



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023

CITY OF GRESHAM OREGON

CITY OF GRESHAM, OREGON

ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Fiscal Year Ended June 30, 2023

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, 2023**

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CITY OF
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December 29, 2023

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, 2023. 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 117,107, 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. The City Manager 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 twelve departments: Police, Fire & Emergency Services, Community Services, Economic & Development Services, Urban Design & Planning, Environmental Services, Parks, Budget & Finance, Information Technology, Citywide Services, City Manager’s Office 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. In May 2022, voters approved extending the Area until 2029, providing six additional years for projects. 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. The local economy has rebounded from the worst of the pandemic impact. However, labor shortages and inflation are working to temper growth. In addition to being a concern for local economic growth, inflationary increases impact the City directly, as many City contracts, including labor union contracts, have built in inflation adjustments. Inflationary growth has been slowing over the last year. The CPI-W, rose 2.0% over the first six months of calendar year 2023, while the twelve-month CPI-W was 3.1% as of October 2023.

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.

Employment growth is on track to continue adding jobs during this year but the growth rate is slowing. Unemployment rates continue to decline. The Oregon unemployment rate has fallen to 3.3% and resulting tightness in labor markets may hamper future job gains.

Increasing interest rates over the last year have slowed the real estate market and new construction. This trend is expected to continue in the short term.

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 trends related to the construction industry are analyzed.

The 2024 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. The City increased and/or modified utility license fees, most recently in 2020, to provide additional revenues to the General Fund. In October 2020, Council also approved a temporary increase to the Police, Fire and Parks Fee, which is charged to household, business and industrial customers to supplement public safety and parks funding. The temporary increase of \$7.50 per month generates \$3.8 million per year. This temporary measure has been further extended through fiscal year 2024 to allow the City to align financial sustainability long term planning efforts with a strategic planning process led by City Council. To this end, in September 2022, Council adopted a Financial Road Map that provides a three year plan for General Fund resources.

Actions to sustain funding for services outside of the General Fund have also been implemented. In September 2021, Council approved a five-year utility rate package to support infrastructure development, maintenance and operations. Building and development related fees were also updated to address inflationary cost increases. 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 2024 Action Plan gives each critical priority a list of projects or actions.

Significant projects in the 2024 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 needs 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 43rd 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, 2022. 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, 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 2026
Councilors:	Dina DiNucci Dina.DiNucci@GreshamOregon.gov	1	December 2024
	Eddy Morales Eddy.Morales@GreshamOregon.gov	2	December 2026
	Vincent Jones-Dixon Vincent.JonesDixon@GreshamOregon.gov	3	December 2024
	Jerry Hinton Jerry.Hinton@GreshamOregon.gov	4	December 2026
	Sue Piazza Sue.Piazza@GreshamOregon.gov	5	December 2024
	Janine Gladfelter Janine.Gladfelter@GreshamOregon.gov	6	December 2026

Principal Officials:

- Nina Vetter, City Manager**
- Eric Schmidt, Assistant City Manager
- Elizabeth Coffey, Assistant City Manager
- Steve Fancher, Assistant City Manager
- Ashley Miller, Urban Design & Planning Director
- Pat Hartley, Information Technology Director
- Scott Lewis, Fire Chief
- Sharron Monohon, Director of Budget & Finance
- Michelle Cole, Human Resources Director
- Kevin McConnell, City Attorney
- Travis Gullberg, Police Chief
- Shannon Stadey, Economic Development Services Director
- Brian Monberg, Director of Urban Renewal

Officials noted are as of June 30, 2023.

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 Jerry Hinton



Councilor Dina DiNucci

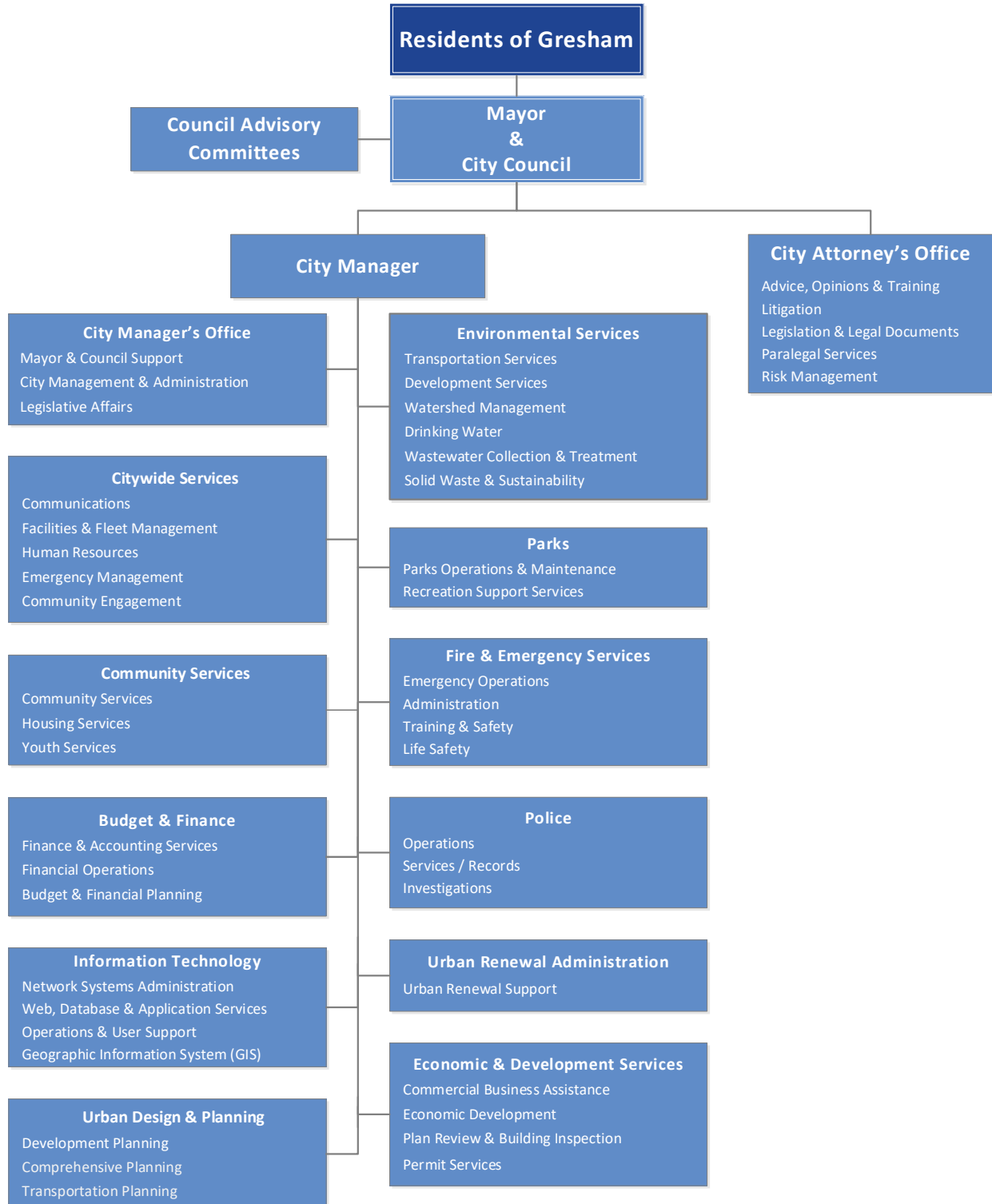


Councilor Sue Piazza



City Manager Nina Vetter

City of Gresham, Oregon Departments and Programs Year Ended June 30, 2023





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, 2022

Christopher P. Morill

Executive Director/CEO

CITY OF
GRESHAM
GOING BEYOND

INDEPENDENT AUDITOR'S REPORT



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

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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, 2023, 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, 2023, 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 29, 2023, 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 29, 2023 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 29, 2023

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CITY OF GRESHAM, OREGON MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

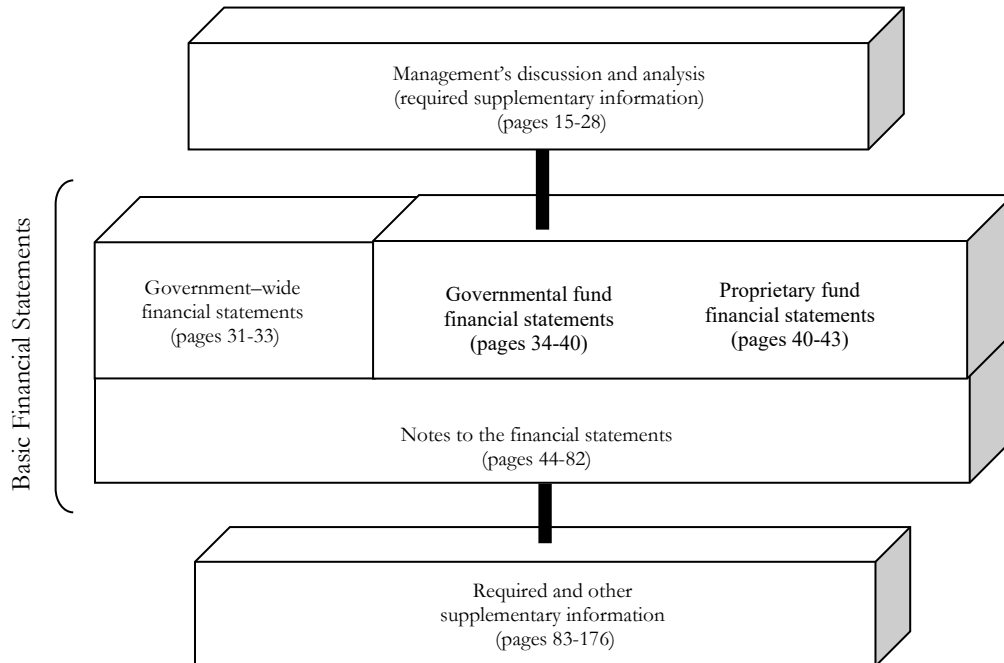
- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$1,069.7 million (net position). Of this amount, \$119.9 million in unrestricted net position (primarily intended for utility infrastructure replacement) may be used to meet the City's ongoing obligations to citizens and creditors.
- On a government-wide basis, the City's deferred outflows of resources increased by \$10.8 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 \$64.8 million. Governmental activities showed an increase of \$35.4 million, primarily the result of increased grants and contribution, taxes, franchise and license fees, and investment earnings, and \$6.8 million decreased transfers out to business type activities. Business-type activities net position increased by \$29.4 million due to increased volumes and containing costs and resources received during the year through an agreement with a major industrial customer, which will be used on a series of capital improvements to the City's wastewater treatment plant.
- On a fund basis, the City's governmental funds reported combined ending fund balances of \$143.0 million, a \$2.4 million decrease from the prior year primarily due to repayment of outstanding debt, offset by increased taxes and shared intergovernmental revenues while continuing to maintain service levels and contain costs.
- At year-end, the unassigned fund balance for the General Fund was \$40.8 million or 50.0% of General Fund operating expenditures during the year. The fund balance for the General Fund includes amounts due from other funds. The ratio is down from 50.9% in the prior year.
- Long term liabilities in the City increased by \$18.6 million primarily due to increases in net pension liability, offset by debt repayment. Long term liability levels in the City increased by \$17.3 million for governmental activities and increased by \$1.2 million for business-type activities. Increases include a \$26.2 million increase in the Net Pension Liability as well as increases in compensated absences and the OPEB liability, offset by regularly scheduled debt payments.

OVERVIEW OF THE FINANCIAL STATEMENTS

Report Layout

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

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



Government-wide Financial Statements

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

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

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

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

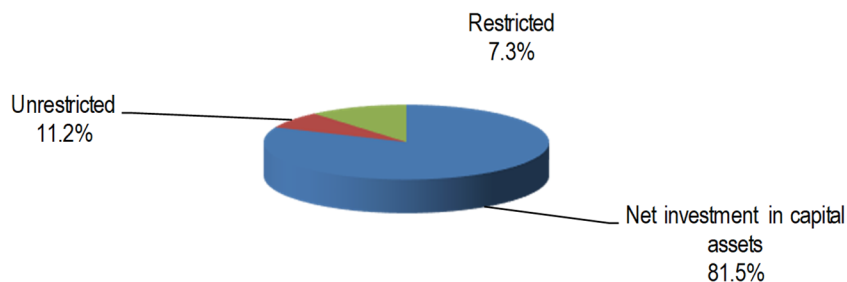
CITY OF GRESHAM, OREGON

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:

City of Gresham, Oregon Summary of the Statements of Net Position (in millions)						
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
ASSETS						
Current and other assets	\$ 228.6	\$ 218.7	\$ 167.4	\$ 158.0	\$ 396.0	\$ 376.7
Capital assets	651.1	642.2	281.9	261.7	933.0	903.9
Total assets	879.7	860.9	449.3	419.7	1,329.0	1,280.6
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflow related to pension/OPEB	36.9	41.7	8.6	7.2	45.5	48.9
LIABILITIES						
Current and other liabilities	44.8	55.6	7.7	6.5	52.5	62.1
Long-term liabilities	144.0	126.7	65.8	64.5	209.8	191.2
Total liabilities	188.8	182.3	73.5	71.0	262.3	253.3
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions/OPEB	33.1	61.0	9.4	10.4	42.5	71.4
NET POSITION						
Net investment in capital assets	619.3	594.9	252.0	206.2	871.3	801.1
Restricted	76.1	87.9	2.4	1.9	78.5	89.8
Unrestricted	(0.7)	(23.5)	120.6	137.5	119.9	114.0
Total net position	\$ 694.7	\$ 659.3	\$ 375.0	\$ 345.6	\$ 1,069.7	\$ 1,004.9

**Net Position
June 30, 2023**



The City ended the year with \$1,069.7 million in total net position. Approximately 81.5% 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 7.3% 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 11.2% 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 increases in capital assets with less related debt outstanding, as well as changes in pension related deferred inflows and outflows offsetting the increased pension liability. A more detailed analysis of both governmental and business-type net position follows.

Governmental Activities. Total net position of governmental activities increased 5.4% or \$35.4 million. Current and other assets (primarily cash and investments) increased by \$9.9 million. The increase in working capital is primarily a result of the receipt of the second payment of funds from the American Rescue Plan Act.

The City added \$26.2 million in governmental capital assets during the year. However, this was offset by depreciation of \$17.3 million of which, depreciation on infrastructure comprised \$12.7 million. The net effect to capital assets is an increase of \$8.9 million. See the notes to the financial statements for more detailed information on capital assets.

Current liabilities decreased by \$10.8 million primarily due to reduced balances in bonds and notes payable due within one year, offset by smaller increases in accounts payable and accrued claims payable. Long term liabilities increased by \$17.3 million primarily due to the \$24.0 million increase in the actuarial determined net pension liability. Long-term debt balances were reduced by scheduled 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 7.8% or \$29.4 million. Current and other assets increased by \$9.4 million. This change was primarily due to increased cash balances related to cash received during the year through an agreement with a major industrial customer, which will be used on a series of capital improvements to the City's wastewater treatment plant.

Business-type activities added \$31.6 million in capital assets. As discussed in the Capital Asset section, this investment was primarily for utility infrastructure with some equipment purchases. Depreciation on utility systems capital assets was \$11.4 million for the year. The net effect of capital asset activity was an increase of \$20.2 million and reflects business type activities adding new infrastructure in addition to replacement of existing depreciated infrastructure.

Long-term liabilities of business-type activities increased by a net \$1.2 million primarily due to changes in the net pension liability offset by a decrease in bonds and notes payable. The City made all scheduled debt service payments. Current and other liabilities increased by \$1.3 million primarily due to unearned revenues related to the agreement noted above with a major industrial customer.

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

REVENUES	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Program Revenues:						
Charges for services	\$ 38.6	\$ 43.2	\$ 63.3	\$ 49.3	\$ 101.9	\$ 92.5
Operating grants and contributions	35.3	32.2	-	-	35.3	32.2
Capital grants and contributions	9.7	7.1	13.1	1.2	22.8	8.3
General Revenues:						
Property taxes	41.3	39.3	-	-	41.3	39.3
Franchise and license fees	23.3	20.9	-	-	23.3	20.9
Business income taxes	10.8	10.9	-	-	10.8	10.9
Other taxes	2.0	1.9	-	-	2.0	1.9
Gain on sale of capital assets	-	0.2	-	-	-	0.2
Unrestricted grants and contributions	4.2	3.8	-	-	4.2	3.8
Unrestricted interest and investment earnings	3.9	-	2.6	-	6.5	-
Total revenues	169.1	159.5	79.0	50.5	248.1	210.0
EXPENSES						
General government	3.4	6.9	-	-	3.4	6.9
Public safety	75.7	67.3	-	-	75.7	67.3
Transportation	22.6	21.9	-	-	22.6	21.9
Urban design and planning	3.4	3.4	-	-	3.4	3.4
Economic, development, & housing services	5.3	9.0	-	-	5.3	9.0
Parks operation	4.8	3.4	-	-	4.8	3.4
Environmental services	4.8	6.1	-	-	4.8	6.1
Community Livability	8.2	0.6	-	-	8.2	0.6
Urban renewal	3.0	5.3	-	-	3.0	5.3
Interest on long-term debt	1.9	2.0	-	-	1.9	2.0
Water	-	-	16.3	17.6	16.3	17.6
Stormwater	-	-	11.1	10.8	11.1	10.8
Wastewater	-	-	22.8	22.1	22.8	22.1
Total expenses	133.1	125.9	50.2	50.5	183.3	176.4
Excess (deficit) before transfers	36.0	33.6	28.8	-	64.8	33.6
Transfers, Net	(0.6)	(7.4)	0.6	7.4	-	-
Change in net position	35.4	26.2	29.4	7.4	64.8	33.6
Net position - beginning	659.3	633.1	345.6	338.2	1,004.9	971.3
Net position - ending	\$ 694.7	\$ 659.3	\$ 375.0	\$ 345.6	\$ 1,069.7	\$ 1,004.9

The City-wide net position increased by \$64.8 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 \$35.4 million as a result of operations and transfers. Revenues increased by \$9.6 million, primarily related to higher interest earnings, increased operating and capital grants across multiple functions and higher property taxes and franchise fees, offset by reduced charges for services related to system development charges. Expenses increased by \$7.2 million, with overall increases primarily in public safety and community livability, and higher pension expense of \$1.7 across multiple functions, most notably public safety. Some year-to-year changes are the result of organizational restructuring, especially between Economic, development and housing services and Community livability.

MANAGEMENT'S DISCUSSION & ANALYSIS

Unrestricted net position decreased by \$1.9 million to a deficit of \$25.4 million while net position invested in capital assets increased by \$49.1 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 2023 property tax revenue increased by 5.1%.

Franchise and license fees increased 11.5% or \$2.4 million, with most of the increase coming from the electrical, natural gas and water utility license fees. Increases in underlying utility rates and use, as well as increased license rates resulted in these higher license fees.

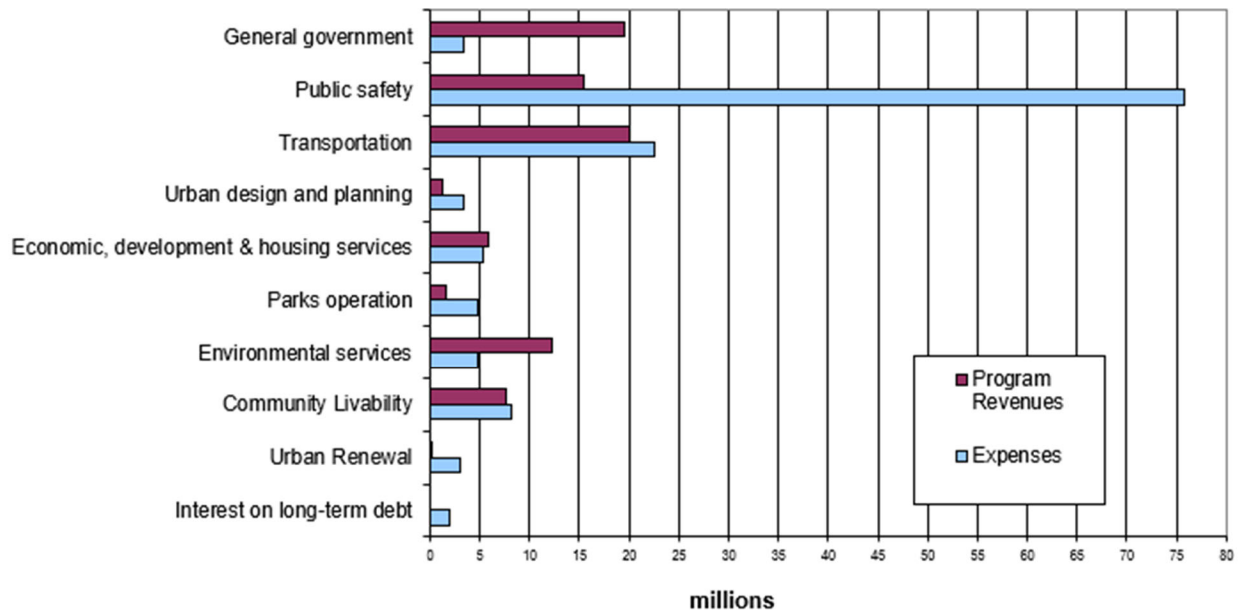
Unrestricted interest and investment earnings increased by \$3.9 million over the prior year, a result of higher cash balances available for investment as well as a significantly improved rate environment.

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 \$2.7 million net loss for Transportation. It should be noted that maintenance and future replacement costs of transportation assets are only partially reflected in annual depreciation. Capital assets are depreciated based on historical (original) cost; current maintenance and replacement costs are much higher.

Environmental services charges for services revenues include system development charges, which decreased by 53.8% or \$4.0 million in 2023 as several development projects were taking place in the prior year 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 \$3.2 million of these resources were transferred to business-type activities for the construction of utility capital assets and debt service. New system development revenues from housing and commercial development were higher than expenses for infrastructure construction. As a result, net position restricted for system development increased by \$2.6 million.

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

FY 2023 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. General government revenues also include the City’s allocation of American Rescue Plan Act received during the year, though much of this will ultimately be used to support programs in other functions as Council approves specific projects. 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 55% (down from 58% in 2022) 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.

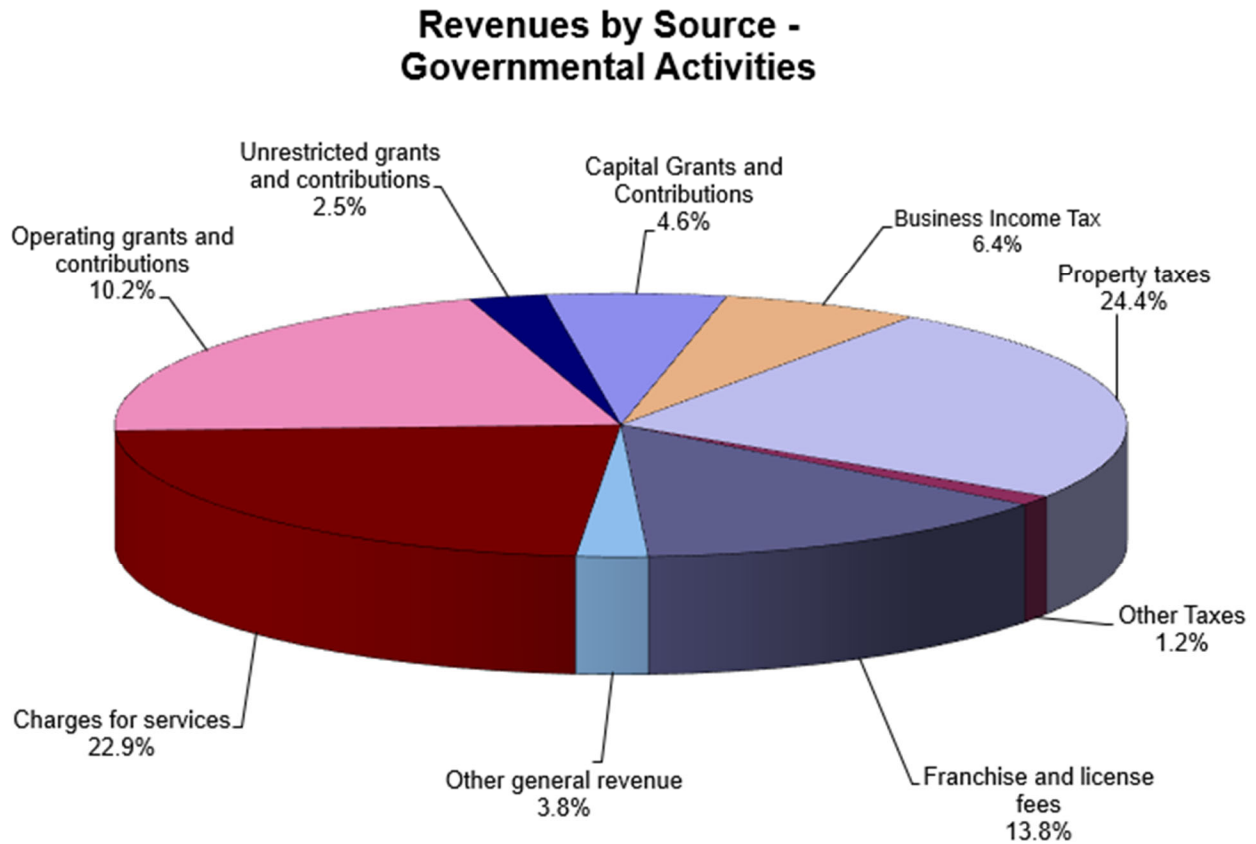
Community livability services functions include code compliance, homeless services, community revitalization and mediation services. Activities are primarily funded with Federal Housing and Urban Development Department grant revenues, code compliance penalties and rental housing inspection fees, and other grants.

Economic, development and housing services provide a variety of growth and development services. Activities are funded with charges for building permits, development planning and inspection fees, and other grants, 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 \$29.5 million during the fiscal year. Utility payments and service fees of \$63.4 million were higher than direct expenses for water, stormwater, and wastewater of \$50.2 million. Capital grants and contributions of \$13.1 million consist primarily of easements and developer contributed capital assets.

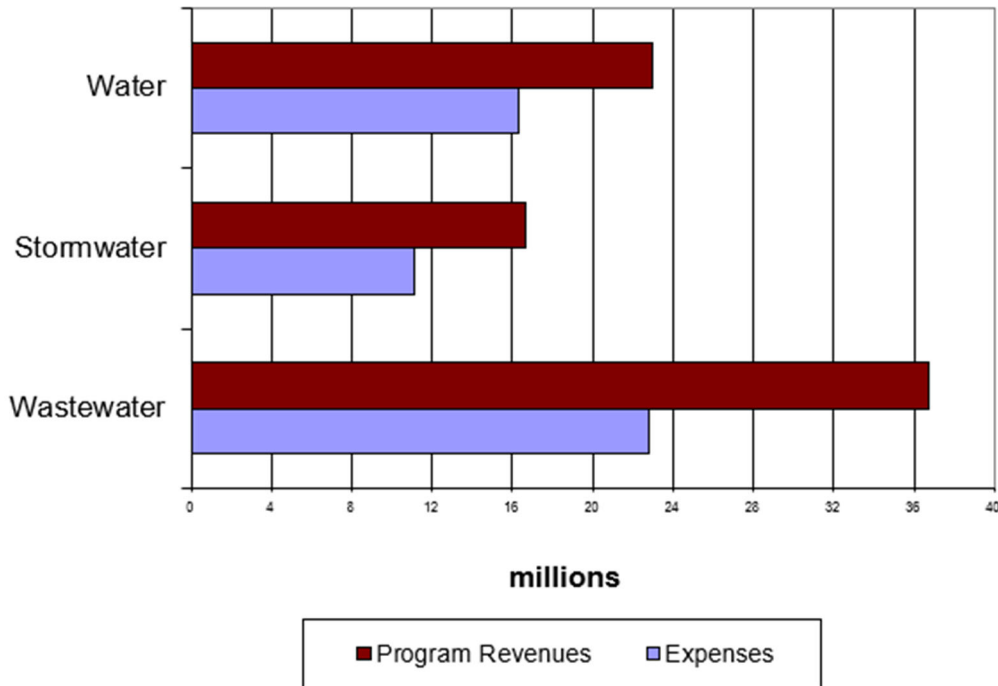
Business-type activities received \$3.2 million in transfers from system development charge resources reported as governmental activities. The funds were used for a variety of capacity increasing purposes and for the payment of debt.

Unrestricted investment earnings of \$2.6 million were recorded for business-type activities. The City has not relied on investment earnings to fund operations, however, earnings on reserves help fund future utility infrastructure projects.

CITY OF GRESHAM, OREGON

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

FY 2023 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 \$143.0 million, of which \$105.3 million (74%) was in the major funds. Fund balances of all governmental funds decreased by \$2.4 million from the prior year. This is the net result of changes in a variety of funds including the use of accumulated tax increment revenues to pay off outstanding debt in the GRDC-Rockwood Debt Service Fund, offset by increases in taxes and shared intergovernmental revenues, 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 \$40.8 million, an increase of \$3.9 million from prior year. Revenues increased by \$4.4 million while expenditures increased by \$9.2 million. Total tax revenues in the general fund increased by 3.7% from the prior year. Property tax receipts increased 5.0% or \$1.6 million. Business Income Tax (BIT) decreased \$0.2 million or 1.7%. State-shared intergovernmental revenues had increases in State revenue sharing and shared revenue for liquor taxes totaling \$400 thousand or 10.6%.

The Designated Purpose Fund had an ending balance of \$9.8 million, an increase of \$3.0 million over last year. Revenues increased \$3.2 million as expenditures increased \$0.7 million, with increased State grant revenues related to housing insecurity and gang outreach and intervention.

The System Development Charges Fund is statutorily required and accounts for transportation, park, water, stormwater, and wastewater system connection impact charges. The ending balance in this fund increased by \$2.0 million to \$20.3 million. About \$8.0 million in system development charges (SDC) and related interest were collected during the year while the fund transferred \$6.1 million to construction funds for infrastructure development. SDC charges decreased primarily due to some significant multi-family development projects completed in the prior year, while transfers out decreased based on related capital project activity.

The Transportation Fund ending balance decreased \$727 thousand. \$8.9 million in gas tax revenue was received during the year to provide for road maintenance, which is a \$0.1 million decrease from the prior year. Gas tax revenue is determined by statewide fuel tax revenue collections. An intergovernmental agreement with Multnomah County for maintenance of roads provided \$5.0 million of revenue, an increase of \$0.3 million over the prior year. Transfers out of \$10.1 million included \$3.8 million provided to the Transportation Construction Fund for capital improvement projects.

The GRDC - Rockwood Debt Service Fund had an ending balance of \$224 thousand. 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 \$150 thousand to \$6.8 million in 2023. Final payments on several Area debt issuances were paid in 2023, using accumulated tax increment from prior years.

Net position for the enterprise funds increased by \$29.4 million. The Water Fund, Stormwater Fund and Wastewater fund reported operating income of \$5.0 million, \$1.4 million and \$0.2 million respectively. The result of operations for the enterprise funds was net operating income of \$6.6 million. Changes in OPEB and pension funded status impact operating expenses in enterprise funds. Net position in utility funds is accumulated over time for replacement of infrastructure in addition to operations.

Combined transfers in for the utility funds were \$3.2 million, which were offset by transfers out of \$2.6 million, resulting in a net transfer into the utility funds of \$0.6 million. Transfers out consisted primarily of payments for central city services and permits while transfers in consisted of monies from the System Development Charges Fund. The transfer proceeds were used to acquire capital assets and repay outstanding debt, and so contributed significantly to the improved net positions of the funds.

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

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 \$5.1 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 investment earnings.

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, Community Livability, Parks, and Economic, Development and Housing Services were kept under budget by \$3.1 million, \$242 thousand, \$185 thousand, and \$368 thousand respectively. Fire and Emergency Services expenditures were at budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of year-end, the City had \$933 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 \$29.3 million from last year.

Governmental activities' capital assets increased by a net \$26.7 million before depreciation. This was primarily attributed to the work on street surfacing improvements, full pavement reconstruction on local streets, intersection improvements, pedestrian safety enhancements and improvement, completion of Sandy Boulevard street improvements, as well seismic retrofit of the Highland Drive and Airport Way bridge. 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 \$17.7 million.

Business-type activities' assets increased by a net \$31.6 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 improvements of secondary digester, development and construction of groundwater system, along with local street reconstruction coordination project, as well as the replacement of Gabbert Hill pipelines, enhancing the capacity of the water lines, and re-construction of stormwater facilities, comprised most of the increase. Private developer contributions and replacement of aging machinery and equipment also contributed to the increase in assets. Depreciation on business-type assets was \$11.7 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			
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Notes Payable & Other Long-term Debt	\$ 40.7	\$ 63.5	\$ 10.8	\$ 11.6	\$ 51.5	\$ 75.1
Revenue Bonds	-	-	41.5	41.5	41.5	41.5
Total	<u>\$ 40.7</u>	<u>\$ 63.5</u>	<u>\$ 52.3</u>	<u>\$ 53.1</u>	<u>\$ 93.0</u>	<u>\$ 116.6</u>

As of year-end, the City had \$93 million in bonds and notes outstanding. Of that amount, \$8.8 million is considered due within one year. Bonds and notes payable decreased by \$23.6 million due to \$26.6 million in payments and \$3 million in new issuance.

Long term debt from governmental activities decreased by \$22.8 million. During the year, the City made all regularly schedule payments which includes the payoff of Gresham’s Urban Renewal debt.

Business-type activities debt decreased by \$0.8 million due to regularly scheduled payments. There were no new issuances this fiscal year.

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. 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 2022/23 Gresham’s total assessed value was \$10,288,096,900, a 5.4% 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 \$17.4 million in federal program funds of which \$2.0 million of Department of Transportation grants were used for infrastructure. \$2.5 million of funding was received from HUD of which \$1.5 was passed through to sub-recipients. \$3.3 million was spent in Coronavirus State and Local Fiscal Recovery Funds from the Department of the Treasury. \$9.1 million

is spending on projects to be funded by a Water Infrastructure Finance and Innovation (WIFIA) loan from the Environmental Protection Agency.

- 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 2024. The new expiration date of the temporary increase is June 30, 2024.
- Major capital projects budgeted for 2023-24 include: \$34.1 million for wastewater services including treatment plant upgrade of existing facilities and utilities such as control system improvements, upper plant nitrification improvement and gravity belt thickener refurbishment, belt press replacement, disinfection equipment improvements, outfall diffuser improvements, ongoing systematic sanitary sewer pipeline rehabilitation, maintenance and expansion, including seismic upgrades to sewer line crossing over Johnson Creek; \$82.3 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; \$36.3 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, enhancement of pedestrian and bicycle facilities on Division street Corridor, Hogan-Powell to Burnside as well as NE Cleveland (Stark – Burnside), pedestrian safety enhancements on 181st avenue which include pedestrian-activated crossing signals and implementation of missing sidewalk links; \$16.2 million for park projects including design and construction of additional softball or soccer fields at Gradin Sports Park, design and construction of park or trail improvements and amenities associated with Metro Local Share Park project, construction of multi-sport surfaces and renovation of various basketball surfaces using ARPA funds, \$9.5 million for stormwater projects including repair and new construction to replace deficient stormwater system to eliminate flooding; and \$6.4 million for urban renewal projects such as construction of Catalyst site/Downtown Rockwood and Rockwood Urban Plaza, development of Sunrise site and various property acquisitions 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, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 215,441,880	\$ 148,423,969	\$ 363,865,849
Property taxes receivable	1,074,296	-	1,074,296
Receivables, net	15,713,132	9,069,808	24,782,940
Internal balances	(6,899,878)	6,899,878	-
Other assets	1,041,096	747,920	1,789,016
Net OPEB asset	1,316,343	-	1,316,343
Restricted cash and investments	860,851	2,294,917	3,155,768
Capital assets:			
Non-depreciable	498,665,066	40,843,096	539,508,162
Depreciable, net	152,461,963	241,089,293	393,551,256
Total assets	<u>879,674,749</u>	<u>449,368,881</u>	<u>1,329,043,630</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to pension	35,327,874	8,412,631	43,740,505
Related to OPEB	1,529,392	141,746	1,671,138
Total deferred outflows of resources	<u>36,857,266</u>	<u>8,554,377</u>	<u>45,411,643</u>
LIABILITIES			
Accounts payable	9,614,814	3,642,648	13,257,462
Deposits	2,656,746	728,199	3,384,945
Accrued interest payable	209,328	135,845	345,173
Accrued claims payable	6,158,295	-	6,158,295
Other accrued liabilities	1,857,080	91,386	1,948,466
Unearned revenue	13,987,770	2,000,000	15,987,770
Long-term liabilities:			
Due within one year			
Bonds and notes payable	7,979,064	1,002,044	8,981,108
Lease payable	336,652	-	336,652
SBITA payable	522,347	-	522,347
Compensated absences	1,479,100	200,700	1,679,800
Due in more than one year			
Bonds and notes payable	32,827,217	53,569,326	86,396,543
Lease payable	288,666	-	288,666
SBITA payable	396,501	-	396,501
Compensated absences	8,381,000	1,137,100	9,518,100
Net pension liability	92,814,908	10,387,647	103,202,555
Total OPEB liability	9,308,943	566,348	9,875,291
Total liabilities	<u>188,818,431</u>	<u>73,461,243</u>	<u>262,279,674</u>
DEFERRED INFLOWS OF RESOURCES			
Related to pension	32,099,420	9,036,853	41,136,273
Related to OPEB	940,937	412,895	1,353,832
Total deferred inflows of resources	<u>33,040,357</u>	<u>9,449,748</u>	<u>42,490,105</u>
NET POSITION			
Net investment in capital assets	619,307,352	252,051,858	871,359,210
Restricted for:			
Transportation system construction and maintenance	39,164,798	-	39,164,798
System development	20,252,373	-	20,252,373
Building development review and inspection	8,761,266	-	8,761,266
Utility and public facilities construction	-	1,059,504	1,059,504
Loan covenant requirement	-	7,214	7,214
Urban renewal	6,656,816	-	6,656,816
Law enforcement equipment	34,053	-	34,053
Rate stabilization	-	500,000	500,000
Debt service	1,232,123	827,470	2,059,593
Unrestricted	(735,554)	120,566,221	119,830,667
Total net position	<u>\$ 694,673,227</u>	<u>\$ 375,012,267</u>	<u>\$ 1,069,685,494</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, 2023

Functions	Direct Expenses	Indirect Expenses Allocation	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:					
General government	\$ 47,943,207	\$ (44,592,599)	\$ 6,445,096	\$ 13,081,931	\$ -
Public safety	45,736,768	29,978,750	14,739,707	617,147	-
Urban renewal	2,986,170	-	67,911	5,685	46,795
Urban design and planning	2,082,601	1,337,834	1,186,322	30,000	8,990
Economic, development, & housing services	3,262,264	2,023,572	5,876,247	15,274	-
Community livability	5,049,925	3,152,030	882,726	6,731,196	-
Parks	2,914,128	1,830,625	65,752	-	1,580,594
Environmental services	2,849,663	1,967,561	9,109,367	878,773	2,299,173
Transportation	18,305,919	4,302,227	255,134	13,919,246	5,775,803
Interest on long-term debt	1,940,298	-	-	-	-
Total governmental activities	133,070,943	-	38,628,262	35,279,252	9,711,355
Business-type activities:					
Water	16,303,072	-	20,191,106	-	2,799,500
Stormwater	11,149,204	-	12,526,874	1,223	4,142,809
Wastewater	22,767,980	-	30,638,464	-	6,130,887
Total business-type activities	50,220,256	-	63,356,444	1,223	13,073,196
Total government	\$ 183,291,199	\$ -	\$ 101,984,706	\$ 35,280,475	\$ 22,784,551

General Revenues:

- Taxes:
 - Property taxes
 - Franchise and license fees
 - Business income taxes
 - Hotel and motel taxes
 - Other taxes
- Unrestricted grants and contributions
- Unrestricted interest and investment earnings
- Gain on sale of capital assets
- Transfers
 - Total general revenues and transfers
- Change in net position

Net position - beginning

Net position - ending

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

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

Governmental Activities	Business-type Activities	Total
\$ 16,176,419	\$ -	\$ 16,176,419
(60,358,664)	-	(60,358,664)
(2,865,779)	-	(2,865,779)
(2,195,123)	-	(2,195,123)
605,685	-	605,685
(588,033)	-	(588,033)
(3,098,407)	-	(3,098,407)
7,470,089	-	7,470,089
(2,657,963)	-	(2,657,963)
(1,940,298)	-	(1,940,298)
<u>(49,452,074)</u>	<u>-</u>	<u>(49,452,074)</u>
-	6,687,534	6,687,534
-	5,521,702	5,521,702
-	14,001,371	14,001,371
-	26,210,607	26,210,607
<u>\$ (49,452,074)</u>	<u>\$ 26,210,607</u>	<u>\$ (23,241,467)</u>
41,280,847	-	41,280,847
23,326,249	-	23,326,249
10,743,852	-	10,743,852
1,310,302	-	1,310,302
707,157	-	707,157
4,178,008	-	4,178,008
3,851,810	2,576,348	6,428,158
19,197	-	19,197
(592,593)	592,593	-
<u>84,824,829</u>	<u>3,168,941</u>	<u>87,993,770</u>
35,372,755	29,379,548	64,752,303
659,300,472	345,632,719	1,004,933,191
<u>\$ 694,673,227</u>	<u>\$ 375,012,267</u>	<u>\$ 1,069,685,494</u>

City of Gresham, Oregon
Balance Sheet
Governmental Funds
June 30, 2023

	General Fund	Designated Purpose Fund	System Development Charges Fund
ASSETS			
Cash and investments	\$ 25,097,166	\$ 28,666,988	\$ 30,188,822
Property taxes receivable, net	902,105	-	-
Receivables, net	5,792,970	1,386,016	395,639
Other assets	124,054	141,561	149,261
Due from other funds	10,708,394	-	-
Restricted cash and investments	-	117,798	-
Total assets	<u>\$ 42,624,689</u>	<u>\$ 30,312,363</u>	<u>\$ 30,733,722</u>
LIABILITIES			
Accounts payable	\$ 1,028,985	\$ 494,687	\$ -
Other accrued liabilities	-	2	-
Deposits	210	117,797	-
Unearned revenue	-	344,111	10,086,438
Due to other funds	-	-	-
Total liabilities	<u>1,029,195</u>	<u>956,597</u>	<u>10,086,438</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	830,322	-	-
Unavailable revenue - loans receivable	-	-	394,911
Unavailable revenue - other	-	19,565,620	-
Total deferred inflows of resources	<u>830,322</u>	<u>19,565,620</u>	<u>394,911</u>
FUND BALANCES			
Restricted	-	7,787,986	20,252,373
Committed	-	-	-
Assigned	-	2,002,160	-
Unassigned	40,765,172	-	-
Total fund balances	<u>40,765,172</u>	<u>9,790,146</u>	<u>20,252,373</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 42,624,689</u>	<u>\$ 30,312,363</u>	<u>\$ 30,733,722</u>

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

Transportation Fund	GRDC - Rockwood Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 29,826,090	\$ 207,263	\$ 40,696,476	\$ 154,682,805
-	172,191	-	1,074,296
2,114,009	-	5,676,003	15,364,637
148,564	2,665	175,917	742,022
3,136,941	-	605,059	14,450,394
-	-	743,053	860,851
<u>\$ 35,225,604</u>	<u>\$ 382,119</u>	<u>\$ 47,896,508</u>	<u>\$ 187,175,005</u>
\$ 369,590	\$ -	\$ 4,352,540	\$ 6,245,802
-	-	192,466	192,468
566,794	-	1,971,945	2,656,746
-	-	2,735,354	13,165,903
-	-	900,000	900,000
<u>936,384</u>	<u>-</u>	<u>10,152,305</u>	<u>23,160,919</u>
-	158,064	-	988,386
-	-	-	394,911
-	-	38,064	19,603,684
<u>-</u>	<u>158,064</u>	<u>38,064</u>	<u>20,986,981</u>
34,289,220	224,055	21,048,417	83,602,051
-	-	973,187	973,187
-	-	15,684,535	17,686,695
-	-	-	40,765,172
<u>34,289,220</u>	<u>224,055</u>	<u>37,706,139</u>	<u>143,027,105</u>
<u>\$ 35,225,604</u>	<u>\$ 382,119</u>	<u>\$ 47,896,508</u>	<u>\$ 187,175,005</u>

City of Gresham, Oregon
Reconciliation of the Balance Sheet of Governmental Funds to Governmental Activities on the Statement of Net Position
June 30, 2023

Total fund balances - governmental funds \$ 143,027,105

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	1,420,656,721	
Less: Accumulated depreciation & amortization	<u>(769,529,692)</u>	651,127,029

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	17,318,920	
Capital assets included in total above	(11,798,855)	
Accrued Interest payable	38,065	
Leases payable	231,853	
SBITA payable	918,848	
Pension amounts included in totals below	18,539,328	
OPEB amounts included in totals below	1,419,488	
Compensated absences included in total below	1,839,200	
Bonds and notes payable, net included in total below	<u>435,739</u>	28,942,586

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	(92,814,908)	
Net OPEB asset	1,316,343	
Total OPEB liability	(9,308,943)	
Deferred outflows of resources related to pensions	35,327,874	
Deferred outflows of resources related to OPEB	1,529,392	
Deferred inflows of resources related to pensions	(32,099,420)	
Deferred inflows of resources related to OPEB	<u>(940,937)</u>	(96,990,599)

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		20,986,981
--	--	------------

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	(40,651,780)	
Bond premiums, net of accumulated amortization	(154,501)	
Leases payable	(625,318)	
SBITA payable	(918,848)	
Accrued interest payable	(209,328)	
Compensated absences	<u>(9,860,100)</u>	<u>(52,419,875)</u>

Total net position - governmental activities \$ 694,673,227

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, 2023

	<u>General Fund</u>	<u>Designated Purpose Fund</u>	<u>System Development Charges Fund</u>
REVENUES			
Taxes	\$ 47,159,360	\$ -	\$ -
Licenses and permits	503,259	-	-
Intergovernmental	10,394,490	8,370,644	-
Charges for services	8,466,723	259,026	7,498,081
License fees	20,036,757	-	-
Miscellaneous	877,231	2,117,708	515,554
Internal service charges	1,042,160	-	-
Total revenues	<u>88,479,980</u>	<u>10,747,378</u>	<u>8,013,635</u>
EXPENDITURES			
Current:			
General government	-	2,301,409	-
Public safety	74,361,009	655,806	-
Urban renewal	-	-	-
Urban design and planning	-	33,496	-
Economic, development, & housing services	1,040,142	55,461	-
Community livability	1,510,805	3,231,320	-
Parks	4,539,128	41,705	-
Environmental services	-	405,852	-
Transportation	-	-	-
Capital outlay	57,537	-	-
Debt service	-	-	-
Total expenditures	<u>81,508,621</u>	<u>6,725,049</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,971,359</u>	<u>4,022,329</u>	<u>8,013,635</u>
OTHER FINANCING SOURCES (USES)			
Issuance of debt	-	-	-
Proceeds from sale of assets	24,924	-	-
Lease proceeds	57,537	-	-
Transfers in	1,425,000	344,909	-
Transfers out	(4,554,649)	(1,350,000)	(6,060,971)
Total other financing sources (uses)	<u>(3,047,188)</u>	<u>(1,005,091)</u>	<u>(6,060,971)</u>
Net change in fund balances	<u>3,924,171</u>	<u>3,017,238</u>	<u>1,952,664</u>
Fund balances - beginning	<u>36,841,001</u>	<u>6,772,908</u>	<u>18,299,709</u>
Fund balances - ending	<u>\$ 40,765,172</u>	<u>\$ 9,790,146</u>	<u>\$ 20,252,373</u>

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

Transportation Fund	GRDC - Rockwood Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 6,791,550	\$ -	\$ 53,950,910
-	-	3,376,843	3,880,102
13,970,106	5,685	9,779,512	42,520,437
80,394	-	5,332,535	21,636,759
1,625,182	-	1,664,310	23,326,249
603,228	235,599	752,635	5,101,955
1,984,613	-	2,855,523	5,882,296
<u>18,263,523</u>	<u>7,032,834</u>	<u>23,761,358</u>	<u>156,298,708</u>
-	-	491	2,301,900
-	-	-	75,016,815
-	-	2,497,350	2,497,350
-	-	3,314,211	3,347,707
-	-	3,968,048	5,063,651
-	-	3,145,304	7,887,429
-	-	-	4,580,833
-	-	4,517,642	4,923,494
10,278,268	-	487,336	10,765,604
-	-	15,940,949	15,998,486
-	18,111,051	11,144,920	29,255,971
<u>10,278,268</u>	<u>18,111,051</u>	<u>45,016,251</u>	<u>161,639,240</u>
<u>7,985,255</u>	<u>(11,078,217)</u>	<u>(21,254,893)</u>	<u>(5,340,532)</u>
-	-	3,000,000	3,000,000
850	-	260,383	286,157
-	-	-	57,537
1,378,169	1,647,566	19,537,414	24,333,058
(10,091,245)	-	(2,692,314)	(24,749,179)
<u>(8,712,226)</u>	<u>1,647,566</u>	<u>20,105,483</u>	<u>2,927,573</u>
<u>(726,971)</u>	<u>(9,430,651)</u>	<u>(1,149,410)</u>	<u>(2,412,959)</u>
<u>35,016,191</u>	<u>9,654,706</u>	<u>38,855,549</u>	<u>145,440,064</u>
<u>\$ 34,289,220</u>	<u>\$ 224,055</u>	<u>\$ 37,706,139</u>	<u>\$ 143,027,105</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, 2023

Net change in fund balances - governmental funds \$ (2,412,959)

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	21,450,056	
Contributions	6,132,307	
Less:		
Depreciation & amortization expense	<u>(17,717,265)</u>	9,865,098

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	(698,597)	
Proceeds from disposition of capital assets	<u>(292,435)</u>	(991,032)

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	(3,000,000)	
Debt principal repayments from governmental funds	25,859,245	
Lease proceeds	(651,927)	
SBITA proceeds	(1,468,555)	
Principal payment on lease	<u>312,982</u>	21,051,745

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	191,165	
Change in capital asset activity included in total above	(1,503,844)	
Change in bonds and notes payable included in total above	(413,879)	
Change in leases payable	199,505	
SBITA proceeds	1,468,555	
Pension expense included in total below	333,594	
OPEB expense included in total below	(1,067)	
Amortization of premium included in total below	(5,438)	
Accrued interest reversal and accrual included in total below	3,073	
Change in compensated absences included in total below	<u>(63,400)</u>	208,264

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	158,812	
Change in miscellaneous receivables	<u>9,150,586</u>	9,309,398

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	45,856	
Change in accrued interest	116,252	
Pension expense	(1,329,635)	
OPEB expense	(180,732)	
Change in compensated absences	<u>(309,500)</u>	(1,657,759)

Change in net position - governmental activities \$ 35,372,755

City of Gresham, Oregon
Statement of Net Position
Proprietary Funds
June 30, 2023

	Enterprise Funds				Internal Service Funds
	Water	Stormwater	Wastewater	Total	
ASSETS					
Current assets:					
Cash and investments	\$ 63,397,137	\$ 23,823,587	\$ 61,203,245	\$ 148,423,969	\$ 60,759,075
Receivables, net	2,814,695	2,025,428	4,229,685	9,069,808	348,495
Due from other funds	2,173,614	1,651,377	3,074,887	6,899,878	1,841,716
Total current assets	<u>68,385,446</u>	<u>27,500,392</u>	<u>68,507,817</u>	<u>164,393,655</u>	<u>62,949,286</u>
Noncurrent assets:					
Other assets	320,065	120,528	307,327	747,920	299,074
Restricted cash and investments	728,199	500,000	1,066,718	2,294,917	-
Capital assets:					
Non-depreciable	19,510,536	9,568,021	11,764,539	40,843,096	2,268,057
Depreciable, net	71,950,276	55,143,200	113,995,817	241,089,293	9,530,798
Total noncurrent assets	<u>92,509,076</u>	<u>65,331,749</u>	<u>127,134,401</u>	<u>284,975,226</u>	<u>12,097,929</u>
Total assets	<u>160,894,522</u>	<u>92,832,141</u>	<u>195,642,218</u>	<u>449,368,881</u>	<u>75,047,215</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflow related to pension	2,831,728	2,826,756	2,754,147	8,412,631	15,339,748
Deferred outflow related to OPEB	24,449	37,765	79,532	141,746	241,845
Total deferred outflows of resources	<u>2,856,177</u>	<u>2,864,521</u>	<u>2,833,679</u>	<u>8,554,377</u>	<u>15,581,593</u>
LIABILITIES					
Current liabilities:					
Accounts payable	1,857,687	422,663	1,362,298	3,642,648	3,369,012
Other accrued liabilities	55,107	-	36,279	91,386	34,273
Accrued claims payable	-	-	-	-	6,158,295
Accrued interest payable	111,246	-	24,599	135,845	38,065
Other liabilities	-	-	-	-	1,630,339
Deposits	728,199	-	-	728,199	-
Unearned revenue	-	-	2,000,000	2,000,000	821,867
Due to other funds	-	-	-	-	22,291,988
Lease payable	-	-	-	-	198,540
Compensated absences	69,000	68,800	62,900	200,700	275,900
Bonds, notes and loans payable	341,236	246,780	414,028	1,002,044	435,739
SBITA payable	-	-	-	-	522,347
Total current liabilities	<u>3,162,475</u>	<u>738,243</u>	<u>3,900,104</u>	<u>7,800,822</u>	<u>35,776,365</u>
Noncurrent liabilities:					
Net pension liability	3,523,868	3,409,208	3,454,571	10,387,647	18,310,672
Total OPEB liability	183,187	234,538	148,623	566,348	1,182,071
Lease payable	-	-	-	-	33,313
Compensated absences	391,000	389,800	356,300	1,137,100	1,563,300
Bonds, notes and loans payable	46,948,712	3,331,538	3,289,076	53,569,326	-
SBITA payable	-	-	-	-	396,501
Total noncurrent liabilities	<u>51,046,767</u>	<u>7,365,084</u>	<u>7,248,570</u>	<u>65,660,421</u>	<u>21,485,857</u>
Total liabilities	<u>54,209,242</u>	<u>8,103,327</u>	<u>11,148,674</u>	<u>73,461,243</u>	<u>57,262,222</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pension	3,045,357	2,956,524	3,034,972	9,036,853	15,568,404
Deferred inflows related to OPEB	259,781	103,211	49,903	412,895	479,262
Total deferred inflows of resources	<u>3,305,138</u>	<u>3,059,735</u>	<u>3,084,875</u>	<u>9,449,748</u>	<u>16,047,666</u>
NET POSITION					
Net investment in capital assets	68,861,702	61,132,902	122,057,254	252,051,858	10,212,422
Restricted for:					
Construction	-	-	1,059,504	1,059,504	-
Loan requirement	-	-	7,214	7,214	-
Rate stabilization	-	500,000	-	500,000	-
Debt service	79,352	203,407	544,711	827,470	-
Unrestricted	37,295,265	22,697,291	60,573,665	120,566,221	7,106,498
Total net position	<u>\$ 106,236,319</u>	<u>\$ 84,533,600</u>	<u>\$ 184,242,348</u>	<u>\$ 375,012,267</u>	<u>\$ 17,318,920</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, 2023

	Enterprise Funds				Internal Service Funds
	Water	Stormwater	Wastewater	Total	
OPERATING REVENUES					
Charges for services	\$ 20,240,512	\$ 12,540,540	\$ 22,809,065	\$ 55,590,117	\$ 43,447,368
Miscellaneous	-	-	-	-	73,058
Total operating revenues	<u>20,240,512</u>	<u>12,540,540</u>	<u>22,809,065</u>	<u>55,590,117</u>	<u>43,520,426</u>
OPERATING EXPENSES					
Personnel services	2,573,688	3,328,924	2,870,019	8,772,631	18,916,609
Professional and technical services	216,649	839,478	5,051,545	6,107,672	2,890,755
Property services	744,899	144,372	185,587	1,074,858	873,468
Other services	65,231	54,205	44,052	163,488	524,933
Supplies	134,152	165,343	190,083	489,578	2,487,547
Water purchase	3,325,905	-	-	3,325,905	-
Incentive programs	8,082	172,900	-	180,982	160,452
Insurance claims	-	-	-	-	12,695,623
Internal services	4,348,610	3,176,125	5,801,176	13,325,911	4,739
Other materials and services	274,929	766,553	2,836,295	3,877,777	7,187,357
Depreciation and amortization	3,507,588	2,501,304	5,675,733	11,684,625	835,154
Total operating expenses	<u>15,199,733</u>	<u>11,149,204</u>	<u>22,654,490</u>	<u>49,003,427</u>	<u>46,576,637</u>
Operating income (loss)	<u>5,040,779</u>	<u>1,391,336</u>	<u>154,575</u>	<u>6,586,690</u>	<u>(3,056,211)</u>
NONOPERATING REVENUES (EXPENSES)					
Miscellaneous revenue (expense)	(59,311)	(8,404)	8,032,403	7,964,688	1,068,651
Interest and investment income	1,140,953	425,205	1,010,190	2,576,348	974,574
Interest expense	(1,103,339)	-	(113,490)	(1,216,829)	(17,079)
Gain/(loss) on disposition of capital assets	11,579	7,859	101,311	120,749	6,278
Total nonoperating revenues (expenses)	<u>(10,118)</u>	<u>424,660</u>	<u>9,030,414</u>	<u>9,444,956</u>	<u>2,032,424</u>
Income (loss) before contributions and transfers	<u>5,030,661</u>	<u>1,815,996</u>	<u>9,184,989</u>	<u>16,031,646</u>	<u>(1,023,787)</u>
Capital contributions	2,797,826	4,130,911	5,826,572	12,755,309	-
Transfers in	1,585,785	455,880	1,166,228	3,207,893	1,674,604
Transfers out	(508,800)	(1,597,700)	(508,800)	(2,615,300)	(459,652)
Change in net position	<u>8,905,472</u>	<u>4,805,087</u>	<u>15,668,989</u>	<u>29,379,548</u>	<u>191,165</u>
Total net position - beginning	<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>
Total net position - ending	<u>\$ 106,236,319</u>	<u>\$ 84,533,600</u>	<u>\$ 184,242,348</u>	<u>\$ 375,012,267</u>	<u>\$ 17,318,920</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, 2023

	Enterprise Funds				Internal Service Funds
	Water	Stormwater	Wastewater	Total	
Cash flows from operating activities:					
Receipts from customers	\$ 19,781,253	\$ 12,278,609	\$ 22,330,442	\$ 54,390,304	\$ 1,019,477
Receipts for internal services provided	-	-	-	-	42,526,115
Payments to suppliers for goods and services	(8,975,940)	(5,246,774)	(15,042,239)	(29,264,953)	(23,049,433)
Payments to employees for services	(2,647,649)	(3,262,464)	(2,950,210)	(8,860,323)	(18,633,987)
Other operating receipts (payments)	(15,247)	(8,404)	10,032,403	10,008,752	1,119,997
Net cash provided by (used in) operating activities	<u>8,142,417</u>	<u>3,760,967</u>	<u>14,370,396</u>	<u>26,273,780</u>	<u>2,982,169</u>
Cash flows from noncapital financing activities:					
Receipts from other funds	749,287	92,233	584,473	1,425,993	895,546
Payments to other funds	(619,314)	(1,496,069)	(259,717)	(2,375,100)	(737,691)
Net cash provided by (used in) noncapital financing activities	<u>129,973</u>	<u>(1,403,836)</u>	<u>324,756</u>	<u>(949,107)</u>	<u>157,855</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(10,920,881)	(2,694,172)	(5,508,479)	(19,123,532)	(2,172,807)
Receipts from system development charges	836,498	363,647	581,755	1,781,900	-
Principal portion of debt service	(235,000)	(246,780)	(357,333)	(839,113)	(413,879)
Interest portion of debt service	(1,202,783)	-	(157,585)	(1,360,368)	(19,444)
Proceeds from disposition of capital assets	11,579	7,859	101,311	120,749	6,278
Net cash provided by (used in) capital and related financing activities	<u>(11,510,587)</u>	<u>(2,569,446)</u>	<u>(5,340,331)</u>	<u>(19,420,364)</u>	<u>(2,599,852)</u>
Cash flows from investing activities:					
Change in investments	879,268	(186,064)	(7,284,932)	(6,591,728)	(1,367,772)
Interest on investments	1,140,953	375,837	856,363	2,373,153	850,807
Net cash provided by (used in) investing activities	<u>2,020,221</u>	<u>189,773</u>	<u>(6,428,569)</u>	<u>(4,218,575)</u>	<u>(516,965)</u>
Net increase (decrease) in cash and cash equivalents	(1,217,976)	(22,542)	2,926,252	1,685,734	23,207
Cash and cash equivalents - beginning	12,569,299	1,669,334	7,740,925	21,979,558	2,397,448
Cash and cash equivalents - ending	<u>\$ 11,351,323</u>	<u>\$ 1,646,792</u>	<u>\$ 10,667,177</u>	<u>\$ 23,665,292</u>	<u>\$ 2,420,655</u>
Classified on the Statement of Net Position as:					
Cash and investments	\$ 11,183,255	\$ 1,567,592	\$ 10,306,626	\$ 23,057,473	\$ 2,420,655
Restricted cash and cash equivalents	168,068	79,200	360,551	607,819	-
	<u>\$ 11,351,323</u>	<u>\$ 1,646,792</u>	<u>\$ 10,667,177</u>	<u>\$ 23,665,292</u>	<u>\$ 2,420,655</u>
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	\$ 5,040,779	\$ 1,391,336	\$ 154,575	\$ 6,586,690	\$ (3,056,211)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation and amortization	3,507,588	2,501,304	5,675,733	11,684,625	835,154
Pension adjustments	(43,304)	25,638	(83,681)	(101,347)	333,594
OPEB adjustments	(24,057)	(3,578)	3,390	(24,245)	(1,067)
Other	(59,311)	(8,404)	8,032,403	7,964,688	1,068,651
Changes in assets and liabilities:					
Receivables	(459,259)	(261,931)	(478,623)	(1,199,813)	(22,844)
Accounts payable	101,145	84,359	(888,222)	(702,718)	1,852,261
Lease payable	-	-	-	-	33,313
SBITA	-	-	-	-	918,848
Other liabilities	78,836	32,243	1,954,821	2,065,900	1,020,470
Net cash provided by (used in) operating activities	<u>\$ 8,142,417</u>	<u>\$ 3,760,967</u>	<u>14,370,396</u>	<u>\$ 26,273,780</u>	<u>\$ 2,982,169</u>
Noncash investing, capital, and financing activities:					
Contributed capital assets	\$ 2,797,826	\$ 4,130,911	\$ 5,826,572	\$ 12,755,309	\$ -
Increase (Decrease) in fair value of investments	126,686	47,706	121,644	296,036	119,420
Lease proceeds	-	-	-	-	166,192
SBITA proceeds	-	-	-	-	1,468,555

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, 2023

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 \$31,429,232 at fiscal year-end 2023. 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 *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, 2023, the City implemented the following GASB pronouncement:

CITY OF GRESHAM, OREGON

GASB Statement No. 96, Subscription Based Information Technology Arrangements (SBITA)

This statement provides guidance on the accounting and financial reporting for SBITAs with definition, financial reporting and disclosure requirements. The City has implemented this statement for the Fiscal Year Ended June 30, 2023. Additional information is available in note 3.F.

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

Cash and Cash Equivalents, and Investments

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

Receivables

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

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

Inventories

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

Restricted Net Position

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

Capital Assets

Capital assets, which include property, plant, equipment, infrastructure, easements, and software assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual

NOTES TO THE FINANCIAL STATEMENTS

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 assets 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 assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

Compensated Absences

It is the City's policy to permit employees to accumulate earned, but unused vacation, holiday, and sick pay benefits. There is no liability for unpaid accumulated sick leave since the City does not pay these amounts when employees separate from service with the City. Vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. The City recognizes accrued compensation balance changes as a budgetary expense. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-term Debt

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

CITY OF GRESHAM, OREGON

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. On June 30, 2023, five 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.

Subscription payable

The City reports a subscription payable for the liability associated with contracts granting the City the right to use a nonfinancial asset such as subscription-based information technology. 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.

Net Pension Liability

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

NOTES TO THE FINANCIAL STATEMENTS

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

Fund Balance

Fund balances, presented in the governmental fund financial statements, represent a resource for future periods that is the difference between assets and liabilities reported in a governmental fund. Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City evaluated each of its funds at June 30, 2023 and classified fund balances into the following five categories:

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

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

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

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

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

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

Indirect Expenses Allocation

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

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

CITY OF GRESHAM, OREGON

In accordance with State law, annual budgets are adopted for all funds. 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 \$899,442 and \$7,598,480 respectively on June 30, 2023. 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 \$5,031,578. The total bank balance was \$6,765,233. Of these deposits, \$250,000 was fully covered by the federal depository insurance's general deposit rules and \$6,515,233 was in a qualified depository bank and collateralized in compliance with ORS 295. The City does not have a policy related to custodial risk over cash. The difference between the book balance and the bank balance represents outstanding items at year-end.

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

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

NOTES TO THE FINANCIAL STATEMENTS

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	10.6%	1	\$ 38,804,265
Corporate Obligations	25.0%	209	92,138,234
Municipal Obligations	5.4%	65	19,655,447
US Treasury	29.0%	209	106,427,981
US Agency Securities	30.0%	210	109,995,690
	<u>100.0%</u>	<u>180</u>	<u>\$ 367,021,617</u>

Shown on the Statement of Net Position as: Cash and investments	\$ 363,865,849
Restricted cash and investments	3,155,768
	<u>\$ 367,021,617</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, 2023

	Level 1	Level 2	Level 3	Total
Investments:				
US Treasury	\$ 106,250,093	\$ -	\$ -	\$ 106,250,093
US Agency Securities	-	109,354,110	-	109,354,110
Corporate Obligations	-	91,414,065	-	91,414,065
Municipal Obligations	-	19,390,664	-	19,390,664
Total	\$ 106,250,093	\$ 220,158,839	\$ -	\$ 326,408,932

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:

NOTES TO THE FINANCIAL STATEMENTS

Investment-Type	Minimum Allowable Credit Quality Criteria			Fair Value June 30, 2023	Percentage of Total FV
	(at the time of purchase)	S&P	Moody's		
Cash/LGIP	- / -	-	-	\$ 38,804,265	10.6%
Corporate Bonds	AA-/Aa3	A	A1	4,975,969	1.4%
Corporate Bonds	AA-/Aa3	AA	Aa2	4,962,125	1.4%
Corporate Bonds	AA-/Aa3	AAA	Aaa	2,437,354	0.7%
Corporate Bonds	AA-/Aa3	A	A1	4,696,263	1.3%
Corporate Bonds	AA-/Aa3	A-	A1	5,077,373	1.4%
Corporate Bonds	AA-/Aa3	A+	Aa3	3,013,438	0.8%
Corporate Bonds	AA-/Aa3	A	A3	4,995,888	1.4%
Corporate Bonds	AA-/Aa3	A	A1	2,269,079	0.6%
Corporate Bonds	AA-/Aa3	A	A1	2,478,738	0.7%
Corporate Bonds	AA-/Aa3	A	A1	4,353,556	1.2%
Corporate Bonds	AA-/Aa3	AAA	Aaa	2,718,331	0.7%
Corporate Bonds	AA-/Aa3	AA+	Aaa	5,228,860	1.4%
Corporate Bonds	AA-/Aa3	AA+	Aa1	4,829,929	1.3%
Corporate Bonds	AA-/Aa3	A-	A1	2,523,820	0.7%
Corporate Bonds	AA-/Aa3	A	A1	5,001,902	1.4%
Corporate Bonds	AA-/Aa3	AA	A1	2,386,036	0.7%
Corporate Bonds	AA-/Aa3	A-	A1	2,493,680	0.7%
Corporate Bonds	AA-/Aa3	A	A1	3,998,975	1.1%
Corporate Bonds	AA-/Aa3	A	A1	4,009,706	1.1%
Corporate Bonds	AA-/Aa3	A-	A1	5,021,536	1.4%
Corporate Bonds	AA-/Aa3	AA	A1	4,797,400	1.3%
Corporate Bonds	AA-/Aa3	AA-	Aa3	2,408,653	0.7%
Corporate Bonds	AA-/Aa3	AA	Aa2	4,965,844	1.4%
Corporate Bonds	AA-/Aa3	AA	A1	2,493,779	0.7%
Municipal - CA	AA-/Aa3	AA-	Aa2	4,733,875	1.3%
Municipal - CA	AA-/Aa3	AA+	Aaa	5,064,610	1.4%
Municipal - CA	AA-/Aa3	AA	Aa2	5,223,333	1.4%
Municipal- WA	AA-/Aa3	AA+	Aaa	1,028,965	0.3%
Municipal- WA	AA-/Aa3	NA	Aa1	1,906,804	0.5%
Municipal- OR	A-/A3	AAA	Aa1	1,031,804	0.3%
Municipal- OR	A-/A3	AA+	Aa1	666,056	0.2%
US Instrumentality: FFCB	AA+/Aaa	AA+	Aaa	23,990,177	6.5%
US Instrumentality: FHLB	AA+/Aaa	AA+	Aaa	23,599,633	6.4%
US Instrumentality: FHLMC	AA+/Aaa	AA+	Aaa	23,728,335	6.5%
US Instrumentality: FNMA	AA+/Aaa	AA+	Aaa	33,709,118	9.2%
US Instrumentality: TVA	AA+/Aaa	AA+	Aaa	4,968,426	1.4%
US Treasury	AA+/Aaa	AA+	Aaa	106,427,981	29.1%
				<u>\$ 367,021,617</u>	<u>100.0%</u>

CITY OF GRESHAM, OREGON

B. Receivables

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

	<u>Accounts</u>	<u>Taxes</u>	<u>Gross Receivables</u>	<u>Allowance for Doubtful Accounts</u>	<u>Receivables, Net</u>
Governmental Activities					
General	\$ 5,938,193	\$ 902,105	\$ 6,840,298	\$ (145,223)	\$ 6,695,075
Designated purpose	1,748,016	-	1,748,016	(362,000)	1,386,016
Transportation	2,369,673	-	2,369,673	(255,664)	2,114,009
System development charges	395,639	-	395,639	-	395,639
Rockwood UR debt service	-	172,191	172,191	-	172,191
Nonmajor governmental	5,760,205	-	5,760,205	(84,202)	5,676,003
Internal service	356,509	-	356,509	(8,014)	348,495
	<u>\$16,568,235</u>	<u>\$ 1,074,296</u>	<u>\$ 17,642,531</u>	<u>\$ (855,103)</u>	<u>\$ 16,787,428</u>
Business-Type Activities					
Water	\$ 2,832,132	\$ -	\$ 2,832,132	\$ (17,437)	\$ 2,814,695
Stormwater	2,033,425	-	2,033,425	(7,997)	2,025,428
Wastewater	4,234,046	-	4,234,046	(4,361)	4,229,685
	<u>\$ 9,099,603</u>	<u>\$ -</u>	<u>\$ 9,099,603</u>	<u>\$ (29,795)</u>	<u>\$ 9,069,808</u>
			Total receivables		<u>\$ 25,857,236</u>
			Shown on the Statement of Net Position as:		
			Receivables, net		\$ 24,782,940
			Property taxes receivable, net		1,074,296
					<u>\$ 25,857,236</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	Reclassification s	Ending Balance
Governmental Activities					
Non-depreciated & non-amortized:					
Land	\$ 36,949,280	\$ 262,879	\$ (936,141)	\$ -	\$ 36,276,018
Construction in progress	9,167,380	6,262,431	-	(6,099,141)	9,330,670
Easements	452,741,306	295,072	-	-	453,036,378
Licenses	22,000	-	-	-	22,000
Total non-depr. & non-amort.	<u>498,879,966</u>	<u>6,820,382</u>	<u>(936,141)</u>	<u>(6,099,141)</u>	<u>498,665,066</u>
Depreciated & amortized:					
Buildings	27,299,194	510,825	-	-	27,810,019
Improvements	30,196,160	1,547,763	-	-	31,743,923
Machinery and equipment	28,716,035	2,616,137	(456,042)	49,045	30,925,175
Infrastructure	805,338,691	13,966,774	-	6,050,096	825,355,561
Software	3,025,353	-	-	-	3,025,353
Intangible Rights to Use - Buildings	479,343	651,927	-	-	1,131,270
Intangible Rights to Use - Software	-	1,468,555	-	-	1,468,555
Total depr. & amort. at historical cost	<u>895,054,776</u>	<u>20,761,981</u>	<u>(456,042)</u>	<u>6,099,141</u>	<u>921,459,856</u>
Less accumulated depr. & amort. for:					
Buildings	(15,849,857)	(534,447)	-	-	(16,384,304)
Improvements	(11,197,040)	(1,323,927)	-	-	(12,520,967)
Machinery and equipment	(20,222,259)	(2,174,261)	401,151	-	(21,995,369)
Infrastructure	(702,086,612)	(12,740,146)	-	-	(714,826,758)
Software	(2,113,441)	(91,235)	-	-	(2,204,676)
Intangible Rights to Use - Buildings	(212,570)	(319,229)	-	-	(531,799)
Intangible Rights to Use - Software	-	(534,020)	-	-	(534,020)
Total accumulated depr. & amort.	<u>(751,681,779)</u>	<u>(17,717,265)</u>	<u>401,151</u>	<u>-</u>	<u>(768,997,893)</u>
Depreciated & amortized, net	<u>143,372,997</u>	<u>3,044,716</u>	<u>(54,891)</u>	<u>6,099,141</u>	<u>152,461,963</u>
Governmental Activities capital assets, net	<u>\$ 642,252,963</u>	<u>\$ 9,865,098</u>	<u>\$ (991,032)</u>	<u>\$ -</u>	<u>\$ 651,127,029</u>
Depreciation and amortization expense was charged to governmental activities as follows:					
General government					\$ 86,090
Public safety					1,636,323
Transportation					13,632,104
Community development					93,532
Environmental services					398,059
Internal service funds					1,369,173
Urban renewal					501,984
Total depreciation and amortization expense					<u>\$ 17,717,265</u>

CITY OF GRESHAM, OREGON

	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
Business-Type Activities					
Non-depreciated & non-amortized:					
Land	\$ 8,264,078	\$ -	\$ -	\$ -	\$ 8,264,078
Construction in progress	13,959,697	13,053,606	-	(1,004,698)	26,008,605
Easements	5,949,770	620,643	-	-	6,570,413
Total non-depr. & non-amort.	28,173,545	13,674,249	-	(1,004,698)	40,843,096
Depreciated & amortized:					
Buildings	13,341,007	-	-	-	13,341,007
Improvements	16,568	-	-	-	16,568
Machinery and equipment	11,793,234	898,889	(320,199)	183,995	12,555,919
Infrastructure	422,104,039	17,318,364	-	820,703	440,243,106
Software	405,735	-	(11,906)	-	393,829
Total depr. & amort. at historical cost	447,660,583	18,217,253	(332,105)	1,004,698	466,550,429
Less accumulated depr. & amort. for:					
Buildings	(4,568,579)	(471,705)	-	-	(5,040,284)
Improvements	(16,568)	-	-	-	(16,568)
Machinery and equipment	(8,133,787)	(670,143)	307,539	-	(8,496,391)
Infrastructure	(201,082,156)	(10,477,608)	-	-	(211,559,764)
Software	(294,865)	(65,170)	11,906	-	(348,129)
Total accumulated depr. & amort.	(214,095,955)	(11,684,626)	319,445	-	(225,461,136)
Depreciated & amortized, net	233,564,628	6,532,627	(12,660)	1,004,698	241,089,293
Business-Type Activities capital assets, net	\$261,738,173	\$ 20,206,876	\$ (12,660)	\$ -	\$281,932,389

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

Water	\$ 3,507,588
Stormwater	2,501,305
Wastewater	5,675,733
Total depreciation and amortization expense	\$ 11,684,626

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.

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

Due to/Advance from	Due from/Advance to	Amount	
General	Nonmajor Governmental	\$ 900,000	
	Internal Service	9,808,394	\$ 10,708,394
Transportation	Internal Service	3,136,941	3,136,941
Nonmajor Governmental	Internal Service	605,059	605,059
Water	Internal Service	2,173,614	2,173,614
Stormwater	Internal Service	1,651,377	1,651,377
Wastewater	Internal Service	3,074,887	3,074,887
Internal Service	Various Internal Service Components	1,841,716	1,841,716
			\$ 23,191,988

NOTES TO THE FINANCIAL STATEMENTS

Interfund transfers during the fiscal year were as follows:

<u>Transfer To</u>	<u>Transfer From</u>	<u>Amount</u>	<u>Purpose</u>
General	Water, Stormwater, and Wastewater	75,000	Confined space
	Designated Purpose	<u>1,350,000</u>	Community service fee support
		\$ 1,425,000	
Designated Purpose	Nonmajor Governmental	55,043	Small business program transfers
	Internal Service	67,500	Program contributions
	General	222,366	Small business program transfers, grant matches
		<u>344,909</u>	
Transportation	Nonmajor Governmental	105,000	Operation of streetlight program
	System Development Charge	184,269	SDC improvement
	Stormwater	<u>1,088,900</u>	Funding for vegetation and street sweeping
		1,378,169	
GRDC - Rockwood Debt Service	Nonmajor Governmental	<u>1,647,566</u>	Debt service
		1,647,566	
Nonmajor Governmental	Nonmajor Governmental	884,705	EnerGov support, streetlights, debt service, Section 108
	Water, Stormwater, and Wastewater	1,307,400	Green business programs, dev eng and public works transfers
	General	3,241,831	Planning services, EnerGov support, debt service
	System Development Charge	4,060,233	CIP, SDC funded projects, debt service
	Transportation	10,043,245	Transportation services, dev eng & public works, CIP transfers, debt service
		<u>19,537,414</u>	
Water	System Development Charge	<u>1,585,785</u>	SDC funded debt, interest payment, and credits
		1,585,785	
Stormwater	System Development Charge	<u>455,880</u>	SDC funded debt, interest payment, and credits
		455,880	
Wastewater	System Development Charge	<u>1,166,228</u>	SDC funded debt, interest payment, and credits
		1,166,228	
Internal Service	Transportation	48,000	DES support of GIS internal transfers
	Water, Stormwater, and Wastewater	144,000	DES support of GIS internal transfers
	Internal Service	392,152	Administrative support, ERF
	General	1,090,452	Fire facilities, project support, debt transfers, public safety recruiting
		<u>1,674,604</u>	
		<u>\$29,215,555</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.

Governmental Activities ¹	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due in	
					Within One Year	More Than One Year
Bonds and notes payable	\$ 63,511,025	\$ 3,000,000	\$ 25,859,245	\$ 40,651,780	\$ 7,938,644	\$ 32,713,136
Premiums	200,357	-	45,856	154,501	40,420	114,081
Total bonds and notes payable	63,711,382	3,000,000	25,905,101	40,806,281	7,979,064	32,827,217
Other liabilities:						
Compensated absences	9,550,600	9,191,692	8,882,192	9,860,100	1,479,100	8,381,000
Other post-employment benefits liability	8,815,417	1,887,514	1,393,988	9,308,943	-	9,308,943
Net pension liability	68,793,999	45,746,122	21,725,213	92,814,908	-	92,814,908
Governmental Activities Long-Term Liabilities	\$ 150,871,398	\$ 59,825,328	\$ 57,906,494	\$ 152,790,232	\$ 9,458,164	\$ 143,332,068
Business-Type Activities						
Bonds and notes payable	\$ 11,619,888	\$ -	\$ 839,113	\$ 10,780,775	\$ 863,532	\$ 9,917,243
Revenue bonds	41,455,000	-	-	41,455,000	-	41,455,000
Premiums	2,474,107	-	138,512	2,335,595	138,512	2,197,083
Total bonds and notes payable	55,548,995	-	977,625	54,571,370	1,002,044	53,569,326
Other liabilities:						
Compensated absences	1,299,900	1,135,995	1,098,095	1,337,800	200,700	1,137,100
Other post-employment benefits liability	614,148	86,729	134,529	566,348	-	566,348
Net pension liability	8,209,642	4,704,734	2,526,729	10,387,647	-	10,387,647
Business-Type Activities Long-Term Liabilities	\$ 65,672,685	\$ 5,927,458	\$ 4,736,978	\$ 66,863,165	\$ 1,202,744	\$ 65,660,421

¹ Governmental debt also includes debt obligations of Property Management Fund

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

Bonds and Notes Payable

The City had \$51.4 million in outstanding bonds and notes (excluding Revenue bonds) to fund the following:

\$ 30,406,780	Property, buildings and infrastructure
9,360,000	Pension bonds
400,000	Equipment
485,000	Miscellaneous other
<u>40,651,780</u>	Governmental activities bonds and notes payable
3,477,457	Wastewater system improvements
3,725,000	Water system improvements
3,578,318	Stormwater system improvements
<u>10,780,775</u>	Business-Type activities notes payable
<u>\$ 51,432,555</u>	Total outstanding bonds and notes payable

NOTES TO THE FINANCIAL STATEMENTS

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

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

** No outstanding balance as of 6/30/23 for 2022 WIFIA - draws not taken FY 23

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	\$ 10,885,000	\$ -	\$ 1,525,000	\$ 9,360,000
2013 Full Faith & Credit Obligations Series B	3.25% to 4.25%	4,655,000	1,465,000	-	495,000	970,000
2013 Full Faith & Credit Obligations Series C*	3.05% to 4.85%	7,610,000	2,665,000	-	375,000	2,290,000
2015 Full Faith & Credit Obligations	3.25% to 5.00%	8,951,250	3,310,000	-	975,000	2,335,000
Total bonds payable		40,496,250	18,325,000	-	3,370,000	14,955,000
<i>Notes Payable</i>						
Governmental Funds						
2010 Financing Agmt Gresham-GRDC	3.550% to 5.250%	23,470,000	2,242,639	-	2,242,639	-
2014 Section 108 Loan - Fountain	variable	1,500,000	149,000	-	149,000	-
2015 GRDC Note	3.00%	6,700,000	929,768	-	929,768	-
2017 GRDC Note	0.86% to 3.50%	1,000,000	11,180,000	3,000,000	14,180,000	-
2018 Property Purchase	5.05%	1,593,000	684,617	-	333,877	350,740
2022 Transportation	2.40%	30,000,000	30,000,000	-	4,653,960	25,346,040
Total notes payable		64,263,000	45,186,024	3,000,000	22,489,244	25,696,780
Total Governmental Activities bonds and notes payable		\$104,759,250	\$ 63,511,024	\$ 3,000,000	\$25,859,244	\$ 40,651,780
Business-Type Activities						
Wastewater - Second Clarifier	2.98%	\$ 407,058	\$ 184,790	\$ -	\$ 22,333	\$ 162,457
2015 FF&C Obligations - Wastewater	3.25% to 5.00%	5,670,000	3,650,000	-	335,000	3,315,000
2015 FF&C Obligations - Water	3.25% to 5.00%	5,338,750	3,960,000	-	235,000	3,725,000
2017 State of Oregon Stormwater UIC	0.00%	4,935,608	3,825,098	-	246,780	3,578,318
2021 Water Revenue Bond	2.00% to 5.00%	41,455,000	41,455,000	-	-	41,455,000
2022 WIFIA	3.22%	34,078,873	-	-	-	-
Total Business-Type Activities bonds and notes payable		\$ 91,885,289	\$ 53,074,888	\$ -	\$ 839,113	\$ 52,235,775

* 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)		2018 Property Purchase		2013 FF&C Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
	2024	1,710,000	570,492	350,740	17,712	895,000
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>\$ 9,360,000</u>	<u>\$ 1,683,439</u>	<u>\$ 350,740</u>	<u>\$ 17,712</u>	<u>\$ 3,260,000</u>	<u>\$ 421,985</u>

Fiscal Year	2015 Gresham/URA FF&C		2022 Transportation	
	Principal	Interest	Principal	Interest
	2024	151,250	90,211	4,831,655
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>\$ 2,335,000</u>	<u>\$ 583,269</u>	<u>\$ 25,346,040</u>	<u>\$ 1,853,761</u>

Business-Type Activities

Fiscal Year	Wastewater - Second Clarifier		Wastewater - 2015 FF&C		Water - 2015 FF&C	
	Principal	Interest	Principal	Interest	Principal	Interest
	2024	23,002	5,484	350,000	135,494	243,750
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>\$ 162,457</u>	<u>\$ 20,595</u>	<u>\$ 3,315,000</u>	<u>\$ 585,071</u>	<u>\$ 3,725,000</u>	<u>\$ 930,136</u>

Fiscal Year	Storm-Underground Injection Control		Water 2021 Revenue Bond	
	Principal	Interest*	Principal	Interest
	2024	246,780	17,892	-
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>\$ 3,578,318</u>	<u>\$ 138,815</u>	<u>\$ 41,455,000</u>	<u>\$ 15,647,167</u>

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

NOTES TO THE FINANCIAL STATEMENTS

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.

Governmental Activities			Covenants/ Terms
	6/30/2023	Maturity	
2018 Property Acquisition	\$ 350,740	7/31/2023	(a)
2022 Transportation	25,346,040	6/1/2028	(b)
Total Governmental Activities	\$ 25,696,780		
Business-Type Activities			Covenants & Terms
	6/30/2023	Maturity	
2010 Wastewater - Second Clarifier	\$ 162,457	8/1/2029	(c)
2017 State of Oregon - Stormwater	3,578,318	8/1/2037	(d)
Total Business Activities	\$ 3,740,775		
Grand Total	\$ 29,437,555		

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

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

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

(d) 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.

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
Business-Type Activities						
Water Revenue Bonds						
Series 2022	2.00% - 5.00%	\$ 41,455,000	\$ 41,455,000	\$ -	\$ -	\$ 41,455,000

CITY OF GRESHAM, OREGON

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

Fiscal Year	2021 Water	
	Principal	Interest
2024	\$ -	\$ 1,047,113
2025	-	1,047,113
2026	-	1,047,113
2027	-	1,047,113
2028	-	1,047,113
2029-2033	8,525,000	4,440,711
2034-2038	9,880,000	3,085,410
2039-2043	10,915,000	2,054,330
2044-2048	12,135,000	831,152
	<u>\$ 41,455,000</u>	<u>\$ 15,647,168</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 \$900 thousand which will be repaid over the remaining term of 8 years.

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 in 2024, with the related projects scheduled to be completed in 2025.

F. Leases and Subscriptions

Leases

For the year ended June 30, 2023, 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. During the year, the City executed two amendments that added an additional 24 months to the term, increasing the

NOTES TO THE FINANCIAL STATEMENTS

lease liability by \$393,371. As of June 30, 2023, the value of the lease liability is \$231,853. The City is required to make monthly fixed payments of \$16,663. The lease has an interest rate of 0.3150%. The value of the right to use asset as of June 30, 2023 of \$618,689 with accumulated amortization of \$402,528 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, 2023, the value of the lease liability is \$171,206. The City is required to make annual fixed payments of \$86,486. The lease has an interest rate of 2.0150%. The value of the right to use asset as of June 30, 2023 of \$254,025 with accumulated amortization of \$90,320 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.

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 was recorded in the amount of \$57,537. As of June 30, 2023, the value of the lease liability is \$39,003. The City is required to make monthly fixed payments of \$1,625. The lease has an interest rate of 2.1840%. The value of the right to use asset as of June 30, 2023 of \$57,537 with accumulated amortization of \$19,179 is included with Buildings on the Lease Class activities table found below.

On January 1, 2023, the City entered into a 61 month lease as Lessee for use as a Signal Shop. An initial lease liability was recorded in the amount of \$201,019. As of June 30, 2023, the value of the lease liability is \$183,256. The City is required to make monthly fixed payments of \$3,318. The lease has an interest rate of 2.6820%. The value of the right to use asset as of June 30, 2023 of \$201,019 with accumulated amortization of \$19,772 is included with Buildings on the Lease Class table found below.

Asset Class	As of Fiscal Year-end	
	Lease Asset Value	Accumulated Amortization
Buildings	\$ 1,131,270	\$ 531,799
Total Leases	<u>\$ 1,131,270</u>	<u>\$ 531,799</u>

Principal and Interest Requirements to Maturity

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 336,652	\$ 9,036	\$ 345,688
2025	179,486	5,514	185,000
2026	40,438	2,438	42,876
2027	42,836	1,324	44,160
2028	25,906	232	26,138
	<u>\$ 625,318</u>	<u>\$ 18,544</u>	<u>\$ 643,862</u>

CITY OF GRESHAM, OREGON

Subscriptions

For the year ended June 30, 2023, the City has reported the following subscription activity consistent with the adoption of GASB Statement 96, with activity reported based on the facts in place as of the beginning of the implementation period.

As of July 1, 2022, the City had 33 months remaining on an agreement for the right to use enterprise software managing the City's financial and budget activity, human resources and payroll, permits, business licenses and code enforcement. An initial subscription liability was recorded in the amount of \$1,468,555. As of June 30, 2023, the value of the lease liability is \$918,849. The City is required to make annual fixed payments of \$549,706. The lease has an interest rate of 2.1840%. The value of the right to use asset as of June 30, 2023 of \$1,468,555 with accumulated amortization of \$534,020 is included with Software on the Subscription Class activities table found below.

Amount of Subscription Assets by Major Classes of Underlying Asset

Asset Class	As of Fiscal Year-end	
	Subscription Asset Value	Accumulated Amortization
Software	\$ 1,468,555	\$ 534,020
Total Subscriptions	\$ 1,468,555	\$ 534,020

Principal and Interest Requirements to Maturity

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 522,347	\$ 20,068	\$ 542,415
2025	396,502	8,659	405,161
	\$ 918,849	\$ 28,727	\$ 947,576

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 \$225,533 in 2023 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.

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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, 2023 contributions exclusive of the 6% "pick-up" was \$11,405,596.

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 \$3,513,961 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, 2023, the City reported a liability of \$103,202,555 for its proportionate share of the OPERS net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2022. 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, 2022, the City's proportion was 0.6740%, which is an increase from its proportion of 0.6435% measured as of June 30, 2021.

For the year ended June 30, 2023, the City recognized pension expense of \$12,633,884. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF GRESHAM, OREGON

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,009,651	\$ 643,590
Changes of assumptions	16,193,039	147,940
Net difference between projected and actual earnings on investments	-	18,450,621
Changes in proportionate share	11,132,219	-
Differences between employer contributions and employer's proportionate share of system contributions	-	21,894,122
Contributions subsequent to the measurement date	11,405,596	-
Total	\$ 43,740,505	\$ 41,136,273

Deferred outflows of resources related to pensions of \$11,405,596 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, 2024. 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:

2024	\$ (1,547,394)
2025	(4,108,417)
2026	(9,349,191)
2027	7,023,492
2028	(819,854)
Total	\$ (8,801,364)

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

NOTES TO THE FINANCIAL STATEMENTS

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 2020 experience study which reviewed experience for the four-year period ending on December 31, 2020.

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 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

CITY OF GRESHAM, OREGON

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:

	<u>1% Decrease (5.90%)</u>	<u>Current Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
City's proportionate share of the net pension liability (asset)	\$ 183,020,804	\$ 103,202,555	\$ 36,398,366

Pension Plan Fiduciary Net Position

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

NOTES TO THE FINANCIAL STATEMENTS

	<u>Implicit Rate Subsidy Plan</u>	<u>PERS RHIA Plan</u>	<u>Total OPEB on Financials</u>
Net OPEB Asset	\$ -	\$ 1,316,343	\$ 1,316,343
Deferred Outflows of Resources			
Contributions After the Measurement Date	523,439	8,408	531,847
Change in Proportionate Share	-	67,825	67,825
Difference in Experience	860,820	-	860,820
Change in Assumptions	200,339	10,307	210,646
Total OPEB Liability	9,875,291	-	9,875,291
Deferred Inflows of Resources			
Change in Proportionate Share	-	57,264	57,264
Change in Assumptions	1,116,630	43,878	1,160,508
Difference in Earnings	-	100,388	100,388
Difference in Experience	-	35,672	35,672
OPEB Expense (Included in program expenses on Statement of Activities)	834,530	(146,196)	688,334

Implicit Rate Subsidy

Plan Description

The City's single-employer defined benefit postemployment healthcare plan is administered by Allegiance. 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 financial report that includes financial statements and required supplementary information for tax reporting. This report may be obtained by contacting Allegiance at 2806 S. Garfield St. PO Box 3018 Missoula, MT 59806 or calling 800-877-1122..

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, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	70
Active employees	<u>589</u>
	<u>659</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 \$9,875,291 was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2022.

CITY OF GRESHAM, OREGON

For the fiscal year ended June 30, 2023, the City recognized OPEB expense from this plan of \$834,530. At June 30, 2023, 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	\$ 200,339	\$ 1,116,630
Differences between expected and actual experience	860,820	-
Contributions subsequent to the measurement date	523,439	-
Total	<u>\$ 1,584,598</u>	<u>\$ 1,116,630</u>

Deferred outflows of resources related to OPEB of \$523,439 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:

Year ended June 30:	
2024	\$ (12,206)
2025	(12,206)
2026	(12,206)
2027	(2,097)
2028	31,061
Thereafter	(47,817)
Total	<u>\$ (55,471)</u>

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2022 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	2.4%
Salary increases	3.4%
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	3.54% (change from 2.16% in previous measurement period)
Healthcare cost trend rate	Medical and vision: 6.75% per year, decreasing to 3.75% Dental: 4.00% per year, decreasing to 3.75% after 2072

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

NOTES TO THE FINANCIAL STATEMENTS

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance as of June 30, 2022	\$ 9,429,565
Changes for the year:	
Service cost	634,382
Interest on Total OPEB Liability	212,354
Effect of economic/demographic gains or losses	106,355
Effect of assumptions changes or inputs	(39,370)
Benefit payments	(467,995)
Balance as of June 30, 2023	\$ 9,875,291

Changes in assumptions is primarily related to the change in the discount rate from 2.16 to 3.54.

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 (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB Liability	\$ 10,720,773	\$ 9,875,291	\$ 9,099,435

Healthcare Cost Trend:

	1% Decrease (5.7% decreasing to 2.75%)	Current Healthcare Trend Rate (6.75% decreasing to 3.75%)	1% Increase (7.75% decreasing to 4.75%)
Total OPEB Liability	\$ 8,815,140	\$ 9,875,291	\$ 11,133,515

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.

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Benefits Provided

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the RHIA established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost, the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Contributions

PERS funding policy provides for employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 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, 2023 was \$8,408.

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

At June 30, 2023, the City reported an asset of \$1,316,343 for its proportionate share of the OPERS net OPEB asset. The net OPEB asset was measured as of June 30, 2022, 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, 2022. 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, 2022, the City's proportionate share was 0.3705%, which is a decrease from its proportion of 0.4150% as of June 30, 2021.

For the year ended June 30, 2023, the City recognized an OPEB expense reduction from this plan of \$146,196. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

NOTES TO THE FINANCIAL STATEMENTS

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 35,672
Changes of assumptions	10,307	43,878
Net difference between projected and actual earnings	-	100,388
Changes in proportionate share	67,825	57,264
Contributions subsequent to the measurement date	8,408	-
Total	\$ 86,540	\$ 237,202

Deferred outflows of resources related to OPEB of \$8,408 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, 2024. 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:

2024	\$ (89,366)
2025	(38,505)
2026	(63,350)
2027	32,151
Total	\$ (159,070)

Actuarial Methods and Assumptions

All actuarial methods and assumptions are consistent with those disclosed for the OPERS Pension Plan. See Note 3.G. 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	\$ 1,186,396	\$ 1,316,343	\$ 1,427,737

OPEB Plan Fiduciary Net Position

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

CITY OF GRESHAM, OREGON

I. *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, 2023, the amount deferred and investment earnings thereon, adjusted to fair market value, amount to \$76,352,299. The amounts accumulated under the Plan, including investment earnings, are excluded from the financial statements of the City.

J. *Fund Balance Components*

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

Fund Balances	General Fund	Designated Purpose Fund	System		GRDC - Rockwood Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
			Development Charge Fund	Transportation Fund			
Restricted:							
Transportation Projects	\$ -	\$ -	\$ -	\$ 34,289,220	\$ -	\$ -	\$ 34,289,220
City System Development	-	-	20,252,373	-	-	-	20,252,373
Streetlights	-	-	-	-	-	5,484,709	5,484,709
Building Inspection & Permits	-	-	-	-	-	8,761,266	8,761,266
Urban Renewal Area	-	-	-	-	224,055	6,656,816	6,880,871
Misc. Grants and Programs	-	7,787,986	-	-	-	145,626	7,933,612
Total Restricted Fund Balances	-	7,787,986	20,252,373	34,289,220	224,055	21,048,417	83,602,051
Committed:							
Rental Inspections	-	-	-	-	-	973,187	973,187
Assigned:							
Infrastructure Development	-	-	-	-	-	4,530,453	4,530,453
Urban Design and Planning	-	-	-	-	-	1,468,388	1,468,388
Solid Waste	-	-	-	-	-	843,710	843,710
Misc. Grants and Programs	-	2,002,160	-	-	-	115,493	2,117,653
Capital Projects	-	-	-	-	-	7,718,423	7,718,423
Debt Service	-	-	-	-	-	1,008,068	1,008,068
Total Assigned Fund Balances	-	2,002,160	-	-	-	15,684,535	17,686,695
Unassigned:							
	40,765,172	-	-	-	-	-	40,765,172
Total Fund Balances	\$40,765,172	\$ 9,790,146	\$ 20,252,373	\$ 34,289,220	\$ 224,055	\$ 37,706,139	\$ 143,027,105

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. OTHER INFORMATION

A. Risk Management

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

The City is self-insured for workers' compensation claims. The City purchases excess insurance for any 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.

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
2022	\$ 3,649,000	\$ 592,826	\$ (436,826)	\$ 3,805,000
2023	3,805,000	614,281	(361,281)	4,058,000

Liability Claims

Fiscal Year	Beginning Balance	New claims and changes in estimates	Claim payments	Ending Balance
2022	\$ 463,521	\$ 837,030	\$ (449,411)	\$ 851,140
2023	851,140	195,292	(195,137)	851,295

Health Insurance Claims

Fiscal Year	Beginning Balance	New claims and changes in estimates	Claim payments	Ending Balance
2022	\$ 893,000	\$ 5,585,637	\$ (5,753,637)	\$ 725,000
2023	725,000	9,023,247	(8,521,247)	1,227,000

Dental Insurance Claims

Fiscal Year	Beginning Balance	New claims and changes in estimates	Claim payments	Ending Balance
2022	\$ 32,000	\$ 552,077	\$ (557,077)	\$ 27,000
2023	27,000	573,668	(578,668)	22,000

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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.

C. Construction Commitments

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

Project Description	Contract Commitment	Expended as of June 30, 2023	Remaining Commitment
WWTP Maintenance Project	\$ 37,026,695	\$ 13,480,287	\$ 23,546,408
WWTP Outfall Diffuser Improvements	1,183,034	954,828	228,206
WWTP Uppr Plnt Secondary Clarifier5	325,158	162,807	162,351
WWTP Asset Repl & Refurb	670,440	516,209	154,231
WWTP Disinfection Improvements	256,940	195,744	61,196
WWTP Organics Digest Capacity Evalu	851,703	736,884	114,819
WWTP Gravity Belt Thickener Refurb	2,555,430	2,355,130	200,300
WWTP Asset Mgmt Implementation	206,901	143,707	63,194
WWTP Upper Plant Nitrification Impr	398,540	291,451	107,089
Streetlight Replacement & In	273,552	235,957	37,595
Bridge Inspection/Monitoring/Maint	498,785	317,970	180,815
Street Surfacing Improvements	5,652,080	5,330,917	321,163
Div St (Birdsdle-Wallula-RFFA Grnt)	937,279	596,358	340,921
NE Cleveland Ave (Stark-Burnside)	672,931	613,038	59,893
Hogan-Powell to Burnside	3,593,412	3,362,997	230,415
Columbia South Shore Connection	395,715	308,420	87,295
Gresham's Well #5	1,595,289	67,352	1,527,937
Gresham's Well #2	9,608,764	2,310,551	7,298,213
Gresham's Well #4	1,642,197	1,294,052	348,145
Groundwater Develop MP Implementation	15,119,274	11,273,170	3,846,104
Groundwater Secondary Trans Main	2,632,642	1,569,114	1,063,528
Catalyst Site	3,000,000	-	3,000,000
Totals	\$ 89,096,761	\$ 46,116,943	\$ 42,979,818

Pledged Revenue

Revenues of the City are pledged to debt service of the 2021 Water Revenue Bond. During 2023 the City recorded \$8,097,133 of net revenues that were pledged to debt service and debt service remains interest only through 2028. The obligation subject to the pledged revenue commitments are as follows:

Water 2021 Revenue Bond		
	Principal	Interest
2024	\$ -	\$ 1,047,113
Total	\$ -	\$ 1,047,113

NOTES TO THE FINANCIAL STATEMENTS

D. Tax Abatements

As of June 30, 2023, 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

CITY OF GRESHAM, OREGON

training providers. The City places additional requirements for a minimum investment of \$1 million, a procurement plan demonstrating a good faith effort to increase purchasing with Gresham companies, and requirements related to compensation, benefits, and training opportunities.

For the fiscal year ended June 30, 2023, the City's property tax revenues were reduced by an estimated \$1,271,753 as a result of the Enterprise Zone program. Community service fees of \$1,010,467 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, 2023, there were not any active participants in this program, and no impact to estimated tax revenues.

E. 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 December 2023. The City will be required to repay some or all of the additional payments beginning in 2025.

In July of 2023, the Rockwood-West Gresham Urban Renewal Area approved and completed the purchase of a \$2 million piece of property.

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Required Supplementary Information

CITY OF
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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 Proportionate Share of the Net Pension Liability (Asset) -
Oregon Public Employees Retirement System

- Schedule of the City's Contributions - Oregon Public Employees Retirement
System

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability						
Service cost	\$ 634,382	\$ 615,461	\$ 602,967	\$ 535,072	\$ 488,313	\$ 527,273
Interest	212,354	208,379	339,214	348,060	281,973	226,913
Changes in benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	106,355	-	543,254	-	794,837	-
Changes of assumptions or other inputs	(39,370)	38,981	(1,244,551)	284,520	(76,043)	(495,221)
Benefit payments	(467,995)	(490,740)	(539,876)	(534,746)	(304,424)	(307,149)
Net change in OPEB liability	<u>445,726</u>	<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>9,429,565</u>	<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>9,875,291</u></u>	<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	\$ 56,978,722	\$ 55,145,912	\$ 54,179,317	\$ 52,717,193	\$ 48,351,316	\$ 45,518,553
Total OPEB Liability as a percentage of its covered-employee payroll	17.3%	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 2023 is July 1, 2021 - June 30, 2022

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:	3.54%	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, Retiremen Health Insurance Account
Last Seven Fiscal Years ^{1,2}

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
City's proportion of the net OPEB liability (asset)	0.3705%	0.4150%	0.3016%	0.4841%
City's proportionate share of the net OPEB liability (asset)	\$ (1,316,343)	\$ (1,425,029)	\$ (614,469)	\$ (935,438)
City's covered payroll	\$ 56,978,722	\$ 55,145,912	\$ 54,179,317	\$ 52,717,193
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-2.3%	-2.6%	-1.1%	-1.8%
Plan fiduciary net position as a percentage of the total OPEB liability	194.6%	183.9%	150.1%	144.4%

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 2023 is July 1, 2021 - June 30, 2022

<u>2019</u>	<u>2018</u>	<u>2017</u>
0.4573%	0.4422%	0.4524%
\$ (510,468)	\$ (184,537)	\$ 122,862
\$ 48,351,316	\$ 45,518,553	\$ 43,126,740
-1.1%	-0.4%	0.3%
124.0%	108.9%	94.2%

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contributions	\$ 8,408	\$ 9,130	\$ 11,103	\$ 21,535
Contributions in relation to the contractually required contribution	<u>(8,408)</u>	<u>(9,130)</u>	<u>(11,103)</u>	<u>(21,535)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$60,644,941	\$56,978,722	\$55,145,912	\$54,179,317
Contributions as a percentage of covered payroll	0.01%	0.02%	0.02%	0.04%

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

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

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

2.50 percent
3.50 percent
7.50 percent

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

2.75 percent
3.75 percent
7.75 percent

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

2.75 percent
3.75 percent
8.00 percent

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
City's proportion of the net pension liability (asset)	0.6740%	0.6435%	0.5955%	0.5858%
City's proportionate share of the net pension liability (asset)	\$ 103,202,555	\$ 77,003,641	\$ 129,959,351	\$ 101,336,965
City's covered payroll	\$ 56,978,722	\$ 55,145,912	\$ 54,179,317	\$ 52,717,193
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	181.1%	139.6%	239.9%	192.2%
Plan fiduciary net position as a percentage of the total pension liability	84.5%	87.6%	75.8%	80.2%

¹ Amounts presented are for the measurement period reported during the fiscal year, which for FY 2023 is July 1, 2021 - June 30, 2022

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.

2019	2018	2017	2016	2015	2014
0.5463%	0.5250%	0.5176%	0.5178%	0.4564%	0.4564%
\$ 82,752,686	\$ 70,776,159	\$ 77,701,855	\$ 29,730,233	\$ (10,345,364)	\$ 23,290,937
\$ 48,351,316	\$ 45,518,553	\$ 43,126,740	\$ 41,316,121	\$ 40,497,083	\$ 39,389,914
171.1%	155.5%	180.2%	72.0%	-25.5%	59.1%
82.1%	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 Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contributions	\$ 11,405,596	\$ 10,579,023	\$ 7,234,969	\$ 7,073,362
Contributions in relation to the contractually required contribution	(11,405,596)	(10,579,023)	(7,234,969)	(7,073,362)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 60,644,941	\$ 56,978,722	\$ 55,145,912	\$ 54,179,317
Contributions as a percentage of covered payroll	18.81%	18.57%	13.12%	13.06%

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
\$ 5,194,350	\$ 4,877,479	\$ 3,670,758	\$ 3,536,948	\$ 2,709,239	\$ 2,631,112
(5,194,350)	(4,877,479)	(3,670,758)	(3,536,948)	(2,709,239)	(2,631,112)
<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
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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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Taxes	\$ 44,911,000	\$ 44,911,000	\$ 47,091,795	\$ 2,180,795
Licenses and permits	419,000	419,000	503,259	84,259
Intergovernmental	11,143,000	11,143,000	10,394,490	(748,510)
Charges for services	8,006,000	8,006,000	8,466,723	460,723
License fees	17,242,000	17,242,000	20,036,757	2,794,757
Miscellaneous	441,000	441,000	951,257	510,257
Internal service charges	1,264,586	1,264,586	1,042,160	(222,426)
Total revenues	<u>83,426,586</u>	<u>83,426,586</u>	<u>88,486,441</u>	<u>5,059,855</u>
EXPENDITURES				
Police	44,381,023	44,381,023	41,268,757	3,112,266
Fire and emergency services	31,971,544	31,971,544	31,971,440	104
Economic, development, & housing services	1,423,755	1,423,755	1,055,260	368,495
Community livability	1,761,956	1,761,956	1,519,194	242,762
Parks	4,609,893	4,609,893	4,425,069	184,824
Operating contingency	2,295,000	2,295,000	-	2,295,000
Total expenditures	<u>86,443,171</u>	<u>86,443,171</u>	<u>80,239,720</u>	<u>6,203,451</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,016,585)</u>	<u>(3,016,585)</u>	<u>8,246,721</u>	<u>11,263,306</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,425,000	1,425,000	1,425,000	-
Transfers out	(4,792,000)	(4,792,000)	(4,554,649)	237,351
Total other financing sources (uses)	<u>(3,367,000)</u>	<u>(3,367,000)</u>	<u>(3,129,649)</u>	<u>237,351</u>
Net change in fund balances	(6,383,585)	(6,383,585)	5,117,072	11,500,657
Fund balances - beginning	<u>23,300,000</u>	<u>23,300,000</u>	<u>26,297,613</u>	<u>2,997,613</u>
Fund balances - ending	<u>\$ 16,916,415</u>	<u>\$ 16,916,415</u>	<u>\$ 31,414,685</u>	<u>\$ 14,498,270</u>
Accrued compensation			431,643	
Due from other funds			9,808,394	
Unrealized gain (loss) on investments			<u>(889,550)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 40,765,172</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 28,931,850	\$ 31,141,850	\$ 18,233,127	\$ (12,908,723)
Charges for services	323,000	323,000	259,026	(63,974)
Miscellaneous	1,515,923	1,515,923	2,173,739	657,816
Total revenues	<u>30,770,773</u>	<u>32,980,773</u>	<u>20,665,892</u>	<u>(12,314,881)</u>
EXPENDITURES				
Office of governance and management	7,000	7,000	6,991	9
Citywide services	23,696,106	23,696,106	2,294,418	21,401,688
Police	1,327,453	1,327,453	436,967	890,486
Fire and emergency services	510,568	522,668	218,839	303,829
Urban design and planning	80,000	80,000	33,496	46,504
Economic, development, & housing services	5,668,000	5,668,000	55,461	5,612,539
Community livability	14,405,025	16,016,026	3,231,319	12,784,707
Parks	337,150	337,150	41,705	295,445
Environmental services	354,000	1,350,000	405,853	944,147
Total expenditures	<u>46,385,302</u>	<u>49,004,403</u>	<u>6,725,049</u>	<u>42,279,354</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15,614,529)</u>	<u>(16,023,630)</u>	<u>13,940,843</u>	<u>29,964,473</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	669,500	1,077,500	344,909	(732,591)
Transfers out	(1,350,000)	(1,350,000)	(1,350,000)	-
Total other financing sources (uses)	<u>(680,500)</u>	<u>(272,500)</u>	<u>(1,005,091)</u>	<u>(732,591)</u>
Net change in fund balances	(16,295,029)	(16,296,130)	12,935,752	29,231,882
Fund balances - beginning	<u>18,806,750</u>	<u>18,807,850</u>	<u>17,182,481</u>	<u>(1,625,369)</u>
Fund balances - ending	<u>\$ 2,511,721</u>	<u>\$ 2,511,720</u>	<u>\$ 30,118,233</u>	<u>\$ 27,606,513</u>
Unavailable revenue			(19,565,620)	
Unrealized gain (loss) on investments			<u>(762,467)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 9,790,146</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Charges for services	\$ 20,898,573	\$ 20,898,573	\$ 7,498,081	\$ (13,400,492)
Miscellaneous	290,400	290,400	574,633	284,233
Total revenues	<u>21,188,973</u>	<u>21,188,973</u>	<u>8,072,714</u>	<u>(13,116,259)</u>
EXPENDITURES				
Total expenditures	-	-	-	-
Excess of revenues over expenditures	<u>21,188,973</u>	<u>21,188,973</u>	<u>8,072,714</u>	<u>(13,116,259)</u>
OTHER FINANCING (USES)				
Transfers out	(31,095,200)	(31,095,200)	(6,060,971)	25,034,229
Total other financing (uses)	<u>(31,095,200)</u>	<u>(31,095,200)</u>	<u>(6,060,971)</u>	<u>25,034,229</u>
Net change in fund balances	(9,906,227)	(9,906,227)	2,011,743	11,917,970
Fund balances - beginning	<u>15,750,500</u>	<u>15,750,500</u>	<u>19,197,394</u>	<u>3,446,894</u>
Fund balances - ending	<u>\$ 5,844,273</u>	<u>\$ 5,844,273</u>	\$ 21,209,137	<u>\$ 15,364,864</u>
Unrealized gain (loss) on investments			<u>(956,764)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 20,252,373</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 13,997,000	\$ 13,997,000	\$ 13,970,106	\$ (26,894)
Charges for services	101,500	101,500	80,394	(21,106)
License fees	1,557,800	1,557,800	1,625,182	67,382
Miscellaneous	339,000	339,000	662,882	323,882
Internal service charges	1,274,000	1,274,000	1,984,613	710,613
Total revenues	<u>17,269,300</u>	<u>17,269,300</u>	<u>18,323,177</u>	<u>1,053,877</u>
EXPENDITURES				
Environmental services	11,379,138	11,379,138	10,558,129	821,009
Operating contingency	1,707,000	1,707,000	-	1,707,000
Total expenditures	<u>13,086,138</u>	<u>13,086,138</u>	<u>10,558,129</u>	<u>2,528,009</u>
Excess of revenues over expenditures	<u>4,183,162</u>	<u>4,183,162</u>	<u>7,765,048</u>	<u>3,581,886</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,457,600	1,457,600	1,378,169	(79,431)
Transfers out	<u>(26,089,800)</u>	<u>(26,352,800)</u>	<u>(10,091,245)</u>	<u>16,261,555</u>
Total other financing sources (uses)	<u>(24,632,200)</u>	<u>(24,895,200)</u>	<u>(8,713,076)</u>	<u>16,182,124</u>
Net change in fund balances	(20,449,038)	(20,712,038)	(948,028)	19,764,010
Fund balances - beginning	<u>32,563,800</u>	<u>32,826,800</u>	<u>32,646,140</u>	<u>(180,660)</u>
Fund balances - ending	<u>\$ 12,114,762</u>	<u>\$ 12,114,762</u>	<u>\$ 31,698,112</u>	<u>\$ 19,583,350</u>
Accrued compensation			628,200	
Due from other funds			3,136,941	
Unrealized gain (loss) on investments			<u>(1,174,033)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 34,289,220</u>	

CITY OF
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Other Supplementary Information

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

Major Funds – Debt Service

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

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

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
GRDC - Rockwood Debt Service Fund
For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Taxes	\$ 6,792,800	\$ 6,792,800	\$ 6,791,550	\$ (1,250)
Intergovernmental	8,400	8,400	5,685	(2,715)
Miscellaneous	174,300	174,300	249,839	75,539
Total revenues	<u>6,975,500</u>	<u>6,975,500</u>	<u>7,047,074</u>	<u>71,574</u>
EXPENDITURES				
Debt service	22,228,100	22,228,100	18,111,051	4,117,049
Total expenditures	<u>22,228,100</u>	<u>22,228,100</u>	<u>18,111,051</u>	<u>4,117,049</u>
Excess of expenditures over revenue	<u>(15,252,600)</u>	<u>(15,252,600)</u>	<u>(11,063,977)</u>	<u>4,188,623</u>
Net change in fund balances	(15,252,600)	(15,252,600)	(11,063,977)	4,188,623
Fund balances - beginning	<u>15,252,600</u>	<u>15,252,600</u>	<u>11,654,637</u>	<u>(3,597,963)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	\$ 590,660	<u>\$ 590,660</u>
Unrealized gain (loss) on investments			<u>(366,605)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 224,055</u>	

CITY OF
GRESHAM
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City of Gresham, Oregon
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds	Capital Project Funds	Debt Service Funds	Total
ASSETS				
Cash and investments	\$ 24,091,437	\$ 15,600,302	\$ 1,004,737	\$ 40,696,476
Receivables, net	4,515,807	1,160,196	-	5,676,003
Other assets	122,061	48,860	4,996	175,917
Due from other funds	605,059	-	-	605,059
Restricted cash and investments	743,053	-	-	743,053
Total assets	<u>\$ 30,077,417</u>	<u>\$ 16,809,358</u>	<u>\$ 1,009,733</u>	<u>\$ 47,896,508</u>
LIABILITIES				
Accounts payable	\$ 1,712,662	\$ 2,638,213	\$ 1,665	\$ 4,352,540
Other accrued liabilities	-	192,466	-	192,466
Deposits	1,971,945	-	-	1,971,945
Unearned revenue	2,735,354	-	-	2,735,354
Due to other funds	900,000	-	-	900,000
Compensated Absences	-	-	-	-
Total liabilities	<u>7,319,961</u>	<u>2,830,679</u>	<u>1,665</u>	<u>10,152,305</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - other	-	38,064	-	38,064
Total deferred inflows of resources	<u>-</u>	<u>38,064</u>	<u>-</u>	<u>38,064</u>
FUND BALANCES				
Restricted	14,826,225	6,222,192	-	21,048,417
Committed	973,187	-	-	973,187
Assigned	6,958,044	7,718,423	1,008,068	15,684,535
Total fund balances	<u>22,757,456</u>	<u>13,940,615</u>	<u>1,008,068</u>	<u>37,706,139</u>
Total liabilities and fund balances	<u>\$ 30,077,417</u>	<u>\$ 16,809,358</u>	<u>\$ 1,009,733</u>	<u>\$ 47,896,508</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, 2023

	Special Revenue Funds	Capital Project Funds	Debt Service Funds	Total
REVENUES				
Licenses and permits	\$ 3,376,843	\$ -	\$ -	\$ 3,376,843
Intergovernmental	4,420,771	3,666,698	1,692,043	9,779,512
Charges for services	4,845,019	487,516	-	5,332,535
License fees	1,664,310	-	-	1,664,310
Miscellaneous	493,923	233,837	24,875	752,635
Internal service charges	598,058	-	2,257,465	2,855,523
Total revenues	<u>15,398,924</u>	<u>4,388,051</u>	<u>3,974,383</u>	<u>23,761,358</u>
EXPENDITURES				
Current:				
General government	-	-	491	491
Urban renewal	1,080,630	1,416,720	-	2,497,350
Urban design and planning	3,314,211	-	-	3,314,211
Economic, development, & housing services	3,968,048	-	-	3,968,048
Community livability	3,145,304	-	-	3,145,304
Environmental services	4,517,642	-	-	4,517,642
Transportation	487,336	-	-	487,336
Capital outlay	-	15,940,949	-	15,940,949
Debt service	-	-	11,144,920	11,144,920
Total expenditures	<u>16,513,171</u>	<u>17,357,669</u>	<u>11,145,411</u>	<u>45,016,251</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,114,247)</u>	<u>(12,969,618)</u>	<u>(7,171,028)</u>	<u>(21,254,893)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	3,000,000	-	3,000,000
Proceeds from sale of assets	383	260,000	-	260,383
Transfers in	4,507,363	7,792,108	7,237,943	19,537,414
Transfers out	(1,044,748)	-	(1,647,566)	(2,692,314)
Total other financing sources (uses)	<u>3,462,998</u>	<u>11,052,108</u>	<u>5,590,377</u>	<u>20,105,483</u>
Net change in fund balances	<u>2,348,751</u>	<u>(1,917,510)</u>	<u>(1,580,651)</u>	<u>(1,149,410)</u>
Fund balances - beginning	<u>20,408,705</u>	<u>15,858,125</u>	<u>2,588,719</u>	<u>38,855,549</u>
Fund balances - ending	<u>\$ 22,757,456</u>	<u>\$ 13,940,615</u>	<u>\$ 1,008,068</u>	<u>\$ 37,706,139</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, 2023

	Urban Design & Planning Fund	Solid Waste & Recycling Fund	Rental Inspection Fund	Infrastructure Development Fund
ASSETS				
Cash and investments	\$ 1,545,865	\$ 738,629	\$ 808,993	\$ 5,573,501
Receivables, net	37,918	106,234	57,550	50,098
Other assets	7,518	3,665	4,017	30,526
Due from other funds	-	-	103,277	206,469
Restricted cash and investments	-	-	-	547,424
Total assets	<u>\$ 1,591,301</u>	<u>\$ 848,528</u>	<u>\$ 973,837</u>	<u>\$ 6,408,018</u>
LIABILITIES				
Accounts payable	\$ 112,257	\$ 4,818	\$ 650	\$ 5,811
Deposits	10,656	-	-	1,871,754
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	-
Compensated Absences	-	-	-	-
Total liabilities	<u>122,913</u>	<u>4,818</u>	<u>650</u>	<u>1,877,565</u>
FUND BALANCES				
Restricted	-	-	-	-
Committed	-	-	973,187	-
Assigned	1,468,388	843,710	-	4,530,453
Total fund balances	<u>1,468,388</u>	<u>843,710</u>	<u>973,187</u>	<u>4,530,453</u>
Total liabilities and fund balances	<u>\$ 1,591,301</u>	<u>\$ 848,528</u>	<u>\$ 973,837</u>	<u>\$ 6,408,018</u>

Streetlight Fund	CDBG & HOME Fund	Building Fund	Urban Renewal Support Fund	Total
\$ 5,207,441	\$ 77,039	\$ 9,675,452	\$ 464,517	\$ 24,091,437
264,705	3,967,385	31,917	-	4,515,807
25,774	365	47,947	2,249	122,061
-	-	295,313	-	605,059
-	195,629	-	-	743,053
<u>\$ 5,497,920</u>	<u>\$ 4,240,418</u>	<u>\$ 10,050,629</u>	<u>\$ 466,766</u>	<u>\$ 30,077,417</u>
\$ 13,211	\$ 343,945	\$ 1,199,828	\$ 32,142	\$ 1,712,662
-	-	89,535	-	1,971,945
-	2,735,354	-	-	2,735,354
-	900,000	-	-	900,000
-	-	-	-	-
<u>13,211</u>	<u>3,979,299</u>	<u>1,289,363</u>	<u>32,142</u>	<u>7,319,961</u>
5,484,709	145,626	8,761,266	434,624	14,826,225
-	-	-	-	973,187
-	115,493	-	-	6,958,044
<u>5,484,709</u>	<u>261,119</u>	<u>8,761,266</u>	<u>434,624</u>	<u>22,757,456</u>
<u>\$ 5,497,920</u>	<u>\$ 4,240,418</u>	<u>\$ 10,050,629</u>	<u>\$ 466,766</u>	<u>\$ 30,077,417</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, 2023

	Urban Design & Planning Fund	Solid Waste & Recycling Fund	Rental Inspection Fund	Infrastructure Development Fund
REVENUES				
Licenses and permits	\$ 158,794	\$ -	\$ 777,492	\$ -
Intergovernmental	-	241,003	-	1,015
Charges for services	1,027,527	778,571	253	913,007
License fees	-	-	-	-
Miscellaneous	16,136	13,975	104,631	106,604
Internal service charges	-	-	-	598,058
Total revenues	<u>1,202,457</u>	<u>1,033,549</u>	<u>882,376</u>	<u>1,618,684</u>
EXPENDITURES				
Current:				
Urban renewal	-	-	-	-
Urban design and planning	3,314,211	-	-	-
Economic, development, & housing services	-	-	-	-
Community livability	-	-	848,513	-
Environmental services	-	1,082,212	-	3,435,430
Transportation	-	-	-	-
Total expenditures	<u>3,314,211</u>	<u>1,082,212</u>	<u>848,513</u>	<u>3,435,430</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,111,754)</u>	<u>(48,663)</u>	<u>33,863</u>	<u>(1,816,746)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	-	-	-	383
Transfers in	2,656,163	108,000	-	1,599,200
Transfers out	<u>(58,000)</u>	<u>-</u>	<u>(14,000)</u>	<u>(58,000)</u>
Total other financing sources (uses)	<u>2,598,163</u>	<u>108,000</u>	<u>(14,000)</u>	<u>1,541,583</u>
Net change in fund balances	<u>486,409</u>	<u>59,337</u>	<u>19,863</u>	<u>(275,163)</u>
Fund balances - beginning	<u>981,979</u>	<u>784,373</u>	<u>953,324</u>	<u>4,805,616</u>
Fund balances - ending	<u>\$ 1,468,388</u>	<u>\$ 843,710</u>	<u>\$ 973,187</u>	<u>\$ 4,530,453</u>

Streetlight Fund	CDBG & HOME Fund	Building Fund	Urban Renewal Support Fund	Total
\$ -	\$ -	\$ 2,440,557	\$ -	\$ 3,376,843
86,344	2,420,913	255,664	1,415,832	4,420,771
28,992	2,677	2,093,992	-	4,845,019
1,664,310	-	-	-	1,664,310
77,328	747	174,502	-	493,923
-	-	-	-	598,058
<u>1,856,974</u>	<u>2,424,337</u>	<u>4,964,715</u>	<u>1,415,832</u>	<u>15,398,924</u>
-	-	-	1,080,630	1,080,630
-	-	-	-	3,314,211
-	-	3,968,048	-	3,968,048
-	2,296,791	-	-	3,145,304
-	-	-	-	4,517,642
487,336	-	-	-	487,336
<u>487,336</u>	<u>2,296,791</u>	<u>3,968,048</u>	<u>1,080,630</u>	<u>16,513,171</u>
<u>1,369,638</u>	<u>127,546</u>	<u>996,667</u>	<u>335,202</u>	<u>(1,114,247)</u>
-	-	-	-	383
-	-	144,000	-	4,507,363
<u>(709,977)</u>	<u>(149,728)</u>	<u>(25,052)</u>	<u>(29,991)</u>	<u>(1,044,748)</u>
<u>(709,977)</u>	<u>(149,728)</u>	<u>118,948</u>	<u>(29,991)</u>	<u>3,462,998</u>
<u>659,661</u>	<u>(22,182)</u>	<u>1,115,615</u>	<u>305,211</u>	<u>2,348,751</u>
<u>4,825,048</u>	<u>283,301</u>	<u>7,645,651</u>	<u>129,413</u>	<u>20,408,705</u>
<u>\$ 5,484,709</u>	<u>\$ 261,119</u>	<u>\$ 8,761,266</u>	<u>\$ 434,624</u>	<u>\$ 22,757,456</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Licenses and permits	\$ 130,000	\$ 130,000	\$ 158,794	\$ 28,794
Charges for services	700,000	700,000	1,027,527	327,527
Miscellaneous	10,000	10,000	19,112	9,112
Total revenues	<u>840,000</u>	<u>840,000</u>	<u>1,205,433</u>	<u>365,433</u>
EXPENDITURES				
Urban design and planning	3,937,578	3,937,578	3,259,411	678,167
Operating contingency	34,422	34,422	-	34,422
Total expenditures	<u>3,972,000</u>	<u>3,972,000</u>	<u>3,259,411</u>	<u>712,589</u>
Excess of expenditures over revenue	<u>(3,132,000)</u>	<u>(3,132,000)</u>	<u>(2,053,978)</u>	<u>1,078,022</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,656,000	2,656,000	2,656,163	163
Transfers out	(58,000)	(58,000)	(58,000)	-
Total other financing sources (uses)	<u>2,598,000</u>	<u>2,598,000</u>	<u>2,598,163</u>	<u>163</u>
Net change in fund balances	(534,000)	(534,000)	544,185	1,078,185
Fund balances - beginning	<u>534,000</u>	<u>534,000</u>	<u>715,540</u>	<u>181,540</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,259,725</u>	<u>\$ 1,259,725</u>
Accrued compensation			231,600	
Unrealized gain (loss) on investments			<u>(22,937)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 1,468,388</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 214,000	\$ 214,000	\$ 241,003	\$ 27,003
Charges for services	778,000	778,000	778,571	571
Miscellaneous	10,000	10,000	15,426	5,426
Total revenues	<u>1,002,000</u>	<u>1,002,000</u>	<u>1,035,000</u>	<u>33,000</u>
EXPENDITURES				
Environmental services	1,212,083	1,212,083	1,083,312	128,771
Operating contingency	122,000	122,000	-	122,000
Total expenditures	<u>1,334,083</u>	<u>1,334,083</u>	<u>1,083,312</u>	<u>250,771</u>
Excess of expenditures over revenue	<u>(332,083)</u>	<u>(332,083)</u>	<u>(48,312)</u>	<u>283,771</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	(224,083)	(224,083)	59,688	283,771
Fund balances - beginning	<u>853,000</u>	<u>853,000</u>	<u>753,949</u>	<u>(99,051)</u>
Fund balances - ending	<u>\$ 628,917</u>	<u>\$ 628,917</u>	<u>\$ 813,637</u>	<u>\$ 184,720</u>
Accrued compensation			56,300	
Unrealized gain (loss) on investments			<u>(26,227)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 843,710</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Licenses and permits	\$ 660,000	\$ 660,000	\$ 777,492	\$ 117,492
Charges for services	-	-	253	253
Miscellaneous	23,000	23,000	106,221	83,221
Internal service charges	100,000	100,000	-	(100,000)
Total revenues	<u>783,000</u>	<u>783,000</u>	<u>883,966</u>	<u>100,966</u>
EXPENDITURES				
Community livability	1,219,053	1,219,053	860,421	358,632
Operating contingency	122,000	122,000	-	122,000
Total expenditures	<u>1,341,053</u>	<u>1,341,053</u>	<u>860,421</u>	<u>480,632</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(558,053)</u>	<u>(558,053)</u>	<u>23,545</u>	<u>581,598</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	33,000	33,000	-	(33,000)
Transfers out	(14,000)	(14,000)	(14,000)	-
Total other financing sources (uses)	<u>19,000</u>	<u>19,000</u>	<u>(14,000)</u>	<u>(33,000)</u>
Net change in fund balances	(539,053)	(539,053)	9,545	548,598
Fund balances - beginning	732,000	732,000	798,940	66,940
Fund balances - ending	<u>\$ 192,947</u>	<u>\$ 192,947</u>	<u>\$ 808,485</u>	<u>\$ 615,538</u>
Accrued compensation			90,600	
Due from other funds			103,277	
Unrealized gain (loss) on investments			<u>(29,175)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 973,187</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 1,015	\$ 1,015
Charges for services	974,200	974,200	913,007	(61,193)
Miscellaneous	61,600	61,600	119,070	57,470
Internal service charges	386,000	386,000	598,058	212,058
Total revenues	<u>1,421,800</u>	<u>1,421,800</u>	<u>1,631,150</u>	<u>209,350</u>
EXPENDITURES				
Environmental services	3,771,995	3,771,995	3,422,851	349,144
Operating contingency	566,000	566,000	-	566,000
Total expenditures	<u>4,337,995</u>	<u>4,337,995</u>	<u>3,422,851</u>	<u>915,144</u>
Excess of expenditures over revenue	<u>(2,916,195)</u>	<u>(2,916,195)</u>	<u>(1,791,701)</u>	<u>1,124,494</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,599,200	1,599,200	1,599,200	-
Transfers out	(58,000)	(58,000)	(58,000)	-
Total other financing sources (uses)	<u>1,541,200</u>	<u>1,541,200</u>	<u>1,541,200</u>	<u>-</u>
Net change in fund balances	(1,374,995)	(1,374,995)	(250,501)	1,124,494
Fund balances - beginning	<u>4,108,600</u>	<u>4,108,600</u>	<u>4,529,533</u>	<u>420,933</u>
Fund balances - ending	<u>\$ 2,733,605</u>	<u>\$ 2,733,605</u>	<u>\$ 4,279,032</u>	<u>\$ 1,545,427</u>
Accrued compensation			293,800	
Due from other funds			206,469	
Unrealized gain (loss) on investments			<u>(248,848)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 4,530,453</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 62,600	\$ 62,600	\$ 86,344	\$ 23,744
Charges for services	-	-	28,992	28,992
License fees	1,376,000	1,376,000	1,664,310	288,310
Miscellaneous	76,000	76,000	87,529	11,529
Total revenues	<u>1,514,600</u>	<u>1,514,600</u>	<u>1,867,175</u>	<u>352,575</u>
EXPENDITURES				
Environmental services	552,072	552,072	487,336	64,736
Operating contingency	98,000	98,000	-	98,000
Total expenditures	<u>650,072</u>	<u>650,072</u>	<u>487,336</u>	<u>162,736</u>
Excess of revenues ove expenditures	<u>864,528</u>	<u>864,528</u>	<u>1,379,839</u>	<u>515,311</u>
OTHER FINANCING (USES)				
Transfers out	<u>(1,578,200)</u>	<u>(1,578,200)</u>	<u>(709,977)</u>	<u>868,223</u>
Total other financing (uses)	<u>(1,578,200)</u>	<u>(1,578,200)</u>	<u>(709,977)</u>	<u>868,223</u>
Net change in fund balances	(713,672)	(713,672)	669,862	1,383,534
Fund balances - beginning	<u>5,037,000</u>	<u>5,037,000</u>	<u>4,985,508</u>	<u>(51,492)</u>
Fund balances - ending	<u>\$ 4,323,328</u>	<u>\$ 4,323,328</u>	<u>\$ 5,655,370</u>	<u>\$ 1,332,042</u>
Unrealized gain (loss) on investments			<u>(170,661)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 5,484,709</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 6,344,000	\$ 6,344,000	\$ 2,420,913	\$ (3,923,087)
Charges for services	-	-	2,677	2,677
Miscellaneous	-	-	892	892
Total revenues	<u>6,344,000</u>	<u>6,344,000</u>	<u>2,424,482</u>	<u>(3,919,518)</u>
EXPENDITURES				
Community livability	5,999,600	5,857,600	2,273,197	3,584,403
Total expenditures	<u>5,999,600</u>	<u>5,857,600</u>	<u>2,273,197</u>	<u>3,584,403</u>
Excess of revenues over expenditures	<u>344,400</u>	<u>486,400</u>	<u>151,285</u>	<u>(335,115)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	20,000	20,000	-	(20,000)
Transfers out	(321,000)	(463,000)	(149,728)	313,272
Total other financing sources (uses)	<u>(301,000)</u>	<u>(443,000)</u>	<u>(149,728)</u>	<u>293,272</u>
Net change in fund balances	43,400	43,400	1,557	(41,843)
Fund balances - beginning	-	-	226,759	226,759
Fund balances - ending	<u>\$ 43,400</u>	<u>\$ 43,400</u>	\$ 228,316	<u>\$ 184,916</u>
Accrued compensation			32,000	
Unrealized gain (loss) on investments			<u>803</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 261,119</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Licenses and permits	\$ 2,984,000	\$ 2,984,000	\$ 2,440,557	\$ (543,443)
Intergovernmental	226,000	226,000	255,664	29,664
Charges for services	1,316,000	1,316,000	2,093,992	777,992
Miscellaneous	106,000	106,000	193,480	87,480
Total revenues	<u>4,632,000</u>	<u>4,632,000</u>	<u>4,983,693</u>	<u>351,693</u>
EXPENDITURES				
Economic, development, & housing services	5,181,042	5,181,042	4,013,964	1,167,078
Operating contingency	519,000	519,000	-	519,000
Total expenditures	<u>5,700,042</u>	<u>5,700,042</u>	<u>4,013,964</u>	<u>1,686,078</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,068,042)</u>	<u>(1,068,042)</u>	<u>969,729</u>	<u>2,037,771</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	144,000	144,000	144,000	-
Transfers out	(30,000)	(30,000)	(25,052)	4,948
Total other financing sources (uses)	<u>114,000</u>	<u>114,000</u>	<u>118,948</u>	<u>4,948</u>
Net change in fund balances	(954,042)	(954,042)	1,088,677	2,042,719
Fund balances - beginning	<u>7,062,000</u>	<u>7,062,000</u>	<u>7,361,371</u>	<u>299,371</u>
Fund balances - ending	<u>\$ 6,107,958</u>	<u>\$ 6,107,958</u>	<u>\$ 8,450,048</u>	<u>\$ 2,342,090</u>
Accrued compensation			346,500	
Due from other funds			295,313	
Unrealized gain (loss) on investments			<u>(330,595)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 8,761,266</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 2,112,500	\$ 2,112,500	\$ 1,416,720	\$ (695,780)
Total revenues	<u>2,112,500</u>	<u>2,112,500</u>	<u>1,416,720</u>	<u>(695,780)</u>
EXPENDITURES				
Urban renewal	2,076,900	2,076,900	1,076,927	999,973
Total expenditures	<u>2,076,900</u>	<u>2,076,900</u>	<u>1,076,927</u>	<u>999,973</u>
Excess of revenues ove expenditures	<u>35,600</u>	<u>35,600</u>	<u>339,793</u>	<u>304,193</u>
OTHER FINANCING (USES)				
Transfers out	(40,000)	(40,000)	(29,991)	10,009
Total other financing (uses)	<u>(40,000)</u>	<u>(40,000)</u>	<u>(29,991)</u>	<u>10,009</u>
Net change in fund balances	(4,400)	(4,400)	309,802	314,202
Fund balances - beginning	<u>4,400</u>	<u>4,400</u>	<u>77,197</u>	<u>72,797</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 386,999</u>	<u>\$ 386,999</u>
Accrued compensation			52,400	
Unrealized gain (loss) on investments			<u>(4,775)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 434,624</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, 2023

	Parks Capital Improvement Fund	General Development Capital Improvement Fund	Transportation Capital Improvement Fund
ASSETS			
Cash and investments	\$ 2,682,373	\$ -	\$ 6,818,091
Receivables, net	224,907	-	813,611
Other assets	13,106	-	34,885
Total assets	<u>\$ 2,920,386</u>	<u>\$ -</u>	<u>\$ 7,666,587</u>
LIABILITIES			
Accounts payable	\$ 47,514	\$ -	\$ 2,590,506
Other accrued liabilities	-	-	192,466
Total liabilities	<u>47,514</u>	<u>-</u>	<u>2,782,972</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - other	30,027	-	8,037
Total deferred inflows of resources	<u>30,027</u>	<u>-</u>	<u>8,037</u>
FUND BALANCES			
Restricted	-	-	-
Assigned	2,842,845	-	4,875,578
Total fund balances	<u>2,842,845</u>	<u>-</u>	<u>4,875,578</u>
Total liabilities and fund balances	<u>\$ 2,920,386</u>	<u>\$ -</u>	<u>\$ 7,666,587</u>

Urban Renewal Capital Improvement Fund	GRDC - Rockwood Capital Improvement Fund	Total
\$ 2,618,807	\$ 3,481,031	\$ 15,600,302
46,795	74,883	1,160,196
869	-	48,860
<u>\$ 2,666,471</u>	<u>\$ 3,555,914</u>	<u>\$ 16,809,358</u>
\$ 193	\$ -	\$ 2,638,213
-	-	192,466
<u>193</u>	<u>-</u>	<u>2,830,679</u>
-	-	38,064
<u>-</u>	<u>-</u>	<u>38,064</u>
2,666,278	3,555,914	6,222,192
-	-	7,718,423
<u>2,666,278</u>	<u>3,555,914</u>	<u>13,940,615</u>
<u>\$ 2,666,471</u>	<u>\$ 3,555,914</u>	<u>\$ 16,809,358</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, 2023

	Parks Capital Improvement Fund	General Development Capital Improvement Fund	Transportation Capital Improvement Fund
REVENUES			
Intergovernmental	\$ 1,550,567	\$ -	\$ 2,069,431
Charges for services	-	-	463,543
Miscellaneous	14,947	-	110,257
Total revenues	<u>1,565,514</u>	<u>-</u>	<u>2,643,231</u>
EXPENDITURES			
Current:			
Urban renewal	-	-	-
Capital outlay	327,823	1,773,786	12,282,817
Total expenditures	<u>327,823</u>	<u>1,773,786</u>	<u>12,282,817</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,237,691</u>	<u>(1,773,786)</u>	<u>(9,639,586)</u>
OTHER FINANCING SOURCES (USES)			
Issuance of debt	-	-	-
Proceeds from sale of assets	-	-	-
Transfers in	228,237	1,773,786	5,009,697
Total other financing sources (uses)	<u>228,237</u>	<u>1,773,786</u>	<u>5,009,697</u>
Net change in fund balances	<u>1,465,928</u>	<u>-</u>	<u>(4,629,889)</u>
Fund balances - beginning	<u>1,376,917</u>	<u>-</u>	<u>9,505,467</u>
Fund balances - ending	<u>\$ 2,842,845</u>	<u>\$ -</u>	<u>\$ 4,875,578</u>

Urban Renewal Capital Improvement Fund	GRDC - Rockwood Capital Improvement Fund	Total
\$ 46,700	\$ -	\$ 3,666,698
-	54,000	517,543
-	78,606	203,810
<u>46,700</u>	<u>132,606</u>	<u>4,388,051</u>
-	1,416,720	1,416,720
1,556,523	-	15,940,949
<u>1,556,523</u>	<u>1,416,720</u>	<u>17,357,669</u>
<u>(1,509,823)</u>	<u>(1,284,114)</u>	<u>(12,969,618)</u>
-	3,000,000	3,000,000
-	260,000	260,000
780,388	-	7,792,108
<u>780,388</u>	<u>3,260,000</u>	<u>11,052,108</u>
<u>(729,435)</u>	<u>1,975,886</u>	<u>(1,917,510)</u>
<u>3,395,713</u>	<u>1,580,028</u>	<u>15,858,125</u>
<u>\$ 2,666,278</u>	<u>\$ 3,555,914</u>	<u>\$ 13,940,615</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 5,334,000	\$ 5,334,000	\$ 1,550,567	\$ (3,783,433)
Charges for services	2,661,000	2,661,000	-	(2,661,000)
Miscellaneous	19,100	19,100	50,161	31,061
Total revenues	<u>8,014,100</u>	<u>8,014,100</u>	<u>1,600,728</u>	<u>(6,413,372)</u>
EXPENDITURES				
Capital improvements	12,585,000	12,585,000	327,823	12,257,177
Total expenditures	<u>12,585,000</u>	<u>12,585,000</u>	<u>327,823</u>	<u>12,257,177</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,570,900)</u>	<u>(4,570,900)</u>	<u>1,272,905</u>	<u>5,843,805</u>
OTHER FINANCING SOURCES				
Transfers in	4,413,400	4,413,400	228,237	(4,185,163)
Total other financing sources	<u>4,413,400</u>	<u>4,413,400</u>	<u>228,237</u>	<u>(4,185,163)</u>
Net change in fund balances	(157,500)	(157,500)	1,501,142	1,658,642
Fund balances - beginning	<u>1,273,000</u>	<u>1,273,000</u>	<u>1,424,051</u>	<u>151,051</u>
Fund balances - ending	<u>\$ 1,115,500</u>	<u>\$ 1,115,500</u>	<u>\$ 2,925,193</u>	<u>\$ 1,809,693</u>
Unavailable revenue			(30,027)	
Unrealized gain (loss) on investments			<u>(52,321)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 2,842,845</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, 2023

	<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	13,940,700	13,940,700	1,773,786	12,166,914
Total expenditures	<u>13,940,700</u>	<u>13,940,700</u>	<u>1,773,786</u>	<u>12,166,914</u>
Excess of expenditures over revenue	<u>(13,940,700)</u>	<u>(13,940,700)</u>	<u>(1,773,786)</u>	<u>12,166,914</u>
OTHER FINANCING SOURCES				
Transfers in	13,945,000	13,945,000	1,773,786	(12,171,214)
Total other financing sources	<u>13,945,000</u>	<u>13,945,000</u>	<u>1,773,786</u>	<u>(12,171,214)</u>
Net change in fund balances	4,300	4,300	-	(4,300)
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ 4,300</u>	<u>\$ 4,300</u>	<u>\$ -</u>	<u>\$ (4,300)</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 12,695,100	\$ 12,695,100	\$ 2,069,431	\$ (10,625,669)
Charges for services	-	-	43,834	43,834
Miscellaneous	5,300	5,300	124,064	118,764
Total revenues	<u>12,700,400</u>	<u>12,700,400</u>	<u>2,237,329</u>	<u>(10,463,071)</u>
EXPENDITURES				
Capital improvements	44,333,600	44,475,600	12,282,817	32,192,783
Total expenditures	<u>44,333,600</u>	<u>44,475,600</u>	<u>12,282,817</u>	<u>32,192,783</u>
Excess of expenditures over revenue	<u>(31,633,200)</u>	<u>(31,775,200)</u>	<u>(10,045,488)</u>	<u>21,729,712</u>
OTHER FINANCING SOURCES				
Transfers in	27,050,900	27,192,900	5,009,697	(22,183,203)
Total other financing sources	<u>27,050,900</u>	<u>27,192,900</u>	<u>5,009,697</u>	<u>(22,183,203)</u>
Net change in fund balances	(4,582,300)	(4,582,300)	(5,035,791)	(453,491)
Fund balances - beginning	11,091,200	11,091,200	10,380,518	(710,682)
Fund balances - ending	<u>\$ 6,508,900</u>	<u>\$ 6,508,900</u>	\$ 5,344,727	<u>\$ (1,164,173)</u>
Unavailable revenue			(8,037)	
Unrealized gain (loss) on investments			<u>(461,112)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 4,875,578</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 3,397,500	\$ 3,397,500	\$ 46,797	\$ (3,350,703)
Miscellaneous	-	-	249	249
Total revenues	<u>3,397,500</u>	<u>3,397,500</u>	<u>47,046</u>	<u>(3,350,454)</u>
EXPENDITURES				
Capital improvements	6,490,000	6,490,000	1,556,523	4,933,477
Total expenditures	<u>6,490,000</u>	<u>6,490,000</u>	<u>1,556,523</u>	<u>4,933,477</u>
Excess of expenditures over revenue	<u>(3,092,500)</u>	<u>(3,092,500)</u>	<u>(1,509,477)</u>	<u>1,583,023</u>
OTHER FINANCING SOURCES				
Transfers in	2,347,800	2,347,800	780,388	(1,567,412)
Total other financing sources	<u>2,347,800</u>	<u>2,347,800</u>	<u>780,388</u>	<u>(1,567,412)</u>
Net change in fund balances	(744,700)	(744,700)	(729,089)	15,611
Fund balances - beginning	<u>744,700</u>	<u>744,700</u>	<u>3,555,349</u>	<u>2,810,649</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,826,260</u>	<u>\$ 2,826,260</u>
Unrealized gain (loss) on investments			<u>(159,982)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 2,666,278</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Charges for services	\$ -	\$ -	\$ 54,000	\$ 54,000
Miscellaneous	6,700	6,700	345,244	338,544
Total revenues	<u>6,700</u>	<u>6,700</u>	<u>399,244</u>	<u>392,544</u>
EXPENDITURES				
Urban renewal	6,045,400	6,045,400	1,416,720	4,628,680
Total expenditures	<u>6,045,400</u>	<u>6,045,400</u>	<u>1,416,720</u>	<u>4,628,680</u>
Excess of expenditures over revenue	<u>(6,038,700)</u>	<u>(6,038,700)</u>	<u>(1,017,476)</u>	<u>5,021,224</u>
OTHER FINANCING SOURCES				
Issuance of debt	5,591,900	5,591,900	3,000,000	(2,591,900)
Total other financing sources	<u>5,591,900</u>	<u>5,591,900</u>	<u>3,000,000</u>	<u>(2,591,900)</u>
Net change in fund balances	(446,800)	(446,800)	1,982,524	2,429,324
Fund balances - beginning	-	-	1,591,959	1,591,959
Fund balances - ending	<u>\$ (446,800)</u>	<u>\$ (446,800)</u>	\$ 3,574,483	<u>\$ 4,021,283</u>
Unrealized gain (loss) on investments			<u>(18,569)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 3,555,914</u>	

Debt Service Funds

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

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

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

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

City of Gresham, Oregon
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2023

	General Government Debt Service Fund	Pension Bond Debt Service Fund	Urban Renewal Debt Service Fund	Total
ASSETS				
Cash and investments	\$ 246,238	\$ 758,499	\$ -	\$ 1,004,737
Other assets	1,237	3,759	-	4,996
Total assets	<u>\$ 247,475</u>	<u>\$ 762,258</u>	<u>\$ -</u>	<u>\$ 1,009,733</u>
LIABILITIES				
Accounts payable	\$ 1,665	\$ -	\$ -	1,665
Total liabilities	<u>1,665</u>	<u>-</u>	<u>-</u>	<u>1,665</u>
FUND BALANCES				
Assigned	\$ 245,810	\$ 762,258	\$ -	\$ 1,008,068
Total fund balances	<u>245,810</u>	<u>762,258</u>	<u>-</u>	<u>1,008,068</u>
Total fund balances	<u>\$ 247,475</u>	<u>\$ 762,258</u>	<u>\$ -</u>	<u>\$ 1,009,733</u>

City of Gresham, Oregon
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Fund
For the Fiscal Year Ended June 30, 2023

	General Government Debt Service Fund	Pension Bond Debt Service Fund	Urban Renewal Debt Service Fund	Total
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 1,692,043	\$ 1,692,043
Miscellaneous	-	24,010	865	24,875
Internal service charges	-	2,257,465	-	2,257,465
Total revenues	<u>-</u>	<u>2,281,475</u>	<u>1,692,908</u>	<u>3,974,383</u>
EXPENDITURES				
General government	491	-	-	491
Debt service	7,237,505	2,187,221	1,720,194	11,144,920
Total expenditures	<u>7,237,996</u>	<u>2,187,221</u>	<u>1,720,194</u>	<u>11,145,411</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,237,996)</u>	<u>94,254</u>	<u>(27,286)</u>	<u>(7,171,028)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	7,237,943	-	-	7,237,943
Transfers out	-	-	(1,647,566)	(1,647,566)
Total other financing sources (uses)	<u>7,237,943</u>	<u>-</u>	<u>(1,647,566)</u>	<u>5,590,377</u>
Net change in fund balances	<u>(53)</u>	<u>94,254</u>	<u>(1,674,852)</u>	<u>(1,580,651)</u>
Fund balances - beginning	<u>245,863</u>	<u>668,004</u>	<u>1,674,852</u>	<u>2,588,719</u>
Fund balances - ending	<u>\$ 245,810</u>	<u>\$ 762,258</u>	<u>\$ -</u>	<u>\$ 1,008,068</u>

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Government Debt Service Fund
For the Fiscal Year Ended June 30, 2023

	<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	7,504,000	7,504,000	7,237,505	266,495
Total expenditures	<u>7,504,000</u>	<u>7,504,000</u>	<u>7,237,505</u>	<u>266,495</u>
Excess of expenditures over revenue	<u>(7,504,000)</u>	<u>(7,504,000)</u>	<u>(7,237,505)</u>	<u>266,495</u>
OTHER FINANCING SOURCES				
Transfers in	7,505,000	7,505,000	7,237,943	(267,057)
Total other financing sources	<u>7,505,000</u>	<u>7,505,000</u>	<u>7,237,943</u>	<u>(267,057)</u>
Net change in fund balances	1,000	1,000	438	(562)
Fund balances - beginning	<u>56,000</u>	<u>56,000</u>	<u>257,250</u>	<u>201,250</u>
Fund balances - ending	<u>\$ 57,000</u>	<u>\$ 57,000</u>	<u>\$ 257,688</u>	<u>\$ 200,688</u>
Unrealized gain (loss) on investments			<u>(11,878)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 245,810</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 25,498	\$ 25,498
Internal service charges	2,234,000	2,234,000	2,257,465	23,465
Total revenues	<u>2,234,000</u>	<u>2,234,000</u>	<u>2,282,963</u>	<u>48,963</u>
EXPENDITURES				
Debt service	2,188,000	2,188,000	2,187,221	779
Total expenditures	<u>2,188,000</u>	<u>2,188,000</u>	<u>2,187,221</u>	<u>779</u>
Excess of revenues ove expenditures	<u>46,000</u>	<u>46,000</u>	<u>95,742</u>	<u>49,742</u>
Net change in fund balances	46,000	46,000	95,742	49,742
Fund balances - beginning	<u>603,000</u>	<u>603,000</u>	<u>692,352</u>	<u>89,352</u>
Fund balances - ending	<u>\$ 649,000</u>	<u>\$ 649,000</u>	<u>\$ 788,094</u>	<u>\$ 139,094</u>
Unrealized gain (loss) on investments			<u>(25,836)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 762,258</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 1,731,000	\$ 1,731,000	\$ 1,692,042	\$ (38,958)
Total revenues	<u>1,731,000</u>	<u>1,731,000</u>	<u>1,692,042</u>	<u>(38,958)</u>
EXPENDITURES				
Debt service	1,731,000	1,731,000	1,720,194	10,806
Total expenditures	<u>1,731,000</u>	<u>1,731,000</u>	<u>1,720,194</u>	<u>10,806</u>
Excess of expenditures over revenue	<u>-</u>	<u>-</u>	<u>(28,152)</u>	<u>(28,152)</u>
Net change in fund balances	-	-	(28,152)	(28,152)
Fund balances - beginning	<u>26,000</u>	<u>26,000</u>	<u>28,152</u>	<u>2,152</u>
Fund balances - ending	<u>\$ 26,000</u>	<u>\$ 26,000</u>	<u>\$ -</u>	<u>\$ (26,000)</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
GOING BEYOND

City of Gresham, Oregon
Combining Schedule of Net Position
Water Fund
June 30, 2023

	Water Fund	Water Capital Improvement Fund	Water Debt Service Fund	Total
ASSETS				
Current assets:				
Cash and investments	\$ 35,807,050	\$ 27,400,163	\$ 189,924	\$ 63,397,137
Receivables, net	2,814,695	-	-	2,814,695
Due from other funds	2,173,614	-	-	2,173,614
Total current assets	<u>40,795,359</u>	<u>27,400,163</u>	<u>189,924</u>	<u>68,385,446</u>
Noncurrent assets:				
Other assets	181,168	137,962	935	320,065
Restricted cash and investments	728,199	-	-	728,199
Capital assets:				
Non-depreciable	19,510,536	-	-	19,510,536
Depreciable, net	71,950,276	-	-	71,950,276
Total noncurrent assets	<u>92,370,179</u>	<u>137,962</u>	<u>935</u>	<u>92,509,076</u>
Total assets	<u>133,165,538</u>	<u>27,538,125</u>	<u>190,859</u>	<u>160,894,522</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow related to pension	2,831,728	-	-	2,831,728
Deferred outflow related to OPEB	24,449	-	-	24,449
Total deferred outflows of resources	<u>2,856,177</u>	<u>-</u>	<u>-</u>	<u>2,856,177</u>
LIABILITIES				
Current liabilities:				
Accounts payable	385,117	1,472,309	261	1,857,687
Other accrued liabilities	-	55,107	-	55,107
Accrued interest payable	-	-	111,246	111,246
Deposits	728,199	-	-	728,199
Compensated absences	69,000	-	-	69,000
Bonds, notes and loans payable	341,236	-	-	341,236
Total current liabilities	<u>1,523,552</u>	<u>1,527,416</u>	<u>111,507</u>	<u>3,162,475</u>
Noncurrent liabilities:				
Net pension liability	3,523,868	-	-	3,523,868
Net OPEB liability	183,187	-	-	183,187
Compensated absences	391,000	-	-	391,000
Bonds, notes and loans payable	46,948,712	-	-	46,948,712
Total noncurrent liabilities	<u>51,046,767</u>	<u>-</u>	<u>-</u>	<u>51,046,767</u>
Total liabilities	<u>52,570,319</u>	<u>1,527,416</u>	<u>111,507</u>	<u>54,209,242</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension	3,045,357	-	-	3,045,357
Deferred inflows related to OPEB	259,781	-	-	259,781
Total deferred inflows of resources	<u>3,305,138</u>	<u>-</u>	<u>-</u>	<u>3,305,138</u>
NET POSITION				
Net investment in capital assets	68,861,702	-	-	68,861,702
Restricted for:				
Debt service	-	-	79,352	79,352
Unrestricted	11,284,556	26,010,709	-	37,295,265
Total net position	<u>\$ 80,146,258</u>	<u>\$ 26,010,709</u>	<u>\$ 79,352</u>	<u>\$ 106,236,319</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, 2023

	Water Fund	Water Capital Improvement Fund	Water Debt Service Fund	Eliminations	Total
OPERATING REVENUES					
Charges for services	\$ 18,929,041	\$ 1,311,471	\$ -	\$ -	\$ 20,240,512
Total operating revenues	<u>18,929,041</u>	<u>1,311,471</u>	<u>-</u>		<u>20,240,512</u>
OPERATING EXPENSES					
Personnel services	2,573,688	-	-		2,573,688
Professional and technical services	216,649	-	-		216,649
Property services	744,899	-	-		744,899
Other services	65,231	-	-		65,231
Supplies	134,152	-	-		134,152
Water purchase	3,325,905	-	-		3,325,905
Incentive programs	8,082	-	-		8,082
Internal services	4,348,610	-	-		4,348,610
Other materials and services	-	274,929	-		274,929
Depreciation and amortization	3,507,588	-	-		3,507,588
Total operating expenses	<u>14,924,804</u>	<u>274,929</u>	<u>-</u>		<u>15,199,733</u>
Operating income (loss)	<u>4,004,237</u>	<u>1,036,542</u>	<u>-</u>		<u>5,040,779</u>
NONOPERATING REVENUES (EXPENSES)					
Miscellaneous revenue (expense)	5,666	755	(65,732)		(59,311)
Interest and investment income	637,080	500,678	3,195		1,140,953
Interest expense	-	-	(1,103,339)		(1,103,339)
Gain/(loss) on disposition of capital assets	11,579	-	-		11,579
Total nonoperating revenues (expenses)	<u>654,325</u>	<u>501,433</u>	<u>(1,165,876)</u>		<u>(10,118)</u>
Income (loss) before contributions and transfers	<u>4,658,562</u>	<u>1,537,975</u>	<u>(1,165,876)</u>		<u>5,030,661</u>
Capital contributions	2,797,826	-	-		2,797,826
Transfers in	11,859,370	2,634,568	1,406,028	(14,314,181)	1,585,785
Transfers out	(4,514,828)	(10,073,153)	(235,000)	14,314,181	(508,800)
Change in net position	<u>14,800,930</u>	<u>(5,900,610)</u>	<u>5,152</u>		<u>8,905,472</u>
Total net position - beginning	<u>65,345,328</u>	<u>31,911,319</u>	<u>74,200</u>		<u>97,330,847</u>
Total net position - ending	<u>\$ 80,146,258</u>	<u>\$ 26,010,709</u>	<u>\$ 79,352</u>		<u>\$ 106,236,319</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 95,000	\$ 95,000	\$ 72,475	\$ (22,525)
Charges for services	17,986,600	17,986,600	18,856,566	869,966
Miscellaneous	535,800	535,800	726,033	190,233
Internal service charges	1,153,000	1,153,000	1,145,194	(7,806)
Total revenues	<u>19,770,400</u>	<u>19,770,400</u>	<u>20,800,268</u>	<u>1,029,868</u>
EXPENDITURES				
Environmental services	13,834,876	13,834,876	12,873,295	961,581
Operating contingency	2,075,000	2,075,000	-	2,075,000
Total expenditures	<u>15,909,876</u>	<u>15,909,876</u>	<u>12,873,295</u>	<u>3,036,581</u>
Excess of revenues over expenditures	<u>3,860,524</u>	<u>3,860,524</u>	<u>7,926,973</u>	<u>4,066,449</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	486,500	486,500	836,499	349,999
Transfers out	(5,624,800)	(5,624,800)	(4,612,314)	1,012,486
Total other financing sources (uses)	<u>(5,138,300)</u>	<u>(5,138,300)</u>	<u>(3,775,815)</u>	<u>1,362,485</u>
Net change in fund balances	(1,277,776)	(1,277,776)	4,151,158	5,428,934
Fund balances - beginning	<u>33,168,300</u>	<u>33,168,300</u>	<u>35,075,924</u>	<u>1,907,624</u>
Fund balances - ending	<u>\$ 31,890,524</u>	<u>\$ 31,890,524</u>	<u>\$ 39,227,082</u>	<u>\$ 7,336,558</u>
Capital assets, net of depreciation			91,460,812	
Debt payable, net			(47,289,948)	
Due from other funds			2,173,614	
Pension asset/liability, net			(3,737,497)	
OPEB asset/liability, net			(418,519)	
Unrealized gain (loss) on investments			<u>(1,269,286)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 80,146,258</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 707,300	\$ 707,300	\$ 1,311,471	\$ 604,171
Charges for services	6,842,700	6,842,700	-	(6,842,700)
Miscellaneous	321,300	321,300	556,040	234,740
Total revenues	<u>7,871,300</u>	<u>7,871,300</u>	<u>1,867,511</u>	<u>(6,003,789)</u>
EXPENDITURES				
Capital improvements	46,495,100	46,495,100	10,348,082	36,147,018
Total expenditures	<u>46,495,100</u>	<u>46,495,100</u>	<u>10,348,082</u>	<u>36,147,018</u>
Excess of expenditures over revenues	<u>(38,623,800)</u>	<u>(38,623,800)</u>	<u>(8,480,571)</u>	<u>30,143,229</u>
OTHER FINANCING SOURCES				
Issuance of debt	17,482,000	17,482,000	-	(17,482,000)
Transfers in	3,335,400	3,335,400	2,634,568	(700,832)
Total other financing sources	<u>20,817,400</u>	<u>20,817,400</u>	<u>2,634,568</u>	<u>(18,182,832)</u>
Net change in fund balances	(17,806,400)	(17,806,400)	(5,846,003)	11,960,397
Fund balances - beginning	40,981,000	40,981,000	33,244,414	(7,736,586)
Fund balances - ending	<u>\$ 23,174,600</u>	<u>\$ 23,174,600</u>	<u>\$ 27,398,411</u>	<u>\$ 4,223,811</u>
Unrealized gain (loss) on investments			<u>(1,387,702)</u>	(1,333,095)
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 26,010,709</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 3,566	\$ 3,566
Total revenues	<u>-</u>	<u>-</u>	<u>3,566</u>	<u>3,566</u>
EXPENDITURES				
Debt service	1,755,000	1,755,000	1,503,515	251,485
Total expenditures	<u>1,755,000</u>	<u>1,755,000</u>	<u>1,503,515</u>	<u>251,485</u>
Excess of expenditures over revenues	<u>(1,755,000)</u>	<u>(1,755,000)</u>	<u>(1,499,949)</u>	<u>255,051</u>
OTHER FINANCING SOURCES				
Transfers in	1,755,000	1,755,000	1,503,514	(251,486)
Total other financing sources	<u>1,755,000</u>	<u>1,755,000</u>	<u>1,503,514</u>	<u>(251,486)</u>
Net change in fund balances	-	-	3,565	3,565
Fund balances - beginning	<u>287,000</u>	<u>287,000</u>	<u>192,261</u>	<u>(94,739)</u>
Fund balances - ending	<u>\$ 287,000</u>	<u>\$ 287,000</u>	<u>\$ 195,826</u>	<u>\$ (91,174)</u>
Accrued interest			(111,246)	
Unrealized gain (loss) on investments			<u>(5,228)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 79,352</u>	

City of Gresham, Oregon
Combining Schedule of Net Position
Stormwater Fund
June 30, 2023

	Stormwater Fund	Stormwater Capital Improvement Fund	Stormwater Debt Service Fund	Total
ASSETS				
Current assets:				
Cash and investments	\$ 11,713,182	\$ 11,908,001	\$ 202,404	\$ 23,823,587
Receivables, net	2,025,428	-	-	2,025,428
Due from other funds	1,651,377	-	-	1,651,377
Total current assets	<u>15,389,987</u>	<u>11,908,001</u>	<u>202,404</u>	<u>27,500,392</u>
Noncurrent assets:				
Other assets	60,640	58,885	1,003	120,528
Restricted cash and investments	500,000	-	-	500,000
Capital assets:				
Non-depreciable	9,568,021	-	-	9,568,021
Depreciable, net	55,143,200	-	-	55,143,200
Total noncurrent assets	<u>65,271,861</u>	<u>58,885</u>	<u>1,003</u>	<u>65,331,749</u>
Total assets	<u>80,661,848</u>	<u>11,966,886</u>	<u>203,407</u>	<u>92,832,141</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow related to pension	2,826,756	-	-	2,826,756
Deferred outflow related to OPEB	37,765	-	-	37,765
Total deferred outflows of resources	<u>2,864,521</u>	<u>-</u>	<u>-</u>	<u>2,864,521</u>
LIABILITIES				
Current liabilities:				
Accounts payable	228,224	194,439	-	422,663
Compensated absences	68,800	-	-	68,800
Bonds, notes and loans payable	246,780	-	-	246,780
Total current liabilities	<u>543,804</u>	<u>194,439</u>	<u>-</u>	<u>738,243</u>
Noncurrent liabilities:				
Net pension liability	3,409,208	-	-	3,409,208
Net OPEB liability	234,538	-	-	234,538
Compensated absences	389,800	-	-	389,800
Bonds, notes and loans payable	3,331,538	-	-	3,331,538
Total noncurrent liabilities	<u>7,365,084</u>	<u>-</u>	<u>-</u>	<u>7,365,084</u>
Total liabilities	<u>7,908,888</u>	<u>194,439</u>	<u>-</u>	<u>8,103,327</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension	2,956,524	-	-	2,956,524
Deferred inflows related to OPEB	103,211	-	-	103,211
Total deferred inflows of resources	<u>3,059,735</u>	<u>-</u>	<u>-</u>	<u>3,059,735</u>
NET POSITION				
Net investment in capital assets	61,132,902	-	-	61,132,902
Restricted for:				
Rate stabilization	500,000	-	-	500,000
Debt service	-	-	203,407	203,407
Unrestricted	10,924,844	11,772,447	-	22,697,291
Total net position	<u>\$ 72,557,746</u>	<u>\$ 11,772,447</u>	<u>\$ 203,407</u>	<u>\$ 84,533,600</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, 2023

	Stormwater Fund	Stormwater Capital Improvement Fund	Stormwater Debt Service Fund	Eliminations	Total
OPERATING REVENUES					
Charges for services	\$ 12,540,540	\$ -	\$ -	\$ -	\$ 12,540,540
Total operating revenues	<u>12,540,540</u>	<u>-</u>	<u>-</u>		<u>12,540,540</u>
OPERATING EXPENSES					
Personnel services	3,328,924	-	-		3,328,924
Professional and technical services	839,478	-	-		839,478
Property services	144,372	-	-		144,372
Other services	54,205	-	-		54,205
Supplies	165,343	-	-		165,343
Incentive programs	172,900	-	-		172,900
Internal services	3,176,125	-	-		3,176,125
Other materials and services	-	766,553	-		766,553
Depreciation and amortization	2,501,304	-	-		2,501,304
Total operating expenses	<u>10,382,651</u>	<u>766,553</u>	<u>-</u>		<u>11,149,204</u>
Operating income (loss)	<u>2,157,889</u>	<u>(766,553)</u>	<u>-</u>		<u>1,391,336</u>
NONOPERATING REVENUES (EXPENSES)					
Miscellaneous revenue (expense)	10,721	-	(19,125)		(8,404)
Interest and investment income	257,671	163,692	3,842		425,205
Gain/(loss) on disposition of capital assets	7,859	-	-		7,859
Total nonoperating revenues (expenses)	<u>276,251</u>	<u>163,692</u>	<u>(15,283)</u>		<u>424,660</u>
Income (loss) before contributions and transfers	<u>2,434,140</u>	<u>(602,861)</u>	<u>(15,283)</u>		<u>1,815,996</u>
Capital contributions	4,130,911	-	-		4,130,911
Transfers in	2,351,617	3,541,676	19,125	(5,456,538)	455,880
Transfers out	(5,093,120)	(1,961,118)	-	5,456,538	(1,597,700)
Change in net position	<u>3,823,548</u>	<u>977,697</u>	<u>3,842</u>		<u>4,805,087</u>
Total net position - beginning	<u>68,734,198</u>	<u>10,794,750</u>	<u>199,565</u>		<u>79,728,513</u>
Total net position - ending	<u>\$ 72,557,746</u>	<u>\$ 11,772,447</u>	<u>\$ 203,407</u>		<u>\$ 84,533,600</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 1,223	\$ 1,223
Charges for services	12,458,000	12,458,000	12,539,317	81,317
Miscellaneous	214,740	214,740	300,253	85,513
Internal service charges	617,000	617,000	497,044	(119,956)
Total revenues	<u>13,289,740</u>	<u>13,289,740</u>	<u>13,337,837</u>	<u>48,097</u>
EXPENDITURES				
Environmental services	9,796,521	9,796,521	8,895,520	901,001
Operating contingency	1,472,000	1,472,000	-	1,472,000
Total expenditures	<u>11,268,521</u>	<u>11,268,521</u>	<u>8,895,520</u>	<u>2,373,001</u>
Excess of revenues over expenditures	<u>2,021,219</u>	<u>2,021,219</u>	<u>4,442,317</u>	<u>2,421,098</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	242,800	242,800	298,266	55,466
Transfers out	(5,445,995)	(5,590,995)	(5,339,900)	251,095
Total other financing sources (uses)	<u>(5,203,195)</u>	<u>(5,348,195)</u>	<u>(5,041,634)</u>	<u>306,561</u>
Net change in fund balances	(3,181,976)	(3,326,976)	(599,317)	2,727,659
Fund balances - beginning	<u>14,316,000</u>	<u>14,461,000</u>	<u>14,652,061</u>	<u>191,061</u>
Fund balances - ending	<u>\$ 11,134,024</u>	<u>\$ 11,134,024</u>	<u>\$ 14,052,744</u>	<u>\$ 2,918,720</u>
Capital assets, net of depreciation			64,711,221	
Debt payable, net			(3,578,318)	
Due from other funds			1,651,377	
Pension asset/liability, net			(3,538,976)	
OPEB asset/liability, net			(299,984)	
Unrealized gain (loss) on investments			<u>(440,318)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 72,557,746</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Miscellaneous	\$ 92,000	\$ 92,000	\$ 186,999	\$ 94,999
Total revenues	<u>92,000</u>	<u>92,000</u>	<u>186,999</u>	<u>94,999</u>
EXPENDITURES				
Capital improvements	9,471,700	9,471,700	2,727,671	6,744,029
Total expenditures	<u>9,471,700</u>	<u>9,471,700</u>	<u>2,727,671</u>	<u>6,744,029</u>
Excess of expenditures over revenues	<u>(9,379,700)</u>	<u>(9,379,700)</u>	<u>(2,540,672)</u>	<u>6,839,028</u>
OTHER FINANCING SOURCES				
Transfers in	5,031,495	5,031,495	3,541,676	(1,489,819)
Total other financing sources	<u>5,031,495</u>	<u>5,031,495</u>	<u>3,541,676</u>	<u>(1,489,819)</u>
Net change in fund balances	(4,348,205)	(4,348,205)	1,001,004	5,349,209
Fund balances - beginning	<u>11,882,400</u>	<u>11,882,400</u>	<u>11,150,675</u>	<u>(731,725)</u>
Fund balances - ending	<u>\$ 7,534,195</u>	<u>\$ 7,534,195</u>	\$ 12,151,679	<u>\$ 4,617,484</u>
Unrealized gain (loss) on investments			<u>(379,232)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 11,772,447</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 4,239	\$ 4,239
Total revenues	<u>-</u>	<u>-</u>	<u>4,239</u>	<u>4,239</u>
EXPENDITURES				
Debt service	267,000	267,000	265,905	1,095
Total expenditures	<u>267,000</u>	<u>267,000</u>	<u>265,905</u>	<u>1,095</u>
Excess of expenditures over revenues	<u>(267,000)</u>	<u>(267,000)</u>	<u>(261,666)</u>	<u>5,334</u>
OTHER FINANCING SOURCES				
Transfers in	267,000	267,000	265,905	(1,095)
Total other financing sources	<u>267,000</u>	<u>267,000</u>	<u>265,905</u>	<u>(1,095)</u>
Net change in fund balances	-	-	4,239	4,239
Fund balances - beginning	<u>176,000</u>	<u>176,000</u>	<u>205,998</u>	<u>29,998</u>
Fund balances - ending	<u>\$ 176,000</u>	<u>\$ 176,000</u>	<u>\$ 210,237</u>	<u>\$ 34,237</u>
Unrealized gain (loss) on investments			<u>(6,830)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 203,407</u>	

City of Gresham, Oregon
Combining Schedule of Net Position
Wastewater Fund
June 30, 2023

	Wastewater Fund	Wastewater Capital Improvement Fund	Wastewater Debt Service Fund	Total
ASSETS				
Current assets:				
Cash and investments	\$ 24,076,704	\$ 36,559,942	\$ 566,599	\$ 61,203,245
Receivables, net	3,953,524	276,161	-	4,229,685
Due from other funds	3,074,887	-	-	3,074,887
Total current assets	<u>31,105,115</u>	<u>36,836,103</u>	<u>566,599</u>	<u>68,507,817</u>
Noncurrent assets:				
Other assets	123,327	181,055	2,945	307,327
Restricted cash and investments	1,059,504	-	7,214	1,066,718
Capital assets:				
Non-depreciable	11,764,539	-	-	11,764,539
Depreciable, net	113,995,817	-	-	113,995,817
Total noncurrent assets	<u>126,943,187</u>	<u>181,055</u>	<u>10,159</u>	<u>127,134,401</u>
Total assets	<u>158,048,302</u>	<u>37,017,158</u>	<u>576,758</u>	<u>195,642,218</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow related to pension	2,754,147	-	-	2,754,147
Deferred outflow related to OPEB	79,532	-	-	79,532
Total deferred outflows of resources	<u>2,833,679</u>	<u>-</u>	<u>-</u>	<u>2,833,679</u>
LIABILITIES				
Current liabilities:				
Accounts payable	885,267	476,797	234	1,362,298
Other accrued liabilities	-	36,279	-	36,279
Accrued interest payable	-	-	24,599	24,599
Unearned revenue	-	2,000,000	-	2,000,000
Compensated absences	62,900	-	-	62,900
Bonds, notes and loans payable	414,028	-	-	414,028
Total current liabilities	<u>1,362,195</u>	<u>2,513,076</u>	<u>24,833</u>	<u>3,900,104</u>
Noncurrent liabilities:				
Net pension liability	3,454,571	-	-	3,454,571
Net OPEB liability	148,623	-	-	148,623
Compensated absences	356,300	-	-	356,300
Bonds, notes and loans payable	3,289,076	-	-	3,289,076
Total noncurrent liabilities	<u>7,248,570</u>	<u>-</u>	<u>-</u>	<u>7,248,570</u>
Total liabilities	<u>8,610,765</u>	<u>2,513,076</u>	<u>24,833</u>	<u>11,148,674</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension	3,034,972	-	-	3,034,972
Deferred inflows related to OPEB	49,903	-	-	49,903
Total deferred inflows of resources	<u>3,084,875</u>	<u>-</u>	<u>-</u>	<u>3,084,875</u>
NET POSITION				
Net investment in capital assets	122,057,254	-	-	122,057,254
Restricted for:				
Construction	1,059,504	-	-	1,059,504
Loan requirement	-	-	7,214	7,214
Debt service	-	-	544,711	544,711
Unrestricted	26,069,583	34,504,082	-	60,573,665
Total net position	<u>\$ 149,186,341</u>	<u>\$ 34,504,082</u>	<u>\$ 551,925</u>	<u>\$ 184,242,348</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, 2023

	Wastewater Fund	Wastewater Capital Improvement Fund	Wastewater Debt Service Fund	Eliminations	Total
OPERATING REVENUES					
Charges for services	\$ 22,504,750	\$ 304,315	\$ -	\$ -	\$ 22,809,065
Total operating revenues	<u>22,504,750</u>	<u>304,315</u>	<u>-</u>		<u>22,809,065</u>
OPERATING EXPENSES					
Personnel services	2,870,019	-	-		2,870,019
Professional and technical services	5,051,545	-	-		5,051,545
Property services	185,587	-	-		185,587
Other services	44,052	-	-		44,052
Supplies	190,083	-	-		190,083
Internal services	5,801,176	-	-		5,801,176
Other materials and services	-	2,836,295	-		2,836,295
Depreciation and amortization	5,675,733	-	-		5,675,733
Total operating expenses	<u>19,818,195</u>	<u>2,836,295</u>	<u>-</u>		<u>22,654,490</u>
Operating income (loss)	<u>2,686,555</u>	<u>(2,531,980)</u>	<u>-</u>		<u>154,575</u>
NONOPERATING REVENUES (EXPENSES)					
Miscellaneous revenue (expense)	33,238	8,000,543	(1,378)		8,032,403
Interest and investment income	447,700	545,048	17,442		1,010,190
Interest expense	-	-	(113,490)		(113,490)
Gain/(loss) on disposition of capital assets	101,311	-	-		101,311
Total nonoperating revenues (expenses)	<u>582,249</u>	<u>8,545,591</u>	<u>(97,426)</u>		<u>9,030,414</u>
Income (loss) before contributions and transfers	<u>3,268,804</u>	<u>6,013,611</u>	<u>(97,426)</u>		<u>9,184,989</u>
Capital contributions	5,826,572	-	-		5,826,572
Transfers in	5,700,733	4,577,006	16,296	(9,127,807)	1,166,228
Transfers out	(5,102,102)	(4,136,146)	(398,359)	9,127,807	(508,800)
Change in net position	<u>9,694,007</u>	<u>6,454,471</u>	<u>(479,489)</u>		<u>15,668,989</u>
Total net position - beginning	<u>139,492,334</u>	<u>28,049,611</u>	<u>1,031,414</u>		<u>168,573,359</u>
Total net position - ending	<u>\$ 149,186,341</u>	<u>\$ 34,504,082</u>	<u>\$ 551,925</u>		<u>\$ 184,242,348</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Licenses and permits	\$ 4,000	\$ 4,000	\$ 17,557	\$ 13,557
Intergovernmental	438,300	438,300	166,735	(271,565)
Charges for services	22,109,500	22,109,500	22,320,458	210,958
Miscellaneous	342,400	342,400	643,727	301,327
Internal service charges	838,000	838,000	815,876	(22,124)
Total revenues	<u>23,732,200</u>	<u>23,732,200</u>	<u>23,964,353</u>	<u>232,153</u>
EXPENDITURES				
Environmental services	17,293,510	17,293,510	15,590,070	1,703,440
Operating contingency	2,595,000	2,595,000	-	2,595,000
Total expenditures	<u>19,888,510</u>	<u>19,888,510</u>	<u>15,590,070</u>	<u>4,298,440</u>
Excess of revenues over expenditures	<u>3,843,690</u>	<u>3,843,690</u>	<u>8,374,283</u>	<u>4,530,593</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	232,800	232,800	581,755	348,955
Transfers out	(5,664,806)	(5,664,806)	(5,102,102)	562,704
Total other financing sources (uses)	<u>(5,432,006)</u>	<u>(5,432,006)</u>	<u>(4,520,347)</u>	<u>911,659</u>
Net change in fund balances	(1,588,316)	(1,588,316)	3,853,936	5,442,252
Fund balances - beginning	<u>22,420,000</u>	<u>22,420,000</u>	<u>24,653,031</u>	<u>2,233,031</u>
Fund balances - ending	<u>\$ 20,831,684</u>	<u>\$ 20,831,684</u>	<u>\$ 28,506,967</u>	<u>\$ 7,675,283</u>
Capital assets, net of depreciation			125,760,356	
Debt payable, net			(3,703,104)	
Due from other funds			3,074,887	
Pension asset/liability, net			(3,735,396)	
OPEB asset/liability, net			(118,994)	
Unrealized gain (loss) on investments			<u>(598,375)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 149,186,341</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 756,700	\$ 756,700	\$ 45,676	\$ (711,024)
Charges for services	250,000	250,000	258,639	8,639
Miscellaneous	248,900	248,900	10,617,255	10,368,355
Total revenues	<u>1,255,600</u>	<u>1,255,600</u>	<u>10,921,570</u>	<u>9,665,970</u>
EXPENDITURES				
Capital improvements	28,517,000	28,517,000	6,972,441	21,544,559
Total expenditures	<u>28,517,000</u>	<u>28,517,000</u>	<u>6,972,441</u>	<u>21,544,559</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(27,261,400)</u>	<u>(27,261,400)</u>	<u>3,949,129</u>	<u>31,210,529</u>
OTHER FINANCING SOURCES				
Transfers in	5,431,906	5,431,906	4,577,006	(854,900)
Total other financing sources	<u>5,431,906</u>	<u>5,431,906</u>	<u>4,577,006</u>	<u>(854,900)</u>
Net change in fund balances	(21,829,494)	(21,829,494)	8,526,135	30,355,629
Fund balances - beginning	<u>32,925,194</u>	<u>32,925,194</u>	<u>29,197,947</u>	<u>(3,727,247)</u>
Fund balances - ending	<u>\$ 11,095,700</u>	<u>\$ 11,095,700</u>	<u>\$ 37,724,082</u>	<u>\$ 26,628,382</u>
Unearned revenue			(2,000,000)	
Unrealized gain (loss) on investments			<u>(1,220,000)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 34,504,082</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 18,607	\$ 18,607
Total revenues	<u>-</u>	<u>-</u>	<u>18,607</u>	<u>18,607</u>
EXPENDITURES				
Debt service	519,000	519,000	516,296	2,704
Total expenditures	<u>519,000</u>	<u>519,000</u>	<u>516,296</u>	<u>2,704</u>
Excess of expenditures over revenues	<u>(519,000)</u>	<u>(519,000)</u>	<u>(497,689)</u>	<u>21,311</u>
OTHER FINANCING SOURCES				
Transfers in	519,000	519,000	16,296	(502,704)
Total other financing sources	<u>519,000</u>	<u>519,000</u>	<u>16,296</u>	<u>(502,704)</u>
Net change in fund balances	-	-	(481,393)	(481,393)
Fund balances - beginning	<u>596,000</u>	<u>596,000</u>	<u>1,098,657</u>	<u>502,657</u>
Fund balances - ending	<u>\$ 596,000</u>	<u>\$ 596,000</u>	\$ 617,264	<u>\$ 21,264</u>
Accrued interest			(24,599)	
Unrealized gain (loss) on investments			<u>(40,740)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 551,925</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, 2023

	Facilities & Fleet Management Fund	Legal Services Fund	Administrative Services Fund	Enterprise System Replacement Fund
ASSETS				
Current assets:				
Cash and investments	\$ 6,029,071	\$ 524,652	\$ 9,992,710	\$ 1,087,165
Receivables, net	-	2,636	294,253	-
Due from other funds	322,580	-	1,519,136	-
Total current assets	<u>6,351,651</u>	<u>527,288</u>	<u>11,806,099</u>	<u>1,087,165</u>
Noncurrent assets:				
Other assets	30,237	-	49,489	5,289
Capital assets:				
Non-depreciable	2,268,057	-	-	-
Depreciable, net	7,489,577	-	2,036,712	-
Total noncurrent assets	<u>9,787,871</u>	<u>-</u>	<u>2,086,201</u>	<u>5,289</u>
Total assets	<u>16,139,522</u>	<u>527,288</u>	<u>13,892,300</u>	<u>1,092,454</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow related to pension	1,674,195	1,146,519	11,859,466	-
Deferred outflow related to OPEB	76,606	-	165,239	-
Total deferred outflows of resources	<u>1,750,801</u>	<u>1,146,519</u>	<u>12,024,705</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable	323,437	25,154	1,489,860	-
Other accrued liabilities	-	-	34,273	-
Accrued claims payable	-	-	-	-
Accrued interest payable	17,997	-	20,068	-
Other liabilities	-	-	1,630,339	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	-
Lease payable	198,540	-	-	-
Compensated absences	17,800	22,500	224,800	-
Bonds, notes and loans payable	435,739	-	-	-
SBITA	-	-	522,347	-
Total current liabilities	<u>993,513</u>	<u>47,654</u>	<u>3,921,687</u>	<u>-</u>
Noncurrent liabilities:				
Net pension liability	1,977,704	1,273,795	14,381,028	-
Net OPEB liability	272,557	-	909,514	-
Lease payable	33,313	-	-	-
Compensated absences	100,900	127,200	1,274,100	-
SBITA	-	-	396,501	-
Total noncurrent liabilities	<u>2,384,474</u>	<u>1,400,995</u>	<u>16,961,143</u>	<u>-</u>
Total liabilities	<u>3,377,987</u>	<u>1,448,649</u>	<u>20,882,830</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension	1,584,785	1,124,600	12,207,073	-
Deferred inflows related to OPEB	53,680	-	425,582	-
Total deferred inflows of resources	<u>1,638,465</u>	<u>1,124,600</u>	<u>12,632,655</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	9,105,735	-	1,102,177	-
Unrestricted	3,768,136	(899,442)	(8,700,657)	1,092,454
Total net position	<u>\$ 12,873,871</u>	<u>\$ (899,442)</u>	<u>\$ (7,598,480)</u>	<u>\$ 1,092,454</u>

<u>Equipment Replacement Fund</u>	<u>Workers Comp & Liability Management Fund</u>	<u>COG Health & Dental Plans Fund</u>	<u>Total</u>
\$ 23,889,221	\$ 10,684,004	\$ 8,552,252	\$ 60,759,075
-	-	51,606	348,495
-	-	-	1,841,716
<u>23,889,221</u>	<u>10,684,004</u>	<u>8,603,858</u>	<u>62,949,286</u>
118,985	52,611	42,463	299,074
-	-	-	2,268,057
-	4,509	-	9,530,798
<u>118,985</u>	<u>57,120</u>	<u>42,463</u>	<u>12,097,929</u>
<u>24,008,206</u>	<u>10,741,124</u>	<u>8,646,321</u>	<u>75,047,215</u>
-	659,568	-	15,339,748
-	-	-	241,845
-	<u>659,568</u>	-	<u>15,581,593</u>
1,429,164	99,134	2,263	3,369,012
-	-	-	34,273
-	4,909,295	1,249,000	6,158,295
-	-	-	38,065
-	-	-	1,630,339
-	-	821,867	821,867
22,291,988	-	-	22,291,988
-	-	-	198,540
-	10,800	-	275,900
-	-	-	435,739
-	-	-	522,347
<u>23,721,152</u>	<u>5,019,229</u>	<u>2,073,130</u>	<u>35,776,365</u>
-	678,145	-	18,310,672
-	-	-	1,182,071
-	61,100	-	33,313
-	-	-	1,563,300
-	-	-	396,501
-	739,245	-	21,485,857
<u>23,721,152</u>	<u>5,758,474</u>	<u>2,073,130</u>	<u>57,262,222</u>
-	651,946	-	15,568,404
-	-	-	479,262
-	<u>651,946</u>	-	<u>16,047,666</u>
-	4,510	-	10,212,422
287,054	4,985,762	6,573,191	7,106,498
<u>\$ 287,054</u>	<u>\$ 4,990,272</u>	<u>\$ 6,573,191</u>	<u>\$ 17,318,920</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, 2023

	Facilities & Fleet Management Fund	Legal Services Fund	Administrative Services Fund	Enterprise System Replacement Fund
OPERATING REVENUES				
Charges for services, internal	\$ 5,608,329	\$ 1,459,068	\$ 17,350,797	\$ -
Charges for services, external	73,409	-	212,471	-
Miscellaneous	6,786	1,276	59,996	-
Total operating revenues	<u>5,688,524</u>	<u>1,460,344</u>	<u>17,623,264</u>	<u>-</u>
OPERATING EXPENSES				
Personnel services	1,989,916	1,472,308	14,795,533	-
Professional and technical services	798,358	76,412	1,617,187	-
Property services	701,813	3,544	168,111	-
Other services	30,306	17,301	476,731	-
Supplies	786,280	3,153	1,673,136	-
Incentive programs	18,000	-	142,452	-
Insurance claims	-	-	-	-
Internal services	4,739	-	-	-
Other materials and services	1,226,830	-	-	-
Depreciation and amortization	633,726	-	200,426	-
Total operating expenses	<u>6,189,968</u>	<u>1,572,718</u>	<u>19,073,576</u>	<u>-</u>
Operating income (loss)	<u>(501,444)</u>	<u>(112,374)</u>	<u>(1,450,312)</u>	<u>-</u>
NONOPERATING REVENUES (EXPENSES)				
Miscellaneous revenue (expense)	81,059	-	274,675	-
Interest and investment income	107,906	9,850	148,459	18,326
Interest expense	(17,079)	-	-	-
Gain/(loss) on disposition of capital assets	-	-	6,278	-
Total nonoperating revenues (expenses)	<u>171,886</u>	<u>9,850</u>	<u>429,412</u>	<u>18,326</u>
Income (loss) before contributions and transfers	<u>(329,558)</u>	<u>(102,524)</u>	<u>(1,020,900)</u>	<u>18,326</u>
Transfers in	948,452	-	618,000	-
Transfers out	(53,394)	-	(122,258)	-
Change in net position	<u>565,500</u>	<u>(102,524)</u>	<u>(525,158)</u>	<u>18,326</u>
Total net position - beginning	<u>12,308,371</u>	<u>(796,918)</u>	<u>(7,073,322)</u>	<u>1,074,128</u>
Total net position - ending	<u>\$ 12,873,871</u>	<u>\$ (899,442)</u>	<u>\$ (7,598,480)</u>	<u>\$ 1,092,454</u>

Equipment Replacement Fund	Workers Comp & Liability Management Fund	COG Health & Dental Plans Fund	Total
\$ 5,694,847	\$ 4,305,619	\$ 8,107,455	\$ 42,526,115
33,828	-	601,545	921,253
-	5,000	-	73,058
<u>5,728,675</u>	<u>4,310,619</u>	<u>8,709,000</u>	<u>43,520,426</u>
-	658,852	-	18,916,609
-	107,781	291,017	2,890,755
-	-	-	873,468
-	595	-	524,933
24,858	120	-	2,487,547
-	-	-	160,452
-	2,760,415	9,935,208	12,695,623
-	-	-	4,739
5,960,527	-	-	7,187,357
-	1,002	-	835,154
<u>5,985,385</u>	<u>3,528,765</u>	<u>10,226,225</u>	<u>46,576,637</u>
(256,710)	781,854	(1,517,225)	(3,056,211)
-	122,279	590,638	1,068,651
381,828	158,387	149,818	974,574
-	-	-	(17,079)
-	-	-	6,278
<u>381,828</u>	<u>280,666</u>	<u>740,456</u>	<u>2,032,424</u>
<u>125,118</u>	<u>1,062,520</u>	<u>(776,769)</u>	<u>(1,023,787)</u>
108,152	-	-	1,674,604
-	-	(284,000)	(459,652)
<u>233,270</u>	<u>1,062,520</u>	<u>(1,060,769)</u>	<u>191,165</u>
<u>53,784</u>	<u>3,927,752</u>	<u>7,633,960</u>	<u>17,127,755</u>
<u>\$ 287,054</u>	<u>\$ 4,990,272</u>	<u>\$ 6,573,191</u>	<u>\$ 17,318,920</u>

City of Gresham, Oregon
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2023

	Facilities & Fleet Management Fund	Legal Services Fund	Administrative Services Fund	Enterprise System Replacement Fund
Cash flows from operating activities:				
Receipts from customers	\$ 73,409	\$ (2,636)	\$ 212,471	\$ -
Receipts for internal services provided	5,608,329	1,459,068	17,350,797	-
Payments to suppliers for goods and services	(3,412,322)	(84,346)	(2,390,467)	(4,875)
Payments to employees for services	(1,870,931)	(1,486,890)	(14,613,463)	-
Other operating receipts (payments)	87,845	1,276	322,556	-
Net cash provided by (used in) operating activities	<u>486,330</u>	<u>(113,528)</u>	<u>881,894</u>	<u>(4,875)</u>
Cash flows from noncapital financing activities:				
Receipts from other funds	948,452	-	618,000	-
Payments to other funds	(111,008)	-	(342,683)	-
Net cash provided by (used in) noncapital financing activities	<u>837,444</u>	<u>-</u>	<u>275,317</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(1,128,076)	-	(1,044,731)	-
Principal portion of debt service	(413,879)	-	-	-
Interest portion of debt service	(39,512)	-	20,068	-
Proceeds from disposition of capital assets	-	-	6,278	-
Net cash provided by (used in) capital and related financing activities	<u>(1,581,467)</u>	<u>-</u>	<u>(1,018,385)</u>	<u>-</u>
Cash flows from investing activities:				
Change in investments	151,470	101,480	(282,088)	(11,347)
Interest on investments	96,079	11,707	127,620	16,147
Other investing activities	-	-	-	-
Net cash provided by (used in) investing activities	<u>247,549</u>	<u>113,187</u>	<u>(154,468)</u>	<u>4,800</u>
Net increase (decrease) in cash and cash equivalents	(10,144)	(341)	(15,642)	(75)
Cash and cash equivalents - beginning	111,432	1,128	231,485	3,228
Cash and cash equivalents - ending	<u>\$ 101,288</u>	<u>\$ 787</u>	<u>\$ 215,843</u>	<u>\$ 3,153</u>
Classified on the Statement of Net Position as:				
Cash and investments	\$ 101,288	\$ 787	\$ 215,843	\$ 3,153
	<u>\$ 101,288</u>	<u>\$ 787</u>	<u>\$ 215,843</u>	<u>\$ 3,153</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$ (501,444)	\$ (112,374)	\$ (1,450,312)	\$ -
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation and amortization	633,726	-	200,426	-
Pension adjustments	90,757	7,718	228,470	-
OPEB adjustments	12,428	-	(13,495)	-
Other	81,059	-	274,675	-
Changes in assets and liabilities:				
Receivables	-	(2,636)	(10,611)	-
Accounts payable	120,691	16,064	547,438	(4,875)
Lease payable	33,313	-	-	-
SBITA	-	-	918,848	-
Other liabilities	15,800	(22,300)	186,455	-
Net cash provided by (used in) operating activities	<u>\$ 486,330</u>	<u>\$ (113,528)</u>	<u>\$ 881,894</u>	<u>\$ (4,875)</u>
	-	-	-	-
Noncash investing, capital, and financing activities:				
Increase (Decrease) in fair value of investments	\$ 11,968	1,043	19,589	2,093
Lease proceeds	166,192	-	-	-
SBITA proceeds	-	-	1,468,555	-

Equipment Replacement Fund	Workers Comp & Liability Management Fund	COG Health & Dental Plans Fund	Total
\$ 33,828	\$ -	\$ 702,405	\$ 1,019,477
5,694,847	4,305,619	8,107,455	42,526,115
(4,718,611)	(2,701,050)	(9,737,762)	(23,049,433)
-	(662,703)	-	(18,633,987)
-	127,279	581,041	1,119,997
<u>1,010,064</u>	<u>1,069,145</u>	<u>(346,861)</u>	<u>2,982,169</u>
(670,906)	-	-	895,546
-	-	(284,000)	(737,691)
<u>(670,906)</u>	<u>-</u>	<u>(284,000)</u>	<u>157,855</u>
-	-	-	(2,172,807)
-	-	-	(413,879)
-	-	-	(19,444)
-	-	-	6,278
-	-	-	<u>(2,599,852)</u>
(644,898)	(1,146,656)	464,267	(1,367,772)
331,639	133,610	134,005	850,807
-	-	-	-
<u>(313,259)</u>	<u>(1,013,046)</u>	<u>598,272</u>	<u>(516,965)</u>
25,899	56,099	(32,589)	23,207
1,557,956	256,942	235,277	2,397,448
<u>\$ 1,583,855</u>	<u>\$ 313,041</u>	<u>\$ 202,688</u>	<u>\$ 2,420,655</u>
\$ 1,583,855	\$ 313,041	\$ 202,688	\$ 2,420,655
\$ 1,583,855	\$ 313,041	\$ 202,688	\$ 2,420,655
\$ (256,710)	\$ 781,854	\$ (1,517,225)	\$ (3,056,211)
-	1,002	-	835,154
-	6,649	-	333,594
-	-	-	(1,067)
-	122,279	590,638	1,068,651
-	-	(9,597)	(22,844)
1,266,774	(85,294)	(8,537)	1,852,261
-	-	-	33,313
-	-	-	918,848
-	242,655	597,860	1,020,470
<u>\$ 1,010,064</u>	<u>\$ 1,069,145</u>	<u>\$ (346,861)</u>	<u>\$ 2,982,169</u>
-	-	-	-
47,096	20,824	16,807	\$ 119,420
-	-	-	166,192
-	-	-	1,468,555

City of Gresham, Oregon
Combining Schedule of Net Position
Facilities & Fleet Management
June 30, 2023

	Facilities & Fleet Management Fund	City Facility Capital Improvement Fund	City Facility Debt Service Fund	Total
ASSETS				
Current assets:				
Cash and investments	\$ 4,015,567	\$ 1,971,521	\$ 41,983	\$ 6,029,071
Due from other funds	322,580	-	-	322,580
Total current assets	<u>4,338,147</u>	<u>1,971,521</u>	<u>41,983</u>	<u>6,351,651</u>
Noncurrent assets:				
Other assets	20,061	9,970	206	30,237
Capital assets:				
Non-depreciable	2,268,057	-	-	2,268,057
Depreciable, net	7,489,577	-	-	7,489,577
Total noncurrent assets	<u>9,777,695</u>	<u>9,970</u>	<u>206</u>	<u>9,787,871</u>
Total assets	<u>14,115,842</u>	<u>1,981,491</u>	<u>42,189</u>	<u>16,139,522</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow related to pension	1,674,195	-	-	1,674,195
Deferred outflow related to OPEB	76,606	-	-	76,606
Total deferred outflows of resources	<u>1,750,801</u>	<u>-</u>	<u>-</u>	<u>1,750,801</u>
LIABILITIES				
Current liabilities:				
Accounts payable	240,632	82,805	-	323,437
Accrued interest payable	61	-	17,936	17,997
Lease payable	198,540	-	-	198,540
Compensated absences	17,800	-	-	17,800
Bonds, notes and loans payable	435,739	-	-	435,739
Total current liabilities	<u>892,772</u>	<u>82,805</u>	<u>17,936</u>	<u>993,513</u>
Noncurrent liabilities:				
Lease payable	33,313	-	-	33,313
Net pension liability	1,977,704	-	-	1,977,704
Net OPEB liability	272,557	-	-	272,557
Compensated absences	100,900	-	-	100,900
Total noncurrent liabilities	<u>2,384,474</u>	<u>-</u>	<u>-</u>	<u>2,384,474</u>
Total liabilities	<u>3,277,246</u>	<u>82,805</u>	<u>17,936</u>	<u>3,377,987</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension	1,584,785	-	-	1,584,785
Deferred inflows related to OPEB	53,680	-	-	53,680
Total deferred inflows of resources	<u>1,638,465</u>	<u>-</u>	<u>-</u>	<u>1,638,465</u>
NET POSITION				
Net investment in capital assets	9,105,735	-	-	9,105,735
Unrestricted	1,845,197	1,898,686	24,253	3,768,136
Total net position	<u>\$ 10,950,932</u>	<u>\$ 1,898,686</u>	<u>\$ 24,253</u>	<u>\$ 12,873,871</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, 2023

	Facilities & Fleet Management Fund	City Facility Capital Improvement Fund	City Facility Debt Service Fund	Eliminations	Total
OPERATING REVENUES					
Charges for services, internal	\$ 5,608,329	\$ -	\$ -	\$ -	\$ 5,608,329
Charges for services, external	73,409	-	-		73,409
Miscellaneous	6,786	-	-		6,786
Total operating revenues	<u>5,688,524</u>	<u>-</u>	<u>-</u>		<u>5,688,524</u>
OPERATING EXPENSES					
Personnel services	1,989,916	-	-		1,989,916
Professional and technical services	798,358	-	-		798,358
Property services	701,813	-	-		701,813
Other services	30,306	-	-		30,306
Supplies	786,280	-	-		786,280
Incentive programs	18,000	-	-		18,000
Internal services	4,739	-	-		4,739
Other materials and services	18,941	1,207,889	-		1,226,830
Depreciation and amortization	633,726	-	-		633,726
Total operating expenses	<u>4,982,079</u>	<u>1,207,889</u>	<u>-</u>		<u>6,189,968</u>
Operating income (loss)	<u>706,445</u>	<u>(1,207,889)</u>	<u>-</u>		<u>(501,444)</u>
NONOPERATING REVENUES (EXPENSES)					
Miscellaneous revenue (expense)	81,105	-	(46)		81,059
Interest and investment income	63,675	43,489	742		107,906
Interest expense	-	-	(17,079)		(17,079)
Total nonoperating revenues (expenses)	<u>144,780</u>	<u>43,489</u>	<u>(16,383)</u>		<u>171,886</u>
Income (loss) before contributions and transfers	<u>851,225</u>	<u>(1,164,400)</u>	<u>(16,383)</u>		<u>(329,558)</u>
Transfers in	679,316	770,000	453,498	(954,362)	948,452
Transfers out	<u>(588,440)</u>	<u>-</u>	<u>(419,316)</u>	954,362	<u>(53,394)</u>
Change in net position	<u>942,101</u>	<u>(394,400)</u>	<u>17,799</u>		<u>565,500</u>
Total net position - beginning	<u>10,008,831</u>	<u>2,293,086</u>	<u>6,454</u>		<u>12,308,371</u>
Total net position - ending	<u>\$ 10,950,932</u>	<u>\$ 1,898,686</u>	<u>\$ 24,253</u>		<u>\$ 12,873,871</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 90,000	\$ 90,000	\$ 71,968	\$ (18,032)
Miscellaneous	112,100	112,100	160,948	48,848
Internal service charges	5,606,112	5,606,112	5,608,329	2,217
Total revenues	<u>5,808,212</u>	<u>5,808,212</u>	<u>5,841,245</u>	<u>33,033</u>
EXPENDITURES				
Citywide services	6,142,818	6,142,818	5,139,410	1,003,408
Fire and emergency services	260,000	260,000	258,075	1,925
Operating contingency	398,000	398,000	-	398,000
Total expenditures	<u>6,800,818</u>	<u>6,800,818</u>	<u>5,397,485</u>	<u>1,403,333</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(992,606)</u>	<u>(992,606)</u>	<u>443,760</u>	<u>1,436,366</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	260,000	260,000	260,000	-
Transfers out	(589,394)	(589,394)	(588,440)	954
Total other financing sources (uses)	<u>(329,394)</u>	<u>(329,394)</u>	<u>(328,440)</u>	<u>954</u>
Net change in fund balances	(1,322,000)	(1,322,000)	115,320	1,437,320
Fund balances - beginning	<u>1,322,000</u>	<u>1,322,000</u>	<u>3,731,427</u>	<u>2,409,427</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,846,747</u>	<u>\$ 3,846,747</u>
Accrued interest			(61)	
Capital assets, net of depreciation			9,541,473	
Debt payable, net			(435,739)	
Due from other funds			322,580	
Leases, net			(15,692)	
Pension asset/liability, net			(1,888,294)	
OPEB asset/liability, net			(249,631)	
Unrealized gain (loss) on investments			<u>(170,451)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 10,950,932</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 47,435	\$ 47,435
Total revenues	<u>-</u>	<u>-</u>	<u>47,435</u>	<u>47,435</u>
EXPENDITURES				
Capital improvements	1,948,000	1,948,000	1,207,889	740,111
Total expenditures	<u>1,948,000</u>	<u>1,948,000</u>	<u>1,207,889</u>	<u>740,111</u>
Excess of expenditures over revenues	<u>(1,948,000)</u>	<u>(1,948,000)</u>	<u>(1,160,454)</u>	<u>787,546</u>
OTHER FINANCING SOURCES				
Transfers in	820,000	820,000	770,000	(50,000)
Total other financing sources	<u>820,000</u>	<u>820,000</u>	<u>770,000</u>	<u>(50,000)</u>
Net change in fund balances	(1,128,000)	(1,128,000)	(390,454)	737,546
Fund balances - beginning	<u>1,500,000</u>	<u>1,500,000</u>	<u>2,391,181</u>	<u>891,181</u>
Fund balances - ending	<u>\$ 372,000</u>	<u>\$ 372,000</u>	<u>\$ 2,000,727</u>	<u>\$ 1,628,727</u>
Unrealized gain (loss) on investments			<u>(102,041)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 1,898,686</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 822	\$ 822
Total revenues	<u>-</u>	<u>-</u>	<u>822</u>	<u>822</u>
EXPENDITURES				
Debt service	455,000	455,000	453,497	1,503
Total expenditures	<u>455,000</u>	<u>455,000</u>	<u>453,497</u>	<u>1,503</u>
Excess of expenditures over revenue	<u>(455,000)</u>	<u>(455,000)</u>	<u>(452,675)</u>	<u>2,325</u>
OTHER FINANCING SOURCES				
Transfers in	455,000	455,000	453,498	(1,502)
Total other financing sources	<u>455,000</u>	<u>455,000</u>	<u>453,498</u>	<u>(1,502)</u>
Net change in fund balances	-	-	823	823
Fund balances - beginning	<u>27,000</u>	<u>27,000</u>	<u>42,257</u>	<u>15,257</u>
Fund balances - ending	<u>\$ 27,000</u>	<u>\$ 27,000</u>	<u>\$ 43,080</u>	<u>\$ 16,080</u>
Accrued interest			(17,936)	
Unrealized gain (loss) on investments			<u>(891)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 24,253</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Charges for services	\$ 100	\$ 100	\$ -	\$ (100)
Miscellaneous	-	-	12,170	12,170
Internal service charges	1,459,068	1,459,068	1,459,068	-
Total revenues	<u>1,459,168</u>	<u>1,459,168</u>	<u>1,471,238</u>	<u>12,070</u>
EXPENDITURES				
City attorney's office	1,561,168	1,743,168	1,565,000	178,168
Operating contingency	234,000	102,000	-	102,000
Total expenditures	<u>1,795,168</u>	<u>1,845,168</u>	<u>1,565,000</u>	<u>280,168</u>
Excess of expenditures over revenues	<u>(336,000)</u>	<u>(386,000)</u>	<u>(93,762)</u>	<u>292,238</u>
Net change in fund balances	(336,000)	(386,000)	(93,762)	292,238
Fund balances - beginning	<u>336,000</u>	<u>386,000</u>	<u>471,565</u>	<u>85,565</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 377,803</u>	<u>\$ 377,803</u>
Pension asset/liability, net			(1,251,876)	
Unrealized gain (loss) on investments			<u>(25,369)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ (899,442)</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 110,000	\$ 110,000	\$ 104,659	\$ (5,341)
Charges for services	105,000	105,000	107,812	2,812
Miscellaneous	125,000	125,000	508,993	383,993
Internal service charges	19,124,155	19,124,155	17,350,797	(1,773,358)
Total revenues	<u>19,464,155</u>	<u>19,464,155</u>	<u>18,072,261</u>	<u>(1,391,894)</u>
EXPENDITURES				
Office of governance and management	3,459,581	3,459,581	2,776,933	682,648
Budget and finance	7,309,335	7,309,335	6,559,231	750,104
Information technology	6,479,588	6,479,588	5,622,087	857,501
Citywide services	4,872,393	4,872,393	4,026,209	846,184
Operating contingency	682,000	682,000	-	682,000
Total expenditures	<u>22,802,897</u>	<u>22,802,897</u>	<u>18,984,460</u>	<u>3,818,437</u>
Excess of expenditures over revenues	<u>(3,338,742)</u>	<u>(3,338,742)</u>	<u>(912,199)</u>	<u>2,426,543</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	838,000	838,000	618,000	(220,000)
Transfers out	(122,258)	(122,258)	(122,258)	-
Total other financing sources (uses)	<u>715,742</u>	<u>715,742</u>	<u>495,742</u>	<u>(220,000)</u>
Net change in fund balances	(2,623,000)	(2,623,000)	(416,457)	2,206,543
Fund balances - beginning	<u>3,123,000</u>	<u>3,123,000</u>	<u>6,433,741</u>	<u>3,310,741</u>
Fund balances - ending	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 6,017,284</u>	<u>\$ 5,517,284</u>
Accrued interest			(20,068)	
Capital assets, net of depreciation			2,036,712	
Due from other funds			1,519,136	
Pension asset/liability, net			(14,728,635)	
OPEB asset/liability, net			(1,169,857)	
SBITA			(918,848)	
Unrealized gain (loss) on investments			<u>(334,204)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ (7,598,480)</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 20,419	\$ 20,419
Total revenues	<u>-</u>	<u>-</u>	<u>20,419</u>	<u>20,419</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>20,419</u>	<u>20,419</u>
Net change in fund balances	-	-	20,419	20,419
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>1,088,334</u>	<u>1,088,334</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,108,753</u>	<u>\$ 1,108,753</u>
Unrealized gain (loss) on investments			<u>(16,299)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 1,092,454</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 33,828	\$ 33,828
Miscellaneous	287,913	287,913	428,924	141,011
Internal service charges	2,017,978	2,017,978	4,915,788	2,897,810
Total revenues	<u>2,305,891</u>	<u>2,305,891</u>	<u>5,378,540</u>	<u>3,072,649</u>
EXPENDITURES				
Citywide services	13,677,269	13,677,269	5,985,385	7,691,884
Total expenditures	<u>13,677,269</u>	<u>13,677,269</u>	<u>5,985,385</u>	<u>7,691,884</u>
Excess of expenditures over revenue	<u>(11,371,378)</u>	<u>(11,371,378)</u>	<u>(606,845)</u>	<u>10,764,533</u>
OTHER FINANCING SOURCES				
Transfers in	108,152	108,152	108,152	-
Total other financing sources	<u>108,152</u>	<u>108,152</u>	<u>108,152</u>	<u>-</u>
Net change in fund balances	(11,263,226)	(11,263,226)	(498,693)	10,764,533
Fund balances - beginning	<u>23,033,046</u>	<u>23,033,046</u>	<u>24,016,612</u>	<u>983,566</u>
Fund balances - ending	<u>\$ 11,769,820</u>	<u>\$ 11,769,820</u>	<u>\$ 23,517,919</u>	<u>\$ 11,748,099</u>
Due to other funds			(22,291,988)	
Unrealized gain (loss) on investments			<u>(938,877)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 287,054</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Miscellaneous	\$ 199,000	\$ 199,000	\$ 306,490	\$ 107,490
Internal service charges	4,132,874	4,132,874	4,305,619	172,745
Total revenues	<u>4,331,874</u>	<u>4,331,874</u>	<u>4,612,109</u>	<u>280,235</u>
EXPENDITURES				
City attorney's office	5,650,998	5,850,998	3,521,113	2,329,885
Operating contingency	646,200	446,200	-	446,200
Total expenditures	<u>6,297,198</u>	<u>6,297,198</u>	<u>3,521,113</u>	<u>2,776,085</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,965,324)</u>	<u>(1,965,324)</u>	<u>1,090,996</u>	<u>3,056,320</u>
Net change in fund balances	(1,965,324)	(1,965,324)	1,090,996	3,056,320
Fund balances - beginning	<u>4,042,000</u>	<u>4,042,000</u>	<u>4,909,313</u>	<u>867,313</u>
Fund balances - ending	<u>\$ 2,076,676</u>	<u>\$ 2,076,676</u>	\$ 6,000,309	<u>\$ 3,923,633</u>
Capital assets, net of depreciation			4,509	
Pension asset/liability, net			(670,523)	
Unrealized gain (loss) on investments			<u>(344,023)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 4,990,272</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Miscellaneous	\$ 1,716,000	\$ 1,716,000	\$ 1,358,809	\$ (357,191)
Internal service charges	10,432,000	10,432,000	8,107,455	(2,324,545)
Total revenues	<u>12,148,000</u>	<u>12,148,000</u>	<u>9,466,264</u>	<u>(2,681,736)</u>
EXPENDITURES				
Citywide services	13,106,000	13,106,000	10,226,225	2,879,775
Operating contingency	2,012,000	2,012,000	-	2,012,000
Total expenditures	<u>15,118,000</u>	<u>15,118,000</u>	<u>10,226,225</u>	<u>4,891,775</u>
Excess of expenditures over revenues	<u>(2,970,000)</u>	<u>(2,970,000)</u>	<u>(759,961)</u>	<u>2,210,039</u>
OTHER FINANCING (USES)				
Transfers out	(284,000)	(284,000)	(284,000)	-
Total other financing (uses)	<u>(284,000)</u>	<u>(284,000)</u>	<u>(284,000)</u>	<u>-</u>
Net change in fund balances	(3,254,000)	(3,254,000)	(1,043,961)	2,210,039
Fund balances - beginning	7,400,000	7,400,000	7,966,228	566,228
Fund balances - ending	<u>\$ 4,146,000</u>	<u>\$ 4,146,000</u>	\$ 6,922,267	<u>\$ 2,776,267</u>
Unrealized gain (loss) on investments			<u>(349,076)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 6,573,191</u>	

Other Schedules

City of Gresham, Oregon
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2023

Federal Grantor/ Pass-through Grantor Program Title or Cluster Title	Assistance Listing 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-22-MC-41-0006	\$ 992,715	\$ 638,568
COVID-19 - Community Development Block Grants/Entitlement Grants Subtotal for CFDA 14.218	14.218	B-22-MW-41-0006	<u>212,077</u>	<u>104,243</u>
			1,204,792	742,811
Economic Development Initiative, Community Project Funding, and Miscellaneous Grants	14.251	B-22-CP-OR-0743	30,027	-
Pass-through assistance:				
City of Portland				
Home Investment Partnerships Program	14.239	30007797	370,389	-
Home Investment Partnerships Program - ARP Subtotal for CFDA 14.239	14.239	30008218	<u>845,732</u>	<u>792,662</u>
			1,216,121	792,662
Total U.S. Department of Housing and Urban Development			<u>2,450,940</u>	<u>1,535,473</u>
U.S. Department of Justice				
Direct Assistance:				
Criminal and Juvenile Justice and Mental Health Collaboration Program - 2020	16.745	2020-MO-BX-0031	256,854	256,854
Pass-through assistance:				
City of Portland				
Edward Byrne Memorial Justice Assistance Grant Program - 2019	16.738	2019-DJ-BX-0715	958	-
Edward Byrne Memorial Justice Assistance Grant Program - 2020 Subtotal for CFDA 16.738	16.738	2020-DJ-BX-0213	<u>45,129</u>	<u>-</u>
			46,087	-
Total U.S. Department of Justice			<u>302,941</u>	<u>256,854</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	77,474	-
Highway Planning and Construction - NE Cleveland Ave: SE Stark St - NE Burnside	20.205	20808	134,300	-
Highway Planning and Construction - Sandy Blvd: NE 181st Ave to East Gresham City Limit	20.205	19279	46,795	-
Highway Planning and Construction - NW Division Complete St - Phase 1: Wallula Ave - Birdsdales Ave	20.205	16986	613,217	-
Highway Planning and Construction - SE 242nd/Hogan: NE Burnside - E Powell Total Highway Planning and Construction Cluster	20.205	19120	<u>1,081,495</u>	<u>-</u>
			1,953,282	-
Metro				
Federal Transit Formula Grants - Gresham Rockwood Bike Route	20.507	936707	8,393	-
Highway Safety Cluster:				
Oregon Department of Transportation				
State and Community Highway Safety - Safety Belt Overtime Grants	20.600	N/A	2,757	-
Oregon Impact				
National Priority Safety Programs - DUII	20.616	N/A	1,330	-
National Priority Safety Programs - Distracted Driving Grant	20.616	N/A	3,261	-
National Priority Safety Programs - Speed Enforcement Grant Subtotal for CFDA 20.616	20.616	N/A	<u>2,545</u>	<u>-</u>
			7,136	-
Total Highway Safety Cluster			<u>9,893</u>	<u>-</u>
Total U.S. Department of Transportation			<u>1,971,568</u>	<u>-</u>
Department of the Treasury				
Direct Assistance:				
Coronavirus State and Local Fiscal Recovery Funds	21.027	SLT-3322	<u>3,290,079</u>	<u>-</u>
Total Department of the Treasury			<u>3,290,079</u>	<u>-</u>

City of Gresham, Oregon
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2023

Federal Grantor/ Pass-through Grantor Program Title or Cluster Title	Assistance Listing Number	Agency or Pass-Through Number	Expenditures of Federal Awards	Amounts Provided to Sub Recipients
Environmental Protection Agency				
Direct Assistance:				
Water Infrastructure Finance and Innovation (WIFIA)	66.958	WIFIA-N20153OR	9,037,803 ¹	-
Columbia River Basin Restoration (CRBR) Program	66.962	R10-OW-CRBRP-2022-01/02	<u>73,384</u>	-
Total Environmental Protection Agency			<u>9,111,187</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	<u>25,000</u>	-
Total Department of Health and Human Services Centers for Disease Control and Prevention			<u>25,000</u>	<u>-</u>
U.S. Department of Homeland Security				
Direct Assistance:				
Assistance to Firefighters Grant - 2021	97.044	EMW-2021-FG-06873	2,909	-
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2018-FH-00293	72,043	-
Pass-through assistance:				
Oregon Office of Emergency Management				
Emergency Management Performance Grants	97.042	EMS-2022-EP-00002-S01	104,660	-
BRIC: Building Resilient Infrastructure and Communities	97.047	EMS-2021-PC-0002	<u>45,676</u>	-
Total U.S. Department of Homeland Security			<u>225,288</u>	<u>-</u>
Total Federal Expenditures			<u>\$ 17,377,003</u>	<u>\$ 1,792,327</u>

¹ Expenditures of \$5,742,207 was incurred in FY 2022 and \$3,295,596 incurred in the current FY 2023.

City of Gresham, Oregon
Notes to the Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2023

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, 2023. 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. 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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Governmental activities				
Net investment in capital assets	\$ 749,923,076	\$ 716,667,046	\$ 681,572,417	\$ 688,607,182
Restricted	31,749,851	42,700,948	46,864,238	49,493,800
Unrestricted	17,581,665	(5,567,160)	(22,236,961)	(55,927,410)
Total governmental activities net position	<u>799,254,592</u>	<u>753,800,834</u>	<u>706,199,694</u>	<u>682,173,572</u>
Business-type activities				
Net investment in capital assets	202,461,179	207,475,404	208,952,590	214,549,637
Restricted	15,331,003	5,530,116	5,513,755	5,663,183
Unrestricted	75,243,789	84,669,268	88,354,709	87,848,527
Total business-type activities net position	<u>293,035,971</u>	<u>297,674,788</u>	<u>302,821,054</u>	<u>308,061,347</u>
Primary government				
Net investment in capital assets	952,384,255	924,142,450	890,525,007	903,156,819
Restricted	47,080,854	48,231,064	52,377,993	55,156,983
Unrestricted	92,825,454	79,102,108	66,117,748	31,921,117
Total primary government net position	<u>\$ 1,092,290,563</u>	<u>\$ 1,051,475,622</u>	<u>\$ 1,009,020,748</u>	<u>\$ 990,234,919</u>

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

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 615,299,091	\$ 595,420,402	\$ 589,574,607	588,448,433	594,939,492	619,307,352
47,562,955	64,175,811	84,559,497	84,521,286	87,849,650	76,101,429
(10,610,161)	(25,564,149)	(36,119,104)	(39,822,759)	(23,488,670)	(735,554)
<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>	<u>694,673,227</u>
212,138,253	219,895,246	220,619,246	224,287,293	206,189,180	252,051,858
12,938,449	11,853,063	11,141,221	10,099,100	1,942,468	2,394,188
90,209,099	93,469,113	98,919,275	103,860,494	137,501,071	120,566,221
<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>	<u>375,012,267</u>
827,437,344	815,315,648	810,193,853	812,735,726	801,128,672	871,359,210
60,501,404	76,028,874	95,700,718	94,620,386	89,792,118	78,495,617
79,598,938	67,904,964	62,800,171	64,037,735	114,012,401	119,830,667
<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>	<u>\$ 1,069,685,494</u>

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Expenses				
Governmental activities:				
General government	\$ 29,166,371	\$ 27,229,600	\$ 33,371,670	\$ 34,548,635
Public safety	26,559,777	21,713,792	44,825,834	35,570,784
Transportation	48,609,374	45,661,889	48,409,354	48,175,064
Urban design and planning	1,365,870	957,688	2,117,987	1,992,752
Community development ¹	3,023,856	2,590,182	4,446,844	3,817,693
Economic development services ¹	405,782	391,025	1,248,089	782,765
Parks operation	-	1,505,531	1,508,485	1,405,582
Environmental services	3,493,637	1,481,087	3,135,670	2,704,270
Economic, development, & housing services ¹	-	-	-	-
Community livability	-	-	-	-
Urban renewal	6,476,339	10,334,396	3,066,437	5,472,373
Interest on long-term debt	2,456,107	2,375,332	2,635,798	2,385,663
Total governmental activities expenses	<u>121,557,113</u>	<u>114,240,522</u>	<u>144,766,168</u>	<u>136,855,581</u>
Business-type activities:				
Water	11,289,468	9,907,852	13,321,861	12,486,828
Stormwater	6,796,580	5,818,448	7,802,970	8,225,600
Wastewater	16,986,874	14,914,216	17,609,484	17,255,130
Total business-type activities expenses	<u>35,072,922</u>	<u>30,640,516</u>	<u>38,734,315</u>	<u>37,967,558</u>
Total government expenses	<u>\$ 156,630,035</u>	<u>\$ 144,881,038</u>	<u>\$ 183,500,483</u>	<u>\$ 174,823,139</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 4,774,350	\$ 4,727,746	\$ 4,483,991	\$ 4,583,748
Public safety	9,509,578	9,496,947	10,175,747	10,507,044
Transportation	4,599,347	3,919,783	4,111,318	4,169,029
Urban design and planning	823,950	653,708	761,785	1,040,149
Community development ¹	2,883,906	4,628,102	3,051,610	3,883,470
Economic development services ¹	-	-	-	-
Parks operations	-	221,240	241,634	246,548
Environmental services	2,902,722	5,658,899	6,141,968	6,590,650
Economic, development, & housing services ¹	-	-	-	-
Community livability	-	-	-	-
Urban renewal	5,301,090	8,724,220	1,582,585	3,697,421
Operating grants and contributions	9,336,157	10,515,883	10,056,115	11,006,815
Capital grants and contributions	1,531,378	4,093,377	5,450,478	4,691,150
Total governmental activities program revenues	<u>41,662,478</u>	<u>52,639,905</u>	<u>46,057,231</u>	<u>50,416,024</u>
Business-type activities				
Charges for services:				
Water	12,746,233	11,419,158	13,298,124	13,208,556
Stormwater	7,405,949	6,933,480	8,958,410	8,001,761
Wastewater	16,489,981	14,459,367	16,488,480	18,010,136
Operating grants and contributions	-	-	124,918	-
Capital grants and contributions	194,587	391,284	2,574,730	2,430,750
Total business-type activities program revenues	<u>36,836,750</u>	<u>33,203,289</u>	<u>41,444,662</u>	<u>41,651,203</u>
Total government program revenues	<u>78,499,228</u>	<u>85,843,194</u>	<u>87,501,893</u>	<u>92,067,227</u>

¹ Community development and economic development services combined into Economic, development, & housing services department in FY23.

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

	2018	2019	2020	2021	2022	2023
\$	34,781,828	\$ 41,942,083	\$ 42,553,953	\$ 43,059,687	\$ 41,563,762	\$ 47,943,207
	40,292,312	41,598,297	48,656,343	53,776,887	43,271,375	45,736,768
	43,807,972	33,337,155	15,291,969	17,942,322	18,519,518	18,305,919
	2,548,099	2,331,719	2,848,473	2,935,646	2,161,911	2,082,601
	4,468,594	4,145,004	4,965,073	16,911,682	5,507,407	-
	523,019	491,227	1,058,414	733,525	404,413	-
	2,002,434	1,833,193	1,737,992	1,812,865	2,211,198	2,914,128
	2,818,835	3,023,306	3,697,987	3,959,372	4,543,619	2,849,663
	-	-	-	-	-	3,262,264
	-	337,859	377,035	251,712	357,496	5,049,925
	2,079,618	8,448,044	1,843,211	10,973,647	5,292,529	2,986,170
	2,217,715	2,398,404	2,337,423	2,215,312	2,019,789	1,940,298
	<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>	<u>133,070,943</u>
	13,856,477	15,740,141	15,184,878	15,032,417	17,590,381	16,303,072
	8,835,420	10,428,543	10,164,466	10,131,077	10,761,512	11,149,204
	19,079,128	19,769,908	20,950,403	17,740,282	22,123,457	22,767,980
	41,771,025	45,938,592	46,299,747	42,903,776	50,475,350	50,220,256
\$	<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>	<u>\$ 183,291,199</u>
\$	5,126,082	\$ 5,921,164	\$ 7,232,725	\$ 6,013,553	\$ 3,220,836	\$ 6,445,096
	11,302,429	11,461,167	11,190,312	13,300,542	15,591,061	14,739,707
	4,266,299	4,324,129	192,132	435,679	192,615	255,134
	908,382	1,141,846	558,186	652,837	812,552	1,186,322
	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	-
	250,107	226,783	233,254	324,917	67,731	65,752
	8,259,424	8,924,045	12,883,093	6,620,584	12,031,075	9,109,367
	-	-	-	-	-	5,876,247
	-	557,301	388,325	250,238	36,118	882,726
	69,938	90,205	62,216	5,155,613	3,740,391	67,911
	12,817,532	11,454,437	15,841,587	36,210,330	32,141,996	35,279,252
	1,877,424	5,682,032	5,291,148	2,824,610	7,080,074	9,711,355
	<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>	<u>83,618,869</u>
	14,173,310	14,795,502	15,200,656	16,370,699	16,405,388	20,191,106
	8,286,851	8,861,833	10,122,042	10,607,226	11,483,555	12,526,874
	18,473,667	19,061,257	19,875,064	20,284,110	21,342,415	30,638,464
	-	-	-	184,906	18,622	1,223
	6,189,170	8,060,045	2,243,294	3,886,303	1,170,828	13,073,196
	<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>76,430,863</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>	<u>160,049,732</u>

Changes in Net Position continued

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Net (Expense) Revenue				
Governmental activities	(79,894,635)	(61,600,617)	(98,708,937)	(86,439,557)
Business-type activities	1,763,828	2,562,773	2,710,347	3,683,645
Total net expenses	<u>(78,130,807)</u>	<u>(59,037,844)</u>	<u>(95,998,590)</u>	<u>(82,755,912)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes, levied for general purposes	27,078,547	29,746,987	30,145,355	31,294,955
License fees	9,100,066	9,117,451	9,324,117	20,309,911
Business income taxes	4,973,382	5,406,445	6,874,811	6,423,412
Hotel and motel taxes	664,241	808,826	977,317	1,046,122
Other taxes	117,820	95,254	115,545	257,704
Grants and contributions	2,590,468	2,669,644	2,669,472	2,867,087
Interest and investment earnings	1,335,686	962,189	1,644,731	872,940
Gain on sale of capital assets	-	98,765	164,749	99,211
Transfers	(1,448,232)	(3,711,628)	(808,300)	(757,907)
Total governmental activities revenues	<u>44,411,978</u>	<u>45,193,933</u>	<u>51,107,797</u>	<u>62,413,435</u>
Business-type activities:				
Interest and investment earnings	1,557,440	1,053,440	1,627,619	798,741
Transfers	1,448,232	3,711,628	808,300	757,907
Total business-type activities revenue (expense)	<u>3,005,672</u>	<u>4,765,068</u>	<u>2,435,919</u>	<u>1,556,648</u>
Total government revenues	<u>\$ 47,417,650</u>	<u>\$ 49,959,001</u>	<u>\$ 53,543,716</u>	<u>\$ 63,970,083</u>
Change in Net Position				
Governmental activities	\$ (35,482,657)	\$ (16,406,684)	\$ (47,601,140)	\$ (24,026,122)
Cumulative effect of change in accounting principle	-	(29,047,074)	-	-
Business-type activities	4,769,500	7,327,841	5,146,266	5,240,293
Cumulative effect of change in accounting principle	-	(2,689,024)	-	-
Total government	<u>\$ (30,713,157)</u>	<u>\$ (40,814,941)</u>	<u>\$ (42,454,874)</u>	<u>\$ (18,785,829)</u>

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

2018	2019	2020	2021	2022	2023
(86,008,481)	(81,555,172)	(63,628,416)	(76,841,810)	(43,466,133)	(49,452,074)
5,351,973	4,840,045	1,141,309	8,429,468	(54,542)	26,210,607
<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>	<u>(23,241,467)</u>
32,185,065	34,381,162	35,803,461	37,194,154	39,285,513	41,280,847
11,889,588	12,563,826	13,403,183	17,749,623	20,939,072	23,326,249
7,226,463	8,289,994	6,897,295	9,321,460	10,926,627	10,743,852
994,578	968,036	854,107	870,432	1,226,711	1,310,302
407,668	421,070	531,554	747,807	684,379	707,157
3,548,018	3,500,367	3,809,427	4,103,442	3,777,610	4,178,008
1,020,669	4,543,258	6,118,456	568,318	-	3,851,810
79,239	107,646	57,089	78,658	220,107	19,197
<u>(1,777,219)</u>	<u>(1,440,008)</u>	<u>136,780</u>	<u>1,339,876</u>	<u>(7,440,374)</u>	<u>(592,593)</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>	<u>84,824,829</u>
877,567	3,651,568	4,457,791	477,553	-	2,576,348
<u>1,777,219</u>	<u>1,440,008</u>	<u>(136,780)</u>	<u>(1,339,876)</u>	<u>7,440,374</u>	<u>592,593</u>
<u>2,654,786</u>	<u>5,091,576</u>	<u>4,321,011</u>	<u>(862,323)</u>	<u>7,440,374</u>	<u>3,168,941</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>	<u>\$ 87,993,770</u>
\$ (30,434,412)	\$ (18,219,821)	\$ 3,982,936	\$ (4,868,040)	\$ 26,153,512	\$ 35,372,755
8,006,759	9,931,621	5,462,320	7,567,145	7,385,832	29,379,548
(782,305)	-	-	-	-	-
<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>	<u>\$ 64,752,303</u>

City of Gresham, Oregon

Fund Balances of Governmental Funds^{1,2}

for the last ten fiscal years

(modified accrual basis of accounting)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund				
Unassigned	\$ 14,509,323	\$ 16,242,524	\$ 17,407,220	\$ 26,563,568
Total General Fund	<u>14,509,323</u>	<u>16,242,524</u>	<u>17,407,220</u>	<u>26,563,568</u>
Designated Purpose Fund				
Restricted	-	-	-	-
Assigned	-	-	-	-
Total Designated Purpose Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transportation Fund				
Restricted	<u>11,700,976</u>	<u>14,531,483</u>	<u>15,787,346</u>	<u>17,564,409</u>
Total Transportation Fund	<u>11,700,976</u>	<u>14,531,483</u>	<u>15,787,346</u>	<u>17,564,409</u>
System Development Charge Fund				
Restricted	<u>9,003,097</u>	<u>7,978,841</u>	<u>10,781,925</u>	<u>13,035,598</u>
Total System Development Charges Fund	<u>9,003,097</u>	<u>7,978,841</u>	<u>10,781,925</u>	<u>13,035,598</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	21,062,612	-	-	-
Restricted	8,452	904	-	-
Assigned	-	<u>17,930,173</u>	-	-
Total City Backed Urban Renewal Fund	<u>21,071,064</u>	<u>17,931,077</u>	<u>-</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	-	-	-	978,730
Unassigned	<u>(14,247,748)</u>	<u>(9,327,503)</u>	<u>(7,057,486)</u>	<u>-</u>
Total Rockwood UR Debt Service Fund	<u>(14,247,748)</u>	<u>(9,327,503)</u>	<u>(7,057,486)</u>	<u>978,730</u>
Nonmajor Governmental Funds				
Restricted	12,670,071	14,672,998	13,508,228	9,466,281
Committed	-	742,438	713,856	777,980
Assigned	6,635,762	10,183,132	26,384,613	19,622,437
Unassigned	-	-	-	-
Total Nonmajor Governmental Funds	<u>19,305,833</u>	<u>25,598,568</u>	<u>40,606,697</u>	<u>29,866,698</u>
Total all funds	<u>\$ 61,342,545</u>	<u>\$ 72,954,990</u>	<u>\$ 77,525,702</u>	<u>\$ 88,009,003</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>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</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>	<u>\$ 40,765,172</u>
26,554,424	22,857,805	19,421,845	27,750,396	36,841,001	40,765,172
-	-	-	6,307,118	6,029,126	7,787,986
-	-	-	332,098	743,782	2,002,160
-	-	-	6,639,216	6,772,908	9,790,146
19,449,673	23,446,993	27,829,159	31,234,162	35,016,191	34,289,220
19,449,673	23,446,993	27,829,159	31,234,162	35,016,191	34,289,220
15,594,217	18,989,060	27,551,044	24,172,834	18,299,709	20,252,373
15,594,217	18,989,060	27,551,044	24,172,834	18,299,709	20,252,373
-	-	145,626	145,626	-	-
743,929	766,165	103,064	119,685	-	-
743,929	766,165	248,690	265,311	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	245,863	-
-	-	-	-	245,863	-
3,509,320	4,949,130	8,989,523	11,706,603	9,654,706	224,055
-	-	-	-	-	-
3,509,320	4,949,130	8,989,523	11,706,603	9,654,706	224,055
11,324,298	14,707,627	20,114,763	13,844,117	17,721,479	21,048,417
820,577	914,316	974,026	1,121,617	953,324	973,187
17,591,543	16,040,433	16,406,440	15,959,482	19,934,883	15,684,535
-	-	-	-	-	-
29,736,418	31,662,376	37,495,229	30,925,216	38,609,686	37,706,139
<u>\$ 95,587,981</u>	<u>\$ 102,671,529</u>	<u>\$ 121,535,490</u>	<u>\$ 132,693,738</u>	<u>\$ 145,440,064</u>	<u>\$ 143,027,105</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>2015</u>	<u>2016</u>	<u>2017</u>
Revenues				
Taxes	\$ 32,213,880	\$ 35,268,843	\$ 37,876,770	\$ 38,789,436
Licenses and permits	1,947,906	2,601,458	2,868,139	2,762,215
Intergovernmental	29,064,640	36,284,744	27,703,501	30,313,399
Charges for services	5,091,724	11,551,188	12,849,976	13,409,046
License fees	9,061,648	9,117,450	9,324,117	20,309,912
Miscellaneous	461,340	1,483,901	2,189,992	1,995,894
Contributions and donations	-	-	100	5,000
Internal service charges	3,277,629	3,735,489	3,526,244	3,395,097
Total revenues	<u>81,118,767</u>	<u>100,043,073</u>	<u>96,338,839</u>	<u>110,979,999</u>
Expenditures				
Current:				
General government	29,902	36,327	121,549	390,185
Public safety	43,288,184	46,063,033	49,528,990	53,367,814
Urban renewal	4,167,675	9,658,420	2,467,469	4,854,590
Urban design and planning	3,440,197	2,132,148	2,425,750	3,065,661
Community development ¹	3,768,133	5,028,741	5,369,228	5,827,958
Economic development services ¹	573,901	690,642	1,379,573	1,248,395
Economic, development, & housing services ¹	-	-	-	-
Community livability	-	-	-	-
Parks	-	2,362,206	2,419,159	2,477,379
Environmental services	4,932,885	2,565,785	2,612,337	3,072,076
Transportation	8,274,290	7,607,574	7,501,485	7,447,012
Debt service:				
Interest	5,135,273	4,551,954	6,185,825	5,882,948
Principal	2,961,659	11,158,057	3,692,811	5,521,001
Capital outlay	6,407,429	9,704,079	7,219,611	7,645,272
Total expenditures	<u>82,979,528</u>	<u>101,558,966</u>	<u>90,923,787</u>	<u>100,800,291</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,860,761)</u>	<u>(1,515,893)</u>	<u>5,415,052</u>	<u>10,179,708</u>
Other financing sources (uses)				
Debt/refunding proceeds	3,226,480	16,728,777	-	605,000
Asset sale proceeds	-	-	325,000	650,000
Lease proceeds	-	-	-	-
Transfers in	13,902,344	28,138,566	17,626,838	20,787,604
Transfers out	(18,842,157)	(31,739,005)	(18,796,178)	(21,739,011)
Total other financing sources (uses)	<u>(1,713,333)</u>	<u>13,128,338</u>	<u>(844,340)</u>	<u>303,593</u>
Net change in fund balances	<u>\$ (3,574,094)</u>	<u>\$ 11,612,445</u>	<u>\$ 4,570,712</u>	<u>\$ 10,483,301</u>
Governmental capital expenditures	7,757,540	9,764,061	8,188,166	9,136,825
Debt service as a percentage of noncapital expenditures	10.8%	17.1%	11.9%	12.4%

¹ Community development and economic development combined into Economic, development, & housing services department in FY23.

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

2018	2019	2020	2021	2022	2023
\$ 41,052,961	\$ 44,778,408	\$ 44,090,377	\$ 48,167,243	\$ 52,121,431	\$ 53,950,910
3,351,012	4,088,553	3,651,927	2,851,887	3,561,925	3,880,102
30,224,230	38,079,121	32,333,003	57,135,314	42,906,414	42,520,437
15,688,696	17,009,318	20,227,608	14,706,479	23,943,756	21,636,759
11,889,588	12,563,828	13,403,184	17,749,623	20,780,669	23,326,249
2,831,874	4,911,661	6,919,896	3,266,034	1,994,065	5,101,955
-	-	-	-	-	-
4,448,399	4,699,604	4,779,051	5,339,926	5,066,395	5,882,296
<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>	<u>156,298,708</u>
488,079	64,317	65,806	59,111	4,610,938	2,301,900
57,625,177	62,787,415	61,880,198	62,438,704	68,163,272	75,016,815
2,944,694	9,591,430	2,157,176	7,164,967	5,934,874	2,497,350
3,724,108	3,455,288	3,664,944	3,372,359	3,386,330	3,347,707
6,556,409	6,502,729	6,390,223	23,009,768	8,011,975	-
751,702	755,124	1,567,741	870,238	655,578	-
-	-	-	-	-	5,063,651
-	579,201	613,316	393,144	524,163	7,887,429
2,677,575	3,118,728	2,805,319	2,648,792	3,333,383	4,580,833
3,438,271	3,636,960	3,625,208	3,637,941	4,460,414	4,923,494
7,980,413	8,829,454	8,845,732	9,131,947	9,674,901	10,765,604
5,728,221	7,650,372	2,719,699	2,453,946	2,287,416	2,186,677
3,703,036	11,049,666	7,211,689	8,188,975	37,839,973	27,069,294
8,495,480	16,655,496	13,899,717	19,763,660	26,399,657	15,998,486
<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>161,639,240</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>	<u>(5,340,532)</u>
5,644,000	17,632,800	11,428,400	7,206,600	38,300,200	3,000,000
-	-	-	-	225,567	286,157
-	-	-	-	254,025	57,537
14,008,862	16,441,028	15,421,064	21,630,911	30,035,016	24,333,058
<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>	<u>(24,749,179)</u>
<u>2,205,383</u>	<u>15,629,235</u>	<u>8,905,678</u>	<u>5,075,294</u>	<u>37,654,545</u>	<u>2,927,573</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>	<u>\$ (2,412,959)</u>
10,221,292	14,592,866	14,922,982	15,058,972	18,999,281	21,450,056
10.0%	15.6%	9.9%	8.3%	25.7%	20.9%

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

Fiscal Year	Property Taxes	Hotel and Motel Taxes	Business Income Tax	Other Taxes	Total Taxes
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
2023	41,122,033	1,310,302	10,743,852	774,723	53,950,910

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
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%
2023	9,640,211,850	418,379,550	229,505,500	10,288,096,900	3.61	21,130,695,861	48.69%

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
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
2023	3.61	-	3.61	0.49	4.98	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	5.56	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	0.57	0.10	18.93
0.46	7.35	0.07	0.93	0.10	19.21

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

Company Name	2023			2014		
	Assessed Value	Rank	Percent of Total Value	Assessed Value	Rank	Percent of Total Value
Boeing Company	\$ 463,663,900	1	46.19%	171,247,570	1	30.12%
Microchip Technology Inc	140,328,320	2	13.98%	117,874,700	2	20.73%
Semiconductor Components Industries	105,855,390	3	10.54%	33,663,120	6	5.92%
RREEF CPIF 17505 NE San Rafael LLC	58,902,910	4	5.87%	-	-	-
US National Bank of Oregon	50,317,430	5	5.01%	35,892,530	5	6.31%
GVE Associates LLC	43,161,000	6	4.30%	-	-	-
HIP Gresham Station LLC	42,837,850	7	4.27%	-	-	-
IP Eat One LLC	34,275,510	8	3.41%	-	-	-
GP/RPC Holly Ridge LIC	33,635,220	9	3.35%	25,778,660	10	4.53%
Western B Northwest OR LLC	30,907,360	10	3.08%	-	-	-
GE Capital	-	-	-	57,910,640	3	10.19%
ABS OR-O DC LLC	-	-	-	44,650,170	4	7.85%
Westlake Gresham Center LLC	-	-	-	27,693,000	7	4.87%
Cascade Corporation	-	-	-	27,185,060	8	4.78%
Owens Corning Foam	-	-	-	26,653,380	9	4.69%
Total	\$ 1,003,884,890		100.00%	\$ 568,548,830		100.00%
Total Gresham Assessed Value	\$ 10,288,096,900			\$ 7,119,260,277		

Largest Public Utilities
Current year and nine years ago

Company Name	2023			2014		
	Assessed Value	Rank	Percent of Total Value	Assessed Value	Rank	Percent of Total Value
Portland General Electric	\$ 115,745,420	1	1.13%	\$ 66,580,750	2	0.94%
Northwest Fiber LLC	30,599,800	2	0.30%	-	-	-
Northwest Natural Gas Company	24,502,000	3	0.24%	17,914,000	4	0.25%
Comcast Corporator	24,015,000	4	0.23%	80,088,200	1	1.12%
Frontier Communication	-	-	-	36,851,000	3	0.52%

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
2014	\$ 28,399,207	\$ 27,660,571	97.40%	\$ 736,374	\$ 28,396,945	99.99%
2015	29,945,588	29,240,886	97.65%	702,721	29,943,607	99.99%
2016	30,966,452	30,290,117	97.82%	673,531	30,963,648	99.99%
2017	32,204,477	31,584,209	98.07%	616,375	32,200,584	99.99%
2018	33,755,330	33,243,271	98.48%	504,740	33,748,011	99.98%
2019	35,290,714	34,759,802	98.50%	519,054	35,278,856	99.97%
2020	37,042,008	36,479,108	98.48%	505,337	36,984,445	99.84%
2021	38,378,306	37,863,884	98.66%	395,868	38,259,752	99.69%
2022	40,406,367	39,942,221	98.85%	251,659	40,193,880	99.47%
2023	42,586,573	41,993,886	98.61%	-	41,993,886	98.61%

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
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	9,710,739	-	10,885,000	-
2023	-	31,095,539	350,739	-	9,360,000	-

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
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	116,027,729	0.07%	1,010
2023	43,564,948	3,725,000	3,578,318	3,703,103	95,377,647	*	814

*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
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	-	-	-	-	-
2023	117,107 *	10,288,096,900	-	-	-	-	-

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, 2023

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes			
Lusted Water District	\$ 445,000	0.79%	\$ 3,506
Metro	822,713,920	4.39%	36,077,651
Mt. Hood Community College	73,420,000	29.93%	21,976,074
Multnomah County	583,000,736	8.89%	51,856,749
Multnomah County School District 10J (Gresham-Barlow)	293,412,224	76.68%	224,980,864
Multnomah County School District 28J (Centennial)	63,177,796	37.08%	23,423,926
Multnomah County School District 7 (Reynolds)	157,601,494	36.37%	57,322,342
Multnomah ESD	60,233,416	8.77%	5,282,832
Other debt			
Metro	10,715,000	4.39%	469,874
Mt. Hood Community College	27,793,066	29.93%	8,319,021
Multnomah County School District 7 (Reynolds)	571,428	36.37%	207,839
Multnomah ESD	18,925,000	8.77%	1,659,836
Port of Portland	39,375,000	4.00%	1,573,779
Subtotal, overlapping debt	<u>\$ 2,151,384,080</u>		<u>\$ 433,154,293</u>
City direct debt			<u>\$ 40,806,278</u>
Total direct and overlapping debt			<u>\$ 473,960,571</u>

Source: Oregon State Treasury, Debt Management Division

Note:

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

CITY OF
GRESHAM
GOING BEYOND

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

	Fiscal Year			
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt limit	\$ 301,667,483	\$ 325,241,387	\$ 351,598,537	\$ 388,941,568
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<u>\$ 301,667,483</u>	<u>\$ 325,241,387</u>	<u>\$ 351,598,537</u>	<u>\$ 388,941,568</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>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 440,527,406	\$ 488,053,798	\$ 505,092,359	\$ 534,941,507	\$ 576,754,781	\$ 633,920,876
-	-	-	-	-	-
<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>	<u>\$ 633,920,876</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	
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
2023	19,655,074	12,873,295	6,781,779	235,000	1,202,783	4.72

Stormwater Revenue Bonds

Fiscal Year	Gross Revenues	Less Operating Expenses	Net Available Revenue	Debt Service Requirements		Coverage %
				Principal	Interest	
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
2023	12,840,793	8,895,520	3,945,273	246,780	-	15.99

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
2023	23,148,477	15,590,070	7,558,407	357,333	157,585	14.68

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)
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	174,245,501	69,435	3.5%	
2023	117,107	*	*	3.3%	

Sources:

2022 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	2023			2014		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Boeing of Portland	1,372	1	2.57%	1,810	1	3.65%
Gresham Barlow School District	1,125	2	1.91%	933	3	1.88%
Mt. Hood Community College	1,018	3	1.90%	-	-	-
US Bank of Oregon Columbia Center	1,013	4	1.33%	1,636	2	3.30%
Centennial School District	707	5	1.32%	-	0	0.00%
Microchip Technology Inc.	704	6	1.30%	467	8	0.94%
ON Semiconductor	692	7	1.26%	504	7	-
City of Gresham	673	8	1.32%	520	6	1.05%
Albertson's Distribution Center	554	9	1.04%	332	9	0.67%
Div of Brooks Automation, Inc.	341	10	0.64%	-	-	-
Xerox Commercial Solutions LLC	-	-	-	680	4	1.37%
Mt. Hood Medical Center	-	-	-	601	5	1.21%
Cascade Corporation	-	-	-	212	10	0.43%
Total	8,200		14.58%	7,695		14.50%
Total of employees in Gresham	53,337			49,585		

Sources:

2014 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

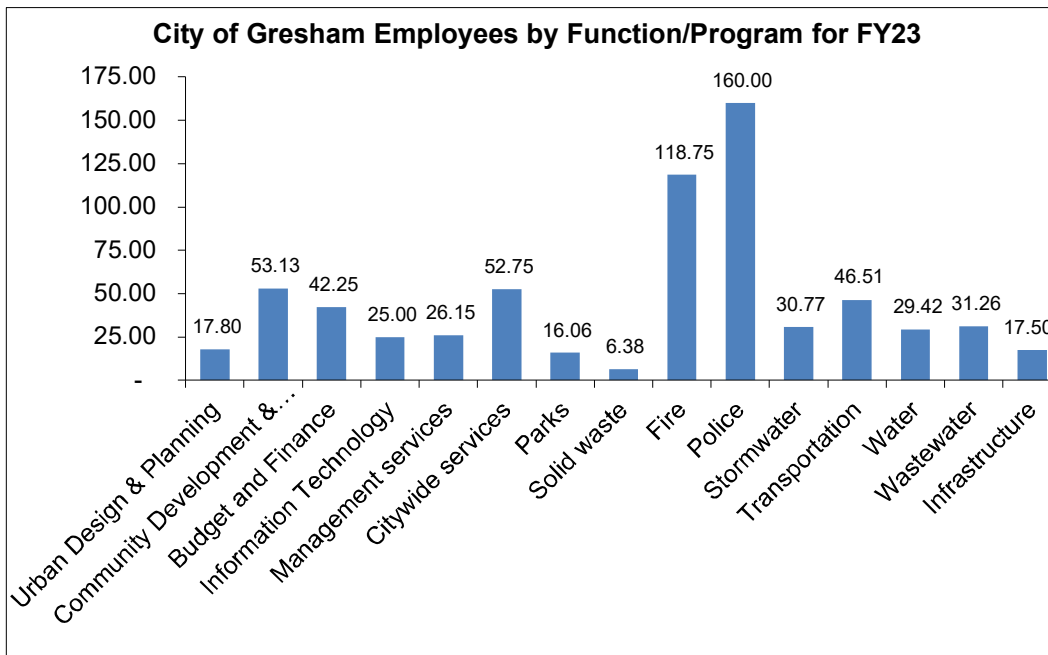
CITY OF
GRESHAM
GOING BEYOND

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

Function/Program	Full-time equivalent employees				
	2014	2015	2016	2017	2018
General government					
Urban Design & Planning	12.50	12.50	13.00	15.80	17.80
Community Development	25.00	25.00	25.00	29.00	35.00
Economic Development	3.75	3.75	3.75	4.00	3.00
Community Livability*	-	-	-	-	-
Community Development & Livability**	-	-	-	-	-
Budget and Finance	24.60	24.40	24.40	24.40	25.40
Information Technology	17.00	18.00	19.00	19.00	21.00
Management services	30.90	30.80	30.80	30.80	32.80
Citywide services	24.50	23.50	23.50	24.00	23.00
Parks	8.33	8.30	8.30	8.30	8.30
Solid waste	5.01	4.41	4.46	4.46	4.96
Public safety					
Fire	89.50	95.50	96.75	96.75	103.75
Police	152.00	152.00	157.00	159.00	165.00
Stormwater	23.12	25.40	24.77	24.77	25.10
Transportation	34.90	39.20	38.76	35.96	36.96
Water	27.71	28.53	27.93	27.93	27.75
Wastewater	29.23	29.76	28.43	28.43	28.28
Infrastructure	11.50	11.50	11.50	14.50	14.50
Total	<u>519.55</u>	<u>532.55</u>	<u>537.35</u>	<u>547.10</u>	<u>572.60</u>

* New department in 2018/2019

** New department in 2022/2023 - make up of Community Services and Economic & Development Services



Source: City of Gresham Budget Division

2019	2020	2021	2022	2023
17.80	17.80	17.80	16.80	17.80
32.00	35.00	35.00	37.75	-
3.00	3.00	3.00	3.00	-
8.00	8.00	8.00	13.48	-
-	-	-	-	53.13
25.50	25.50	25.50	38.00	42.25
22.00	25.00	14.00	20.00	25.00
31.70	30.70	30.00	23.25	26.15
20.00	21.00	28.00	37.25	52.75
11.30	11.30	10.00	12.32	16.06
5.96	5.96	5.96	5.93	6.38
111.75	111.75	114.75	118.75	118.75
166.00	166.00	160.00	156.00	160.00
25.10	27.10	26.10	27.28	30.77
36.96	37.96	37.96	46.15	46.51
27.75	27.75	27.75	27.92	29.42
28.28	27.78	28.78	29.75	31.26
15.50	16.00	16.00	17.50	17.50
588.60	597.60	588.60	631.13	673.73

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

Function/Program	Fiscal Year			
	2014	2015	2016	2017
Governmental activities:				
Community development				
Residential building permits applications issued	646	767	713	709
Valuation	\$ 36,364,810	\$ 66,156,164	\$ 53,612,230	\$ 41,814,606
Commercial building permits application issued	577	690	850	745
Valuation	\$ 44,619,928	\$ 92,421,494	\$243,011,292	\$ 95,422,482
Building inspections conducted	8,951	10,866	13,577	13,320
Police				
Part I crimes	4,266	4,144	3,743	4,036
Part II crimes	5,391	4,131	3,786	3,548
Calls for service	74,276	73,951	74,875	73,012
Fire				
Emergency responses	13,000	14,601	16,000	16,869
Fire inspections	1,230	2,166	2,100	1,811
Business-type activities				
Water				
Accounts	18,704	16,656	16,734	16,844
Average daily consumption (millions of gallons)	6	7	7	6
Stormwater				
Accounts	25,962	24,038	24,123	24,028
Wastewater				
Accounts	25,866	24,006	24,093	23,966
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

2018	2019	2020	2021	2022	2023
797	854	792	2,794 *	560	327
\$ 81,402,290	\$104,593,157	\$127,434,862	\$ 76,399,774 *	\$126,007,497	\$ 89,540,133
418	718	889	1,780 *	1,843	1,730
\$ 10,277,185	\$519,865,616	\$217,965,315	\$188,971,791 *	\$171,004,512	\$383,388,245
14,158	21,824	23,246	17,816 *	25,948	22,003
4,274	4,169	1,060	3,528	2,970	3,589
2,816	3,332	4,763	2,545	2,187	2,790
74,147	71,619	67,200	55,777	50,613	51,086
16,357	16,457	16,335	18,073	16,208	17,268
1,750	2,461	2,429	1,631	1,738	1,343
16,986	17,292	17,297	17,346	17,593	17,929
7	7	6	6	6	7
24,177	24,450	24,635	24,691	24,993	25,264
24,114	24,454	24,583	24,621	24,821	25,177
12	12	10	11	11	11

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

Function/Program	Fiscal Year			
	2014	2015	2016	2017
Governmental activities:				
General government				
City-owned building facilities	12	14	14	14
Police				
Police station	2	2	2	2
Community police office	1	1	1	1
K9 officers	2	2	2	3
Police patrol cars	23	23	26	25
Police motorcycles	6	5	5	3
Fire				
Fire stations	6	6	6	6
Fire vehicles				
Ladder trucks	1	1	1	1
Engines (In service)	7	7	7	6
Specialized emergency vehicles	6	6	6	5
Parks				
Acres of parks & trails (developed & undeveloped)	257	278	293	294
Acres of natural area	989	963	956	964
Acres from other providers	584	621	624	659
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	27.2	27.2	27.2
Stormwater				
Catch basins	8,083	8,198	7,958	7,925
Drywells	1,103	1,117	1,105	1,105
Wastewater				
Wastewater plant capacity (millions of gallons per day)	20	20	20	20
Transportation				
Street lights	8,195	8,386	8,306	8,490
Traffic signals	102	103	103	104
Transportation signs*	15,111	15,828	16,897	17,288
Miles of streets **	901	901	905	907

*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

2018	2019	2020	2021	2022	2023
14	14	14	14	14	14
2	2	2	2	2	2
1	1	1	1	1	1
3	3	3	3	4	4
32	36	38	38	43	54
3	3	3	3	3	4
6	6	6	6	6	6
1	1	1	1	1	1
7	6	7	7	7	7
7	5	6	5	6	6
294	294	344	347	328	324
964	964	932	933	933	949
659	659	648	645	654	654
16	16	18	18	18	18
14	14	14	14	14	14
10	10	15	15	15	15
27.2	27.2	27.2	27.2	27.2	27.2
8,006	8,022	8,083	8,091	8,172	8,191
1,120	1,126	1,124	1,126	1,126	1,125
20	20	20	20	20	20
8,494	8,552	8,587	8,600	8,654	8,827
104	104	104	104	104	105
17,767	19,030	18,617	19,030	21,133	21,887
909	913	917	920	931	936

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: 2021-2022 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, 2023, and have issued our report thereon dated December 29, 2023. 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

A handwritten signature in black ink that reads "Gatlin Hawkins". The signature is written in a cursive, flowing style.

By: Gatlin Hawkins, CPA
A member of the firm
Eugene, Oregon
December 29, 2023

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, 2023, 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 29, 2023.

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 29, 2023

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



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

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, 2023. 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, 2023.

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 29, 2023

City of Gresham, Oregon
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2023

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>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>	
14.218	Community Development Block Grants/Entitlement Grants	
14.239	Home Investment Partnership Program	
21.027	Coronavirus State and Local Fiscal Recovery Funds	
66.958	Water Infrastructure Finance and Innovation (WIFIA)	
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, 2023

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, 2023

	Dated Date	Maturity Date	Principal Issued	Principal Outstanding as of 6/30/2023
Full Faith and Credit Obligations				
2004 Pension Obligation Bonds	5/27/2004	6/1/2028	\$ 19,280,000	\$ 9,360,000
2013 Full Faith & Credit Obligations Series B	7/30/2013	7/1/2033	4,655,000	970,000
2013 Full Faith & Credit Obligations Series C	7/30/2013	7/1/2033	7,610,000	2,290,000
2015 Full Faith & Credit City of Gresham/Urban Renewal	5/27/2015	5/1/2035	8,957,582	2,335,000
2018 Weston Property Loan	7/31/2018	7/31/2023	1,770,000	350,739
2022 Transportation	4/28/2022	6/1/2028	30,000,000	25,346,040
Total Full Faith and Credit Obligations			<u>72,272,582</u>	<u>40,651,779</u>
		Total Direct Debt	<u>72,272,582</u>	<u>40,651,779</u>
Debt Backed by Water Revenue				
2015 Full Faith & Credit - Water	5/27/2015	5/1/2035	5,332,418	3,725,000
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>45,180,000</u>
Debt Backed by Stormwater Revenue				
State of Oregon SRF UIC Improvements	4/4/2017	8/1/2037	4,935,608	3,578,318
Total Debt Backed by Stormwater Revenue			<u>4,935,608</u>	<u>3,578,318</u>
Debt Backed by Wastewater Revenue				
R39190 Wastewater Second Clarifier	10/15/2009	8/1/2029	407,058	162,457
2015 Full Faith & Credit - Wastewater	5/27/2015	5/1/2031	5,670,000	3,315,000
Total Debt Backed by Wastewater Revenue			<u>6,077,058</u>	<u>3,477,457</u>
		Total Utility Obligations	<u>57,800,084</u>	<u>52,235,775</u>
Total Outstanding Obligations			<u>* \$ 130,072,666</u>	<u>\$ 92,887,554</u>

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

Overlapping Debt as of June 30, 2023

Governmental Unit	Total Net Debt	Percent Within City	City's Pro-Rata Share
Debt repaid with property taxes			
Lusted Water District	\$ 445,000	0.79%	\$ 3,506
Metro	822,713,920	4.39%	36,077,651
Mt. Hood Community College	73,420,000	29.93%	21,976,074
Multnomah County	583,000,736	8.89%	51,856,749
Multnomah County School District 10J (Gresham-Barlow)	293,412,224	76.68%	224,980,864
Multnomah County School District 28J (Centennial)	63,177,796	37.08%	23,423,926
Multnomah County School District 7 (Reynolds)	157,601,494	36.37%	57,322,342
Multnomah ESD	60,233,416	8.77%	5,282,832
Other debt			
Metro	10,715,000	4.39%	469,874
Mt. Hood Community College	27,793,066	29.93%	8,319,021
Multnomah County School District 7 (Reynolds)	571,428	36.37%	207,839
Multnomah ESD	18,925,000	8.77%	1,659,836
Port of Portland	39,375,000	4.00%	1,573,779
	<u>\$ 2,151,384,080</u>		<u>\$ 433,154,293</u>

Debt Ratios

	Values	Per Capita	Percent of RMV
Estimated Population	117,107	-	-
Real Market Value (RMV)	\$ 21,130,695,861	\$ 180,439	-
Total Direct Debt	40,651,779	347	0.19%
Overlapping Debt	433,154,293	3,699	2.05%
Total Direct Debt and Overlapping Debt	<u>\$ 473,806,072</u>	<u>\$ 4,046</u>	2.25%

Ten Largest Taxpayers

Business		Assessed Value	Percentage of Total Assessed Value
Boeing Company	Aircraft Frame Structures	\$ 463,663,900	4.51%
Microchip Technology Inc.	Microelectronics Products	140,328,320	1.36%
Semiconductor Components Industries	Microelectronics Products	105,855,390	1.03%
RREEF CPIF 17505 NE San Rafael LLC	Property Management	58,902,910	0.57%
U.S. National Bank of Oregon	Financial Services	50,317,430	0.49%
GVE Associates LLC	Property Development	43,161,000	0.42%
HIP Gresham Station LLC	Property Development	42,837,850	0.42%
IP Eat One LLC	Property Development	34,275,510	0.33%
GP/RPC Holly Ridge LLC	Property Management	33,635,220	0.33%
Western B Northwest OR LLC	Property Development	30,907,360	0.30%
		\$ 1,003,884,890	9.76%

Total Assessed Value, City of Gresham

\$ 10,288,096,900

General Fund Consecutive Balance Sheet -- As of June 30, 2023

	2019	2020	2021	2022	2023
ASSETS					
Cash & investments	\$ 13,994,039	\$ 10,094,256	\$ 14,649,873	\$ 20,400,939	\$ 25,097,166
Receivables, net	4,260,697	4,180,634	5,972,440	6,075,970	5,792,970
Property taxes receivable, net	889,625	877,187	835,188	762,559	902,105
Due from other funds	5,655,919	6,127,023	8,449,170	11,265,152	10,708,394
Other assets	87,133	55,118	50,285	60,281	124,054
Total assets	<u>\$ 24,887,413</u>	<u>\$ 21,334,218</u>	<u>\$ 29,956,956</u>	<u>\$ 38,564,901</u>	<u>\$ 42,624,689</u>
LIABILITIES					
Accounts payable	\$ 1,231,289	\$ 1,126,624	\$ 1,437,089	\$ 958,223	\$ 1,028,985
Other accrued liabilities	-	147	-	-	-
Deposits	210	210	11,329	210	210
Total liabilities	<u>1,231,499</u>	<u>1,126,981</u>	<u>1,448,418</u>	<u>958,433</u>	<u>1,029,195</u>
DEFERRED INFLOWS OF RESOURCES ⁽¹⁾					
Unavailable revenue	798,109	785,392	758,142	765,467	830,322
Total deferred inflows of resources	<u>798,109</u>	<u>785,392</u>	<u>758,142</u>	<u>765,467</u>	<u>830,322</u>
FUND BALANCES					
Unassigned	22,857,805	19,421,845	27,750,396	36,841,001	40,765,172
Total fund balances	<u>22,857,805</u>	<u>19,421,845</u>	<u>27,750,396</u>	<u>36,841,001</u>	<u>40,765,172</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 24,887,413</u>	<u>\$ 21,334,218</u>	<u>\$ 29,956,956</u>	<u>\$ 38,564,901</u>	<u>\$ 42,624,689</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, 2023

	2019	2020	2021	2022	2023
Revenues					
Taxes	\$ 39,422,284	\$ 38,141,211	\$ 42,312,872	\$ 45,479,874	\$ 47,159,360
Licenses and permits	429,794	512,243	471,790	473,841	503,259
Intergovernmental revenues	11,249,913	10,512,297	13,559,200	11,010,147	10,394,490
Charges for services	430,599	4,604,117	6,116,524	8,298,509	8,466,723
License fees	10,641,085	11,180,201	14,812,890	18,020,274	20,036,757
Miscellaneous revenues	933,633	997,084	413,024	257,234	877,231
Internal service charges	518,052	415,127	490,204	552,082	1,042,160
Total revenues	<u>63,625,360</u>	<u>66,362,280</u>	<u>78,176,504</u>	<u>84,091,961</u>	<u>88,479,980</u>
Expenditures					
Public safety	55,553,564	59,955,541	61,569,784	67,413,474	74,361,009
Community livability	788,436	614,006	542,251	696,243	1,510,805
Economic development & housing services	753,124	693,741	686,621	655,578	1,040,142
Parks ⁽²⁾	2,778,617	2,786,119	2,648,792	3,333,383	4,539,128
Capital Outlay	-	-	-	254,025	57,537
Total expenditures	<u>59,873,741</u>	<u>64,049,407</u>	<u>65,447,448</u>	<u>72,352,703</u>	<u>81,508,621</u>
Excess of revenues over (under) expenditures	<u>3,751,619</u>	<u>2,312,873</u>	<u>12,729,056</u>	<u>11,739,258</u>	<u>6,971,359</u>
Other financing sources (uses)					
Issuance of debt	-	-	-	-	-
Operating transfers in	75,000	75,000	1,219,000	1,775,000	1,425,000
Operating transfers out	(7,523,238)	(5,892,912)	(5,619,505)	(4,865,660)	(4,554,649)
Lease proceeds	-	-	-	254,025	57,537
Proceeds from sale of assets	-	-	-	187,982	24,924
	<u>(7,448,238)</u>	<u>(5,817,912)</u>	<u>(4,400,505)</u>	<u>(2,648,653)</u>	<u>(3,047,188)</u>
Fund balances					
Beginning of year	26,554,424 ⁽²⁾	22,926,884	19,421,845	27,750,396	36,841,001
End of year	<u>\$ 22,857,805</u>	<u>\$ 19,421,845</u>	<u>\$ 27,750,396</u>	<u>\$ 36,841,001</u>	<u>\$ 40,765,172</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

	2019	2020	2021	2022	2023
Gross Revenues					
Charges for services	\$ 8,881,364	\$ 10,163,022	\$ 10,674,046	\$ 11,499,693	\$ 12,540,540
Net operating transfers included for coverage	578,101	925,583	1,275,083	1,636,800	1,549,700
Other revenues	579	3,942	13,605	4,547	10,721
Interest earnings	545,305	975,447	115,356	-	425,205
Total Gross Revenues	<u>10,005,349</u>	<u>12,067,994</u>	<u>12,078,090</u>	<u>13,141,040</u>	<u>14,526,166</u>
Operating Expenses					
Environmental services	6,020,405	7,305,529	6,211,954	7,251,396	7,881,347
Total Operating Expenses	<u>6,020,405</u>	<u>7,305,529</u>	<u>6,211,954</u>	<u>7,251,396</u>	<u>7,881,347</u>
Net Coverage Revenues	\$ 3,984,944	\$ 4,762,465	\$ 5,866,136	\$ 5,889,644	\$ 6,644,819
Debt Service ⁽¹⁾	\$ 824,291	\$ 823,807	\$ 822,148	\$ 267,139	\$ 265,905
Debt Service Coverage	4.83	5.78	7.14	22.05	24.99

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

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

	2019	2020	2021	2022	2023
Gross Revenues					
Charges for services	\$ 18,395,517	\$ 19,840,820	\$ 20,440,781	\$ 21,341,818	\$ 22,809,065
Net operating transfers included for coverage	1,238,789	229,941	(391,960)	7,084,422	657,428
Other revenues	665,741	34,243	14,299	7,190	8,032,403
Interest earnings	1,744,384	1,996,101	351,243	-	1,010,190
Total Gross Revenues	<u>22,044,431</u>	<u>22,101,105</u>	<u>20,414,363</u>	<u>28,433,430</u>	<u>32,509,086</u>
Operating Expenses					
Environmental services	14,338,727	15,253,924	12,046,116	14,650,502	16,978,757
Total Operating Expenses	<u>14,338,727</u>	<u>15,253,924</u>	<u>12,046,116</u>	<u>14,650,502</u>	<u>16,978,757</u>
Net Coverage Revenues	\$ 7,705,704	\$ 6,847,181	\$ 8,368,247	\$ 13,782,928	\$ 15,530,329
Debt Service ⁽²⁾	\$ 2,631,698	\$ 2,623,070	\$ 2,600,544	\$ 868,135	\$ 514,918
Debt Service Coverage	2.93	2.61	3.22	15.88	30.16

(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	
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	\$ 15,647,169	\$ 57,102,169

(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	2019	2020	2021	2022	2023
Residential (Includes Multi-Family and Other)	16,415	16,637	16,678	16,812	17,185
Business and Industrial	722	728	731	546	741
Public Entities ⁽¹⁾	128	129	126	77	114
Wholesale	1	1	1	1	1
Total	17,266	17,495	17,536	17,436	18,041

(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 2023)**

Name	Description	in Hundred Cubic Feet (CCF)	Percent of Total Consumption	Total Annual Charges	Percent of Total Charges
OnSemi Conductor	Industrial	447,976	15.79%	1,462,445	7.92%
Lumina	Apartment Complex	22,666	0.80%	79,746	0.43%
Berry Ridge	Apartment Complex	19,126	0.67%	74,608	0.40%
Townfair Terrace	Apartment Complex	17,964	0.63%	62,995	0.34%
Kempton Downs	Apartment Complex	17,846	0.63%	86,931	0.47%
Element Six Tech	Industrial	15,112	0.53%	46,957	0.25%
Heatherwoods	Apartment Complex	12,986	0.46%	58,262	0.32%
Parkside	Apartment Complex	12,459	0.44%	53,588	0.29%
Hogan Meadows	Apartment Complex	12,105	0.43%	49,926	0.27%
Aspen Highlands	Apartment Complex	11,857	0.42%	52,244	0.28%
Total Top 10		590,097	20.80%	\$ 2,027,702	10.98%
Totals		2,837,306		\$ 18,464,767	

Historical Net Revenues and Debt Service Coverage**Water Fund****(Fiscal Years)**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Gross Revenues					
Intergovernmental revenues	\$ 85,671	\$ 87,377	\$ 164,477	\$ 130,354	\$ 72,475
Charges for services	14,440,181	14,634,548	16,082,123	16,439,100	18,464,767
Interest Income	496,830	595,143	466,285	367,958	708,788
Miscellaneous income	397,912	483,630	317,781	584,781	409,045
Internal service charges	628,679	605,461	952,871	841,169	1,145,194
System Development Charges	941,488	972,132	398,632	1,015,805	678,959
Total Gross Revenues	<u>16,990,761</u>	<u>17,378,291</u>	<u>18,382,169</u>	<u>19,379,167</u>	<u>21,479,228</u>
Operating Expenses					
Operation, Maintenance & Replacements	10,554,562	11,468,252	11,694,721	11,945,068	12,873,295
Transfers to other funds	483,798	686,448	791,583	696,725	508,800
Total Operating Expenses	<u>11,038,360</u>	<u>12,154,700</u>	<u>12,486,304</u>	<u>12,641,793</u>	<u>13,382,095</u>
Net Revenues	\$ 5,952,401	\$ 5,223,591	\$ 5,895,865	\$ 6,737,374	\$ 8,097,133
Coverage Revenues (no SDC's)	5,010,913	4,251,459	5,497,233	5,721,569	7,418,174
Debt Service & Coverage:					
Debt Service	\$ 158,712	\$ 158,712	\$ 158,712	\$ 442,114	\$ 1,047,113
Debt Service Coverage with Net Revenues ⁽¹⁾	37.50	32.91	37.15	15.24	7.73
Debt Service Coverage with Coverage Revenues ⁽¹⁾	31.57	26.79	34.64	12.94	7.08

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