
Property services	682,565	116,134	135,892	934,591	805,522
Other services	62,067	42,960	42,213	147,240	361,973
Supplies	134,505	125,298	232,839	492,642	3,752,216
Water purchase	3,111,344	-	-	3,111,344	-
Incentive programs	55,700	198,969	-	254,669	142,708
Insurance claims	-	-	-	-	9,840,392
Internal services	4,204,406	3,082,392	5,731,283	13,018,081	5,118
Other materials and services	291,490	304,300	1,762,492	2,358,282	1,607,630
Depreciation and amortization	3,379,714	2,415,347	5,628,563	11,423,624	867,065
Total operating expenses	<u>14,515,388</u>	<u>9,971,043</u>	<u>20,279,065</u>	<u>44,765,496</u>	<u>37,440,511</u>
Operating income (loss)	<u>2,773,310</u>	<u>1,528,650</u>	<u>1,062,753</u>	<u>5,364,713</u>	<u>1,109,218</u>
NONOPERATING REVENUES (EXPENSES)					
Miscellaneous revenue (expense)	(3,191,509)	(806,282)	(1,698,962)	(5,696,753)	(1,303,909)
Interest expense	(762,396)	-	(137,206)	(899,602)	(37,073)
Gain/(loss) on disposition of capital assets	177	1,002	26,878	28,057	(2,959)
Total nonoperating revenues (expenses)	<u>(3,953,728)</u>	<u>(805,280)</u>	<u>(1,809,290)</u>	<u>(6,568,298)</u>	<u>(1,343,941)</u>
Income (loss) before contributions and transfers	<u>(1,180,418)</u>	<u>723,370</u>	<u>(746,537)</u>	<u>(1,203,585)</u>	<u>(234,723)</u>
Capital contributions	216,691	643,250	289,102	1,149,043	-
Transfers in	2,304,716	498,760	7,792,122	10,595,598	2,524,050
Transfers out	(696,725)	(1,750,799)	(707,700)	(3,155,224)	(523,721)
Change in net position	<u>644,264</u>	<u>114,581</u>	<u>6,626,987</u>	<u>7,385,832</u>	<u>1,765,606</u>
Total net position - beginning	<u>96,686,583</u>	<u>79,613,932</u>	<u>161,946,372</u>	<u>338,246,887</u>	<u>15,362,149</u>
Total net position - ending	<u>\$ 97,330,847</u>	<u>\$ 79,728,513</u>	<u>\$ 168,573,359</u>	<u>\$ 345,632,719</u>	<u>\$ 17,127,755</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, 2022

	Enterprise Funds				Internal Service Funds
	Water	Stormwater	Wastewater	Total	
Cash flows from operating activities:					
Receipts from customers	\$ 17,941,632	\$ 11,510,735	\$ 21,333,877	\$ 50,786,244	\$ 1,197,088
Receipts for internal services provided	-	-	-	-	37,362,356
Payments to suppliers for goods and services	(8,272,837)	(4,528,084)	(11,105,417)	(23,906,338)	(18,989,961)
Payments to employees for services	(2,533,161)	(2,885,655)	(2,664,410)	(8,083,226)	(17,300,072)
Other operating receipts (payments)	(3,613,744)	(806,282)	(1,698,962)	(6,118,988)	(633,766)
Net cash provided by (used in) operating activities	<u>3,521,890</u>	<u>3,290,714</u>	<u>5,865,088</u>	<u>12,677,692</u>	<u>1,635,645</u>
Cash flows from noncapital financing activities:					
Receipts from other funds	1,214,782	242,546	6,881,850	8,339,178	6,147,696
Payments to other funds	(657,995)	(2,013,340)	(762,785)	(3,434,120)	(556,918)
Net cash provided by (used in) noncapital financing activities	<u>556,787</u>	<u>(1,770,794)</u>	<u>6,119,065</u>	<u>4,905,058</u>	<u>5,590,778</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(9,493,975)	(1,350,749)	(10,519,978)	(21,364,702)	(368,851)
Proceeds from debt issuance	45,141,768	-	1,700	45,143,468	-
Receipts from system development charges	1,089,934	256,214	910,272	2,256,420	-
Principal portion of debt service	(14,922,575)	(246,780)	(686,182)	(15,855,537)	(397,828)
Interest portion of debt service	(821,066)	-	(182,986)	(1,004,052)	(58,825)
Proceeds from disposition of capital assets	177	1,002	26,878	28,057	13,955
Net cash provided by (used in) capital and related financing activities	<u>20,994,263</u>	<u>(1,340,313)</u>	<u>(10,450,296)</u>	<u>9,203,654</u>	<u>(811,549)</u>
Cash flows from investing activities:					
Change in investments	(18,413,266)	(513,525)	(3,913,232)	(22,840,023)	(6,303,249)
Interest on investments	-	11,115	20,006	31,121	6,983
Net cash provided by (used in) investing activities	<u>(18,413,266)</u>	<u>(502,410)</u>	<u>(3,893,226)</u>	<u>(22,808,902)</u>	<u>(6,296,266)</u>
Net increase (decrease) in cash and cash equivalents	6,659,674	(322,803)	(2,359,369)	3,977,502	118,608
Cash and cash equivalents - beginning	5,909,625	1,992,137	10,100,293	18,002,056	2,278,841
Cash and cash equivalents - ending	<u>\$ 12,569,299</u>	<u>\$ 1,669,334</u>	<u>\$ 7,740,925</u>	<u>\$ 21,979,558</u>	<u>\$ 2,397,448</u>
Classified on the Statement of Net Position as:					
Cash and investments	\$ 12,456,075	\$ 1,608,884	\$ 7,729,355	\$ 21,794,314	\$ 2,397,448
Restricted cash and cash equivalents	113,224	60,450	11,569	185,244	-
	<u>\$ 12,569,299</u>	<u>\$ 1,669,334</u>	<u>\$ 7,740,925</u>	<u>\$ 21,979,558</u>	<u>\$ 2,397,448</u>
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	\$ 2,773,310	\$ 1,528,649	\$ 1,062,753	\$ 5,364,712	\$ 1,109,218
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation and amortization	3,379,714	2,415,347	5,628,563	11,423,624	867,065
Pension adjustments	(94,404)	69,740	(145,206)	(169,870)	157,157
OPEB adjustments	(17,145)	1,676	3,977	(11,492)	24,747
Other	(3,191,509)	(806,282)	(1,698,962)	(5,696,753)	(1,303,909)
Changes in assets and liabilities:					
Receivables	652,934	11,042	(7,941)	656,035	662,829
Accounts payable	421,174	113,860	897,203	1,432,237	(482,437)
Other liabilities	(402,184)	(43,318)	124,701	(320,801)	600,975
Net cash provided by (used in) operating activities	<u>\$ 3,521,890</u>	<u>\$ 3,290,714</u>	<u>5,865,088</u>	<u>\$ 12,677,692</u>	<u>\$ 1,635,645</u>
Noncash investing, capital, and financing activities:					
Contributed capital assets	\$ 216,691	\$ 643,250	\$ 289,102	\$ 1,149,043	\$ -
Increase (Decrease) in fair value of investments	(2,933,667)	(1,062,157)	(2,291,188)	(6,287,012)	(2,616,675)

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, 2022

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. In May 2022, Gresham voters approved the extension of the Area through 2029. 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 \$34,429,232 at fiscal year-end 2022. The Commission's activities are reported in the Rockwood UR Capital Projects Fund and the Rockwood UR Debt Service Fund.

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

B. Basic Financial Statements

The basic financial statements include both government-wide and fund financial statements. The government-wide financial statements report information on all non-fiduciary activities of the City and its component unit. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

CITY OF GRESHAM, OREGON

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

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

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

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

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

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

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

The *Designated Purpose Fund* accounts for monies donated to the City to support specific activities. Some grant funded expenditures are reported in this fund. Resources include intergovernmental revenue, and donations from businesses and individuals.

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

NOTES TO THE FINANCIAL STATEMENTS

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

The *General Government Debt Fund* accounts for debt service payments on obligations of government funds.

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

The City reports the following funds as major proprietary funds:

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

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

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

Additionally, the City has the following fund types:

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

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

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

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

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

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

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

D. New Accounting Pronouncements and Accounting Standards

During the fiscal year ended June 30, 2022, the City implemented the following GASB pronouncements:

CITY OF GRESHAM, OREGON

GASB Statement No. 87, Leases

The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The City has implemented this statement for the Fiscal Year Ended June 30, 2022. Additional information is available in note 3.F.

GASB Statement No. 93, Replacement of Interbank Offered Rates

The primary objective of this Statement is to address various accounting issues that result from governments replacing any references to interbank offered rates in financial instruments. Management has evaluated the requirements of this Statement and concluded that GASB Statement 93 will not have an immediate impact on the City's financial statements.

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

Cash and Cash Equivalents, and Investments

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

Receivables

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

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

Inventories

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

NOTES TO THE FINANCIAL STATEMENTS

Restricted Net Position

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

Capital Assets

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

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

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

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

Deferred Outflows/Inflows of Resources

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

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

Compensated Absences

It is the City's policy to permit employees to accumulate earned, but unused vacation, holiday, and sick pay benefits. There is no liability for unpaid accumulated sick leave since the City does not pay these amounts when employees separate from service with the City. Vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. The City recognizes

CITY OF GRESHAM, OREGON

accrued compensation balance changes as a budgetary expense. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-term Debt

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

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

The Tax Reform Act of 1986 requires that governmental entities issuing tax-exempt debt after August 1986 calculate and rebate arbitrage earnings to the federal government. Specifically, the excess of the aggregated amount earned on investments purchased with bond proceeds over the amount that would have been earned if the proceeds were invested at a rate equal to the bond yield, is rebated to the federal government. At June 30, 2022, seven 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.

Lease payable

The City reports a lease payable for the liability associated with contracts granting the City the right to use a nonfinancial asset such as land, buildings, or equipment. The City has also recorded an intangible asset for the right to use the nonfinancial asset.

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.

NOTES TO THE FINANCIAL STATEMENTS

Net Pension Liability

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

Fund Balance

Fund balances, presented in the governmental fund financial statements, represent a resource for future periods that is the difference between assets and liabilities reported in a governmental fund. Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City evaluated each of its funds at June 30, 2022 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.

CITY OF GRESHAM, OREGON

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. Budgets are prepared similar to the modified accrual basis of accounting for all fund types.

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

Unexpected additional resources may be added to the budget through the use of a supplemental budget, an appropriation or contingency transfer, or an appropriation of additional resources. These additions require the approval of the City Council. During the fiscal year, the City adopted one supplemental budget and made a number of appropriation transfers and additional resource appropriations.

B. Deficit Fund Equity

The Legal Services Fund and the Administrative Services Fund had deficit net position of \$796,918 and \$7,073,322 respectively on June 30, 2022. 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 \$582,605. The total bank balance was \$1,575,029. Of these deposits, \$250,000 was fully covered by the federal depository insurance's general deposit rules and \$1,325,029 was in a qualified depository bank and collateralized in compliance with ORS 295. The City does not have a policy related to custodial risk over cash. The difference between the book balance and the bank balance represents outstanding items at year-end.

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

State of Oregon statutes and the City's investment policies authorize the City to invest in U.S. Treasury obligations, U.S. Agency obligations, certain federal instrumentality securities, commercial

NOTES TO THE FINANCIAL STATEMENTS

paper, corporate bonds, banker's acceptances, Oregon Short-Term Fund, repurchase agreements, obligations of certain states and municipalities, time deposits, certificates of deposit, and savings accounts.

The City invests in the Local Government Investment Pool (LGIP). The LGIP is not registered with the U.S. Securities and Exchange Commission as an investment company. The Oregon Revised Statutes and the Oregon Investment Council govern the LGIP's investment policies. The State Treasurer is the investment officer for the LGIP and is responsible for all funds in the LGIP. These funds must be invested, and the investments managed, as a prudent person would, exercising reasonable care, skill, and caution. Investments in the LGIP are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The Oregon Audits Division audits the LGIP annually. The Division's most recent audit report on the LGIP was unqualified. The fair value of pool shares is equal to the City's proportionate position in the pool.

Interest Rate Risk

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

Investments	Risk Concentration	Weighted Average Final Maturity (Days)	Fair Value+Accrued
Cash/LGIP	14.1%	1	\$ 49,474,412
Corporate Obligations	21.3%	167	74,857,452
Municipal Obligations	7.6%	41	26,668,401
US Treasury	31.4%	299	110,141,024
US Agency Securities	25.6%	187	90,030,595
	<u>100.0%</u>	<u>181</u>	<u>\$ 351,171,884</u>

Shown on the Statement of Net Position as:	Cash and investments	\$ 347,037,522
	Restricted cash and investments	4,134,362
		<u>\$ 351,171,884</u>

CITY OF GRESHAM, OREGON

Fair Value Measurements

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

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

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

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

Fair Value Measurements Value as of June 30, 2022

	Level 1	Level 2	Level 3	Total
Investments:				
US Treasury	\$ 110,141,024	\$ -	\$ -	\$ 110,141,024
US Agency Securities	-	90,030,595	-	90,030,595
Corporate Obligations	-	74,857,452	-	74,857,452
Municipal Obligations	-	14,533,183	12,135,218	26,668,401
Total	<u>\$ 110,141,024</u>	<u>\$ 179,421,230</u>	<u>\$ 12,135,218</u>	<u>\$ 301,697,472</u>

NOTES TO THE FINANCIAL STATEMENTS

Concentration Risk and Credit Risk

The City's investment policy does not allow for an investment in any one issuer to exceed 5 percent of the City's total investments, with the exception of US Treasuries, US Agencies and Instrumentalities. Credit risk is a ratings-based assessment of the likelihood of an issuer defaulting on its repayment obligations. The City mitigates its exposure to credit risk by limiting purchases to the highest ratings groups at time of purchase. At year end the City held 32.7 percent of its portfolio in securities subject to normal credit risk considerations. Investments held at year-end are categorized by credit rating and concentration as follows:

Investment-Type	Minimum Allowable Credit Quality Criteria		S&P	Moody's	Fair Value June 30, 2022	Percentage of Total FV
	(at the time of purchase)					
Cash/LGIP	- / -		-	-	\$ 49,474,412	14.1%
Corporate Bonds	AA-/Aa3		AA+	Aaa	4,990,433	1.4%
Corporate Bonds	AA-/Aa3		A	A1	5,063,469	1.4%
Corporate Bonds	AA-/Aa3		AA+	Aaa	5,029,292	1.4%
Corporate Bonds	AA-/Aa3		A-	A2	5,041,144	1.4%
Corporate Bonds	AA-/Aa3		A-	A2	5,064,723	1.4%
Corporate Bonds	AA-/Aa3		A+	Aa3	3,056,758	0.9%
Corporate Bonds	AA-/Aa3		A+	A2	5,057,038	1.4%
Corporate Bonds	AA-/Aa3		A	A1	2,262,729	0.7%
Corporate Bonds	AA-/Aa3		A	A1	2,421,563	0.7%
Corporate Bonds	AA-/Aa3		A	A1	4,398,867	1.3%
Corporate Bonds	AA-/Aa3		AAA	Aaa	2,759,581	0.8%
Corporate Bonds	AA-/Aa3		AA+	Aa1	4,769,479	1.4%
Corporate Bonds	AA-/Aa3		A-	A2	2,444,762	0.7%
Corporate Bonds	AA-/Aa3		A	A1	4,856,203	1.4%
Corporate Bonds	AA-/Aa3		AA	A1	2,413,544	0.7%
Corporate Bonds	AA-/Aa3		A-	A2	2,447,488	0.7%
Corporate Bonds	AA-/Aa3		A	A1	3,934,494	1.1%
Corporate Bonds	AA-/Aa3		A	A1	3,904,835	1.1%
Corporate Bonds	AA-/Aa3		AA	A1	4,941,050	1.4%
Municipal - CA	AA-/Aa3		AA-	Aa2	9,926,525	2.8%
Municipal- WA	AA-/Aa3		AA+	Aaa	1,010,979	0.3%
Municipal- WA	AA-/Aa3		NA	Aa1	1,899,384	0.5%
Municipal- OR	A-/A3		AAA	Aa1	1,029,274	0.3%
Municipal- OR	A-/A3		AA+	Aa1	667,022	0.2%
Municipal-GRDC	A-/A3		NA	Aa2	12,135,218	3.5%
US Instrumentality: FFCB	AA+/Aaa		AA+	Aaa	14,915,164	4.2%
US Instrumentality: FHLB	AA+/Aaa		AA+	Aaa	13,809,398	3.9%
US Instrumentality: FHLMC	AA+/Aaa		AA+	Aaa	27,519,494	7.8%
US Instrumentality: FNMA	AA+/Aaa		AA+	Aaa	33,786,538	9.6%
US Treasury	AA+/Aaa		AA+	Aaa	110,141,024	31.5%
					\$ 351,171,884	100.0%

CITY OF GRESHAM, OREGON

B. Receivables

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

	Accounts	Taxes	Gross Receivables	Allowance for Doubtful Accounts	Receivables, Net
Governmental Activities					
General	\$ 6,260,606	\$ 762,559	\$ 7,023,165	\$ (184,636)	\$ 6,838,529
Designated purpose	942,933	-	942,933	(341,085)	601,848
Transportation	2,228,858	-	2,228,858	(222,021)	2,006,837
System development charges	650,675	-	650,675	-	650,675
General gov debt service	733	-	733	-	733
Rockwood UR debt service	-	144,285	144,285	-	144,285
Nonmajor governmental	4,685,484	-	4,685,484	(107,582)	4,577,902
Internal service	337,061	-	337,061	(11,410)	325,651
	<u>\$15,106,350</u>	<u>\$ 906,844</u>	<u>\$ 16,013,194</u>	<u>\$ (866,734)</u>	<u>\$ 15,146,460</u>
Business-Type Activities					
Water	\$ 2,364,462	\$ -	\$ 2,364,462	\$ (9,026)	\$ 2,355,436
Stormwater	1,771,150	-	1,771,150	(7,653)	1,763,497
Wastewater	3,753,721	-	3,753,721	(2,659)	3,751,062
	<u>\$ 7,889,333</u>	<u>\$ -</u>	<u>\$ 7,889,333</u>	<u>\$ (19,338)</u>	<u>\$ 7,869,995</u>
			Total receivables		<u>\$ 23,016,455</u>
			Shown on the Statement of Net Position as:		
			Receivables, net		\$ 22,109,336
			Property taxes receivable, net		906,844
					<u>\$ 23,016,180</u>

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

C. Capital Assets

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

Capital asset activity during the fiscal year was as follows:

NOTES TO THE FINANCIAL STATEMENTS

	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
Governmental Activities					
Non-depreciated & non-amortized:					
Land	\$ 34,122,554	\$ -	\$ -	\$ 2,826,726	\$ 36,949,280
Construction in progress	6,048,481	7,011,008	-	(3,892,109)	9,167,380
Easements	449,228,239	3,513,067	-	-	452,741,306
Licenses	22,000	-	-	-	22,000
Total non-depr. & non-amort.	<u>489,421,274</u>	<u>10,524,075</u>	<u>-</u>	<u>(1,065,383)</u>	<u>498,879,966</u>
Depreciated & amortized:					
Buildings	27,299,194	-	-	-	27,299,194
Improvements	29,078,256	1,117,904	-	-	30,196,160
Machinery and equipment	28,512,949	1,227,056	(1,281,033)	257,063	28,716,035
Infrastructure	796,584,694	7,945,677	-	808,320	805,338,691
Software	3,025,353	-	-	-	3,025,353
Total depr. & amort. at historical cost	<u>884,500,446</u>	<u>10,290,637</u>	<u>(1,281,033)</u>	<u>1,065,383</u>	<u>894,575,433</u>
Less accumulated depr. & amort. for:					
Buildings	(15,286,372)	(563,485)	-	-	(15,849,857)
Improvements	(9,932,420)	(1,264,620)	-	-	(11,197,040)
Machinery and equipment	(19,249,346)	(2,200,397)	1,227,484	-	(20,222,259)
Infrastructure	(689,953,605)	(12,133,007)	-	-	(702,086,612)
Software	(2,020,571)	(92,870)	-	-	(2,113,441)
Total accumulated depr. & amort.	<u>(736,442,314)</u>	<u>(16,254,379)</u>	<u>1,227,484</u>	<u>-</u>	<u>(751,469,209)</u>
Depreciated & amortized, net	<u>148,058,132</u>	<u>(5,963,742)</u>	<u>(53,549)</u>	<u>1,065,383</u>	<u>143,106,224</u>
Governmental Activities capital assets, net	<u>\$ 637,479,406</u>	<u>\$ 4,560,333</u>	<u>\$ (53,549)</u>	<u>\$ -</u>	<u>\$ 641,986,190</u>

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

General government	\$ 53,102
Public safety	1,554,386
Transportation	13,021,555
Community development	110,153
Environmental services	511,627
Internal service funds	660,140
Urban renewal	343,416
Total depreciation and amortization expense	\$ 16,254,379

	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
Business-Type Activities					
Non-depreciated & non-amortized:					
Land	\$ 8,264,078	\$ -	\$ -	\$ -	\$ 8,264,078
Construction in progress	10,038,866	9,400,800	-	(5,479,969)	13,959,697
Easements	5,808,602	141,168	-	-	5,949,770
Total non-depr. & non-amort.	<u>24,111,546</u>	<u>9,541,968</u>	<u>-</u>	<u>(5,479,969)</u>	<u>28,173,545</u>
Depreciated & amortized:					
Buildings	13,341,007	-	-	-	13,341,007
Improvements	16,568	-	-	-	16,568
Machinery and equipment	11,780,852	317,492	(305,110)	-	11,793,234
Infrastructure	403,961,486	12,662,584	-	5,479,969	422,104,039
Software	405,735	-	-	-	405,735
Total depr. & amort. at historical cost	<u>429,505,648</u>	<u>12,980,076</u>	<u>(305,110)</u>	<u>5,479,969</u>	<u>447,660,583</u>
Less accumulated depr. & amort. for:					
Buildings	(4,092,656)	(475,923)	-	-	(4,568,579)
Improvements	(16,568)	-	-	-	(16,568)
Machinery and equipment	(7,716,179)	(714,419)	296,811	-	(8,133,787)
Infrastructure	(190,915,981)	(10,166,175)	-	-	(201,082,156)
Software	(227,758)	(67,107)	-	-	(294,865)
Total accumulated depr. & amort.	<u>(202,969,142)</u>	<u>(11,423,624)</u>	<u>296,811</u>	<u>-</u>	<u>(214,095,955)</u>
Depreciated & amortized, net	<u>226,536,506</u>	<u>1,556,452</u>	<u>(8,299)</u>	<u>5,479,969</u>	<u>233,564,628</u>
Business-Type Activities capital assets, net	<u>\$ 250,648,052</u>	<u>\$ 11,098,420</u>	<u>\$ (8,299)</u>	<u>\$ -</u>	<u>\$ 261,738,173</u>

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

Water	\$ 3,379,714
Stormwater	2,415,347
Wastewater	5,628,563
Total depreciation and amortization expense	\$ 11,423,624

CITY OF GRESHAM, OREGON

D. Interfund Receivables, Payables and Transfers

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

The City Backed Urban Renewal Fund advanced \$3 million to Rockwood UR Debt Service Fund to refinance prior obligations and provide new funding for capital projects over the next few years.

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

<u>Due to/Advance from</u>	<u>Due from/Advance to</u>	<u>Amount</u>	
General	Nonmajor Governmental	\$ 300,000	
	Internal Service	<u>10,965,152</u>	\$ 11,265,152
Transportation	Internal Service	<u>2,821,680</u>	2,821,680
Nonmajor Governmental	Internal Service	580,508	
	Rockwood UR Debt Service	<u>1,647,566</u>	2,228,074
Water	Internal Service	<u>2,063,100</u>	2,063,100
Stormwater	Internal Service	<u>1,753,008</u>	1,753,008
Wastewater	Internal Service	<u>3,323,970</u>	3,323,970
Internal Service	Nonmajor Governmental	49	
	Various Internal Service Components	<u>1,563,628</u>	<u>1,563,677</u>
			<u>\$ 25,018,661</u>

NOTES TO THE FINANCIAL STATEMENTS

Interfund transfers during the fiscal year were as follows:

Transfer To	Transfer From	Amount	Purpose
General	Water, Stormwater, and Wastewater	75,000	Confined space
	Designated Purpose	<u>1,700,000</u>	Internal transfers
		\$ 1,775,000	
Designated Purpose	Water	25	Project reimbursement
	Nonmajor Governmental	59,787	Small business program transfers
	Internal Service	60,700	Program contributions
	General	<u>184,561</u>	Small business program transfers, grant matches
		305,073	
Transportation	Nonmajor Governmental	101,200	Administration of streetlight program
	System Development Charge	184,519	SDC improvement
	Stormwater	<u>1,057,100</u>	Funding for vegetation and street sweeping
		1,342,819	
General Governmental Debt Service	Nonmajor Governmental	640,937	Section 108 payments, streetlight transfers
	Transportation	695,364	Full faith and credit, LOC payments, debt service
	General	738,119	Full faith and credit payments
	System Development Charge	<u>1,500,229</u>	SDC funded debt and interest payments
		3,574,649	
GRDC - Rockwood Debt Service	Nonmajor Governmental	<u>1,585,151</u>	Debt service
		1,585,151	
Nonmajor Governmental	Nonmajor Governmental	195,838	CIP, streetlight transfers
	Water, Stormwater, and Wastewater	1,664,100	Green business program, small business program transfers, Dev eng and public works transfers
	General	2,344,000	Planning services, debt service
	Transportation	3,805,822	Dev engineering & public works inspection, CIP, debt service
	System Development Charge	<u>13,442,564</u>	SDC funded projects and interest, SDC credits
		21,452,324	
Water	System Development Charge	<u>2,304,716</u>	SDC funded debt, interest payment, and credits
		2,304,716	
Stormwater	System Development Charge	<u>498,760</u>	SDC funded debt, interest payment, and credits
		498,760	
Wastewater	System Development Charge	<u>7,792,122</u>	SDC funded debt, interest payment, and credits
		7,792,122	
Internal Service	Transportation	103,000	DES support of GIS internal transfers, project support
	Nonmajor Governmental	49	City facility project transfer, closing funds transfers
	Water, Stormwater, and Wastewater	359,000	City facility project transfer, DES support of GIS internal transfers
	Internal Service	463,021	Roof, debt transfers, admin support, enterprise systems replacement, ERF
	General	1,598,980	Fire facilities, City facilities, Community Livability support, ERF
		<u>2,524,050</u>	
		<u>\$ 43,154,664</u>	

CITY OF GRESHAM, OREGON

E. Long-term Liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year	Amounts Due in More Than One Year
Governmental Activities¹						
Bonds and notes payable	\$ 61,784,053	\$ 38,300,200	\$ 36,573,228	\$ 63,511,025	\$ 22,859,245	\$ 40,651,780
Premiums	293,204	-	92,847	200,357	92,847	107,510
Total bonds and notes payable	62,077,257	38,300,200	36,666,075	63,711,382	22,952,092	40,759,290
Other liabilities:						
Compensated absences	9,776,600	6,038,742	6,264,742	9,550,600	1,432,600	8,118,000
Other post-employment benefits liability	8,382,565	1,832,479	1,399,627	8,815,417	-	8,815,417
Net pension liability	115,477,760	36,035,337	82,719,098	68,793,999	-	68,793,999
Governmental Activities Long-Term Liabilities	\$ 195,714,182	\$ 82,206,758	\$ 127,049,542	\$ 150,871,398	\$ 24,384,692	\$ 126,486,706
Business-Type Activities						
Bonds and notes payable	\$ 25,804,425	\$ 1,671,000	\$ 15,855,537	\$ 11,619,888	\$ 839,113	\$ 10,780,775
Revenue bonds	-	41,455,000	-	41,455,000	-	41,455,000
Premiums	556,334	2,017,468	99,695	2,474,107	138,512	2,335,595
Total bonds and notes payable	26,360,759	45,143,468	15,955,232	55,548,995	977,625	54,571,370
Other liabilities:						
Compensated absences	1,191,700	720,043	611,843	1,299,900	195,000	1,104,900
Other post-employment benefits liability	674,919	126,245	187,016	614,148	-	614,148
Net pension liability	14,481,591	3,999,003	10,270,952	8,209,642	-	8,209,642
Business-Type Activities Long-Term Liabilities	\$ 42,708,969	\$ 49,988,759	\$ 27,025,043	\$ 65,672,685	\$ 1,172,625	\$ 64,500,060

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 \$75.1 million in outstanding bonds and notes (excluding Revenue bonds) to fund the following:

\$ 36,600,246	Property, buildings and infrastructure
10,885,000	Pension bonds
14,725,779	Urban renewal projects
780,000	Equipment
520,000	Miscellaneous other
<u>63,511,025</u>	<u>Governmental activities bonds and notes payable</u>
3,834,790	Wastewater system improvements
3,960,000	Water system improvements
3,825,098	Stormwater system improvements
<u>11,619,888</u>	<u>Business-Type activities notes payable</u>
<u>\$ 75,130,913</u>	<u>Total outstanding bonds and notes payable</u>

NOTES TO THE FINANCIAL STATEMENTS

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

Bonds and Notes	Project	Repayment Source
Governmental Activities		
2004 Limited Tax Obligation	Pension obligation	City operations, proportionately
2010 Financing Agmt Gresham-URA	Fire Ladder Truck, Sports Park, Center for Arts	General Fund and SDCs
2010 Financing Agmt Gresham-URA	Urban renewal	GRDC/Tax Increment
2013 Full Faith & Credit Obligations Series B	Fire Engines, Equipment, Roof Replacement	General Fund and Int. Svc. Chgs
2013 Full Faith & Credit Obligations Series C	Streetlight Replacement	Utility license fees
2015 FF&C Obligations	Transportation and Bikes and Footpaths	Gas Taxes & Transportation Fees
2015 FF&C Obligations	Urban renewal	GRDC/Tax Increment
2015 GRDC Notes	Urban renewal	GRDC/Tax Increment
2018 GRDC Note	Urban renewal	GRDC/Tax Increment
Section 108 Loan	Center for the Arts Fountain	CDBG funds
2018 Property Purchase	Future Facilities	General Fund
2018-22 Gresham-URA Line of Credit	Transportation and Footpaths & Bike Routes	Gas Taxes, Revenues and SDCs
2022 Transportation FF&C	Local street reconstruction	Transportation Revenues
Business-Type Activities		
Second Clarifier	Wastewater improvements	Wastewater Revenues and SDCs
Water Meter Replacement Note	Water improvements	Water Revenues
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
2021 Water Revenue Bond	Water infrastructure and improvements	Water Revenues
2022 WFIA**	Water infrastructure and improvements	Water Revenues

** No outstanding balance as of 6/30/22 for 2022 WFIA - draws not taken FY 22

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	\$ 12,240,000	\$ -	\$ 1,355,000	\$ 10,885,000
2013 Full Faith & Credit Obligations Series B	3.25% to 4.25%	4,655,000	1,945,000	-	480,000	1,465,000
2013 Full Faith & Credit Obligations Series C*	3.05% to 4.85%	7,610,000	3,040,000	-	375,000	2,665,000
2015 Full Faith & Credit Obligations	3.25% to 5.00%	8,951,250	4,242,500	-	932,500	3,310,000
Total bonds payable		40,496,250	21,467,500	-	3,142,500	18,325,000
<i>Notes Payable</i>						
Governmental Funds						
2010 Financing Agmt Gresham-GRDC	3.550% to 5.250%	23,470,000	4,393,156	-	2,150,517	\$ 2,242,639
2014 Section 108 Loan - Fountain	variable	1,500,000	300,000	-	151,000	149,000
2015 GRDC Note	3.00%	6,700,000	1,829,151	-	899,383	929,768
2017 GRDC Note	0.86% to 3.50%	1,000,000	11,180,000	6,000,000	6,000,000	11,180,000
2018 Property Purchase	5.05%	1,593,000	1,002,446	-	317,828	684,618
2018-22 Gresham Line of Credit	2.12%	50,000,000	21,611,800	2,300,200	23,912,000	-
2022 Transportation	2.40%	30,000,000	-	30,000,000	-	30,000,000
Total notes payable		114,263,000	40,316,553	38,300,200	33,430,728	45,186,025
Total Governmental Activities bonds and notes payable		\$154,759,250	\$ 61,784,053	\$38,300,200	\$36,573,228	\$ 63,511,025
Business-Type Activities						
Wastewater - Second Clarifier	2.98%	\$ 407,058	\$ 206,472	\$ -	\$ 21,682	\$ 184,790
2015 FF&C Obligations - Wastewater	3.25% to 5.00%	5,670,000	3,970,000	-	320,000	3,650,000
Water Meter Replacement Notes	3.00%	2,361,232	1,339,675	-	1,339,675	-
2015 FF&C Obligations - Water	3.25% to 5.00%	5,338,750	4,182,500	-	222,500	3,960,000
2017 State of Oregon Stormwater UIC	0.00%	4,935,608	4,071,878	-	246,780	3,825,098
2018-22 Gresham Line of Credit	2.12%	50,000,000	12,033,900	1,671,000	13,704,900	-
2021 Water Revenue Bond	2.00% to 5.00%	41,455,000	-	41,455,000	-	41,455,000
2022 WFIA	3.22%	34,078,873	-	-	-	-
Total Business-Type Activities bonds and notes payable		\$ 144,246,521	\$ 25,804,425	\$ 43,126,000	\$ 15,855,537	\$ 53,074,888

* 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%.

CITY OF GRESHAM, OREGON

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

Governmental Activities

Fiscal Year	2004 Limited Tax Obligation (Pension Bonds)		2010 Gresham/URA Financing Agmt		2013 FF&C Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 1,525,000	\$ 662,221	\$ 2,242,639	\$ 80,424	\$ 870,000	\$ 149,149
2024	1,710,000	570,492	-	-	895,000	115,536
2025	1,910,000	466,268	-	-	415,000	90,143
2026	2,125,000	349,853	-	-	420,000	73,693
2027	2,360,000	220,334	-	-	420,000	56,523
2028 - 2032	1,255,000	76,492	-	-	1,005,000	81,521
2033 - 2035	-	-	-	-	105,000	4,569
	<u>\$ 10,885,000</u>	<u>\$ 2,345,660</u>	<u>\$ 2,242,639</u>	<u>\$ 80,424</u>	<u>\$ 4,130,000</u>	<u>\$ 571,134</u>

Fiscal Year	Section 108 Loans		2015 Gresham/URA FF&C		2022 Transportation	
	Principal	Interest*	Principal	Interest	Principal	Interest
2023	\$ 149,000	\$ 2,250	\$ 975,000	\$ 138,961	\$ 4,653,960	\$ 786,000
2024	-	-	151,250	90,211	4,831,655	608,305
2025	-	-	163,750	82,648	4,947,615	492,345
2026	-	-	170,000	74,461	5,066,358	373,602
2027	-	-	177,500	65,961	5,187,951	252,010
2028 - 2032	-	-	991,250	222,038	5,312,461	127,499
2033 - 2036	-	-	681,250	47,950	-	-
	<u>\$ 149,000</u>	<u>\$ 2,250</u>	<u>\$ 3,310,000</u>	<u>\$ 722,230</u>	<u>\$ 30,000,000</u>	<u>\$ 2,639,761</u>

Fiscal Year	2015 GRDC		2017 GRDC		2018 Property Purchase	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 929,768	\$ 21,305	11,180,000	\$ 281,358	\$ 333,878	\$ 34,573
2024	-	-	-	-	350,740	17,712
	<u>\$ 929,768</u>	<u>\$ 21,305</u>	<u>\$ 11,180,000</u>	<u>\$ 281,358</u>	<u>\$ 684,618</u>	<u>\$ 52,285</u>

* The Section 108 Loan interest is a variable LIBOR-based rate. Paid off in FY 2023

NOTES TO THE FINANCIAL STATEMENTS

Business-Type Activities

Fiscal Year	Wastewater - Second Clarifier		Wastewater - 2015 FF&C		Water - 2015 FF&C	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 22,333	\$ 6,265	\$ 335,000	\$ 152,244	\$ 235,000	\$ 155,670
2024	23,002	5,484	350,000	135,494	243,750	143,920
2025	23,693	4,678	370,000	117,994	261,250	131,733
2026	24,405	3,848	390,000	99,494	270,000	118,670
2027	25,138	2,993	410,000	79,994	282,500	105,170
2028 - 2032	66,219	3,592	1,795,000	152,095	1,583,750	354,168
2033 - 2037	-	-	-	-	1,083,750	76,475
	<u>\$ 184,790</u>	<u>\$ 26,860</u>	<u>\$ 3,650,000</u>	<u>\$ 737,315</u>	<u>\$ 3,960,000</u>	<u>\$ 1,085,806</u>

Fiscal Year	Storm-Underground Injection Control		Water 2021 Revenue Bond	
	Principal	Interest*	Principal	Interest
2023	\$ 246,780	\$ 19,125	\$ -	\$ 1,047,113
2024	246,780	17,892	-	1,047,113
2025	246,780	16,658	-	1,047,113
2026	246,780	15,424	-	1,047,113
2027	246,780	14,190	-	1,047,113
2028 - 2032	1,233,900	52,440	6,665,000	4,756,062
2033 - 2037	1,233,900	21,594	9,685,000	3,279,110
2038 - 2039	123,398	617	10,695,000	2,271,010
2043 - 2047	-	-	11,875,000	1,095,495
2048 - 2052	-	-	2,535,000	57,038
	<u>\$ 3,825,098</u>	<u>\$ 157,940</u>	<u>\$ 41,455,000</u>	<u>\$ 16,694,280</u>

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

CITY OF GRESHAM, OREGON

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.

<u>Privately Issued Debt</u>			
Governmental Activities			
	6/30/2022	Maturity	Covenants/ Terms
2010 Fin. Agmt. Gresham-GRDC (Series A & B)	\$ 1,274,193	6/1/2023	(a)
2010 Fin. Agmt. GRDC (Series C)	968,446	6/1/2023	(b)
2014 Section 108 Loan - HUD	149,000	8/1/2029	(c)
2015 GRDC Note	929,768	6/1/2023	(d)
2017 GRDC Note	11,180,000	6/1/2023	(d)
2018 Property Acquisition	684,618	7/31/2023	(e)
2022 Transportation	30,000,000	6/1/2028	(a)
Total Governmental Activities	<u>\$ 45,186,025</u>		
Business-Type Activities			
	6/30/2022	Maturity	Covenants & Terms
2010 Wastewater - Second Clarifier	\$ 184,790	8/1/2029	(f)
2017 State of Oregon - Stormwater	3,825,098	8/1/2037	(g)
Total Business Activities	<u>\$ 4,009,888</u>		
Grand Total	<u>\$ 49,195,913</u>		

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

(f) State of Oregon Dept. of Environmental Quality loan. The loan requires a \$1,214 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) 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.

NOTES TO THE FINANCIAL STATEMENTS

Revenue Bonds

The City issues revenue bonds to satisfy a variety of capital financing requirements. The bonds are backed solely by fees and charges collected for services provided, generally through usage. Revenue bonds outstanding are Water Revenue Bonds. All the Water Revenue Bonds are paid from the Water 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>						
Water Revenue Bonds						
Series 2022	2.00% - 5.00%	\$ 41,455,000	\$ -	41,550,000	\$ -	\$ 41,550,000

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

Fiscal Year	2021 Water	
	Principal	Interest
2023	\$ -	\$ 1,047,113
2024	-	1,047,113
2025	-	1,047,113
2026	-	1,047,113
2027	-	1,047,113
2028-2032	6,665,000	4,756,062
2033-2037	9,685,000	3,279,110
2038-2042	10,695,000	2,271,000
2043-2047	11,875,000	1,095,496
2048	2,535,000	57,038
	<u>\$ 41,455,000</u>	<u>\$ 16,694,271</u>

Section 108 Loans and Loan Guarantees

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

A loan completed in 2010 created, by City Council resolution, a City guarantee for Human Solutions, a not-for-profit entity. This transaction was a New Market Tax Credits deal. Human Solutions has made all required payments to date. In the unlikely event that Human Solutions is unable to make required payments in the future, the City would be required to either make the payments or have its annual Community Development Block Grant funding reduced. The balance on this guaranteed loan is \$1 million which will be repaid over the remaining term of 10 years.

CITY OF GRESHAM, OREGON

WIFIA Loan Agreement

In May 2022, the City entered into a loan agreement with the United States EPA for a Water Infrastructure Finance and Innovation Act loan of up to \$34 million. To date, there have been no draws on the loan. The City expects to make draws on this loan beginning in 2023, with the related projects scheduled to be completed by 2025.

F. Leases

For the year ended June 30, 2022, the City has reported the following lease activity consistent with the adoption of GASB Statement 87, with activity reported based on the facts in place as of the beginning of the implementation period.

As of July 1, 2021, the City had 13 months remaining on a lease as Lessee for the use of Fleet Shop. An initial lease liability was recorded in the amount of \$225,318. As of June 30, 2022, the value of the lease liability is \$32,348. The City is required to make monthly fixed payments of \$15,706. The lease has an interest rate of 0.1850%. The value of the right to use asset as of June 30, 2022 of \$225,318 with accumulated amortization of \$206,925 is included with Buildings on the Lease Class activities table found below.

On June 7, 2022, the City entered into a 37 month lease as Lessee for use as a Police Training Facility. An initial lease liability was recorded in the amount of \$254,025. As of June 30, 2022, the value of the lease liability is \$254,025. The City is required to make annual fixed payments of \$83,160. The lease has an interest rate of 2.0150%. The value of the right to use asset as of June 30, 2022 of \$254,025 with accumulated amortization of \$5,645 is included with Buildings on the Lease Class activities table found below. The City has one extension option for 36 months, and a termination period of 3 months as of the lease commencement.

The principal and interest commitments, stated below, include a lease that has a commencement date subsequent to the reporting date. On July 1, 2022, the City entered into a 36 month lease as Lessee for the use of a Fire Logistics facility. An initial lease liability will be recorded in the amount of \$57,537. The City is required to make monthly fixed payments of \$1,625. The lease has an interest rate of 2.1840%.

Amount of Governmental Lease Assets by Major Classes of Underlying Asset

Asset Class	As of Fiscal Year-end	
	Lease Asset Value	Accumulated Amortization
Buildings	\$ 479,343	\$ 212,622
Total Leases	\$ 479,343	\$ 212,622

Governmental Principal and Interest Requirements to Maturity

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 133,701	\$ 1,315	\$ 135,016
2024	102,176	4,111	106,287
2025	108,033	2,012	110,045
	\$ 343,910	\$ 7,438	\$ 351,348

NOTES TO THE FINANCIAL STATEMENTS

G. 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 ACFR which can be found at:

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

Benefits Provided

Tier One/Tier Two Retirement Benefit

Pension Benefits. The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0% for police and fire employees, 1.67% for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results. Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of Final Average Salary will be limited for all members beginning in 2020. The limit was \$197,730 in 2021 and will be indexed with inflation in later years.

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

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

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

CITY OF GRESHAM, OREGON

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, 2019 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2021. The City's contribution rates for the period were 23.16% for Tier One/Tier Two members, 15.30% for OPSRP General Service members, and 19.66% for OPSRP Police and Fire members. The City's total for the year ended June 30, 2022 contributions exclusive of the 6% "pick-up" was \$10,579,023.

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 \$3,399,352 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, 2022, the City reported a liability of \$77,003,641 for its proportionate share of the OPERS net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019 rolled forward to June 30, 2021. 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, 2021, the City's proportion was 0.6435%, which is an increase from its proportion of 0.5955% measured as of June 30, 2020.

CITY OF GRESHAM, OREGON

For the year ended June 30, 2021, the City recognized pension expense of \$9,902,210. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 7,208,044	\$ -
Changes of assumptions	19,276,330	202,655
Net difference between projected and actual earnings on investments	-	57,005,199
Changes in proportionate share	10,093,555	-
Differences between employer contributions and employer's proportionate share of system contributions	-	12,315,492
Contributions subsequent to the measurement date	10,579,023	-
Total	<u>\$ 47,156,952</u>	<u>\$ 69,523,346</u>

Deferred outflows of resources related to pensions of \$10,579,023 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, 2023. 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:

2023	\$ (5,873,822)
2024	(6,359,362)
2025	(8,802,376)
2026	(13,773,888)
2027	1,863,531
Total	<u>\$ (32,945,917)</u>

NOTES TO THE FINANCIAL STATEMENTS

Actuarial Methods and Assumptions

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Inflation Rate	2.40%
Investment Rate of Return	6.90%
Projected Salary Increases	3.40% overall payroll growth; salaries for individuals are assumed to grow at 3.40% plus assumed rates of merit/longevity increases based on service
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

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

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class

CITY OF GRESHAM, OREGON

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.

Asset Class	Target Allocation	20-Year Annualized Geometric Mean
Global Equity	30.62%	5.85%
Private Equity	25.50	7.71
Core Fixed Income	23.75	2.73
Real Estate	12.25	5.66
Master Limited Partnerships	0.75	5.71
Infrastructure	1.50	6.26
Commodities	0.63	3.10
Hedge Fund of Funds – Multistrategy	1.25	5.11
Hedge Fund Equity – Hedge	0.63	5.31
Hedge Fund – Macro	5.62	5.06
US Cash	-2.50	1.76
Assumed Inflation – Mean		2.40

Discount Rate

The discount rate used to measure the total pension liability was 6.90% 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 6.90%, 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 (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net pension liability (asset)	\$ 151,216,730	\$ 77,003,641	\$ 14,914,221

NOTES TO THE FINANCIAL STATEMENTS

Pension Plan Fiduciary Net Position

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

Changes in Plan Provisions Subsequent to Measurement Date

In July 2021, the PERS Board approved changes to assumptions for the 2020 valuation, which will impact the system's actuarial accrued liability. These changes include reducing the assumed rate of return from 7.20% to 6.90% and reducing the assumed annual inflation from 2.50% to 2.40%, which together will increase the actuarial accrued liability. These assumptions were applied by the actuaries to the Net Pension Liability as of the June 30, 2021 measurement date included in this report.

H. 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	\$ -	\$ 1,425,029	\$ 1,425,029
Deferred Outflows of Resources			
Contributions After the Measurement Date	467,995	9,130	477,125
Change in Proportionate Share	-	88,156	88,156
Difference in Experience	902,573	-	902,573
Change in Assumptions	233,181	28,039	261,220
Total OPEB Liability	(9,429,565)	-	(9,429,565)
Deferred Inflows of Resources			
Change in Proportionate Share	-	(139,769)	(139,769)
Change in Assumptions	(1,270,416)	(21,199)	(1,291,615)
Difference in Earnings	-	(338,662)	(338,662)
Difference in Experience	-	(39,647)	(39,647)
OPEB Expense (Included in program expenses on Statement of Activities)	804,935	(225,408)	579,527

CITY OF GRESHAM, OREGON

Implicit Rate Subsidy

Plan Description

The City's single-employer defined benefit postemployment healthcare plan is administered by Wex Health. 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 Wex. This report may be obtained at <https://ir.wexinc.com/>

Benefits Provided

The plan provides eligible retirees and their dependents under age 65 the same health care coverage at the same premium rates as offered to active employees. The retiree is responsible for the premiums. As of the valuation date of July 1, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	74
Active employees	596
	<u>670</u>

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

The City's total OPEB liability of \$9,429,565 was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020.

For the fiscal year ended June 30, 2022, the City recognized OPEB expense from this plan of \$804,935. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 233,181	\$ (1,270,416)
Differences between expected and actual experience	902,573	-
Contributions subsequent to the measurement date	467,995	-
Total	<u>\$ 1,603,749</u>	<u>\$ (1,270,416)</u>

Deferred outflows of resources related to OPEB of \$467,995 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

NOTES TO THE FINANCIAL STATEMENTS

Actuarial Assumptions and Other Inputs

Year ended June 30:	
2023	\$ (18,905)
2024	(18,905)
2025	(18,905)
2026	(18,905)
2027	(8,796)
Thereafter	<u>(50,246)</u>
Total	<u>\$ (134,662)</u>

The total OPEB liability in the July 1, 2020 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry age normal
Inflation	2.5%
Salary increases	3.5%
Healthy mortality	Pub-2010 General and Safety Employee and Healthy Retiree tables, sex-distinct for members and dependents, with a one-year setback for male general service employees and female safety employees.
Discount rate	2.16% (change from 2.21% in previous measurement period)
Healthcare cost trend rate	Medical and vision: 5.25% per year, decreasing to 4.00% Dental: 4.00% per year

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

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance as of June 30, 2021	\$ 9,057,484
Changes for the year:	
Service cost	615,461
Interest on Total OPEB Liability	208,379
Effect of economic/demographic gains or losses	-
Effect of assumptions changes or inputs	38,981
Benefit payments	<u>(490,740)</u>
Balance as of June 30, 2022	<u>\$ 9,429,565</u>

Changes in assumptions is primarily related to the change in the discount rate from 2.21 to 2.16.

CITY OF GRESHAM, OREGON

Sensitivity of the Total OPEB Liability

The following presents the City's total OPEB liability, as well as what the liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare trend assumption.

Discount Rate:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB Liability	\$ 10,233,574	\$ 9,429,565	\$ 8,685,336

Healthcare Cost Trend:

	1% Decrease (4.25% decreasing to 3.00%)	Current Healthcare Trend Rate (5.25% decreasing to 4.00%)	1% Increase (6.25% decreasing to 5.00%)
Total OPEB Liability	\$ 8,345,923	\$ 9,429,565	\$ 10,727,378

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.

NOTES TO THE FINANCIAL STATEMENTS

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, 2019 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2021. The City's contribution rates for the period were 0.05% for Tier One/Tier Two members, and 0.00% for OPSRP members. The City's total contributions for the year ended June 30, 2022 was \$9,130.

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

At June 30, 2022, the City reported an asset of \$1,425,029 for its proportionate share of the OPERS net OPEB asset. The net OPEB asset was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to June 30, 2021. The City's proportion of the net OPEB asset was based on the City's contributions to the RHIA program during the measurement period relative to contributions from all participating employers. At June 30, 2021, the City's proportionate share was 0.4150%, which is an increase from its proportion of 0.3016% as of June 30, 2020.

For the year ended June 30, 2022, the City recognized an OPEB expense reduction from this plan of \$225,408. At June 30, 2022, 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	\$ -	\$ 39,647
Changes of assumptions	28,039	21,199
Net difference between projected and actual earnings	-	338,662
Changes in proportionate share	88,156	139,769
Contributions subsequent to the measurement date	9,130	-
Total	\$ 125,325	\$ 539,277

Deferred outflows of resources related to OPEB of \$9,130 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, 2023. 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:	
2023	\$ (113,210)
2024	(125,576)
2025	(77,317)
2026	(106,979)
Total	\$ (423,082)

CITY OF GRESHAM, OREGON

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 6.90%, 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 (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Net OPEB Asset	\$ 1,260,229	\$ 1,425,029	\$ 1,565,808

OPEB Plan Fiduciary Net Position

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

1. 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, 2022, the amount deferred and investment earnings thereon, adjusted to fair market value, amount to \$69,006,476. The amounts accumulated under the Plan, including investment earnings, are excluded from the financial statements of the City.

NOTES TO THE FINANCIAL STATEMENTS

J. Fund Balance Components

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

Fund Balances	General Fund	Designated Purpose Fund	System Development Charge Fund	Transportation Fund	General Government Debt Service Fund	GRDC - Rockwood Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Restricted:								
Transportation Projects	\$ -	\$ -	\$ -	\$ 35,016,191	\$ -	\$ -	\$ -	\$ 35,016,191
City System Development	-	-	18,299,709	-	-	-	-	18,299,709
Streetlights	-	-	-	-	-	-	4,825,048	4,825,048
Building Inspection & Permits	-	-	-	-	-	-	7,645,651	7,645,651
Urban Renewal Area	-	-	-	-	-	9,654,706	5,105,154	14,759,860
Misc. Grants and Programs	-	6,029,126	-	-	-	-	145,626	6,174,752
Total Restricted Fund Balances	-	6,029,126	18,299,709	35,016,191	-	9,654,706	17,721,479	86,721,211
Committed:								
Rental Inspections	-	-	-	-	-	-	953,324	953,324
Assigned:								
Infrastructure Development	-	-	-	-	-	-	4,805,616	4,805,616
Urban Design and Planning	-	-	-	-	-	-	981,979	981,979
Solid Waste	-	-	-	-	-	-	784,373	784,373
Misc. Grants and Programs	-	743,782	-	-	-	-	137,675	881,457
Capital Projects	-	-	-	-	-	-	10,882,384	10,882,384
Debt Service	-	-	-	-	245,863	-	2,342,856	2,588,719
Total Assigned Fund Balances	-	743,782	-	-	245,863	-	19,934,883	20,924,528
Unassigned:								
	36,841,001	-	-	-	-	-	-	36,841,001
Total Fund Balances	<u>\$ 36,841,001</u>	<u>\$ 6,772,908</u>	<u>\$ 18,299,709</u>	<u>\$ 35,016,191</u>	<u>\$ 245,863</u>	<u>\$ 9,654,706</u>	<u>\$ 38,609,686</u>	<u>\$ 145,440,064</u>

NOTE 4. OTHER INFORMATION

A. Risk Management

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

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

The City purchases commercial insurance for general liability; automobile liability; auto physical damage; property; volunteer liability; cyber liability; and crime. Operating resources for the year consist mainly of charges to other funds and interest income. Settled claims have not exceeded insurance coverage in any of the last three fiscal years.

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

CITY OF GRESHAM, OREGON

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
2021	\$ 1,896,225	\$ 2,255,361	\$ (502,586)	\$ 3,649,000
2022	3,649,000	592,826	(436,826)	3,805,000

Liability Claims

Fiscal Year	Beginning Balance	New claims and changes in estimates	Claim payments	Ending Balance
2021	\$ 578,520	\$ 396,111	\$ (511,110)	\$ 463,521
2022	463,521	837,030	(449,411)	851,140

Health Insurance Claims

Fiscal Year	Beginning Balance	New claims and changes in estimates	Claim payments	Ending Balance
2021	\$ 829,000	\$ 5,560,162	\$ (5,496,162)	\$ 893,000
2022	893,000	5,585,637	(5,753,637)	725,000

Dental Insurance Claims

Fiscal Year	Beginning Balance	New claims and changes in estimates	Claim payments	Ending Balance
2021	\$ 32,000	\$ 580,729	\$ (580,729)	\$ 32,000
2022	32,000	552,077	(557,077)	27,000

B. Contingent Liabilities

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

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

NOTES TO THE FINANCIAL STATEMENTS

C. Construction Commitments

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

<u>Project Description</u>	<u>Contract Commitment</u>	<u>Expended as of June 30, 2022</u>	<u>Remaining Commitment</u>
WWTP Maintenance Project	\$ 36,993,616	\$ 8,750,147	\$ 28,243,469
WWTP Outfall Diffuser Improvement	614,656	309,928	304,728
WWTP FOG Screening Improv	2,495,171	883,060	1,612,111
WWTP Asset Repl & Refurb	670,440	403,913	266,527
Collec Sys Asset Refurb	744,756	584,834	159,922
WWTP Organics Digest Capacity Evalu	851,703	88,862	762,841
WWTP Gravity Belt Thickener Refurb	2,507,805	185,592	2,322,213
WWTP Asset Mgmt Implementation	206,901	111,889	95,012
Streetlight Replacement & In	201,888	120,040	81,848
Bridge Inspection/Monitoring/Maint	1,400,785	291,964	1,108,821
Local St Reconsruc Coord	1,083,115	843,972	239,143
Street Surfacing Improvements	6,257,948	1,846,814	4,411,134
Div St (Birdsdle-Wallula-RFFA Grnt)	726,175	215,078	511,097
NE Cleveland Ave (Stark-Burnside)	672,931	474,066	198,865
WA System Plan/Test Wells	253,076	225,797	27,279
Gresham's Well #2	2,349,208	1,568,433	780,775
Gresham's Well #4	1,427,520	-	1,427,520
Groundwater Develop MP Implementation	14,376,132	3,801,094	10,575,038
Groundwater Secondary Trans Main	2,145,557	-	2,145,557
Catalyst Site	6,458,912	2,985,251	3,473,661
Totals	\$ 82,438,295	\$ 23,690,734	\$ 58,747,561

D. Pledged Revenue

Revenues of the City are pledged to debt service of the 2010 Series C Notes only, the 2015 GRDC Note and the 2017 GRDC Note. Other obligations are subject to an inter-governmental agreement promising the payment of debt service with all remaining revenues of the City. During 2022 the City recorded \$6,641,557 of revenues that were pledged to debt service and debt service for the related instruments was \$2,236,188. 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
2023	\$ 968,446	\$ 38,133	\$ 929,768	\$ 21,305	\$ 11,180,000	\$ 281,358	\$ 13,419,010
Total	\$ 968,446	\$ 38,133	\$ 929,768	\$ 21,305	\$ 11,180,000	\$ 281,358	\$ 13,419,010

CITY OF GRESHAM, OREGON

E. Tax Abatements

As of June 30, 2022, 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 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

NOTES TO THE FINANCIAL STATEMENTS

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, 2022, the City's property tax revenues were reduced by an estimated \$1,352,276 as a result of the Enterprise Zone program. Community service fees of \$1,664,939 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, 2022, there were not any active participants in this program, and no impact to estimated tax revenues.

F. Subsequent Events

On November 2, 2022, the City entered into an agreement with a major industrial customer related to wastewater effluent limits associated with ammonia that have been or may soon be imposed on the City by the Oregon Department of Environmental Quality. The agreement identifies a series of capital improvements to the City's wastewater treatment plant that will be necessary to address ammonia limits and defines financial and nonfinancial obligations for the customer and the City. The financial obligations of the customer include a payment of \$8 million to the City in December 2022, plus additional payments to the City of \$2 million in December 2022 and \$6 million in 2023. The City will be required to repay some or all of the additional payments beginning in 2025.

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
GOING BEYOND

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service cost	\$ 615,461	\$ 602,967	\$ 535,072	\$ 488,313	\$ 527,273
Interest	208,379	339,214	348,060	281,973	226,913
Changes in benefit terms	-	-	-	-	-
Difference between expected and actual experience	-	543,254	-	794,837	-
Changes of assumptions or other inputs	38,981	(1,244,551)	284,520	(76,043)	(495,221)
Benefit payments	(490,740)	(539,876)	(534,746)	(304,424)	(307,149)
Net change in OPEB liability	<u>372,081</u>	<u>(298,992)</u>	<u>632,906</u>	<u>1,184,656</u>	<u>(48,184)</u>
Total OPEB Liability - beginning	<u>9,057,484</u>	<u>9,356,476</u>	<u>8,723,570</u>	<u>7,538,914</u>	<u>7,587,098</u>
Total OPEB Liability - ending	<u><u>9,429,565</u></u>	<u><u>9,057,484</u></u>	<u><u>9,356,476</u></u>	<u><u>8,723,570</u></u>	<u><u>7,538,914</u></u>
City's Covered-Employee Payroll	\$ 55,145,912	\$ 54,179,317	\$ 52,717,193	\$ 48,351,316	\$ 45,518,553
Total OPEB Liability as a percentage of its covered payroll	17.1%	16.7%	17.7%	18.0%	16.6%

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

² Amounts presented are for the measurement period reported during the fiscal year, which for FY 2022 is July 1, 2020 - June 30, 2021

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 subsequent fiscal years includes the impact from the change in the discount rate from year to year, reflected below:

Discount Rate:	2.16%	2.21%	3.50%	3.87%	3.58%
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The change in assumptions in fiscal year 2021 also includes the impact of the Further Consolidated Appropriations Act, which became law on December 20, 2019. This law repeals the Cadillac Tax completely and removes the Health Insurer Fee permanently beginning in 2021.

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
City's proportion of the net OPEB liability (asset)	0.4150%	0.3016%	0.4841%	0.4573%
City's proportionate share of the net OPEB liability (asset)	\$ (1,425,029)	\$ (614,469)	\$ (935,438)	\$ (510,468)
City's covered-employee payroll	\$ 55,145,912	\$ 54,179,317	\$ 52,717,193	\$ 48,351,316
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	-2.6%	-1.1%	-1.8%	-1.1%
Plan fiduciary net position as a percentage of the total OPEB liability	183.9%	150.1%	144.4%	124.0%

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 2022 is July 1, 2020 - June 30, 2021

<u>2018</u>	<u>2017</u>
0.4422%	0.4524%
\$ (184,537)	\$ 122,862
\$ 45,518,553	\$ 43,126,740
-0.4%	0.3%
108.9%	94.2%

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contributions	\$ 9,130	\$ 11,103	\$ 21,535
Contributions in relation to the contractually required contribution	<u>(9,130)</u>	<u>(11,103)</u>	<u>(21,535)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$56,978,722	\$55,145,912	\$54,179,317
Contributions as a percentage of covered-employee payroll	0.02%	0.02%	0.04%

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

NOTES TO SCHEDULE

Actuarial Assumptions and Methods Used to Actuarially Determine Contributions:

Actuarial Valuation	December 31, 2019	December 31, 2017
Effective	July 2021 - June 2023	July 2019 - June 2021
Actuarial cost method:	Entry Age Normal	Entry Age Normal
Actuarial valuation method:	Market Value	Market Value
Actuarial assumption:		
Inflation rate	2.40 percent	2.50 percent
Projected salary increases	3.40 percent	3.50 percent
Investment rate of return	6.90 percent	7.20 percent

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

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

2.50 percent
3.50 percent
7.50 percent

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

2.75 percent
3.75 percent
7.75 percent

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

2.75 percent
3.75 percent
8.00 percent

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
City's proportion of the net pension liability (asset)	0.6435%	0.5955%	0.5858%	0.5463%
City's proportionate share of the net pension liability (asset)	\$ 77,003,641	\$ 129,959,351	\$ 101,336,965	\$ 82,752,686
City's covered payroll	\$ 55,145,912	\$ 54,179,317	\$ 52,717,193	\$ 48,351,316
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	139.6%	239.9%	192.2%	171.1%
Plan fiduciary net position as a percentage of the total pension liability	87.6%	75.8%	80.2%	82.1%

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

² Amounts presented are for the measurement period reported during the fiscal year, which for FY 2022 is July 1, 2020 - June 30, 2021

NOTES TO SCHEDULE

Changes in Benefit Terms

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

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

2018	2017	2016	2015	2014
0.5250%	0.5176%	0.5178%	0.4564%	0.4564%
\$ 70,776,159	\$ 77,701,855	\$ 29,730,233	\$ (10,345,364)	\$ 23,290,937
\$ 45,518,553	\$ 43,126,740	\$ 41,316,121	\$ 40,497,083	\$ 39,389,914
155.5%	180.2%	72.0%	-25.5%	59.1%
83.1%	80.5%	91.9%	103.6%	92.0%

Changes in Assumptions

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

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

The June 30, 2021 total pension liability includes the effect of the PERS Board adopting a change to the long-term expected rate of return, reducing it from 7.20 percent to 6.90 percent. This contributes to the net pension liability reported by the City for fiscal year 2022.

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contributions	\$ 10,579,023	\$ 7,234,969	\$ 7,073,362
Contributions in relation to the contractually required contribution	<u>(10,579,023)</u>	<u>(7,234,969)</u>	<u>(7,073,362)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 56,978,722	\$ 55,145,912	\$ 54,179,317
Contributions as a percentage of covered payroll	18.57%	13.12%	13.06%

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

NOTES TO SCHEDULE

Actuarial Assumptions and Methods Used to Actuarially Determine Contributions:

	December 31, 2019 July 2021 - June 2023	December 31, 2017 July 2019 - June 2021
Actuarial Valuation	Entry Age Normal	Entry Age Normal
Effective	Market Value	Market Value
Actuarial cost method:		
Actuarial valuation method:		
Actuarial assumption:		
Inflation rate	2.40 percent	2.50 percent
Projected salary increases	3.40 percent	3.50 percent
Investment rate of return	6.90 percent	7.20 percent

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

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

2.50 percent
3.50 percent
7.50 percent

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

2.75 percent
3.75 percent
7.75 percent

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

2.75 percent
3.75 percent
8.00 percent

CITY OF
GRESHAM
GOING BEYOND

Major Funds – General and Special Revenue

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

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

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

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

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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Taxes	\$ 38,993,000	\$ 38,993,000	\$ 45,547,439	\$ 6,554,439
Licenses and permits	423,000	423,000	473,841	50,841
Intergovernmental	10,966,000	10,966,000	11,010,147	44,147
Charges for services	8,036,000	8,514,000	8,298,509	(215,491)
License fees	16,731,000	16,731,000	18,020,274	1,289,274
Miscellaneous	397,000	397,000	1,344,987	947,987
Internal service charges	717,964	717,964	552,082	(165,882)
Total revenues	<u>76,263,964</u>	<u>76,741,964</u>	<u>85,247,279</u>	<u>8,505,315</u>
EXPENDITURES				
Police	41,839,764	41,839,764	39,708,711	2,131,053
Fire and emergency services	29,647,297	30,818,297	30,409,825	408,472
Community development	1,064,065	1,064,065	720,685	343,380
Economic development services	725,884	725,884	652,545	73,339
Parks	4,031,228	4,031,228	3,540,830	490,398
Operating contingency	1,088,000	232,000	-	232,000
Total expenditures	<u>78,396,238</u>	<u>78,711,238</u>	<u>75,032,596</u>	<u>3,678,642</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,132,274)</u>	<u>(1,969,274)</u>	<u>10,214,683</u>	<u>12,183,957</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,775,000	1,775,000	1,775,000	-
Transfers out	(5,651,000)	(5,732,000)	(4,865,660)	866,340
Total other financing sources (uses)	<u>(3,876,000)</u>	<u>(3,957,000)</u>	<u>(3,090,660)</u>	<u>866,340</u>
Net change in fund balances	(6,008,274)	(5,926,274)	7,124,023	13,050,297
Fund balances - beginning	<u>12,021,450</u>	<u>12,021,450</u>	<u>19,173,590</u>	<u>7,152,140</u>
Fund balances - ending	<u>\$ 6,013,176</u>	<u>\$ 6,095,176</u>	<u>\$ 26,297,613</u>	<u>\$ 20,202,437</u>
Accrued compensation			486,249	
Due from other funds			10,965,152	
Unavailable revenue			(67,565)	
Unrealized gain (loss) on investments			<u>(840,448)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 36,841,001</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 25,877,044	\$ 29,361,044	\$ 15,183,252	\$ (14,177,792)
Charges for services	321,000	321,000	412,804	91,804
Miscellaneous	1,636,891	1,636,891	2,414,754	777,863
Total revenues	<u>27,834,935</u>	<u>31,318,935</u>	<u>18,010,810</u>	<u>(13,308,125)</u>
EXPENDITURES				
Office of governance and management	65,300	65,300	52,825	12,475
Citywide services	77,600	15,511,424	4,218,286	11,293,138
Police	1,403,597	1,403,597	394,655	1,008,942
Fire and emergency services	743,286	768,286	355,143	413,143
Urban design and planning	125,150	125,150	43,239	81,911
Community development	10,974,000	10,974,000	111,074	10,862,926
Economic development services	3,388,000	3,388,000	-	3,388,000
Community livability	549,650	1,299,650	524,163	775,487
Parks	226,000	226,000	-	226,000
Environmental services	569,825	569,825	344,231	225,594
Operating contingency	27,200,000	14,500,176	-	14,500,176
Total expenditures	<u>45,322,408</u>	<u>48,831,408</u>	<u>6,043,616</u>	<u>42,787,792</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(17,487,473)</u>	<u>(17,512,473)</u>	<u>11,967,194</u>	<u>29,479,667</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	922,700	922,700	305,073	(617,627)
Transfers out	<u>(1,700,000)</u>	<u>(1,700,000)</u>	<u>(1,700,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(777,300)</u>	<u>(777,300)</u>	<u>(1,394,927)</u>	<u>(617,627)</u>
Net change in fund balances	(18,264,773)	(18,289,773)	10,572,267	28,862,040
Fund balances - beginning	<u>18,934,047</u>	<u>18,959,047</u>	<u>6,610,214</u>	<u>(12,348,833)</u>
Fund balances - ending	<u>\$ 669,274</u>	<u>\$ 669,274</u>	<u>\$ 17,182,481</u>	<u>\$ 16,513,207</u>
Unavailable revenue			(9,703,138)	
Unrealized gain (loss) on investments			<u>(706,435)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 6,772,908</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
System Development Charges Fund
For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Charges for services	\$ 26,659,000	\$ 26,659,000	\$ 12,440,475	\$ (14,218,525)
Miscellaneous	287,400	287,400	325,379	37,979
Total revenues	<u>26,946,400</u>	<u>26,946,400</u>	<u>12,765,854</u>	<u>(14,180,546)</u>
EXPENDITURES				
Total expenditures	-	-	-	-
Excess of revenues over expenditures	<u>26,946,400</u>	<u>26,946,400</u>	<u>12,765,854</u>	<u>(14,180,546)</u>
OTHER FINANCING (USES)				
Transfers out	(37,250,500)	(37,250,500)	(17,407,454)	19,843,046
Total other financing (uses)	<u>(37,250,500)</u>	<u>(37,250,500)</u>	<u>(17,407,454)</u>	<u>19,843,046</u>
Net change in fund balances	(10,304,100)	(10,304,100)	(4,641,600)	5,662,500
Fund balances - beginning	<u>17,828,000</u>	<u>17,828,000</u>	<u>23,838,994</u>	<u>6,010,994</u>
Fund balances - ending	<u>\$ 7,523,900</u>	<u>\$ 7,523,900</u>	\$ 19,197,394	<u>\$ 11,673,494</u>
Unrealized gain (loss) on investments			<u>(897,685)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 18,299,709</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Transportation Fund
For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 13,589,000	\$ 13,589,000	\$ 13,781,326	\$ 192,326
Charges for services	97,100	97,100	70,649	(26,451)
License fees	1,454,500	1,454,500	1,487,781	33,281
Miscellaneous	249,000	249,000	366,132	117,132
Internal service charges	1,641,845	1,641,845	1,865,099	223,254
Total revenues	<u>17,031,445</u>	<u>17,031,445</u>	<u>17,570,987</u>	<u>539,542</u>
EXPENDITURES				
Environmental services	10,775,987	10,775,987	9,506,036	1,269,951
Operating contingency	1,617,000	1,617,000	-	1,617,000
Total expenditures	<u>12,392,987</u>	<u>12,392,987</u>	<u>9,506,036</u>	<u>2,886,951</u>
Excess of revenues over expenditures	<u>4,638,458</u>	<u>4,638,458</u>	<u>8,064,951</u>	<u>3,426,493</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,577,300	1,577,300	1,342,819	(234,481)
Transfers out	(15,685,500)	(15,685,500)	(4,604,186)	11,081,314
Total other financing sources (uses)	<u>(14,108,200)</u>	<u>(14,108,200)</u>	<u>(3,261,367)</u>	<u>10,846,833</u>
Net change in fund balances	(9,469,742)	(9,469,742)	4,803,584	14,273,326
Fund balances - beginning	<u>25,828,600</u>	<u>25,828,600</u>	<u>27,842,556</u>	<u>2,013,956</u>
Fund balances - ending	<u>\$ 16,358,858</u>	<u>\$ 16,358,858</u>	<u>\$ 32,646,140</u>	<u>\$ 16,287,282</u>
Accrued compensation			663,600	
Due from other funds			2,821,680	
Unrealized gain (loss) on investments			<u>(1,115,229)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 35,016,191</u>	

CITY OF
GRESHAM
GOING BEYOND

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

Major Funds – Debt Service

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

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

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

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Government Debt Service Fund
For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Debt service	38,185,000	38,185,000	26,320,911	11,864,089
Total expenditures	<u>38,185,000</u>	<u>38,185,000</u>	<u>26,320,911</u>	<u>11,864,089</u>
Excess of expenditures over revenue	<u>(38,185,000)</u>	<u>(38,185,000)</u>	<u>(26,320,911)</u>	<u>11,864,089</u>
OTHER FINANCING SOURCES				
Issuance of debt	35,836,000	35,836,000	22,745,495	(13,090,505)
Transfers in	2,355,000	2,355,000	3,574,649	1,219,649
Total other financing sources	<u>38,191,000</u>	<u>38,191,000</u>	<u>26,320,144</u>	<u>(11,870,856)</u>
Net change in fund balances	6,000	6,000	(767)	(6,767)
Fund balances - beginning	<u>50,000</u>	<u>50,000</u>	<u>258,017</u>	<u>208,017</u>
Fund balances - ending	<u>\$ 56,000</u>	<u>\$ 56,000</u>	\$ 257,250	<u>\$ 201,250</u>
Unrealized gain (loss) on investments			<u>(11,387)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 245,863</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
GRDC - Rockwood Debt Service Fund
For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Taxes	\$ 6,278,900	\$ 6,278,900	\$ 6,641,557	\$ 362,657
Intergovernmental	19,300	19,300	22,269	2,969
Miscellaneous	218,900	218,900	164,608	(54,292)
Total revenues	<u>6,517,100</u>	<u>6,517,100</u>	<u>6,828,434</u>	<u>311,334</u>
EXPENDITURES				
Debt service	15,227,000	15,227,000	9,971,971	5,255,029
Total expenditures	<u>15,227,000</u>	<u>15,227,000</u>	<u>9,971,971</u>	<u>5,255,029</u>
Excess of expenditures over revenue	<u>(8,709,900)</u>	<u>(8,709,900)</u>	<u>(3,143,537)</u>	<u>5,566,363</u>
Net change in fund balances	(8,709,900)	(8,709,900)	(3,143,537)	5,566,363
Fund balances - beginning	<u>14,587,800</u>	<u>14,587,800</u>	<u>14,798,174</u>	<u>210,374</u>
Fund balances - ending	<u>\$ 5,877,900</u>	<u>\$ 5,877,900</u>	\$ 11,654,637	<u>\$ 5,776,737</u>
Advance from other funds			(1,647,566)	
Unrealized gain (loss) on investments			<u>(352,365)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 9,654,706</u>	

City of Gresham, Oregon
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds	Capital Project Funds	Debt Service Funds	Total
ASSETS				
Cash and investments	\$ 22,530,922	\$ 17,966,486	\$ 693,241	\$ 41,190,649
Receivables, net	3,800,927	776,975	-	4,577,902
Other assets	68,654	52,871	2,049	123,574
Due from other funds	580,508	-	-	580,508
Advance to other funds	-	-	1,647,566	1,647,566
Restricted cash and investments	673,235	-	-	673,235
Total assets	<u>\$ 27,654,246</u>	<u>\$ 18,796,332</u>	<u>\$ 2,342,856</u>	<u>\$ 48,793,434</u>
LIABILITIES				
Accounts payable	\$ 2,444,193	\$ 2,411,261	\$ -	\$ 4,855,454
Other accrued liabilities	-	97,200	-	97,200
Deposits	1,978,945	2,000	-	1,980,945
Unearned revenue	2,522,354	-	-	2,522,354
Due to other funds	300,049	-	-	300,049
Advance from other funds	-	-	-	-
Compensated Absences	-	-	-	-
Total liabilities	<u>7,245,541</u>	<u>2,510,461</u>	<u>-</u>	<u>9,756,002</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	-
Unavailable revenue - loans receivable	-	-	-	-
Unavailable revenue - other	-	427,746	-	427,746
Total deferred inflows of resources	<u>-</u>	<u>427,746</u>	<u>-</u>	<u>427,746</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	12,745,738	4,975,741	-	17,721,479
Committed	953,324	-	-	953,324
Assigned	6,709,643	10,882,384	2,342,856	19,934,883
Unassigned	-	-	-	-
Total fund balances	<u>20,408,705</u>	<u>15,858,125</u>	<u>2,342,856</u>	<u>38,609,686</u>
Total liabilities and fund balances	<u>\$ 27,654,246</u>	<u>\$ 18,796,332</u>	<u>\$ 2,342,856</u>	<u>\$ 48,793,434</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, 2022

	Special Revenue Funds	Capital Project Funds	Debt Service Funds	Total
REVENUES				
Licenses and permits	\$ 3,088,084	\$ -	\$ -	\$ 3,088,084
Intergovernmental	4,090,373	7,814,753	1,734,587	13,639,713
Charges for services	3,539,160	88,305	-	3,627,465
License fees	1,272,614	-	-	1,272,614
Miscellaneous	31,636	25,878	-	57,514
Internal service charges	506,924	-	2,142,290	2,649,214
Total revenues	<u>12,528,791</u>	<u>7,928,936</u>	<u>3,876,877</u>	<u>24,334,604</u>
EXPENDITURES				
Current:				
Urban renewal	1,059,874	4,875,000	-	5,934,874
Urban design and planning	3,343,091	-	-	3,343,091
Community development	7,204,658	-	-	7,204,658
Environmental services	4,116,183	-	-	4,116,183
Transportation	510,220	-	-	510,220
Capital outlay	-	26,145,632	-	26,145,632
Debt service	-	-	3,834,507	3,834,507
Total expenditures	<u>16,234,026</u>	<u>31,020,632</u>	<u>3,834,507</u>	<u>51,089,165</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,705,235)</u>	<u>(23,091,696)</u>	<u>42,370</u>	<u>(26,754,561)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	15,554,705	-	15,554,705
Proceeds from sale of assets	7,208	-	-	7,208
Transfers in	4,526,800	16,925,524	-	21,452,324
Transfers out	(997,812)	-	(1,585,151)	(2,582,963)
Total other financing sources (uses)	<u>3,536,196</u>	<u>32,480,229</u>	<u>(1,585,151)</u>	<u>34,431,274</u>
Net change in fund balances	<u>(169,039)</u>	<u>9,388,533</u>	<u>(1,542,781)</u>	<u>7,676,713</u>
Fund balances - beginning	<u>20,577,744</u>	<u>6,469,592</u>	<u>3,885,637</u>	<u>30,932,973</u>
Fund balances - ending	<u>\$ 20,408,705</u>	<u>\$ 15,858,125</u>	<u>\$ 2,342,856</u>	<u>\$ 38,609,686</u>

Special Revenue Funds

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

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

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

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

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

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

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

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

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

City of Gresham, Oregon
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2022

	<u>Urban Design & Planning Fund</u>	<u>Solid Waste & Recycling Fund</u>	<u>Rental Inspection Fund</u>	<u>Infrastructure Development Fund</u>
ASSETS				
Cash and investments	\$ 965,966	\$ 687,433	\$ 853,829	\$ 5,930,202
Receivables, net	122,807	114,460	4,900	16,852
Other assets	2,841	2,032	2,515	18,937
Due from other funds	-	-	92,469	219,648
Restricted cash and investments	9,900	-	-	469,656
Total assets	<u>\$ 1,101,514</u>	<u>\$ 803,925</u>	<u>\$ 953,713</u>	<u>\$ 6,655,295</u>
LIABILITIES				
Accounts payable	\$ 18,401	\$ 19,552	\$ 389	\$ 10,435
Deposits	101,134	-	-	1,839,244
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>119,535</u>	<u>19,552</u>	<u>389</u>	<u>1,849,679</u>
FUND BALANCES				
Restricted	-	-	-	-
Committed	-	-	953,324	-
Assigned	981,979	784,373	-	4,805,616
Total fund balances	<u>981,979</u>	<u>784,373</u>	<u>953,324</u>	<u>4,805,616</u>
Total liabilities and fund balances	<u>\$ 1,101,514</u>	<u>\$ 803,925</u>	<u>\$ 953,713</u>	<u>\$ 6,655,295</u>

<u>Streetlight Fund</u>	<u>CDBG & HOME Fund</u>	<u>Building Fund</u>	<u>Urban Renewal Support Fund</u>	<u>Total</u>
\$ 4,565,129	\$ 38,814	\$ 9,334,898	\$ 154,651	\$ 22,530,922
251,376	3,184,765	105,767	-	3,800,927
13,754	598	27,525	452	68,654
-	29,694	238,697	-	580,508
-	193,679	-	-	673,235
<u>\$ 4,830,259</u>	<u>\$ 3,447,550</u>	<u>\$ 9,706,887</u>	<u>\$ 155,103</u>	<u>\$ 27,654,246</u>
\$ 5,211	\$ 341,846	\$ 2,022,669	\$ 25,690	\$ 2,444,193
-	-	38,567	-	1,978,945
-	2,522,354	-	-	2,522,354
-	300,049	-	-	300,049
<u>5,211</u>	<u>3,164,249</u>	<u>2,061,236</u>	<u>25,690</u>	<u>7,245,541</u>
4,825,048	145,626	7,645,651	129,413	12,745,738
-	-	-	-	953,324
-	137,675	-	-	6,709,643
<u>4,825,048</u>	<u>283,301</u>	<u>7,645,651</u>	<u>129,413</u>	<u>20,408,705</u>
<u>\$ 4,830,259</u>	<u>\$ 3,447,550</u>	<u>\$ 9,706,887</u>	<u>\$ 155,103</u>	<u>\$ 27,654,246</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, 2022

	Urban Design & Planning Fund	Solid Waste & Recycling Fund	Rental Inspection Fund	Infrastructure Development Fund
REVENUES				
Licenses and permits	\$ 143,726	\$ -	\$ 692,524	\$ -
Intergovernmental	-	179,500	-	5,982
Charges for services	638,719	733,548	-	774,751
License fees	-	-	-	-
Miscellaneous	-	-	-	-
Internal service charges	-	-	-	506,924
Total revenues	<u>782,445</u>	<u>913,048</u>	<u>692,524</u>	<u>1,287,657</u>
EXPENDITURES				
Current:				
Urban renewal	-	-	-	-
Urban design and planning	3,343,091	-	-	-
Community development	-	-	860,817	-
Environmental services	-	986,892	-	3,129,291
Transportation	-	-	-	-
Total expenditures	<u>3,343,091</u>	<u>986,892</u>	<u>860,817</u>	<u>3,129,291</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,560,646)</u>	<u>(73,844)</u>	<u>(168,293)</u>	<u>(1,841,634)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	-	-	-	-
Transfers in	2,344,000	108,000	-	2,074,800
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>2,344,000</u>	<u>108,000</u>	<u>-</u>	<u>2,074,800</u>
Net change in fund balances	<u>(216,646)</u>	<u>34,156</u>	<u>(168,293)</u>	<u>233,166</u>
Fund balances - beginning	<u>1,198,625</u>	<u>750,217</u>	<u>1,121,617</u>	<u>4,572,450</u>
Fund balances - ending	<u>\$ 981,979</u>	<u>\$ 784,373</u>	<u>\$ 953,324</u>	<u>\$ 4,805,616</u>

<u>Streetlight Fund</u>	<u>CDBG & HOME Fund</u>	<u>Building Fund</u>	<u>Urban Renewal Support Fund</u>	<u>Total</u>
\$ -	\$ -	\$ 2,251,834	\$ -	\$ 3,088,084
51,609	2,431,285	253,749	1,168,248	4,090,373
86,508	22,209	1,283,425	-	3,539,160
1,272,614	-	-	-	1,272,614
-	31,636	-	-	31,636
-	-	-	-	506,924
<u>1,410,731</u>	<u>2,485,130</u>	<u>3,789,008</u>	<u>1,168,248</u>	<u>12,528,791</u>
-	-	-	1,059,874	1,059,874
-	-	-	-	3,343,091
-	2,314,752	4,029,089	-	7,204,658
-	-	-	-	4,116,183
510,220	-	-	-	510,220
<u>510,220</u>	<u>2,314,752</u>	<u>4,029,089</u>	<u>1,059,874</u>	<u>16,234,026</u>
<u>900,511</u>	<u>170,378</u>	<u>(240,081)</u>	<u>108,374</u>	<u>(3,705,235)</u>
-	-	7,208	-	7,208
-	-	-	-	4,526,800
<u>(785,637)</u>	<u>(152,388)</u>	<u>(28,052)</u>	<u>(31,735)</u>	<u>(997,812)</u>
<u>(785,637)</u>	<u>(152,388)</u>	<u>(20,844)</u>	<u>(31,735)</u>	<u>3,536,196</u>
<u>114,874</u>	<u>17,990</u>	<u>(260,925)</u>	<u>76,639</u>	<u>(169,039)</u>
<u>4,710,174</u>	<u>265,311</u>	<u>7,906,576</u>	<u>52,774</u>	<u>20,577,744</u>
<u>\$ 4,825,048</u>	<u>\$ 283,301</u>	<u>\$ 7,645,651</u>	<u>\$ 129,413</u>	<u>\$ 20,408,705</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Licenses and permits	\$ 80,000	\$ 80,000	\$ 143,726	\$ 63,726
Charges for services	750,000	750,000	668,826	(81,174)
Miscellaneous	10,000	10,000	12,306	2,306
Internal service charges	135,000	135,000	-	(135,000)
Total revenues	<u>975,000</u>	<u>975,000</u>	<u>824,858</u>	<u>(150,142)</u>
EXPENDITURES				
Urban design and planning	3,677,108	3,677,108	3,341,191	335,917
Operating contingency	360,892	360,892	-	360,892
Total expenditures	<u>4,038,000</u>	<u>4,038,000</u>	<u>3,341,191</u>	<u>696,809</u>
Excess of expenditures over revenue	<u>(3,063,000)</u>	<u>(3,063,000)</u>	<u>(2,516,333)</u>	<u>546,667</u>
OTHER FINANCING SOURCES				
Transfers in	2,344,000	2,344,000	2,344,000	-
Total other financing sources	<u>2,344,000</u>	<u>2,344,000</u>	<u>2,344,000</u>	<u>-</u>
Net change in fund balances	(719,000)	(719,000)	(172,333)	546,667
Fund balances - beginning	<u>719,000</u>	<u>719,000</u>	<u>887,873</u>	<u>168,873</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 715,540</u>	<u>\$ 715,540</u>
Accrued compensation			286,400	
Unrealized gain (loss) on investments			<u>(19,961)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 981,979</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Solid Waste & Recycling Fund
For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 165,400	\$ 165,400	\$ 179,500	\$ 14,100
Charges for services	749,000	749,000	747,600	(1,400)
Miscellaneous	15,700	15,700	16,281	581
Total revenues	<u>930,100</u>	<u>930,100</u>	<u>943,381</u>	<u>13,281</u>
EXPENDITURES				
Environmental services	1,126,798	1,126,798	993,392	133,406
Operating contingency	113,000	113,000	-	113,000
Total expenditures	<u>1,239,798</u>	<u>1,239,798</u>	<u>993,392</u>	<u>246,406</u>
Excess of expenditures over revenue	<u>(309,698)</u>	<u>(309,698)</u>	<u>(50,011)</u>	<u>259,687</u>
OTHER FINANCING SOURCES				
Transfers in	108,000	108,000	108,000	-
Total other financing sources	<u>108,000</u>	<u>108,000</u>	<u>108,000</u>	<u>-</u>
Net change in fund balances	(201,698)	(201,698)	57,989	259,687
Fund balances - beginning	<u>692,000</u>	<u>692,000</u>	<u>695,960</u>	<u>3,960</u>
Fund balances - ending	<u>\$ 490,302</u>	<u>\$ 490,302</u>	<u>\$ 753,949</u>	<u>\$ 263,647</u>
Accrued compensation			55,200	
Unrealized gain (loss) on investments			<u>(24,776)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 784,373</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Licenses and permits	\$ 659,400	\$ 659,400	\$ 706,385	\$ 46,985
Miscellaneous	14,600	14,600	23,679	9,079
Total revenues	<u>674,000</u>	<u>674,000</u>	<u>730,064</u>	<u>56,064</u>
EXPENDITURES				
Community development	1,015,756	1,015,756	859,663	156,093
Operating contingency	102,000	102,000	-	102,000
Total expenditures	<u>1,117,756</u>	<u>1,117,756</u>	<u>859,663</u>	<u>258,093</u>
Excess of expenditures over revenue	<u>(443,756)</u>	<u>(443,756)</u>	<u>(129,599)</u>	<u>314,157</u>
Net change in fund balances	(443,756)	(443,756)	(129,599)	314,157
Fund balances - beginning	<u>850,000</u>	<u>850,000</u>	<u>928,539</u>	<u>78,539</u>
Fund balances - ending	<u>\$ 406,244</u>	<u>\$ 406,244</u>	\$ 798,940	<u>\$ 392,696</u>
Accrued compensation			89,500	
Due from other funds			92,469	
Unrealized gain (loss) on investments			<u>(27,585)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 953,324</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 5,982	\$ 5,982
Charges for services	832,800	832,800	984,664	151,864
Miscellaneous	49,000	49,000	72,745	23,745
Internal service charges	326,000	326,000	506,924	180,924
Total revenues	<u>1,207,800</u>	<u>1,207,800</u>	<u>1,570,315</u>	<u>362,515</u>
EXPENDITURES				
Environmental services	3,563,458	3,563,458	3,226,862	336,596
Operating contingency	535,000	535,000	-	535,000
Total expenditures	<u>4,098,458</u>	<u>4,098,458</u>	<u>3,226,862</u>	<u>871,596</u>
Excess of expenditures over revenue	<u>(2,890,658)</u>	<u>(2,890,658)</u>	<u>(1,656,547)</u>	<u>1,234,111</u>
OTHER FINANCING SOURCES				
Transfers in	2,074,800	2,074,800	2,074,800	-
Total other financing sources	<u>2,074,800</u>	<u>2,074,800</u>	<u>2,074,800</u>	<u>-</u>
Net change in fund balances	(815,858)	(815,858)	418,253	1,234,111
Fund balances - beginning	<u>3,263,800</u>	<u>3,263,800</u>	<u>4,111,280</u>	<u>847,480</u>
Fund balances - ending	<u>\$ 2,447,942</u>	<u>\$ 2,447,942</u>	<u>\$ 4,529,533</u>	<u>\$ 2,081,591</u>
Accrued compensation			293,200	
Due from other funds			219,648	
Unrealized gain (loss) on investments			<u>(236,765)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 4,805,616</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 70,000	\$ 70,000	\$ 51,609	\$ (18,391)
Charges for services	-	-	86,508	86,508
License fees	1,310,000	1,310,000	1,431,017	121,017
Miscellaneous	57,000	57,000	46,895	(10,105)
Total revenues	<u>1,437,000</u>	<u>1,437,000</u>	<u>1,616,029</u>	<u>179,029</u>
EXPENDITURES				
Environmental services	522,863	522,863	510,220	12,643
Operating contingency	98,000	98,000	-	98,000
Total expenditures	<u>620,863</u>	<u>620,863</u>	<u>510,220</u>	<u>110,643</u>
Excess of revenues ove expenditures	<u>816,137</u>	<u>816,137</u>	<u>1,105,809</u>	<u>289,672</u>
OTHER FINANCING (USES)				
Transfers out	<u>(1,552,800)</u>	<u>(1,552,800)</u>	<u>(785,637)</u>	<u>767,163</u>
Total other financing (uses)	<u>(1,552,800)</u>	<u>(1,552,800)</u>	<u>(785,637)</u>	<u>767,163</u>
Net change in fund balances	(736,663)	(736,663)	320,172	1,056,835
Fund balances - beginning	<u>3,800,000</u>	<u>3,800,000</u>	<u>4,665,336</u>	<u>865,336</u>
Fund balances - ending	<u>\$ 3,063,337</u>	<u>\$ 3,063,337</u>	<u>\$ 4,985,508</u>	<u>\$ 1,922,171</u>
Unrealized gain (loss) on investments			<u>(160,460)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 4,825,048</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
CDBG & HOME Fund
For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 6,382,254	\$ 6,382,254	\$ 2,431,285	\$ (3,950,969)
Charges for services	-	-	22,209	22,209
Miscellaneous	-	-	33,269	33,269
Total revenues	<u>6,382,254</u>	<u>6,382,254</u>	<u>2,486,763</u>	<u>(3,895,491)</u>
EXPENDITURES				
Community development	3,861,015	6,061,014	2,317,590	3,743,424
Operating contingency	2,200,000	-	-	-
Total expenditures	<u>6,061,015</u>	<u>6,061,014</u>	<u>2,317,590</u>	<u>3,743,424</u>
Excess of revenues over expenditures	<u>321,239</u>	<u>321,240</u>	<u>169,173</u>	<u>(152,067)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	20,000	20,000	-	(20,000)
Transfers out	<u>(301,000)</u>	<u>(301,000)</u>	<u>(152,388)</u>	<u>148,612</u>
Total other financing sources (uses)	<u>(281,000)</u>	<u>(281,000)</u>	<u>(152,388)</u>	<u>128,612</u>
Net change in fund balances	40,239	40,240	16,785	(23,455)
Fund balances - beginning	-	-	209,974	209,974
Fund balances - ending	<u>\$ 40,239</u>	<u>\$ 40,240</u>	<u>\$ 226,759</u>	<u>\$ 186,519</u>
Accrued compensation			25,900	
Due from other funds			29,694	
Unrealized gain (loss) on investments			<u>948</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 283,301</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Licenses and permits	\$ 1,982,000	\$ 1,982,000	\$ 2,251,834	\$ 269,834
Intergovernmental	226,000	226,000	253,749	27,749
Charges for services	1,062,000	1,062,000	1,595,268	533,268
Miscellaneous	75,000	75,000	106,217	31,217
Total revenues	<u>3,345,000</u>	<u>3,345,000</u>	<u>4,207,068</u>	<u>862,068</u>
EXPENDITURES				
Community development	5,013,750	5,013,750	4,053,608	960,142
Operating contingency	450,000	450,000	-	450,000
Total expenditures	<u>5,463,750</u>	<u>5,463,750</u>	<u>4,053,608</u>	<u>1,410,142</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,118,750)</u>	<u>(2,118,750)</u>	<u>153,460</u>	<u>2,272,210</u>
OTHER FINANCING (USES)				
Transfers out	(30,000)	(30,000)	(28,052)	1,948
Total other financing (uses)	<u>(30,000)</u>	<u>(30,000)</u>	<u>(28,052)</u>	<u>1,948</u>
Net change in fund balances	(2,148,750)	(2,148,750)	125,408	2,274,158
Fund balances - beginning	<u>7,500,000</u>	<u>7,500,000</u>	<u>7,235,963</u>	<u>(264,037)</u>
Fund balances - ending	<u>\$ 5,351,250</u>	<u>\$ 5,351,250</u>	<u>\$ 7,361,371</u>	<u>\$ 2,010,121</u>
Accrued compensation			357,200	
Due from other funds			238,697	
Unrealized gain (loss) on investments			<u>(311,617)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 7,645,651</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 1,748,300	\$ 1,748,300	\$ 1,175,000	\$ (573,300)
Total revenues	<u>1,748,300</u>	<u>1,748,300</u>	<u>1,175,000</u>	<u>(573,300)</u>
EXPENDITURES				
Urban renewal	1,745,986	1,745,986	1,070,474	675,512
Operating contingency	62,514	62,514	-	62,514
Total expenditures	<u>1,808,500</u>	<u>1,808,500</u>	<u>1,070,474</u>	<u>738,026</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(60,200)</u>	<u>(60,200)</u>	<u>104,526</u>	<u>164,726</u>
OTHER FINANCING (USES)				
Transfers out	(40,000)	(40,000)	(31,735)	8,265
Total other financing (uses)	<u>(40,000)</u>	<u>(40,000)</u>	<u>(31,735)</u>	<u>8,265</u>
Net change in fund balances	(100,200)	(100,200)	72,791	172,991
Fund balances - beginning	<u>100,200</u>	<u>100,200</u>	<u>4,406</u>	<u>(95,794)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,197</u>	<u>\$ 77,197</u>
Accrued compensation			56,100	
Unrealized gain (loss) on investments			<u>(3,884)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 129,413</u>	

CITY OF
GRESHAM
GOING BEYOND

Capital Projects Funds

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

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

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

Transportation Capital Improvement Fund – Accounts for the acquisition and construction of streets, footpaths and bike routes.

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

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

City of Gresham, Oregon
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2022

	Parks Capital Improvement Fund	General Development Capital Improvement Fund	Transportation Capital Improvement Fund
ASSETS			
Cash and investments	\$ 1,372,865	\$ -	\$ 11,314,481
Receivables, net	-	-	776,975
Other assets	4,052	-	33,536
Total assets	<u>\$ 1,376,917</u>	<u>\$ -</u>	<u>\$ 12,124,992</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 2,094,579
Other accrued liabilities	-	-	97,200
Deposits	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>2,191,779</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - other	-	-	427,746
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>427,746</u>
FUND BALANCES			
Restricted	-	-	-
Assigned	1,376,917	-	9,505,467
Total fund balances	<u>1,376,917</u>	<u>-</u>	<u>9,505,467</u>
Total liabilities and fund balances	<u>\$ 1,376,917</u>	<u>\$ -</u>	<u>\$ 12,124,992</u>

Urban Renewal Capital Improvement Fund	GRDC - Rockwood Capital Improvement Fund	Total
\$ 3,701,373	\$ 1,577,767	\$ 17,966,486
-	-	776,975
10,747	4,536	52,871
<u>\$ 3,712,120</u>	<u>\$ 1,582,303</u>	<u>\$ 18,796,332</u>
\$ 316,407	\$ 275	\$ 2,411,261
-	-	97,200
-	2,000	2,000
<u>316,407</u>	<u>2,275</u>	<u>2,510,461</u>
-	-	427,746
-	-	427,746
3,395,713	1,580,028	4,975,741
-	-	10,882,384
<u>3,395,713</u>	<u>1,580,028</u>	<u>15,858,125</u>
<u>\$ 3,712,120</u>	<u>\$ 1,582,303</u>	<u>\$ 18,796,332</u>

City of Gresham, Oregon
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Fund
For the Fiscal Year Ended June 30, 2022

	Parks Capital Improvement Fund	General Development Capital Improvement Fund	Transportation Capital Improvement Fund
REVENUES			
Intergovernmental	\$ 2,628,024	\$ -	\$ 675,184
Charges for services	-	-	17,098
Miscellaneous	-	-	-
Total revenues	<u>2,628,024</u>	<u>-</u>	<u>692,282</u>
EXPENDITURES			
Current:			
Urban renewal	-	-	-
Capital outlay	<u>2,677,037</u>	<u>10,597,720</u>	<u>10,243,140</u>
Total expenditures	<u>2,677,037</u>	<u>10,597,720</u>	<u>10,243,140</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(49,013)</u>	<u>(10,597,720)</u>	<u>(9,550,858)</u>
OTHER FINANCING SOURCES (USES)			
Issuance of debt	-	-	9,554,705
Transfers in	<u>227,431</u>	<u>10,597,720</u>	<u>5,405,120</u>
Total other financing sources (uses)	<u>227,431</u>	<u>10,597,720</u>	<u>14,959,825</u>
Net change in fund balances	<u>178,418</u>	<u>-</u>	<u>5,408,967</u>
Fund balances - beginning	<u>1,198,499</u>	<u>-</u>	<u>4,096,500</u>
Fund balances - ending	<u>\$ 1,376,917</u>	<u>\$ -</u>	<u>\$ 9,505,467</u>

Urban Renewal Capital Improvement Fund	GRDC - Rockwood Capital Improvement Fund	Total
\$ 4,511,545	\$ -	\$ 7,814,753
71,207	-	88,305
-	25,878	25,878
<u>4,582,752</u>	<u>25,878</u>	<u>7,928,936</u>
-	4,875,000	4,875,000
2,627,735	-	26,145,632
<u>2,627,735</u>	<u>4,875,000</u>	<u>31,020,632</u>
<u>1,955,017</u>	<u>(4,849,122)</u>	<u>(23,091,696)</u>
-	6,000,000	15,554,705
695,253	-	16,925,524
<u>695,253</u>	<u>6,000,000</u>	<u>32,480,229</u>
<u>2,650,270</u>	<u>1,150,878</u>	<u>9,388,533</u>
<u>745,443</u>	<u>429,150</u>	<u>6,469,592</u>
<u>\$ 3,395,713</u>	<u>\$ 1,580,028</u>	<u>\$ 15,858,125</u>

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Parks Capital Improvement Fund
For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 5,279,800	\$ 5,279,800	\$ 2,675,000	\$ (2,604,800)
Miscellaneous	32,500	32,500	13,503	(18,997)
Total revenues	<u>5,312,300</u>	<u>5,312,300</u>	<u>2,688,503</u>	<u>(2,623,797)</u>
EXPENDITURES				
Capital improvements	5,810,000	5,810,000	2,677,037	3,132,963
Total expenditures	<u>5,810,000</u>	<u>5,810,000</u>	<u>2,677,037</u>	<u>3,132,963</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(497,700)</u>	<u>(497,700)</u>	11,466	<u>509,166</u>
OTHER FINANCING SOURCES				
Transfers in	448,400	448,400	227,431	(220,969)
Total other financing sources	<u>448,400</u>	<u>448,400</u>	<u>227,431</u>	<u>(220,969)</u>
Net change in fund balances	(49,300)	(49,300)	238,897	288,197
Fund balances - beginning	<u>1,297,200</u>	<u>1,297,200</u>	<u>1,185,154</u>	<u>(112,046)</u>
Fund balances - ending	<u>\$ 1,247,900</u>	<u>\$ 1,247,900</u>	\$ 1,424,051	<u>\$ 176,151</u>
Unrealized gain (loss) on investments			<u>(47,134)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 1,376,917</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Development Capital Improvement Fund
For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Capital improvements	22,612,000	22,612,000	10,597,720	12,014,280
Total expenditures	<u>22,612,000</u>	<u>22,612,000</u>	<u>10,597,720</u>	<u>12,014,280</u>
Excess of expenditures over revenue	<u>(22,612,000)</u>	<u>(22,612,000)</u>	<u>(10,597,720)</u>	<u>12,014,280</u>
OTHER FINANCING SOURCES				
Transfers in	22,612,000	22,612,000	10,597,720	(12,014,280)
Total other financing sources	<u>22,612,000</u>	<u>22,612,000</u>	<u>10,597,720</u>	<u>(12,014,280)</u>
Net change in fund balances	-	-	-	-
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Transportation Capital Improvement Fund
For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 9,465,200	\$ 9,465,200	\$ 1,131,185	\$ (8,334,015)
Charges for services	-	-	444,844	444,844
Miscellaneous	5,300	5,300	44,573	39,273
Total revenues	<u>9,470,500</u>	<u>9,470,500</u>	<u>1,620,602</u>	<u>(7,849,898)</u>
EXPENDITURES				
Capital improvements	45,322,500	45,322,500	10,243,140	35,079,360
Total expenditures	<u>45,322,500</u>	<u>45,322,500</u>	<u>10,243,140</u>	<u>35,079,360</u>
Excess of expenditures over revenue	<u>(35,852,000)</u>	<u>(35,852,000)</u>	<u>(8,622,538)</u>	<u>27,229,462</u>
OTHER FINANCING SOURCES				
Issuance of debt	13,072,000	13,072,000	9,554,705	(3,517,295)
Transfers in	22,168,600	22,168,600	5,405,120	(16,763,480)
Total other financing sources	<u>35,240,600</u>	<u>35,240,600</u>	<u>14,959,825</u>	<u>(20,280,775)</u>
Net change in fund balances	(611,400)	(611,400)	6,337,287	6,948,687
Fund balances - beginning	<u>3,325,700</u>	<u>3,325,700</u>	<u>4,043,231</u>	<u>717,531</u>
Fund balances - ending	<u>\$ 2,714,300</u>	<u>\$ 2,714,300</u>	<u>\$ 10,380,518</u>	<u>\$ 7,666,218</u>
Unavailable revenue			(427,746)	
Unrealized gain (loss) on investments			<u>(447,305)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 9,505,467</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Urban Renewal Capital Improvement Fund
For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 7,225,500	\$ 7,225,500	\$ 4,671,955	\$ (2,553,545)
Charges for services	-	-	71,207	71,207
Total revenues	<u>7,225,500</u>	<u>7,225,500</u>	<u>4,743,162</u>	<u>(2,482,338)</u>
EXPENDITURES				
Capital improvements	10,423,200	10,423,200	2,627,735	7,795,465
Total expenditures	<u>10,423,200</u>	<u>10,423,200</u>	<u>2,627,735</u>	<u>7,795,465</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,197,700)</u>	<u>(3,197,700)</u>	<u>2,115,427</u>	<u>5,313,127</u>
OTHER FINANCING SOURCES				
Transfers in	3,197,900	3,197,900	695,253	(2,502,647)
Total other financing sources	<u>3,197,900</u>	<u>3,197,900</u>	<u>695,253</u>	<u>(2,502,647)</u>
Net change in fund balances	200	200	2,810,680	2,810,480
Fund balances - beginning	<u>51,500</u>	<u>51,500</u>	<u>744,669</u>	<u>693,169</u>
Fund balances - ending	<u>\$ 51,700</u>	<u>\$ 51,700</u>	<u>\$ 3,555,349</u>	<u>\$ 3,503,649</u>
Unrealized gain (loss) on investments			<u>(159,636)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 3,395,713</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
GRDC - Rockwood Capital Improvement Fund
For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Charges for services	\$ 62,800	\$ 62,800	\$ -	\$ (62,800)
Miscellaneous	17,900	17,900	93,584	75,684
Total revenues	<u>80,700</u>	<u>80,700</u>	<u>93,584</u>	<u>12,884</u>
EXPENDITURES				
Urban renewal	6,156,900	6,156,900	4,875,000	1,281,900
Total expenditures	<u>6,156,900</u>	<u>6,156,900</u>	<u>4,875,000</u>	<u>1,281,900</u>
Excess of expenditures over revenue	<u>(6,076,200)</u>	<u>(6,076,200)</u>	<u>(4,781,416)</u>	<u>1,294,784</u>
OTHER FINANCING SOURCES				
Issuance of debt	6,156,900	6,156,900	6,000,000	(156,900)
Total other financing sources	<u>6,156,900</u>	<u>6,156,900</u>	<u>6,000,000</u>	<u>(156,900)</u>
Net change in fund balances	80,700	80,700	1,218,584	1,137,884
Fund balances - beginning	<u>887,000</u>	<u>887,000</u>	<u>373,375</u>	<u>(513,625)</u>
Fund balances - ending	<u>\$ 967,700</u>	<u>\$ 967,700</u>	\$ 1,591,959	<u>\$ 624,259</u>
Unrealized gain (loss) on investments			<u>(11,931)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 1,580,028</u>	

Debt Service Funds

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

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

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

City of Gresham, Oregon
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2022

	Pension Bond Debt Service Fund	Urban Renewal Debt Service Fund	Total
ASSETS			
Cash and investments	\$ 666,034	\$ 27,207	\$ 693,241
Other assets	1,970	79	2,049
Advance to other funds	-	1,647,566	1,647,566
Total assets	\$ 668,004	\$ 1,674,852	\$ 2,342,856
FUND BALANCES			
Assigned	\$ 668,004	\$ 1,674,852	\$ 2,342,856
Total fund balances	668,004	1,674,852	2,342,856
Total fund balances	\$ 668,004	\$ 1,674,852	\$ 2,342,856

City of Gresham, Oregon
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Fund
For the Fiscal Year Ended June 30, 2022

	Pension Bond Debt Service Fund	Urban Renewal Debt Service Fund	Total
REVENUES			
Intergovernmental	\$ -	\$ 1,734,587	\$ 1,734,587
Miscellaneous	-	-	-
Internal service charges	2,142,290	-	2,142,290
Total revenues	<u>2,142,290</u>	<u>1,734,587</u>	<u>3,876,877</u>
EXPENDITURES			
Debt service	2,098,724	1,735,783	3,834,507
Total expenditures	<u>2,098,724</u>	<u>1,735,783</u>	<u>3,834,507</u>
Excess (deficiency) of revenues over (under) expenditures	<u>43,566</u>	<u>(1,196)</u>	<u>42,370</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	-	(1,585,151)	(1,585,151)
Total other financing sources (uses)	<u>-</u>	<u>(1,585,151)</u>	<u>(1,585,151)</u>
Net change in fund balances	<u>43,566</u>	<u>(1,586,347)</u>	<u>(1,542,781)</u>
Fund balances - beginning	<u>624,438</u>	<u>3,261,199</u>	<u>3,885,637</u>
Fund balances - ending	<u>\$ 668,004</u>	<u>\$ 1,674,852</u>	<u>\$ 2,342,856</u>

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Pension Bond Debt Service Fund
For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 12,330	\$ 12,330
Internal service charges	2,099,000	2,099,000	2,159,364	60,364
Total revenues	<u>2,099,000</u>	<u>2,099,000</u>	<u>2,171,694</u>	<u>72,694</u>
EXPENDITURES				
Debt service	2,626,000	2,626,000	2,098,724	527,276
Total expenditures	<u>2,626,000</u>	<u>2,626,000</u>	<u>2,098,724</u>	<u>527,276</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(527,000)</u>	<u>(527,000)</u>	<u>72,970</u>	<u>599,970</u>
Net change in fund balances	(527,000)	(527,000)	72,970	599,970
Fund balances - beginning	<u>527,000</u>	<u>527,000</u>	<u>619,382</u>	<u>92,382</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	\$ 692,352	<u>\$ 692,352</u>
Unrealized gain (loss) on investments			<u>(24,348)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 668,004</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Urban Renewal Debt Service Fund
For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 1,738,000	\$ 1,738,000	\$ 1,735,783	\$ (2,217)
Total revenues	<u>1,738,000</u>	<u>1,738,000</u>	<u>1,735,783</u>	<u>(2,217)</u>
EXPENDITURES				
Debt service	1,740,000	1,740,000	1,735,783	4,217
Total expenditures	<u>1,740,000</u>	<u>1,740,000</u>	<u>1,735,783</u>	<u>4,217</u>
Excess of expenditures over revenue	<u>(2,000)</u>	<u>(2,000)</u>	-	<u>2,000</u>
Net change in fund balances	(2,000)	(2,000)	-	2,000
Fund balances - beginning	<u>28,000</u>	<u>28,000</u>	<u>28,152</u>	<u>152</u>
Fund balances - ending	<u>\$ 26,000</u>	<u>\$ 26,000</u>	\$ 28,152	<u>\$ 2,152</u>
Advance to other funds:			1,647,566	
Unrealized gain (loss) on investments			<u>(866)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 1,674,852</u>	

Enterprise Funds

Major Business-Type Funds

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

Water Fund

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

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

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

Stormwater Fund

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

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

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

Wastewater Fund

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

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

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

City of Gresham, Oregon
Combining Schedule of Net Position
Water Fund
June 30, 2022

	Water Fund	Water Capital Improvement Fund	Water Debt Service Fund	Total
ASSETS				
Current assets:				
Cash and investments	\$ 32,366,448	\$ 33,108,662	\$ 186,857	\$ 65,661,967
Receivables, net	2,259,491	95,945	-	2,355,436
Due from other funds	2,063,100	-	-	2,063,100
Total current assets	<u>36,689,039</u>	<u>33,204,607</u>	<u>186,857</u>	<u>70,080,503</u>
Noncurrent assets:				
Other assets	97,720	98,276	547	196,543
Restricted cash and investments	684,135	-	-	684,135
Capital assets:				
Non-depreciable	11,565,047	-	-	11,565,047
Depreciable, net	69,684,646	-	-	69,684,646
Total noncurrent assets	<u>82,031,548</u>	<u>98,276</u>	<u>547</u>	<u>82,130,371</u>
Total assets	<u>118,720,587</u>	<u>33,302,883</u>	<u>187,404</u>	<u>152,210,874</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow related to pension	2,335,973	-	-	2,335,973
Deferred outflow related to OPEB	37,087	-	-	37,087
Total deferred outflows of resources	<u>2,373,060</u>	<u>-</u>	<u>-</u>	<u>2,373,060</u>
LIABILITIES				
Current liabilities:				
Accounts payable	378,713	1,377,829	-	1,756,542
Other accrued liabilities	-	13,735	-	13,735
Accrued interest payable	-	-	113,204	113,204
Deposits	684,135	-	-	684,135
Compensated absences	70,000	-	-	70,000
Bonds, notes and loans payable	332,486	-	-	332,486
Total current liabilities	<u>1,465,334</u>	<u>1,391,564</u>	<u>113,204</u>	<u>2,970,102</u>
Noncurrent liabilities:				
Net pension liability	2,748,275	-	-	2,748,275
Net OPEB liability	235,834	-	-	235,834
Compensated absences	396,600	-	-	396,600
Bonds, notes and loans payable	47,289,948	-	-	47,289,948
Total noncurrent liabilities	<u>50,670,657</u>	<u>-</u>	<u>-</u>	<u>50,670,657</u>
Total liabilities	<u>52,135,991</u>	<u>1,391,564</u>	<u>113,204</u>	<u>53,640,759</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension	3,368,499	-	-	3,368,499
Deferred inflows related to OPEB	243,829	-	-	243,829
Total deferred inflows of resources	<u>3,612,328</u>	<u>-</u>	<u>-</u>	<u>3,612,328</u>
NET POSITION				
Net investment in capital assets	33,627,260	-	-	33,627,260
Unrestricted	31,718,068	31,911,319	74,200	63,703,587
Total net position	<u>\$ 65,345,328</u>	<u>\$ 31,911,319</u>	<u>\$ 74,200</u>	<u>\$ 97,330,847</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, 2022

	Water Fund	Water Capital Improvement Fund	Water Debt Service Fund	Eliminations	Total
OPERATING REVENUES					
Charges for services	\$ 17,150,563	\$ 138,135	\$ -	\$ -	\$ 17,288,698
Total operating revenues	<u>17,150,563</u>	<u>138,135</u>	<u>-</u>		<u>17,288,698</u>
OPERATING EXPENSES					
Personnel services	2,465,912	-	-		2,465,912
Professional and technical services	127,685	-	-		127,685
Property services	682,565	-	-		682,565
Other services	62,067	-	-		62,067
Supplies	134,505	-	-		134,505
Water purchase	3,111,344	-	-		3,111,344
Incentive programs	55,700	-	-		55,700
Internal services	4,204,406	-	-		4,204,406
Other materials and services	-	291,490	-		291,490
Depreciation and amortization	3,379,714	-	-		3,379,714
Total operating expenses	<u>14,223,898</u>	<u>291,490</u>	<u>-</u>		<u>14,515,388</u>
Operating income (loss)	<u>2,926,665</u>	<u>(153,355)</u>	<u>-</u>		<u>2,773,310</u>
NONOPERATING REVENUES (EXPENSES)					
Miscellaneous revenue (expense)	(1,087,192)	(1,216,101)	(888,216)		(3,191,509)
Interest expense	-	-	(762,396)		(762,396)
Gain/(loss) on disposition of capital assets	177	-	-		177
Total nonoperating revenues (expenses)	<u>(1,087,015)</u>	<u>(1,216,101)</u>	<u>(1,650,612)</u>		<u>(3,953,728)</u>
Income (loss) before contributions and transfers	<u>1,839,650</u>	<u>(1,369,456)</u>	<u>(1,650,612)</u>		<u>(1,180,418)</u>
Capital contributions	216,691	-	-		216,691
Transfers in	25,319,794	31,829,038	16,467,340	(71,311,456)	2,304,716
Transfers out	<u>(48,969,380)</u>	<u>(8,116,226)</u>	<u>(14,922,575)</u>	71,311,456	<u>(696,725)</u>
Change in net position	<u>(21,593,245)</u>	<u>22,343,356</u>	<u>(105,847)</u>		<u>644,264</u>
Total net position - beginning	<u>86,938,573</u>	<u>9,567,963</u>	<u>180,047</u>		<u>96,686,583</u>
Total net position - ending	<u>\$ 65,345,328</u>	<u>\$ 31,911,319</u>	<u>\$ 74,200</u>		<u>\$ 97,330,847</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 86,700	\$ 86,700	\$ 130,354	\$ 43,654
Charges for services	16,730,600	16,730,600	17,020,209	289,609
Miscellaneous	466,700	466,700	371,591	(95,109)
Internal service charges	960,000	960,000	841,169	(118,831)
Total revenues	<u>18,244,000</u>	<u>18,244,000</u>	<u>18,363,323</u>	<u>119,323</u>
EXPENDITURES				
Environmental services	12,845,431	12,845,431	11,945,068	900,363
Operating contingency	1,927,000	1,927,000	-	1,927,000
Total expenditures	<u>14,772,431</u>	<u>14,772,431</u>	<u>11,945,068</u>	<u>2,827,363</u>
Excess of revenues over expenditures	<u>3,471,569</u>	<u>3,471,569</u>	<u>6,418,255</u>	<u>2,946,686</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	163,500	163,500	1,089,934	926,434
Transfers out	(3,902,700)	(3,902,700)	(3,886,280)	16,420
Total other financing sources (uses)	<u>(3,739,200)</u>	<u>(3,739,200)</u>	<u>(2,796,346)</u>	<u>942,854</u>
Net change in fund balances	(267,631)	(267,631)	3,621,909	3,889,540
Fund balances - beginning	<u>28,669,900</u>	<u>28,669,900</u>	<u>31,454,015</u>	<u>2,784,115</u>
Fund balances - ending	<u>\$ 28,402,269</u>	<u>\$ 28,402,269</u>	<u>\$ 35,075,924</u>	<u>\$ 6,673,655</u>
Capital assets, net of depreciation			81,249,693	
Debt payable, ne			(47,622,434)	
Due from other funds			2,063,100	
Pension asset/liability, net			(3,780,801)	
OPEB asset/liability, net			(442,576)	
Unrealized gain (loss) on investments			<u>(1,197,578)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 65,345,328</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Water Capital Improvement Fund
For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 716,700	\$ 716,700	\$ 138,135	\$ (578,565)
Charges for services	1,932,500	1,932,500	-	(1,932,500)
Miscellaneous	135,200	135,200	250,796	115,596
Total revenues	<u>2,784,400</u>	<u>2,784,400</u>	<u>388,931</u>	<u>(2,395,469)</u>
EXPENDITURES				
Capital improvements	29,596,400	29,596,400	8,407,716	21,188,684
Total expenditures	<u>29,596,400</u>	<u>29,596,400</u>	<u>8,407,716</u>	<u>21,188,684</u>
Excess of expenditures over revenue	<u>(26,812,000)</u>	<u>(26,812,000)</u>	<u>(8,018,785)</u>	<u>18,793,215</u>
OTHER FINANCING SOURCES				
Issuance of debt	26,000,000	26,000,000	31,104,315	5,104,315
Transfers in	1,447,700	1,447,700	724,723	(722,977)
Total other financing sources	<u>27,447,700</u>	<u>27,447,700</u>	<u>31,829,038</u>	<u>4,381,338</u>
Net change in fund balances	635,700	635,700	23,810,253	23,174,553
Fund balances - beginning	<u>10,577,000</u>	<u>10,577,000</u>	<u>9,434,161</u>	<u>(1,142,839)</u>
Fund balances - ending	<u>\$ 11,212,700</u>	<u>\$ 11,212,700</u>	<u>\$ 33,244,414</u>	<u>\$ 22,031,714</u>
Unrealized gain (loss) on investments			<u>(1,333,095)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 31,911,319</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 2,315	\$ 2,315
Total revenues	<u>-</u>	<u>-</u>	<u>2,315</u>	<u>2,315</u>
EXPENDITURES				
Debt service	25,027,000	25,027,000	16,626,007	8,400,993
Total expenditures	<u>25,027,000</u>	<u>25,027,000</u>	<u>16,626,007</u>	<u>8,400,993</u>
Excess of expenditures over revenue	<u>(25,027,000)</u>	<u>(25,027,000)</u>	<u>(16,623,692)</u>	<u>8,403,308</u>
OTHER FINANCING SOURCES				
Issuance of debt	23,226,000	23,226,000	14,037,453	(9,188,547)
Transfers in	1,800,000	1,800,000	2,488,555	688,555
Total other financing sources	<u>25,026,000</u>	<u>25,026,000</u>	<u>16,526,008</u>	<u>(8,499,992)</u>
Net change in fund balances	(1,000)	(1,000)	(97,684)	(96,684)
Fund balances - beginning	<u>288,000</u>	<u>288,000</u>	<u>289,945</u>	<u>1,945</u>
Fund balances - ending	<u>\$ 287,000</u>	<u>\$ 287,000</u>	\$ 192,261	<u>\$ (94,739)</u>
Accrued interest			(113,204)	
Unrealized gain (loss) on investments			<u>(4,857)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 74,200</u>	

City of Gresham, Oregon
Combining Schedule of Net Position
Stormwater Fund
June 30, 2022

	Stormwater Fund	Stormwater Capital Improvement Fund	Stormwater Debt Service Fund	Total
ASSETS				
Current assets:				
Cash and investments	\$ 12,565,635	\$ 10,895,450	\$ 198,980	\$ 23,660,065
Receivables, net	1,763,497	-	-	1,763,497
Due from other funds	1,753,008	-	-	1,753,008
Total current assets	<u>16,082,140</u>	<u>10,895,450</u>	<u>198,980</u>	<u>27,176,570</u>
Noncurrent assets:				
Other assets	38,469	32,105	585	71,159
Restricted cash and investments	500,000	-	-	500,000
Capital assets:				
Non-depreciable	8,190,045	-	-	8,190,045
Depreciable, net	52,197,397	-	-	52,197,397
Total noncurrent assets	<u>60,925,911</u>	<u>32,105</u>	<u>585</u>	<u>60,958,601</u>
Total assets	<u>77,008,051</u>	<u>10,927,555</u>	<u>199,565</u>	<u>88,135,171</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow related to pension	2,486,463	-	-	2,486,463
Deferred outflow related to OPEB	40,997	-	-	40,997
Total deferred outflows of resources	<u>2,527,460</u>	<u>-</u>	<u>-</u>	<u>2,527,460</u>
LIABILITIES				
Current liabilities:				
Accounts payable	217,655	120,649	-	338,304
Other accrued liabilities	-	12,156	-	12,156
Compensated absences	62,100	-	-	62,100
Bonds, notes and loans payable	246,780	-	-	246,780
Total current liabilities	<u>526,535</u>	<u>132,805</u>	<u>-</u>	<u>659,340</u>
Noncurrent liabilities:				
Net pension liability	2,795,545	-	-	2,795,545
Net OPEB liability	248,092	-	-	248,092
Compensated absences	352,100	-	-	352,100
Bonds, notes and loans payable	3,578,318	-	-	3,578,318
Total noncurrent liabilities	<u>6,974,055</u>	<u>-</u>	<u>-</u>	<u>6,974,055</u>
Total liabilities	<u>7,500,590</u>	<u>132,805</u>	<u>-</u>	<u>7,633,395</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension	3,204,256	-	-	3,204,256
Deferred inflows related to OPEB	96,467	-	-	96,467
Total deferred inflows of resources	<u>3,300,723</u>	<u>-</u>	<u>-</u>	<u>3,300,723</u>
NET POSITION				
Net investment in capital assets	56,562,345	-	-	56,562,345
Restricted for:				
Rate stabilization	500,000	-	-	500,000
Debt service	-	-	199,565	199,565
Unrestricted	11,671,853	10,794,750	-	22,466,603
Total net position	<u>\$ 68,734,198</u>	<u>\$ 10,794,750</u>	<u>\$ 199,565</u>	<u>\$ 79,728,513</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, 2022

	Stormwater Fund	Stormwater Capital Improvement Fund	Stormwater Debt Service Fund	Eliminations	Total
OPERATING REVENUES					
Charges for services	\$ 11,499,693	\$ -	\$ -	\$ -	\$ 11,499,693
Total operating revenues	<u>11,499,693</u>	<u>-</u>	<u>-</u>		<u>11,499,693</u>
OPERATING EXPENSES					
Personnel services	2,936,871	-	-		2,936,871
Professional and technical services	748,772	-	-		748,772
Property services	116,134	-	-		116,134
Other services	42,960	-	-		42,960
Supplies	125,298	-	-		125,298
Incentive programs	198,969	-	-		198,969
Internal services	3,082,392	-	-		3,082,392
Other materials and services	-	304,300	-		304,300
Depreciation and amortization	2,415,347	-	-		2,415,347
Total operating expenses	<u>9,666,743</u>	<u>304,300</u>	<u>-</u>		<u>9,971,043</u>
Operating income (loss)	<u>1,832,950</u>	<u>(304,300)</u>	<u>-</u>		<u>1,528,650</u>
NONOPERATING REVENUES (EXPENSES)					
Miscellaneous revenue (expense)	(407,647)	(371,795)	(26,840)		(806,282)
Gain/(loss) on disposition of capital assets	1,002	-	-		1,002
Total nonoperating revenues (expenses)	<u>(406,645)</u>	<u>(371,795)</u>	<u>(26,840)</u>		<u>(805,280)</u>
Income (loss) before contributions and transfers	<u>1,426,305</u>	<u>(676,095)</u>	<u>(26,840)</u>		<u>723,370</u>
Capital contributions	643,250	-	-		643,250
Transfers in	1,518,615	2,257,329	21,609	(3,298,793)	498,760
Transfers out	(3,971,709)	(1,077,883)	-	3,298,793	(1,750,799)
Change in net position	<u>(383,539)</u>	<u>503,351</u>	<u>(5,231)</u>		<u>114,581</u>
Total net position - beginning	<u>69,117,737</u>	<u>10,291,399</u>	<u>204,796</u>		<u>79,613,932</u>
Total net position - ending	<u>\$ 68,734,198</u>	<u>\$ 10,794,750</u>	<u>\$ 199,565</u>		<u>\$ 79,728,513</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 1,328	\$ 1,328
Charges for services	11,467,800	11,467,800	11,498,365	30,565
Miscellaneous	276,020	276,020	167,560	(108,460)
Internal service charges	409,000	409,000	420,626	11,626
Total revenues	<u>12,152,820</u>	<u>12,152,820</u>	<u>12,087,879</u>	<u>(64,941)</u>
EXPENDITURES				
Environmental services	8,739,625	8,739,625	7,893,679	845,946
Operating contingency	1,311,000	1,311,000	-	1,311,000
Total expenditures	<u>10,050,625</u>	<u>10,050,625</u>	<u>7,893,679</u>	<u>2,156,946</u>
Excess of revenues over expenditures	<u>2,102,195</u>	<u>2,102,195</u>	<u>4,194,200</u>	<u>2,092,005</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	219,600	219,600	198,185	(21,415)
Transfers out	<u>(4,268,100)</u>	<u>(4,268,100)</u>	<u>(4,218,489)</u>	<u>49,611</u>
Total other financing sources (uses)	<u>(4,048,500)</u>	<u>(4,048,500)</u>	<u>(4,020,304)</u>	<u>28,196</u>
Net change in fund balances	(1,946,305)	(1,946,305)	173,896	2,120,201
Fund balances - beginning	<u>13,801,000</u>	<u>13,801,000</u>	<u>14,478,165</u>	<u>677,165</u>
Fund balances - ending	<u>\$ 11,854,695</u>	<u>\$ 11,854,695</u>	<u>\$ 14,652,061</u>	<u>\$ 2,797,366</u>
Capital assets, net of depreciation			60,387,442	
Debt payable, ne			(3,825,098)	
Due from other funds			1,753,008	
Pension asset/liability, net			(3,513,338)	
OPEB asset/liability, net			(303,562)	
Unrealized gain (loss) on investments			<u>(416,315)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 68,734,198</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Stormwater Capital Improvement Fund
For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Miscellaneous	\$ 91,800	\$ 91,800	\$ 107,409	\$ 15,609
Total revenues	<u>91,800</u>	<u>91,800</u>	<u>107,409</u>	<u>15,609</u>
EXPENDITURES				
Capital improvements	7,695,900	7,695,900	1,382,183	6,313,717
Total expenditures	<u>7,695,900</u>	<u>7,695,900</u>	<u>1,382,183</u>	<u>6,313,717</u>
Excess of expenditures over revenue	<u>(7,604,100)</u>	<u>(7,604,100)</u>	<u>(1,274,774)</u>	<u>6,329,326</u>
OTHER FINANCING SOURCES				
Issuance of debt	702,000	702,000	-	(702,000)
Transfers in	2,934,100	2,934,100	2,257,329	(676,771)
Total other financing sources	<u>3,636,100</u>	<u>3,636,100</u>	<u>2,257,329</u>	<u>(1,378,771)</u>
Net change in fund balances	(3,968,000)	(3,968,000)	982,555	4,950,555
Fund balances - beginning	<u>11,308,200</u>	<u>11,308,200</u>	<u>10,168,120</u>	<u>(1,140,080)</u>
Fund balances - ending	<u>\$ 7,340,200</u>	<u>\$ 7,340,200</u>	\$ 11,150,675	<u>\$ 3,810,475</u>
Unrealized gain (loss) on investments			<u>(355,925)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 10,794,750</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 2,267	\$ 2,267
Total revenues	<u>-</u>	<u>-</u>	<u>2,267</u>	<u>2,267</u>
EXPENDITURES				
Debt service	268,000	268,000	267,139	861
Total expenditures	<u>268,000</u>	<u>268,000</u>	<u>267,139</u>	<u>861</u>
Excess of expenditures over revenue	<u>(268,000)</u>	<u>(268,000)</u>	<u>(264,872)</u>	<u>3,128</u>
OTHER FINANCING SOURCES				
Transfers in	268,000	268,000	268,389	389
Total other financing sources	<u>268,000</u>	<u>268,000</u>	<u>268,389</u>	<u>389</u>
Net change in fund balances	-	-	3,517	3,517
Fund balances - beginning	<u>176,000</u>	<u>176,000</u>	<u>202,481</u>	<u>26,481</u>
Fund balances - ending	<u>\$ 176,000</u>	<u>\$ 176,000</u>	<u>\$ 205,998</u>	<u>\$ 29,998</u>
Unrealized gain (loss) on investments			<u>(6,433)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 199,565</u>	

City of Gresham, Oregon
Combining Schedule of Net Position
Wastewater Fund
June 30, 2022

	Wastewater Fund	Wastewater Capital Improvement Fund	Wastewater Debt Service Fund	Total
ASSETS				
Current assets:				
Cash and investments	\$ 21,415,198	\$ 29,376,137	\$ 1,048,741	\$ 51,840,076
Receivables, net	3,729,277	21,785	-	3,751,062
Due from other funds	3,323,970	-	-	3,323,970
Total current assets	<u>28,468,445</u>	<u>29,397,922</u>	<u>1,048,741</u>	<u>58,915,108</u>
Noncurrent assets:				
Other assets	63,275	87,098	3,127	153,500
Restricted cash and investments	211,489	-	7,214	218,703
Capital assets:				
Non-depreciable	8,418,453	-	-	8,418,453
Depreciable, net	111,682,585	-	-	111,682,585
Total noncurrent assets	<u>120,375,802</u>	<u>87,098</u>	<u>10,341</u>	<u>120,473,241</u>
Total assets	<u>148,844,247</u>	<u>29,485,020</u>	<u>1,059,082</u>	<u>179,388,349</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow related to pension	2,236,957	-	-	2,236,957
Deferred outflow related to OPEB	71,234	-	-	71,234
Total deferred outflows of resources	<u>2,308,191</u>	<u>-</u>	<u>-</u>	<u>2,308,191</u>
LIABILITIES				
Current liabilities:				
Accounts payable	896,669	1,353,851	-	2,250,520
Other accrued liabilities	-	81,558	-	81,558
Accrued interest payable	-	-	27,668	27,668
Compensated absences	62,900	-	-	62,900
Bonds, notes and loans payable	398,359	-	-	398,359
Total current liabilities	<u>1,357,928</u>	<u>1,435,409</u>	<u>27,668</u>	<u>2,821,005</u>
Noncurrent liabilities:				
Net pension liability	2,665,822	-	-	2,665,822
Net OPEB liability	130,222	-	-	130,222
Compensated absences	356,200	-	-	356,200
Bonds, notes and loans payable	3,703,104	-	-	3,703,104
Total noncurrent liabilities	<u>6,855,348</u>	<u>-</u>	<u>-</u>	<u>6,855,348</u>
Total liabilities	<u>8,213,276</u>	<u>1,435,409</u>	<u>27,668</u>	<u>9,676,353</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension	3,390,212	-	-	3,390,212
Deferred inflows related to OPEB	56,616	-	-	56,616
Total deferred inflows of resources	<u>3,446,828</u>	<u>-</u>	<u>-</u>	<u>3,446,828</u>
NET POSITION				
Net investment in capital assets	115,999,575	-	-	115,999,575
Restricted for:				
Construction	211,489	-	-	211,489
Loan requirement	-	-	7,214	7,214
Debt service	-	-	1,024,200	1,024,200
Unrestricted	23,281,270	28,049,611	-	51,330,881
Total net position	<u>\$ 139,492,334</u>	<u>\$ 28,049,611</u>	<u>\$ 1,031,414</u>	<u>\$ 168,573,359</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, 2022

	Wastewater Fund	Wastewater Capital Improvement Fund	Wastewater Debt Service Fund	Eliminations	Total
OPERATING REVENUES					
Charges for services	\$ 21,320,033	\$ 21,785	\$ -	\$ -	\$ 21,341,818
Total operating revenues	<u>21,320,033</u>	<u>21,785</u>	<u>-</u>		<u>21,341,818</u>
OPERATING EXPENSES					
Personnel services	2,607,281	-	-		2,607,281
Professional and technical services	4,138,502	-	-		4,138,502
Property services	135,892	-	-		135,892
Other services	42,213	-	-		42,213
Supplies	232,839	-	-		232,839
Internal services	5,731,283	-	-		5,731,283
Other materials and services	-	1,762,492	-		1,762,492
Depreciation and amortization	5,628,563	-	-		5,628,563
Total operating expenses	<u>18,516,573</u>	<u>1,762,492</u>	<u>-</u>		<u>20,279,065</u>
Operating income (loss)	<u>2,803,460</u>	<u>(1,740,707)</u>	<u>-</u>		<u>1,062,753</u>
NONOPERATING REVENUES (EXPENSES)					
Miscellaneous revenue (expense)	(609,953)	(1,054,332)	(34,677)		(1,698,962)
Interest expense	41,026	-	(178,232)		(137,206)
Gain/(loss) on disposition of capital assets	26,878	-	-		26,878
Total nonoperating revenues (expenses)	<u>(542,049)</u>	<u>(1,054,332)</u>	<u>(212,909)</u>		<u>(1,809,290)</u>
Income (loss) before contributions and transfers	<u>2,261,411</u>	<u>(2,795,039)</u>	<u>(212,909)</u>		<u>(746,537)</u>
Capital contributions	289,102	-	-		289,102
Transfers in	11,155,398	10,861,700	183,178	(14,408,154)	7,792,122
Transfers out	<u>(11,752,578)</u>	<u>(3,363,276)</u>	<u>-</u>	14,408,154	<u>(707,700)</u>
Change in net position	<u>1,953,333</u>	<u>4,703,385</u>	<u>(29,731)</u>		<u>6,626,987</u>
Total net position - beginning	<u>137,539,001</u>	<u>23,346,226</u>	<u>1,061,145</u>		<u>161,946,372</u>
Total net position - ending	<u>\$ 139,492,334</u>	<u>\$ 28,049,611</u>	<u>\$ 1,031,414</u>		<u>\$ 168,573,359</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Licenses and permits	\$ 5,000	\$ 5,000	\$ 37,054	\$ 32,054
Intergovernmental	373,400	373,400	426,366	52,966
Charges for services	20,908,100	20,908,100	20,856,613	(51,487)
Miscellaneous	428,300	428,300	369,693	(58,607)
Internal service charges	863,000	863,000	741,745	(121,255)
Total revenues	<u>22,577,800</u>	<u>22,577,800</u>	<u>22,431,471</u>	<u>(146,329)</u>
EXPENDITURES				
Environmental services	16,187,673	16,187,673	14,109,643	2,078,030
Operating contingency	2,428,000	2,428,000	-	2,428,000
Total expenditures	<u>18,615,673</u>	<u>18,615,673</u>	<u>14,109,643</u>	<u>4,506,030</u>
Excess of revenues over expenditures	<u>3,962,127</u>	<u>3,962,127</u>	<u>8,321,828</u>	<u>4,359,701</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,641,200	1,641,200	910,272	(730,928)
Transfers out	(13,542,700)	(13,542,700)	(12,437,060)	1,105,640
Total other financing sources (uses)	<u>(11,901,500)</u>	<u>(11,901,500)</u>	<u>(11,526,788)</u>	<u>374,712</u>
Net change in fund balances	(7,939,373)	(7,939,373)	(3,204,960)	4,734,413
Fund balances - beginning	<u>27,059,000</u>	<u>27,059,000</u>	<u>27,857,991</u>	<u>798,991</u>
Fund balances - ending	<u>\$ 19,119,627</u>	<u>\$ 19,119,627</u>	<u>\$ 24,653,031</u>	<u>\$ 5,533,404</u>
Capital assets, net of depreciation			120,101,038	
Debt payable, ne			(4,101,463)	
Due from other funds			3,323,970	
Pension asset/liability, net			(3,819,077)	
OPEB asset/liability, net			(115,604)	
Unrealized gain (loss) on investments			<u>(549,561)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 139,492,334</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Wastewater Capital Improvement Fund
For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 756,700	\$ 756,700	\$ 21,785	\$ (734,915)
Charges for services	250,000	250,000	-	(250,000)
Miscellaneous	172,000	172,000	245,725	73,725
Total revenues	<u>1,178,700</u>	<u>1,178,700</u>	<u>267,510</u>	<u>(911,190)</u>
EXPENDITURES				
Capital improvements	26,205,200	26,205,200	5,125,768	21,079,432
Total expenditures	<u>26,205,200</u>	<u>26,205,200</u>	<u>5,125,768</u>	<u>21,079,432</u>
Excess of expenditures over revenue	<u>(25,026,500)</u>	<u>(25,026,500)</u>	<u>(4,858,258)</u>	<u>20,168,242</u>
OTHER FINANCING SOURCES				
Issuance of debt	897,400	897,400	1,700	(895,700)
Transfers in	11,581,200	11,581,200	10,860,000	(721,200)
Total other financing sources	<u>12,478,600</u>	<u>12,478,600</u>	<u>10,861,700</u>	<u>(1,616,900)</u>
Net change in fund balances	(12,547,900)	(12,547,900)	6,003,442	18,551,342
Fund balances - beginning	<u>24,012,000</u>	<u>24,012,000</u>	<u>23,194,505</u>	<u>(817,495)</u>
Fund balances - ending	<u>\$ 11,464,100</u>	<u>\$ 11,464,100</u>	<u>\$ 29,197,947</u>	<u>\$ 17,733,847</u>
Unrealized gain (loss) on investments			<u>(1,148,336)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 28,049,611</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Miscellaneous	\$ 15,000	\$ 15,000	\$ 12,175	\$ (2,825)
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>12,175</u>	<u>(2,825)</u>
EXPENDITURES				
Debt service	2,214,000	2,214,000	869,359	1,344,641
Total expenditures	<u>2,214,000</u>	<u>2,214,000</u>	<u>869,359</u>	<u>1,344,641</u>
Excess of expenditures over revenue	<u>(2,199,000)</u>	<u>(2,199,000)</u>	<u>(857,184)</u>	<u>1,341,816</u>
OTHER FINANCING SOURCES				
Transfers in	1,970,000	1,970,000	869,360	(1,100,640)
Total other financing sources	<u>1,970,000</u>	<u>1,970,000</u>	<u>869,360</u>	<u>(1,100,640)</u>
Net change in fund balances	(229,000)	(229,000)	12,176	241,176
Fund balances - beginning	<u>825,000</u>	<u>825,000</u>	<u>1,086,481</u>	<u>261,481</u>
Fund balances - ending	<u>\$ 596,000</u>	<u>\$ 596,000</u>	<u>\$ 1,098,657</u>	<u>\$ 502,657</u>
Accrued interest			(27,668)	
Unrealized gain (loss) on investments			<u>(39,575)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 1,031,414</u>	

CITY OF
GRESHAM
GOING BEYOND

Internal Service Funds

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

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

Legal Services Fund—Accounts for all City legal services.

Administrative Services Fund—Accounts for general City administrative services.

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

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

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

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

City of Gresham, Oregon
Combining Statement of Net Position
Internal Service Funds
June 30, 2022

	Facilities & Fleet Management Fund	Legal Services Fund	Administrative Services Fund	Enterprise System Replacement Fund
ASSETS				
Current assets:				
Cash and investments	\$ 6,190,685	\$ 626,473	\$ 9,726,264	\$ 1,075,893
Receivables, net	-	-	283,642	-
Due from other funds	264,966	-	1,298,711	-
Total current assets	<u>6,455,651</u>	<u>626,473</u>	<u>11,308,617</u>	<u>1,075,893</u>
Noncurrent assets:				
Other assets	18,410	1,857	28,650	3,110
Capital assets:				
Non-depreciable	2,268,057	-	-	-
Depreciable, net	6,810,642	-	1,192,407	-
Leases, net	18,393	-	-	-
Total noncurrent assets	<u>9,115,502</u>	<u>1,857</u>	<u>1,221,057</u>	<u>3,110</u>
Total assets	<u>15,571,153</u>	<u>628,330</u>	<u>12,529,674</u>	<u>1,079,003</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow related to pension	1,446,010	891,389	10,137,878	-
Deferred outflow related to OPEB	86,362	-	179,981	-
Total deferred outflows of resources	<u>1,532,372</u>	<u>891,389</u>	<u>10,317,859</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable	202,746	9,090	942,422	4,875
Other accrued liabilities	-	-	23,705	-
Accrued claims payable	-	-	-	-
Accrued interest payable	34,992	-	-	-
Other liabilities	-	-	1,406,548	-
Deposits	-	-	1,504	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	-
Lease payable	32,348	-	-	-
Compensated absences	15,400	25,800	231,800	-
Bonds, notes and loans payable	419,317	-	-	-
Total current liabilities	<u>704,803</u>	<u>34,890</u>	<u>2,605,979</u>	<u>4,875</u>
Noncurrent liabilities:				
Net pension liability	1,509,165	907,219	11,335,159	-
Net OPEB liability	281,945	-	968,416	-
Compensated absences	87,500	146,200	1,313,500	-
Bonds, notes and loans payable	435,739	-	-	-
Total noncurrent liabilities	<u>2,314,349</u>	<u>1,053,419</u>	<u>13,617,075</u>	<u>-</u>
Total liabilities	<u>3,019,152</u>	<u>1,088,309</u>	<u>16,223,054</u>	<u>4,875</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension	1,734,382	1,228,328	13,302,884	-
Deferred inflows related to OPEB	41,620	-	394,917	-
Total deferred inflows of resources	<u>1,776,002</u>	<u>1,228,328</u>	<u>13,697,801</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	8,223,643	-	1,192,407	-
Unrestricted	4,084,728	(796,918)	(8,265,729)	1,074,128
Total net position	<u>\$ 12,308,371</u>	<u>\$ (796,918)</u>	<u>\$ (7,073,322)</u>	<u>\$ 1,074,128</u>

<u>Equipment Replacement Fund</u>	<u>Workers Comp & Liability Management Fund</u>	<u>COG Health & Dental Plans Fund</u>	<u>Total</u>
\$ 23,218,424	\$ 9,481,249	\$ 9,049,108	\$ 59,368,096
-	-	42,009	325,651
-	-	-	1,563,677
<u>23,218,424</u>	<u>9,481,249</u>	<u>9,091,117</u>	<u>61,257,424</u>
68,796	27,833	26,650	175,306
-	-	-	2,268,057
-	5,512	-	8,008,561
-	-	-	18,393
<u>68,796</u>	<u>33,345</u>	<u>26,650</u>	<u>10,470,317</u>
<u>23,287,220</u>	<u>9,514,594</u>	<u>9,117,767</u>	<u>71,727,741</u>
-	557,356	-	13,032,633
-	-	-	266,343
<u>-</u>	<u>557,356</u>	<u>-</u>	<u>13,298,976</u>
162,390	184,428	10,800	1,516,751
-	-	-	23,705
-	4,656,140	752,000	5,408,140
-	-	-	34,992
-	-	-	1,406,548
-	-	-	1,504
-	-	721,007	721,007
23,071,046	-	-	23,071,046
-	-	-	32,348
-	12,400	-	285,400
-	-	-	419,317
<u>23,233,436</u>	<u>4,852,968</u>	<u>1,483,807</u>	<u>32,920,758</u>
-	487,780	-	14,239,323
-	-	-	1,250,361
-	70,000	-	1,617,200
-	-	-	435,739
<u>-</u>	<u>557,780</u>	<u>-</u>	<u>17,542,623</u>
<u>23,233,436</u>	<u>5,410,748</u>	<u>1,483,807</u>	<u>50,463,381</u>
-	733,450	-	16,999,044
-	-	-	436,537
<u>-</u>	<u>733,450</u>	<u>-</u>	<u>17,435,581</u>
-	5,512	-	9,421,562
53,784	3,922,240	7,633,960	7,706,193
<u>\$ 53,784</u>	<u>\$ 3,927,752</u>	<u>\$ 7,633,960</u>	<u>\$ 17,127,755</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, 2022

	Facilities & Fleet Management Fund	Legal Services Fund	Administrative Services Fund	Enterprise System Replacement Fund
OPERATING REVENUES				
Charges for services, internal	\$ 5,234,332	\$ 1,290,193	\$ 17,459,448	\$ -
Charges for services, external	93,799	1,482	458,396	-
Miscellaneous	9,082	379	28,627	-
Total operating revenues	<u>5,337,213</u>	<u>1,292,054</u>	<u>17,946,471</u>	<u>-</u>
OPERATING EXPENSES				
Personnel services	1,949,013	1,112,510	13,931,460	-
Professional and technical services	644,850	22,265	1,367,870	-
Property services	622,336	2,866	180,320	-
Other services	8,811	15,008	337,979	-
Supplies	1,393,874	5,132	1,766,310	-
Incentive programs	15,000	-	127,708	-
Insurance claims	-	-	5,000	-
Internal services	5,118	-	-	-
Other materials and services	128,203	-	-	253,036
Depreciation and amortization	661,980	-	204,083	-
Total operating expenses	<u>5,429,185</u>	<u>1,157,781</u>	<u>17,920,730</u>	<u>253,036</u>
Operating income (loss)	<u>(91,972)</u>	<u>134,273</u>	<u>25,741</u>	<u>(253,036)</u>
NONOPERATING REVENUES (EXPENSES)				
Miscellaneous revenue (expense)	(89,415)	(21,126)	(95,068)	(32,654)
Interest expense	(37,073)	-	-	-
Gain/(loss) on disposition of capital assets	-	-	(2,959)	-
Total nonoperating revenues (expenses)	<u>(126,488)</u>	<u>(21,126)</u>	<u>(98,027)</u>	<u>(32,654)</u>
Income (loss) before contributions and transfers	<u>(218,460)</u>	<u>113,147</u>	<u>(72,286)</u>	<u>(285,690)</u>
Transfers in	775,452	-	1,527,049	50,000
Transfers out	(249,206)	-	(114,515)	-
Change in net position	<u>307,786</u>	<u>113,147</u>	<u>1,340,248</u>	<u>(235,690)</u>
Total net position - beginning	<u>12,000,585</u>	<u>(910,065)</u>	<u>(8,413,570)</u>	<u>1,309,818</u>
Total net position - ending	<u>\$ 12,308,371</u>	<u>\$ (796,918)</u>	<u>\$ (7,073,322)</u>	<u>\$ 1,074,128</u>

Equipment Replacement Fund	Workers Comp & Liability Management Fund	COG Health & Dental Plans Fund	Total
\$ 2,021,052	\$ 3,737,872	\$ 7,619,459	\$ 37,362,356
-	-	594,614	1,148,291
-	994	-	39,082
<u>2,021,052</u>	<u>3,738,866</u>	<u>8,214,073</u>	<u>38,549,729</u>
-	624,772	-	17,617,755
-	103,860	301,287	2,440,132
-	-	-	805,522
-	175	-	361,973
581,623	5,277	-	3,752,216
-	-	-	142,708
-	2,768,423	7,066,969	9,840,392
-	-	-	5,118
1,226,391	-	-	1,607,630
-	1,002	-	867,065
<u>1,808,014</u>	<u>3,503,509</u>	<u>7,368,256</u>	<u>37,440,511</u>
<u>213,038</u>	<u>235,357</u>	<u>845,817</u>	<u>1,109,218</u>
(791,114)	(214,053)	(60,479)	(1,303,909)
-	-	-	(37,073)
-	-	-	(2,959)
<u>(791,114)</u>	<u>(214,053)</u>	<u>(60,479)</u>	<u>(1,343,941)</u>
<u>(578,076)</u>	<u>21,304</u>	<u>785,338</u>	<u>(234,723)</u>
171,549	-	-	2,524,050
-	-	(160,000)	(523,721)
<u>(406,527)</u>	<u>21,304</u>	<u>625,338</u>	<u>1,765,606</u>
<u>460,311</u>	<u>3,906,448</u>	<u>7,008,622</u>	<u>15,362,149</u>
<u>\$ 53,784</u>	<u>\$ 3,927,752</u>	<u>\$ 7,633,960</u>	<u>\$ 17,127,755</u>

City of Gresham, Oregon
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2022

	Facilities & Fleet Management Fund	Legal Services Fund	Administrative Services Fund	Enterprise System Replacement Fund
Cash flows from operating activities:				
Receipts from customers	\$ 106,894	\$ 1,655	\$ 458,396	\$ -
Receipts for internal services provided	5,234,332	1,290,193	17,459,448	-
Payments to suppliers for goods and services	(2,834,846)	(37,057)	(4,054,160)	(275,384)
Payments to employees for services	(1,906,661)	(1,116,038)	(13,663,599)	(7,100)
Other operating receipts (payments)	(80,333)	(20,747)	561,607	(32,654)
Net cash provided by (used in) operating activities	<u>519,386</u>	<u>118,006</u>	<u>761,692</u>	<u>(315,138)</u>
Cash flows from noncapital financing activities:				
Receipts from other funds	775,452	-	1,527,049	50,000
Payments to other funds	(279,445)	-	(117,473)	-
Net cash provided by (used in) noncapital financing activities	<u>496,007</u>	<u>-</u>	<u>1,409,576</u>	<u>50,000</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(227,256)	-	(141,595)	-
Principal portion of debt service	(397,828)	-	-	-
Interest portion of debt service	(58,825)	-	-	-
Proceeds from disposition of capital assets	13,955	-	-	-
Net cash provided by (used in) capital and related financing activities	<u>(669,954)</u>	<u>-</u>	<u>(141,595)</u>	<u>-</u>
Cash flows from investing activities:				
Change in investments	(359,145)	(117,691)	(1,959,103)	260,639
Interest on investments	1,842	(102)	(2,301)	1,431
Net cash provided by (used in) investing activities	<u>(357,303)</u>	<u>(117,793)</u>	<u>(1,961,404)</u>	<u>262,070</u>
Net increase (decrease) in cash and cash equivalents	(11,864)	213	68,269	(3,068)
Cash and cash equivalents - beginning	123,296	915	163,217	6,296
Cash and cash equivalents - ending	<u>\$ 111,432</u>	<u>\$ 1,128</u>	<u>\$ 231,485</u>	<u>\$ 3,228</u>
Classified on the Statement of Net Position as:				
Cash and investments	\$ 111,432	\$ 1,128	\$ 231,485	\$ 3,228
Restricted cash and cash equivalents	-	-	-	-
	<u>\$ 111,432</u>	<u>\$ 1,128</u>	<u>\$ 231,485</u>	<u>\$ 3,228</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$ (91,972)	\$ 134,273	\$ 25,741	\$ (253,036)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation and amortization	661,980	-	204,083	-
Pension adjustments	53,226	(35,928)	148,361	-
OPEB adjustments	15,726	-	9,021	-
Other	(89,415)	(21,126)	(95,068)	(32,654)
Changes in assets and liabilities:				
Receivables	13,095	173	646,548	-
Accounts payable	(16,654)	8,214	(466,999)	(21,870)
Other liabilities	(26,600)	32,400	290,005	(7,578)
Net cash provided by (used in) operating activities	<u>\$ 519,386</u>	<u>\$ 118,006</u>	<u>\$ 761,692</u>	<u>\$ (315,138)</u>
Noncash investing, capital, and financing activities:				
	\$ (274,799)	\$ (27,718)	\$ (427,639)	\$ (46,428)

Equipment Replacement Fund	Workers Comp & Liability Management Fund	COG Health & Dental Plans Fund	Total
\$ -	\$ -	\$ 630,143	\$ 1,197,088
2,021,052	3,737,872	7,619,459	37,362,356
(1,710,100)	(2,547,958)	(7,530,456)	(18,989,961)
-	(606,674)	-	(17,300,072)
(791,114)	(212,039)	(58,486)	(633,766)
<u>(480,162)</u>	<u>371,201</u>	<u>660,660</u>	<u>1,635,645</u>
3,795,195	-	-	6,147,696
-	-	(160,000)	(556,918)
<u>3,795,195</u>	<u>-</u>	<u>(160,000)</u>	<u>5,590,778</u>
-	-	-	(368,851)
-	-	-	(397,828)
-	-	-	(58,825)
-	-	-	13,955
-	-	-	(811,549)
(3,182,040)	(413,534)	(532,375)	(6,303,249)
(129)	3,306	2,936	6,983
<u>(3,182,169)</u>	<u>(410,228)</u>	<u>(529,439)</u>	<u>(6,296,266)</u>
132,864	(39,027)	(28,779)	118,608
1,425,092	295,969	264,056	2,278,841
<u>\$ 1,557,956</u>	<u>\$ 256,942</u>	<u>\$ 235,277</u>	<u>\$ 2,397,448</u>
\$ 1,557,956	\$ 256,942	\$ 235,277	\$ 2,397,448
-	-	-	-
<u>\$ 1,557,956</u>	<u>\$ 256,942</u>	<u>\$ 235,277</u>	<u>\$ 2,397,448</u>
\$ 213,038	\$ 235,357	\$ 845,817	\$ 1,109,218
-	1,002	-	867,065
-	(8,502)	-	157,157
-	-	-	24,747
(791,114)	(214,053)	(60,479)	(1,303,909)
-	1,020	1,993	662,829
97,914	(93,842)	10,800	(482,437)
-	450,219	(137,471)	600,975
<u>\$ (480,162)</u>	<u>\$ 371,201</u>	<u>\$ 660,660</u>	<u>\$ 1,635,645</u>
\$ (1,026,869)	\$ (415,448)	\$ (397,774)	\$ (2,616,675)

City of Gresham, Oregon
Combining Schedule of Net Position
Facilities & Fleet Management
June 30, 2022

	Facilities & Fleet Management Fund	City Facility Capital Improvement Fund	City Facility Debt Service Fund	Total
ASSETS				
Current assets:				
Cash and investments	\$ 3,863,076	\$ 2,286,282	\$ 41,327	\$ 6,190,685
Due from other funds	264,966	-	-	264,966
Total current assets	<u>4,128,042</u>	<u>2,286,282</u>	<u>41,327</u>	<u>6,455,651</u>
Noncurrent assets:				
Other assets	11,487	6,804	119	18,410
Capital assets:				
Non-depreciable	2,268,057	-	-	2,268,057
Depreciable, net	6,810,642	-	-	6,810,642
Leases, net	18,393	-	-	18,393
Total noncurrent assets	<u>9,108,579</u>	<u>6,804</u>	<u>119</u>	<u>9,115,502</u>
Total assets	<u>13,236,621</u>	<u>2,293,086</u>	<u>41,446</u>	<u>15,571,153</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow related to pension	1,446,010	-	-	1,446,010
Deferred outflow related to OPEB	86,362	-	-	86,362
Total deferred outflows of resources	<u>1,532,372</u>	<u>-</u>	<u>-</u>	<u>1,532,372</u>
LIABILITIES				
Current liabilities:				
Accounts payable	202,746	-	-	202,746
Accrued interest payable	-	-	34,992	34,992
Lease payable	32,348	-	-	32,348
Compensated absences	15,400	-	-	15,400
Bonds, notes and loans payable	419,317	-	-	419,317
Total current liabilities	<u>669,811</u>	<u>-</u>	<u>34,992</u>	<u>704,803</u>
Noncurrent liabilities:				
Net pension liability	1,509,165	-	-	1,509,165
Net OPEB liability	281,945	-	-	281,945
Compensated absences	87,500	-	-	87,500
Bonds, notes and loans payable	435,739	-	-	435,739
Total noncurrent liabilities	<u>2,314,349</u>	<u>-</u>	<u>-</u>	<u>2,314,349</u>
Total liabilities	<u>2,984,160</u>	<u>-</u>	<u>34,992</u>	<u>3,019,152</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension	1,734,382	-	-	1,734,382
Deferred inflows related to OPEB	41,620	-	-	41,620
Total deferred inflows of resources	<u>1,776,002</u>	<u>-</u>	<u>-</u>	<u>1,776,002</u>
NET POSITION				
Net investment in capital assets	8,223,643	-	-	8,223,643
Unrestricted	1,785,188	2,293,086	6,454	4,084,728
Total net position	<u>\$ 10,008,831</u>	<u>\$ 2,293,086</u>	<u>\$ 6,454</u>	<u>\$ 12,308,371</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, 2022

	Facilities & Fleet Management Fund	City Facility Capital Improvement Fund	City Facility Debt Service Fund	Eliminations	Total
OPERATING REVENUES					
Charges for services, internal	\$ 5,234,332	\$ -	\$ -	\$ -	\$ 5,234,332
Charges for services, external	93,799	-	-		93,799
Miscellaneous	9,082	-	-		9,082
Total operating revenues	<u>5,337,213</u>	<u>-</u>	<u>-</u>		<u>5,337,213</u>
OPERATING EXPENSES					
Personnel services	1,949,013	-	-		1,949,013
Professional and technical services	644,850	-	-		644,850
Property services	622,336	-	-		622,336
Other services	8,811	-	-		8,811
Supplies	1,393,874	-	-		1,393,874
Incentive programs	15,000	-	-		15,000
Internal services	5,118	-	-		5,118
Other materials and services	-	128,203	-		128,203
Depreciation and amortization	661,980	-	-		661,980
Total operating expenses	<u>5,300,982</u>	<u>128,203</u>	<u>-</u>		<u>5,429,185</u>
Operating income (loss)	<u>36,231</u>	<u>(128,203)</u>	<u>-</u>		<u>(91,972)</u>
NONOPERATING REVENUES (EXPENSES)					
Miscellaneous revenue (expense)	(13,221)	(74,342)	(1,852)		(89,415)
Interest expense	-	-	(37,073)		(37,073)
Total nonoperating revenues (expenses)	<u>(13,221)</u>	<u>(74,342)</u>	<u>(38,925)</u>		<u>(126,488)</u>
Income (loss) before contributions and transfers	<u>23,010</u>	<u>(202,545)</u>	<u>(38,925)</u>		<u>(218,460)</u>
Transfers in	600,266	210,000	441,452	(476,266)	775,452
Transfers out	(322,206)	-	(403,266)	476,266	(249,206)
Change in net position	<u>301,070</u>	<u>7,455</u>	<u>(739)</u>		<u>307,786</u>
Total net position - beginning	<u>9,707,761</u>	<u>2,285,631</u>	<u>7,193</u>		<u>12,000,585</u>
Total net position - ending	<u>\$ 10,008,831</u>	<u>\$ 2,293,086</u>	<u>\$ 6,454</u>		<u>\$ 12,308,371</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 97,000	\$ 97,000	\$ 76,597	\$ (20,403)
Miscellaneous	137,000	137,000	184,513	47,513
Internal service charges	5,231,335	5,231,335	5,234,332	2,997
Total revenues	<u>5,465,335</u>	<u>5,465,335</u>	<u>5,495,442</u>	<u>30,107</u>
EXPENDITURES				
Citywide services	5,804,129	5,804,129	4,588,843	1,215,286
Fire and emergency services	225,000	225,000	224,747	253
Operating contingency	301,000	301,000	-	301,000
Total expenditures	<u>6,330,129</u>	<u>6,330,129</u>	<u>4,813,590</u>	<u>1,516,539</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(864,794)</u>	<u>(864,794)</u>	<u>681,852</u>	<u>1,546,646</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	197,000	197,000	197,000	-
Transfers out	(339,206)	(339,206)	(322,206)	17,000
Total other financing sources (uses)	<u>(142,206)</u>	<u>(142,206)</u>	<u>(125,206)</u>	<u>17,000</u>
Net change in fund balances	(1,007,000)	(1,007,000)	556,646	1,563,646
Fund balances - beginning	<u>1,007,000</u>	<u>1,007,000</u>	<u>3,174,781</u>	<u>2,167,781</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,731,427</u>	<u>\$ 3,731,427</u>
Capital assets, net of depreciation			9,078,699	
Debt payable, ne			(855,056)	
Due from other funds			264,966	
Leases, net			(13,955)	
Pension asset/liability, net			(1,797,537)	
OPEB asset/liability, net			(237,203)	
Unrealized gain (loss) on investments			<u>(162,510)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 10,008,831</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 27,210	\$ 27,210
Total revenues	<u>-</u>	<u>-</u>	<u>27,210</u>	<u>27,210</u>
EXPENDITURES				
Capital improvements	1,833,000	1,833,000	128,203	1,704,797
Total expenditures	<u>1,833,000</u>	<u>1,833,000</u>	<u>128,203</u>	<u>1,704,797</u>
Excess of expenditures over revenue	<u>(1,833,000)</u>	<u>(1,833,000)</u>	<u>(100,993)</u>	<u>1,732,007</u>
OTHER FINANCING SOURCES				
Transfers in	437,000	437,000	210,000	(227,000)
Total other financing sources	<u>437,000</u>	<u>437,000</u>	<u>210,000</u>	<u>(227,000)</u>
Net change in fund balances	(1,396,000)	(1,396,000)	109,007	1,505,007
Fund balances - beginning	<u>1,400,000</u>	<u>1,400,000</u>	<u>2,282,174</u>	<u>882,174</u>
Fund balances - ending	<u>\$ 4,000</u>	<u>\$ 4,000</u>	<u>\$ 2,391,181</u>	<u>\$ 2,387,181</u>
Unrealized gain (loss) on investments			<u>(98,095)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 2,293,086</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
City Facility Debt Service Fund
For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Debt service	458,000	458,000	456,708	1,292
Total expenditures	<u>458,000</u>	<u>458,000</u>	<u>456,708</u>	<u>1,292</u>
Excess of expenditures over revenue	<u>(458,000)</u>	<u>(458,000)</u>	<u>(456,708)</u>	<u>1,292</u>
OTHER FINANCING SOURCES				
Transfers in	442,000	442,000	441,452	(548)
Total other financing sources	<u>442,000</u>	<u>442,000</u>	<u>441,452</u>	<u>(548)</u>
Net change in fund balances	(16,000)	(16,000)	(15,256)	744
Fund balances - beginning	<u>43,000</u>	<u>43,000</u>	<u>57,513</u>	<u>14,513</u>
Fund balances - ending	<u>\$ 27,000</u>	<u>\$ 27,000</u>	\$ 42,257	<u>\$ 15,257</u>
Accrued interest			(34,992)	
Unrealized gain (loss) on investments			<u>(811)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 6,454</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 318	\$ 318
Charges for services	-	-	1,164	1,164
Miscellaneous	-	-	6,971	6,971
Internal service charges	1,290,193	1,290,193	1,290,193	-
Total revenues	<u>1,290,193</u>	<u>1,290,193</u>	<u>1,298,646</u>	<u>8,453</u>
EXPENDITURES				
City attorney's office	1,345,193	1,345,193	1,193,709	151,484
Operating contingency	336,000	336,000	-	336,000
Total expenditures	<u>1,681,193</u>	<u>1,681,193</u>	<u>1,193,709</u>	<u>487,484</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(391,000)</u>	<u>(391,000)</u>	<u>104,937</u>	<u>495,937</u>
Net change in fund balances	(391,000)	(391,000)	104,937	495,937
Fund balances - beginning	<u>391,000</u>	<u>391,000</u>	<u>366,628</u>	<u>(24,372)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 471,565</u>	<u>\$ 471,565</u>
Pension asset/liability, net			(1,244,158)	
Unrealized gain (loss) on investments			<u>(24,325)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ (796,918)</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 410,000	\$ 410,000	\$ 320,834	\$ (89,166)
Charges for services	115,000	115,000	137,562	22,562
Miscellaneous	125,000	125,000	361,198	236,198
Internal service charges	17,712,940	17,712,940	17,459,448	(253,492)
Total revenues	<u>18,362,940</u>	<u>18,362,940</u>	<u>18,279,042</u>	<u>(83,898)</u>
EXPENDITURES				
Office of governance and management	3,292,359	3,292,359	2,571,496	720,863
Budget and finance	6,599,228	6,599,228	5,658,878	940,350
Information technology	4,651,220	4,651,220	4,421,173	230,047
Citywide services	4,426,158	4,426,158	3,756,986	669,172
Community livability	1,775,460	1,775,460	1,297,684	477,776
Operating contingency	641,000	641,000	-	641,000
Total expenditures	<u>21,385,425</u>	<u>21,385,425</u>	<u>17,706,217</u>	<u>3,679,208</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,022,485)</u>	<u>(3,022,485)</u>	<u>572,825</u>	<u>3,595,310</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,527,000	1,527,000	1,527,049	49
Transfers out	(114,515)	(114,515)	(114,515)	-
Total other financing sources (uses)	<u>1,412,485</u>	<u>1,412,485</u>	<u>1,412,534</u>	<u>49</u>
Net change in fund balances	(1,610,000)	(1,610,000)	1,985,359	3,595,359
Fund balances - beginning	<u>2,110,000</u>	<u>2,110,000</u>	<u>4,448,382</u>	<u>2,338,382</u>
Fund balances - ending	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 6,433,741</u>	<u>\$ 5,933,741</u>
Capital assets, net of depreciation			1,192,407	
Due from other funds			1,298,662	
Pension asset/liability, net			(14,500,165)	
OPEB asset/liability, net			(1,183,352)	
Unrealized gain (loss) on investments			<u>(314,615)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ (7,073,322)</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Enterprise System Replacement Fund
For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 13,774	\$ 13,774
Total revenues	<u>-</u>	<u>-</u>	<u>13,774</u>	<u>13,774</u>
EXPENDITURES				
Capital improvements	609,000	609,000	253,036	355,964
Total expenditures	<u>609,000</u>	<u>609,000</u>	<u>253,036</u>	<u>355,964</u>
Excess of expenditures over revenue	<u>(609,000)</u>	<u>(609,000)</u>	<u>(239,262)</u>	<u>369,738</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	50,000	50,000	50,000	-
Transfers out	(1,000,000)	(1,000,000)	-	1,000,000
Total other financing sources (uses)	<u>(950,000)</u>	<u>(950,000)</u>	<u>50,000</u>	<u>1,000,000</u>
Net change in fund balances	(1,559,000)	(1,559,000)	(189,262)	1,369,738
Fund balances - beginning	<u>1,559,000</u>	<u>1,559,000</u>	<u>1,277,596</u>	<u>(281,404)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,088,334</u>	<u>\$ 1,088,334</u>
Unrealized gain (loss) on investments			<u>(14,206)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 1,074,128</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Miscellaneous	\$ 176,759	\$ 176,759	\$ 235,755	\$ 58,996
Internal service charges	4,103,305	4,103,305	5,644,698	1,541,393
Total revenues	<u>4,280,064</u>	<u>4,280,064</u>	<u>5,880,453</u>	<u>1,600,389</u>
EXPENDITURES				
Citywide services	9,241,106	9,241,106	1,808,014	7,433,092
Total expenditures	<u>9,241,106</u>	<u>9,241,106</u>	<u>1,808,014</u>	<u>7,433,092</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,961,042)</u>	<u>(4,961,042)</u>	<u>4,072,439</u>	<u>9,033,481</u>
OTHER FINANCING SOURCES				
Transfers in	1,256,021	1,337,021	171,549	(1,165,472)
Total other financing sources	<u>1,256,021</u>	<u>1,337,021</u>	<u>171,549</u>	<u>(1,165,472)</u>
Net change in fund balances	(3,705,021)	(3,624,021)	4,243,988	7,868,009
Fund balances - beginning	<u>17,895,383</u>	<u>17,895,383</u>	<u>19,772,624</u>	<u>1,877,241</u>
Fund balances - ending	<u>\$ 14,190,362</u>	<u>\$ 14,271,362</u>	<u>\$ 24,016,612</u>	<u>\$ 9,745,250</u>
Due to other funds			(23,071,046)	
Unrealized gain (loss) on investments			<u>(891,782)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 53,784</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Workers Comp & Liability Management Fund
For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Miscellaneous	\$ 177,500	\$ 177,500	\$ 202,389	\$ 24,889
Internal service charges	3,626,524	3,626,524	3,737,872	111,348
Total revenues	<u>3,804,024</u>	<u>3,804,024</u>	<u>3,940,261</u>	<u>136,237</u>
EXPENDITURES				
City attorney's office	4,978,459	4,978,459	3,511,009	1,467,450
Operating contingency	579,700	579,700	-	579,700
Total expenditures	<u>5,558,159</u>	<u>5,558,159</u>	<u>3,511,009</u>	<u>2,047,150</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,754,135)</u>	<u>(1,754,135)</u>	<u>429,252</u>	<u>2,183,387</u>
Net change in fund balances	(1,754,135)	(1,754,135)	429,252	2,183,387
Fund balances - beginning	<u>3,465,000</u>	<u>3,465,000</u>	<u>4,480,061</u>	<u>1,015,061</u>
Fund balances - ending	<u>\$ 1,710,865</u>	<u>\$ 1,710,865</u>	\$ 4,909,313	<u>\$ 3,198,448</u>
Capital assets, net of depreciation			5,512	
Pension asset/liability, net			(663,874)	
Unrealized gain (loss) on investments			<u>(323,199)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 3,927,752</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
COG Health & Dental Plans Fund
For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Miscellaneous	\$ 1,848,000	\$ 1,848,000	\$ 931,908	\$ (916,092)
Internal service charges	9,134,000	9,134,000	7,619,459	(1,514,541)
Total revenues	<u>10,982,000</u>	<u>10,982,000</u>	<u>8,551,367</u>	<u>(2,430,633)</u>
EXPENDITURES				
Citywide services	13,566,500	13,566,500	7,368,256	6,198,244
Operating contingency	2,059,000	2,059,000	-	2,059,000
Total expenditures	<u>15,625,500</u>	<u>15,625,500</u>	<u>7,368,256</u>	<u>8,257,244</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,643,500)</u>	<u>(4,643,500)</u>	<u>1,183,111</u>	<u>5,826,611</u>
OTHER FINANCING (USES)				
Transfers out	<u>(160,000)</u>	<u>(160,000)</u>	<u>(160,000)</u>	<u>-</u>
Total other financing (uses)	<u>(160,000)</u>	<u>(160,000)</u>	<u>(160,000)</u>	<u>-</u>
Net change in fund balances	(4,803,500)	(4,803,500)	1,023,111	5,826,611
Fund balances - beginning	<u>7,230,000</u>	<u>7,230,000</u>	<u>6,943,117</u>	<u>(286,883)</u>
Fund balances - ending	<u>\$ 2,426,500</u>	<u>\$ 2,426,500</u>	<u>\$ 7,966,228</u>	<u>\$ 5,539,728</u>
Unrealized gain (loss) on investments			<u>(332,268)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 7,633,960</u>	

Other Schedules

City of Gresham, Oregon
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2022

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-21-MC-41-0006	\$ 1,029,140	\$ 642,512
COVID-19 - Community Development Block Grants/Entitlement Grants	14.218	B-21-MW-41-0006	864,927	542,939
Subtotal for CFDA 14.218			<u>1,894,067</u>	<u>1,185,451</u>
Pass-through assistance:				
City of Portland				
Home Investment Partnerships Program	14.239	30007797	561,076	439,099
Total U.S. Department of Housing and Urban Development			<u>2,455,143</u>	<u>1,624,550</u>
U.S. Department of Justice				
Direct Assistance:				
Public Safety Partnership and Community Policing Grants - 2017	16.710	2017-UM-WX-0001	13,876	-
Criminal and Juvenile Justice and Mental Health Collaboration Program - 2020	16.745	2020-MO-BX-0031	247,959	247,959
Pass-through assistance:				
City of Portland				
Edward Byrne Memorial Justice Assistance Grant Program - 2019	16.738	2019-DJ-BX-0715	863	-
Total U.S. Department of Justice			<u>262,698</u>	<u>247,959</u>
U.S. Department of Transportation				
Pass-through assistance:				
Highway Planning and Construction Cluster:				
Oregon Department of Transportation				
Highway Planning and Construction - City of Gresham Safety Project	20.205	20303	134,406	-
Highway Planning and Construction - NE Cleveland Ave: SE Stark St - NE Burnside	20.205	20808	268,934	-
Highway Planning and Construction - Sandy Blvd: NE 181st Ave to East Gresham City Limit	20.205	19279	971,955	-
Highway Planning and Construction - NW Division Complete St - Phase 1: Wallula Ave - Birdsedale Ave	20.205	16986	322,332	-
Highway Planning and Construction - East Multnomah County Road Connection ITS (Variable Message Signs)	20.205	21195	203,817	-
Total Highway Planning and Construction Cluster			<u>1,901,444</u>	<u>-</u>
Metro				
Federal Transit Formula Grants - Gresham Rockwood Bike Route	20.507	936707	24,959	-
Federal Transit Formula Grants - WyEast Way and Gresham-Fairview Trail Wayfinding	20.507	936748	6,093	-
Subtotal for CFDA 20.507			<u>31,052</u>	<u>-</u>
Highway Safety Cluster:				
Oregon Impact				
State and Community Highway Safety - Distracted Driving Grant	20.600	N/A	127	-
State and Community Highway Safety - Pedestrian Safety Enhancement Grant	20.600	N/A	630	-
Subtotal for CFDA 20.600			<u>757</u>	<u>-</u>

City of Gresham, Oregon
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2022

Federal Grantor/ Pass-through Grantor Program Title or Cluster Title	Federal CFDA Number	Agency or Pass-Through Number	Expenditures of Federal Awards	Amounts Provided to Sub Recipients
Oregon Impact				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	N/A	919	-
Oregon Department of Transportation				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	N/A	1,882	-
Subtotal for CFDA 20.608			<u>2,801</u>	<u>-</u>
Total Highway Safety Cluster			<u>3,558</u>	<u>-</u>
Total U.S. Department of Transportation			<u>1,936,054</u>	<u>-</u>
Department of the Treasury				
Direct Assistance:				
Coronavirus State and Local Fiscal Recovery Funds	21.027	SLT-3322	4,196,686	-
Total Department of the Treasury			<u>4,196,686</u>	<u>-</u>
Department of Health and Human Services Centers for Disease Control and Prevention				
Pass-through assistance:				
Multnomah County				
PPHF: Racial and Ethnic Approaches to Community Health Program				
Financed Solely by Public Prevention and Health Funds	93.738	HD-IGA-E-12089-2020	35,000	-
Total Department of Health and Human Services Centers for Disease Control and Prevention			<u>35,000</u>	<u>-</u>
U.S. Department of Homeland Security				
Direct Assistance:				
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2018-FH-00293	330,143	-
Pass-through assistance:				
Oregon Office of Emergency Management				
Emergency Management Performance Grants	97.042	EMS-2021-EP-00002-S01	102,732	-
BRIC: Building Resilient Infrastructure and Communities	97.047	PDMC-PJ-10-OR-2019-001	21,785	-
Homeland Security Grant Program	97.067	21-170	380,000	-
Total U.S. Department of Homeland Security			<u>834,660</u>	<u>-</u>
Total Federal Expenditures			<u>\$ 9,720,241</u>	<u>\$ 1,872,509</u>

City of Gresham, Oregon
Notes to the Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2022

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, 2022. 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, 2022. 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	\$ 149,000

Note 4. Indirect Cost Rate

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

Statistical Section

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental activities				
Net investment in capital assets	\$ 796,126,418	\$ 749,923,076	\$ 716,667,046	\$ 681,572,417
Restricted	31,868,109	31,749,851	42,700,948	46,864,238
Unrestricted	6,742,722	17,581,665	(5,567,160)	(22,236,961)
Total governmental activities net position	<u>834,737,249</u>	<u>799,254,592</u>	<u>753,800,834</u>	<u>706,199,694</u>
Business-type activities				
Net investment in capital assets	203,517,713	202,461,179	207,475,404	208,952,590
Restricted	10,074,559	15,331,003	5,530,116	5,513,755
Unrestricted	74,674,199	75,243,789	84,669,268	88,354,709
Total business-type activities net position	<u>288,266,471</u>	<u>293,035,971</u>	<u>297,674,788</u>	<u>302,821,054</u>
Primary government				
Net investment in capital assets	999,644,131	952,384,255	924,142,450	890,525,007
Restricted	41,942,668	47,080,854	48,231,064	52,377,993
Unrestricted	81,416,921	92,825,454	79,102,108	66,117,748
Total primary government net position	<u>\$ 1,123,003,720</u>	<u>\$ 1,092,290,563</u>	<u>\$ 1,051,475,622</u>	<u>\$ 1,009,020,748</u>

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

2017	2018	2019	2020	2021	2022
\$ 688,607,182	\$ 615,299,091	\$ 595,420,402	\$ 589,574,607	588,448,433	594,939,492
49,493,800	47,562,955	64,175,811	84,559,497	84,521,286	87,849,650
(55,927,410)	(10,610,161)	(25,564,149)	(36,119,104)	(39,822,759)	(23,488,670)
<u>682,173,572</u>	<u>652,251,885</u>	<u>634,032,064</u>	<u>638,015,000</u>	<u>633,146,960</u>	<u>659,300,472</u>
214,549,637	212,138,253	219,895,246	220,619,246	224,287,293	206,189,180
5,663,183	12,938,449	11,853,063	11,141,221	10,099,100	1,942,468
87,848,527	90,209,099	93,469,113	98,919,275	103,860,494	137,501,071
<u>308,061,347</u>	<u>315,285,801</u>	<u>325,217,422</u>	<u>330,679,742</u>	<u>338,246,887</u>	<u>345,632,719</u>
903,156,819	827,437,344	815,315,648	810,193,853	812,735,726	801,128,672
55,156,983	60,501,404	76,028,874	95,700,718	94,620,386	89,792,118
31,921,117	79,598,938	67,904,964	62,800,171	64,037,735	114,012,401
<u>\$ 990,234,919</u>	<u>\$ 967,537,686</u>	<u>\$ 959,249,486</u>	<u>\$ 968,694,742</u>	<u>\$ 971,393,847</u>	<u>\$ 1,004,933,191</u>

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Expenses				
Governmental activities:				
General government	\$ 19,027,820	\$ 29,166,371	\$ 27,229,600	\$ 33,371,670
Public safety	31,831,095	26,559,777	21,713,792	44,825,834
Transportation	49,128,434	48,609,374	45,661,889	48,409,354
Urban design and planning	2,500,604	1,365,870	957,688	2,117,987
Community development	2,799,343	3,023,856	2,590,182	4,446,844
Economic development services	412,783	405,782	391,025	1,248,089
Parks operation	-	-	1,505,531	1,508,485
Environmental services	4,217,117	3,493,637	1,481,087	3,135,670
Community livability	-	-	-	-
Urban renewal	4,386,824	6,476,339	10,334,396	3,066,437
Interest on long-term debt	2,160,278	2,456,107	2,375,332	2,635,798
Total governmental activities expenses	<u>116,464,298</u>	<u>121,557,113</u>	<u>114,240,522</u>	<u>144,766,168</u>
Business-type activities:				
Water	11,250,320	11,289,468	9,907,852	13,321,861
Stormwater	7,971,656	6,796,580	5,818,448	7,802,970
Wastewater	17,289,060	16,986,874	14,914,216	17,609,484
Total business-type activities expenses	<u>36,511,036</u>	<u>35,072,922</u>	<u>30,640,516</u>	<u>38,734,315</u>
Total government expenses	<u>\$ 152,975,334</u>	<u>\$ 156,630,035</u>	<u>\$ 144,881,038</u>	<u>\$ 183,500,483</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 4,773,215	\$ 4,774,350	\$ 4,727,746	\$ 4,483,991
Public safety	5,760,133	9,509,578	9,496,947	10,175,747
Transportation	4,451,642	4,599,347	3,919,783	4,111,318
Urban design and planning	314,702	823,950	653,708	761,785
Community development	2,437,662	2,883,906	4,628,102	3,051,610
Economic development services	-	-	-	-
Parks operations	-	-	221,240	241,634
Environmental services	2,561,845	2,902,722	5,658,899	6,141,968
Community livability	-	-	-	-
Urban renewal	3,480,705	5,301,090	8,724,220	1,582,585
Operating grants and contributions	9,596,941	9,336,157	10,515,883	10,056,115
Capital grants and contributions	3,420,093	1,531,378	4,093,377	5,450,478
Total governmental activities program revenues	<u>36,796,938</u>	<u>41,662,478</u>	<u>52,639,905</u>	<u>46,057,231</u>
Business-type activities				
Charges for services:				
Water	12,956,278	12,746,233	11,419,158	13,298,124
Stormwater	7,278,802	7,405,949	6,933,480	8,958,410
Wastewater	15,959,110	16,489,981	14,459,367	16,488,480
Operating grants and contributions	-	-	-	124,918
Capital grants and contributions	481,812	194,587	391,284	2,574,730
Total business-type activities program revenues	<u>36,676,002</u>	<u>36,836,750</u>	<u>33,203,289</u>	<u>41,444,662</u>
Total government program revenues	<u>73,472,940</u>	<u>78,499,228</u>	<u>85,843,194</u>	<u>87,501,893</u>

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

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$	34,548,635	\$ 34,781,828	\$ 41,942,083	\$ 42,553,953	\$ 43,059,687	\$ 41,563,762
	35,570,784	40,292,312	41,598,297	48,656,343	53,776,887	43,271,375
	48,175,064	43,807,972	33,337,155	15,291,969	17,942,322	18,519,518
	1,992,752	2,548,099	2,331,719	2,848,473	2,935,646	2,161,911
	3,817,693	4,468,594	4,145,004	4,965,073	16,911,682	5,507,407
	782,765	523,019	491,227	1,058,414	733,525	404,413
	1,405,582	2,002,434	1,833,193	1,737,992	1,812,865	2,211,198
	2,704,270	2,818,835	3,023,306	3,697,987	3,959,372	4,543,619
	-	-	337,859	377,035	251,712	357,496
	5,472,373	2,079,618	8,448,044	1,843,211	10,973,647	5,292,529
	2,385,663	2,217,715	2,398,404	2,337,423	2,215,312	2,019,789
	<u>136,855,581</u>	<u>135,540,426</u>	<u>139,886,291</u>	<u>125,367,873</u>	<u>154,572,657</u>	<u>125,853,017</u>
	12,486,828	13,856,477	15,740,141	15,184,878	15,032,417	17,590,381
	8,225,600	8,835,420	10,428,543	10,164,466	10,131,077	10,761,512
	17,255,130	19,079,128	19,769,908	20,950,403	17,740,282	22,123,457
	<u>37,967,558</u>	<u>41,771,025</u>	<u>45,938,592</u>	<u>46,299,747</u>	<u>42,903,776</u>	<u>50,475,350</u>
\$	<u>174,823,139</u>	<u>177,311,451</u>	<u>185,824,883</u>	<u>171,667,620</u>	<u>197,476,433</u>	<u>176,328,367</u>
\$	4,583,748	\$ 5,126,082	\$ 5,921,164	\$ 7,232,725	\$ 6,013,553	\$ 3,220,836
	10,507,044	11,302,429	11,461,167	11,190,312	13,300,542	15,591,061
	4,169,029	4,266,299	4,324,129	192,132	435,679	192,615
	1,040,149	908,382	1,141,846	558,186	652,837	812,552
	3,883,470	4,654,328	7,631,613	5,423,429	3,720,232	5,512,671
	-	-	916,397	2,443,050	2,221,712	1,959,764
	246,548	250,107	226,783	233,254	324,917	67,731
	6,590,650	8,259,424	8,924,045	12,883,093	6,620,584	12,031,075
	-	-	557,301	388,325	250,238	36,118
	3,697,421	69,938	90,205	62,216	5,155,613	3,740,391
	11,006,815	12,817,532	11,454,437	15,841,587	36,210,330	32,141,996
	4,691,150	1,877,424	5,682,032	5,291,148	2,824,610	7,080,074
	<u>50,416,024</u>	<u>49,531,945</u>	<u>58,331,119</u>	<u>61,739,457</u>	<u>77,730,847</u>	<u>82,386,884</u>
	13,208,556	14,173,310	14,795,502	15,200,656	16,370,699	16,405,388
	8,001,761	8,286,851	8,861,833	10,122,042	10,607,226	11,483,555
	18,010,136	18,473,667	19,061,257	19,875,064	20,284,110	21,342,415
	-	-	-	-	184,906	18,622
	2,430,750	6,189,170	8,060,045	2,243,294	3,886,303	1,170,828
	<u>41,651,203</u>	<u>47,122,998</u>	<u>50,778,637</u>	<u>47,441,056</u>	<u>51,333,244</u>	<u>50,420,808</u>
	<u>92,067,227</u>	<u>96,654,943</u>	<u>109,109,756</u>	<u>109,180,513</u>	<u>129,064,091</u>	<u>132,807,692</u>

Changes in Net Position continued

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Net (Expense) Revenue				
Governmental activities	(79,667,360)	(79,894,635)	(61,600,617)	(98,708,937)
Business-type activities	164,966	1,763,828	2,562,773	2,710,347
Total net expenses	<u>(79,502,394)</u>	<u>(78,130,807)</u>	<u>(59,037,844)</u>	<u>(95,998,590)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes, levied for general purposes	27,150,149	27,078,547	29,746,987	30,145,355
Property taxes, levied for debt service	9,182	-	-	-
License fees	9,061,648	9,100,066	9,117,451	9,324,117
Business income taxes	4,472,110	4,973,382	5,406,445	6,874,811
Hotel and motel taxes	604,569	664,241	808,826	977,317
Other taxes	145,842	117,820	95,254	115,545
Grants and contributions	2,478,538	2,590,468	2,669,644	2,669,472
Interest and investment earnings	158,511	1,335,686	962,189	1,644,731
Gain on sale of capital assets	-	-	98,765	164,749
Transfers	71,129	(1,448,232)	(3,711,628)	(808,300)
Total governmental activities revenues	<u>44,151,678</u>	<u>44,411,978</u>	<u>45,193,933</u>	<u>51,107,797</u>
Business-type activities:				
Interest and investment earnings	29,683	1,557,440	1,053,440	1,627,619
Transfers	(71,129)	1,448,232	3,711,628	808,300
Total business-type activities revenue (expense)	<u>(41,446)</u>	<u>3,005,672</u>	<u>4,765,068</u>	<u>2,435,919</u>
Total government revenues	<u>\$ 44,110,232</u>	<u>\$ 47,417,650</u>	<u>\$ 49,959,001</u>	<u>\$ 53,543,716</u>
Change in Net Position				
Governmental activities	\$ (35,515,682)	\$ (35,482,657)	\$ (16,406,684)	\$ (47,601,140)
Prior period adjustment to governmental activities	(4,658,333)	-	-	-
Cumulative effect of change in accounting principle	(309,267)	-	(29,047,074)	-
Business-type activities	123,520	4,769,500	7,327,841	5,146,266
Cumulative effect of change in accounting principle	(215,067)	-	(2,689,024)	-
Total government	<u>\$ (40,574,829)</u>	<u>\$ (30,713,157)</u>	<u>\$ (40,814,941)</u>	<u>\$ (42,454,874)</u>

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

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
(86,439,557)	(86,008,481)	(81,555,172)	(63,628,416)	(76,841,810)	(43,466,133)
3,683,645	5,351,973	4,840,045	1,141,309	8,429,468	(54,542)
<u>(82,755,912)</u>	<u>(80,656,508)</u>	<u>(76,715,127)</u>	<u>(62,487,107)</u>	<u>(68,412,342)</u>	<u>(43,520,675)</u>
31,294,955	32,185,065	34,381,162	35,803,461	37,194,154	39,285,513
-	-	-	-	-	-
20,309,911	11,889,588	12,563,826	13,403,183	17,749,623	20,939,072
6,423,412	7,226,463	8,289,994	6,897,295	9,321,460	10,926,627
1,046,122	994,578	968,036	854,107	870,432	1,226,711
257,704	407,668	421,070	531,554	747,807	684,379
2,867,087	3,548,018	3,500,367	3,809,427	4,103,442	3,777,610
872,940	1,020,669	4,543,258	6,118,456	568,318	-
99,211	79,239	107,646	57,089	78,658	220,107
(757,907)	(1,777,219)	(1,440,008)	136,780	1,339,876	(7,440,374)
<u>62,413,435</u>	<u>55,574,069</u>	<u>63,335,351</u>	<u>67,611,352</u>	<u>71,973,770</u>	<u>69,619,645</u>
798,741	877,567	3,651,568	4,457,791	477,553	-
757,907	1,777,219	1,440,008	(136,780)	(1,339,876)	7,440,374
1,556,648	2,654,786	5,091,576	4,321,011	(862,323)	7,440,374
<u>\$ 63,970,083</u>	<u>\$ 58,228,855</u>	<u>\$ 68,426,927</u>	<u>\$ 71,932,363</u>	<u>\$ 71,111,447</u>	<u>\$ 77,060,019</u>
\$ (24,026,122)	\$ (30,434,412)	\$ (18,219,821)	\$ 3,982,936	\$ (4,868,040)	\$ 26,153,512
-	-	-	-	-	-
-	512,725	-	-	-	-
5,240,293	8,006,759	9,931,621	5,462,320	7,567,145	7,385,832
-	(782,305)	-	-	-	-
<u>\$ (18,785,829)</u>	<u>\$ (22,697,233)</u>	<u>\$ (8,288,200)</u>	<u>\$ 9,445,256</u>	<u>\$ 2,699,105</u>	<u>\$ 33,539,344</u>

City of Gresham, Oregon

Fund Balances of Governmental Funds^{1,2}

for the last ten fiscal years

(modified accrual basis of accounting)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund				
Unassigned	\$ 9,711,024	\$ 14,509,323	\$ 16,242,524	\$ 17,407,220
Total General Fund	<u>9,711,024</u>	<u>14,509,323</u>	<u>16,242,524</u>	<u>17,407,220</u>
Designated Purpose Fund				
Restricted	-	-	-	-
Assigned	-	-	-	-
Total Designated Purpose Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transportation Fund				
Restricted	<u>10,497,186</u>	<u>11,700,976</u>	<u>14,531,483</u>	<u>15,787,346</u>
Total Transportation Fund	<u>10,497,186</u>	<u>11,700,976</u>	<u>14,531,483</u>	<u>15,787,346</u>
System Development Charge Fund				
Restricted	<u>10,391,604</u>	<u>9,003,097</u>	<u>7,978,841</u>	<u>10,781,925</u>
Total System Development Charges Fund	<u>10,391,604</u>	<u>9,003,097</u>	<u>7,978,841</u>	<u>10,781,925</u>
CDBG and Home Fund ³				
Restricted	-	-	-	-
Assigned	-	-	-	-
Total CDBG and HOME Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
City Backed Urban Renewal Fund				
Nonspendable	18,887,999	21,062,612	-	-
Restricted	26,586	8,452	904	-
Assigned	-	-	17,930,173	-
Total City Backed Urban Renewal Fund	<u>18,914,585</u>	<u>21,071,064</u>	<u>17,931,077</u>	<u>-</u>
General Government Debt Service Fund				
Assigned	-	-	-	-
Total General Government Debt Service Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Rockwood UR Debt Service Fund				
Restricted	-	-	-	-
Unassigned	<u>(12,319,388)</u>	<u>(14,247,748)</u>	<u>(9,327,503)</u>	<u>(7,057,486)</u>
Total Rockwood UR Debt Service Fund	<u>(12,319,388)</u>	<u>(14,247,748)</u>	<u>(9,327,503)</u>	<u>(7,057,486)</u>
Nonmajor Governmental Funds				
Restricted	6,979,591	12,670,071	14,672,998	13,508,228
Committed	-	-	742,438	713,856
Assigned	5,318,272	6,635,762	10,183,132	26,384,613
Unassigned	<u>(76)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Nonmajor Governmental Funds	<u>12,297,787</u>	<u>19,305,833</u>	<u>25,598,568</u>	<u>40,606,697</u>
Total all funds	<u><u>\$ 49,492,798</u></u>	<u><u>\$ 61,342,545</u></u>	<u><u>\$ 72,954,990</u></u>	<u><u>\$ 77,525,702</u></u>

¹ Includes all governmental type funds

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

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

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>\$ 26,563,568</u>	<u>\$ 26,554,424</u>	<u>\$ 22,857,805</u>	<u>\$ 19,421,845</u>	<u>\$ 27,750,396</u>	<u>\$ 36,841,001</u>
26,563,568	26,554,424	22,857,805	19,421,845	27,750,396	36,841,001
-	-	-	-	6,307,118	6,029,126
-	-	-	-	332,098	743,782
-	-	-	-	6,639,216	6,772,908
17,564,409	19,449,673	23,446,993	27,829,159	31,234,162	35,016,191
17,564,409	19,449,673	23,446,993	27,829,159	31,234,162	35,016,191
13,035,598	15,594,217	18,989,060	27,551,044	24,172,834	18,299,709
13,035,598	15,594,217	18,989,060	27,551,044	24,172,834	18,299,709
-	-	-	145,626	145,626	-
-	743,929	766,165	103,064	119,685	-
-	743,929	766,165	248,690	265,311	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	245,863
-	-	-	-	-	245,863
978,730	3,509,320	4,949,130	8,989,523	11,706,603	9,654,706
-	-	-	-	-	-
978,730	3,509,320	4,949,130	8,989,523	11,706,603	9,654,706
9,466,281	11,324,298	14,707,627	20,114,763	13,844,117	17,721,479
777,980	820,577	914,316	974,026	1,121,617	953,324
19,622,437	17,591,543	16,040,433	16,406,440	15,959,482	19,934,883
-	-	-	-	-	-
29,866,698	29,736,418	31,662,376	37,495,229	30,925,216	38,609,686
<u><u>\$ 88,009,003</u></u>	<u><u>\$ 95,587,981</u></u>	<u><u>\$ 102,671,529</u></u>	<u><u>\$ 121,535,490</u></u>	<u><u>\$ 132,693,738</u></u>	<u><u>\$ 145,440,064</u></u>

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Revenues				
Taxes	\$ 32,213,880	\$ 33,227,830	\$ 35,268,843	\$ 37,876,770
Licenses and permits	1,947,906	2,075,363	2,601,458	2,868,139
Intergovernmental	29,064,640	30,355,384	36,284,744	27,703,501
Charges for services	5,091,724	8,509,853	11,551,188	12,849,976
License fees	9,061,648	9,100,065	9,117,450	9,324,117
Miscellaneous	461,340	1,370,393	1,483,901	2,189,992
Contributions and donations	-	-	-	100
Internal service charges	3,277,629	3,230,739	3,735,489	3,526,244
Total revenues	<u>81,118,767</u>	<u>87,869,627</u>	<u>100,043,073</u>	<u>96,338,839</u>
Expenditures				
Current:				
General government	29,902	30,131	36,327	121,549
Public safety	43,288,184	42,486,706	46,063,033	49,528,990
Transportation	8,274,290	8,125,186	7,607,574	7,501,485
Urban design and planning	3,440,197	2,091,026	2,132,148	2,425,750
Community development	3,768,133	4,652,916	5,028,741	5,369,228
Parks	-	-	2,362,206	2,419,159
Environmental services	4,932,885	4,274,926	2,565,785	2,612,337
Economic development services	573,901	610,212	690,642	1,379,573
Community livability	-	-	-	-
Urban renewal	4,167,675	6,115,006	9,658,420	2,467,469
Debt service:				
Interest	5,135,273	5,773,293	4,551,954	6,185,825
Principal	2,961,659	3,921,633	11,158,057	3,692,811
Capital outlay	6,407,429	9,254,972	9,704,079	7,219,611
Total expenditures	<u>82,979,528</u>	<u>87,336,007</u>	<u>101,558,966</u>	<u>90,923,787</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,860,761)</u>	<u>533,620</u>	<u>(1,515,893)</u>	<u>5,415,052</u>
Other financing sources (uses)				
Debt/refunding proceeds	3,226,480	18,113,517	16,728,777	-
Asset sale proceeds	-	-	-	325,000
Lease proceeds	-	-	-	-
Transfers in	13,902,344	17,825,884	28,138,566	17,626,838
Transfers out	(18,842,157)	(24,623,274)	(31,739,005)	(18,796,178)
Total other financing sources (uses)	<u>(1,713,333)</u>	<u>11,316,127</u>	<u>13,128,338</u>	<u>(844,340)</u>
Net change in fund balances	<u>\$ (3,574,094)</u>	<u>\$ 11,849,747</u>	<u>\$ 11,612,445</u>	<u>\$ 4,570,712</u>
Total expenditures	82,979,528	87,336,007	101,558,966	90,923,787
Less: capital expenditures	<u>(7,757,540)</u>	<u>(13,437,494)</u>	<u>(9,764,061)</u>	<u>(8,188,166)</u>
Total noncapital expenditures	75,221,988	73,898,513	91,794,905	82,735,621
Governmental capital expenditures	7,757,540	13,437,494	9,764,061	8,188,166
Debt service as a percentage of noncapital expenditures	10.8%	13.1%	17.1%	11.9%

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

2017	2018	2019	2020	2021	2022
\$ 38,789,436	\$ 41,052,961	\$ 44,778,408	\$ 44,090,377	\$ 48,167,243	\$ 52,121,431
2,762,215	3,351,012	4,088,553	3,651,927	2,851,887	3,561,925
30,313,399	30,224,230	38,079,121	32,333,003	57,135,314	42,906,414
13,409,046	15,688,696	17,009,318	20,227,608	14,706,479	23,943,756
20,309,912	11,889,588	12,563,828	13,403,184	17,749,623	20,780,669
1,995,894	2,831,874	4,911,661	6,919,896	3,266,034	1,994,065
5,000	-	-	-	-	-
3,395,097	4,448,399	4,699,604	4,779,051	5,339,926	5,066,395
<u>110,979,999</u>	<u>109,486,760</u>	<u>126,130,493</u>	<u>125,405,046</u>	<u>149,216,506</u>	<u>150,374,655</u>
390,185	488,079	64,317	65,806	59,111	4,610,938
53,367,814	57,625,177	62,787,415	61,880,198	62,438,704	68,163,272
7,447,012	7,980,413	8,829,454	8,845,732	9,131,947	9,674,901
3,065,661	3,724,108	3,455,288	3,664,944	3,372,359	3,386,330
5,827,958	6,556,409	6,502,729	6,390,223	23,009,768	8,011,975
2,477,379	2,677,575	3,118,728	2,805,319	2,648,792	3,333,383
3,072,076	3,438,271	3,636,960	3,625,208	3,637,941	4,460,414
1,248,395	751,702	755,124	1,567,741	870,238	655,578
-	-	579,201	613,316	393,144	524,163
4,854,590	2,944,694	9,591,430	2,157,176	7,164,967	5,934,874
5,882,948	5,728,221	7,650,372	2,719,699	2,453,946	2,287,416
5,521,001	3,703,036	11,049,666	7,211,689	8,188,975	37,839,973
7,645,272	8,495,480	16,655,496	13,899,717	19,763,660	26,399,657
<u>100,800,291</u>	<u>104,113,165</u>	<u>134,676,180</u>	<u>115,446,768</u>	<u>143,133,552</u>	<u>175,282,874</u>
<u>10,179,708</u>	<u>5,373,595</u>	<u>(8,545,687)</u>	<u>9,958,278</u>	<u>6,082,954</u>	<u>(24,908,219)</u>
605,000	5,644,000	17,632,800	11,428,400	7,206,600	38,300,200
650,000	-	-	-	-	225,567
-	-	-	-	-	254,025
20,787,604	14,008,862	16,441,028	15,421,064	21,630,911	30,035,016
<u>(21,739,011)</u>	<u>(17,447,479)</u>	<u>(18,444,593)</u>	<u>(17,943,786)</u>	<u>(23,762,217)</u>	<u>(31,160,263)</u>
303,593	2,205,383	15,629,235	8,905,678	5,075,294	37,654,545
<u>\$ 10,483,301</u>	<u>\$ 7,578,978</u>	<u>\$ 7,083,548</u>	<u>\$ 18,863,956</u>	<u>\$ 11,158,248</u>	<u>\$ 12,746,326</u>
100,800,291	104,113,165	134,676,180	115,446,768	143,133,552	175,282,874
<u>(9,136,825)</u>	<u>(10,221,292)</u>	<u>(14,592,866)</u>	<u>(14,922,982)</u>	<u>(15,058,972)</u>	<u>(18,999,281)</u>
91,663,466	93,891,873	120,083,314	100,523,786	128,074,580	156,283,593
9,136,825	10,221,292	14,592,866	14,922,982	15,058,972	18,999,281
12.4%	10.0%	15.6%	9.9%	8.3%	25.7%

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
2013	27,131,524	604,569	4,472,110	5,703	32,213,907
2014	27,585,831	664,241	4,973,382	4,579	33,228,033
2015	29,051,146	808,826	5,406,445	2,509	35,268,926
2016	30,019,240	977,317	6,874,811	5,402	37,876,770
2017	31,185,226	1,046,122	6,423,412	134,676	38,789,436
2018	32,503,307	994,578	7,226,463	328,613	41,052,961
2019	35,093,756	968,036	8,289,994	426,622	44,778,408
2020	35,807,421	854,107	6,897,295	531,554	44,090,377
2021	37,227,545	870,432	9,321,460	747,806	48,167,243
2022	39,351,279	1,226,711	10,926,627	616,814	52,121,431

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

City of Gresham, Oregon

Assessed Value and Estimated Real Market Value of Taxable Property

for the last ten fiscal years

Fiscal Year	Real Property	Personal Property	Public Utility Property	Total Assessed Value	Total Direct Tax Rate	Estimated Real Market Value (RMV)	Assessed Value as a Percentage of RMV
2013	6,459,601,300	255,043,090	221,252,700	6,935,897,090	3.61	9,899,881,645	70.06%
2014	6,631,585,970	266,091,047	221,583,260	7,119,260,277	3.61	10,055,582,781	70.80%
2015	6,970,891,870	281,369,921	233,868,800	7,486,130,591	3.61	10,841,379,559	69.05%
2016	7,210,632,020	289,381,277	231,165,800	7,731,179,097	3.61	11,719,951,231	65.97%
2017	7,394,949,020	295,395,622	238,820,800	7,929,165,442	3.61	12,964,718,943	61.16%
2018	7,708,546,630	336,896,480	248,523,166	8,293,966,276	3.61	14,684,246,877	56.48%
2019	8,097,671,350	325,059,520	179,819,800	8,602,550,670	3.61	16,268,459,937	52.88%
2020	8,413,807,310	330,488,190	190,495,200	8,934,790,700	3.61	16,836,411,973	53.07%
2021	8,800,226,690	343,631,610	219,645,500	9,363,503,800	3.61	17,831,383,551	52.51%
2022	9,168,182,480	381,631,520	215,356,900	9,765,170,900	3.61	19,225,159,363	50.79%

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
2013	3.61	-	3.61	0.49	4.53	0.89
2014	3.61	-	3.61	0.49	4.51	1.18
2015	3.61	-	3.61	0.49	4.49	1.18
2016	3.61	-	3.61	0.49	4.49	1.18
2017	3.61	-	3.61	0.49	4.39	1.18
2018	3.61	-	3.61	0.49	4.39	1.18
2019	3.61	-	3.61	0.49	4.39	1.20
2020	3.61	-	3.61	0.49	4.39	1.21
2021	3.61	-	3.61	0.49	4.39	1.22
2022	3.61	-	3.61	0.49	4.99	1.22

Source: Multnomah County Assessors Office.

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

Multnomah County ESD	School District No. 10¹	Port of Portland	Tri-Met & Metro Service District	E Mult. Soil & Water Conserv.	Total Direct & Overlapping Rate
0.46	5.61	0.07	0.40	0.10	16.17
0.46	5.56	0.07	0.47	0.10	16.45
0.46	5.56	0.07	0.46	0.10	16.42
0.46	5.55	0.07	0.39	0.10	16.34
0.46	5.51	0.07	0.40	0.10	16.21
0.46	7.14	0.07	0.41	0.10	17.85
0.46	7.27	0.07	0.47	0.10	18.07
0.46	7.40	0.07	0.66	0.10	18.40
0.46	7.41	0.07	0.59	0.10	18.34
0.46	7.42	0.07	-	0.10	18.36

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

Company Name	2022			2013		
	Assessed Value	Rank	Percent of Total Value	Assessed Value	Rank	Percent of Total Value
Boeing Company	\$ 402,611,140	1	42.72%	178,208,580	1	29.27%
Microchip Technology Inc	141,137,330	2	14.98%	130,477,290	2	21.43%
Semiconductor Components Industries	106,765,100	3	11.33%	34,458,720	6	5.66%
RREEF CPIF 17505 NE San Rafael LLC	57,187,300	4	6.07%	-	-	-
US National Bank of Oregon	48,851,880	5	5.18%	38,526,740	5	6.33%
Boeing Company the Inc.	47,330,990	6	5.02%	-	-	-
HIP Gresham Station LLC	41,590,250	7	4.41%	-	-	-
GP/RPC Holly Ridge LLC	32,655,560	8	3.47%	-	-	-
US Bancorp	32,310,320	9	3.43%	-	-	-
IP Eat One LLC	31,925,750	10	3.39%	-	-	-
New Albertson's Inc.	-	-	-	60,851,676	3	9.99%
GE Capital	-	-	-	59,410,520	4	9.76%
Owens Corning Foam	-	-	-	28,338,230	7	4.65%
Westlake Gresham Center LLC	-	-	-	26,842,270	8	4.41%
Cascade Corporation	-	-	-	26,696,190	9	4.38%
F&F/WC Holly Ridge	-	-	-	25,027,840	10	4.11%
Total	<u>\$ 942,365,620</u>		<u>100.00%</u>	<u>\$ 608,838,056</u>		<u>100.00%</u>
Total Gresham Assessed Value	<u>\$ 9,765,170,900</u>			<u>\$ 6,935,897,090</u>		

Largest Public Utilities
Current year and nine years ago

Company Name	2022			2013		
	Assessed Value	Rank	Percent of Total Value	Assessed Value	Rank	Percent of Total Value
Portland General Electric Co	\$ 108,758,150	1	1.11%	\$ 72,380,010	2	1.04%
Northwest Fiber LLC	26,811,900	2	0.27%	-	-	-
Comcast Corporation	23,619,000	3	0.24%	73,912,500	1	1.07%
Northwest Natural Gas Company	21,991,000	4	0.23%	18,081,500	4	0.26%
Frontier Communications	-	-	-	36,949,000	3	-

Sources: Multnomah County Assessors Office

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
2013	27,926,932	27,163,116	97.26%	760,759	27,923,875	99.99%
2014	28,399,207	27,660,571	97.40%	736,332	28,396,903	99.99%
2015	29,945,588	29,240,886	97.65%	702,210	29,943,096	99.99%
2016	30,966,452	30,290,117	97.82%	673,427	30,963,544	99.99%
2017	32,204,477	31,584,209	98.07%	613,658	32,197,867	99.98%
2018	33,755,330	33,243,271	98.48%	499,364	33,742,635	99.96%
2019	35,290,714	34,759,802	98.50%	482,277	35,242,079	99.86%
2020	37,042,008	36,479,108	98.48%	448,768	36,927,876	99.69%
2021	38,378,306	37,863,884	98.66%	325,356	38,189,240	99.51%
2022	40,406,367	39,942,221	98.85%	-	39,942,221	98.85%

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

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

Governmental Activities						
Fiscal Year	General Obligation Bonds	Full Faith & Credit Bonds	Other Notes	Capital Leases	Pension Bonds	Lines of Credit
2013	-	19,415,269	629,834	-	18,340,000	4,780,104
2014	-	31,458,317	39,471	-	17,940,000	8,319,604
2015	-	32,809,589	13,207,854	-	17,452,898	-
2016	-	30,170,533	11,781,240	-	16,873,066	-
2017	-	24,270,219	10,296,027	-	16,195,000	605,000
2018	-	21,069,491	10,691,622	-	15,398,402	5,249,000
2019	-	18,107,576	16,029,262	-	14,483,570	8,256,800
2020	-	15,091,222	15,333,839	-	13,435,000	18,185,200
2021	-	12,025,886	16,199,570	-	12,240,000	21,611,800
2022	-	39,882,996	12,943,386	-	10,885,000	-

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
2013	3,535,000	3,486,556	3,625,000	20,982,058	74,793,821	0.07%	704
2014	2,740,000	3,998,994	3,301,000	19,081,926	86,879,312	0.08%	816
2015	-	7,682,126	2,989,012	17,208,774	91,350,253	0.08%	853
2016	-	7,393,176	4,053,920	15,224,435	85,496,370	0.07%	791
2017	-	7,560,568	7,001,608	12,909,061	78,837,483	0.06%	718
2018	-	8,945,547	6,374,954	11,363,309	79,092,325	0.06%	716
2019	-	10,608,978	5,628,082	9,213,285	82,327,554	0.06%	736
2020	-	12,944,720	4,856,210	6,997,667	86,843,858	0.06%	771
2021	-	17,461,909	4,071,878	4,826,971	88,438,014	0.05%	773
2022	43,662,434	3,960,000	3,825,098	4,101,462	119,260,376	*	1,039

*Personal Income information for 2022 is unavailable at this time.
 Details regarding the City's outstanding debt can be found in the notes to the financial statements.
 Information derived from current and past years' Annual Comprehensive Financial Reports.

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

Fiscal Year	Population	Assessed Value	Gross General Obligation Bonded Debt	Less Debt Service Fund	Net Bonded Debt	Coverage %	Net Bonded Debt Per Capita
2013	106,180	6,935,897,090	-	-	-	-	-
2014	106,455	7,119,260,277	-	-	-	-	-
2015	107,065	7,486,130,591	-	-	-	-	-
2016	108,150	7,731,179,097	-	-	-	-	-
2017	109,820	7,929,165,442	-	-	-	-	-
2018	110,505	8,293,966,276	-	-	-	-	-
2019	111,810	8,602,550,670	-	-	-	-	-
2020	112,660	8,934,790,700	-	-	-	-	-
2021	114,361	9,363,503,800	-	-	-	-	-
2022	114,833 *	9,765,170,900	-	-	-	-	-

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

*Source: Population Research Center, Portland State University

City of Gresham, Oregon

Direct and Overlapping Governmental Activities Debt

as of June 30, 2022

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
<i>Debt repaid with property taxes</i>			
Lusted Water District	\$ 500,000	0.81%	\$ 4,046
Metro	873,470,000	4.44%	38,740,141
Mt. Hood Community College	76,545,000	30.20%	23,117,662
Multnomah County	627,742,035	8.61%	54,042,940
Multnomah County School District 10J (Gresham-Barlow)	309,023,557	77.33%	238,982,131
Multnomah County School District 28J (Centennial)	63,934,548	37.45%	23,945,023
Multnomah County School District 7 (Reynolds)	171,657,497	37.43%	64,258,268
Multnomah ESD	60,233,416	8.50%	5,119,780
<i>Other debt</i>			
Metro	24,485,000	4.44%	1,085,959
Mt. Hood Community College	29,122,863	30.20%	8,795,512
Multnomah County School District 7 (Reynolds)	857,143	37.43%	320,862
Multnomah ESD	21,300,000	8.50%	1,810,479
Port of Portland	45,725,000	4.06%	1,857,441
Subtotal, overlapping debt	\$ 2,304,596,059		\$ 462,080,244
City direct debt			\$ 63,711,382
Total direct and overlapping debt			\$ 525,791,626

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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Debt limit	\$ 296,996,449	\$ 301,667,483	\$ 325,241,387	\$ 351,598,537
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<u>\$ 296,996,449</u>	<u>\$ 301,667,483</u>	<u>\$ 325,241,387</u>	<u>\$ 351,598,537</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%

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

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

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 388,941,568	\$ 440,527,406	\$ 488,053,798	\$ 505,092,359	\$ 534,941,507	\$ 576,754,781
-	-	-	-	-	-
<u>\$ 388,941,568</u>	<u>\$ 440,527,406</u>	<u>\$ 488,053,798</u>	<u>\$ 505,092,359</u>	<u>\$ 534,941,507</u>	<u>\$ 576,754,781</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	
2013	12,758,603	8,422,097	4,336,506	1,055,837	223,405	3.39
2014	12,900,829	8,343,926	4,556,903	891,562	183,338	4.24
2015 ⁽¹⁾	12,658,156	8,874,201	3,783,955	951,555	197,847	3.29
2016	13,653,330	9,011,762	4,641,568	269,061	253,610	8.88
2017	13,597,345	9,593,994	4,003,351	284,519	260,652	7.34
2018	14,669,775	10,442,299	4,227,476	296,326	274,762	7.40
2019	15,420,595	10,554,563	4,866,032	303,464	310,656	7.92
2020	15,800,698	11,468,252	4,332,446	315,468	367,438	6.34
2021	17,030,666	11,694,721	5,335,945	328,820	365,825	7.68
2022 ⁽²⁾	17,522,154	11,945,068	5,577,086	425,615	821,065	4.47

Stormwater Revenue Bonds

Fiscal Year	Gross Revenues	Less Operating Expenses	Net Available Revenue	Debt Service Requirements		Coverage %
				Principal	Interest	
2013	7,267,024	4,709,944	2,557,080	370,000	172,000	4.72
2014	7,247,546	4,759,877	2,487,669	380,000	157,370	4.63
2015	7,466,394	5,081,162	2,385,232	395,000	138,052	4.47
2016	7,811,665	5,571,777	2,239,888	420,000	148,080	3.94
2017	8,204,059	5,702,425	2,501,634	440,000	113,700	4.52
2018	8,521,607	6,292,334	2,229,273	664,390	93,222	2.94
2019	9,232,732	6,623,837	2,608,895	731,780	68,450	3.26
2020	10,533,140	7,327,676	3,205,464	756,780	44,200	4.00
2021	10,877,321	7,501,112	3,376,209	776,780	22,525	4.22
2022	11,667,253	7,893,679	3,773,574	246,780	-	15.29

Wastewater Revenue Bonds & Notes

Fiscal Year	Gross Revenues	Less Operating Expenses	Net Available Revenue	Debt Service Requirements		Coverage %
				Principal	Interest	
2013	15,730,193	11,152,405	4,577,788	1,967,456	791,296	1.66
2014	16,939,221	11,258,513	5,680,708	2,022,632	689,186	2.09
2015 ⁽¹⁾	17,983,466	11,782,087	6,201,379	2,081,113	643,396	2.28
2016	17,850,267	11,790,666	6,059,601	2,062,656	592,153	2.28
2017	18,515,111	12,361,414	6,153,697	2,103,200	542,291	2.33
2018	19,103,845	12,710,443	6,393,402	2,164,762	474,630	2.42
2019	19,821,720	12,652,612	7,169,108	2,228,341	403,357	2.72
2020	20,611,342	13,252,111	7,359,231	2,293,936	329,134	2.81
2021	20,969,925	13,725,296	7,244,629	2,360,550	239,994	2.79
2022	21,689,726	14,109,643	7,580,083	341,682	181,953	14.48

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.

⁽²⁾ Water funds refunded previously issued Line of Credit and 2009 water meter loan in FY 2022.

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

Fiscal Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate	(1)
2013	106,180	101,210,007	43,728	7.6%	
2014	106,455	107,536,731	45,794	6.1%	
2015	107,065	115,690,881	48,422	5.4%	
2016	108,150	122,433,633	50,489	5.2%	
2017	109,820	131,861,400	53,751	3.9%	
2018	110,505	141,269,900	56,991	3.8%	
2019	111,810	149,346,827	59,921	3.9%	
2020	112,660	157,150,249	62,603	11.8%	
2021	114,361	171,728,750	68,374	5.0%	
2022	114,833	*	*	3.5%	

Sources:

2021 Annual Comprehensive Financial Report

Population Research Center, Portland State University

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

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

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

(1) As of June 30.

* Information unavailable at this time

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

Employer	2022			2013		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Gresham Barlow School District	1,129	1	2.07%	954	3	1.96%
Boeing of Portland	1,122	2	1.92%	1,810	1	3.72%
Mount Hood Community College	1,043	3	1.86%	-	-	-
U.S. Bank of Oregon Columbia Center	1,013	4	1.24%	1,636	2	3.36%
Microchip Technology, Inc.	675	5	1.20%	421	8	0.86%
ON Semiconductor	654	6	1.18%	504	7	1.03%
Centennial School District	641	7	1.16%	-	-	-
City of Gresham	631	8	1.20%	519	6	1.07%
Albertson's Distribution Center #8252	554	9	1.02%	332	9	0.68%
Fred Meyer Inc.	323	10	0.59%	-	-	-
Xerox Commercial Solutions LLC	-	-	-	680	4	1.40%
Mt. Hood Medical Center	-	-	-	601	5	1.23%
Cascade Corporation	-	-	-	212	10	0.44%
Total	<u>7,786</u>		<u>13.44%</u>	<u>7,669</u>		<u>15.74%</u>
Total of employees in Gresham	54,460			48,711		

Sources:

2013 Annual Comprehensive Financial Report

City of Gresham Business Licensing Division

City of Gresham Budget Division

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

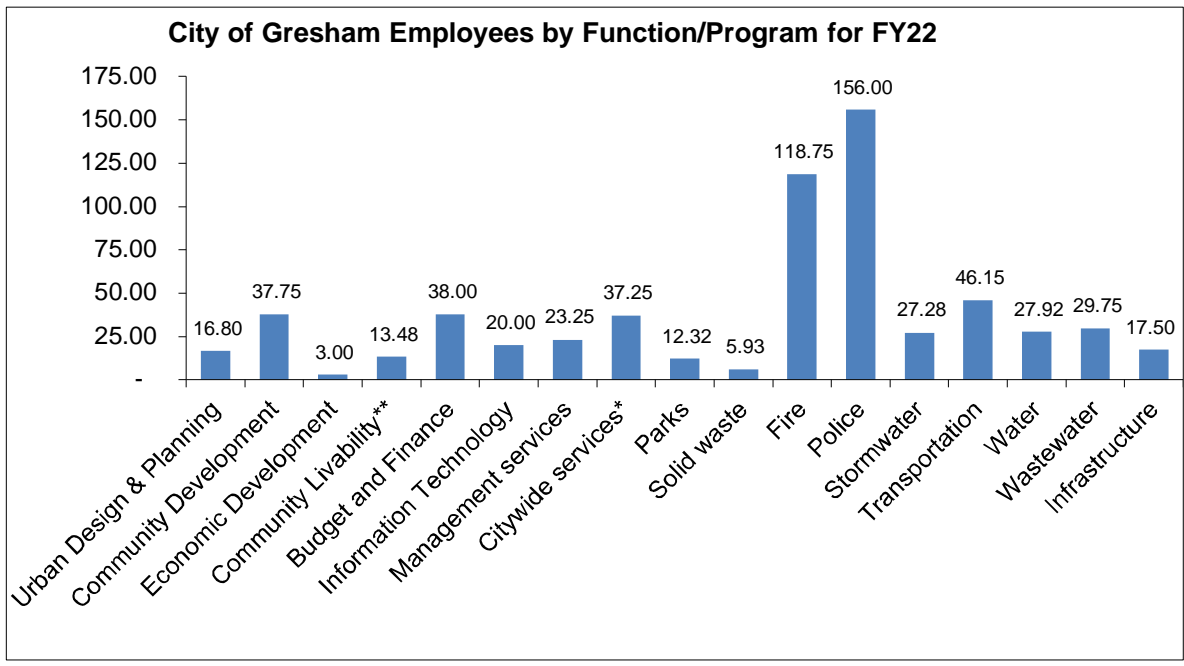
U.S. Department of Labor, Bureau of Labor Statistics

CITY OF
GRESHAM
GOING BEYOND

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

Function/Program	Full-time equivalent employees				
	2013	2014	2015	2016	2017
General government					
Urban Design & Planning	14.50	12.50	12.50	13.00	15.80
Community Development	24.00	25.00	25.00	25.00	29.00
Economic Development	3.75	3.75	3.75	3.75	4.00
Community Livability**	-	-	-	-	-
Budget and Finance	24.60	24.60	24.40	24.40	24.40
Information Technology	17.00	17.00	18.00	19.00	19.00
Management services	30.40	30.90	30.80	30.80	30.80
Citywide services*	23.00	24.50	23.50	23.50	24.00
Parks	8.33	8.33	8.30	8.30	8.30
Solid waste	4.95	5.01	4.41	4.46	4.46
Public safety					
Fire	89.50	89.50	95.50	96.75	96.75
Police	152.00	152.00	152.00	157.00	159.00
Stormwater	23.13	23.12	25.40	24.77	24.77
Transportation	33.92	34.90	39.20	38.76	35.96
Water	27.72	27.71	28.53	27.93	27.93
Wastewater	29.25	29.23	29.76	28.43	28.43
Infrastructure	12.50	11.50	11.50	11.50	14.50
Total	518.55	519.55	532.55	537.35	547.10

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



Source: City of Gresham Budget Division

2018	2019	2020	2021	2022
17.80	17.80	17.80	17.80	16.80
35.00	32.00	35.00	35.00	37.75
3.00	3.00	3.00	3.00	3.00
-	8.00	8.00	8.00	13.48
25.40	25.50	25.50	25.50	38.00
21.00	22.00	25.00	14.00	20.00
32.80	31.70	30.70	30.00	23.25
23.00	20.00	21.00	28.00	37.25
8.30	11.30	11.30	10.00	12.32
4.96	5.96	5.96	5.96	5.93
103.75	111.75	111.75	114.75	118.75
165.00	166.00	166.00	160.00	156.00
25.10	25.10	27.10	26.10	27.28
36.96	36.96	37.96	37.96	46.15
27.75	27.75	27.75	27.75	27.92
28.28	28.28	27.78	28.78	29.75
14.50	15.50	16.00	16.00	17.50
572.60	588.60	597.60	588.60	631.13

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

Function/Program	Fiscal Year			
	2013	2014	2015	2016
Governmental activities:				
Community development				
Residential building permits applications issued	481	646	767	713
Valuation	\$ 30,590,592	\$ 36,364,810	\$ 66,156,164	\$ 53,612,230
Commercial building permits application issued	557	577	690	850
Valuation	\$ 40,527,872	\$ 44,619,928	\$ 92,421,494	\$243,011,292
Building inspections conducted	8,526	8,951	10,866	13,577
Police				
Part I crimes (person)	4,244	4,266	4,144	3,743
Part II crimes (property)	5,469	5,391	4,131	3,786
Calls for service	72,657	74,276	73,951	74,875
Fire				
Emergency responses	13,000	13,000	14,601	16,000
Fire inspections	1,350	1,230	2,166	2,100
Business-type activities				
Water				
Accounts	17,190	18,704	16,656	16,734
Average daily consumption (millions of gallons)	7	6	7	7
Stormwater				
Accounts	24,228	25,962	24,038	24,123
Wastewater				
Accounts	24,281	25,866	24,006	24,093
Average daily sewage treatment (millions of gallons)	13	13	13	13

* Variance in data due to system crossover from H T E to Munis Energov.

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

2017	2018	2019	2020	2021	2022
709	797	854	792	2,794 *	560
\$ 41,814,606	\$ 81,402,290	\$104,593,157	\$127,434,862	\$ 76,399,774 *	\$126,007,497
745	418	718	889	1,780 *	1,843
\$ 95,422,482	\$ 10,277,185	\$519,865,616	\$217,965,315	\$188,971,791 *	\$171,004,512
13,320	14,158	21,824	23,246	17,816 *	25,948
4,036	4,274	4,169	1,060	3,528	2,970
3,548	2,816	3,332	4,763	2,545	2,187
73,012	74,147	71,619	67,200	55,777	50,613
16,869	16,357	16,457	16,335	18,073	16,208
1,811	1,750	2,461	2,429	1,631	1,738
16,844	16,986	17,292	17,297	17,346	17,593
6	7	7	6	6	6
24,028	24,177	24,450	24,635	24,691	24,993
23,966	24,114	24,454	24,583	24,621	24,821
13	12	12	10	11	11

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

Function/Program	Fiscal Year			
	2013	2014	2015	2016
Governmental activities:				
General government				
City-owned building facilities	10	12	14	14
Police				
Police station	1	2	2	2
Community police office	1	1	1	1
K9 officers	2	2	2	2
Police patrol cars	25	23	23	26
Police motorcycles	6	6	5	5
Fire				
Fire stations	6	6	6	6
Fire vehicles				
Ladder trucks	1	1	1	1
Engines (In service)	7	7	7	7
Specialized emergency vehicles	6	6	6	6
Parks				
Acres of parks & trails (developed & undeveloped)	257	257	278	293
Acres of natural area	989	989	963	956
Acres from other providers	584	584	621	624
Playgrounds	16	16	16	16
Baseball/softball diamonds	14	14	14	14
Soccer/football fields	10	10	10	10
Business-type activities:				
Water				
Local storage capacity (in millions of gallons)	27.3	27.3	27.2	27.2
Stormwater				
Catch basins	8,068	8,083	8,198	7,958
Drywells	1,102	1,103	1,117	1,105
Wastewater				
Wastewater plant capacity (millions of gallons per day)	20	20	20	20
Transportation				
Street lights	8,210	8,195	8,386	8,306
Traffic signals	102	102	103	103
Transportation signs*	12,986	15,111	15,828	16,897
Miles of streets **	898	901	901	905

*These include City owned signs maintained by the Count

**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

2017	2018	2019	2020	2021	2022
14	14	14	14	14	14
2	2	2	2	2	2
1	1	1	1	1	1
3	3	3	3	3	4
25	32	36	38	38	43
3	3	3	3	3	3
6	6	6	6	6	6
1	1	1	1	1	1
6	7	6	7	7	7
5	7	5	6	5	6
294	294	294	344	347	328
964	964	964	932	933	933
659	659	659	648	645	654
16	16	16	18	18	18
14	14	14	14	14	14
10	10	10	15	15	15
27.2	27.2	27.2	27.2	27.2	27.2
7,925	8,006	8,022	8,083	8,091	8,172
1,105	1,120	1,126	1,124	1,126	1,126
20	20	20	20	20	20
8,490	8,494	8,552	8,587	8,600	8,654
104	104	104	104	104	104
17,288	17,767	19,030	18,617	19,030	21,133
907	909	913	917	920	931

City of Gresham, Oregon
Miscellaneous Statistics
Current Year

Elections:

Number of registered voters for last primary election (May 17, 2022)	70,440
Number of votes cast in last primary election	18,439
Percentage of registered voters voting in the last primary election	26%
Number of registered voters for last general election (November 3, 2020)	70,239
Number of votes cast in last general election	51,835
Percentage of registered voters voting in the last general election	74%

Census population count for the last six decades

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

Age distribution of population for the last six decades

Year	Percent Under 18	Percent 18-64	Percent Over 65
1970	36.8	53.8	9.4
1980	30.5	61.3	8.2
1990	27.4	62.6	10.0
2000	27.5	62.7	9.8
2010	26.4	62.9	10.7
2020	31.0	55.4	13.6

Income level of population for the last six decades

1970	Median (family)	10,933
1980	Median (family)	24,266
1990	Median (family)	36,664
2000	Median (family)	51,126
2010	Median (family)	47,515
2020	Median (family)	54,084

Historical Data:

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

Sources:

U.S. Census Bureau
 Elections information: Multnomah County Elections Division
 Area - Square Miles: City of Gresham Information Technology Department
 All other information: 2020-2021 Annual Comprehensive Financial Report

Reports Required by Statutes

INDEPENDENT AUDITORS' REPORT
REQUIRED BY OREGON STATE REGULATIONS



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

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

We have audited the basic financial statements of City of Gresham, Oregon as of and for the year ended June 30, 2022, and have issued our report thereon dated December 30, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*.

Compliance

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

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

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

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

OAR 162-10-0230 Internal Control


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

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

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

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

ISLER CPA


By: Gatlin Hawkins, CPA
A member of the firm
Eugene, Oregon
December 30, 2022

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



1976 Garden Ave.
Eugene, OR 97403
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To the Honorable Mayor and
City of Gresham, Oregon

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, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise City of Gresham, Oregon's basic financial statements, and have issued our report thereon dated December 30, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Gresham, Oregon's internal control over financial reporting (internal control) as a basis for designing 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 City of Gresham, Oregon's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Gresham, Oregon'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 a 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Gresham, Oregon'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 financial statements. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Isler CPA

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

By Gatlin Hawkins, CPA
A member of the firm
Eugene, Oregon
December 30, 2022

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



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

1976 Garden Ave.
Eugene, OR 97403
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Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Gresham, Oregon's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City of Gresham, Oregon's major federal programs for the year ended June 30, 2022. City of Gresham, Oregon's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Gresham, Oregon 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, 2022.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Gresham, Oregon and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Gresham, Oregon's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of Gresham, Oregon's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Gresham, Oregon's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Gresham, Oregon's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Gresham, Oregon's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Gresham, Oregon's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Gresham, Oregon's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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
December 30, 2022

City of Gresham, Oregon
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2022

Section I - Summary of Auditor's Results

Financial Statements:

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

Federal Awards:

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

Identification of Major Programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>	
21.027	Coronavirus State and Local Fiscal Recovery Funds	
21.025	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?		Yes

City of Gresham, Oregon
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2022

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

None.

Section IV - Summary Schedule of Prior Audit Findings

None.

CITY OF
GRESHAM
GOING BEYOND

Continuing Disclosure

CITY OF
GRESHAM
GOING BEYOND

ANNUAL DISCLOSURE INFORMATION FOR FULL FAITH & CREDIT OBLIGATIONS

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

Outstanding Obligations as of June 30, 2022

	Dated Date	Maturity Date	Principal Issued	Principal Outstanding as of 6/30/2022
Full Faith and Credit Obligations				
2004 Pension Obligation Bonds	5/27/2004	6/1/2028	\$ 19,280,000	\$ 10,885,000
2010 Financing Agreement City of Gresham/Urban Renewal	6/4/2010	6/1/2023	23,470,000	2,242,638
2013 Full Faith & Credit Obligations Series B	7/30/2013	7/1/2033	4,655,000	1,465,000
2013 Full Faith & Credit Obligations Series C	7/30/2013	7/1/2033	7,610,000	2,665,000
2014 Section 108 Fountain Loan	6/30/2014	6/30/2033	1,500,000	149,000
2015 Full Faith & Credit City of Gresham/Urban Renewal	5/27/2015	5/1/2035	8,957,582	3,310,000
2015 Gresham Redevelopment Commission	6/1/2015	6/1/2023	6,700,000	929,768
2017 Gresham Redevelopment Commission Revolving Note	2/22/2017	6/1/2023	11,180,000	11,180,000
2018 Weston Property Loan	7/31/2018	7/31/2023	1,770,000	684,618
2022 Transportation	4/28/2022	6/1/2028	30,000,000	30,000,000
Total Full Faith and Credit Obligations			<u>115,122,582</u>	<u>63,511,024</u>
			Total Direct Debt	<u>63,511,024</u>
			<u>115,122,582</u>	<u>63,511,024</u>
Debt Backed by Water Revenue				
2015 Full Faith & Credit - Water	5/27/2015	5/1/2035	5,332,418	3,960,000
2021 Water Revenue Bonds	12/29/2021	6/1/2048	41,455,000	41,455,000
Total Debt Backed by Water Revenue			<u>46,787,418</u>	<u>45,415,000</u>
Debt Backed by Stormwater Revenue				
State of Oregon SRF UIC Improvements	4/4/2017	8/1/2037	4,935,608	3,825,098
Total Debt Backed by Stormwater Revenue			<u>4,935,608</u>	<u>3,825,098</u>
Debt Backed by Wastewater Revenue				
R39190 Wastewater Second Clarifier	10/15/2009	8/1/2029	407,058	184,790
2015 Full Faith & Credit - Wastewater	5/27/2015	5/1/2031	5,670,000	3,650,000
Total Debt Backed by Wastewater Revenue			<u>6,077,058</u>	<u>3,834,790</u>
			Total Utility Obligations	<u>53,074,888</u>
			<u>57,800,084</u>	<u>53,074,888</u>
Total Outstanding Obligations			* \$ 152,922,666	\$ 116,585,912

* Outstanding obligations on the table above does not include premiums and discounts on issuance

Overlapping Debt as of June 30, 2022

Governmental Unit	Total Net Debt	Percent Within City	City's Pro-Rata Share
Debt repaid with property taxes			
Lusted Water District	\$ 500,000	0.81%	\$ 4,046
Metro	873,470,000	4.44%	38,740,141
Mt. Hood Community College	76,545,000	30.20%	23,117,662
Multnomah County	627,742,035	8.61%	54,042,940
Multnomah County School District 10J (Gresham-Barlow)	309,023,557	77.33%	238,982,131
Multnomah County School District 28J (Centennial)	63,934,548	37.45%	23,945,023
Multnomah County School District 7 (Reynolds)	171,657,497	37.43%	64,258,268
Multnomah ESD	60,233,416	8.50%	5,119,780
Other debt			
Metro	24,485,000	4.44%	1,085,959
Mt. Hood Community College	29,122,863	30.20%	8,795,512
Multnomah County School District 7 (Reynolds)	857,143	37.43%	320,862
Multnomah ESD	21,300,000	8.50%	1,810,479
Port of Portland	45,725,000	4.06%	1,857,441
	<u>\$ 2,304,596,059</u>		<u>\$ 462,080,244</u>

Debt Ratios

	Values	Per Capita	Percent of RMV
Estimated Population	114,833	-	-
Real Market Value (RMV)	\$ 19,225,159,363	\$ 167,418	-
Total Direct Debt	63,511,024	553	0.33%
Overlapping Debt	462,080,244	4,024	2.40%
Total Direct Debt and Overlapping Debt	<u>\$ 525,591,268</u>	<u>\$ 4,577</u>	2.74%

Ten Largest Taxpayers

<u>Business</u>		<u>Assessed Value</u>	<u>Percentage of Total Assessed Value</u>
Boeing Company	Aircraft Frame Structures	\$ 402,611,140	4.12%
Microchip Technology Inc.	Microelectronics Products	141,137,330	1.45%
Semiconductor Components Industries	Microelectronics Products	106,765,100	1.09%
RREEF CPIF 17505 NE San Rafael LLC	Property Management	57,187,300	0.59%
U.S. National Bank of Oregon	Financial Services	48,851,880	0.50%
Boeing Company the Inc.	Aircraft Frame Structures	47,330,990	0.48%
HIP Gresham Station LLC	Property Development	41,590,250	0.43%
GP/RPC Holly Ridge LLC	Property Management	32,655,560	0.33%
US Bancorp	Financial Services	32,310,320	0.33%
IP Eat One LLC	Property Development	31,925,750	0.33%
		<u>\$ 942,365,620</u>	<u>9.65%</u>

Total Assessed Value, City of Gresham

\$ 9,765,170,900

General Fund Consecutive Balance Sheet -- As of June 30, 2022

	2018	2019	2020	2021	2022
ASSETS					
Cash & investments	\$ 16,752,117	\$ 13,994,039	\$ 10,094,256	\$ 14,649,873	\$ 20,400,939
Receivables, net	3,552,571	4,260,697	4,180,634	5,972,440	6,075,970
Property taxes receivable, net	1,582,093	889,625	877,187	835,188	762,559
Due from other funds	6,419,640	5,655,919	6,127,023	8,449,170	11,265,152
Other assets	64,283	87,133	55,118	50,285	60,281
Total assets	<u>\$ 28,370,704</u>	<u>\$ 24,887,413</u>	<u>\$ 21,334,218</u>	<u>\$ 29,956,956</u>	<u>\$ 38,564,901</u>
LIABILITIES					
Accounts payable	\$ 371,021	\$ 1,231,289	\$ 1,126,624	\$ 1,437,089	\$ 958,223
Other accrued liabilities	90	-	147	-	-
Deposits	-	210	210	11,329	210
Total liabilities	<u>371,111</u>	<u>1,231,499</u>	<u>1,126,981</u>	<u>1,448,418</u>	<u>958,433</u>
DEFERRED INFLOWS OF RESOURCES ⁽¹⁾					
Unavailable revenue	1,445,169	798,109	785,392	758,142	765,467
Total deferred inflows of resources	<u>1,445,169</u>	<u>798,109</u>	<u>785,392</u>	<u>758,142</u>	<u>765,467</u>
FUND BALANCES					
Unassigned	26,554,424	22,857,805	19,421,845	27,750,396	36,841,001
Total fund balances	<u>26,554,424</u>	<u>22,857,805</u>	<u>19,421,845</u>	<u>27,750,396</u>	<u>36,841,001</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 28,370,704</u>	<u>\$ 24,887,413</u>	<u>\$ 21,334,218</u>	<u>\$ 29,956,956</u>	<u>\$ 38,564,901</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, 2022

	2018	2019	2020	2021	2022
Revenues					
Taxes	\$ 36,316,588	\$ 39,422,284	\$ 38,141,211	\$ 42,312,872	\$ 45,479,874
Licenses and permits	420,372	429,794	512,243	471,790	473,841
Intergovernmental revenues	11,154,782	11,249,913	10,512,297	13,559,200	11,010,147
Charges for services	399,666	430,599	4,604,117	6,116,524	8,298,509
License fees	10,380,166	10,641,085	11,180,201	14,812,890	18,020,274
Miscellaneous revenues	427,531	933,633	997,084	413,024	257,234
Internal service charges	944,378	518,052	415,127	490,204	552,082
Total revenues	<u>60,043,483</u>	<u>63,625,360</u>	<u>66,362,280</u>	<u>78,176,504</u>	<u>84,091,961</u>
Expenditures					
Public safety	49,862,005	55,553,564	59,955,541	61,569,784	67,413,474
Community development	1,205,897	788,436	614,006	542,251	696,243
Economic development services	665,351	753,124	693,741	686,621	655,578
Parks ⁽²⁾	2,356,032	2,778,617	2,786,119	2,648,792	3,333,383
Capital Outlay	-	-	-	-	254,025
Total expenditures	<u>54,089,285</u>	<u>59,873,741</u>	<u>64,049,407</u>	<u>65,447,448</u>	<u>72,352,703</u>
Excess of revenues over (under) expenditures	<u>5,954,198</u>	<u>3,751,619</u>	<u>2,312,873</u>	<u>12,729,056</u>	<u>11,739,258</u>
Other financing sources (uses)					
Issuance of debt	1,275,000	-	-	-	-
Operating transfers in	75,000	75,000	75,000	1,219,000	1,775,000
Operating transfers out	(7,313,342)	(7,523,238)	(5,892,912)	(5,619,505)	(4,865,660)
Lease proceeds	-	-	-	-	254,025
Proceeds from sale of assets	-	-	-	-	187,982
	<u>(5,963,342)</u>	<u>(7,448,238)</u>	<u>(5,817,912)</u>	<u>(4,400,505)</u>	<u>(2,648,653)</u>
Fund balances					
Beginning of year	<u>26,563,568</u>	<u>26,554,424</u>	<u>22,926,884 ⁽²⁾</u>	<u>19,421,845 ⁽²⁾</u>	<u>27,750,396</u>
End of year	<u>\$ 26,554,424</u>	<u>\$ 22,857,805</u>	<u>\$ 19,421,845</u>	<u>\$ 27,750,396</u>	<u>\$ 36,841,001</u>

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

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

	2018	2019	2020	2021	2022
Gross Revenues					
Charges for services	\$ 8,273,632	\$ 8,881,364	\$ 10,163,022	\$ 10,674,046	\$ 11,499,693
Net operating transfers included for coverage	153,050	578,101	925,583	1,275,083	1,636,800
Other revenues	3,702	579	3,942	13,605	4,547
Interest earnings	172,517	545,305	975,447	115,356	-
Total Gross Revenues	<u>8,602,901</u>	<u>10,005,349</u>	<u>12,067,994</u>	<u>12,078,090</u>	<u>13,141,040</u>
Operating Expenses					
Environmental services	6,029,523	6,020,405	7,305,529	6,211,954	7,251,396
Total Operating Expenses	<u>6,029,523</u>	<u>6,020,405</u>	<u>7,305,529</u>	<u>6,211,954</u>	<u>7,251,396</u>
Net Coverage Revenues	\$ 2,573,378	\$ 3,984,944	\$ 4,762,465	\$ 5,866,136	\$ 5,889,644
Debt Service ⁽¹⁾	\$ 881,002	\$ 824,291	\$ 823,807	\$ 822,148	\$ 267,139
Debt Service Coverage	2.92	4.83	5.78	7.14	22.05

(1) - 2006 Stormwater refunding paid off in FY 21

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

	2018	2019	2020	2021	2022
Gross Revenues					
Charges for services	\$ 18,205,479	\$ 18,395,517	\$ 19,840,820	\$ 20,440,781	\$ 21,341,818
Net operating transfers included for coverage	490,613	1,238,789	229,941	(391,960)	7,084,422
Other revenues	268,189	665,741	34,243	14,299	7,190
Interest earnings	448,781	1,744,384	1,996,101	351,243	-
Total Gross Revenues	<u>19,413,062</u>	<u>22,044,431</u>	<u>22,101,105</u>	<u>20,414,363</u>	<u>28,433,430</u>
Operating Expenses					
Environmental services	13,760,576	14,338,727	15,253,924	12,046,116	14,650,502
Total Operating Expenses	<u>13,760,576</u>	<u>14,338,727</u>	<u>15,253,924</u>	<u>12,046,116</u>	<u>14,650,502</u>
Net Coverage Revenues	\$ 5,652,486	\$ 7,705,704	\$ 6,847,181	\$ 8,368,247	\$ 13,782,928
Debt Service ⁽²⁾	\$ 2,637,452	\$ 2,631,698	\$ 2,623,070	\$ 2,600,544	\$ 868,135
Debt Service Coverage	2.14	2.93	2.61	3.22	15.88

(2)-2009 Wastewater refunding paid off in FY 21

ANNUAL DISCLOSURE INFORMATION FOR WATER OBLIGATIONS

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

Water Revenue Bonds⁽¹⁾			
Projected Debt Service Requirements			
Fiscal Year	2021 Water Revenue Bonds		Total Debt Service
	Principal	Interest	
2023		1,047,112	1,047,112
2024		1,047,112	1,047,112
2025		1,047,112	1,047,112
2026		1,047,112	1,047,112
2027		1,047,112	1,047,112
2028		1,047,112	1,047,112
2029	\$ 1,545,000	1,047,112	2,592,112
2030	1,625,000	969,862	2,594,862
2031	1,705,000	888,612	2,593,612
2032	1,790,000	803,362	2,593,362
2033	1,860,000	731,762	2,591,762
2034	1,900,000	694,562	2,594,562
2035	1,935,000	656,563	2,591,563
2036	1,975,000	617,863	2,592,863
2037	2,015,000	578,363	2,593,363
2038	2,055,000	538,063	2,593,063
2039	2,095,000	496,963	2,591,963
2040	2,140,000	455,063	2,595,063
2041	2,180,000	412,263	2,592,263
2042	2,225,000	368,663	2,593,663
2043	2,275,000	321,381	2,596,381
2044	2,320,000	273,038	2,593,038
2045	2,375,000	220,838	2,595,838
2046	2,425,000	167,400	2,592,400
2047	2,480,000	112,838	2,592,838
2048	2,535,000	57,038	2,592,038
	\$ 41,455,000	\$ 16,694,281	\$ 58,149,281

(1) At the time they were issued, the 2021 Bonds were the only issue outstanding secured by a pledge of Net Revenues. The City uses Net Revenues to pay debt service on a portion of its Full Faith and Credit Obligations, Series 2015, however Net Revenues are not pledged to repay the issue.

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

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

Account Type	2018	2019	2020	2021	2022
Residential (Includes Multi-Family and Other)	16,212	16,415	16,637	16,678	16,812
Business and Industrial	700	722	728	731	546
Public Entities ⁽¹⁾	129	128	129	126	77
Wholesale	1	1	1	1	1
Total	17,042	17,266	17,495	17,536	17,436

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

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

**Major Water Accounts
(Fiscal Year 2022)**

Name	Description	in Hundred Cubic Feet (CCF)	Percent of Total Consumption	Total Annual Charges	Percent of Total Charges
OnSemi Conductor	Industrial	411,703	16.29%	1,292,442	7.86%
Kempton Downs	Apartment Complex	24,611	0.97%	83,388	0.51%
Berry Ridge	Apartment Complex	18,665	0.74%	65,519	0.40%
Lumina	Apartment Complex	18,613	0.74%	68,128	0.41%
Heatherwood	Apartment Complex	14,677	0.58%	51,164	0.31%
Parkside	Apartment Complex	14,609	0.58%	52,310	0.32%
Aspen Highland	Apartment Complex	14,608	0.58%	47,892	0.29%
Townfair Terrace	Apartment Complex	14,521	0.57%	56,751	0.35%
Highland Park	Apartment Complex	13,955	0.55%	44,312	0.27%
Element Six Tech	Apartment Complex	13,830	0.55%	43,932	0.27%
Total Top 10		559,792	22.15%	\$ 1,805,838	10.99%
Totals		2,527,760		\$ 16,439,100	

Historical Net Revenues and Debt Service Coverage

Water Fund

(Fiscal Years)

	2018	2019	2020	2021	2022
Gross Revenues					
Intergovernmental revenues	\$ 86,615	\$ 85,671	\$ 87,377	\$ 164,477	\$ 130,354
Charges for services	13,999,232	14,440,181	14,634,548	16,082,123	16,439,100
Interest Income	339,779	496,830	595,143	466,285	367,958
Miscellaneous income	244,150	397,912	483,630	317,781	584,781
Internal service charges	374,015	628,679	605,461	952,871	841,169
System Development Charges	805,534	941,488	972,132	398,632	1,015,805
Total Gross Revenues	<u>15,849,325</u>	<u>16,990,761</u>	<u>17,378,291</u>	<u>18,382,169</u>	<u>19,379,167</u>
Operating Expenses					
Operation, Maintenance & Replacements	10,442,300	10,554,562	11,468,252	11,694,721	11,945,068
Transfers to other funds	427,650	483,798	686,448	791,583	696,725
Total Operating Expenses	<u>10,869,950</u>	<u>11,038,360</u>	<u>12,154,700</u>	<u>12,486,304</u>	<u>12,641,793</u>
Net Revenues	\$ 4,979,375	\$ 5,952,401	\$ 5,223,591	\$ 5,895,865	\$ 6,737,374
Coverage Revenues (no SDC's)	4,173,841	5,010,913	4,251,459	5,497,233	5,721,569
Debt Service & Coverage:					
Debt Service	\$ 158,712	\$ 158,712	\$ 158,712	\$ 158,712	\$ 442,114
Debt Service Coverage with Net Revenues ⁽¹⁾	31.37	37.50	32.91	37.15	15.24
Debt Service Coverage with Coverage Revenues ⁽¹⁾	26.30	31.57	26.79	34.64	12.94

(1) The 2021 Water Revenue Bond requires a rate covenant of 1.25 for Net Revenues and 1.15 for Coverage Revenues