

**City of Sandy, Oregon**  
**Annual Comprehensive Financial Report**  
**Fiscal Year Ended June 30, 2021**



**CITY OF SANDY, OREGON**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

For the Fiscal Year Ended  
June 30, 2021

Prepared by:  
City of Sandy, Finance Department

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March 31, 2022

Honorable Mayor Stan Pulliam,  
Members of the City Council and Citizens of the City of Sandy:

State law requires that every general-purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. The Annual Comprehensive Financial Report of the City of Sandy, Oregon (the City) for the fiscal year ended June 30, 2021 is hereby submitted.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control which should not exceed anticipated benefits. The objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introductions, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

## **CITY AND THE GOVERNMENTAL STRUCTURE**

**Location** – The City is located about 26 miles from downtown Portland and approximately 10 miles from the Portland Urban Area. Portland is the largest city in the State of Oregon. Over the past several decades, the City has gone through a change from being timber dependent to a more diversified economy.

The City is becoming increasingly popular as a recreational community. It serves as the last full-service city before entering the Mt. Hood recreational area. Skiing, hiking, hunting, and fishing are very popular in this area and the City attracts many visitors to do business in the City. The City has also been selected because of its location to serve as a hub for many events. The City is the home of the Sandy Mountain Festival which is estimated to attract over 50,000 people annually. Each year, tourism has become more important in stabilizing Sandy's economy. The City of Sandy's certified population for fiscal year 2021 was 11,650. In addition, Sandy is the commercial center of a rural area with a population of approximately 40,000.

**Government** – The City was incorporated in 1911. The governing body for the City of Sandy is the City Council. The Council is composed of the Mayor and six City Council members. They are all elected at-large (by registered voters with city limits); the Mayor serves a two-year term, and the Council members serve four-year terms, with half the positions elected in the November general election of even-numbered years.

As with most Oregon cities, Sandy uses the "council-manager" form of government. The City Council members are unpaid volunteers who typically hold full-time jobs in other areas. They are responsible for all city policies, legislation, and the city budget. The City Council appoints a city manager, who is assigned responsibility of day-to-day operation of the city and a staff of eight department directors with approximately 75 full-time equivalent employees (FTE).

The City provides a full range of municipal services which include police, municipal court, community services (recreation and senior programming), planning, building permit and inspection activities, economic development, library, transit, recreation, water, sewer, stormwater, construction and maintenance of streets, sidewalks, and other public facilities. The City also operates a fiber optic internet service. Fire service for the City of Sandy is provided by a special service district and is autonomous from the City. Financial data for the Sandy Fire District is not included in this report.

In addition to the above general government activities, the City has a Sandy Urban Renewal Agency (SURA). SURA is a legally separate entity first established in 1998 to address redevelopment of the ¼ mile area of downtown Sandy. In 2008, the City adopted new design standards known as the "Sandy Style" and the debt limitation increased to \$18 million. The guidelines promote more attractive and appealing architecture in Sandy. In 2015 the debt limitation increased to \$67 million. The accompanying financial statements include the activities of SURA.

**Budget** – The City's budget is prepared for a 24-month period beginning July 1 of odd-numbered years. The City's budget is prepared in accordance with provisions of the Oregon Local Budget Law (ORS Chapter 294), which provides standard procedures for the preparation, presentation, administration and appraisal of budgets. The law mandates public involvement in budget preparation and public exposure of its proposed programs. More information on the budget is listed in the Notes to the Basic Financial Statements.

## **ECONOMIC CONDITION AND OUTLOOK**

Since 2009, the economic growth and investment in Sandy has been over \$300 million dollars in a mix of residential and commercial development. This development increase is a combination of an easy commute to the nearby cities, the presence of many recreational opportunities, and education facilities that have strengthened the City's economic base. Residential and commercial permits have continued to increase. The housing market continues to grow, with 48 new single-family home permits issued.

The City continues to examine opportunities to incrementally invest in services which meet the need of the growing community, while also maintaining existing capital assets in a manner that ensures future years are not overly burdened with costs of our most basic and vital infrastructure.

## **LONG-TERM FINANCIAL PLANNING**

The City's current and on-going planning efforts include annual goals set by the City Council, a comprehensive plan (the "Sandy 2040 Plan") and rolling six-year capital improvement plan supporting shorter-term strategic decisions. Developing and utilizing these plans help to enhance the City's ability to address future fiscal needs in a proactive and measured approach.

## MAJOR INITIATIVES

Several significant initiatives, outlined below, ensure the City's continued economic health and ability to provide services to its residents and businesses.

**Wastewater Treatment Facility Improvements** – The City of Sandy has begun a multi-year capital improvement project for significant repairs to the existing wastewater treatment facility, as well as the future construction of a new wastewater treatment facility. These updates are mandated by the State of Oregon's Department of Environmental Quality and will be completed over several years. The result will be a state-of-the-art treatment facility that meets DEQ standards and provides increased capacity for future growth.



**362<sup>nd</sup> Avenue & Bell Street Extension** – The City of Sandy is making a significant investment in transportation infrastructure over the next two years with the extension of two roads, 362<sup>nd</sup> Avenue and Bell Street, which will connect to Highway 26. The road extension will provide relief to a chronic traffic bottleneck in our area by allowing traffic originating in the northwest quadrants of the city to reach Highway 26 and the commercial areas at the west edge of Sandy without needing to negotiate the often-congested Bluff Road/Highway 26 intersection. This project will open over 120 acres for future development, including both commercial and residential land.

**Community Campus Project** – The City continues to work on the conceptual plan for the 40-acre school campus and aquatic center. Our vision is a multi-generational use community center, hiking trails, sports complex, in addition to an aquatic venue. Community surveys have been conducted to assist in the development of the conceptual plan for the campus. Unfortunately, funding remains an issue at this time to bring the entire conceptual plan to fruition.



In addition to the standard utilities provided by the municipality, the City of Sandy operates as an Internet Service Provider (ISP) as well.

SandyNet provides a combination of fiber access for residents and businesses, Wi-Fi, and phone service to customers. SandyNet continues to be recognized at the regional and national level. Partnerships have been developed between SandyNet and Clackamas County to provide internet service to customers in rural parts of the County.

**Fiber-To-The-Home (FTTH)** – City of Sandy is a fiber connected community offering an improved quality of life and will provide a foundation of fiber fueled economic development for years to come. The City has the ability to get services to 100% of residential homes and 90% of businesses. Approximately 79% of residential homes currently have active service, and 50% of businesses. Investments in expanding the service area continue to be made to the overall network.



## **INDEPENDENT AUDIT**

State statutes require an annual audit by independent certified public accountants. The firm, Talbot, Korvola & Warwick, LLP, was selected by the City. The auditors have issued an unmodified (“clean”) opinion on the City’s financial statements for the fiscal year ended June 30, 2021. The independent auditor’s opinion is located at the front of the financial section of this report.

## **CERTIFICIFICATE OF ACHIEVEMENT**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Sandy for its annual comprehensive financial report for the fiscal year ended June 30, 2020. This was the thirtieth year that the City has achieved this prestigious award. A Certificate of Achievement is valid for a period of one year only and to obtain it the City must publish an easily readable and efficiently organized annual comprehensive financial report. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

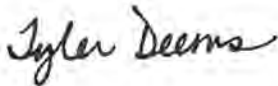
In addition to the Certificate of Achievement, the City of Sandy was also awarded the Distinguished Budget Presentation (DBP) award for the Biennium 2019-2021 budget, as well as the Popular Annual Financial Report (PAFR) award for the fiscal year ended June 30, 2020.

## **ACKNOWLEDGEMENTS**

The preparation of this report was made possible by the dedicated service of the finance and administration department staff. Additionally, I thank all the departments for their assistance in providing the data necessary to prepare this report.

Credit also is due to the Mayor, City Council, and the Budget Committee for their interest and support in planning and conducting the operations of the City in a responsible and professional manner.

Respectfully submitted,



Tyler Deems  
Deputy City Manager



Government Finance Officers Association

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

Presented to

**City of Sandy  
Oregon**

**For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended**

**June 30, 2020**

*Christopher P. Morrill*

Executive Director/CEO



**ELECTED CITY OFFICIALS**

<u>NAME</u>	<u>TERM EXPIRES</u>
<b>Mayor</b> Stan Pulliam	December 2022
<b>Councilors</b> Jeremy Pietzold	December 2022
Laurie Smallwood	December 2022
Rich Sheldon	December 2024
Kathleen Walker	December 2024
Carl Exner	December 2022
Don Hokanson	December 2024

**CITY STAFF**

<b>City Manager</b> Jordan Wheeler	<b>Finance Director</b> Tyler Deems	<b>Police Chief</b> Ernie Roberts
<b>Library Director</b> Sarah McIntyre	<b>Planning Director</b> Kelly O' Neill Jr.	<b>Public Works Director</b> Mike Walker
<b>Community Services Director</b> Tanya Richardson	<b>IT Director</b> Greg Brewster	<b>Transit Director</b> Andi Howell

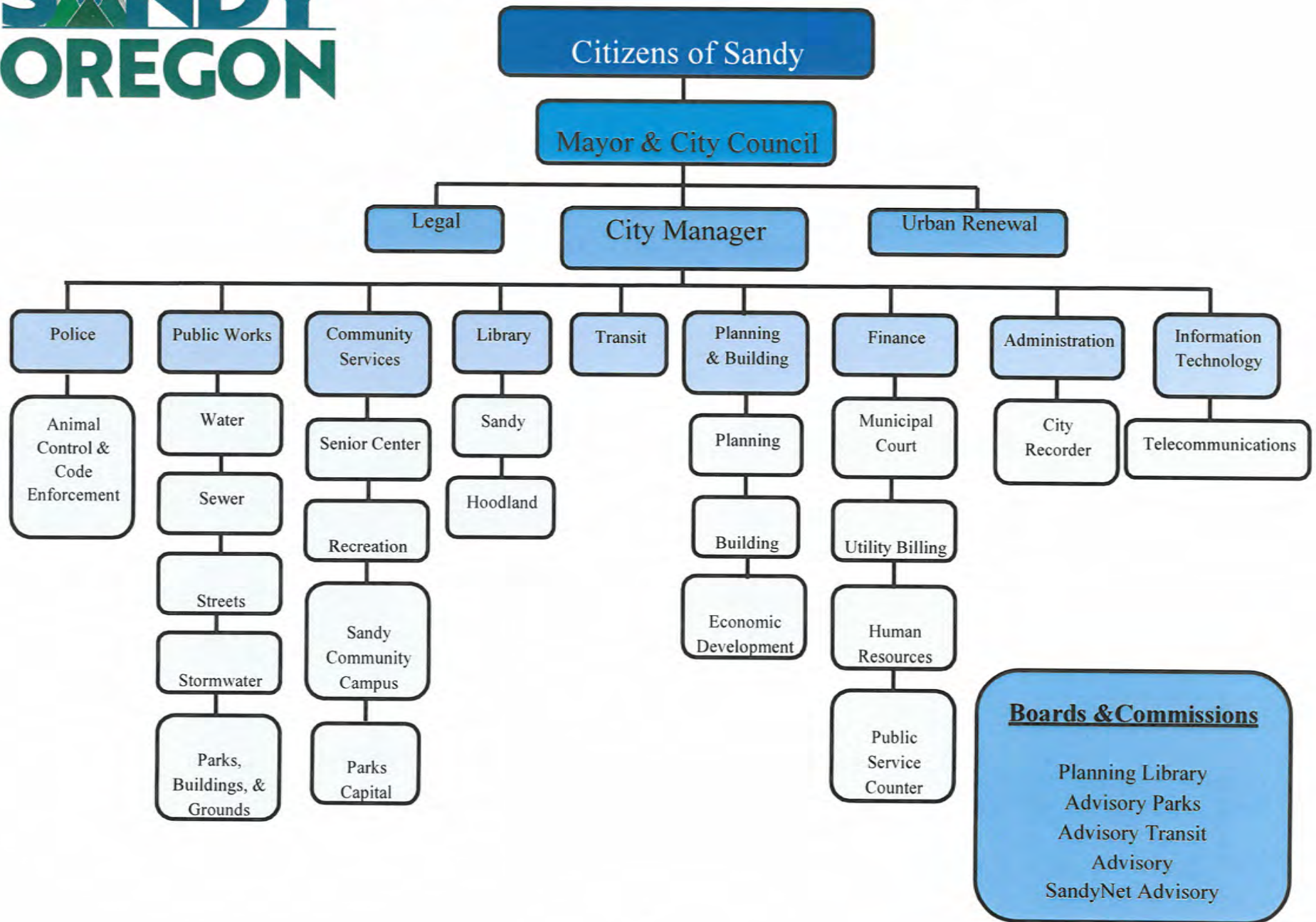
**MAILING ADDRESS**

39250 Pioneer Blvd.  
Sandy, Oregon 97055

[www.ci.sandy.or.us](http://www.ci.sandy.or.us)



# ORGANIZATIONAL CHART





## INDEPENDENT AUDITOR'S REPORT (Continued)

### Other Matters

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as Management's Discussion and Analysis, schedules of pension and other post-retirement benefits, Notes to the Required Supplementary Information, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to required supplementary information 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.

Accounting principles generally accepted in the United States of America require that the budgetary comparisons for the General Fund and major special revenue funds, as listed in the Table of Contents as Required Supplementary Information, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. The required budgetary comparison 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the required budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### **Other Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The information listed in the Table of Contents as Other Supplementary Information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Other Supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Other Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### **Other Information**

The Introductory and Statistical Sections and the Other Financial Schedules, as listed in the Table of Contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

## INDEPENDENT AUDITOR'S REPORT (Continued)

### REPORTS ON OTHER LEGAL AND REGULATORY REQUIREMENTS

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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'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 the City's internal control over financial reporting and compliance.

#### **Other Reporting Required by *Oregon Minimum Standards***

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated March 31, 2022, on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance.

By   
Timothy R. Gillette, Partner

Portland, Oregon  
March 31, 2022

**CITY OF SANDY, OREGON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

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The Management's Discussion and Analysis (MD&A) is a narrative overview and analysis of the financial activities of the City of Sandy for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the additional information furnished in the letter of transmittal on pages i-iv and the financial statements that follow.

**FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the City of Sandy exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$51,164,054. Of this amount, \$1,652,339 represents unrestricted net position deficit.
- The City's total net position increased by \$2,585,167. This is mainly due to an increase in charges for services for the City's business-type activities. See the summary of Net Position in Table 1 for more details.
- The City's governmental activities reported total net position of \$33,151,068, which is an increase of \$562,477.
- The City's business-type activities reported total net position of \$18,012,986, which is an increase of \$2,022,690 from the prior year. Approximately 11% of the total, or \$1,893,742, is unrestricted and thus available for spending at the City's discretion.
- The City of Sandy's total outstanding debt increased by \$7,408,758 during the fiscal year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The following discussion and analysis is intended to serve as an introduction to the City of Sandy's basic financial statements. The statements are comprised of three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements.

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

The *Statement of Position* presents information on all assets of the City (including infrastructure) as well as all liabilities (including long term debt). Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Sandy is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's position changed during the 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 (e.g. uncollected taxes and earned but unused vacation leave).



**CITY OF SANDY, OREGON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

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The government-wide statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues, referred to as government activities, from business functions intended to recover their costs through user fees and charges. The governmental-wide financial statements can be found on pages 14 and 15 of this report

Governmental activities of the City include the following:

- ❖ General government
- ❖ Public safety
- ❖ Highways and streets
- ❖ Culture and recreation
- ❖ Economic development

Business-type activities of the City include the following:

- ❖ Water
- ❖ Sewer
- ❖ Stormwater
- ❖ Telecommunications

**Fund financial statements.** A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Sandy, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City's funds are divided into three categories:

- ❖ Governmental funds
- ❖ Proprietary funds
- ❖ Fiduciary funds

*Governmental funds* are used to account for City functions that are supported primarily by taxes and intergovernmental revenues. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable 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 for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near term financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and change in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**CITY OF SANDY, OREGON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

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The City of Sandy maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Street Fund, Urban Renewal Agency Fund, Transit Fund, Aquatic/Recreation Center Fund, City FFC Debt Service Fund, and Parks Capital Projects Fund.

All of the funds considered to be major funds are shown on page 17.

*Proprietary funds* are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent is that the costs of providing the services to the general public on a continuing basis be financed primarily through user charges. These funds represent four segments of operations: Water, Sewer, Stormwater, and Telecommunications.

Additionally, the government reports the Operations Center Internal Service Fund and Facilities Maintenance Internal Service Fund as proprietary funds. An internal service fund is used to account for an activity that provides goods or services to other departments on a cost-reimbursement basis. These internal service funds pool resources from departments that and allocate costs. Revenue sources are transfers from the Water, Sewer, Stormwater, Street, Transit, and General Funds.

The basic proprietary fund financial statements begin on page 22 of this report.

*Fiduciary funds* are used to account for assets held by the City in a custodian capacity or as an agent for individuals, private organizations, other governments and/or other funds. These funds are custodial in nature and do not involve measurement of results of operations.

The fiduciary fund financial statements begin on page 26 of this report.

**Notes to the Basic Financial Statements.** The Notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements and begin on page 28 of this report.

**Required Supplementary Information.** Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Budgetary comparison schedules for the general fund and major special revenue funds are presented immediately following the Notes to the basic financial statements. Required supplementary information can be found on page 63 of this report.

**Other Supplementary Information.** The budgetary comparison schedules for capital projects and the proprietary funds are presented immediately following the required supplementary information.

**CITY OF SANDY, OREGON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS**

**Statement of Net Position:**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the end of the current fiscal year, the City's assets and deferred outflows of resources exceeded liabilities and deferred outflow of resources by \$51,164,054. Table 1 below reflects a Summary of Net Position compared to the prior fiscal year.

**Table 1**  
**City of Sandy's Net Position**  
**(in thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Assets</b>						
Current and other assets	\$ 26,924	\$ 19,617	\$ 7,006	\$ 5,718	\$ 33,930	\$ 25,335
Capital assets	29,095	28,940	31,863	27,727	60,958	56,667
<b>Total assets</b>	<b>56,019</b>	<b>48,557</b>	<b>38,869</b>	<b>33,445</b>	<b>94,888</b>	<b>82,002</b>
Total deferred outflows of resources	3,172	2,762	661	486	3,833	3,248
<b>Liabilities</b>						
Long-term liabilities	24,853	16,670	19,649	16,317	44,502	32,987
Other liabilities	677	1,625	1,761	1,547	2,438	3,172
<b>Total liabilities</b>	<b>25,530</b>	<b>18,295</b>	<b>21,410</b>	<b>17,864</b>	<b>46,940</b>	<b>36,159</b>
Total deferred inflows of resources	510	435	107	77	617	512
<b>Net position</b>						
Net investment in capital assets	23,199	22,586	14,216	11,598	37,415	34,184
Restricted	13,498	10,141	1,903	1,893	15,401	12,034
Unrestricted	(3,546)	(138)	1,894	2,499	(1,652)	2,361
<b>Total net position</b>	<b>\$ 33,151</b>	<b>\$ 32,589</b>	<b>\$ 18,013</b>	<b>\$ 15,990</b>	<b>\$ 51,164</b>	<b>\$ 48,579</b>

By far the largest portion of the City of Sandy's net position reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City of Sandy uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Sandy's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

In addition, approximately 30% of the City of Sandy's net position represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, the City of Sandy reported a negative unrestricted balance for governmental activities. Additional information on this is detailed in the Notes. The City of Sandy is able to report positive balances in all reported categories of net position for business-type activities; the same situation held true for the prior fiscal year.

**CITY OF SANDY, OREGON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

However, the City of Sandy's overall net position increased by \$2,585,167 from the prior year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities

**Analysis of Changes in Net Position:**

The Table 2 below summarizes revenues and expenses for the current fiscal year and provides a comparison to prior year.

**Table 2  
City of Sandy's Changes in Net Position  
(in thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>REVENUES</b>						
Program revenues						
Charges for services	\$ 2,244	\$ 2,402	\$ 7,562	\$ 6,458	\$ 9,806	\$ 8,860
Operating grants and contributions	1,393	1,138	500	-	1,893	1,138
Capital grants and contributions	618	2,104	-	-	618	2,104
General revenues						
Property taxes	5,740	5,416	-	-	5,740	5,416
Franchise fees and public services tax	4,317	4,179	-	-	4,317	4,179
Interest and investment earnings	145	408	17	151	162	559
Other	762	354	38	164	800	518
Total revenues	15,219	16,001	8,117	6,773	23,336	22,774
<b>EXPENSES</b>						
General Government	2,652	2,115	-	-	2,652	2,115
Highways and streets	1,075	1,650	-	-	1,075	1,650
Public transportation	1,906	2,108	-	-	1,906	2,108
Economic development	1,999	1,914	-	-	1,999	1,914
Public safety	3,773	3,646	-	-	3,773	3,646
Culture and recreation	3,169	3,125	-	-	3,169	3,125
Interest on long-term debt	225	247	-	-	225	247
Water	-	-	1,674	1,529	1,674	1,529
Wastewater	-	-	2,105	2,010	2,105	2,010
Stormwater	-	-	419	418	419	418
Telecommunications	-	-	1,754	1,571	1,754	1,571
Total Expenses	14,799	14,805	5,952	5,528	20,751	20,333
Increase in net position before transfers	420	1,196	2,165	1,245	2,585	2,441
Transfers	142	142	(142)	(142)	-	-
Changes in net position	562	1,338	2,023	1,103	2,585	2,441
Net position, beginning	32,589	31,251	15,990	14,887	48,579	46,138
Net position, ending	\$ 33,151	\$ 32,589	\$ 18,013	\$ 15,990	\$ 51,164	\$ 48,579

*Governmental activities.* During the current fiscal year, net position for government activities increased by \$562,477 from the prior year for an ending balance of \$33,151,068. The net change is a result of increases in general revenues, specifically property taxes. Property tax growth can be attributed to the guaranteed 3% growth in assessed value as provided by Measure 50. In addition, the City experienced continue growth in population and new homes, which increased the actual growth in property tax revenue closer to 5.5%.

**CITY OF SANDY, OREGON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

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*Business-type activities.* For the City of Sandy's business-type activities, the total increase in net position for business-type activities (Water, Sewer, Stormwater and Telecommunications) was \$2,022,690. The Water Fund, Sewer Fund, and Telecommunications Fund had a positive change in net position of \$242,761, \$1,619,468, and \$321,045, respectively. The Stormwater Fund had a negative change in net position of \$160,584. Compared to the prior year, operating revenues increased by approximately 13%, while operating expenses decreased by approximately 2%. Acquisitions of capital assets and principal payments on long-term debt are not reported as direct expenses but are reported as additions to assets and reductions to liabilities respectively on the Statement of Net Positions.

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements.

**Governmental funds.** The focus of the City of Sandy's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Sandy's financing requirements. In particular, unassigned and assigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Although assigned fund balance has been allocated for some purpose, the amount can be reallocated at the discretion of the City Council.

At the end of the fiscal year, the City of Sandy's governmental funds reported a combined ending fund balance of \$25,536,075. Approximately 20% of this total amount (\$4,995,175) constitutes assigned and unassigned fund balance. Less than 1% of the total amount (\$49,101) is committed. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been designated as non-spendable or restricted. For more information about fund balance designations, see Note 1 in the Notes to Basic the Financial Statements.

The *General Fund* is the chief operating fund of the City. At the end of the fiscal year, the General Fund increased by \$226,568 from the prior year, due to an increase in property taxes, public service taxes, and charges for services.

The *Street Fund* provides for the maintenance and construction of City streets. The fund had an increase of \$7,031,952 from the prior year. This increase is due to obtaining a Full Faith and Credit Obligation for future capital improvements in the upcoming fiscal year.

The *Urban Renewal Agency Fund* increased by \$295,959, largely due to a continued increase in property tax revenue.

The *Transit Fund* balance decreased by \$139,150 as overall revenue for the fund was down. This is due to a decrease in federal grants in the fiscal year, as well as a slight decrease in the employer tax due to the COVID-19 pandemic.

**CITY OF SANDY, OREGON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

The *Other Governmental Funds*, which includes the Parks Capital Projects Fund, the City FFC Debt Service Fund, and the Aquatic/Recreation Center Fund, increased by \$250,874. This increase is due in part to considerable system development charges in the Parks Capital Projects Fund, as well as a decrease in expenditures in the Aquatic/Recreation Center Fund.

**Proprietary funds.** The City's proprietary funds are comprised of the enterprise funds. An enterprise fund is used to account for activities for which a fee is charged to external users for services. These funds provide the same type of information found in the government-wide financial statements, but in more detail.

Overall, the proprietary funds are stable. The Water Fund, Sewer Fund, and Telecommunications Fund saw increases in net position of \$242,761, \$1,619,468, and \$321,045, respectively. These increases were mostly due to increases in charges for services. The Sewer Fund saw the largest increase in charges for services as rates were again raised to provided the needed funds for large capital improvement projects at the wastewater treatment facility. The Stormwater Fund had a decrease in net position of \$160,584, much of which is related to increased expenditures.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

During the fiscal year, there was a supplemental budget adopt to make adjustments to the original budget. There were no significant variances between the final budget and actual results, however, \$75,000 was transferred to the General Fund to account for higher than anticipated expenses in both the Administration and Legal departments.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets.** The City of Sandy's investment in capital assets for its governmental and business type activities as of June 30, 2021 amounts to \$60,957,863. This investment in capital assets includes land, buildings, motor vehicles and equipment, office furniture and equipment, infrastructure, and construction in progress. The total net increase in capital assets for the current fiscal year was about 7.6%.

Tables 3 and 4 summarizes capital assets and changes in capital assets as of June 30, 2021.

**Table 3**  
City of Sandy's Capital Assets, Net of Accumulated Depreciation  
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 4,207	\$ 4,207	\$ 1,100	\$ 1,100	\$ 5,307	\$ 5,307
Construction in progress	577	1,502	3,466	770	4,043	2,272
Improvements	8,452	7,378	25,537	24,150	33,989	31,528
Buildings	14,011	13,628	597	616	14,608	14,244
Furniture and equipment	219	318	1,025	980	1,244	1,298
Vehicles	1,471	1,723	138	111	1,609	1,834
Intangible assets	158	184	-	-	158	184
Total	\$ 29,095	\$ 28,940	\$ 31,863	\$ 27,727	\$ 60,958	\$ 56,667

**CITY OF SANDY, OREGON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

Major capital asset events during the fiscal year included the following:

- ❖ Governmental Activities
  - Transit Bus Barn - \$1,085,438
  - LED Streetlight Replacement - \$1,143,660
- ❖ Business-Type Activities
  - Water Fund – Smart Meter Conversion - \$1,478,168
  - Sewer Fund – Smart Meter Conversion - \$748,478
  - Sewer Fund – Treatment Facility Improvements (\$3,078,853 – in progress)
  - Telecommunications Fund – Fiber Network & Equipment - \$218,402

**Table 4**  
City of Sandy's Changes in Capital Assets  
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Beginning balance	\$ 28,940	\$ 28,178	\$ 27,727	\$ 28,259	\$ 56,667	\$ 56,437
Additions	3,164	2,329	5,446	682	8,610	3,011
Depreciation	(1,568)	(1,567)	(1,208)	(1,214)	(2,776)	(2,781)
Deletions	(1,441)	-	(102)	-	(1,543)	-
Ending balance	\$ 29,095	\$ 28,940	\$ 31,863	\$ 27,727	\$ 60,958	\$ 56,667

Additional information on the City's capital assets can be found in the Notes to the basic financial statements – Note 4.

**Long-term debt.** At the end of the current fiscal year, the City had total long-term debt outstanding of \$32,741,011. The City's total debt increased by \$7,408,758 (approximately 29%). During the fiscal year ended June 30, 2021 all scheduled debt payments were met.

Table 5 below summarizes outstanding debt as of June 30, 2021.

**Table 5**  
City of Sandy's Long-Term Debt  
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Bonds payable	\$ 13,769	\$ 8,475	\$ 8,917	\$ 7,642	\$ 22,686	\$ 16,117
Bonds premium	666	-	415	194	1,081	194
Notes payable	659	728	8,315	8,292	8,974	9,020
Ending balance	\$ 15,094	\$ 9,203	\$ 17,647	\$ 16,128	\$ 32,741	\$ 25,331

State statutes limit the amount of general obligation debt an Oregon municipality may issue to 3% of total real market value of all taxable property within its boundary. The current debt amount is well within the limits set by state statute.

Additional information on the City's long-term debt can be found in Note 7.

**CITY OF SANDY, OREGON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

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**REQUESTS FOR INFORMATION**

This financial report is designed to provide users with a general overview of the City of Sandy's financial condition and demonstrate the City's accountability. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Tyler Deems, Deputy City Manager, at 39250 Pioneer Blvd., Sandy, Oregon 97055.



## BASIC FINANCIAL STATEMENTS

The basic financial statements include interrelated sets of financial statements as required by the GASB. The sets of statements include:

↗ Government-Wide Financial Statements

↗ Fund Financial Statements

- Governmental Funds
- Proprietary Funds
- Fiduciary Funds

In addition, the notes to the basic financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

**CITY OF SANDY, OREGON**  
**STATEMENT OF NET POSITION**  
June 30, 2021

	Governmental Activities	Business Type Activities	Total
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 25,369,186	\$ 6,250,752	\$ 31,619,938
Accounts receivable, net	865,269	737,427	1,602,696
Due from other governments	21,231	-	21,231
Internal balances	543,777	(543,777)	-
Inventory	-	254,959	254,959
Total current assets	<u>26,799,463</u>	<u>6,699,361</u>	<u>33,498,824</u>
Noncurrent assets			
Restricted cash and cash equivalents	-	177,627	177,627
Notes receivable	64,179	116,342	180,521
Net OPEB assets	60,232	12,541	72,773
Capital assets not being depreciated	4,784,054	4,565,492	9,349,546
Capital assets, net of accumulated depreciation	24,310,686	27,297,631	51,608,317
Total noncurrent assets	<u>29,219,151</u>	<u>32,169,633</u>	<u>61,388,784</u>
Total assets	<u>56,018,614</u>	<u>38,868,994</u>	<u>94,887,608</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Pension related	3,106,327	646,780	3,753,107
OPEB related	66,138	13,772	79,910
Total deferred outflows of resources	<u>3,172,465</u>	<u>660,552</u>	<u>3,833,017</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable and accrued expenses	653,621	1,571,635	2,225,256
Accrued compensated absences	81,696	11,118	92,814
Accrued interest	23,333	189,676	213,009
Current portion of long-term debt	1,023,711	1,076,142	2,099,853
Total current liabilities	<u>1,782,361</u>	<u>2,848,571</u>	<u>4,630,932</u>
Noncurrent liabilities			
Accrued compensated absences	326,783	44,464	371,247
Long-term debt, net of current portion	14,070,661	16,570,497	30,641,158
Net pension liability	9,044,241	1,883,133	10,927,374
Total OPEB liability	305,469	63,603	369,072
Total noncurrent liabilities	<u>23,747,154</u>	<u>18,561,697</u>	<u>42,308,851</u>
Total liabilities	<u>25,529,515</u>	<u>21,410,268</u>	<u>46,939,783</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related	454,628	94,659	549,287
OPEB related	55,868	11,633	67,501
Total deferred inflows of resources	<u>510,496</u>	<u>106,292</u>	<u>616,788</u>
<b>NET POSITION</b>			
Net investment in capital assets	23,198,964	14,216,484	37,415,448
Restricted:			
Debt service	-	1,890,219	1,890,219
System development charges	4,070,338	-	4,070,338
Street and roadside maintenance	1,987,241	-	1,987,241
Peg fees	3,050	-	3,050
Park projects	1,101,765	-	1,101,765
Urban renewal projects	6,275,559	-	6,275,559
OPEB	60,232	12,541	72,773
Unrestricted	(3,546,081)	1,893,742	(1,652,339)
Total net position	<u>\$ 33,151,068</u>	<u>\$ 18,012,986</u>	<u>\$ 51,164,054</u>

The accompanying notes are an integral part of the basic financial statements.

**CITY OF SANDY, OREGON**  
**STATEMENT OF ACTIVITIES**  
**Fiscal Year Ended June 30, 2021**

FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
Governmental activities							
General government	\$ 2,651,501	\$ 162,375	\$ 4,133	\$ -	\$ (2,484,993)	\$ -	\$ (2,484,993)
Highways and streets	1,075,144	866,219	500,000	-	291,075	-	291,075
Public transportation	1,905,921	603	776,278	530,623	(598,417)	-	(598,417)
Economic development	1,998,993	480,609	-	-	(1,518,384)	-	(1,518,384)
Public safety	3,773,449	489,951	-	-	(3,283,498)	-	(3,283,498)
Culture and recreation	3,169,334	244,332	113,083	87,220	(2,724,699)	-	(2,724,699)
Interest on long-term debt	225,188	-	-	-	(225,188)	-	(225,188)
Total governmental activities	<u>14,799,530</u>	<u>2,244,089</u>	<u>1,393,494</u>	<u>617,843</u>	<u>(10,544,104)</u>	<u>-</u>	<u>(10,544,104)</u>
Business type activities							
Water	1,673,911	1,961,736	-	-	-	287,825	287,825
Sewer	2,105,077	3,274,552	500,000	-	-	1,669,475	1,669,475
Storm water	418,791	275,540	-	-	-	(143,251)	(143,251)
Telecommunications	1,754,252	2,049,801	-	-	-	295,549	295,549
Total business type activities	<u>5,952,031</u>	<u>7,561,629</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>2,109,598</u>	<u>2,109,598</u>
Total government	<u>\$ 20,751,561</u>	<u>\$ 9,805,718</u>	<u>\$ 1,893,494</u>	<u>\$ 617,843</u>	<u>(10,544,104)</u>	<u>2,109,598</u>	<u>(8,434,506)</u>
<b>GENERAL REVENUES AND TRANSFERS</b>							
General revenues							
Property taxes					5,740,467	-	5,740,467
Public service taxes					3,696,089	-	3,696,089
Franchise fees					621,666	-	621,666
Interest and investment earnings					144,978	16,927	161,905
Miscellaneous					761,510	38,036	799,546
Transfers in (out)					141,871	(141,871)	-
Total general revenues and transfers					<u>11,106,581</u>	<u>(86,908)</u>	<u>11,019,673</u>
Change in net position					562,477	2,022,690	2,585,167
<b>NET POSITION - BEGINNING</b>					<u>32,588,591</u>	<u>15,990,296</u>	<u>48,578,887</u>
<b>NET POSITION - ENDING</b>					<u>\$ 33,151,068</u>	<u>\$ 18,012,986</u>	<u>\$ 51,164,054</u>

The accompanying notes are an integral part of the basic financial statements.

## **FUND FINANCIAL STATEMENTS**

### **Major Governmental Funds**

#### **General Fund**

This fund accounts for all activities not accounted for by other funds of the City. Principal sources of revenues are property taxes, franchise fees, state and county shared revenues, and licenses and permits. Primary expenditures are made for police protection, culture and recreation, and general government.

#### **Street Fund**

State Tax Street Fund accounts for revenue derived from the state gas tax that is used for repair, maintenance and construction of streets.

#### **Urban Renewal Agency Fund**

Urban Renewal Agency Fund accounts for revenues from tax increment financing (property taxes) that are used to fund the urban renewal plan.

#### **Transit Fund**

Transit Fund accounts for revenue from a 0.6% employer payroll tax and intergovernmental sources that are used to operate the Sandy Area Metro (SAM) transit service.

CITY OF SANDY, OREGON  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
June 30, 2021

	General Fund	Street Fund	Urban Renewal Agency Fund	Transit Fund	Other Governmental Funds	Total Governmental
<b>ASSETS</b>						
Cash and cash equivalents	\$ 2,854,729	\$ 11,665,185	\$ 6,313,751	\$ 1,529,078	\$ 2,653,315	\$ 25,016,058
Property taxes receivable	106,690	-	52,519	-	-	159,209
Accounts receivable, net	112,557	268,687	21,942	181,240	-	584,426
Grants receivable	-	-	-	121,634	-	121,634
Due from other governments	14,249	-	6,982	-	-	21,231
Due from other funds	183,924	-	-	-	-	183,924
Interfund loan receivable	-	-	-	650,185	-	650,185
Long-term receivable	64,179	-	-	-	-	64,179
<b>Total assets</b>	<b>\$ 3,336,328</b>	<b>\$ 11,933,872</b>	<b>\$ 6,395,194</b>	<b>\$ 2,482,137</b>	<b>\$ 2,653,315</b>	<b>\$ 26,800,846</b>
<b>LIABILITIES</b>						
Accounts payable and accrued expenses	\$ 154,690	\$ 160,619	\$ 119,635	\$ 126,853	\$ 6,180	\$ 567,977
Deposits	82,671	-	-	-	-	82,671
Interfund loan payable	290,332	-	-	-	-	290,332
<b>Total liabilities</b>	<b>527,693</b>	<b>160,619</b>	<b>119,635</b>	<b>126,853</b>	<b>6,180</b>	<b>940,980</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - property taxes	92,441	-	45,537	-	-	137,978
Unavailable revenue - long-term receivables	64,179	-	-	121,634	-	185,813
<b>Total deferred inflows of resources</b>	<b>156,620</b>	<b>-</b>	<b>45,537</b>	<b>121,634</b>	<b>-</b>	<b>323,791</b>
<b>FUND BALANCES</b>						
Restricted:						
System development charges	-	2,686,629	-	-	1,383,709	4,070,338
Street and roadside maintenance	-	1,987,241	-	-	-	1,987,241
Street projects	-	7,099,383	-	-	-	7,099,383
Peg fees	3,050	-	-	-	-	3,050
Park projects	-	-	-	-	1,101,765	1,101,765
Urban renewal projects	-	-	6,230,022	-	-	6,230,022
Committed:						
Capital projects	-	-	-	-	49,101	49,101
Assigned:						
Subsequent appropriation of fund balance	374,500	-	-	-	-	374,500
Public transportation	-	-	-	2,233,650	-	2,233,650
Cultural and recreation	-	-	-	-	112,560	112,560
Unassigned	2,274,465	-	-	-	-	2,274,465
<b>Total fund balances</b>	<b>2,652,015</b>	<b>11,773,253</b>	<b>6,230,022</b>	<b>2,233,650</b>	<b>2,647,135</b>	<b>25,536,075</b>
<b>Total liabilities, deferred inflows, and fund balances</b>	<b>\$ 3,336,328</b>	<b>\$ 11,933,872</b>	<b>\$ 6,395,194</b>	<b>\$ 2,482,137</b>	<b>\$ 2,653,315</b>	<b>\$ 26,800,846</b>

The accompanying notes are an integral part of the basic financial statements.

**CITY OF SANDY, OREGON**  
**RECONCILIATION OF THE BALANCE SHEET OF THE**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION**  
**June 30, 2021**

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

Total fund balances - governmental funds	\$ 25,536,075	
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets	44,970,634	
Accumulated depreciation	<u>(15,875,894)</u>	
Capital assets, net		29,094,740
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.		
Deferred outflows - pension related	3,106,327	
Deferred outflows - OPEB related	66,138	
Deferred inflows - pension related	(454,628)	
Deferred inflows - OPEB related	<u>(55,868)</u>	
Total deferred outflows and inflows related to postemployment		2,661,969
Other long-term assets that are not available to pay for current period expenditures and, therefore, are either deferred or not reported in the funds.		
Unavailable revenues	323,791	
Net OPEB asset	<u>60,232</u>	
Total other long-term assets		384,023
Internal service funds are used by management to charge the costs assets of administrative services department to individual funds. The and liabilities of the internal service funds are included in governmental activities in the statement of net position		350,155
Long-term liabilities that are not due and payable in the current period and therefore are not reported in the funds.		
Long-term debt	(15,094,372)	
Accrued compensated absences	(408,479)	
Accrued interest on long-term debt	(23,333)	
Net pension liability	(9,044,241)	
Total OPEB liability	<u>(305,469)</u>	
Total long-term liabilities		<u>(24,875,894)</u>
Net position of governmental activities		<u>\$ 33,151,068</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF SANDY, OREGON  
 GOVERNMENTAL FUNDS  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 Fiscal Year Ended June 30, 2021

	General Fund	Street Fund	Urban Renewal Agency Fund	Transit Fund	Other Governmental Funds	Total Governmental
<b>REVENUES</b>						
Property taxes	\$ 3,857,074	\$ -	\$ 1,873,603	\$ -	\$ -	\$ 5,730,677
Public service taxes	1,838,337	1,099,553	-	758,199	-	3,696,089
Franchise fees	621,666	-	-	-	-	621,666
Grants	113,083	-	-	1,587,747	-	1,700,830
Charges for services	648,893	31,458	-	603	40	680,994
Licenses and permits	305,469	-	-	-	-	305,469
Fines and forfeitures	163,696	-	-	-	-	163,696
Special assessments	-	522,681	-	-	-	522,681
System development charges	-	312,080	-	-	227,465	539,545
Interest	21,143	31,318	48,438	24,781	19,297	144,977
Contributions and donations	-	-	-	-	87,220	87,220
Intergovernmental	-	500,000	-	72,953	-	572,953
Miscellaneous	335,400	373,558	17,069	35,434	49	761,510
Total revenues	7,904,761	2,870,648	1,939,110	2,479,717	334,071	15,528,307
<b>EXPENDITURES</b>						
General government	1,179,250	-	-	-	-	1,179,250
Highways and streets	-	793,106	-	-	-	793,106
Public transportation	-	-	-	1,751,825	-	1,751,825
Economic development	1,028,355	-	183,523	-	-	1,211,878
Public safety	2,937,816	-	-	-	-	2,937,816
Culture and recreation	2,437,473	-	-	-	152,897	2,590,370
Capital outlay	82,044	1,660,933	562,879	774,778	10,300	3,090,934
Debt service						
Principal	119,430	5,143	-	-	681,017	805,590
Interest	23,462	-	-	-	206,780	230,242
Total expenditures	7,807,830	2,459,182	746,402	2,526,603	1,050,994	14,591,011
Revenues over (under) expenditures	96,931	411,466	1,192,708	(46,886)	(716,923)	937,296
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from sale of capital assets	-	1,000	-	4,203	-	5,203
Proceeds from issuance of notes payable	21,170	34,267	-	-	-	55,437
Proceeds from issuance of bonds	-	5,975,000	-	-	-	5,975,000
Proceeds from bond premiums	-	668,898	-	-	-	668,898
Transfers in	314,026	-	-	-	967,797	1,281,823
Transfers out	(205,559)	(58,679)	(896,749)	(96,467)	-	(1,257,454)
Total other financing sources (uses)	129,637	6,620,486	(896,749)	(92,264)	967,797	6,728,907
Net change in fund balance	226,568	7,031,952	295,959	(139,150)	250,874	7,666,203
<b>FUND BALANCE, BEGINNING</b>	2,425,447	4,741,301	5,934,063	2,372,800	2,396,261	17,869,872
<b>FUND BALANCE, ENDING</b>	\$ 2,652,015	\$ 11,773,253	\$ 6,230,022	\$ 2,233,650	\$ 2,647,135	\$ 25,536,075

The accompanying notes are an integral part of the basic financial statements.

**CITY OF SANDY, OREGON**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**Fiscal Year Ended June 30, 2021**

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

Net change in fund balances - total governmental funds	\$	7,666,203
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Depreciation expense		(1,619,478)
Capitalized expenditures		2,400,488
		781,010
<p>The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations)</p>		
Loss on disposal of capital assets		(625,965)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds</p>		
Property taxes		9,790
Long-term receivables		(322,095)
		(312,305)
<p>Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term debt principal is an expenditure in the governmental funds, but repayment reduced long-term liabilities in the Statement of Net Position.</p>		
Issuance of long-term debt		(6,699,335)
Principal paid on long-term debt		805,590
		(5,893,745)
<p>The internal service funds are used by management to charge the costs of administrative services to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.</p>		
		36,202
<p>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 the governmental funds.</p>		
Accrued interest in long-term debt		5,054
Compensated absences		(44,055)
Changes in pension liabilities and related deferred outflows and inflows of resources		(1,046,511)
Changes in OPEB assets, liabilities, and related deferred outflows and inflows of resources		(3,411)
		(1,088,923)
Change in net position of governmental activities	\$	562,477

The accompanying notes are an integral part of the basic financial statements.



## FUND FINANCIAL STATEMENTS Proprietary Funds

### Enterprise Funds

These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs of providing the services to the general public on a continuing basis be financed primarily through user charges. These funds represent four segments of operations – Water, Sewer, Storm Water, and Telecommunications. Included in these segments are:

#### **Water Fund**

The Water Fund accounts for the financial activities of the city-owned water utility operations. Sales of water and related charges are the major revenue sources.

#### **Sewer Operations**

##### **Sewer Fund**

The Sewer Fund accounts for the financial activities of the city-owned sewer service. Wastewater charges are the major revenue source.

##### **Sewer Bond Reserve Fund**

The Sewer Bond Reserve Fund accounts for the establishment of a sinking fund to allow the City to retire the debt on the sewer treatment plant by 2022.

#### **Storm Water Fund**

The Storm Water Fund accounts for the city-owned storm drainage system. Revenues consist primarily of storm drainage charges.

#### **Telecommunications Fund**

The Telecommunications Fund accounts for the city-owned internet data access system. User charges are the major revenue sources.

For generally accepted accounting principles purposes, these aforementioned funds are consolidated and included as four separate enterprises funds.

### Internal Service Funds

These funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

#### **Operations Center Internal Service Fund**

The Operations Center Internal Service Fund pools resources from departments that occupy the operations center building to allocate costs associated with shared invoices. Revenue sources are transfers from the public works and transit departments.

#### **Facility Maintenance Internal Service Fund**

The Facilities Maintenance Internal Service Fund is intended for major maintenance, repairs and replacements at city-owned buildings. Transfers into this fund come from various other funds that are housed in buildings open to the public. Contributions are based on a percentage of each department budget.

CITY OF SANDY, OREGON  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
June 30, 2021

	Enterprise Funds				Total	Governmental
	Water Fund	Sewer Fund	Storm Water Fund	Tele-communications Fund		Internal Service Funds
<b>ASSETS</b>						
Current assets						
Cash and cash equivalents	\$ 1,545,418	\$ 4,438,999	\$ 266,335	\$ -	\$ 6,250,752	\$ 353,128
Accounts receivable, net	149,256	391,156	21,494	175,521	737,427	-
Inventory	-	-	-	254,959	254,959	-
Total current assets	1,694,674	4,830,155	287,829	430,480	7,243,138	353,128
Noncurrent assets						
Restricted cash and cash equivalents	-	-	-	177,627	177,627	-
Notes receivable	116,342	-	-	-	116,342	-
Capital assets, net	13,503,853	9,468,378	425,104	8,465,788	31,863,123	-
Net OPEB assets	2,496	2,944	1,941	5,160	12,541	-
Total noncurrent assets	13,622,691	9,471,322	427,045	8,648,575	32,169,633	-
Total assets	15,317,365	14,301,477	714,874	9,079,055	39,412,771	353,128
<b>DEFERRED OUTFLOW OF RESOURCES</b>						
Pension related	128,719	151,834	100,124	266,103	646,780	-
OPEB related	2,741	3,233	2,132	5,666	13,772	-
Total deferred outflows of resources	131,460	155,067	102,256	271,769	660,552	-
<b>LIABILITIES</b>						
Current liabilities						
Accounts payable and accrued expenses	63,088	1,296,685	4,792	207,070	1,571,635	2,973
Due to other funds	-	-	-	183,924	183,924	-
Accrued compensated absences	3,286	3,286	716	3,830	11,118	-
Accrued interest	87,268	12,861	1,697	87,850	189,676	-
Current portion of long-term debt	454,515	225,144	43,604	352,879	1,076,142	-
Total current liabilities	608,157	1,537,976	50,809	835,553	3,032,495	2,973
Noncurrent liabilities						
Interfund loan payable	-	-	-	359,853	359,853	-
Accrued compensated absences	13,142	13,142	2,862	15,318	44,464	-
Long-term debt, net of current portion	5,086,098	4,512,150	433,218	6,539,031	16,570,497	-
Net pension liability	374,771	442,074	291,514	774,774	1,883,133	-
Total OPEB liability	12,658	14,931	9,846	26,168	63,603	-
Total noncurrent liabilities	5,486,669	4,982,297	737,440	7,715,144	18,921,550	-
Total liabilities	6,094,826	6,520,273	788,249	8,550,697	21,954,045	2,973
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Pension related	18,838	22,221	14,654	38,946	94,659	-
OPEB related	2,315	2,731	1,801	4,786	11,633	-
Total deferred inflows of resources	21,153	24,952	16,455	43,732	106,292	-
<b>NET POSITION</b>						
Net investment in capital assets	7,963,240	4,731,084	(51,718)	1,573,878	14,216,484	-
Restricted:						
Debt service	-	1,890,219	-	-	1,890,219	-
OPEB	2,496	2,944	1,941	5,160	12,541	-
Unrestricted	1,367,110	1,287,072	62,203	(822,643)	1,893,742	350,155
Total net position	\$ 9,332,846	\$ 7,911,319	\$ 12,426	\$ 756,395	\$ 18,012,986	\$ 350,155

The accompanying notes are an integral part of the basic financial statements.

CITY OF SANDY, OREGON  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 Fiscal Year Ended June 30, 2021

	Enterprise Funds				Total	Governmental
	Water Fund	Sewer Fund	Storm Water Fund	Tele-communications Fund		Internal Service Funds
<b>OPERATING REVENUES</b>						
Charges for services	\$ 1,719,735	\$ 2,951,715	\$ 250,299	\$ 2,042,801	\$ 6,964,550	\$ -
Special assessments and surcharges	31,525	26,588	25,241	7,000	90,354	-
Miscellaneous	21,449	6,197	3,741	6,649	38,036	4,133
Total operating revenues	1,772,709	2,984,500	279,281	2,056,450	7,092,940	4,133
<b>OPERATING EXPENSES</b>						
Salaries, fringe benefits, and payroll taxes	359,257	433,911	277,053	807,669	1,877,890	-
Utilities	114,745	116,849	1,415	10,391	243,400	25,150
Contract services	226,117	801,351	5,058	68,830	1,101,356	46,220
Insurance	26,996	45,799	-	3,352	76,147	7,255
Repairs and maintenance	51,512	175,034	15,518	19,921	261,985	6,809
Depreciation	420,279	279,163	45,103	462,968	1,207,513	-
Other operating expense	315,634	151,299	53,232	115,625	635,790	-
Total operating expenses	1,514,540	2,003,406	397,379	1,488,756	5,404,081	85,434
Operating income (loss)	258,169	981,094	(118,098)	567,694	1,688,859	(81,301)
<b>NON-OPERATING INCOME (EXPENSE)</b>						
System development charges	210,476	296,249	-	-	506,725	-
Grants	-	500,000	-	-	500,000	-
Interest income	-	14,200	2,716	11	16,927	1
Interest expense	(159,371)	(101,671)	(21,412)	(265,496)	(547,950)	-
Total non-operating income (expense)	51,105	708,778	(18,696)	(265,485)	475,702	1
Income (loss) before transfers	309,274	1,689,872	(136,794)	302,209	2,164,561	(81,300)
<b>TRANSFERS</b>						
Transfers in	-	-	-	75,000	75,000	117,502
Transfers out	(66,513)	(70,404)	(23,790)	(56,164)	(216,871)	-
Transfers, net	(66,513)	(70,404)	(23,790)	18,836	(141,871)	117,502
Change in net position	242,761	1,619,468	(160,584)	321,045	2,022,690	36,202
<b>NET POSITION - BEGINNING</b>	9,090,085	6,291,851	173,010	435,350	15,990,296	313,953
<b>NET POSITION - ENDING</b>	\$ 9,332,846	\$ 7,911,319	\$ 12,426	\$ 756,395	\$ 18,012,986	\$ 350,155

The accompanying notes are an integral part of the basic financial statements.

**CITY OF SANDY, OREGON**  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS**  
**Fiscal Year Ended June 30, 2021**

	Enterprise Funds				Governmental Activities	
	Water Fund	Sewer Fund	Storm Water Fund	Tele-communications Fund	Total	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash received from customers	\$ 1,884,429	\$ 3,001,381	\$ 361,155	\$ 2,274,674	\$ 7,521,639	\$ 4,133
Cash paid for salaries and benefits	(394,998)	(482,774)	(300,579)	(874,531)	(2,052,882)	-
Cash paid to suppliers and others	(701,697)	(20,725)	(73,793)	(397,913)	(1,194,128)	(88,354)
Net cash provided by (used for) operating activities	787,734	2,497,882	(13,217)	1,002,230	4,274,629	(84,221)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Operating grants	-	500,000	-	-	500,000	-
Transfers in	-	-	-	75,000	75,000	117,502
Transfers out	(66,513)	(70,404)	(23,790)	(56,164)	(216,871)	-
Payments on interfund loan	-	-	-	(47,606)	(47,606)	-
Net cash provided by noncapital financing activities	(66,513)	429,596	(23,790)	(28,770)	310,523	117,502
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
System development charges	210,476	296,249	-	-	506,725	-
Purchases of capital assets	(1,439,397)	(3,535,932)	(6,608)	(362,081)	(5,344,018)	-
Proceeds from long-term debt	25,048	2,388,144	6,609	6,146	2,425,947	-
Principal paid on long-term debt	(441,756)	(73,532)	(44,447)	(346,988)	(906,723)	-
Interest paid on long-term debt	(164,601)	(97,951)	(21,529)	(269,074)	(553,155)	-
Net cash provided by (used for) capital and related financing activities	(1,810,230)	(1,023,022)	(65,975)	(971,997)	(3,871,224)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest income	-	14,200	2,716	11	16,927	1
Net increase (decrease) in cash and cash equivalents	(1,089,009)	1,918,656	(100,266)	1,474	730,855	33,282
<b>CASH AND CASH EQUIVALENTS - BEGINNING</b>	2,634,427	2,520,343	366,601	176,153	5,697,524	319,846
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<u>\$ 1,545,418</u>	<u>\$ 4,438,999</u>	<u>\$ 266,335</u>	<u>\$ 177,627</u>	<u>\$ 6,428,379</u>	<u>\$ 353,128</u>
<b>COMPRISED AS FOLLOWS:</b>						
Unrestricted	\$ 1,545,418	\$ 4,438,999	\$ 266,335	\$ -	\$ 6,250,752	\$ 353,128
Restricted	-	-	-	177,627	177,627	-
Total	<u>\$ 1,545,418</u>	<u>\$ 4,438,999</u>	<u>\$ 266,335</u>	<u>\$ 177,627</u>	<u>\$ 6,428,379</u>	<u>\$ 353,128</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</b>						
Operating income (loss)	\$ 258,169	\$ 981,094	\$ (118,098)	\$ 567,694	\$ 1,688,859	\$ (81,301)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation expense	420,279	279,163	45,103	462,968	1,207,513	-
(Increase) decrease in receivables	(2,383)	(142,094)	2,706	(643)	(142,414)	-
(Increase) decrease in inventory	-	-	-	(91,395)	(91,395)	-
(Increase) decrease in pension related balances	79,571	106,510	53,824	151,243	391,148	-
(Increase) decrease in OPEB related balances	1,709	2,564	980	2,959	8,212	-
(Decrease) increase in accounts payable and accrued expenses	29,351	1,269,607	1,430	186,878	1,487,266	(2,920)
(Decrease) increase in due to other funds	-	-	-	(275,277)	(275,277)	-
(Decrease) increase in compensated absences	1,038	1,038	838	(2,197)	717	-
Net cash provided by (used for) operating activities	<u>\$ 787,734</u>	<u>\$ 2,497,882</u>	<u>\$ (13,217)</u>	<u>\$ 1,002,230</u>	<u>\$ 4,274,629</u>	<u>\$ (84,221)</u>

The accompanying notes are an integral part of the basic financial statements.

## **FUND FINANCIAL STATEMENTS**

### **Fiduciary Funds**

This fund is used to account for assets held by the City as an agent for individuals, private organizations, other governments and/or other funds.

#### **Custodial Fund**

The Custodial Fund accounts for contributions from private sources that are held by the City in a fiduciary capacity. Expenditures are made for the benefit of the library, senior center, recreation, emergency services, and Sandy Times.

CITY OF SANDY, OREGON  
FIDUCIARY FUND  
STATEMENT OF FIDUCIARY NET POSITION  
June 30, 2021

	<u>Custodial Fund</u>
<b>ASSETS</b>	
Current assets	
Cash and cash equivalents	\$ 130,675
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable and accrued expenses	1,682
<b>NET POSITION</b>	
Restricted for other organizations	<u>\$ 128,993</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF SANDY, OREGON  
 FIDUCIARY FUND  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 Fiscal Year Ended June 30, 2021

	Custodial Fund
<b>ADDITIONS</b>	
Contributions	
Other organizations	\$ 17,996
Investment earnings	
Interest	964
Total additions	18,960
<b>DEDUCTIONS</b>	
Recipient payments	6,952
Net change in fiduciary net position	12,008
<b>NET POSITION - BEGINNING</b>	116,985
<b>NET POSITION - ENDING</b>	\$ 128,993

The accompanying notes are an integral part of the basic financial statements.

**CITY OF SANDY, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

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**1. Summary of Significant Accounting Policies**

The financial statements of the City of Sandy, Oregon (the City) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). GAAP statements include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

**A. Description of Reporting Entity**

The City is a municipal corporation governed by an elected mayor and six-member council. As required by GAAP, these financial statements present the government and its component unit, the Sandy Urban Renewal Agency (the Agency), an entity for which the government is considered to be financially accountable.

Sandy Urban Renewal Agency – The Agency was formed to plan, direct, and manage certain projects within Sandy. Pursuant to ORS 457.055, the City Council has been appointed governing body of the Agency. The Urban Renewal Agency General Fund is reported as a governmental fund type.

Blended component units, although legally separate entities are, in substance, part of the government's operations and data from these units are combined with data of the primary government. The Sandy Urban Renewal Agency is a blended component unit and, in substance is part of the City's operations, although it is a legally separate entity. The Sandy Urban Renewal Agency has a June 30 year-end. The Sandy Urban Renewal Agency is governed by the City Council of The City of Sandy and representatives from the Sandy Fire District and the Sandy Area Chamber of Commerce. As such, the City of Sandy has operational responsibility for the Sandy Urban Renewal Agency. Complete financial statements for the Agency may be obtained at: City of Sandy - City Hall 39250 Pioneer Blvd. Sandy, OR 97055-8001.

**B. Basic Financial Statements**

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type. Governmental activities, which are normally 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.

Government-wide statements

The statement of net position and the statement of activities display information about the City as a whole. These statements include all the financial activities of the City, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been



**CITY OF SANDY, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

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reversed for the statement of activities. *Program revenues* include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements

These statements display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental, proprietary, and custodial, even though the latter are excluded from government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. Non-major funds are consolidated into a single column in the financial section of the basic financial statements and are detailed in the supplemental information.

**C. Basis of Presentation**

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The GASB 34 model sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and proprietary combined) for the determination of major funds. Non-major funds are combined in a column in the fund financial statements and detailed in the combining section.

The City reports the following major governmental funds:

The *General Fund* accounts for all activities not accounted for by other funds of the City. Principal sources of revenues are property taxes, state and county shared revenues, and licenses and permits. Primary expenditures are made for police protection, culture and recreation, and general government.

The *Street Fund* accounts for revenue derived from the state gas tax that is used for repair, maintenance, and construction of streets.

The *Transit Fund* accounts for revenue from a 0.6% employer payroll tax and intergovernmental sources that are used to operate the Sandy Area Metro (SAM) transit service.

The *Urban Renewal Agency Fund* accounts for revenues from tax increment financing (property taxes) that are used to fund the urban renewal plan.

The City reports each of its four proprietary funds as major funds. These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs of providing the services to the general public on a continuing basis be financed primarily through user charges. These funds represent four segments of operations – Water, Sewer, Storm Water, and Telecommunications.

**CITY OF SANDY, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

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The City reports the following proprietary funds:

- *Water Fund*
- *Sewer Operations*
- *Storm Water Fund*
- *Telecommunications Fund*

Additionally, the government reports the following internal service funds also classified as proprietary funds.

- *Operations Center Internal Service Fund*
- *Facility Maintenance Internal Service Fund*

An internal service fund is used to account for an activity that provides goods or services to other departments on a cost-reimbursement basis. The Operations Center internal service fund is used to pool resources from departments that occupy the Operations Center building to allocate costs associated with shared invoices. Revenue sources are transfers from the Water, Sewer, Storm Water, Street, Transit, and General Funds. The Facility Maintenance internal service fund is intended for major maintenance, repairs and replacements at City-owned buildings. Transfers into this fund come from various other funds that are housed in buildings open to the public. Contributions are based on a percentage of each department budget.

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Fiduciary funds are used to account for assets the City holds in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds. The City's only fiduciary fund is a custodial fund. The custodial fund is used to report contributions from private sources held for the use of making purchases for the benefit of the library, senior center, recreation, emergency services, and Sandy Times and thus do not involve measurement of results of operations.

#### **D. Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe which transactions are recorded with the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus.

The government-wide financial statements and the proprietary funds financial statements are reported using the *economic resources measurement focus* and the *full accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**CITY OF SANDY, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

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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 are both measurable and available. Revenues are considered to be 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 thirty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, long-term liabilities, such as compensated absences, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Unavailable revenue arises in the governmental funds balance sheet when potential revenue does not meet both the measurable and available criteria for recognition in the current period. This unavailable revenue consists primarily of uncollected property taxes and assessments not deemed available to financial operation of the current period. In the government-wide statement of net position, with a full accrual basis of accounting, revenue must be recognized as soon as it is earned regardless of its availability. Thus, the liability created on the governmental fund balance sheet for unavailable revenue is eliminated. Note that unavailable revenues also arise outside the scope of measurement focus and basis of accounting, such as when the City receives resources before it has a legal claim to them. For instance, when grant monies are received prior to the incurrence of qualifying expenditures.

Similar to the way its revenues are recorded, governmental funds only record those expenditures that affect current financial resources. Principal and interest on general long-term debt are recorded as fund liabilities only when due, or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. Vested compensated absences are recorded as expenditures only to the extent that they are expended and are liquidated with expendable financial resources. In the government-wide financial statements, however, with a full accrual basis of accounting, all expenditures affecting the economic resource status of the government must be recognized. Thus, the expense and related accrued liability for long term portions of debt and compensated absences must be included.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is necessary to explain the adjustments needed to transform the fund based financial statements into the governmental column of the government-wide presentation. This reconciliation is part of the financial statements. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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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 principle ongoing operations. The principle operating revenues of the City's Water, Sewer, Storm Water, and Telecommunications Funds are charges to customers for sales and services. These funds also recognize fees intended to recover the cost of connecting new customers to the City's utility systems as operating revenue. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and overheads, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**E. Cash and Investments**

For the purposes of the statement of cash flows, the City considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments included in cash and cash equivalents are reported at fair value. The City invests in the State of Oregon Local Government Investment Pool, which is authorized by Oregon Revised Statutes. Interest earned from pooled investments is allocated based on a fund's portion of the total investment balance. The City maintains depository insurance under Federal depository insurance funds and state and financial institution collateral pools for its cash deposits and investments, except the Local Government Investment Pool, which is exempt from statutes requiring such insurance.

**F. Receivables**

Uncollected property taxes receivable collected within thirty days following year end are considered measurable and available and are recognized as revenues. All other uncollected property taxes receivable are offset by unavailable revenues and, accordingly, have not been recorded as revenue. Property taxes are assessed and become a lien against the property as of July 1 each year and are payable in three installments on November 15, February 15, and May 15 following the lien date. Taxes unpaid and outstanding on May 16 are considered delinquent.

Assessments receivable are recognized at the time property owners are assessed for property improvements. Assessments receivable expected to be collected within thirty days following year end and are considered measurable and available and are recognized as revenue. All other assessments receivable are offset by unavailable revenues and, accordingly, have not been recorded as revenue.

Receivables for grants and state shared revenues, included in accounts receivable are recorded as revenues in governmental fund types as earned. Receivables of the proprietary fund types are recorded as revenues as earned, including services earned but not billed.

**CITY OF SANDY, OREGON**  
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**G. Inventories and Prepaid Items**

All inventories are valued at cost using first-in/first-out (FIFO) basis and are accounted for using the consumption method.

Within the proprietary funds, prepaid items are accounted for using the consumption method. Within the governmental funds, prepaid items are accounted for using the purchases method.

**H. Interfund Loans Receivables/Payables**

Long-term interfund loans are classified as “interfund loan receivable” and “interfund loan payable.” These differ from short term loans that are classified as due to/from other funds.

**I. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, street lights, etc.), are reported in the applicable governmental or business-type activities column in the governmental-wide financial statements. Capital assets are charged to expenditures as purchased in the governmental fund statements, fund statements. Capital assets are recorded at historical cost or estimated historical cost if actual cost is not available. Donated capital assets are recorded at acquisition value at the time received.

Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more, and having useful lives extending beyond a single reporting period. Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on exhaustible assets is recorded as an allocated expense in the statement of activities with accumulated depreciation reflected in the statement of net position and is provided on the straight-line basis over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings	40
Improvements	7 - 20
Infrastructure	10 - 50
Vehicles	5 - 10
Furniture and equipment	5 - 20

Monthly depreciation is taken in the year the assets are acquired or retired. Gains or losses from sales or retirements of capital assets are included in operations of the current period.

**J. Deferred Outflows and Inflows of Resources**

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expenditure/expense) until then. The City has two items that qualify for reporting in this category. The two items are the deferred amount relating to pensions and the deferred amount relating to other post-employment benefits (OPEB). These amounts are deferred and recognized as outflows of resources in the period when the City's recognizes pension expense/expenditures and OPEB expense/expenditures. Deferred outflows are included in the government-wide statement of net position and the proprietary funds statement of net position.

In addition to liabilities, the Statement of Net Position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has three types of items that qualify for reporting in this category. Unavailable revenue from property taxes is reported in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that amount becomes available. The City reports a deferred amount related to pensions. This amount is deferred and recognized as an inflow of resources in the period when the City's recognizes pension income. The City also reports a deferred amount related to OPEB. This amount is deferred and recognized as an inflow of resources in the period when the City recognizes OPEB expense.

**K. Compensated Absences**

Accumulated vested vacation pay is accrued as it is earned in the government-wide statements. For governmental funds, accumulated vested vacation pay is maintained separately and represents a reconciling item between the fund-level and government-wide presentations. Compensated absences are reported in governmental funds only if they have matured. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

Funds used to liquidate accrued compensated absences included the General Fund, Street Fund, Transit Fund, Urban Renewal Fund, Water Fund, Sewer Fund, Storm Water Fund, and Telecommunications Fund.

**L. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (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, contributions to OPERS are recognized when due and payable in accordance with contractual obligations.

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**M. OPEB**

*Postemployment Benefits Other Than Pensions (OPEB)*. The City reports an OPEB asset and net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, and information about the fiduciary net position of the OPEB plans for two separate plans: the City's single employer implicit rate subsidy and the Oregon Public Employees Retirement Systems (OPERS) plan. These amounts have been determined for the implicit rate subsidy based upon an actuarial valuation performed for the City. These amounts have been determined for the OPERS plan on the same basis as they are reported by OPERS. For this purpose, Implicit Rate Subsidy and OPERS recognize benefit payments when due and payable in accordance with the benefit terms.

**N. Net Position and Fund Balance**

In the government-wide financial statements and proprietary funds financial statements, net position is reported in three categories: net investment in capital assets; restricted net position; and unrestricted net position. Net investment in capital assets represents capital assets less accumulated depreciation less outstanding principal of related debt. Net position invested in capital assets, net of related debt does not include the unspent proceeds of capital debt. Restricted net position represents net position restricted by parties outside of the City (such as creditors, grantors, contributors, laws, and regulations of other governments) and does not include unspent proceeds of bonds issued to acquire or construct capital assets. The nonexpendable portion of permanent funds is reported as a component of restricted net position. The City's other restricted net position is temporarily restricted (ultimately expendable) assets. All other net position is considered unrestricted.

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – non-spendable, restricted, committed, assigned and unassigned.

**Non-Spendable** – Includes amounts not immediately convertible to cash, such as prepaid items and inventory.

**Restricted** – Includes amounts that are restricted by external creditors, grantors or contributors, or restricted by enabling legislation.

**Committed** – Includes amounts that have been committed by resolution by the City Council which is the City's "highest level of decision-making authority." Committed amounts may not be used for any other purpose unless the City Council removes the constraint by similar council action. Commitments of fund balance must be made prior to the end of the fiscal year.

**Assigned** – Includes amounts assigned for specific purposes by City Council action who authorizes, by resolution, the City Manager to assign fund balance. Assigned fund balance is also established by the City Council through adoption or amendment of the budget as intended for specific purpose.

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**Unassigned** – This is the residual classification used for those balances not assigned to another category.

**O. Use of Restricted Resources**

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources, as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use it is the City’s policy to use committed resources first, then assigned, and then unassigned as they are needed.

The General Fund is the only fund that reports a positive unassigned fund balance. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount; however, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

**P. Accounting Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires that management make estimates and assumptions which affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimated.

**2. Cash and Investments**

At June 30, 2021 the cash and cash equivalents of the City consist of the following:

	Weighted Average Maturity	Fair Value
Investments in the State Treasurer’s Local Government Investment Pool	-	\$27,913,530
US Treasuries and Agency Securities	2.48	2,535,355
Corporate Bonds	2.15	304,468
Money Market Securities	2.68	751,010
Total cash equivalents		\$31,504,363

Cash and investments are displayed on the financial statements as:

Cash and investments – government-wide	\$ 31,619,938
Restricted cash and investments – government-wide	177,627
Cash and investments – custodial fund	130,675
Total cash and investments	\$ 31,928,240



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**A. Interest Rate Risk**

In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investments portfolio to 36 months.

**B. Credit Risk**

State statutes authorize the City to invest in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, and the State Treasurer's Oregon Local Government Investment Pool, among others. The City has no investment policy that would further limit its investment choices.

The City's investment in the Local Government Investment Pool is considered unclassified as to credit risk because it is not evidenced by securities that exist in physical or book entry form.

**C. Concentration of Credit Risk**

The City's investment policy allows the City to have a maximum of up to 35% of total portfolio in either Commercial paper or Corporate Indebtedness to limit concentration of credit risk. The City's investments were rated AA+ or AA- by Moody's Investors Service.

The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations, but is not regulated by other laws, organizations or regulations. The reported value of the Pool is the same as the fair value of Pool shares. Investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). The Pool is not registered with the SEC as an investment company and is unrated.

**D. Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. The City does not have a deposit policy for custodial credit risk. The Federal Depository Insurance Corporation (FDIC) and National Credit Union Administration (NCUA) provides insurance for the City's deposits up to \$250,000 for the combined total of all deposit accounts at each financial institution. The remaining deposits are covered by the Public Funds Collateralization program (PFCP) of the State of Oregon in accordance with ORS 295. Depositories qualified under this program are required to pledge collateral against any public funds deposits in excess of deposit insurance amounts. This provides additional protection for public funds in the event of a bank failure or loss. ORS 295 sets the specific value of the collateral, as well as the types of collateral that are acceptable. ORS 295 creates a shared liability structure for participating depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. As of June 30, 2021, the book value of the City's deposits was \$423,758 and the bank balance was \$646,607. All of the City's bank balances were covered by FDIC insurance. The City had \$2,350 cash on hand.

**CITY OF SANDY, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**E. 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 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active.

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

	Fair Value Measurements			Total
	Level 1	Level 2	Level 3	
	Value as of June 30, 2021			
US Treasuries and Agency Securities	2,535,355	-	-	2,535,355
Corporate Bonds	-	304,468	-	304,468
Money Market Securities	751,010	-	-	751,010
	\$ 3,601,103	\$ 18,219,656	\$ -	\$ 21,820,759

The Oregon State Treasurers Local Government Investment Pool is not leveled.

**3. Property Taxes and Assessments Receivable**

Uncollected taxes and assessments are deemed to be substantially collectible or recoverable through liens. Therefore, no allowance for uncollectible accounts has been established.

**CITY OF SANDY, OREGON**  
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**4. Capital Assets**

Capital asset activity for the year ended June 30, 2021 was as follows:

Primary Government	Beginning Balance	Additions	Deletions	Ending Balance
<b>Capital assets, not being depreciated:</b>				
Land	\$ 4,207,088	\$ -	\$ -	\$ 4,207,088
Construction in progress	1,502,364	346,420	(1,271,818)	576,966
Total capital assets, not being depreciated	5,709,452	346,420	(1,271,818)	4,748,054
<b>Capital assets, being depreciated:</b>				
Improvements	12,007,850	1,478,335	-	13,486,185
Buildings	18,586,793	1,085,438	-	19,672,231
Furniture and equipment	1,764,030	-	-	1,764,030
Vehicles	5,558,670	253,965	(908,181)	4,904,454
Intangible assets	359,680	-	-	359,680
Total capital assets, being depreciated	38,277,023	2,817,738	(908,181)	40,186,580
<b>Less accumulated depreciation for:</b>				
Improvements	(4,630,866)	(403,125)	-	(5,033,991)
Buildings	(4,958,934)	(697,741)	(4,200)	(5,660,874)
Furniture and equipment	(1,445,630)	(99,863)	-	(1,545,493)
Vehicles	(3,836,018)	(341,362)	745,511	(3,433,870)
Intangible assets	(175,331)	(26,335)	-	(201,666)
Total accumulated depreciation	(15,046,779)	(1,568,426)	739,311	(15,875,894)
Total capital assets, being depreciated, net	23,230,244	1,249,312	(168,870)	24,310,688
Governmental activities capital assets, net	\$ 28,939,696	\$ 1,595,734	\$ (1,440,688)	\$ 29,094,740

**CITY OF SANDY, OREGON**  
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<b>Business-type activities totals</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
<b>Capital Assets, non-depreciable:</b>				
Land	\$ 1,099,674	\$ -	\$ -	\$ 1,099,674
Construction in Progress	770,181	2,797,328	(101,689)	\$ 3,465,820
Total capital assets, non-depreciable	<u>1,869,855</u>	<u>2,797,328</u>	<u>(101,689)</u>	<u>4,565,494</u>
<b>Capital assets, depreciable:</b>				
Improvements & Infrastructure	38,202,678	2,361,461	-	40,564,139
Buildings	976,801	-	-	976,801
Furniture and Equipment	3,410,806	218,402	-	3,629,208
Vehicles	788,953	68,511	-	857,464
Total capital assets, depreciable	<u>43,379,238</u>	<u>2,648,374</u>	<u>-</u>	<u>46,027,612</u>
Total	45,249,093	5,445,702	(101,689)	50,593,106
<b>Less accumulated depreciation for:</b>				
Improvements & Infrastructure	(14,053,326)	(973,537)	-	(15,026,863)
Buildings	(360,353)	(19,208)	-	(379,561)
Furniture and Equipment	(2,430,823)	(172,956)	-	(2,603,779)
Vehicles	(677,968)	(41,812)	-	(719,780)
Total accumulated depreciation	<u>(17,522,470)</u>	<u>(1,207,513)</u>	<u>-</u>	<u>(18,729,983)</u>
Net depreciable capital assets	<u>25,856,768</u>	<u>1,440,861</u>	<u>-</u>	<u>27,297,629</u>
<b>Net capital assets</b>	<u>\$ 27,726,623</u>	<u>\$ 4,238,189</u>	<u>\$ (101,689)</u>	<u>\$ 31,863,123</u>

Depreciation expense was charged to functions/programs as follows:

<b>Governmental activities:</b>	<b>Depreciation</b>
General government	\$ 424,429
Public safety	354,033
Highways and streets	158,515
Public transportation	70,078
Economic development	153,009
Culture and recreation	408,362
Total depreciation expense – governmental activities	<u>\$ 1,568,426</u>
<b>Business-type activities:</b>	
Water	\$ 420,279
Sewer	279,163
Stormwater	45,103
Telecommunications	462,968
Total depreciation expense – business-type activities	<u>\$ 1,207,513</u>

**CITY OF SANDY, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**5. Interfund Receivables, Payables, and Transfers**

**A. Interfund Receivables and Payables**

On November 5, 2018 the Transit Fund loaned the General Fund \$356,273. The loan is to be repaid within ten years with an annual interest rate of 1.92 percent.

On November 5, 2018 the Transit Fund loaned the Telecommunications Fund \$500,000. The loan is to be repaid within ten years with an annual interest rate of 1.92 percent.

The Interfund loan receivables and payables are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Transit	General Fund	\$ 290,333
Transit	Telecommunications Fund	359,852
Total		<u>\$ 650,185</u>

**B. Interfund Transfers**

Interfund transfers are used to pay for administrative services provided by the general fund, provide funds for debt service, and contribute to the cost of capital projects.

	<u>Transfer In</u>	<u>Transfer Out</u>
Major Governmental Funds:		
General Fund	\$ 314,026	\$ 205,559
Street Fund	-	58,679
Urban Renewal Agency Fund	-	896,749
Transit Fund	-	96,467
Operations Center Internal Service Fund	105,002	-
Facility Maintenance Internal Service Fund	12,500	-
Total Major Governmental Funds	<u>431,528</u>	<u>1,257,454</u>
Nonmajor Funds:		
Aquatic/Recreation Center Fund	80,000	-
City FFC Debt Service Fund	<u>887,797</u>	<u>-</u>
Total Special Revenue Funds	<u>967,797</u>	<u>-</u>
Proprietary Funds:		
Water Fund	-	66,513
Sewer Fund	-	70,404
Sewer Bond Reserve Fund	-	-
Storm Water Fund	-	23,790
Telecommunications Fund	<u>75,000</u>	<u>56,164</u>
Total Proprietary Funds	<u>75,000</u>	<u>216,871</u>
Total All Funds	<u>\$ 1,474,325</u>	<u>\$ 1,474,325</u>

**CITY OF SANDY, OREGON**  
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**6. Unavailable Revenues**

Unavailable revenues on June 30, 2021 consisted of the following:

Property taxes receivable	\$ 137,978
Other receivables	<u>185,813</u>
Total unavailable revenue	<u>\$ 323,791</u>

**7. Long Term Debt**

During the year ended June 30, 2021, long-term liability activity was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts due Within one Year
<b>Governmental Activities:</b>					
Bonds payable	\$ 8,475,391	\$ 5,975,000	\$ (681,017)	\$13,769,374	\$ 902,634
Bond premium	-	668,898	(2,787)	666,111	33,445
Notes payable	<u>728,469</u>	<u>55,437</u>	<u>(125,019)</u>	<u>658,887</u>	<u>87,632</u>
Total	9,203,860	6,699,355	(808,823)	15,094,372	1,023,711
Compensated absences	<u>364,424</u>	<u>312,279</u>	<u>(268,224)</u>	<u>408,479</u>	<u>81,696</u>
Total Governmental Activities	<u>\$ 9,568,284</u>	<u>\$ 7,011,634</u>	<u>\$(1,077,047)</u>	<u>\$ 15,502,851</u>	<u>\$ 1,105,407</u>
<b>Business-type Activities</b>					
Bonds payable	\$ 7,642,252	\$ 1,695,000	\$ (420,250)	\$ 8,917,002	\$ 501,972
Bond premium	193,850	234,723	(13,902)	414,671	12,924
Notes payable	<u>8,292,292</u>	<u>496,453</u>	<u>(473,779)</u>	<u>8,314,966</u>	<u>561,246</u>
Total	16,128,394	2,191,453	(907,931)	17,646,639	1,076,142
Compensated absences	<u>54,865</u>	<u>63,549</u>	<u>(62,832)</u>	<u>55,582</u>	<u>11,118</u>
Total Governmental Activities	<u>\$16,183,259</u>	<u>\$ 2,255,002</u>	<u>\$ (969,755)</u>	<u>\$ 17,702,221</u>	<u>\$ 1,087,260</u>

**A. Bonds Payable**

The City issues full faith and credit bonds to provide funds for the acquisition and construction of major capital facilities. Full faith and credit bonds have been issued for both general government and proprietary activities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues. These bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued as serial bonds with equal amounts of principal maturing each year.

During the current fiscal year, the City issued \$7,670,000 in full faith and credit obligations which were allocated as \$5,975,000 to governmental activities and \$1,695,000 to business type activities.

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Series A of the bonds in the amount of \$6,510,000 have a coupon of 4% and mature in 2041. Series B in the amount of \$1,160,000 have coupon rates from 1.3-3.0% and the same maturity.

Governmental Activities

Series 2021: original amount \$5,975,000	\$5,975,000
Series 2017: original amount \$10,000,000; interest rate 2.44%; final payment due June 2031.	<u>7,794,374</u>
<b>Total bonds payable</b>	<b><u>\$ 13,769,374</u></b>

Annual debt service requirements to maturity for general obligation bonds are as follows:

Fiscal Year	Series 2017		Series 2021	
	Principal	Interest	Principal	Interest
2022	\$ 697,634	\$ 190,183	\$ 205,000	\$ 198,255
2023	714,656	173,160	225,000	185,392
2024	732,094	155,723	230,000	177,742
2025	749,957	137,860	235,000	169,892
2026	768,256	119,561	245,000	161,842
2027-2031	4,131,777	307,306	1,365,000	670,418
2032-2036	-	-	1,605,000	424,900
2037-2041	-	-	1,865,000	171,450
	<b>\$ 7,794,374</b>	<b>\$ 1,083,793</b>	<b>\$ 5,975,000</b>	<b>\$ 2,159,891</b>

Business-Type Activities

During the current fiscal year, the City issued \$7,670,000 in full faith and credit obligations which were allocated as \$5,975,000 to governmental activities and \$1,695,000 to business type activities. Series A of the bonds in the amount of \$6,510,000 have a coupon of 4% and mature in 2041. Series B in the amount of \$1,160,000 have coupon rates from 1.3-3.0% and the same maturity.

Series 2021: original amount \$1,160,000	\$ 1,695,000
Series 2014: original amount \$947,154; interest rate 1.85%; final payment due June 2022.	127,002
Series 2011: original amount \$800,000; interest rate 4.60%; final payment due June 2031.	470,000
Series 2014: original amount \$7,500,000; interest rate 1.375 to 4.00%; final payment due March 2035.	<u>6,625,000</u>
<b>Total bonds payable</b>	<b><u>\$ 8,917,002</u></b>

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Bonds Payable Business-Type Activities

Fiscal Year	Sewer Fund Series 2021		Water Fund Series 2014		Storm Water Series 2011		TC Revenue Bond Series 2014	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 60,000	\$ 59,669	\$ 127,002	\$ 2,350	\$ 40,000	\$ 20,363	\$ 275,000	\$ 263,025
2023	60,000	55,500	-	-	40,000	18,883	300,000	252,025
2024	65,000	53,100	-	-	40,000	17,323	325,000	240,025
2025	70,000	50,500	-	-	45,000	15,673	395,000	227,025
2026	70,000	47,700	-	-	45,000	13,816	405,000	213,200
2027-2031	380,000	195,300	-	-	260,000	36,570	2,430,000	806,000
2032-2036	460,000	121,950	-	-	-	-	2,495,000	254,200
2037-2041	530,000	48,450	-	-	-	-	-	-

**B. Notes Payable**

Governmental Activities

Clackamas County Bank Loan - Library: original amount \$799,999; interest rate 2.75%; final payment due June 2037.	\$551,837
Enterprise Fleet Management: original amount \$11,653, added \$34,267 during current year	33,784
Enterprise Fleet Management: original amount \$285,631	18,924
Enterprise Fleet Management: original amount \$22,513	4,501
Enterprise Fleet Management: original amount \$21,170	20,361
CIT Computer Lease; original amount \$94,336	<u>29,480</u>
Total notes payable	<u>\$ 658,887</u>



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The City of Sandy's outstanding notes related to governmental activities of \$658,887 contain a provision that in the event of default, outstanding amounts become immediately due if the government is unable to make payment.

Fiscal Year	Notes Payable - Governmental					
	CCB Library		Enterprise Fleet Management-Street		Enterprise Fleet Management-Police	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 30,179	\$ 14,967	\$ 9,021	-	\$ 16,301	-
2023	31,015	14,131	6,692	-	2,623	-
2024	31,873	13,273	6,692	-	-	-
2025	32,721	12,425	6,692	-	-	-
2026	33,662	11,483	4,687	-	-	-
2027-2031	392,387	5,351				
	<u>\$ 551,837</u>	<u>\$ 71,630</u>	<u>\$ 33,784</u>	<u>\$ -</u>	<u>\$ 18,924</u>	<u>\$ -</u>

Fiscal Year	Enterprise Fleet Management-Non Dept		Enterprise Fleet Management-Parks		CIT - Computer	
	Principal	Interest	Principal	Interest	Principal	Interest
	2022	\$ 4,501	\$ -	\$ 4,046	\$ -	\$ 23,585
2023	-	-	4,046	-	5,895	-
2024	-	-	4,046	-	-	-
2025	-	-	4,046	-	-	-
2026	-	-	4,177	-	-	-
	<u>\$ 4,501</u>	<u>\$ -</u>	<u>\$ 20,361</u>	<u>\$ -</u>	<u>\$ 29,480</u>	<u>\$ -</u>

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<u>Business-Type Activities</u>	
USDA Sewer Facility Loan: Original amount \$2,970,000; interest amount 4.75%; final payment due June 2039.	\$ 1,992,908
OBDD water intertie loan: original amount \$7,500,000; interest amount 2.77%; final payment due June 2035.	5,388,716
DEQ SRF Loan: original amount \$799,425; interest amount 0.93%; final payment due June 2024.	799,425
Enterprise Fleet Management: original amount \$11,653, additional amounts drawn in current year	24,925
Enterprise Fleet Management: original amount \$11,653, additional amounts drawn in the current year	16,216
Enterprise Fleet Management: original amount \$11,653, additional amounts drawn in the current year	6,822
Enterprise Fleet Management: original amount \$115,562, additional	49,469
Cisco Equipment: original amount \$180,895; interest at 3.0%	<u>36,485</u>
Total notes payable	<u>\$ 8,314,966</u>

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Fiscal Year	USDA - Sewer Facility		OBDD Water Intertie		DEQ-SRF Loan		Enterprise Fleet Management-Water	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 72,548	\$ 94,663	\$ 320,328	\$ 149,267	\$ 87,186	\$ 14,255	\$ 7,215	\$ -
2023	75,994	91,217	329,201	140,394	175,589	6,217	4,887	-
2024	79,604	87,607	338,320	131,275	177,227	4,579	4,887	-
2025	83,385	83,826	347,691	121,904	178,879	2,930	4,887	-
2026	87,346	79,865	357,322	112,273	180,544	1,261	3,049	-
2027-2031	503,046	333,009	1,940,677	407,297	-	-	-	-
2032-2036	634,421	201,634	1,755,177	123,205	-	-	-	-
2037-2041	456,564	43,995	-	-	-	-	-	-
	<u>\$ 1,992,908</u>	<u>\$ 1,015,816</u>	<u>\$ 5,388,716</u>	<u>\$ 1,185,615</u>	<u>\$ 799,425</u>	<u>\$ 29,242</u>	<u>\$ 24,925</u>	<u>\$ -</u>

Fiscal Year	Enterprise Fleet Management-Sewer		Enterprise Fleet Management-Storm		Enterprise Fleet Management-Telecom		Cisco Equip	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 5,410	\$ -	\$ 3,604	\$ -	\$ 28,440	\$ -	\$ 36,485	\$ 190
2023	3,081	-	1,275	-	9,364	-	-	-
2024	3,081	-	1,275	-	7,628	-	-	-
2025	3,081	-	668	-	2,483	-	-	-
2026	1,563	-	-	-	1,554	-	-	-
	<u>\$ 16,216</u>	<u>\$ -</u>	<u>\$ 6,822</u>	<u>\$ -</u>	<u>\$ 49,469</u>	<u>\$ -</u>	<u>\$ 36,485</u>	<u>\$ 190</u>

The City of Sandy's outstanding notes related to business-type activities of \$8,314,966 contain a provision that in the event of default, outstanding amounts become immediately due if the government is unable to make payment.

**8. Net Position**

The government-wide statement of net position reports \$15,400,945 of restricted net position, of which \$13,434,903 is restricted by enabling legislation.

**9. Pension Plan**

**A. Plan Description**

Employees of the City are provided with pensions through the Oregon Public Employees Retirement System (OPERS) a cost-sharing multiple-employer defined benefit pension plan, the

Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A. Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The Pension Program, established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. OPERS issues a publicly available Comprehensive Annual Financial Report and Actuarial Valuation that can be obtained at:

<http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>.

**B. Benefits Provided**

**1. Tier One/Tier Two Retirement Benefit ORS Chapter 238**

**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 percent for police and fire employees, 1.67 percent 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.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a 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.

**Death Benefits**

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

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

### **Disability Benefits**

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits 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 (COLA) changes. The COLA is capped at 2.0 percent.

## **2. OPSRP Pension Program (OPSRP DB)**

### **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 with the following formula for members who attain normal retirement age:

Police and fire: 1.8 percent 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.

General service: 1.5 percent 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.

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 in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and \$750 plus 0.15 percent on annual benefits above \$60,000.

**3. OPSRP Individual Account Program (OPSRP IAP)**

**Pension Benefits**

The IAP is an individual account-based program under the PERS tax-qualified governmental plan as defined under ORS 238A.400. An 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 Individual Account Program (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**

OPERS contracts with VOYA Financial to maintain IAP participant records.

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**C. Contributions**

**1. Employer 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. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2018 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2019. Employer contributions for the year ended June 30, 2021 were \$1,052,579. The rates in effect for the fiscal year ended June 30, 2021 were 26.34 percent for Tier One/Tier Two General Service Member, 23.61 percent for Tier One/Tier Two Police and Fire, 17.87 percent for OPSRP Pension Program General Service Members, 22.50 percent for OPSRP Pension Program Police and Fire Members.

**2. Employee Contributions**

Beginning January 1, 2004, all employee contributions were placed in the OPSRP Individual Account Program (IAP), a defined contribution pension plan established by the Oregon Legislature. Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set by statute at 6.0 percent of salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members behalf. The IAP member accounts represent member contributions made on or after January 1, 2004, plus earnings allocations less disbursements for refunds, death benefits, and retirements. As permitted, the City has opted to pick-up the contributions on behalf of employees; contribution were \$257,919 for the year ended June 30, 2021.

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

At June 30, 2020, the City reported a liability of \$10,927.374 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018 rolled forward to June 30, 2020. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2020, the City's proportion was 0.05007173 percent, which was decreased from its proportion of 0.05248442 percent measured as of June 30, 2019.

For the year ended June 30, 2021, the City's recognized pension expense of \$2,464,073. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ .480,937	\$ -
Changes of assumptions	586,438	20,548
Net difference between projected and actual earnings on investments	1,284,917	
Changes in proportion	314,519	297,637
Differences between employer contributions and proportionate share of contributions	<u>33,716</u>	<u>231,103</u>
Total (prior to post-MD contributions)	2,700,527	549,288
Contributions subsequent to the MD	1,052,579	-
Total	<u>\$ 3,753,106</u>	<u>\$ 549,288</u>

City's contributions subsequent to the measurement date of \$1,052,579 are reported as deferred outflows of resources related to pensions and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30</u>	
2021	\$ 529,860
2022	679,626
2023	599,348
2024	362,377
2025	<u>(19,972)</u>
Total	<u>\$ 2,151,239</u>



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**E. Actuarial Assumptions**

The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2018
Measurement Date	June 30, 2020
Experience Study Report	2018, published July 24, 2019
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Long-Term Expected Rate of Return	7.20 percent
Discount Rate	7.20 percent
Projected Salary Increases	3.50 percent overall payroll growth
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision, blend based on service.
Mortality	<p><b>Healthy retirees and beneficiaries:</b> Pub-2010 healthy retiree, sex-distinct, generational projection with Unisex Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p><b>Active Members:</b> Pub 2010 Employee, sex-distinct, generational with Unisex Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p><b>Disabled retirees:</b> Pub-2010 Disabled retirees, sex-distinct, generational projection with Unisex, Social Security Data Scale.</p>

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

**F. Long-term Expected Rate of Return**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below.

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Each asset class assumption is 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.

<b>Asset Class/Strategy</b>	<b>OIC Policy Range</b>	<b>OIC Target Allocation</b>
Debt Securities	15 - 25 %	20 %
Public Equity	27.5 - 38	32.5
Real Estate	9.5 - 16	12.5
Private Equity	14 - 21	17.5
Alternatives Portfolio	7.5 - 18	15
Opportunity Portfolio	10 - 3	0
Risk Parity	20 - 2.5	2.5
Total		100.0 %

**Long-Term Expected Rate of Return**

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Annual Arithmetic Return</b>	<b>20-Year Annualized Geometric Mean</b>
Core Fixed Income	9.60 %	4.14 %	4.07 %
Short-Term Bonds	9.60	3.70	3.68
Bank/Leveraged Loans	3.60	5.40	5.19
High Yield Bonds	1.20	6.13	5.74
Large/Mid Cap US Equities	16.17	7.35	6.30
Small Cap US Equities	1.35	8.35	6.68
Micro Cap US Equities	1.35	8.86	6.79
Developed Foreign Equities	13.48	8.30	6.91
Emerging Market Equities	4.24	10.35	7.69
Non-US Small Cap Equities	1.93	8.81	7.25
Private Equity	17.50	11.95	8.33
Real Estate (Property)	10.00	6.19	5.55
Real Estate (REITS)	2.50	8.29	6.69
Hedge Fund of Funds - Diversified	1.50	4.28	4.06
Hedge Fund - Event-driven	0.38	5.89	5.59
Timber	1.13	6.36	5.61
Farmland	1.13	6.87	6.12
Infrastructure	2.25	7.51	6.67
Commodities	1.13	5.34	3.79
Assumed Inflation - Mean		2.50	

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**G. Depletion Date Projection**

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for PERS:

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is PERS's independent actuary's opinion that the detailed depletion date projections outlined in GASB 68 would indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

**H. Discount Rate**

The discount rate used to measure the total pension liability was 7.20 percent 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 of the 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.

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

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	<b>1% Decrease (6.20%)</b>	<b>Discount Rate (7.20%)</b>	<b>1% Increase (8.20%)</b>
City's proportionate share of the net pension liability	\$ 16,266,248	\$ 10,927,374	\$ 6,484,022

**J. Pension Plan Fiduciary Net Position**

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

**K. Changes in Plan Provisions During the Measurement Period**

There were no changes during the June 30, 2020 measurement period that require disclosure.

**10. 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.

**A. Financial Statement Presentation**

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

	<u>Implicit Rate Subsidy</u>	<u>PERS RHIA Plan</u>	<u>Net OPEB on Financials</u>
Net OPEB asset	\$ -	\$ 72,773	\$ 72,773
Deferred outflows of resources:			
Change in assumptions	8,386	-	8,386
Differences between expected and actual experience	38,401	-	38,401
Difference in earnings	-	8,093	8,093
Change in proportionate share	-	8,175	8,175
Contributions after MD	16,290	565	16,855
Net OPEB liability	369,072	-	369,072
Deferred inflows of resources:			
Difference in expected and actual experience	4,466	7,440	11,906
Change in assumptions	51,665	3,868	55,533
Change in proportionate share	-	62	62
OPEB expense/(income)*	35,684	(7,486)	28,198

\*Included in program expenses on the Statement of Activities

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**B. Implicit Rate Subsidy**

**1. Plan Description**

The City's single-employer defined benefit postemployment healthcare plan is administered by City County Insurance Services (CIS). Benefit provisions are established through negotiations between the City and representatives of collective bargaining units or through resolutions passed by City Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

The City's postemployment healthcare plan administrator issues a publicly available financial report that includes financial statements and required supplementary information for CIS. This report may be obtained through their website at: <https://www.cisoregon.org/About/TrustDocs>.

**2. 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, 2019, the following employees were covered by the benefit terms:

Active Employees	72
Eligible Retirees	2
Spouses of ineligible retirees	0
Total Participants	<u>74</u>

**3. 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 \$369,072 was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2020.

For the fiscal year ended June 30, 2021, the City recognized OPEB expense from this plan of \$35,684. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 38,401	\$ (4,466)
Changes of assumptions	8,386	(51,665)
Net difference between projected and actual earnings	-	
	<u>46,787</u>	<u>(56,131)</u>
Contributions after measurement date	16,290	-
	<u>\$ 63,077</u>	<u>\$ (56,131)</u>

**CITY OF SANDY, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

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Deferred outflows of resources related to OPEB of \$16,290 resulting from the City’s contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	
2022	\$ (3,744)
2023	(3,744)
2024	(3,744)
2025	(3,744)
2026	(3,488)
Thereafter	9,120
<b>Total</b>	<b>\$ (9,344)</b>

**4. Actuarial Assumptions and Other Inputs**

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

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Discount Rate	2.21 percent
Projected Salary Increases	3.50 percent overall payroll growth
Retiree Healthcare Participation	40% of eligible employees, 60% of male members, and 35% of female members will elect spouse coverage.
Mortality	<b>Health retirees and beneficiaries:</b> Pub-2010 healthy retiree tables, sex distinct mortality tables blended 50/50 blue collar and white collar, set back one year for males. Mortality is projected on a generational basis using the Unisex Social Security Data scale. <b>Healthcare cost trend rate:</b> Medical and vision: 5.25 percent per year decreasing to 4.00 percent. Dental: 4.00 percent per year.

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

**5. Changes in the Total OPEB Liability**

Changes in assumptions is the result of the change in the discount rate from 3.50% to 2.21%.

**CITY OF SANDY, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

	<b>Total OPEB Liability</b>
Balance as of June 30, 2020	\$ 299,342
Changes for the year:	
Service cost	28,058
Interest on Total OPEB Liability	11,370
Effect of economic/demographic gains or losses	43,388
Effect of assumptions changes or inputs	(7,983)
Benefit payments	(5,103)
Balance as of June 30, 2021	<u>\$ 369,072</u>

**6. Sensitivity of the Total OPEB Liability**

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

Discount Rate:

	<u>1% Decrease (1.21%)</u>	<u>Current Discount Rate (2.21%)</u>	<u>1% Increase (3.21%)</u>
Total OPEB Liability	\$ 404,641	\$ 369,072	\$ 336,260

Healthcare Cost Trend:

	<u>1% Decrease</u>	<u>Current Health Care Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 319,800	\$ 369,072	\$ 428,759

**C. PERS Retirement Health Insurance Account**

**1. 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. The Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. 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 <https://www.oregon.gov/pers/Documents/Financials/CAFR/2019-CAFR.pdf>.

**2. 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.

**3. Contributions**

PERS funding policy provides for employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2017 actuarial valuation and a percentage of payroll that first became effective July 1, 2019. The City contributed 0.06% of PERS-covered salaries for Tier One/Tier Two members to fund the normal cost portion of RHIA benefits and 0.00% of all OPSRP-covered salaries to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. The City's total for the year ended June 30, 2021 contributions was \$565.

**4. OPEB Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At June 30, 2021, the City reported an asset of \$72,773 for its proportionate share of the OPERS net OPEB asset. The net OPEB asset was measured as of June 30, 2020, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2018 rolled forward to June 30, 2020. The City's proportion of the net OPEB asset was based on the City's contributions to the RHIA program during the measurement period relative to contributions from all participating employers. At June 30, 2020, the City's proportionate share was 0.03571509%, which is a decrease from its proportion of 0.04360022% as of June 30, 2019.



**CITY OF SANDY, OREGON**  
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**June 30, 2021**

For the year ended June 30, 2021, the City recognized OPEB income from this plan of \$7,486. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (7,440)
Changes in Assumptions	-	(3,868)
Net differences between projected and actual earnings on investments	8,093	-
Changes in proportionate share	8,175	(62)
Differences between employer contributions and employer's proportionate share of system contributions	-	-
	<u>16,268</u>	<u>(11,370)</u>
Contributions after measurement date	565	-
	<u>\$ 16,833</u>	<u>\$ (11,370)</u>

Deferred outflows of resources related to OPEB of \$565 resulting from the City's contributions subsequent to the measurement date will be recognized as an increase in the net OPEB asset in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2022	\$ (2,964)
2023	2,318
2024	2,992
2025	2,553
2026	-
Total	<u>\$ 4,899</u>

**5. Actuarial Methods and Assumptions**

The total OPEB asset in the December 31, 2018 actuarial valuation was determined using the actuarial methods and assumptions are the same as listed above in note 9.E. Pension Plan - Actuarial Assumptions

**6. Long-Term Expected Rate of Return**

Are the same as listed above in Note 9.E. Pension Plan – Long-term Expected Rate of Return.

**7. Discount Rate**

The discount rate used to measure the total OPEB liability was 7.20% for the RHIA 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 RHIA plan's fiduciary net position was projected to be

**CITY OF SANDY, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

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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 RHIA Plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

**8. Sensitivity of the City’s proportionate share of the net OPEB liability (asset) to changes in the discount rate**

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

	<b>1% Decrease (6.20%)</b>	<b>Current Discount Rate (7.20%)</b>	<b>1% Increase (8.20%)</b>
Total OPEB Liability	\$ (58,752)	\$ (72,773)	\$ (84,762)

**9. OPEB Plan Fiduciary Net Position**

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

**10. Changes in Plan Provisions During the Measurement Period**

There were no changes during the June 30, 2020 measurement period that require disclosure.

**11. Changes in Plan Provisions Subsequent to Measurement Date**

There were no changes subsequent to the June 30, 2020 measurement period that require disclosure.

**12. Risk Management**

The City is exposed to various risks of loss related to errors and omissions; automobile; damage to or destruction of assets; bodily injury; and worker’s compensation for which the City carries commercial insurance. There has been no significant reduction in insurance coverage from the prior year and settled claims have not reached the level of commercial coverage in any of the past three fiscal years.

**13. Contingencies**

The City has received several federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. Based upon prior experience, City management believes such disallowance, if any, will be immaterial.

**REQUIRED SUPPLEMENTARY INFORMATION**

## REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements.

### Budgetary Comparison Schedules

- General Fund
- Street Fund
- Urban Renewal Agency Fund
- Transit Fund

### Schedule of the Proportionate Share of the Net Pension Liability

### Schedule of Pension Contributions

### Schedule of the Proportionate Share of the Net OPEB Liability (Asset) (RHIA)

### Schedule of Contributions - OPEB (RHIA)

### Schedule of Changes in Total OPEB Liability and Related Ratios (CIS)

### Schedule of Contributions - OPEB (CIS)

CITY OF SANDY, OREGON  
GENERAL FUND  
SCHEDULE OF CHANGES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL  
Fiscal Year Ended June 30, 2021

	Biennial Budget		Actual			Variance with Final Budget
	Original	Final	2020	2021	Biennial	
<b>REVENUES</b>						
Property taxes	\$ 7,140,500	\$ 7,140,500	\$ 3,598,082	\$ 3,857,074	\$ 7,455,156	\$ 314,656
Public service taxes	3,611,000	3,611,000	1,762,846	1,838,337	3,601,183	(9,817)
Franchise fees	1,275,000	1,275,000	639,232	621,666	1,260,898	(14,102)
Grants	326,000	326,000	183,548	113,083	296,631	(29,369)
Charges for services	854,800	854,800	701,134	648,893	1,350,027	495,227
Licenses and permits	1,063,480	1,063,480	479,359	305,469	784,828	(278,652)
Fines and forfeitures	435,800	435,800	210,740	163,696	374,436	(61,364)
Interest	72,400	72,400	66,799	21,143	87,942	15,542
Contributions and donations	-	-	-	-	-	-
Miscellaneous	85,200	85,200	260,203	335,400	595,603	510,403
Indirect service	2,084,000	2,084,000	1,041,998	1,041,986	2,083,984	(16)
Total revenues	16,948,180	16,948,180	8,943,941	8,946,747	17,890,688	942,508
<b>EXPENDITURES</b>						
General government	1,802,014	1,877,014	906,735	1,179,250	2,085,985	(208,971)
Economic development	2,060,004	2,060,004	1,129,211	1,028,355	2,157,566	(97,562)
Public safety	5,951,600	5,951,600	2,835,392	2,937,816	5,773,208	178,392
Culture and recreation	5,459,800	5,459,800	2,580,576	2,437,473	5,018,049	441,751
Capital outlay	339,346	339,346	141,012	82,044	223,056	116,290
Debt service						
Principal	276,310	276,310	132,198	119,430	251,628	24,682
Interest	25,450	25,450	25,450	23,462	48,912	(23,462)
Contingency	1,421,233	1,421,233	-	-	-	1,421,233
Indirect service	1,455,930	1,455,930	727,970	727,960	1,455,930	-
Total expenditures	18,791,687	18,866,687	8,478,544	8,535,790	17,014,334	1,852,353
Revenues over (under) expenditures	(1,843,507)	(1,918,507)	465,397	410,957	876,354	2,794,861
<b>OTHER FINANCING SOURCES (USES)</b>						
Interfund loan payments	(66,509)	(66,509)	(32,656)	(33,284)	(65,940)	569
Issuance of debt	-	-	-	21,170	21,170	21,170
Transfers in	9,481,000	9,556,000	-	-	-	(9,556,000)
Transfers out	(101,126)	(101,126)	(205,564)	(205,559)	(411,123)	(309,997)
Total other financing sources (uses)	9,313,365	9,388,365	(238,220)	(217,673)	(455,893)	(9,844,258)
Net change in fund balance	7,469,858	7,469,858	227,177	193,284	420,461	(7,049,397)
<b>FUND BALANCE, BEGINNING - BUDGETARY BASIS</b>	2,321,142	2,321,142	2,521,886	2,749,063	2,521,886	200,744
<b>FUND BALANCE, ENDING - BUDGETARY BASIS</b>	<u>\$ 9,791,000</u>	<u>\$ 9,791,000</u>	2,749,063	2,942,347	<u>\$ 2,942,347</u>	<u>\$ (6,848,653)</u>
Interfund loan receivable			(323,616)	(290,332)		
<b>FUND BALANCE, ENDING - GAAP BASIS</b>			<u>\$ 2,425,447</u>	<u>\$ 2,652,015</u>		

**CITY OF SANDY, OREGON**  
**STREET FUND**  
**SCHEDULE OF CHANGES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**Fiscal Year Ended June 30, 2021**

	Biennial Budget		Actual			Variance with Final Budget
	Original	Final	2020	2021	Biennial	
<b>REVENUES</b>						
Public service taxes	\$ 2,900,000	\$ 2,900,000	\$ 1,023,877	\$ 1,099,553	\$ 2,123,430	\$ (776,570)
Special assessments	25,000	25,000	50,753	522,681	573,434	548,434
System development charges	630,000	630,000	597,388	312,080	909,468	279,468
Charges for services	-	-	-	31,458	31,458	31,458
Interest	71,000	71,000	108,968	31,318	140,286	69,286
Intergovernmental	-	-	-	500,000	500,000	500,000
Miscellaneous	15,300	15,300	66,883	373,558	440,441	425,141
<b>Total revenues</b>	<b>3,641,300</b>	<b>3,641,300</b>	<b>1,847,869</b>	<b>2,870,648</b>	<b>4,718,517</b>	<b>1,077,217</b>
<b>EXPENDITURES</b>						
Personnel services	489,000	489,000	252,688	275,373	528,061	(39,061)
Materials and services	1,161,050	1,461,050	1,213,731	517,733	1,731,464	(270,414)
Capital outlay	4,446,500	4,446,500	534,389	1,660,933	2,195,322	2,251,178
Debt service						
Principal	64,148	64,148	61,816	5,143	66,959	(2,811)
Interest	1,172	1,172	1,171	-	1,171	1
Contingency	1,575,429	1,275,429	-	-	-	1,275,429
<b>Total expenditures</b>	<b>7,737,299</b>	<b>7,737,299</b>	<b>2,063,795</b>	<b>2,459,182</b>	<b>4,522,977</b>	<b>3,214,322</b>
Revenues over (under) expenditures	(4,095,999)	(4,095,999)	(215,926)	411,466	195,540	4,291,539
<b>OTHER FINANCING SOURCES (USES)</b>						
Issuance of debt	12,500	12,500	-	6,678,165	6,678,165	6,665,665
Proceeds from sale of capital assets	-	-	-	1,000	1,000	1,000
Transfers out	(117,357)	(117,357)	(58,678)	(58,679)	(117,357)	-
<b>Total other financing sources (uses)</b>	<b>(104,857)</b>	<b>(104,857)</b>	<b>(58,678)</b>	<b>6,620,486</b>	<b>6,561,808</b>	<b>6,666,665</b>
Net change in fund balance	(4,200,856)	(4,200,856)	(274,604)	7,031,952	6,757,348	10,958,204
<b>FUND BALANCE, BEGINNING</b>	<b>4,200,856</b>	<b>4,200,856</b>	<b>5,015,905</b>	<b>4,741,301</b>	<b>5,015,905</b>	<b>815,049</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,741,301</b>	<b>\$ 11,773,253</b>	<b>\$ 11,773,253</b>	<b>\$ 11,773,253</b>

CITY OF SANDY, OREGON  
 URBAN RENEWAL AGENCY FUND  
 SCHEDULE OF CHANGES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 Fiscal Year Ended June 30, 2021

	Biennial Budget		Actual			Variance with Final Budget
	Original	Final	2020	2021	Biennial	
<b>REVENUES</b>						
Property taxes	\$ 3,620,000	\$ 3,620,000	\$ 1,816,946	\$ 1,873,603	\$ 3,690,549	\$ 70,549
Interest	75,000	75,000	114,994	48,438	163,432	88,432
Miscellaneous	-	-	68,244	17,069	85,313	85,313
Total revenues	3,695,000	3,695,000	2,000,184	1,939,110	3,939,294	244,294
<b>EXPENDITURES</b>						
Personnel services	247,200	272,200	125,635	136,933	262,568	9,632
Materials and services	162,720	162,720	110,689	46,590	157,279	5,441
Capital outlay	3,960,000	3,960,000	244,262	562,879	807,141	3,152,859
Contingency	2,621,073	2,596,073	-	-	-	2,596,073
Total expenditures	6,990,993	6,990,993	480,586	746,402	1,226,988	5,764,005
Revenues over (under) expenditures	(3,295,993)	(3,295,993)	1,519,598	1,192,708	2,712,306	6,008,299
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers out	(1,793,540)	(1,793,540)	(896,789)	(896,749)	(1,793,538)	2
Net change in fund balance	(5,089,533)	(5,089,533)	622,809	295,959	918,768	6,008,301
<b>FUND BALANCE, BEGINNING</b>	5,089,533	5,089,533	5,311,254	5,934,063	5,311,254	221,721
<b>FUND BALANCE, ENDING</b>	\$ -	\$ -	\$ 5,934,063	\$ 6,230,022	\$ 6,230,022	\$ 6,230,022

CITY OF SANDY, OREGON  
TRANSIT FUND  
SCHEDULE OF CHANGES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL  
Fiscal Year Ended June 30, 2021

	Biennial Budget		Actual		Biennial	Variance with Final Budget
	Original	Final	2020	2021		
<b>REVENUES</b>						
Public service taxes	\$ 1,514,400	\$ 1,514,400	\$ 762,973	\$ 758,199	\$ 1,521,172	\$ 6,772
Grants	3,508,290	3,508,290	2,005,205	1,587,747	3,592,952	84,662
Charges for services	-	-	121,884	603	122,487	122,487
Interest	51,000	51,000	71,244	24,781	96,025	45,025
Intergovernmental	-	-	409,274	72,953	482,227	482,227
Miscellaneous	11,000	11,000	33,054	35,434	68,488	57,488
Total revenues	5,084,690	5,084,690	3,403,634	2,479,717	5,883,351	798,661
<b>EXPENDITURES</b>						
Personnel services	614,000	614,000	758,443	301,738	1,060,181	(446,181)
Materials and services	2,353,078	2,353,078	1,106,758	1,450,087	2,556,845	(203,767)
Capital outlay	2,669,000	2,669,000	1,725,265	774,778	2,500,043	168,957
Contingency	1,029,526	1,029,526	-	-	-	1,029,526
Total expenditures	6,665,604	6,665,604	3,590,466	2,526,603	6,117,069	548,535
Revenues over (under) expenditures	(1,580,914)	(1,580,914)	(186,832)	(46,886)	(233,718)	1,347,196
<b>OTHER FINANCING SOURCES (USES)</b>						
Interfund loan proceeds	160,258	160,258	79,367	80,890	160,257	(1)
Proceeds from sale of capital assets	-	-	-	4,203	4,203	4,203
Transfers in	838,345	838,345	-	-	-	(838,345)
Transfers out	(1,031,278)	(1,031,278)	(96,466)	(96,467)	(192,933)	838,345
Total other financing sources (uses)	(32,675)	(32,675)	(17,099)	(11,374)	(28,473)	4,202
Net change in fund balance	(1,613,589)	(1,613,589)	(203,931)	(58,260)	(262,191)	1,351,398
FUND BALANCE, BEGINNING - BUDGETARY BASIS	1,613,589	1,613,589	1,845,656	1,641,725	1,845,656	232,067
FUND BALANCE, ENDING - BUDGETARY BASIS	\$ -	\$ -	1,641,725	1,583,465	\$ 1,583,465	\$ 1,583,465
Interfund loan receivable			731,075	650,185		
FUND BALANCE, ENDING - GAAP BASIS			\$ 2,372,800	\$ 2,233,650		



**CITY OF SANDY, OREGON**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)**  
**LAST TEN FISCAL YEARS<sup>1</sup>**

Measurement Date June 30,	City's proportion of the net pension liability (asset)	City's proportionate share of the net pension liability (asset)	City's covered payroll	City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	0.05007173%	\$ 10,927,374	\$ 4,795,403	227.9%	75.8%
2019	0.05248442%	9,078,548	4,981,924	182.2%	80.2%
2018	0.04919473%	7,452,354	4,686,533	159.0%	82.1%
2017	0.04837362%	6,520,782	4,309,195	151.3%	83.1%
2016	0.04639990%	6,965,702	4,182,946	166.5%	80.5%
2015	0.05014105%	2,878,829	3,743,111	76.9%	91.9%
2014	0.04860486%	(1,101,733)	3,678,613	-29.9%	103.6%
2013	0.05014105%	673,613	3,634,579	18.5%	92.0%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

<sup>1</sup>This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

**CITY OF SANDY, OREGON  
SCHEDULE OF PENSION CONTRIBUTIONS  
LAST TEN FISCAL YEARS<sup>1</sup>**

Fiscal Year Ended June 30,	Required contribution	Contributions in relation to the required contribution	Contribution deficiency (excess)	City's covered payroll	Contributions as a percent of covered payroll
2021	\$ 1,052,579	\$ 1,052,579	\$ -	\$ 5,345,479	19.7%
2020	995,762	995,762	-	4,795,403	20.8%
2019	758,025	758,025	-	4,981,924	15.2%
2018	721,679	721,679	-	4,686,533	15.4%
2017	550,058	550,058	-	4,309,195	12.8%
2016	499,561	499,561	-	4,182,946	11.9%
2015	439,953	439,953	-	3,743,111	11.8%
2014	400,323	400,323	-	3,678,613	10.9%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

<sup>1</sup>This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

**NOTES TO SCHEDULE**

**Actuarial Assumptions and Methods Used to Set the Actuarially Determined Contributions**

Actuarial valuation:	December 31, 2017	December 31, 2015	December 31, 2013	December 31, 2011
Effective:	July 2019 - June 2021	July 2017 - June 2019	July 2015 - June 2017	July 2013 - June 2015
Actuarial cost method:	Entry Age Normal	Entry Age Normal	Entry Age Normal	Projected Unit Credit
Amortization method:	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll
Asset valuation method:	Fair value	Fair value	Fair value	Fair value
Remaining amortization periods:	20 years	20 years	20 years	N/A
Actuarial assumptions				
Inflation rate	2.50 percent	2.50 percent	2.75 percent	2.75 percent
Projected salary increases	3.50 percent	3.50 percent	3.75 percent	3.75 percent
Investment rate of return	7.20 percent	7.50 percent	7.75 percent	8.00 percent

**CITY OF SANDY, OREGON**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET) - RHIA**  
**LAST TEN FISCAL YEARS<sup>1</sup>**

Measurement Date June 30,	City's proportion of the net OPEB liability (asset)	City's proportionate share of the net OPEB liability (asset)	City's covered payroll	City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2020	0.03571509%	\$ (72,773)	\$ 4,795,403	-1.5%	150.1%
2019	0.04360022%	(84,251)	4,981,924	-1.7%	144.4%
2018	0.04407014%	(49,194)	4,686,533	-1.0%	124.0%
2017	0.04101136%	(17,116)	4,309,195	-0.4%	108.9%
2016	0.03960650%	10,756	4,182,946	0.3%	108.9%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

<sup>1</sup>This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

**CITY OF SANDY, OREGON  
SCHEDULE OF OPEB CONTRIBUTIONS - RHIA  
LAST TEN FISCAL YEARS<sup>1</sup>**

Fiscal Year Ended June 30,	Required contribution	Contributions in relation to the required contribution	Contribution deficiency (excess)	City's covered payroll	Contributions as a percent of covered payroll
2021	\$ 565	\$ 565	\$ -	\$ 5,345,479	0.0%
2020	2,550	2,550	-	4,795,403	0.1%
2019	21,153	21,153	-	4,981,924	0.4%
2018	21,339	21,339	-	4,686,533	0.5%
2017	20,418	20,418	-	4,309,195	0.5%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

<sup>1</sup>This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

**NOTES TO SCHEDULE**

**Actuarial Assumptions and Methods Used to Set the Actuarially Determined Contributions**

Actuarial valuation:	December 31, 2017	December 31, 2015	December 31, 2013	December 31, 2011
Effective:	July 2019 - June 2021	July 2017 - June 2019	July 2015 - June 2017	July 2013 - June 2015
Actuarial cost method:	Entry Age Normal	Entry Age Normal	Entry Age Normal	Projected Unit Credit
Amortization method:	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll
Asset valuation method:	Fair value	Fair value	Fair value	Fair value
Remaining amortization periods:	10 years	20 years	20 years	N/A
Actuarial assumptions				
Inflation rate	2.50 percent	2.50 percent	2.75 percent	2.75 percent
Projected salary increases	3.50 percent	3.50 percent	3.75 percent	3.75 percent
Investment rate of return	7.20 percent	7.50 percent	7.75 percent	8.00 percent
Healthcare cost trend rates	None. Statute stipulates \$60 monthly payment	None. Statute stipulates \$60 monthly payment	None. Statute stipulates \$60 monthly payment	None. Statute stipulates \$60 monthly payment

CITY OF SANDY, OREGON  
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS - CIS  
LAST TEN FISCAL YEARS<sup>1</sup>

Measurement Date June 30,	Beginning Total OPEB Liability	Service Cost	Interest	Differences between expected and actual experience	Changes of assumptions	Benefit payment	Ending Total OPEB Liability	Covered Employee Payroll	Total OPEB liability as a percentage of covered employee payroll
2020	\$ 299,342	\$ 28,058	\$ 11,370	\$ 43,388	\$ (7,983)	\$ (5,103)	\$ 369,072	\$ 4,795,403	7.7%
2019	269,572	24,956	11,069	-	10,926	(17,181)	299,342	4,981,924	6.0%
2018	290,714	28,685	11,343	(6,860)	(49,167)	(5,143)	269,572	4,686,533	5.8%
2017	283,411	30,636	8,819	-	(22,856)	(9,296)	290,714	4,309,195	6.7%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

<sup>1</sup>This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

**NOTES TO SCHEDULE**

There are no assets accumulated in a trust to pay related benefits for this OPEB plan.

**Actuarial Assumptions and Methods**

	July 1, 2020 June 30, 2020	July 1, 2018 June 30, 2019	July 1, 2018 June 30, 2018	July 1, 2016 June 30, 2017
Valuation date	July 1, 2020	July 1, 2018	July 1, 2018	July 1, 2016
Measurement date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Actuarial cost method:	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Actuarial assumptions				
Discount rate	2.21 percent	3.50 percent	3.50 percent	3.58 percent
Inflation rate	2.50 percent	2.50 percent	2.50 percent	2.50 percent
Projected salary increases	3.50 percent	3.50 percent	3.50 percent	3.50 percent
Withdrawal, retirement, and mortality rates	12/31/2019 Oregon PERS Valuation	12/31/2017 Oregon PERS Valuation	12/31/2017 Oregon PERS Valuation	12/31/2015 Oregon PERS Valuation
Election Rates	40% of eligible employees 60% of male members and 35% of female members will elect spouse coverage.	40% of eligible employees 60% of male members and 35% of female members will elect spouse coverage.	40% of eligible employees 60% of male members and 35% of female members will elect spouse coverage.	40% of eligible employees 60% of male members and 35% of female members will elect spouse coverage.
Lapse Rates	5% annual lapse rate	5% annual lapse rate	5% annual lapse rate	5% annual lapse rate

**1. Stewardship, Compliance, and Accountability**

**A. Budgetary Information**

On a biennial basis, the City enacts a resolution approving the budget, appropriating the expenditures, and levying the property taxes. Prior to enacting this resolution, the proposed budget is presented to a budget committee consisting of members of the City Council and a like number of interested citizens. The budget committee presents the budget to the City Council for budget hearings prior to enactment of the resolution. The City budgets all funds, except the Fiduciary Funds, as required by Oregon Local Budget Law. 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 established by the resolution are the legal level of control for the General Fund. Total expenditures by program level for operations and capital outlay are the legal level of control for all other funds except for the Parks Capital Project Fund and the Urban Renewal Agency Fund. Expenditure categories of personnel services, materials and services, capital outlay, debt service, transfers, and contingency are the legal level of control for these funds. The detail budget document, however, is required to contain more specific information for the above mentioned expenditure categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget. A supplemental budget requires hearings before the public, publications in newspapers, and adoption by the City Council. Management may modify original and supplemental budgets by the use of appropriation transfers between the legal levels of control within a fund. Such transfers require approval by the City Council.

## OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- ↗ Combining Statements – Nonmajor Governmental Funds
- ↗ Budgetary Comparison Schedules
  - General Fund - Expenditures
  - Nonmajor Governmental Funds
  - Enterprise Funds
  - Internal Service Fund
- ↗ Other Financial Schedules

### Nonmajor Governmental Funds

#### **Special Revenue Fund**

These funds account for revenue derived from specific taxes or other earmarked revenue sources, which are legally restricted to expenditures for specified purposes. The fund included in this category is:

#### **Aquatic/Recreation Center Fund**

The Aquatics/Recreation Center Fund is a special revenue fund to account for and report the proceeds of specific revenue sources that are restricted for the specific purpose of operations for the future multi-use facility.

#### **Debt Service Fund**

These funds are used to account for revenues and expenditures related to the servicing of general long-term debt:

#### **City FFC Debt Service Fund**

The Full Faith Credit (FFC) Debt Service Fund is to account for payment of long-term debt principal and interest on a Full Faith & Credit funding loaned to the Sandy Urban Renewal Agency (SURA) for the 2017 Series - capital improvements to fire district facilities, and purchase of property for a future aquatic/recreation center property. The project is listed in the Urban Renewal Plan.

#### **Capital Projects Fund**

These funds are used to account for financial resources to be used for the acquisition or construction of major capital items and facilities. The fund included in this category is:

#### **Parks Capital Project Fund**

The Parks Capital Project Fund accounts for System Development Charges (SDC) and grant money to fund park projects.

**CITY OF SANDY, OREGON**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2021**

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	
	Acquatic/ Recreation Center Fund	City FFC Debt Service Fund	Parks Capital Projects Fund	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 112,825	\$ -	\$ 2,540,490	\$ 2,653,315
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 265	\$ -	\$ 5,915	\$ 6,180
<b>FUND BALANCES</b>				
Restricted:				
System development charges	-	-	1,383,709	1,383,709
Park projects	-	-	1,101,765	1,101,765
Committed:				
Capital projects	-	-	49,101	49,101
Assigned:				
Cultural and recreation	112,560	-	-	112,560
Total fund balances	112,560	-	2,534,575	2,647,135
Total liabilities, deferred inflows, and fund balances	\$ 112,825	\$ -	\$ 2,540,490	\$ 2,653,315



**CITY OF SANDY, OREGON**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**Fiscal Year Ended June 30, 2021**

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental
	Acquatic/ Recreation Center Fund	City FFC Debt Service Fund	Parks Capital Projects Fund	
<b>REVENUES</b>				
Charges for services	\$ 40	\$ -	\$ -	\$ 40
System development charges	-	-	227,465	227,465
Interest	710	-	18,587	19,297
Contributions and donations	-	-	87,220	87,220
Miscellaneous	49	-	-	49
Total revenues	<u>799</u>	<u>-</u>	<u>333,272</u>	<u>334,071</u>
<b>EXPENDITURES</b>				
Culture and recreation	75,360	-	77,537	152,897
Capital outlay	-	-	10,300	10,300
Debt service				
Principal	-	681,017	-	681,017
Interest	-	206,780	-	206,780
Total expenditures	<u>75,360</u>	<u>887,797</u>	<u>87,837</u>	<u>1,050,994</u>
Revenues over (under) expenditures	<u>(74,561)</u>	<u>(887,797)</u>	<u>245,435</u>	<u>(716,923)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	80,000	887,797	-	967,797
Net change in fund balance	5,439	-	245,435	250,874
<b>FUND BALANCE, BEGINNING</b>	<u>107,121</u>	<u>-</u>	<u>2,289,140</u>	<u>2,396,261</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 112,560</u>	<u>\$ -</u>	<u>\$ 2,534,575</u>	<u>\$ 2,647,135</u>

CITY OF SANDY, OREGON  
GENERAL FUND  
SCHEDULE OF EXPENDITURES  
BUDGET TO ACTUAL  
Fiscal Year Ended June 30, 2021

	Biennial Budget		Actual		Biennial	Variance with Final Budget
	Original	Final	2020	2021		
<b>MAYOR AND CITY COUNCIL</b>						
Materials and services	\$ 55,500	\$ 55,500	\$ 26,774	\$ 21,530	\$ 48,304	\$ 7,196
Capital outlay	1,000	1,000	-	223	223	777
Indirect service	28,874	28,874	14,438	14,436	28,874	-
Transfers	888	888	444	441	885	3
Contingency	1,718	1,718	-	-	-	1,718
Subtotal	87,980	87,980	41,656	36,630	78,286	9,694 *
<b>ADMINISTRATION</b>						
Personnel services	415,500	440,500	207,175	276,175	483,350	(42,850)
Materials and services	41,000	41,000	4,148	4,582	8,730	32,270
Capital outlay	8,000	8,000	1,202	4,980	6,182	1,818
Contingency	23,461	23,461	-	-	-	23,461
Subtotal	487,961	512,961	212,525	285,737	498,262	14,699 *
<b>LEGAL</b>						
Materials and services	207,414	257,414	116,696	124,913	241,609	15,805
Subtotal	207,414	257,414	116,696	124,913	241,609	15,805 *
<b>MUNICIPAL COURT</b>						
Personnel services	109,700	109,700	42,905	39,601	82,506	27,194
Materials and services	28,600	28,600	12,965	13,975	26,940	1,660
Capital outlay	6,000	6,000	2,745	-	2,745	3,255
Indirect service	24,949	24,949	12,474	12,475	24,949	-
Contingency	26,777	26,777	-	-	-	26,777
Subtotal	196,026	196,026	71,089	66,051	137,140	58,886 *
<b>FINANCE</b>						
Personnel services	575,500	575,500	270,596	312,689	583,285	(7,785)
Materials and services	141,600	141,600	59,313	42,129	101,442	40,158
Capital outlay	15,000	15,000	5,914	2,045	7,959	7,041
Contingency	40,000	40,000	-	-	-	40,000
Subtotal	772,100	772,100	335,823	356,863	692,686	79,414 *
<b>LIBRARY</b>						
Personnel services	2,301,500	2,301,500	1,122,896	1,107,775	2,230,671	70,829
Materials and services	447,100	447,100	234,448	215,667	450,115	(3,015)
Capital outlay	15,000	15,000	18,656	3,877	22,533	(7,533)
Debt service	94,468	94,468	45,938	45,937	91,875	2,593
Indirect service	341,372	341,372	170,686	170,686	341,372	-
Contingency	50,253	50,253	-	-	-	50,253
Subtotal	3,249,693	3,249,693	1,592,624	1,543,942	3,136,566	113,127 *
<b>POLICE</b>						
Personnel services	5,105,000	5,105,000	2,420,274	2,548,938	4,969,212	135,788
Materials and services	708,300	708,300	359,248	335,302	694,550	13,750
Capital outlay	43,046	43,046	31,331	20,595	51,926	(8,880)
Debt service	198,286	198,286	100,367	85,430	185,797	12,489
Indirect service	572,084	572,084	286,048	286,036	572,084	-
Transfers	7,163	7,163	3,582	3,581	7,163	-
Subtotal	6,633,879	6,633,879	3,200,850	3,279,882	6,480,732	153,147 *
<b>RECREATION</b>						
Personnel services	620,500	620,500	303,752	152,511	456,263	164,237
Materials and services	220,700	220,700	82,880	25,480	108,360	112,340
Capital outlay	18,000	18,000	1,936	6,496	8,432	9,568
Debt service	75,025	75,025	-	-	-	75,025
Indirect service	66,389	66,389	37,512	37,513	75,025	(8,636)
Subtotal	1,000,614	1,000,614	426,080	222,000	648,080	352,534 *

CITY OF SANDY, OREGON  
GENERAL FUND  
SCHEDULE OF EXPENDITURES  
BUDGET TO ACTUAL  
Fiscal Year Ended June 30, 2021

	Biennial Budget		Actual			Variance with Final Budget
	Original	Final	2020	2021	Biennial	
Continued						
<b>SENIORS</b>						
Personnel services	867,500	867,500	383,933	425,235	809,168	58,332
Materials and services	245,100	245,100	108,606	104,547	213,153	31,947
Capital outlay	48,800	48,800	4,567	11,937	16,504	32,296
Indirect service	101,650	101,650	50,824	50,826	101,650	-
Contingency	25,004	25,004	-	-	-	25,004
Subtotal	1,288,054	1,288,054	547,930	592,545	1,140,475	147,579 *
<b>PARKS MAINTENANCE</b>						
Personnel services	532,000	532,000	255,766	289,604	545,370	(13,370)
Materials and services	225,400	225,400	88,295	116,654	204,949	20,451
Capital outlay	65,500	65,500	11,100	21,206	32,306	33,194
Debt service	-	-	-	809	809	(809)
Indirect service	65,276	65,276	32,638	32,638	65,276	-
Transfers	8,075	8,075	4,038	4,037	8,075	-
Contingency	11,047	11,047	-	-	-	11,047
Subtotal	907,298	907,298	391,837	464,948	856,785	50,513 *
<b>PLANNING</b>						
Personnel services	548,000	548,000	243,389	289,734	533,123	14,877
Materials and services	78,100	78,100	88,910	43,678	132,588	(54,488)
Capital outlay	9,000	9,000	5,776	561	6,337	2,663
Indirect service	84,406	84,406	42,204	42,202	84,406	-
Contingency	62,277	62,277	-	-	-	62,277
Subtotal	781,783	781,783	380,279	376,175	756,454	25,329 *
<b>BUILDING</b>						
Personnel services	652,500	652,500	344,231	359,566	703,797	(51,297)
Materials and services	90,080	90,080	43,348	31,844	75,192	14,888
Capital outlay	11,000	11,000	3,995	443	4,438	6,562
Indirect service	123,297	123,297	61,648	61,649	123,297	-
Contingency	280,788	280,788	-	-	-	280,788
Subtotal	1,157,665	1,157,665	453,222	453,502	906,724	250,941 *
<b>ECONOMIC DEVELOPMENT</b>						
Personnel services	105,200	105,200	51,220	49,423	100,643	4,557
Materials and services	99,100	99,100	48,044	30,476	78,520	20,580
Capital outlay	2,000	2,000	2,069	429	2,498	(498)
Indirect service	38,997	38,997	19,498	19,499	38,997	-
Contingency	5,047	5,047	-	-	-	5,047
Subtotal	250,344	250,344	120,831	99,827	220,658	29,686 *
<b>NON DEPARTMENTAL</b>						
Materials and services	365,500	365,500	222,033	397,232	619,265	(253,765)
Capital outlay	22,000	22,000	5,139	5,139	10,278	11,722
Debt service	9,006	9,006	11,343	10,716	22,059	(13,053)
Transfers	85,000	85,000	197,500	197,500	395,000	(310,000)
Contingency	804,683	804,683	-	-	-	804,683
Subtotal	1,286,189	1,286,189	436,015	610,587	1,046,602	239,587 *
<b>INFORMATION TECHNOLOGY</b>						
Personnel services	281,524	281,524	128,775	128,835	257,610	23,914
Materials and services	205,500	205,500	181,294	94,799	276,093	(70,593)
Capital outlay	75,000	75,000	46,582	4,113	50,695	24,305
Contingency	23,789	23,789	-	-	-	23,789
Subtotal	585,813	585,813	356,651	227,747	584,398	1,415 *
Total expenditures	\$ 18,892,813	\$ 18,967,813	\$ 8,684,108	\$ 8,741,349	\$ 17,425,457	\$ 1,542,356

\* Appropriation level

CITY OF SANDY, OREGON  
ACQUATIC/RECREATION CENTER FUND  
SCHEDULE OF CHANGES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL  
Fiscal Year Ended June 30, 2021

	Biennial Budget		Actual		Biennial	Variance with Final Budget
	Original	Final	2020	2021		
<b>REVENUES</b>						
Charges for services	\$ -	\$ -	\$ 35	\$ 40	\$ 75	\$ 75
Interest	-	-	2,097	710	2,807	2,807
Miscellaneous	-	-	-	49	49	49
Total revenues	-	-	2,132	799	2,931	2,931
<b>EXPENDITURES</b>						
Personnel services	47,700	47,700	11,214	26,128	37,342	10,358
Materials and services	206,000	206,000	77,808	49,232	127,040	78,960
Contingency	39,782	39,782	-	-	-	39,782
Total expenditures	293,482	293,482	89,022	75,360	164,382	129,100
Revenues over (under) expenditures	(293,482)	(293,482)	(86,890)	(74,561)	(161,451)	132,031
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	160,000	160,000	80,000	80,000	160,000	-
Net change in fund balance	(133,482)	(133,482)	(6,890)	5,439	(1,451)	132,031
<b>FUND BALANCE, BEGINNING</b>	133,482	133,482	114,011	107,121	114,011	(19,471)
<b>FUND BALANCE, ENDING</b>	\$ -	\$ -	\$ 107,121	\$ 112,560	\$ 112,560	\$ 112,560

CITY OF SANDY, OREGON  
 CITY FFC DEBT SERVICE FUND  
 SCHEDULE OF CHANGES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 Fiscal Year Ended June 30, 2021

	Biennial Budget		Actual		Biennial	Variance with Final Budget
	Original	Final	2020	2021		
<b>EXPENDITURES</b>						
Debt service						
Principal	\$ 1,345,813	\$ 1,345,813	\$ 664,796	\$ 681,017	\$ 1,345,813	\$ -
Interest	429,821	429,821	223,041	206,780	429,821	-
Total expenditures	1,775,634	1,775,634	887,837	887,797	1,775,634	-
Revenues over (under) expenditures	(1,775,634)	(1,775,634)	(887,837)	(887,797)	(1,775,634)	-
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	1,775,634	1,775,634	887,837	887,797	1,775,634	-
Net change in fund balance	-	-	-	-	-	-
<b>FUND BALANCE, BEGINNING</b>	-	-	-	-	-	-
<b>FUND BALANCE, ENDING</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF SANDY, OREGON  
PARKS CAPITAL PROJECTS FUND  
SCHEDULE OF CHANGES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL  
Fiscal Year Ended June 30, 2021

	Biennial Budget		2020	Actual 2021	Biennial	Variance with Final Budget
	Original	Final				
<b>REVENUES</b>						
System development charges	\$ 700,000	\$ 700,000	\$ 312,487	\$ 227,465	\$ 539,952	\$ (160,048)
Interest	40,000	40,000	43,724	18,587	62,311	22,311
Contributions and donations	-	-	208,073	87,220	295,293	295,293
Total revenues	740,000	740,000	564,284	333,272	897,556	157,556
<b>EXPENDITURES</b>						
Materials and services	204,687	204,687	69,925	77,537	147,462	57,225
Capital outlay	1,250,000	1,250,000	59,447	10,300	69,747	1,180,253
Contingency	1,024,874	1,024,874	-	-	-	1,024,874
Total expenditures	2,479,561	2,479,561	129,372	87,837	217,209	2,262,352
Net change in fund balance	(1,739,561)	(1,739,561)	434,912	245,435	680,347	2,419,908
<b>FUND BALANCE, BEGINNING</b>	1,739,561	1,739,561	1,854,228	2,289,140	1,854,228	114,667
<b>FUND BALANCE, ENDING</b>	\$ -	\$ -	\$ 2,289,140	\$ 2,534,575	\$ 2,534,575	\$ 2,534,575

## **BUDGETARY COMPARISON SCHEDULES**

### **Enterprise Funds**

Pursuant to the provisions of Oregon Revised Statute, an individual schedule of revenues, expenditures, and changes in fund balances - budget and actual be displayed for each fund where legally adopted budgets are required.

Enterprise Budgetary Comparison schedules include the following:

- ↗ Water Fund
- ↗ Sewer Operations
  - Sewer Fund
  - Sewer Bond Reserve Fund
- ↗ Storm Water Fund
- ↗ Telecommunications Fund

CITY OF SANDY, OREGON  
WATER FUND  
SCHEDULE OF CHANGES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL  
Fiscal Year Ended June 30, 2021

	Biennial Budget		Actual		Biennial	Variance with Final Budget
	Original	Final	2020	2021		
<b>REVENUES</b>						
Charges for services	\$ 3,644,500	\$ 3,644,500	\$ 1,594,118	\$ 1,751,260	\$ 3,345,378	\$ (299,122)
System development charges	-	-	370,248	210,476	580,724	580,724
Interest	31,500	31,500	73,893	-	73,893	42,393
Miscellaneous	25,500	25,500	59,604	27,885	87,489	61,989
Total revenues	3,701,500	3,701,500	2,097,863	1,989,621	4,087,484	385,984
<b>EXPENDITURES</b>						
Personnel services	534,000	534,000	250,301	276,939	527,240	6,760
Materials and services	1,603,850	2,403,850	673,176	731,836	1,405,012	998,838
Capital outlay	784,000	784,000	167,720	1,439,675	1,607,395	(823,395)
Debt service						
Principal	867,743	867,743	428,440	441,756	870,196	(2,453)
Interest	335,811	335,811	173,242	164,601	337,843	(2,032)
Contingency	1,452,441	652,441	-	-	-	652,441
Total expenditures	5,577,845	5,577,845	1,692,879	3,054,807	4,747,686	830,159
Revenues over (under) expenditures	(1,876,345)	(1,876,345)	404,984	(1,065,186)	(660,202)	1,216,143
<b>OTHER FINANCING SOURCES (USES)</b>						
Issuance of debt	-	-	-	25,048	25,048	25,048
Transfers out	(133,025)	(133,025)	(66,512)	(66,513)	(133,025)	-
Total other financing sources (uses)	(133,025)	(133,025)	(66,512)	(41,465)	(107,977)	25,048
Net change in fund balance	(2,009,370)	(2,009,370)	338,472	(1,106,651)	(768,179)	1,241,191
FUND BALANCE, BEGINNING	2,009,370	2,009,370	2,404,270	2,742,742	2,404,270	394,900
FUND BALANCE, ENDING	\$ -	\$ -	2,742,742	1,636,091	\$ 1,636,091	\$ 1,636,091
<b>RECONCILIATION TO NET POSITION - GAAP BASIS</b>						
Allowance for doubtful accounts			(1,615)	(4,505)		
Capital assets, net			12,484,735	13,503,853		
Net OPEB asset			2,484	2,496		
Deferred outflows related to pensions			95,211	128,719		
Deferred outflows related to OPEB			520	2,741		
Notes receivable			122,778	116,342		
Accrued interest			(92,498)	(87,268)		
Accrued compensated absence			(15,390)	(16,428)		
Loans payable			(5,957,321)	(5,540,613)		
Net pension liability			(267,653)	(374,771)		
Total OPEB liability			(8,825)	(12,658)		
Deferred inflows related to pensions			(12,877)	(18,838)		
Deferred inflows related to OPEB			(2,206)	(2,315)		
NET POSITION			\$ 9,090,085	\$ 9,332,846		



**CITY OF SANDY, OREGON**  
**SEWER OPERATIONS FUND**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**Fiscal Year Ended June 30, 2021**

	Sewer Fund	Sewer Bond Reserve Fund	Total Sewer Operations
<b>REVENUES</b>			
Charges for services	\$ 2,978,303	\$ -	\$ 2,978,303
System development charges	296,249	-	296,249
Grants	500,000	-	500,000
Interest	4,114	10,086	14,200
Miscellaneous	6,197	-	6,197
Total revenues	<u>3,784,863</u>	<u>10,086</u>	<u>3,794,949</u>
<b>EXPENDITURES</b>			
Personnel services	323,799	-	323,799
Materials and services	1,288,613	-	1,288,613
Capital outlay	3,536,208	-	3,536,208
Debt service			
Principal	73,532	-	73,532
Interest	97,951	-	97,951
Total expenditures	<u>5,320,103</u>	<u>-</u>	<u>5,320,103</u>
Revenues over (under) expenditures	<u>(1,535,240)</u>	<u>10,086</u>	<u>(1,525,154)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of debt	2,388,144	-	2,388,144
Transfers out	(70,404)	-	(70,404)
Total other financing sources (uses)	<u>2,317,740</u>	<u>-</u>	<u>2,317,740</u>
Net change in fund balance	782,500	10,086	792,586
<b>FUND BALANCE, BEGINNING</b>	<u>878,744</u>	<u>1,880,133</u>	<u>2,758,877</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 1,661,244</u>	<u>\$ 1,890,219</u>	<u>3,551,463</u>
<b>RECONCILIATION TO NET POSITION - GAAP BASIS</b>			
Allowance for doubtful accounts			(17,993)
Capital assets, net			9,468,378
Net OPEB asset			2,944
Deferred outflows related to pensions			151,834
Deferred outflows related to OPEB			3,233
Notes receivable			-
Accrued interest			(12,861)
Accrued compensated absence			(16,428)
Loans payable			(4,503,549)
Net pension liability			(442,074)
Total OPEB liability			(14,931)
Deferred inflows related to pensions			(22,221)
Deferred inflows related to OPEB			(2,731)
<b>NET POSITION</b>			<u>\$ 8,145,064</u>

CITY OF SANDY, OREGON  
SEWER FUND  
SCHEDULE OF CHANGES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL  
Fiscal Year Ended June 30, 2021

	Biennial Budget		2020	Actual 2021	Biennial	Variance with Final Budget
	Original	Final				
<b>REVENUES</b>						
Charges for services	\$ 3,620,000	5,620,000	\$ 2,204,790	\$ 2,978,303	\$ 5,183,093	\$ (436,907)
System development charges	-	-	253,611	296,249	549,860	549,860
Grants	-	-	-	500,000	500,000	500,000
Interest	2,500	2,500	23,496	4,114	27,610	25,110
Miscellaneous	5,500	5,500	5,384	6,197	11,581	6,081
<b>Total revenues</b>	<b>3,628,000</b>	<b>5,628,000</b>	<b>2,487,281</b>	<b>3,784,863</b>	<b>6,272,144</b>	<b>644,144</b>
<b>EXPENDITURES</b>						
Personnel services	621,500	621,500	274,929	323,799	598,728	22,772
Materials and services	1,910,145	3,910,145	1,183,253	1,288,613	2,471,866	1,438,279
Capital outlay	6,688,178	6,688,178	452,778	3,536,208	3,988,986	2,699,192
Debt service						
Principal	222,218	222,218	68,450	73,532	141,982	80,236
Interest	207,077	207,077	101,092	97,951	199,043	8,034
Contingency	200,000	200,000	-	-	-	200,000
<b>Total expenditures</b>	<b>9,849,118</b>	<b>11,849,118</b>	<b>2,080,502</b>	<b>5,320,103</b>	<b>7,400,605</b>	<b>4,448,513</b>
Revenues over (under) expenditures	(6,221,118)	(6,221,118)	406,779	(1,535,240)	(1,128,461)	5,092,657
<b>OTHER FINANCING SOURCES (USES)</b>						
Issuance of debt	6,266,000	6,266,000	228,072	2,388,144	2,616,216	(3,649,784)
Transfers out	(340,808)	(340,808)	(170,404)	(70,404)	(240,808)	100,000
<b>Total other financing sources (uses)</b>	<b>5,925,192</b>	<b>5,925,192</b>	<b>57,668</b>	<b>2,317,740</b>	<b>2,375,408</b>	<b>(3,549,784)</b>
Net change in fund balance	(295,926)	(295,926)	464,447	782,500	1,246,947	1,542,873
<b>FUND BALANCE, BEGINNING</b>	<b>295,926</b>	<b>295,926</b>	<b>414,297</b>	<b>878,744</b>	<b>414,297</b>	<b>118,371</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 878,744</b>	<b>\$ 1,661,244</b>	<b>\$ 1,661,244</b>	<b>\$ 1,661,244</b>

CITY OF SANDY, OREGON  
SEWER BOND RESERVE FUND  
SCHEDULE OF CHANGES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL  
Fiscal Year Ended June 30, 2021

	Biennial Budget		Actual		Biennial	Variance with Final Budget
	Original	Final	2020	2021		
<b>REVENUES</b>						
Interest	\$ 45,000	\$ 45,000	\$ 43,697	\$ 10,086	\$ 53,783	\$ 8,783
<b>OTHER FINANCING SOURCES (USES)</b>						
Interfund loan receipts	103,999	103,999	103,999	-	103,999	-
Transfers in	200,000	200,000	100,000	-	100,000	(100,000)
Total other financing sources (uses)	303,999	303,999	203,999	-	203,999	(100,000)
Net change in fund balance	348,999	348,999	247,696	10,086	257,782	(91,217)
<b>FUND BALANCE, BEGINNING</b>	1,665,166	1,665,166	1,632,437	1,880,133	1,632,437	(32,729)
<b>FUND BALANCE, ENDING</b>	\$ 2,014,165	\$ 2,014,165	\$ 1,880,133	\$ 1,890,219	\$ 1,890,219	\$ (123,946)

CITY OF SANDY, OREGON  
STORM WATER FUND  
SCHEDULE OF CHANGES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL  
Fiscal Year Ended June 30, 2021

	Biennial Budget		Actual		Biennial	Variance with Final Budget
	Original	Final	2020	2021		
<b>REVENUES</b>						
Charges for services	\$ 520,000	\$ 520,000	\$ 246,673	\$ 275,540	\$ 522,213	\$ 2,213
Interest	12,500	12,500	9,619	2,716	12,335	(165)
Miscellaneous	2,500	2,500	1,018	3,741	4,759	2,259
Total revenues	535,000	535,000	257,310	281,997	539,307	4,307
<b>EXPENDITURES</b>						
Personnel services	449,000	449,000	202,401	221,411	423,812	25,188
Materials and services	200,000	200,000	68,594	74,801	143,395	56,605
Capital outlay	137,000	137,000	5,496	6,957	12,453	124,547
Debt service						
Principal	79,662	79,662	37,331	44,447	81,778	(2,116)
Interest	44,680	44,680	22,918	21,529	44,447	233
Contingency	1,171	1,171	-	-	-	1,171
Total expenditures	911,513	911,513	336,740	369,145	705,885	205,628
Revenues over (under) expenditures	(376,513)	(376,513)	(79,430)	(87,148)	(166,578)	209,935
<b>OTHER FINANCING SOURCES (USES)</b>						
Issuance of debt	-	-	-	6,609	6,609	6,609
Transfers out	(47,578)	(47,578)	(23,788)	(23,790)	(47,578)	-
Total other financing sources (uses)	(47,578)	(47,578)	(23,788)	(17,181)	(40,969)	6,609
Net change in fund balance	(424,091)	(424,091)	(103,218)	(104,329)	(207,547)	216,544
<b>FUND BALANCE, BEGINNING</b>	424,091	424,091	491,367	388,149	491,367	67,276
<b>FUND BALANCE, ENDING</b>	\$ -	\$ -	388,149	283,820	\$ 283,820	\$ 283,820
<b>RECONCILIATION TO NET POSITION - GAAP BASIS</b>						
Allowance for doubtful accounts			(710)	(783)		
Capital assets, net			463,599	425,104		
Net OPEB asset			2,040	1,941		
Deferred outflows related to pensions			78,204	100,124		
Deferred outflows related to OPEB			427	2,132		
Accrued interest			(1,814)	(1,697)		
Accrued compensated absence			(2,740)	(3,578)		
Loans payable			(514,660)	(476,822)		
Net pension liability			(219,846)	(291,514)		
Total OPEB liability			(7,249)	(9,846)		
Deferred inflows related to pensions			(10,578)	(14,654)		
Deferred inflows related to OPEB			(1,812)	(1,801)		
<b>NET POSITION</b>			\$ 173,010	\$ 12,426		

**CITY OF SANDY, OREGON**  
**TELECOMMUNICATIONS FUND**  
**SCHEDULE OF CHANGES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**Fiscal Year Ended June 30, 2021**

	Biennial Budget		Actual		Biennial	Variance with Final Budget
	Original	Final	2020	2021		
<b>REVENUES</b>						
Charges for services	\$ 3,742,500	\$ 3,742,500	\$ 1,817,515	\$ 2,049,801	\$ 3,867,316	\$ 124,816
Interest	-	-	332	11	343	343
Miscellaneous	-	-	97,226	6,649	103,875	103,875
<b>Total revenues</b>	<b>3,742,500</b>	<b>3,742,500</b>	<b>1,915,073</b>	<b>2,056,461</b>	<b>3,971,534</b>	<b>229,034</b>
<b>EXPENDITURES</b>						
Personnel services	1,308,015	1,308,015	536,174	655,664	1,191,838	116,177
Materials and services	527,070	527,070	270,113	288,036	558,149	(31,079)
Capital outlay	232,843	232,843	196,651	380,172	576,823	(343,980)
Debt service						
Principal	652,160	652,160	318,291	346,988	665,279	(13,119)
Interest	557,774	557,774	284,004	261,251	545,255	12,519
Other fees	2,000	2,000	-	-	-	2,000
Contingency	10,341	10,341	-	-	-	10,341
<b>Total expenditures</b>	<b>3,290,203</b>	<b>3,290,203</b>	<b>1,605,233</b>	<b>1,932,111</b>	<b>3,537,344</b>	<b>(247,141)</b>
Revenues over (under) expenditures	452,297	452,297	309,840	124,350	434,190	(18,107)
<b>OTHER FINANCING SOURCES (USES)</b>						
Issuance of debt	32,843	32,843	32,187	6,146	38,333	5,490
Interfund loan payments	(216,941)	(216,941)	(161,510)	(55,430)	(216,940)	1
Transfers in	150,000	150,000	75,000	75,000	150,000	-
Transfers out	(112,326)	(112,326)	(56,162)	(56,164)	(112,326)	-
<b>Total other financing sources (uses)</b>	<b>(146,424)</b>	<b>(146,424)</b>	<b>(110,485)</b>	<b>(30,448)</b>	<b>(140,933)</b>	<b>5,491</b>
Net change in fund balance	305,873	305,873	199,355	93,902	293,257	(12,616)
<b>FUND BALANCE, BEGINNING</b>	<b>(305,873)</b>	<b>(305,873)</b>	<b>(319,477)</b>	<b>(120,122)</b>	<b>(319,477)</b>	<b>(13,604)</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(120,122)</b>	<b>(26,220)</b>	<b>\$ (26,220)</b>	<b>\$ (26,220)</b>
<b>RECONCILIATION TO NET POSITION - GAAP BASIS</b>						
Interfund loan payable			(407,459)	(359,853)		
Allowance for doubtful accounts			(8,240)	(11,626)		
Inventory			163,564	254,959		
Capital assets, net			8,566,675	8,465,788		
Net OPEB asset			5,313	5,160		
Deferred outflows related to pensions			203,642	266,103		
Deferred outflows related to OPEB			1,112	5,666		
Accrued interest			(91,428)	(87,850)		
Accrued compensated absence			(21,345)	(19,148)		
Loans payable			(7,232,752)	(6,891,910)		
Net pension liability			(572,472)	(774,774)		
Total OPEB liability			(18,876)	(26,168)		
Deferred inflows related to pensions			(27,544)	(38,946)		
Deferred inflows related to OPEB			(4,718)	(4,786)		
<b>NET POSITION</b>			<b>\$ 435,350</b>	<b>\$ 756,395</b>		

**BUDGETARY COMPARISON SCHEDULES**  
**Internal Service Funds**

Pursuant to the provisions of Oregon Revised Statute, an individual schedule of revenues, expenditures, and changes in fund balances - budget and actual be displayed for each fund where legally adopted budgets are required.

Proprietary Budgetary Comparison schedules include the following

- ↗ Operations Center Internal Service Fund
- ↗ Facility Maintenance Internal Service Fund

CITY OF SANDY, OREGON  
INTERNAL SERVICE FUNDS  
COMBINING SCHEDULE OF NET POSITION  
June 30, 2021

	Operations Center Internal Service Fund	Facility Maintenance Internal Service Fund	Total Internal Service Funds
<b>ASSETS</b>			
Cash and investments	\$ 6,112	\$ 347,016	\$ 353,128
<b>LIABILITIES</b>			
Accounts payable and accrued expense	2,973	-	2,973
<b>NET POSITION</b>			
Unrestricted net position	\$ 3,139	\$ 347,016	\$ 350,155

**CITY OF SANDY, OREGON**  
**INTERNAL SERVICE FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**Fiscal Year Ended June 30, 2021**

	Operations Center Internal Service Fund	Facility Maintenance Internal Service Fund	Total Internal Service Funds
<b>OPERATING REVENUES</b>			
Miscellaneous	\$ 4,133	\$ -	\$ 4,133
<b>OPERATING EXPENSES</b>			
Utilities	25,150	-	25,150
Insurance	7,255	-	7,255
Contract services	20,336	25,884	46,220
Maintenance and repairs	6,809	-	6,809
Total operating expense	59,550	25,884	85,434
Operating income (loss)	(55,417)	(25,884)	(81,301)
<b>NON-OPERATING INCOME (EXPENSE)</b>			
Investment earnings	1	-	1
Income (loss) before transfers	(55,416)	(25,884)	(81,300)
<b>TRANSFERS</b>			
Transfers in	62,502	55,000	117,502
Change in net position	7,086	29,116	36,202
<b>NET POSITION, BEGINNING</b>	(3,947)	317,900	313,953
<b>NET POSITION, ENDING</b>	\$ 3,139	\$ 347,016	\$ 350,155



**CITY OF SANDY, OREGON**  
**INTERNAL SERVICE FUNDS**  
**COMBINING SCHEDULE OF CASH FLOWS**  
**Fiscal Year Ended June 30, 2021**

	Operations Center Internal Service Fund	Facility Maintenance Internal Service Fund	Total Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 4,133	\$ -	\$ 4,133
Cash paid to suppliers and others	(62,470)	(25,884)	(88,354)
Net cash provided by (used for) operating activities	(58,337)	(25,884)	(84,221)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers in	62,502	55,000	117,502
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest income	1	-	1
Net increase (decrease) in cash and cash equivalents	4,166	29,116	33,282
<b>CASH AND CASH EQUIVALENTS - BEGINNING</b>	1,946	317,900	319,846
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<u>\$ 6,112</u>	<u>\$ 347,016</u>	<u>\$ 353,128</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ (55,417)	\$ (25,884)	\$ (81,301)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
(Decrease) increase in accounts payable and accrued expenses	(2,920)	-	(2,920)
Net cash provided by (used for) operating activities	<u>\$ (58,337)</u>	<u>\$ (25,884)</u>	<u>\$ (84,221)</u>

CITY OF SANDY, OREGON  
 OPERATIONS CENTER INTERNAL SERVICE FUND  
 SCHEDULE OF CHANGES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 Fiscal Year Ended June 30, 2021

	Biennial Budget		Actual		Biennial	Variance with Final Budget
	Original	Final	2020	2021		
<b>REVENUES</b>						
Miscellaneous	\$ -	\$ -	\$ -	\$ 4,133	\$ 4,133	\$ 4,133
Interest	1,000	1,000	6	1	7	(993)
Total revenues	1,000	1,000	6	4,134	4,140	3,140
<b>EXPENDITURES</b>						
Materials and services	124,000	124,000	61,555	59,550	121,105	2,895
Capital outlay	2,000	2,000	4,896	-	4,896	(2,896)
Total expenditures	126,000	126,000	66,451	59,550	126,001	(1)
Revenues over (under) expenditures	(125,000)	(125,000)	(66,445)	(55,416)	(121,861)	3,139
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	125,000	125,000	62,498	62,502	125,000	-
Net change in fund balance	-	-	(3,947)	7,086	3,139	3,139
<b>FUND BALANCE, BEGINNING</b>	-	-	-	(3,947)	-	-
<b>FUND BALANCE, ENDING</b>	\$ -	\$ -	\$ (3,947)	\$ 3,139	\$ 3,139	\$ 3,139

CITY OF SANDY, OREGON  
 FACILITY MAINTENANCE INTERNAL SERVICE FUND  
 SCHEDULE OF CHANGES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 Fiscal Year Ended June 30, 2021

	Biennial Budget		Actual		Variance with Final Budget	
	Original	Final	2020	2021		
<b>EXPENDITURES</b>						
Materials and services	\$ 100,000	\$ 100,000	\$ 67,100	\$ 25,884	\$ 92,984	\$ 7,016
Capital outlay	340,000	340,000	-	-	-	340,000
Total expenditures	440,000	440,000	67,100	25,884	92,984	347,016
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	110,000	110,000	55,000	55,000	110,000	-
Net change in fund balance	(330,000)	(330,000)	(12,100)	29,116	17,016	347,016
<b>FUND BALANCE, BEGINNING</b>	330,000	330,000	330,000	317,900	330,000	-
<b>FUND BALANCE, ENDING</b>	\$ -	\$ -	\$ 317,900	\$ 347,016	\$ 347,016	\$ 347,016

## OTHER FINANCIAL SCHEDULES



### Sewer Operations

- Comparative Schedule of Net Position
- Comparative Schedule of Revenues, Expenses, and Changes in Net Position
- Comparative Schedule of Cash Flows

**CITY OF SANDY, OREGON**  
**SEWER OPERATIONS**  
**COMPARATIVE SCHEDULE OF NET POSITION**  
June 30, 2021 and 2020

	2021	2020
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 4,438,999	\$ 2,520,343
Accounts receivable, net	391,156	249,062
Total current assets	<u>4,830,155</u>	<u>2,769,405</u>
Noncurrent assets		
Capital assets, net	9,468,378	6,211,609
Net OPEB assets	2,944	2,760
Total noncurrent assets	<u>9,471,322</u>	<u>6,214,369</u>
Total assets	<u>14,301,477</u>	<u>8,983,774</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
Pension related	151,834	105,810
OPEB related	3,233	578
Total deferred outflows of resources	<u>155,067</u>	<u>106,388</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued expenses	1,296,685	27,078
Accrued compensated absences	3,286	3,078
Accrued interest	12,861	8,163
Current portion of long-term debt	225,144	170,431
Total current liabilities	<u>1,537,976</u>	<u>208,750</u>
Noncurrent liabilities		
Accrued compensated absences	13,142	12,312
Long-term debt, net of current portion	4,512,150	2,253,229
Net pension liability	442,074	297,450
Total OPEB liability	14,931	9,808
Total noncurrent liabilities	<u>4,982,297</u>	<u>2,572,799</u>
Total liabilities	<u>6,520,273</u>	<u>2,781,549</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension related	22,221	14,311
OPEB related	2,731	2,451
Total deferred inflows of resources	<u>24,952</u>	<u>16,762</u>
<b>NET POSITION</b>		
Net investment in capital assets	4,731,084	3,787,949
Restricted:		
Debt service	1,890,219	1,880,133
OPEB	2,944	2,760
Unrestricted	1,287,072	621,009
Total net position	<u>\$ 7,911,319</u>	<u>\$ 6,291,851</u>

**CITY OF SANDY, OREGON**  
**SEWER OPERATIONS**  
**COMPARATIVE SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**Fiscal Years Ended June 30, 2021 and 2020**

	2021	2020
<b>OPERATING REVENUES</b>		
Charges for services	\$ 2,951,715	\$ 2,191,969
Special assessments and surcharges	26,588	247,905
Miscellaneous	6,197	5,384
Total operating revenues	<u>2,984,500</u>	<u>2,445,258</u>
<b>OPERATING EXPENSES</b>		
Salaries, fringe benefits, and payroll taxes	433,911	310,953
Utilities	116,849	123,064
Contract services	801,351	586,448
Insurance	45,799	39,257
Repairs and maintenance	175,034	325,867
Depreciation	279,163	297,564
Other operating expense	151,299	225,778
Total operating expenses	<u>2,003,406</u>	<u>1,908,931</u>
Operating income (loss)	<u>981,094</u>	<u>536,327</u>
<b>NON-OPERATING INCOME (EXPENSE)</b>		
System development charges	296,249	-
Grants	500,000	-
Interest income	14,200	67,192
Interest expense	(101,671)	(100,831)
Total non-operating income (expense)	<u>708,778</u>	<u>(33,639)</u>
Income (loss) before transfers	<u>1,689,872</u>	<u>502,688</u>
<b>TRANSFERS</b>		
Transfers out	(70,404)	(70,404)
Transfers, net	<u>(70,404)</u>	<u>(70,404)</u>
Change in net position	<u>1,619,468</u>	<u>432,284</u>
<b>NET POSITION - BEGINNING</b>	<u>6,291,851</u>	<u>5,859,567</u>
<b>NET POSITION - ENDING</b>	<u>\$ 7,911,319</u>	<u>\$ 6,291,851</u>

**CITY OF SANDY, OREGON**  
**SEWER OPERATIONS**  
**COMPARATIVE SCHEDULE OF CASH FLOWS**  
**Fiscal Years Ended June 30, 2021 and 2020**

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 3,001,381	\$ 2,343,416
Cash paid for salaries and benefits	(482,774)	(238,905)
Cash paid to suppliers and others	(20,725)	(1,481,516)
Net cash provided by (used for) operating activities	2,497,882	622,995
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Operating grants	500,000	-
Transfers out	(70,404)	(70,404)
Payments on interfund loan	-	104,000
Net cash provided by (used for) noncapital financing activities	429,596	33,596
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
System development charges	296,249	-
Purchases of capital assets	(3,535,932)	(335,617)
Proceeds from long-term debt	2,388,144	228,072
Principal paid on long-term debt	(73,532)	(68,450)
Interest paid on long-term debt	(97,951)	(101,092)
Net cash provided by (used for) capital and related financing activities	(1,023,022)	(277,087)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	14,200	67,192
Net increase (decrease) in cash and cash equivalents	1,918,656	446,696
<b>CASH AND CASH EQUIVALENTS - BEGINNING</b>	2,520,343	2,073,647
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	\$ 4,438,999	\$ 2,520,343
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</b>		
Operating income (loss)	\$ 981,094	\$ 536,327
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation expense	279,163	297,564
(Increase) decrease in receivables	(142,094)	(101,842)
(Increase) decrease in pension related balances	106,510	35,313
(Increase) decrease in OPEB related balances	2,564	(42)
(Decrease) increase in accounts payable and accrued expenses	1,269,607	(145,078)
(Decrease) increase in compensated absences	1,038	753
Net cash provided by (used for) operating activities	\$ 2,497,882	\$ 622,995



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## **STATISTICAL SECTION**

## STATISTICAL SECTION

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

### Financial Trends

- ↗ These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

### Revenue Capacity

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

### Debt Capacity

- ↗ These schedules present 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 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.

CITY OF SANDY, OREGON  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)

	Fiscal Year (in thousands)									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 20,290	\$ 20,840	\$ 20,935	\$ 20,860	\$ 20,958	\$ 13,474	\$ 21,269	\$ 21,021	\$ 22,586	\$ 23,199
Restricted	1,401	1,669	2,565	3,872	5,065	11,389	9,962	9,706	10,141	13,498
Unrestricted	1,987	2,247	3,127	3,693	2,529	2,343	(1,390)	524	(138)	(3,546)
Total governmental activities net position	<u>\$ 23,678</u>	<u>\$ 24,756</u>	<u>\$ 26,627</u>	<u>\$ 28,425</u>	<u>\$ 28,552</u>	<u>\$ 27,206</u>	<u>\$ 29,841</u>	<u>\$ 31,251</u>	<u>\$ 32,589</u>	<u>\$ 33,151</u>
<b>Business-Type Activities</b>										
Net investment in capital assets	\$ 10,640	\$ 11,209	\$ 11,534	\$ 12,026	\$ 12,114	\$ 11,671	\$ 11,457	\$ 11,525	\$ 11,598	\$ 14,216
Restricted	717	701	717	790	374	242	167	1,736	1,893	1,903
Unrestricted	4,874	3,366	2,893	2,672	2,737	2,761	2,990	1,626	2,499	1,894
Total business-type activities net position	<u>\$ 16,231</u>	<u>\$ 15,276</u>	<u>\$ 15,144</u>	<u>\$ 15,488</u>	<u>\$ 15,225</u>	<u>\$ 14,674</u>	<u>\$ 14,614</u>	<u>\$ 14,887</u>	<u>\$ 15,990</u>	<u>\$ 18,013</u>
<b>Total Primary Government</b>										
Net investment in capital assets	\$ 30,930	\$ 32,049	\$ 32,469	\$ 32,886	\$ 33,072	\$ 25,145	\$ 32,726	\$ 32,546	\$ 34,184	\$ 37,415
Restricted	2,118	2,370	3,282	4,662	5,439	11,631	10,129	11,442	12,034	15,401
Unrestricted	6,861	5,613	6,020	6,365	5,266	5,104	1,600	2,150	2,361	(1,652)
Total primary government net position	<u>\$ 39,909</u>	<u>\$ 40,032</u>	<u>\$ 41,771</u>	<u>\$ 43,913</u>	<u>\$ 43,777</u>	<u>\$ 41,880</u>	<u>\$ 44,455</u>	<u>\$ 46,138</u>	<u>\$ 48,579</u>	<u>\$ 51,164</u>

**CITY OF SANDY, OREGON  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)**

	Fiscal Year (in thousands)									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
Governmental Activities										
General government	\$ 1,563	\$ 1,380	\$ 1,142	\$ 775	\$ 1,914	\$ 2,080	\$ 1,037	\$ 2,062	\$ 2,114	\$ 2,652
Highways and streets	629	1,080	727	937	1,133	949	751	1,049	1,650	1,075
Public transportation	1,243	1,324	1,321	1,315	1,336	1,343	1,492	1,489	2,108	1,906
Economic development	842	878	954	1,075	975	3,530	912	1,275	1,914	1,999
Public safety	2,147	2,301	2,537	2,161	3,602	3,076	3,286	3,323	3,646	3,773
Culture and recreation	1,929	2,133	2,156	1,860	2,660	2,586	2,796	2,943	3,125	3,169
Interest on long-term debt	205	159	142	68	63	128	264	244	247	225
Total Governmental Activities	8,558	9,255	8,979	8,191	11,683	13,692	10,538	12,385	14,804	14,799
Business-Type Activities										
Water	1,133	1,843	1,104	1,485	1,739	1,694	1,653	1,622	1,529	1,674
Sewer	1,364	1,344	1,341	1,350	1,628	1,588	1,755	1,782	2,010	2,105
Stormwater	161	185	193	180	288	232	289	308	418	419
Telecommunications	562	563	737	528	1,077	1,619	1,542	1,662	1,571	1,754
Total Business-Type Activities	3,220	3,935	3,375	3,543	4,732	5,133	5,239	5,374	5,528	5,952
<b>Total Expenses</b>	<b>\$ 11,778</b>	<b>\$ 13,190</b>	<b>\$ 12,354</b>	<b>\$ 11,734</b>	<b>\$ 16,415</b>	<b>\$ 18,825</b>	<b>\$ 15,777</b>	<b>\$ 17,759</b>	<b>\$ 20,332</b>	<b>\$ 20,751</b>
<b>Program Revenues</b>										
Governmental Activities										
Charges for services										
General government	\$ 419	\$ 494	\$ 147	\$ 751	\$ 260	\$ 580	\$ 635	\$ 651	\$ 1,032	\$ 162
Highways and streets	913	707	202	316	418	227	645	605	648	866
Public transportation	13	12	125	136	121	111	88	84	122	1
Economic development	96	127	268	268	454	543	334	382	312	481
Public safety	22	20	591	591	734	265	786	391	171	490
Culture and recreation	231	285	358	122	340	390	136	230	117	244
Operating grants and contributions	2,196	853	831	1,385	1,087	216	251	131	1,138	1,393
Capital grants and contributions	303	509	254	254	-	1,423	1,150	1,334	2,104	618
Total Governmental Activities	4,193	3,007	2,776	3,823	3,414	3,755	4,025	3,808	5,644	4,255
Business-Type Activities										
Charges for services										
Water	1,088	1,250	1,309	1,405	1,767	1,478	1,775	1,867	1,958	1,962
Sewer	1,253	1,182	1,208	1,343	1,392	1,406	1,653	1,700	2,440	3,275
Stormwater	201	218	217	219	231	240	248	256	247	275
Telecommunications	368	453	552	635	1,094	1,339	1,507	1,620	1,813	2,050
Operating grants and contributions	96	-	-	363	16	-	-	-	-	500
Total Business-Type Activities	3,006	3,103	3,286	3,965	4,500	4,463	5,183	5,443	6,458	8,062
<b>Total Program Revenues</b>	<b>\$ 7,199</b>	<b>\$ 6,110</b>	<b>\$ 6,062</b>	<b>\$ 7,788</b>	<b>\$ 7,914</b>	<b>\$ 8,218</b>	<b>\$ 9,208</b>	<b>\$ 9,251</b>	<b>\$ 12,102</b>	<b>\$ 12,317</b>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (4,365)	\$ (6,248)	\$ (6,203)	\$ (4,368)	\$ (8,269)	\$ (9,937)	\$ (6,513)	\$ (8,577)	\$ (9,160)	\$ (10,544)
Business-type activities	(214)	(832)	(89)	422	(232)	(670)	(56)	69	930	2,110
<b>Total Net (Expense)/Revenue</b>	<b>\$ (4,579)</b>	<b>\$ (7,080)</b>	<b>\$ (6,292)</b>	<b>\$ (3,946)</b>	<b>\$ (8,501)</b>	<b>\$ (10,607)</b>	<b>\$ (6,569)</b>	<b>\$ (8,508)</b>	<b>\$ (8,230)</b>	<b>\$ (8,434)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities										
Taxes										
Property taxes	\$ 3,735	\$ 3,779	\$ 3,965	\$ 4,222	\$ 4,428	\$ 4,611	\$ 4,875	\$ 5,078	\$ 5,416	\$ 5,740
Public service taxes	2,512	2,667	2,630	2,800	3,081	3,085	3,251	3,488	3,550	3,695
Franchise taxes	471	479	531	605	563	589	639	644	629	622
Investment earnings	28	23	34	41	63	154	249	403	408	145
Miscellaneous	115	218	832	278	90	133	237	261	354	762
Transfers	92	167	117	80	171	21	119	113	142	142
Total Governmental Activities	6,953	7,333	8,109	8,026	8,396	8,593	9,370	9,987	10,499	11,106
Business-Type Activities										
Investment earnings	62	28	37	50	48	42	61	133	151	17
Miscellaneous	56	33	103	153	92	97	98	183	163	38
Transfers	(92)	(167)	(117)	(80)	(171)	(21)	(119)	(113)	(142)	(142)
Total Business-Type Activities	26	(106)	23	123	(31)	118	40	203	172	(87)
<b>Total Primary Government</b>	<b>\$ 6,979</b>	<b>\$ 7,227</b>	<b>\$ 8,132</b>	<b>\$ 8,149</b>	<b>\$ 8,365</b>	<b>\$ 8,711</b>	<b>\$ 9,410</b>	<b>\$ 10,190</b>	<b>\$ 10,671</b>	<b>\$ 11,019</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ 2,588	\$ 1,085	\$ 1,906	\$ 3,658	\$ 127	\$ (1,344)	\$ 2,857	\$ 1,410	\$ 1,339	\$ 562
Business-Type Activities	(188)	(938)	(66)	545	(263)	(552)	(16)	272	1,102	2,023
<b>Total Primary Government</b>	<b>\$ 2,400</b>	<b>\$ 147</b>	<b>\$ 1,840</b>	<b>\$ 4,203</b>	<b>\$ (136)</b>	<b>\$ (1,896)</b>	<b>\$ 2,841</b>	<b>\$ 1,682</b>	<b>\$ 2,441</b>	<b>\$ 2,585</b>

CITY OF SANDY, OREGON  
 FUND BALANCE OF GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (modified accrual basis of accounting)

	Fiscal Year (in thousands)									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Fund</b>										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ 2	\$ 76	\$ 3
Assigned	-	-	-	-	-	-	63	-	-	375
Unassigned	1,226	1,226	2,055	2,654	2,646	2,304	2,314	2,164	2,350	2,274
Total General Fund	<u>\$ 1,226</u>	<u>\$ 1,226</u>	<u>\$ 2,055</u>	<u>\$ 2,654</u>	<u>\$ 2,646</u>	<u>\$ 2,304</u>	<u>\$ 2,379</u>	<u>\$ 2,166</u>	<u>\$ 2,426</u>	<u>\$ 2,652</u>
<b>All other governmental funds</b>										
Non-spendable	\$ 33	\$ 36	\$ 35	\$ 8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	1,401	1,669	2,565	3,872	5,065	11,879	9,960	12,181	12,915	20,489
Committed	-	-	-	-	-	-	-	-	49	49
Assigned	1,065	1,016	1,108	1,475	1,939	1,953	2,234	2,770	2,480	2,346
Unassigned	(650)	(254)	(307)	-	-	(10)	20	-	-	-
Total all other governmental funds	<u>\$ 1,849</u>	<u>\$ 2,467</u>	<u>\$ 3,401</u>	<u>\$ 5,355</u>	<u>\$ 7,004</u>	<u>\$ 13,822</u>	<u>\$ 12,214</u>	<u>\$ 14,951</u>	<u>\$ 15,444</u>	<u>\$ 22,884</u>

**CITY OF SANDY, OREGON**  
**CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)

	Fiscal Year (in thousands)									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>REVENUES</b>										
Property taxes	\$ 3,696	\$ 3,774	\$ 3,978	\$ 4,214	\$ 4,412	\$ 4,604	\$ 4,843	\$ 5,231	\$ 5,415	\$ 5,731
Public service taxes	2,512	2,667	2,630	2,800	3,081	3,085	3,251	3,488	3,550	3,696
Franchise fees	471	479	531	605	579	591	641	647	639	622
Grants	2,466	1,182	1,112	1,747	851	1,388	1,076	1,210	2,189	1,701
Charges for services	306	910	752	1,004	1,124	1,056	1,057	720	794	681
Licenses and permits	158	167	243	358	347	414	392	404	479	305
Fines and forfeitures	241	305	313	277	270	246	182	213	219	164
Special assessments	-	-	9	36	64	19	32	18	51	523
System development charges	985	253	372	472	517	421	946	968	910	539
Interest	27	23	33	40	62	153	248	403	408	145
Contributions and donations	33	15	-	-	11	164	205	478	254	87
Intergovernmental	-	-	-	-	-	-	-	-	409	573
Miscellaneous	84	87	768	47	50	101	259	339	403	761
Payment in lieu of land dedication	31	131	65	232	45	-	-	-	-	-
<b>Total Revenues</b>	<b>11,010</b>	<b>9,993</b>	<b>10,806</b>	<b>11,832</b>	<b>11,413</b>	<b>12,242</b>	<b>13,132</b>	<b>14,119</b>	<b>15,720</b>	<b>15,528</b>
<b>EXPENDITURES</b>										
Current										
General government	851	851	794	728	787	1,047	954	1,396	1,066	1,179
Highways and streets	489	932	544	484	721	718	596	893	1,466	793
Public transportation	1,041	1,093	1,096	1,102	1,037	1,114	1,256	1,322	1,865	1,752
Economic and physical development	662	697	761	837	807	837	905	1,076	1,366	1,212
Public safety	2,045	2,137	2,358	2,374	2,652	2,728	2,857	2,741	2,835	2,938
Culture and recreation	1,845	1,901	1,846	2,051	2,124	2,231	2,392	2,482	2,581	2,590
Capital outlay	4,595	1,280	1,253	1,169	1,172	5,796	4,767	677	2,704	3,091
Debt service										
Principal	620	1,040	2,713	552	598	1,161	992	854	859	806
Interest	195	161	166	82	74	188	277	259	250	230
<b>Total Expenditures</b>	<b>12,343</b>	<b>10,092</b>	<b>11,531</b>	<b>9,379</b>	<b>9,972</b>	<b>15,820</b>	<b>14,996</b>	<b>11,700</b>	<b>14,992</b>	<b>14,591</b>
Excess (Deficiency) of Revenues over Expenditures	(1,333)	(99)	(725)	2,453	1,441	(3,578)	(1,864)	2,419	728	937
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	277	270	265	282	261	261	1,417	1,742	1,282	1,282
Transfers out	(288)	(103)	(343)	(202)	(198)	(348)	(1,410)	(1,735)	(1,257)	(1,257)
Sale of capital assets	-	-	-	-	-	28	3	4	-	5
Proceeds from lease	-	-	-	-	-	-	320	94	-	-
Proceeds from note	-	385	286	-	136	10,115	-	-	-	55
Proceeds from bond	876	-	2,280	-	-	-	-	-	-	5,975
Proceeds from bond premiums	-	-	-	-	-	-	-	-	-	669
<b>Total Other Financing Sources (Uses)</b>	<b>865</b>	<b>552</b>	<b>2,488</b>	<b>80</b>	<b>199</b>	<b>10,056</b>	<b>330</b>	<b>105</b>	<b>25</b>	<b>6,729</b>
<b>Net change in fund balances</b>	<b>\$ (468)</b>	<b>\$ 453</b>	<b>\$ 1,763</b>	<b>\$ 2,533</b>	<b>\$ 1,640</b>	<b>\$ 6,478</b>	<b>\$ (1,534)</b>	<b>\$ 2,524</b>	<b>\$ 753</b>	<b>\$ 7,666</b>
Debt service as a percentage of noncapital expenditures	7.1%	13.5%	33.3%	7.2%	7.2%	9.3%	9.2%	10.5%	8.0%	7.6%

**CITY OF SANDY, OREGON**  
**ASSESSED VALUES AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)

<b>Fiscal Year Ended June 30,</b>	<b>Real Property</b>	<b>Manufactured Structure</b>	<b>Personal Property</b>	<b>Public Utility</b>	<b>Total Assessed Value</b>
2021	\$ 1,013,948,881	\$ 5,106,266	\$ 23,508,902	\$ 33,619,000	\$ 1,076,183,049
2020	954,934,447	4,818,623	22,139,048	26,786,200	1,008,678,318
2019	903,116,423	4,773,690	20,398,973	24,575,400	952,864,486
2018	857,082,927	4,497,275	19,402,085	28,696,572	909,678,859
2017	813,445,713	3,936,785	18,402,810	27,632,300	863,417,608
2016	771,821,532	3,580,913	17,849,834	24,394,900	817,647,179
2015	733,190,302	3,350,268	19,136,695	22,033,200	777,710,465
2014	698,952,246	3,270,241	17,205,910	19,987,180	739,415,577
2013	666,954,675	3,306,018	18,491,458	20,552,300	709,304,451
2012	654,881,300	3,251,093	17,820,060	22,712,390	698,664,843

<b>Fiscal Year Ended June 30,</b>	<b>Less Urban Renewal Excess</b>	<b>Value to Compute Tax Rate</b>	<b>Total Direct Tax Rate (per \$1,000 of Assessed Valuation)</b>	<b>Total M5 Value</b>	<b>Taxable Assessed Value As a Percentage of Estimated Actual Value</b>
2021	\$ 116,017,035	\$ 960,166,014	\$ 5.4692	\$ 1,745,671,888	55.00%
2020	109,895,756	898,782,562	5.5208	1,624,994,208	55.31%
2019	104,024,571	848,839,915	5.5260	1,469,956,872	57.75%
2018	97,517,601	812,161,258	5.5101	1,314,771,126	61.77%
2017	89,830,142	773,587,466	5.4849	1,167,454,337	66.26%
2016	87,184,331	730,462,848	5.5444	1,032,175,837	70.77%
2015	83,248,892	694,461,573	5.5588	931,218,558	74.58%
2014	76,680,367	662,735,210	5.5157	817,332,995	81.09%
2013	73,943,011	635,361,440	5.5258	776,203,139	81.86%
2012	70,662,947	628,001,896	5.4744	819,168,170	76.66%

Source: Clackamas County Assessor's Office

**CITY OF SANDY, OREGON**  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**  
**LAST TEN FISCAL YEARS**  
(per \$1,000 of Assessed Valuation)

<b>Fiscal Year Ended June 30,</b>	<b>General Fund</b>	<b>Urban Renewal</b>	<b>City Total</b>	<b>Port of Portland</b>	<b>Clackamas County</b>	<b>Clackamas County Urban Renewal</b>
2021	\$ 3.67	\$ 1.80	\$ 5.47	\$ 0.07	\$ 2.91	\$ 0.17
2020	3.67	1.85	5.52	0.06	2.91	0.01
2019	3.67	1.86	5.53	0.06	2.92	0.01
2018	3.67	1.84	5.51	0.06	2.92	0.01
2017	3.69	1.80	5.49	0.06	2.82	0.00
2016	3.68	1.87	5.55	0.06	2.81	0.00
2015	3.67	1.88	5.55	0.06	2.81	0.00
2014	3.69	1.83	5.52	0.06	2.82	0.00
2013	3.69	1.84	5.53	0.06	2.81	0.12
2012	3.70	1.78	5.48	0.06	2.82	0.12

<b>Fiscal Year Ended June 30,</b>	<b>Oregon Trail School District No. 46</b>	<b>Mt. Hood Community College</b>	<b>Clackamas County ESD</b>	<b>Vector Control</b>	<b>Fire District No. 72</b>	<b>Total Direct &amp; Overlapping Rates</b>
2021	\$ 6.45	\$ 0.44	\$ 0.33	\$ 0.03	\$ 1.94	\$ 17.80
2020	6.06	0.44	0.33	0.03	1.94	17.30
2019	6.07	0.44	0.33	0.03	1.94	17.33
2018	6.16	0.44	0.33	0.03	1.94	17.40
2017	6.19	0.44	0.33	0.03	1.95	17.31
2016	6.16	0.44	0.33	0.03	1.94	17.32
2015	6.21	0.44	0.33	0.03	1.94	17.37
2014	6.25	0.44	0.33	0.03	1.95	17.40
2013	6.28	0.44	0.32	0.03	1.95	17.54
2012	6.23	0.44	0.32	0.03	1.95	17.45

Source: Clackamas County Assessor's Office



CITY OF SANDY, OREGON  
 PRINCIPAL PROPERTY TAXPAYERS  
 CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
FRED MEYER STORES INC	\$ 23,323,179	1	2.43%	\$ 16,554,807	1	2.64%
SANDY PLACE APARTMENTS	13,572,649	2	1.41%			
PORTLAND GENERAL ELEC CO	13,542,938	3	1.41%	7,867,433	3	1.25%
ACS SANDY MARKETPLACE	11,540,488	4	1.20%	8,446,082	2	1.34%
SANDY SAFEWAY CENTER LLC	9,380,675	5	0.98%	6,749,011	5	1.07%
JAKSICH PROPERTIES	9,368,081	6	0.98%	6,795,856	4	1.08%
NW NATURAL GAS CO	7,036,000	7	0.73%	5,469,700	6	0.87%
COLONY NORTHSTAR INC	6,785,970	8	0.71%	5,356,909	7	0.85%
QUANTUM RESIDENTIAL INC	6,729,619	9	0.70%	5,157,692	8	0.82%
PLR PROPERTIES LLC	6,567,171	10	0.68%	4,755,359	10	0.76%
VENTAS INC				4,888,120	9	0.78%

Source: Clackamas County Assessor's Office

**CITY OF SANDY, OREGON  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Total Tax Levy for Fiscal Year	Collected in First Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy
2021	\$ 5,904,200	\$ 5,814,591	98.48%	\$ -	\$ 5,814,591	98.48%
2020	5,568,556	5,321,433	95.56%	207,407	5,528,840	99.29%
2019	5,265,841	5,035,622	95.63%	215,690	5,251,312	99.72%
2018	5,012,256	4,772,432	95.22%	233,938	5,006,370	99.88%
2017	4,733,648	4,515,453	95.39%	216,239	4,731,692	99.96%
2016	4,540,854	4,318,289	95.10%	221,157	4,539,446	99.97%
2015	4,328,297	4,110,192	94.96%	216,926	4,327,118	99.97%
2014	4,065,109	3,853,063	94.78%	211,143	4,064,206	99.98%
2013	3,882,695	3,660,054	94.27%	221,727	3,881,781	99.98%
2012	3,821,943	3,590,784	93.95%	230,443	3,821,227	99.98%

Source: Clackamas County Assessor's Office

CITY OF SANDY, OREGON  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total Outstanding Debt	Population	Per Capita
	Bonds Payable, net	Local Improvement District Bonds	Leases and Note Payable	Bonds Payable, net	Leases and Note Payable			
2021	\$ 13,769,374	-	\$ 658,887	\$ 9,097,928	\$ 8,314,996	\$ 31,841,185	11,650	\$ 2,733
2020	8,475,391	-	728,469	7,836,102	8,292,292	25,332,254	11,075	2,287
2019	9,140,187	-	922,483	8,236,843	8,496,730	26,796,243	10,990	2,438
2018	497,866	-	10,324,931	8,583,137	8,815,231	28,221,165	10,855	2,600
2017	971,430	-	10,523,709	8,968,187	8,837,650	29,300,976	10,655	2,750
2016	1,419,788	-	1,121,375	9,103,043	9,174,600	20,818,806	10,395	2,003
2015	1,846,624	-	1,156,297	9,256,628	9,501,409	21,760,958	10,395	2,093
2014	2,243,584	-	1,311,819	9,182,865	9,916,536	22,654,804	9,990	2,268
2013	2,584,285	-	1,192,331	1,080,000	7,025,861	11,882,477	9,880	1,203
2012	-	3,589,450	857,473	-	4,703,579	9,150,502	9,780	936

Source: Current and prior years' financials and Center of Population Research and Census at Portland State University

**CITY OF SANDY, OREGON  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended June 30,</b>	<b>Population</b>	<b>Total Taxable Assessed Value</b>	<b>General Bonded Debt, net</b>	<b>Percentage of Debt to Value of Property</b>	<b>Net General Bonded Debt per Capita</b>
2021	11,650	\$ 960,166,014	\$ 13,769,374	1.4%	\$ 1,182
2020	11,075	898,782,562	8,475,391	0.9%	765
2019	10,990	848,839,915	9,140,187	1.1%	832
2018	10,855	812,161,258	497,866	0.1%	46
2017	10,655	773,587,466	971,430	0.1%	91
2016	10,395	730,462,848	1,419,788	0.2%	137
2015	10,395	694,461,573	1,846,624	0.3%	178
2014	9,990	662,735,210	2,243,584	0.3%	225
2013	9,880	635,361,440	2,584,285	0.4%	262
2012	9,780	628,001,896	3,589,450	0.6%	367

Source: Current and prior years' financials, Clackamas County Assessor's Office, and Center of Population Research and Census at Portland State University

**CITY OF SANDY, OREGON**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**June 30, 2021**

<u>Government Unit</u>	<u>Gross Property Tax-Backed Debt</u>	<u>Percentage Applicable to City</u>	<u>Gross General Bonded Debt Outstanding</u>
Clackamas County	\$ 125,400,000	2.0%	\$ 2,519,035
Mt. Hood Community College	49,620,059	3.4%	1,669,516
Clackamas ESD	23,805,136	2.1%	501,003
Clackamas RFPD 1	39,335,165	0.0%	433
Clackamas County SD 46 (Oregon Trail)	80,032,758	29.1%	23,265,763
Port of Portland	51,330,000	0.5%	232,833
Clackamas Soil & Water Conservation	6,144,000	2.0%	123,421
Subtotal, overlapping debt	<u>375,667,118</u>		<u>28,312,004</u>
City of Sandy, direct debt	<u>14,428,261</u>	100.0%	<u>14,428,261</u>
Total direct and overlapping debt	<u><u>\$ 390,095,379</u></u>		<u><u>\$ 42,740,265</u></u>

Source: Oregon State Treasury

**CITY OF SANDY, OREGON  
DEMOGRAPHICS AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended June 30,</b>	<b>Population<sup>1</sup></b>	<b>Personal Income<sup>2</sup></b>	<b>Personal Income<sup>3</sup></b>	<b>Unemployment Rate<sup>4</sup></b>
2021	11,650	N/A	N/A	4.9%
2020	11,075	27,315,706	64,791	10.7%
2019	10,990	25,812,808	61,726	3.7%
2018	10,855	24,730,939	59,533	3.8%
2017	10,655	23,016,541	55,806	3.9%
2016	10,395	21,842,453	53,716	4.8%
2015	10,395	20,368,315	50,966	5.4%
2014	9,990	18,985,794	48,263	6.3%
2013	9,880	18,075,023	46,652	7.3%
2012	9,780	18,066,635	47,162	8.2%

Source:

<sup>1</sup> Center of Population Research and Census at Portland State University

<sup>2</sup> Bureau of Economic Analysis (BEA) (Clackamas County in thousands of dollars)

<sup>3</sup> Bureau of Economic Analysis (BEA) (Clackamas County)

<sup>4</sup> Bureau of Labor Statistics (BLS) (Clackamas County not seasonally adjusted)

N/A - Information not available.

CITY OF SANDY, OREGON  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO

Employer	2021			2012		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Oregon Trail School District	440	1	9.7%	260	1	5.2%
Fred Meyer #663	211	2	4.6%	192	2	3.8%
Mt. Hood Corporations, Inc.	100	3	2.2%	60	6	1.2%
Johnson RV	76	4	1.7%	60	6	1.2%
City of Sandy	74	5	1.6%	76	3	1.5%
Safeway #0782	71	6	1.6%	56	8	1.1%
Avamere at Sandy	70	7	1.5%			
Suburban Ford, Inc.	53	8	1.2%			
Tollgate Inn, Inc.	52	9	1.1%			
Porter W. Yett Company	50	10	1.1%			
AEC, Inc.				73	4	1.5%
First Student Management, LLC				63	5	1.3%
Suburban Chevrolet				54	9	1.1%
Konnell Constrution & Demolition Corp.				53	10	1.1%
<b>Total</b>	<b>1,197</b>		<b>26.4%</b>	<b>947</b>		<b>18.9%</b>
Total City Employment	4,539			5,014		

Source: Business License Date, Oregon Trail School District

CITY OF SANDY, OREGON  
 FULL-TIME EQUIVALENT CITY GOVERNMENT BY FUNCTION  
 LAST TEN FISCAL YEARS

FUNCTION	2011-13	2013-15	2015-17	2017-19	2019-21
Government activities:					
General Government	6.0	6.3	6.7	6.4	6.5
Public Safety					
Police					
Officers	14.0	14.0	16.0	16.0	16.0
Civilians	3.0	3.9	3.8	3.9	3.8
Economic Development	1.0	1.1	0.9	0.8	0.8
Planning & Development	4.6	3.9	4.6	4.5	5.1
Urban Renewal	0.3	0.7	0.6	0.5	0.6
Culture & Recreation					
Library	12.6	13.2	13.6	13.8	13.8
Recreation & Senior Center	5.7	6.4	6.0	6.0	5.9
Parks Maintenance	2.3	2.3	2.3	2.3	3.1
Highways & Streets	2.4	2.5	2.4	2.6	2.5
Public Transportation	1.8	1.8	1.8	2.8	2.8
Business-type activities:					
Water	2.4	2.4	2.5	2.8	2.7
Sewer	2.4	2.4	2.5	2.8	3.2
Stormwater	0.7	1.0	1.3	1.5	2.4
Telecommunications	2.2	2.2	6.1	6.1	6.1
	<u>61.4</u>	<u>64.1</u>	<u>71.1</u>	<u>72.8</u>	<u>75.3</u>

Source: City Departments



CITY OF SANDY, OREGON  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS

FUNCTION	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental Activities</b>										
Police										
Physical arrests	723	620	876	650	371	218	472	411	421	458
Parking violations	114	420	105	150	152	128	117	141	131	76
Traffic violations	1,563	1,197	1,154	1,011	1,664	405	710	1,217	1,193	754
Highways and streets										
Street resurfacing (SF)	611,076	111,440	184,000	73,972	296,631	-	-	-	1,039,752	-
<b>Business-Type Activities</b>										
Water										
Meter connections	3,357	3,455	3,460	3,637	3,729	3,779	3,850	3,900	3,998	4,021
Average daily treatment (gallons)	1,081,000	1,068,000	824,887	930,000	1,190,000	1,200,000	1,135,000	956,000	1,177,000	1,306,000
Sewer										
Average daily sewage treatment (gallons)	1,245,000	1,460,000	1,302,550	1,360,000	1,488,000	1,600,000	1,126,000	1,400,000	1,202,000	1,324,000

Source: City Departments

CITY OF SANDY, OREGON  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS

FUNCTION	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental Activities</b>										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	14	14	14	14	14	14	14	14	14	14
Highways and streets										
Streets (miles)	34	35	35	35	35	35	35	35	35	35
Culture and recreation										
Parks acreage	165	165	172	172	172	172	212	212	212	212
<b>Business-Type Activities</b>										
Water										
Maximum daily capacity (gallons)	2,900,000	2,900,000	3,700,000	3,700,000	3,700,000	3,700,000	3,700,000	3,700,000	5,400,000	5,400,000
Sewer										
Maximum wet weather treatment capacity (gallons)	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000

Source: City Departments

CITY OF SANDY, OREGON  
 SANDYNET SERVICE CHARGES - RESIDENTIAL AND BUSINESS  
 LAST TEN FISCAL YEARS<sup>1</sup>

Fiscal Year Ended June 30,	Installation	WiFi Service		Dedicated Wireless Service <sup>1</sup>	WiFi Service	
		5 Mbps	10 Mbps		300 Mbps	1,000 Mbps
2021	\$ 100.00	\$ 39.95	\$ 49.95	\$ 78.00	\$ 41.95	\$ 59.95
2020	100.00	39.95	49.95	78.00	41.95	59.95
2019	100.00	39.95	49.95	78.00	41.95	59.95
2018	100.00	39.95	49.95	78.00	39.95	59.95
2017	100.00	39.95	49.95	78.00	39.95	59.95
2016	100.00	39.95	49.95	78.00	39.95	59.95

<sup>1</sup> Information not available prior to FY 2016

<sup>2</sup> Customer also responsible for installation construction costs

Source: Utility Billing Software

CITY OF SANDY, OREGON  
 PRINCIPAL SANDYNET CUSTOMERS  
 CURRENT YEAR AND NINE YEARS AGO

Customer	Description	2021			2012		
		Annual Charges	Rank	Percentage of Total Charges	Annual Charges	Rank	Percentage of Total Charges
Government Camp Communications	ISP Customer	\$ 31,536	1	1.6%	Information for 2012 does not exist.		
Clackamas County Bank	Financial Services	25,800	2	1.3%			
Sandy Place Apartments	Apartment Complex Wholesale	18,780	3	0.9%			
Resort at the Mountain	Hotel	18,000	4	0.9%			
Mt. Hood Cleaners	Drycleaning	11,640	5	0.6%			
AEC Inc.	Technical Documentation	6,000	6	0.3%			
Edge IT	IT	6,000	7	0.3%			
Doug Fir Apartments	Apartment Complex Wholesale	5,184	8	0.3%			
WolfPk	Web Hosting	4,800	9	0.2%			
Firwood Solar LLC	Solar Farm	4,800	10	0.2%			
Subtotal		132,540		6.6%			
All other customers		1,874,779		93.4%			
Total		\$ 2,007,319		100.0%			

Source: Utility Billing Software



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER  
 FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
 PERFORMED IN ACCORDANCE WITH OREGON STATE REGULATIONS**

Honorable Mayor and City Council  
 City of Sandy, Oregon

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Sandy, Oregon (the City), as of and for the year ended June 30, 2021, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 31, 2022. 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.

**COMPLIANCE**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its 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 162-10-330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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).



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH OREGON STATE REGULATIONS (Continued)**

**COMPLIANCE (Continued)**

In connection with our testing, nothing came to our attention that caused us to believe the City 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 162-10-330 of the *Minimum Standards for Audits of Oregon Municipal Corporations* except as follows:

- Expenditures of \$7,497 in excess of appropriations for the Operations Department in the Water Fund
- Expenditures of \$134,704 in excess of appropriations for the Capital Department in the Telecommunications Fund
- Expenditures of \$2,896 in excess of appropriation for capital outlay in the Operations Center Internal Service Fund

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control described in the separately issued Schedule of Findings and Questioned Costs as Finding 2021-001 that we consider to be a significant deficiency.

**PURPOSE OF THIS REPORT**

This report is intended solely for the information and use of the City Council, Oregon Secretary of State Audits Division, and management and is not intended to be and should not be used by anyone other than these specified parties.

*Talbot, Kowala & Warwick LLP*

Portland, Oregon  
March 31, 2022