

**City of Sandy, Oregon**  
**Comprehensive Annual Financial Report**  
**Fiscal Year Ended June 30, 2020**



**CITY OF SANDY, OREGON**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**For the Fiscal Year Ended June  
30, 2020**

**Prepared by:  
City of Sandy, Finance Department**

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## **INTRODUCTORY SECTION**

December 31, 2020

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 Comprehensive Annual Financial Report of the City of Sandy, Oregon for the fiscal year ended June 30, 2020 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, Sandy has gone through a change from being timber dependent to a more diversified economy.

Sandy 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. Sandy has also been selected because of its location to serve as a hub for many events. Sandy 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 2020 was 11,075. 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  $\frac{3}{4}$  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 on page 83.

## **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 89 new single-family home and six new multi-family unit 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.



**Community Campus Project** – The City continued renovations and conceptual planning 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.

**SandyNet** – The City of Sandy has come a long way in the last seventeen years as an Internet Service Provider (ISP). 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. Additionally, partnerships have been development 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 75% of residential homes currently have active service, and 40% of businesses.

## INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants. The firm, Merina & Company, 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, 2020. The independent auditor's opinion is located at the front of the financial section of this report.

## CERTIFICICATE 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 comprehensive annual financial

report for the fiscal year ended June 30, 2019. This was the twenty-ninth 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 comprehensive annual financial report. We believe that our current comprehensive annual 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, 2019. This is the first DBP award for the City in 16 years, and the first ever PAFR award.

### **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, 2019

*Christopher P. Morill*

Executive Director/CEO



## ELECTED CITY OFFICIALS

NAME

TERM EXPIRES

**Mayor**

Stan Pulliam

December 2020

**Councilors**

Jeremy Pietzold

December 2022

Laurie Smallwood

December 2022

John Hamblin

December 2020

Jan Lee

December 2020

Carl Exner

December 2022

Bethany Shultz

December 2020

## CITY STAFF

**City Manager**

Jordan Wheeler

**Finance Director**

Tyler Deems

**Police Chief**

Ernie Roberts

**Library Director**

Sarah McIntyre

**Planning Director**

Kelly O' Neill Jr.

**Public Works Director**

Mike Walker

**Community Services Director**

Tanya Richardson

**IT Director**

Greg Brewster

**Transit Director**

Andi Howell

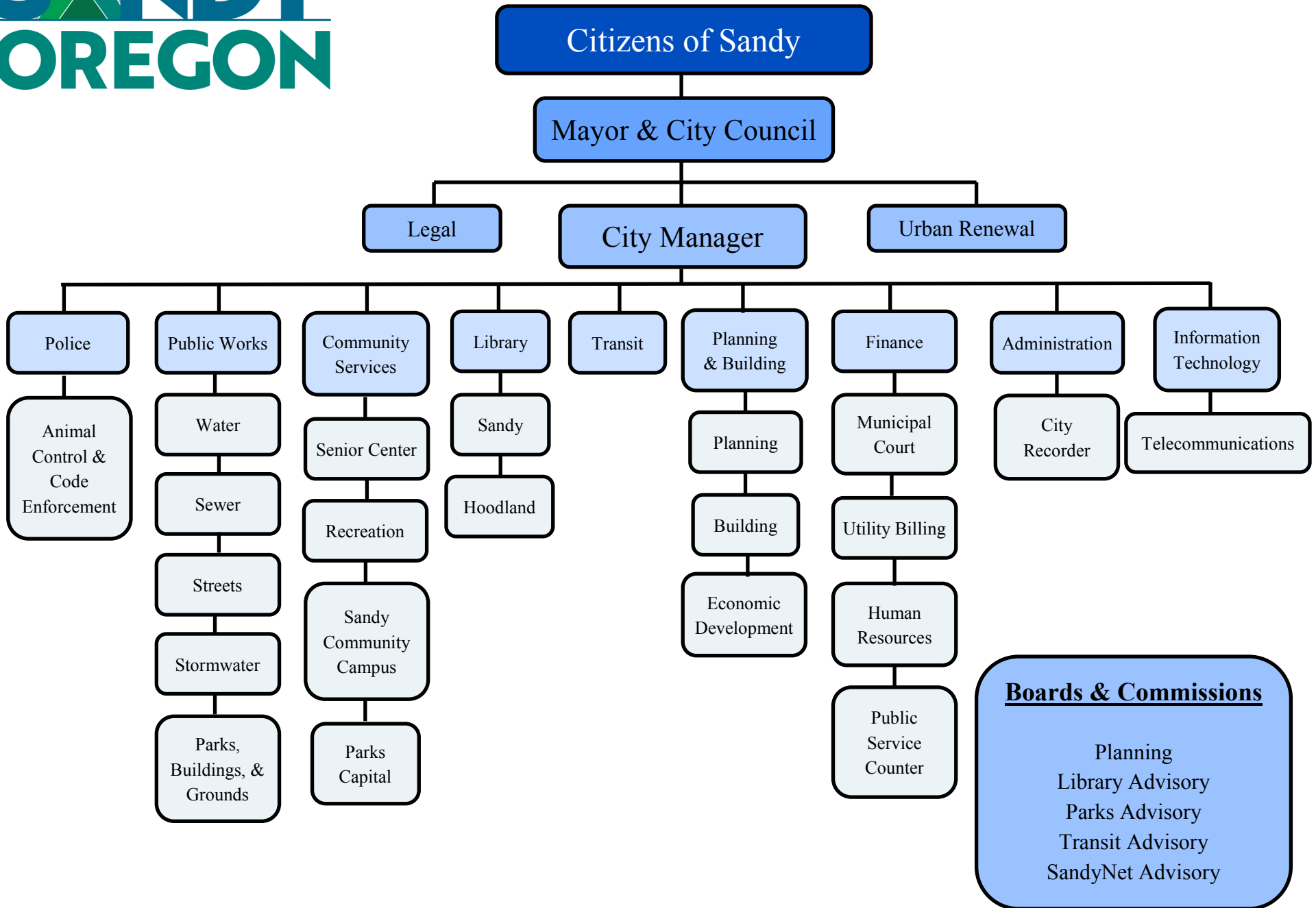
## MAILING ADDRESS

39250 Pioneer Blvd.  
Sandy, Oregon 97055

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



# ORGANIZATIONAL CHART



## **FINANCIAL SECTION**

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council  
City of Sandy, Oregon

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Sandy, Oregon, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise City of Sandy, Oregon's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

City of Sandy, Oregon's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Sandy, Oregon, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.



**Change in Accounting Principle**

As discussed in Note 11 to the financial statements, the City of Sandy adopted new accounting guidance, GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. Our opinion is not modified with respect to this matter.

**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 and schedule of revenues, expenditures and changes in fund balance – budget and actual, as listed in the table of contents under 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. We have applied certain limited procedures to the management’s discussion and analysis, the schedule of the proportionate share of the net pension liability, schedule of contributions pension, 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), and schedule of contributions – OPEB (CIS), as listed in the table of contents under 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.

The schedule of revenues, expenditures and changes in fund balance – budget and actual, as listed in the table of contents under required supplementary information, are the responsibility of management and were 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, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Supplemental and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Sandy, Oregon’s basic financial statements. The introductory section, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information, as listed in the table of contents, 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections 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.

**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 December 31, 2020 on our consideration of City of Sandy, Oregon’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Sandy, Oregon’s internal control over financial reporting or on compliance. That report is issued separately and is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Sandy, Oregon’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 December 31, 2020, on our consideration of City of Sandy, Oregon’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.



For Merina+Co  
Tualatin, Oregon  
December 31, 2020

# CITY OF SANDY, OREGON

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### JUNE 30, 2020

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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, 2020. 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 \$48,578,887. Of this amount, \$2,361,235 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$2,440,381. This is mainly due to an increase in charges for services, as well as a reduction in expenses. See Table 1 – Summary of Net Position for more details.
- The City's governmental activities reported total net position of \$32,588,591, which is an increase of \$1,337,457.
- The City's business-type activities reported total net position of \$15,990,296, which is an increase of \$1,102,925 from the prior year. Approximately 16% of the total, or \$2,499,341, is unrestricted and thus available for spending at the City's discretion.
- The City of Sandy's total outstanding debt decreased by \$1,403,817 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, 2020

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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 13 and 14 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
- ❖ Telecommunications
- ❖ Stormwater

**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.

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.

**CITY OF SANDY, OREGON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

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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 as a proprietary 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. This internal service fund is 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, 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 trustee 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 29 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 are found on pages 31 through 67 of this report.

**Required Supplementary Information.** 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 69 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.

## **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 \$48,578,888. Table 1, on the next page, reflects a Summary of Net Position compared to the prior fiscal year.

**CITY OF SANDY, OREGON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

**Table 1  
Summary of Net Position  
(in thousands)**

	Governmental Activities		Business-type Activities		Total		+ (-)
	2020	2019	2020	2019	2020	2019	
Current assets	\$ 19,545	\$ 18,570	\$ 5,407	\$ 4,411	\$ 24,952	\$ 22,981	\$1,971
Other assets	72	41	312	318	384	359	24
Capital assets	28,940	28,178	27,727	28,259	56,667	56,437	229
Total assets	48,557	46,789	33,446	32,988	82,003	79,777	2,225
Deferred outflows of resources	2,762	2,559	486	499	3,248	3,058	189
Other liabilities	1,625	1,716	1,547	1,389	3,172	3,105	66
Long term debt outstanding	16,670	15,917	16,317	17,118	32,987	33,035	(49)
Total liabilities	18,295	17,633	17,864	18,507	36,159	36,140	18
Deferred inflows of resources	435	464	76	92	511	556	(45)
Net position:							
Net investment in capital	22,586	21,021	11,598	11,525	34,184	32,546	1,638
Restricted for:							
Debt Service	-	-	1,880	1,736	1,880	1,736	144
System Development Charges	4,947	4,662	-	-	4,947	4,662	285
State/Local Gas Tax	1,018	1,429	-	-	1,018	1,429	(411)
Parks Projects	1,016	780	-	-	1,016	780	237
Peg fees	4	2	-	-	4	2	3
Urban renewal projects	3,084	2,406	-	-	3,084	2,406	678
Net OPEB asset	72	-	13	-	85	-	-
Unrestricted	(138)	952	2,499	1,626	2,361	2,578	(217)
Total net position	\$ 32,589	\$ 31,252	\$ 15,990	\$ 14,887	\$ 48,579	\$ 46,139	\$ 2,440

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 25% of the City of Sandy's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$2,361,235 is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

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.

However, the City of Sandy's overall net position increased by \$2,440,381 from the prior year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

**CITY OF SANDY, OREGON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

**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		Total Change
	2020	2019	2020	2019	2020	2019	+ (-)
<b>REVENUES</b>							
Program revenues							
Charges for services	\$ 2,402	\$ 2,343	\$ 6,458	\$ 5,444	\$ 8,860	\$ 7,787	\$ 1,073
Operating grants and contributions	1,138	131	-	-	1,138	131	1,007
Capital grants and contributions	2,104	1,334	-	-	2,104	1,334	770
General revenues							
Property taxes	5,416	5,078	-	-	5,416	5,078	338
Franchise fees and public services taxes	4,179	4,133	-	-	4,179	4,133	46
Interest and investment earnings	408	403	151	133	559	536	23
Other	354	261	163	183	517	444	73
Total revenues	<u>16,001</u>	<u>13,683</u>	<u>6,772</u>	<u>5,760</u>	<u>22,773</u>	<u>19,443</u>	<u>3,330</u>
<b>EXPENSES</b>							
General Government	2,114	2,065	-	-	2,114	2,065	49
Highways and streets	1,650	1,049	-	-	1,650	1,049	601
Public transportation	2,108	1,489	-	-	2,108	1,489	619
Economic development	1,914	1,261	-	-	1,914	1,261	653
Public safety	3,646	3,323	-	-	3,646	3,323	323
Culture and recreation	3,125	2,954	-	-	3,125	2,954	171
Interest on long-term debt	247	244	-	-	247	244	3
Water	-	-	1,529	1,622	1,529	1,622	(93)
Wastewater	-	-	2,010	1,782	2,010	1,782	228
Stormwater	-	-	418	308	418	308	110
Telecommunications	-	-	1,571	1,662	1,571	1,662	(91)
Total Expenses	<u>14,805</u>	<u>12,385</u>	<u>5,528</u>	<u>5,374</u>	<u>20,332</u>	<u>17,759</u>	<u>2,573</u>
Increase in net position before transfers	1,196	1,296	1,245	385	2,441	1,681	760
Transfers	142	113	(142)	(113)	-	-	-
Changes in net position	<u>1,338</u>	<u>1,409</u>	<u>1,103</u>	<u>272</u>	<u>2,441</u>	<u>1,681</u>	<u>760</u>
Net position, July 1	<u>31,251</u>	<u>29,842</u>	<u>14,887</u>	<u>14,615</u>	<u>46,138</u>	<u>44,457</u>	<u>1,681</u>
Net position, June 30	<u>\$ 32,589</u>	<u>\$ 31,251</u>	<u>\$ 15,990</u>	<u>\$ 14,887</u>	<u>\$ 48,579</u>	<u>\$ 46,139</u>	<u>\$ 2,440</u>

*Governmental activities.* During the current fiscal year, net position for government activities increased by \$1,337,456 from the prior year for an ending balance of \$32,588,591. The net change is a result of increases in general revenues, specifically property taxes and charges for services.

*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 \$1,102,925. The Water Fund, Sewer Fund, and Telecommunications Fund had a positive change in net position of \$496,436, \$432,284, and \$358,571, respectively. The Stormwater Fund had a negative change in net position of \$184,366. Compared to the prior year, operating revenues increased by approximately 18%, while operating expenses increased by approximately 3%. 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.

**CITY OF SANDY, OREGON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

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**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 \$17,869,872. Approximately 27% of this total amount (\$4,836,466) constitutes assigned and unassigned fund balance. 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 L. in the Notes to the Financial Statements beginning on page 31.

The *General Fund* is the chief operating fund of the City. At the end of the audited fiscal year, the General Fund increased by \$259,833 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 a decrease of \$274,604 from the prior year. This decrease is a result of a drop in public service taxes (fuel tax) due to limited driving during the early stages of the COVID-19 pandemic, coupled with an increase in expenditures related to a substantial project resurfacing many City streets at the beginning of the fiscal year.

The *Urban Renewal Fund* increased by \$622,809, largely due to a continued increase in property tax revenue, as well as a decrease in capital outlay.

The *Transit Fund* balance decreased by \$283,298 as capital outlay was significant during the fiscal year due to the purchase of new vehicles to provide transportation services.

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 \$428,022. 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 fund balance of \$338,472, \$712,143, and \$199,355, respectively. These



**CITY OF SANDY, OREGON  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

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increases were mostly due to increases in charges for services. The Sewer Fund saw the largest increase in charges for services as rates were raised in anticipation of future capital improvement projects at the wastewater treatment facility. The Stormwater Fund had a decrease in fund balance of \$103,218, largely due to an increase in personnel costs associated with managing this utility.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

During the fiscal year, there were no adjustments to the original budget. There were also no significant variances between the final budget and actual results.

**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, 2020 amounts to \$56,666,313 (net of accumulated depreciation). 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 slightly less than 0.50%.

On the following page, Tables 3 and 4 summarizes capital assets and changes as of June 30, 2020.

**Table 3  
City of Sandy's Capital Assets, Net of Accumulated Depreciation  
as of June 30  
(in thousands)**

	Governmental Activities		Business-Type Activities		Total		Change
	2020	2019	2020	2019	2020	2019	+ (-)
Land	\$ 4,207	\$ 4,207	\$ 1,100	\$ 1,100	\$ 5,307	\$ 5,307	\$ -
Construction in Progress	1,502	773	770	332	2,272	1,105	1,167
Improvements	7,377	7,468	24,149	25,021	31,526	32,489	(963)
Buildings	13,628	14,219	616	636	14,244	14,855	(611)
Furniture and equipment	318	389	980	1,042	1,298	1,431	(133)
Vehicles	1,723	912	111	129	1,834	1,041	793
Intangible Assets	184	211	-	-	184	211	(27)
<b>Total</b>	<b>\$ 28,940</b>	<b>\$ 28,179</b>	<b>\$ 27,727</b>	<b>\$ 28,260</b>	<b>\$ 56,666</b>	<b>\$ 56,439</b>	<b>\$ 229</b>

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

- ❖ Governmental Activities
  - Transit Vehicles - \$1,131,327
  - Park Structures - \$59,447
  - Construction of Bus Barn (\$528,708 – in progress)
- ❖ Business-Type Activities
  - Water Fund – Intertie Mixing - \$64,510
  - Water Fund – Smart Meter Conversion (\$101,689 – in progress)
  - Sewer Fund – Treatment Facility Improvements (\$619,100 – in progress)
  - Telecommunications Fund – Fiber Network & Equipment - \$146,797
  - Telecommunications Fund – Vehicle - \$32,567

**CITY OF SANDY, OREGON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

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

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Beginning balance	\$ 28,178	\$ 29,122	\$ 28,259	\$ 28,856	\$ 56,437	\$ 57,978
Additions	2,329	3,609	682	633	3,011	4,242
Depreciation	(1,568)	(1,576)	(1,214)	(1,230)	(2,782)	(2,806)
Deletions	-	(2,977)	-	-	-	(2,977)
Ending balance	\$ 28,939	\$ 28,176	\$ 27,727	\$ 28,260	\$ 56,666	\$ 56,437

Additional information on the City's capital assets can be found in the Notes to the basic financial statements – Note 5.

**Long-term debt.** At the end of the current fiscal year, the City had total long-term debt outstanding of \$25,751,542. The City's total debt decreased by \$1,403,818 (approximately 5%). During the fiscal year ended June 30, 2020 all scheduled debt payments were met.

On the following page, Table 5 summarizes outstanding debt as of June 30, 2020.

**Table 5  
City of Sandy's Outstanding Debt  
as of June 30  
(in thousands)**

	Government Activities		Business Activities		Total		Total Change
	2020	2019	2020	2019	2020	2019	+ (-)
Bonds payable	\$ 8,475	\$ 9,140	\$ 7,642	\$ 8,030	\$ 16,117	\$ 17,170	\$ (1,053)
Bond premium	-	-	194	207	194	207	(13)
Notes payable	728	922	8,292	8,497	9,020	9,419	(399)
Compensated absences	364	314	55	45	419	359	60
Total	\$ 9,568	\$10,376	\$16,183	\$ 16,779	\$ 25,750	\$ 27,155	\$ (1,405)

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 8.

**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 / Finance Director, at 39250 Pioneer Blvd., Sandy, Oregon 97055.



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## **BASIC FINANCIAL STATEMENTS**

## **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.



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**CITY OF SANDY, OREGON**  
**STATEMENT OF NET POSITION**  
**June 30, 2020**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 16,359,950	\$ 5,521,371	\$ 21,881,321
Property taxes receivable	154,385	-	154,385
Due from other governments	26,197	-	26,197
Accounts receivable, net	1,630,136	588,577	2,218,713
Inventories	-	163,564	163,564
Prepaid	-	-	-
Long term receivable	32,475	-	32,475
Internal balances	866,660	(866,660)	-
Grants receivable	475,433	-	475,433
<b>Total current assets</b>	<b>19,545,236</b>	<b>5,406,852</b>	<b>24,952,088</b>
Noncurrent assets:			
Restricted cash and cash equivalents	-	176,153	176,153
Notes receivable	-	122,778	122,778
Net OPEB asset	71,654	12,597	84,251
Capital assets:			
Nondepreciable	5,709,452	1,869,855	7,579,307
Depreciable, net	23,230,243	25,856,763	49,087,006
<b>Total noncurrent assets</b>	<b>29,011,349</b>	<b>28,038,146</b>	<b>57,049,495</b>
<b>Total assets</b>	<b>48,556,585</b>	<b>33,444,998</b>	<b>82,001,583</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred outflow related to pension	2,746,592	482,867	3,229,459
Deferred outflow related to OPEB	15,003	2,637	17,640
<b>Total deferred outflows of resources</b>	<b>2,761,595</b>	<b>485,504</b>	<b>3,247,099</b>
<b>Total assets &amp; deferred outflows of resources</b>	<b>\$ 51,318,180</b>	<b>\$ 33,930,502</b>	<b>\$ 85,248,682</b>
<b>LIABILITIES:</b>			
Current liabilities:			
Accounts payable and accrued expenses	\$ 626,474	\$ 80,413	\$ 706,887
Interest payable	25,154	193,903	219,057
Deposits	98,841	3,956	102,797
Current portion of accrued compensated absences payable	72,885	10,973	83,858
Current portion of long-term debt	801,527	1,257,269	2,058,796
<b>Total current liabilities</b>	<b>1,624,881</b>	<b>1,546,514</b>	<b>3,171,395</b>
Noncurrent liabilities:			
Noncurrent portion of accrued compensated absences payable	291,539	43,892	335,431
Net pension liability	7,721,127	1,357,421	9,078,548
Net OPEB liability	254,584	44,758	299,342
Noncurrent portion of long-term obligations	8,402,333	14,871,124	23,273,457
<b>Total noncurrent liabilities</b>	<b>16,669,583</b>	<b>16,317,195</b>	<b>32,986,778</b>
<b>Total liabilities</b>	<b>18,294,464</b>	<b>17,863,709</b>	<b>36,158,173</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred inflow related to pension	371,496	65,310	436,806
Deferred inflow related to OPEB	63,629	11,187	74,816
<b>Total deferred inflows of resources</b>	<b>435,125</b>	<b>76,497</b>	<b>511,622</b>
<b>NET POSITION:</b>			
Net investment in capital assets	22,585,628	11,598,225	34,183,853
Restricted for:			
Debt service	-	1,880,133	1,880,133
System development charges	4,947,188	-	4,947,188
State/local gas tax	1,017,514	-	1,017,514
Peg fees	4,138	-	4,138
Park projects	1,016,305	-	1,016,305
Urban renewal projects	3,084,270	-	3,084,270
Net OPEB asset	71,654	12,597	84,251
Unrestricted	(138,106)	2,499,341	2,361,235
<b>Total net position</b>	<b>32,588,591</b>	<b>15,990,296</b>	<b>48,578,887</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 51,318,180</b>	<b>\$ 33,930,502</b>	<b>\$ 85,248,682</b>

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

**CITY OF SANDY, OREGON**  
**STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2020**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 2,113,619	\$ 1,031,901	\$ 728,264	\$ -
Highways and streets	1,649,539	648,141	-	-
Public transportation	2,108,455	121,884	409,274	1,867,386
Economic development	1,914,431	312,487	-	-
Public safety	3,646,401	171,477	-	28,058
Culture and recreation	3,125,263	116,601	-	208,073
Interest on long-term debt	247,365	-	-	-
Total governmental activities	<u>14,805,073</u>	<u>2,402,491</u>	<u>1,137,538</u>	<u>2,103,517</u>
Business type activities:				
Water Fund	1,528,551	1,958,002	-	-
Sewer Operations	2,009,762	2,439,874	-	-
Storm Water Fund	417,918	246,703	-	-
Telecommunications Fund	1,570,962	1,813,137	-	-
Total business type activities	<u>5,527,193</u>	<u>6,457,716</u>	<u>-</u>	<u>-</u>
Total government	<u>\$ 20,332,266</u>	<u>\$ 8,860,207</u>	<u>\$ 1,137,538</u>	<u>\$ 2,103,517</u>

General revenues:  
 Taxes:  
   Property taxes  
   Public service taxes  
   Franchise fees  
 Interest and investment earnings  
 Other revenues  
 Transfers in (out)

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending

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



Net Expense Revenue and  
Change in Net Position

Governmental Activities	Business Type Activities	Total
\$ (353,454)	\$ -	\$ (353,454)
(1,001,398)	-	(1,001,398)
290,089	-	290,089
(1,601,944)	-	(1,601,944)
(3,446,866)	-	(3,446,866)
(2,800,589)	-	(2,800,589)
(247,365)	-	(247,365)
<u>(9,161,527)</u>	<u>-</u>	<u>(9,161,527)</u>
-	429,451	429,451
-	430,112	430,112
-	(171,215)	(171,215)
-	242,175	242,175
<u>-</u>	<u>930,523</u>	<u>930,523</u>
<u>(9,161,527)</u>	<u>930,523</u>	<u>(8,231,004)</u>
5,415,950	-	5,415,950
3,549,696	-	3,549,696
629,230	-	629,230
407,831	151,036	558,867
354,410	163,232	517,642
141,866	(141,866)	-
<u>10,498,983</u>	<u>172,402</u>	<u>10,671,385</u>
1,337,456	1,102,925	2,440,381
<u>31,251,135</u>	<u>14,887,371</u>	<u>46,138,506</u>
<u>\$ 32,588,591</u>	<u>\$ 15,990,296</u>	<u>\$ 48,578,887</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, 2020**

	General Fund	Street Fund	Urban Renewal Agency Fund	Transit Fund	Other Governmental	Total Governmental
<b>ASSETS</b>						
Cash and cash equivalents	\$ 2,299,201	\$ 4,780,104	\$ 5,835,404	\$ 717,083	\$ 2,408,312	\$ 16,040,104
Property taxes receivable	102,841	-	51,544	-	-	154,385
Due from other governments	17,425	-	8,772	-	-	26,197
Accounts receivable, net	216,582	72,772	87,778	1,253,004	-	1,630,136
Interfund loan receivable	-	-	-	731,075	-	731,075
Long term receivable	32,475	-	-	-	-	32,475
Grants receivable	-	-	-	475,433	-	475,433
Due from other funds	459,201	-	-	-	-	459,201
Total assets	<u>\$ 3,127,725</u>	<u>\$ 4,852,876</u>	<u>\$ 5,983,498</u>	<u>\$ 3,176,595</u>	<u>\$ 2,408,312</u>	<u>\$ 19,549,006</u>
<b>LIABILITIES:</b>						
Accounts payable and other current liabilities	\$ 161,930	\$ 111,575	\$ 6,663	\$ 328,362	\$ 12,051	\$ 620,581
Deposits	98,841	-	-	-	-	98,841
Interfund loan payable	323,616	-	-	-	-	323,616
Total liabilities	<u>584,387</u>	<u>111,575</u>	<u>6,663</u>	<u>328,362</u>	<u>12,051</u>	<u>1,043,038</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - property taxes	85,416	-	42,772	-	-	128,188
Unavailable revenue - receivables	32,475	-	-	475,433	-	507,908
Total deferred inflows of resources	<u>117,891</u>	<u>-</u>	<u>42,772</u>	<u>475,433</u>	<u>-</u>	<u>636,096</u>
<b>FUND BALANCES:</b>						
Restricted:						
System development charges	-	3,723,787	-	-	1,223,401	4,947,188
Street and roadside maintenance	-	1,017,514	-	-	-	1,017,514
Peg fees	4,138	-	-	-	-	4,138
Park projects	-	-	-	-	1,016,305	1,016,305
Urban renewal projects	-	-	5,934,063	-	-	5,934,063
Net opeb asset	71,654	-	-	-	-	71,654
Committed:						
Capital projects fund	-	-	-	-	49,434	49,434
Assigned:						
Public transportation	-	-	-	2,372,800	-	2,372,800
Special revenue fund	-	-	-	-	107,121	107,121
Unassigned, reported in:						
General fund	2,349,655	-	-	-	-	2,349,655
Total fund balance	<u>2,425,447</u>	<u>4,741,301</u>	<u>5,934,063</u>	<u>2,372,800</u>	<u>2,396,261</u>	<u>17,869,872</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 3,127,725</u>	<u>\$ 4,852,876</u>	<u>\$ 5,983,498</u>	<u>\$ 3,176,595</u>	<u>\$ 2,408,312</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	28,939,695
Pension related changes.	(5,346,031)
OPEB related changes.	(231,556)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred outflows in the funds.	
Unavailable revenue	636,096
Internal service funds are used by management to charge the costs of administrative services department to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	313,953
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(9,593,438)
Net position	<u>\$ 32,588,591</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**  
**For the Fiscal Year Ended June 30, 2020**

	General Fund	Street Fund	Urban Renewal Agency Fund
<b>REVENUES:</b>			
Property taxes	\$ 3,598,082	\$ -	\$ 1,816,946
Public service taxes	1,762,846	1,023,877	-
Franchise fees	639,232	-	-
Grants	183,548	-	-
Charges for services	671,765	-	-
Licenses and permits	479,359	-	-
Fines and forfeitures	219,221	-	-
Special assessments	-	50,753	-
System development charges	-	597,388	-
Interest	66,799	108,968	114,994
Contributions and donations	45,800	-	-
Intergovernmental	-	-	-
Miscellaneous	235,291	66,883	68,244
Indirect service	-	-	-
	<u>7,901,943</u>	<u>1,847,869</u>	<u>2,000,184</u>
<b>EXPENDITURES:</b>			
Current:			
General government	906,735	-	-
Highways and streets	-	1,466,419	-
Public transportation	-	-	-
Economic development	1,129,211	-	236,324
Public safety	2,835,392	-	-
Culture and recreation	2,580,576	-	-
Capital outlay	141,012	534,389	244,262
Debt service:			
Principal	132,198	61,816	-
Interest	25,450	1,171	-
	<u>7,750,574</u>	<u>2,063,795</u>	<u>480,586</u>
Total expenditures	<u>7,750,574</u>	<u>2,063,795</u>	<u>480,586</u>
Revenues over (under) expenditures	151,369	(215,926)	1,519,598
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	314,028	-	-
Transfers out	(205,564)	(58,678)	(896,789)
	<u>108,464</u>	<u>(58,678)</u>	<u>(896,789)</u>
Total other financing sources (uses)	<u>108,464</u>	<u>(58,678)</u>	<u>(896,789)</u>
Net changes in fund balances	259,833	(274,604)	622,809
<b>FUND BALANCES, BEGINNING</b>	<u>2,165,614</u>	<u>5,015,905</u>	<u>5,311,254</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 2,425,447</u>	<u>\$ 4,741,301</u>	<u>\$ 5,934,063</u>

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

Transit Fund	Other Governmental	Total Governmental
\$ -	\$ -	\$ 5,415,028
762,973	-	3,549,696
-	-	639,232
2,005,205	-	2,188,753
121,884	35	793,684
-	-	479,359
-	-	219,221
-	-	50,753
-	312,487	909,875
71,244	45,820	407,825
-	208,073	253,873
409,274	-	409,274
33,057	-	403,475
-	-	-
3,403,637	566,415	15,720,048
-	158,946	1,065,681
-	-	1,466,419
1,865,203	-	1,865,203
-	-	1,365,535
-	-	2,835,392
-	-	2,580,576
1,725,266	59,447	2,704,376
-	664,796	858,810
-	223,041	249,662
3,590,469	1,106,230	14,991,654
(186,832)	(539,815)	728,394
-	967,837	1,281,865
(96,466)	-	(1,257,497)
(96,466)	967,837	24,368
(283,298)	428,022	752,762
2,656,098	1,968,239	17,117,110
\$ 2,372,800	\$ 2,396,261	\$ 17,869,872

*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 GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2020**

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Amounts reported in the statement of activities are different because:

Net changes in fund balance		\$ 752,762
Governmental funds report pension contributions as expenditures. However, in the statements of activities, the cost of pension benefits earned net of employee contributions is reports as pension expanse.		(1,236,252)
Governmental funds report OPEB contributions as expenditures. However, in the statements of activities, the cost of OPEB earned net of employee contributions is reports as OPEB expense.		(15,678)
The statement of revenues, expenditures, and changes if fund balances report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.		
Current year depreciation	(1,568,021)	
Capital assets	<u>2,329,263</u>	761,242
Some revenue reported in the statement of activities do not provide current financial resources in the governmental funds.		280,609
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Accrued interest expense		2,297
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This is the amount by which proceeds exceeded repayments.		
Change in compensated absences	(50,287)	
Debt service principal payments	<u>858,810</u>	808,523
Internal service funds are used by management to charge the costs of the administrative services department to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.		<u>(16,047)</u>
Change in net position of governmental activities		<u><u>\$ 1,337,456</u></u>

*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, 2020**

	Enterprise Funds		
	Water Fund	Sewer Operations	Storm Water Fund
<b>ASSETS:</b>			
Current assets:			
Cash and investments	\$ 2,634,427	\$ 2,520,343	\$ 366,601
Accounts receivables, net	140,437	249,062	24,200
Inventories	-	-	-
Total current assets	<u>2,774,864</u>	<u>2,769,405</u>	<u>390,801</u>
Noncurrent assets:			
Restricted cash and cash equivalents	-	-	-
Capital assets, net	12,484,735	6,211,609	463,599
Notes receivable	122,778	-	-
Net OPEB asset	2,484	2,760	2,040
Total noncurrent assets	<u>12,609,997</u>	<u>6,214,369</u>	<u>465,639</u>
Total assets	<u>15,384,861</u>	<u>8,983,774</u>	<u>856,440</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred outflow related to pension	95,211	105,810	78,204
Deferred outflow related to OPEB	520	578	427
Total deferred outflows of resources	<u>95,731</u>	<u>106,388</u>	<u>78,631</u>
Total assets & deferred outflows of resources	<u>\$ 15,480,592</u>	<u>\$ 9,090,162</u>	<u>\$ 935,071</u>
<b>LIABILITIES:</b>			
Current liabilities:			
Accounts payable and accrued expenses	\$ 29,781	\$ 27,078	\$ 3,362
Accrued compensated absences payable	3,078	3,078	548
Accrued interest payable	92,498	8,163	1,814
Deposits	3,956	-	-
Interfund loan payable	-	-	-
Loans payable within one year	439,305	428,422	42,331
Due to other funds	-	-	-
Total current liabilities	<u>568,618</u>	<u>466,741</u>	<u>48,055</u>
Noncurrent liabilities:			
Net pension liability	267,653	297,450	219,846
Net OPEB liability	8,825	9,808	7,249
Loans payable, net of current portion	5,518,016	1,995,238	472,329
Accrued compensated absences payable	12,312	12,312	2,192
Total noncurrent liabilities	<u>5,806,806</u>	<u>2,314,808</u>	<u>701,616</u>
Total liabilities	<u>6,375,424</u>	<u>2,781,549</u>	<u>749,671</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred inflow related to pension	12,877	14,311	10,578
Deferred inflow related to OPEB	2,206	2,451	1,812
Total deferred inflows of resources	<u>15,083</u>	<u>16,762</u>	<u>12,390</u>
<b>NET POSITION:</b>			
Net investment in capital assets	6,527,414	3,787,949	(51,061)
Restricted for:			
Debt service	-	1,880,133	-
Net OPEB asset	2,484	2,760	2,040
Unrestricted	<u>2,560,187</u>	<u>621,009</u>	<u>222,031</u>
Total net position	<u>9,090,085</u>	<u>6,291,851</u>	<u>173,010</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 15,480,592</u>	<u>\$ 9,090,162</u>	<u>\$ 935,071</u>

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



Telecommunications		Governmental Activities	
Fund	Total	Internal Service Funds	
\$ -	\$ 5,521,371	\$ 319,846	
174,878	588,577	-	
163,564	163,564	-	
<u>338,442</u>	<u>6,273,512</u>	<u>319,846</u>	
176,153	176,153	-	
8,566,675	27,726,618	-	
-	122,778	-	
5,313	12,597	-	
<u>8,748,141</u>	<u>28,038,146</u>	<u>-</u>	
9,086,583	34,311,658	319,846	
203,642	482,867	-	
1,112	2,637	-	
<u>204,754</u>	<u>485,504</u>	<u>-</u>	
\$ 9,291,337	\$ 34,797,162	\$ 319,846	
\$ 20,192	\$ 80,413	\$ 5,893	
4,269	10,973	-	
91,428	193,903	-	
-	3,956	-	
407,459	407,459	-	
347,211	1,257,269	-	
459,201	459,201	-	
<u>1,329,760</u>	<u>2,413,174</u>	<u>5,893</u>	
572,472	1,357,421	-	
18,876	44,758	-	
6,885,541	14,871,124	-	
17,076	43,892	-	
<u>7,493,965</u>	<u>16,317,195</u>	<u>-</u>	
8,823,725	18,730,369	5,893	
27,544	65,310	-	
4,718	11,187	-	
<u>32,262</u>	<u>76,497</u>	<u>-</u>	
1,333,923	11,598,225	-	
-	1,880,133	-	
5,313	12,597	-	
(903,886)	2,499,341	313,953	
<u>435,350</u>	<u>15,990,296</u>	<u>313,953</u>	
\$ 9,291,337	\$ 34,797,162	\$ 319,846	

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**  
**For the Fiscal Year Ended June 30, 2020**

	Enterprise Funds		
	Water Fund	Sewer Operations	Storm Water Fund
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 1,587,754	\$ 2,191,969	\$ 246,703
Special assessments and surcharges	370,248	247,905	-
Miscellaneous	59,604	5,384	1,018
Total operating revenues	<u>2,017,606</u>	<u>2,445,258</u>	<u>247,721</u>
<b>OPERATING EXPENSES:</b>			
Salaries, fringe benefits and payroll taxes	264,799	310,953	269,443
Utilities	-	-	-
Operating supplies	-	-	-
Insurance	-	-	-
Operating costs	673,941	1,300,414	74,088
Contract services	-	-	-
Depreciation	421,659	297,564	51,565
Total operating expenses	<u>1,360,399</u>	<u>1,908,931</u>	<u>395,096</u>
Operating income (loss)	657,207	536,327	(147,375)
<b>NON-OPERATING INCOME (EXPENSE):</b>			
Interest income	73,893	67,192	9,619
Interest expense	(168,152)	(100,831)	(22,822)
Total non-operating income (expenses)	<u>(94,259)</u>	<u>(33,639)</u>	<u>(13,203)</u>
Net income (loss) before transfers	562,948	502,688	(160,578)
<b>TRANSFERS:</b>			
Transfers in (out)	(66,512)	(70,404)	(23,788)
Change in net position	496,436	432,284	(184,366)
<b>NET POSITION, BEGINNING</b>	<u>8,593,649</u>	<u>5,859,567</u>	<u>357,376</u>
<b>NET POSITION, ENDING</b>	<u>\$ 9,090,085</u>	<u>\$ 6,291,851</u>	<u>\$ 173,010</u>

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

		Governmental Activities	
Telecommunications Fund	Total	Internal Service Funds	
\$ 1,813,137	\$ 5,839,563	\$ -	
-	618,153	-	
97,226	163,232	-	
<u>1,910,363</u>	<u>6,620,948</u>	<u>-</u>	
564,038	1,409,233	-	
-	-	30,439	
-	-	3,121	
-	-	6,240	
285,217	2,333,660	7,025	
-	-	81,830	
443,120	1,213,908	-	
-	-	4,896	
<u>1,292,375</u>	<u>4,956,801</u>	<u>133,551</u>	
617,988	1,664,147	(133,551)	
332	151,036	6	
(278,587)	(570,392)	-	
<u>(278,255)</u>	<u>(419,356)</u>	<u>6</u>	
339,733	1,244,791	(133,545)	
<u>18,838</u>	<u>(141,866)</u>	<u>117,498</u>	
358,571	1,102,925	(16,047)	
76,779	14,887,371	330,000	
<u>\$ 435,350</u>	<u>\$ 15,990,296</u>	<u>\$ 313,953</u>	

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

**CITY OF SANDY, OREGON**  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS**  
**For the Fiscal Year Ended June 30, 2020**

	Water Fund	Sewer Operations
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 2,032,377	\$ 2,337,710
Cash paid to employees and others for salaries and benefits	(250,301)	(238,905)
Cash paid to suppliers and others	(725,874)	(1,481,516)
Net cash provided by operating activities	<u>1,056,202</u>	<u>617,289</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Payment from (to) other funds for interfund loans and interest	-	104,000
Transfers in (out)	(66,512)	(70,404)
Advances to/from other funds	-	-
Net cash provided by non-capital financing activities	<u>(66,512)</u>	<u>33,596</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of capital assets	(166,955)	(335,617)
Proceeds from loans	-	228,072
Principal paid on loans	(428,441)	(68,450)
Interest paid on loans	(173,242)	(101,092)
Proceeds from sale of capital assets	-	-
Net cash provided by capital and related financing activities	<u>(768,638)</u>	<u>(277,087)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest revenue	73,893	67,192
Notes receivable	10,191	5,706
Net cash provided by investing activities	<u>84,084</u>	<u>72,898</u>
Net increase (decrease) in cash and cash equivalents	305,136	446,696
<b>CASH AND INVESTMENTS, BEGINNING</b>	<u>2,329,291</u>	<u>2,073,647</u>
<b>CASH AND INVESTMENTS, ENDING</b>	<u>\$ 2,634,427</u>	<u>\$ 2,520,343</u>
<b>COMPRISED AS FOLLOWS:</b>		
Unrestricted	\$ 2,634,427	\$ 2,520,343
Restricted	-	-
Total	<u>\$ 2,634,427</u>	<u>\$ 2,520,343</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 657,207	\$ 536,327
Adjustments:		
Depreciation	421,659	297,564
Decrease (increase) in:		
Accounts receivable	14,771	(107,548)
Inventories	-	-
Net OPEB Asset	(775)	(1,051)
Increase (decrease) in:		
Accounts payable and accrued expenses	(51,933)	(145,078)
Accrued compensated absences	753	753
Net pension liability	14,681	35,313
Net OPEB liability	(161)	1,009
Net cash provided by operating activities	<u>\$ 1,056,202</u>	<u>\$ 617,289</u>

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

Enterprise Funds			Governmental Activities
Storm Water Fund	Telecommunications Fund	Total	Internal Service Funds
\$ 246,041	\$ 1,902,069	\$ 6,518,197	\$ -
(135,359)	(508,310)	(1,132,875)	-
(141,545)	(299,351)	(2,648,286)	(129,081)
(30,863)	1,094,408	2,737,036	(129,081)
-	(150,710)	(46,710)	-
(23,788)	18,838	(141,866)	117,498
-	(197,497)	(197,497)	-
(23,788)	(329,369)	(386,073)	117,498
(2)	(179,366)	(681,940)	-
-	32,187	260,259	-
(37,331)	(331,216)	(865,438)	-
(22,918)	(281,880)	(579,132)	-
-	-	-	-
(60,251)	(760,275)	(1,866,251)	-
9,619	332	151,036	6
-	-	15,897	-
9,619	332	166,933	6
(105,283)	5,096	651,645	(11,577)
471,884	171,057	5,045,879	331,423
\$ 366,601	\$ 176,153	\$ 5,697,524	\$ 319,846
\$ 366,601	\$ -	\$ 5,521,371	\$ 319,846
-	176,153	176,153	-
\$ 366,601	\$ 176,153	\$ 5,697,524	\$ 319,846
\$ (147,375)	\$ 617,988	\$ 1,664,147	\$ (133,551)
51,565	443,120	1,213,908	-
(1,680)	(8,294)	(102,751)	-
-	(2,181)	(2,181)	-
(1,175)	(1,567)	(4,568)	-
(415)	15,911	(181,515)	4,470
(862)	9,241	9,885	-
65,849	22,398	138,241	-
3,230	(2,208)	1,870	-
\$ (30,863)	\$ 1,094,408	\$ 2,737,036	\$ (129,081)

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 in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

**Private-Purpose Trust Fund**

**Trust Fund**

The Trust 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 FUNDS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**June 30, 2020**

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	Private-Purpose Trust Fund
<b>ASSETS:</b>	
Cash and cash equivalents	\$ 116,985
Total assets	<u>\$ 116,985</u>
<b>NET POSITION:</b>	
Held in trust for:	
Library	10,837
Adopt a book	1,445
Seniors	47,076
Meinig park	20,272
Recreation	993
Fantasy forest	8,977
Youth basketball	8,210
GREAT	3,275
Riparian	4,581
Emergency services	287
EASEY	6,371
Sandy times	(64)
Noah's quest	2,191
DARE	(991)
Shop with a cop	404
Public art	3,121
Total net position	<u>\$ 116,985</u>

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

**CITY OF SANDY, OREGON**  
**FIDUCIARY FUNDS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**For the Fiscal Year Ended June 30, 2020**

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	Private-Purpose Trust Fund
<b>ADDITIONS:</b>	
Donations:	
Seniors	\$ 1,049
Meinig park	3,114
Noah's Quest	1,225
Public art	3,291
Interest:	
Library	227
Adopt a book	30
Seniors	965
Meinig park	390
Recreation	21
Fantasy forest	188
Youth basketball	172
GREAT	69
Riparian	96
Emergency services	6
EASEY	134
Noah's quest	43
Shop with a cop	8
	<hr/>
Total additions	11,028
	<hr/>
<b>DEDUCTIONS:</b>	
Meinig park	1,424
Noah's quest	1,096
Public art	170
	<hr/>
Total deductions	2,690
	<hr/>
Change in net position	8,338
	<hr/>
<b>NET POSITION, BEGINNING</b>	108,647
	<hr/>
<b>NET POSITION, ENDING</b>	\$ 116,985
	<hr/> <hr/>

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



**CITY OF SANDY, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

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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), entities 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 Capital Projects Fund and Urban Renewal Agency Debt Service Fund are reported as governmental fund types.

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

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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 fiduciary, 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.

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The City reports the following proprietary funds:

- *Water Fund*
- *Sewer Fund 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 Funds 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 agency 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 private-purpose trust fund. Private-purpose trust funds are used to report contributions from private sources held in trust 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. The City reports the following fiduciary fund:

- *Trust Fund*

#### **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.

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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 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

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dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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.

The proprietary financial statements have incorporated all applicable GASB pronouncements.

**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. Investments are stated at fair value.

**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.

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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, and capitalized in the proprietary 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 the capacity of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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 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 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's recognizes OPEB income.

**K. Compensated Absences**

Accumulated vested vacation pay is accrued as it is earned. 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, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**M. OPEB – Summary of Significant Accounting Policies**

*Postemployment Benefits Other Than Pensions (OPEB).* For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City’s two separate plans the Implicit Rate Subsidy and Oregon Public Employees Retirement Systems (OPERS) and additions to/deductions from Implicit Rate Subsidy and OPERS’s fiduciary net position have been determined on the same basis as they are reported by Implicit Rate Subsidy and OPERS. For this purpose, Implicit Rate Subsidy and OPERS recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

**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 converted 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, other than the General Fund, 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 requires that management make estimates and assumptions which affect the reporting 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, 2020 the cash equivalents of the City and its component unit consist of the following:

	Weighted Average Maturity	Fair Value
Investments in the State Treasurer’s Local Government Investment Pool	0.63	\$17,807,477
US Treasuries	1.13	2,599,053
Corporate Bonds	1.52	412,179
Money Market Securities	2.12	1,002,050
Total cash equivalents	0.77	\$21,820,759

Cash and investments are displayed on the financial statements as:

Cash and investments – government-wide	\$ 21,881,321
Restricted cash and investments – government-wide	176,153
Cash and investments – fiduciary funds	116,985
Total cash and investments	\$ 22,174,459

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**A. Interest Rate Risk**

In accordance with its investment policy, the government 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, 2020, the book value of the City's deposits was \$351,350 and the bank balance was \$974,859. \$474,589 of the City's bank balances were exposed to custodial credit risk as they were collateralized under PFCP. The City had \$2,350 cash on hand.

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**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  
Value as of June 30, 2020

	Level 1	Level 2	Level 3	Total
Investment in the State Treasurer's Local Government Investment Pool	\$ -	\$ 17,807,477	\$ -	\$ 17,807,477
US Treasuries	2,599,053	-	-	2,599,053
Corporate Bonds	-	412,179	-	412,179
Money Market Securities	1,002,050	-	-	1,002,050
	<u>\$ 3,601,103</u>	<u>\$ 18,219,656</u>	<u>\$ -</u>	<u>\$ 21,820,759</u>

**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**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**4. Capital Assets**

Capital asset activity for the year ended June 30, 2020 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	772,724	729,640	-	1,502,364
Total capital assets, not being depreciated	4,979,812	729,640	-	5,709,452
 <b>Capital assets, being depreciated:</b>				
Improvements	11,645,305	362,546	-	12,007,851
Buildings	18,527,346	59,447	-	18,586,793
Furniture and equipment	1,726,595	37,435	-	1,764,030
Vehicles	4,418,473	1,140,195	-	5,558,668
Intangible assets	359,680	-	-	359,680
Total capital assets, being depreciated	36,677,399	1,599,623	-	38,277,022
 <b>Less accumulated depreciation for:</b>				
Improvements	(4,177,784)	(453,082)	-	(4,630,866)
Buildings	(4,308,241)	(650,693)	-	(4,958,934)
Furniture and equipment	(1,337,601)	(108,029)	-	(1,445,630)
Vehicles	(3,506,136)	(329,882)	-	(3,836,018)
Intangible assets	(148,996)	(26,335)	-	(175,331)
Total accumulated depreciation	(13,478,758)	(1,568,021)	-	(15,046,779)
Total capital assets, being depreciated, net	23,198,641	31,602	-	23,230,243
Governmental activities capital assets, net	\$ 28,178,453	\$ 761,242	\$ -	\$ 28,939,695

**CITY OF SANDY, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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Business-type activities:	Beginning Balance	Additions	Deletions	Ending Balance
<b>Capital assets, not being depreciated:</b>				
Land	\$ 1,099,674	\$ -	\$ -	\$ 1,099,674
Construction in progress	332,118	438,063	-	770,181
Total capital assets, not being depreciated	<u>1,431,792</u>	<u>438,063</u>	<u>-</u>	<u>1,869,855</u>
<b>Capital assets, being depreciated:</b>				
Improvements	38,093,252	109,426	-	38,202,678
Buildings	976,801	-	-	976,801
Furniture and equipment	3,308,923	101,883	-	3,410,806
Vehicles	756,385	32,568	-	788,953
Total capital assets, being depreciated	<u>43,135,361</u>	<u>243,877</u>	<u>-</u>	<u>43,379,238</u>
<b>Less accumulated depreciation for:</b>				
Improvements	(13,072,395)	(980,935)	-	(14,053,330)
Buildings	(341,145)	(19,208)	-	(360,353)
Furniture and equipment	(2,267,381)	(163,441)	-	(2,430,822)
Vehicles	(627,646)	(50,324)	-	(677,970)
Total accumulated depreciation	<u>(16,308,567)</u>	<u>(1,213,908)</u>	<u>-</u>	<u>(17,522,475)</u>
Total capital assets, being depreciated, net	<u>26,826,794</u>	<u>(970,031)</u>	<u>-</u>	<u>25,856,763</u>
Business-type activities capital assets, net	<u>\$ 28,258,586</u>	<u>\$ (531,968)</u>	<u>\$ -</u>	<u>\$ 27,726,618</u>

Depreciation expense was charged to functions/programs as follows:

<b>Governmental activities:</b>	<b>Depreciation</b>
General government	\$ 403,099
Public safety	394,248
Highways and streets	133,908
Public transportation	74,671
Economic development	153,009
Culture and recreation	409,086
Total depreciation expense - governmental activities	<u>\$ 1,568,021</u>
<b>Business-type activities:</b>	
Water	\$ 421,659
Sewer	297,564
Stormwater	51,565
Telecommunications	443,120
Total depreciation expense - business-type activities	<u>\$ 1,213,908</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	\$ 323,616
Transit	Telecommunications Fund	407,459
Total		<u>\$ 731,075</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	\$ 314,028	\$ 205,564
Street Fund	-	58,678
Urban Renewal Agency Fund	-	896,789
Transit Fund	-	96,466
Operations Center Internal Service Fund	62,498	-
Facility Maintenance Internal Service Fund	55,000	-
Total Major Governmental Funds	<u>431,526</u>	<u>1,257,497</u>
Nonmajor Funds:		
Aquatic/Recreation Center Fund	80,000	-
City FFC Debt Service Fund	887,837	-
Total Special Revenue Funds	<u>967,837</u>	<u>-</u>
Proprietary Funds:		
Water Fund	-	66,512
Sewer Fund	-	170,404
Sewer Bond Reserve Fund	100,000	-
Storm Water Fund	-	23,788
Telecommunications Fund	75,000	56,162
Total Proprietary Funds	<u>175,000</u>	<u>316,866</u>
Total All Funds	<u>\$ 1,574,363</u>	<u>\$ 1,574,363</u>

**CITY OF SANDY, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**6. Unavailable Revenues**

Unavailable revenues on June 30, 2020 consisted of the following:

Property taxes receivable	\$ 128,188
Other receivables	507,908
Total unavailable revenue	<u>\$ 636,096</u>

**7. Long Term Debt**

During the year ended June 30, 2020, long-term liability activity was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
<b>Governmental Activities</b>					
Bonds and notes payable:					
Bonds payable (direct borrowing)	\$ 9,140,187	\$ -	\$ (664,796)	\$ 8,475,391	\$ 681,017
Notes payable	922,483	-	(194,014)	728,469	120,510
Total bonds and notes payable	10,062,670	-	(858,810)	9,203,860	801,527
Compensated absences	314,137	310,945	(260,658)	364,424	72,885
Total governmental activities	<u>\$ 10,376,807</u>	<u>\$ 310,945</u>	<u>\$ (1,119,468)</u>	<u>\$ 9,568,284</u>	<u>\$ 874,412</u>
<b>Business-type Activities</b>					
Bonds payable (direct borrowing)	\$ 8,030,069	\$ -	\$ (387,818)	\$ 7,642,251	\$ 420,280
Bond premium	206,773	-	(12,923)	193,850	12,924
Notes payable	8,496,730	260,259	(464,697)	8,292,292	824,065
Total bonds and notes payable	16,733,572	260,259	(865,438)	16,128,393	1,257,269
Compensated absences	44,980	60,089	(50,204)	54,865	10,973
Total business-type activities	<u>\$ 16,778,552</u>	<u>\$ 320,348</u>	<u>\$ (915,642)</u>	<u>\$ 16,183,258</u>	<u>\$ 1,268,242</u>

**A. Bonds Payable**

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation 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. General obligation 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.

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Governmental Activities

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Series 2017: original amount \$10,000,000; interest rate 2.44%; final payment due June 2031.	\$ 8,475,391
Total bonds payable	<u>\$ 8,475,391</u>

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

Fiscal Year	Series 2017	
	Principal	Interest
2021	\$ 681,017	\$ 206,800
2022	697,634	190,183
2023	714,656	173,160
2024	732,094	155,723
2025	749,957	137,860
2026-30	4,033,363	405,720
2031-35	866,670	21,147
	<u>\$ 8,475,391</u>	<u>\$ 1,290,593</u>

The City of Sandy’s outstanding bonds related to governmental activities of \$8,475,391 contain a provision that in the event of default, outstanding amounts become immediately due if the government is unable to make payment.

Business-Type Activities

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Series 2014: original amount \$947,154; interest rate 1.85%; final payment due June 2022.	\$ 252,251
Series 2011: original amount \$800,000; interest rate 4.60%; final payment due June 2031.	510,000
Series 2014: original amount \$7,500,000; interest rate 1.375 to 4.00%; final payment due March 2035.	<u>6,880,000</u>
Total bonds payable	<u>\$ 7,642,251</u>



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Fiscal Year	Bonds Payable Business-Type Activities					
	Water Fund Series 2014		Storm Water Series 2011		TC Revenue Bond Series 2014	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 125,280	\$ 4,667	\$ 40,000	\$ 21,763	\$ 255,000	\$ 273,225
2022	126,971	2,350	40,000	20,363	275,000	263,025
2023	-	-	40,000	18,883	300,000	252,025
2024	-	-	40,000	17,323	325,000	240,025
2025	-	-	45,000	15,673	395,000	227,025
2026-30	-	-	250,000	47,856	2,270,000	896,800
2031-35	-	-	55,000	2,530	3,060,000	376,600
	<u>\$ 252,251</u>	<u>\$ 7,017</u>	<u>\$ 510,000</u>	<u>\$ 144,391</u>	<u>\$ 6,880,000</u>	<u>\$ 2,528,725</u>

The City of Sandy's outstanding bonds related to business-type activities of \$7,642,251 contain a provision that in the event of default, outstanding amounts become immediately due if the government is unable to make payment.

**B. General Obligation Notes Payable**

Governmental Activities	
Washington Federal Loan: original amount \$605,000; interest rate 2.62%; final payment due January 2020.	\$ -
Clackamas County Bank Loan - Library: original amount \$799,999; interest rate 2.75%; final payment due June 2037.	580,971
Kansas State Bank: original amount \$69,225; interest rate 3.96%; final payment due June 2020.	-
Enterprise Fleet Management: original amount \$11,653	4,660
Enterprise Fleet Management: original amount \$285,631	80,770
Enterprise Fleet Management: original amount \$22,513	9,004
CIT Computer Lease; original amount \$94,336	<u>53,064</u>
Total notes payable	<u>\$ 728,469</u>

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Fiscal Year	Notes Payable Governmental Activities					
	Washington Federal		CCB - Library		Kansas State Bank	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ -	\$ -	\$ 28,246	\$ 15,842	\$ -	\$ -
2022	-	-	29,073	15,015	-	-
2023	-	-	29,878	14,210	-	-
2024	-	-	30,705	13,383	-	-
2025	-	-	31,520	12,568	-	-
2026-30	-	-	171,346	49,094	-	-
2031-35	-	-	196,429	24,009	-	-
2036-40	-	-	63,774	1,774	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 580,971</u>	<u>\$ 145,895</u>	<u>\$ -</u>	<u>\$ -</u>

Fiscal Year	Enterprise - Ford Interceptors		Enterprise - Ford Hybrid		Enterprise - Ford F-150	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 61,846	\$ -	\$ 4,503	\$ -	\$ 2,331	\$ -
2022	16,301	-	4,501	-	2,329	-
2023	2,623	-	-	-	-	-
	<u>\$ 80,770</u>	<u>\$ -</u>	<u>\$ 9,004</u>	<u>\$ -</u>	<u>\$ 4,660</u>	<u>\$ -</u>

Fiscal Year	CIT - Computer	
	Principal	Interest
2021	\$ 23,585	\$ -
2022	23,584	-
2023	5,895	-
	<u>\$ 53,064</u>	<u>\$ -</u>

The City of Sandy's outstanding notes related to governmental activities of \$580,971 contain a provision that in the event of default, outstanding amounts become immediately due if the government is unable to make payment. Additionally, outstanding notes related to governmental activities of \$147,498 contain a provision that in the event of default, action to enforce the financing agreement may take place for the amount of the obligation then outstanding to its satisfaction.

The City of Sandy is subject to legal debt limit for general obligation bonds equal to 3% of the real market value. As of June 30, 2020, the City of Sandy had no outstanding general obligation bonds.

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Business-Type Activities

USDA Sewer Facility Loan: Original amount \$2,970,000; interest amount 4.75%; final payment due June 2039.	\$ 2,062,168
OBDD water intertie loan: original amount \$7,500,000; interest amount 2.77%; final payment due June 2035.	5,700,410
DEQ SRF Loan: original amount \$450,000; interest amount 0.93%; final payment due June 2024. City has only drawn down \$128,760 of these funds.	356,832
HP – Ditch Witch: original amount \$124,363; interest at 3.5%	15,714
Enterprise Fleet Management: original amount \$11,653	4,660
Enterprise Fleet Management: original amount \$11,653	4,660
Enterprise Fleet Management: original amount \$11,653	4,660
Enterprise Fleet Management: original amount \$115,562	43,360
Enterprise Fleet Management: original amount \$32,187	26,976
Cisco Equipment: original amount \$180,895; interest at 3.0%	<u>72,852</u>
Total notes payable	<u>\$ 8,292,292</u>

Notes Payable Business-Type Activities

Fiscal Year	USDA		OBDD Water Intertie		DEQ SRF Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 69,259	\$ 97,952	\$ 311,694	\$ 157,901	\$ 356,832	\$ 9,185
2022	72,548	94,663	320,328	149,267	-	-
2023	75,994	91,217	329,201	140,394	-	-
2024	79,604	87,607	338,320	131,275	-	-
2025	83,385	83,826	347,691	121,904	-	-
2026-30	480,238	355,817	1,888,369	459,605	-	-
2031-35	605,657	230,398	2,164,807	183,170	-	-
2036-40	595,483	72,277	-	-	-	-
	<u>\$ 2,062,168</u>	<u>\$ 1,113,757</u>	<u>\$ 5,700,410</u>	<u>\$ 1,343,516</u>	<u>\$ 356,832</u>	<u>\$ 9,185</u>

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Fiscal Year	Notes Payable Business-Type Activities					
	HP - Ditch Witch		Enterprise - Nissan Frontier		Enterprise - Nissan Frontier	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 15,714	\$ 183	\$ 2,331	\$ -	\$ 2,331	\$ -
2022	-	-	2,329	-	2,329	-
	<u>\$ 15,714</u>	<u>\$ 183</u>	<u>\$ 4,660</u>	<u>\$ -</u>	<u>\$ 4,660</u>	<u>\$ -</u>

Fiscal Year	Enterprise - Nissan Frontier		Enterprise - Ford F-450		Enterprise - Ford F-250	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 2,331	\$ -	\$ 20,812	\$ -	\$ 6,424	\$ -
2022	2,329	-	20,812	-	6,424	-
2023	-	-	1,736	-	6,424	-
2024	-	-	-	-	6,424	-
2025	-	-	-	-	1,280	-
	<u>\$ 4,660</u>	<u>\$ -</u>	<u>\$ 43,360</u>	<u>\$ -</u>	<u>\$ 26,976</u>	<u>\$ -</u>

Fiscal Year	Cisco Equipment	
	Principal	Interest
2021	\$ 36,337	\$ 369
2022	36,515	190
	<u>\$ 72,852</u>	<u>\$ 559</u>

The City of Sandy's outstanding notes related to business-type activities of \$8,119,410 contain a provision that in the event of default, outstanding amounts become immediately due if the government is unable to make payment. Additionally, outstanding notes related to business-type activities of \$172,882 contain a provision that in the event of default, action to enforce the financing agreement may take place for the amount of the obligation then outstanding to its satisfaction.

The City of Sandy also has an unused line of credit in the amount of \$93,168.

**8. Net Position**

The government-wide statement of net position reports \$12,033,799 of restricted net position, of which \$10,065,277 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

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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. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

**Death Benefits**

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

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

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

### **Disability Benefits**

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (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.

**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, 2015 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2017. Employer contributions for the year ended June 30, 2020 were \$995,762, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2020 were 35.28 percent for Tier One/Tier Two General Service Member, 26.40 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 \$293,455 for the year ended June 30, 2020.

**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 \$9,078,548 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to June 30, 2019. 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, 2019, the City's proportion was 0.05248 percent, which was increased from its proportion of 0.04919 percent measured as of June 30, 2018.



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For the year ended June 30, 2020, the City's recognized pension expense of \$1,374,493. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 500,655	\$ -
Changes of assumptions	1,231,609	-
Net difference between projected and actual earnings on investments	-	257,368
Changes in proportion	438,714	60,888
Differences between employer contributions and proportionate share of contributions	62,719	118,550
Total (prior to post-MD contributions)	<u>2,233,697</u>	<u>436,806</u>
Contributions subsequent to the MD	<u>995,762</u>	<u>-</u>
Total	<u>\$ 3,229,459</u>	<u>\$ 436,806</u>

City's contributions subsequent to the measurement date of \$995,762 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, 2021. 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	\$ 891,086
2022	177,780
2023	369,512
2024	303,328
2025	<u>55,185</u>
Total	<u>\$ 1,796,891</u>

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**E. Actuarial Assumptions**

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2017
Measurement Date	June 30, 2019
Experience Study Report	2016, published July 26, 2017
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 grade COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision, blend based on service.
Mortality	<p><b>Health retirees and beneficiaries:</b> RP-2014 healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p><b>Active Members:</b> RP-2014 Employees, 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> RP-2014 Disabled retirees, sex-distinct, generational 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 2016 Experience Study which reviewed experience for the four-year period ending on December 31, 2016.

**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 July 2017 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC)

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investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption 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.

<u>Asset Class/Strategy</u>	<b>Assumed Asset Allocation</b>		
	<u>Low Range</u>	<u>High Range</u>	<u>Target</u>
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Real Estate	9.5%	15.5%	12.5%
Private Equity	14.0%	21.0%	17.5%
Alternative Equity	0.0%	12.5%	12.5%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			<u>100.0%</u>

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<u>Asset Class</u>	<u>Target Allocation</u>	<u>Compounded Annual Return (Geometric)</u>
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00%	3.38%
Bank/Leveraged Loans	3.00%	5.09%
High Yield Bonds	1.00%	6.45%
Large/Mid Cap US Equities	15.75%	6.30%
Small Cap US Equities	1.30%	6.69%
Micro Cap US Equities	1.30%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Foreign Equities	4.12%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equities	17.50%	7.82%
Real Estate (Property)	10.00%	5.51%
Real Estate (REITS)	2.50%	6.37%
Hedge Fund of Funds - Diversified	2.50%	4.09%
Hedge Fund - Event-Driven	0.63%	5.86%
Timber	1.88%	5.62%
Farmland	1.88%	6.15%
Infrastructure	3.75%	6.60%
Commodities	1.88%	3.84%
	<hr/>	
Total	<u>100.00%</u>	
Assumed Inflation - Mean		2.50%

**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.

**CITY OF SANDY, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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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 our independent actuary's opinion that the detailed depletion date projections outlined in GASB 68 would clearly 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:

	<u>1% Decrease (6.20%)</u>	<u>Discount Rate (7.20%)</u>	<u>1% Increase (8.20%)</u>
City's proportionate share of the net pension liability (asset)	\$ 14,538,489	\$ 9,078,548	\$ 4,509,329

**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.

**CITY OF SANDY, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**K. Changes in Plan Provisions During the Measurement Period**

There were no changes during the June 30, 2019 measurement period that require disclosure.

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

A legislative change that occurred after the December 31, 2017 valuation date affected the plan provisions reflected for financial reporting purposes. Senate Bill 1049, signed into law in June 2019, introduced a limit on the amount of annual salary included for the calculation of benefits. Beginning in 2020, annual salary in excess of \$195,000 (as indexed in future years) will be excluded when determining member benefits. As a result, future Tier 1/Tier 2 and OPSRP benefits for certain active members are now projected to be lower than prior to the legislation. Senate Bill 1049 was reflected in the June 30, 2019 Total Pension Liability as a reduction in liability.

**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>Total OPEB on Financials</u>
Net OPEB Asset	\$ -	\$ 84,251	\$ 84,251
Deferred Outflows of Resources			
Change in Assumptions	9,656	-	9,656
Change in Proportionate Share	-	331	331
Contributions After MD	5,103	2,550	7,653
Total OPEB Liability	(299,342)	-	(299,342)
Deferred Inflows of Resources			
Difference in Expected and Actual Experience	(5,264)	(11,110)	(16,374)
Difference in Earnings	-	(5,200)	(5,200)
Change in Assumptions	(52,885)	(87)	(52,972)
Change in Proportionate Share	-	(270)	(270)
OPEB Expense/(Income)*	28,212	(10,939)	17,273

\*Included in program expenses on Statement of Activities

**CITY OF SANDY, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

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**B. Implicit Rate Subsidy**

**1. Plan Description**

The City’s single-employer defined benefit postemployment healthcare plan is administered by CityCounty 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	71
Eligible retirees	2
Spouses of ineligible retirees	0
Total participants	<u>73</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 \$299,342 was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2018.

For the fiscal year ended June 30, 2020, the City recognized OPEB expense from this plan of \$28,212. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 5,264
Changes of assumptions	9,656	52,885
Total (prior to post-MD contributions)	9,656	58,149
Contributions subsequent to the MD	5,103	-
Total	<u>\$ 14,759</u>	<u>\$ 58,149</u>

Deferred outflows of resources related to OPEB of \$5,103 resulting from the City’s contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability

**CITY OF SANDY, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

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in the year ended June 30, 2021. 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>	
2021	\$ (7,813)
2022	(7,813)
2023	(7,813)
2024	(7,813)
2025	(7,813)
Thereafter	(9,428)
Total	<u>\$ (48,493)</u>

**4. Actuarial Assumptions and Other Inputs**

The total OPEB liability in the July 1, 2019 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	3.50 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> RP-2014 healthy annuitant, 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: 7.00 percent per year decreasing to 4.75 percent.  Dental: 4.50 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 3.87% to 3.50%.



**CITY OF SANDY, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

	<b>Total OPEB Liability</b>
Balance as of June 30, 2019	\$ 269,572
Changes for the year:	
Service cost	24,956
Interest on Total OPEB Liability	11,069
Effect of assumptions changes or inputs	10,926
Benefit payments	(17,181)
Balance as of June 30, 2020	<u>\$ 299,342</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 (2.50%)</u>	<u>Current Discount Rate (3.50%)</u>	<u>1% Increase (4.50%)</u>
Total OPEB Liability	\$ 329,864	\$ 299,342	\$ 271,573

Healthcare Cost Trend:

	<u>1% Decrease</u>	<u>Current Health Care Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 28,565	\$ 299,342	\$ 348,903

**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>.

**CITY OF SANDY, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

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**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 PERS-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, 2020 contributions was \$21,632.

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

At June 30, 2020, the City reported an asset of \$84,251 for its proportionate share of the OPERS net OPEB asset. The net OPEB asset was measured as of June 30, 2019, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2017 rolled forward to June 30, 2019. 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, 2019, the City's proportionate share was 0.04360%, which is an increase from its proportion of 0.04407% as of June 30, 2018.

**CITY OF SANDY, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

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For the year ended June 30, 2020, the City recognized OPEB income from this plan of \$10,939. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 11,110
Changes of assumptions	-	87
Net difference between projected and actual earnings on investments	-	5,200
Changes in proportionate share	331	270
Differences between employer contributions and proportionate share of contributions	-	-
Total (prior to post-MD contributions)	<u>331</u>	<u>16,667</u>
Contributions subsequent to the MD	<u>2,550</u>	<u>-</u>
Total	<u>\$ 2,881</u>	<u>\$ 16,667</u>

Deferred outflows of resources related to OPEB of \$2,550 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, 2021. 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>	
2021	\$ (8,440)
2022	(7,481)
2023	(950)
2024	535
2025	-
Total	<u>\$ (16,336)</u>

**5. Actuarial Methods and Assumptions**

The total OPEB asset in the December 31, 2017 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, 2020**

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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:

Discount Rate:

	<u>1% Decrease (6.20%)</u>	<u>Current Discount Rate (7.20%)</u>	<u>1% Increase (8.20%)</u>
Total OPEB Liability	\$ (65,317)	\$ (84,251)	\$ (100,385)

**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, 2019 measurement period that require disclosure.

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

There were no changes subsequent to the June 30, 2019 measurement period that require disclosure.

**11. New Accounting Pronouncements**

The Governmental Accounting Standards Board (GASB) has issued *Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance*. The guidance postpones by one year the effective dates of certain provisions in the following pronouncements: Statement No. 83, *Certain Asset Retirement Obligations*, Statement No. 84, *Fiduciary Activities*, Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, Statement No. 90, *Majority Equity Interests*, Statement No. 91 *Conduit Debt Obligations*, Statement No. 92, *Omnibus 2020*, Statement No. 93, *Replacement of Interbank Offered Rates*, Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*, Implementation Guide No. 2018-1, *Implementation Guidance Update–2018*, Implementation Guide No. 2019-1, *Implementation Guidance Update–2019*, and Implementation Guide No. 2019-2, *Fiduciary Activities*. The Statement is intended to provide

**CITY OF SANDY, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

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relief to governments and other stakeholders in light of the COVID-19 pandemic. The City implemented Statement 95 for the year ending June 30, 2020.

**12. Risk Management**

The City is exposed to various risks of loss related to errors and omissions; automobile; damage to a 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.

**14. Subsequent Events**

During March 2020, a global pandemic was declared by the World Health Organization related to the rapidly growing outbreak of a novel strain of coronavirus (COVID-19). The pandemic has significantly impacted the economic conditions in the U.S., accelerating during the first half of March, as federal, state and local governments react to the public health crisis, creating significant uncertainties in the U.S. economy. The situation is rapidly changing and additional impacts may arise that we are not aware of currently. While the disruption is currently expected to be temporary, there is uncertainty around the duration. The ultimate impact of the pandemic on the results of operations, financial position, liquidity or capital resources cannot be reasonably estimated at this time.

## **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 Contributions Pension
- 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 REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2020**

	Biennial Budget	
	Original	Final
<b>REVENUES:</b>		
Property taxes	\$ 7,140,500	\$ 7,140,500
Public service taxes	3,611,000	3,611,000
Franchise fees	1,275,000	1,275,000
Grants	326,000	326,000
Charges for services	854,800	854,800
Licenses and permits	1,063,480	1,063,480
Fines and forfeitures	435,800	435,800
Interest	72,400	72,400
Contributions and donations	-	-
Miscellaneous	85,200	85,200
Indirect service	2,084,000	2,084,000
<b>Total revenues</b>	<b>16,948,180</b>	<b>16,948,180</b>
<b>EXPENDITURES:</b>		
General government	1,802,014	1,802,014
Economic development	2,060,004	2,060,004
Public safety	5,951,600	5,951,600
Culture and recreation	5,459,800	5,459,800
Capital outlay	339,346	339,346
Debt service:		
Principal	276,310	276,310
Interest	25,450	25,450
Contingency	1,421,233	1,421,233
Indirect service	1,455,930	1,455,930
<b>Total expenditures</b>	<b>18,791,687</b>	<b>18,791,687</b>
Revenues over (under) expenditures	(1,843,507)	(1,843,507)
<b>OTHER FINANCING SOURCES (USES):</b>		
Interfund loan payments	(66,509)	(66,509)
Transfers in	9,481,000	9,481,000
Transfers out	(101,126)	(101,126)
<b>Total other financing sources (uses)</b>	<b>9,313,365</b>	<b>9,313,365</b>
Net changes in fund balance	7,469,858	7,469,858
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	<b>2,321,142</b>	<b>2,321,142</b>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<b>\$ 9,791,000</b>	<b>\$ 9,791,000</b>
Interfund loan receivable		
<b>FUND BALANCE, ENDING</b>		



	Actual FY 2020	FY 2021	Biennial	Variance with Final Budget
\$	3,598,082	\$ -	\$ 3,598,082	\$ (3,542,418)
	1,762,846	-	1,762,846	(1,848,154)
	639,232	-	639,232	(635,768)
	183,548	-	183,548	(142,452)
	671,765	-	671,765	(183,035)
	479,359	-	479,359	(584,121)
	219,221	-	219,221	(216,579)
	66,799	-	66,799	(5,601)
	45,800	-	45,800	45,800
	235,291	-	235,291	150,091
	-	-	-	(2,084,000)
	<u>7,901,943</u>	<u>-</u>	<u>7,901,943</u>	<u>(9,046,237)</u>
	906,735	-	906,735	895,279
	1,129,211	-	1,129,211	930,793
	2,835,392	-	2,835,392	3,116,208
	2,580,576	-	2,580,576	2,879,224
	141,012	-	141,012	198,334
	132,198	-	132,198	144,112
	25,450	-	25,450	-
	-	-	-	1,421,233
	<u>727,970</u>	<u>-</u>	<u>727,970</u>	<u>727,960</u>
	<u>8,478,544</u>	<u>-</u>	<u>8,478,544</u>	<u>10,313,143</u>
	(576,601)	-	(576,601)	1,266,906
	(32,656)	-	(32,656)	33,853
	1,041,998	-	1,041,998	(8,439,002)
	<u>(205,564)</u>	<u>-</u>	<u>(205,564)</u>	<u>(104,438)</u>
	<u>803,778</u>	<u>-</u>	<u>803,778</u>	<u>(8,509,587)</u>
	227,177	-	227,177	(7,242,681)
	<u>2,521,886</u>	<u>-</u>	<u>2,521,886</u>	<u>200,744</u>
	2,749,063	-	<u>\$ 2,749,063</u>	<u>\$ (7,041,937)</u>
	<u>(323,616)</u>	<u>-</u>		
\$	<u>2,425,447</u>	<u>\$ -</u>		

**CITY OF SANDY, OREGON**  
**STREET FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2020**

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	Biennial Budget	
	Original	Final
<b>REVENUES:</b>		
Public service taxes	\$ 2,900,000	\$ 2,900,000
Special assessments	25,000	25,000
System development charges	630,000	630,000
Interest	71,000	71,000
Miscellaneous	15,300	15,300
	<hr/>	<hr/>
Total revenues	3,641,300	3,641,300
	<hr/>	<hr/>
<b>EXPENDITURES:</b>		
Personnel services	489,000	489,000
Materials and services	1,161,050	1,161,050
Capital outlay	4,446,500	4,446,500
Debt service:		
Principal	64,148	64,148
Interest	1,172	1,172
Contingency	1,575,429	1,575,429
	<hr/>	<hr/>
Total expenditures	7,737,299	7,737,299
	<hr/>	<hr/>
Revenues over (under) expenditures	(4,095,999)	(4,095,999)
	<hr/>	<hr/>
<b>OTHER FINANCING SOURCES (USES):</b>		
Issuance of debt	12,500	12,500
Transfers out	(117,357)	(117,357)
	<hr/>	<hr/>
Total other financing sources (uses)	(104,857)	(104,857)
	<hr/>	<hr/>
Net changes in fund balance	(4,200,856)	(4,200,856)
	<hr/>	<hr/>
<b>FUND BALANCE, BEGINNING</b>	4,200,856	4,200,856
	<hr/>	<hr/>
<b>FUND BALANCE, ENDING</b>	\$ -	\$ -
	<hr/>	<hr/>

<sup>1</sup> Appropriation level

Actual FY 2020	FY 2021	Biennial	Variance with Final Budget
\$ 1,023,877	\$ -	\$ 1,023,877	\$ (1,876,123)
50,753	-	50,753	25,753
597,388	-	597,388	(32,612)
108,968	-	108,968	37,968
66,883	-	66,883	51,583
<u>1,847,869</u>	<u>-</u>	<u>1,847,869</u>	<u>(1,793,431)</u>
252,688	-	252,688	236,312 <sup>1</sup>
1,213,731	-	1,213,731	(52,681) <sup>1</sup>
534,389	-	534,389	3,912,111
61,816	-	61,816	2,332 <sup>1</sup>
1,171	-	1,171	1 <sup>1</sup>
-	-	-	1,575,429
<u>2,063,795</u>	<u>-</u>	<u>2,063,795</u>	<u>5,673,504</u>
(215,926)	-	(215,926)	3,880,073
-	-	-	(12,500)
<u>(58,678)</u>	<u>-</u>	<u>(58,678)</u>	<u>58,679</u>
<u>(58,678)</u>	<u>-</u>	<u>(58,678)</u>	<u>46,179</u>
(274,604)	-	(274,604)	3,926,252
<u>5,015,905</u>	<u>-</u>	<u>5,015,905</u>	<u>815,049</u>
<u>\$ 4,741,301</u>	<u>\$ -</u>	<u>\$ 4,741,301</u>	<u>\$ 4,741,301</u>

**CITY OF SANDY, OREGON**  
**URBAN RENEWAL AGENCY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2020**

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	Biennial Budget	
	Original	Final
<b>REVENUES:</b>		
Property taxes	\$ 3,620,000	\$ 3,620,000
Interest	75,000	75,000
Miscellaneous	-	-
Total revenues	<u>3,695,000</u>	<u>3,695,000</u>
<b>EXPENDITURES:</b>		
Personnel services	247,200	247,200
Materials and services	162,720	162,720
Capital outlay	3,960,000	3,960,000
Debt service:		
Interest	-	-
Contingency	2,621,073	2,621,073
Total expenditures	<u>6,990,993</u>	<u>6,990,993</u>
Revenues over (under) expenditures	(3,295,993)	(3,295,993)
<b>OTHER FINANCING SOURCES (USES):</b>		
Transfers out	<u>(1,793,540)</u>	<u>(1,793,540)</u>
Total other financing sources (uses)	<u>(1,793,540)</u>	<u>(1,793,540)</u>
Net changes in fund balance	(5,089,533)	(5,089,533)
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	<u>5,089,533</u>	<u>5,089,533</u>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<u>\$ -</u>	<u>\$ -</u>

Actual FY 2020	FY 2021	Biennial	Variance with Final Budget
\$ 1,816,946	\$ -	\$ 1,816,946	\$ (1,803,054)
114,994	-	114,994	39,994
68,244	-	68,244	68,244
2,000,184	-	2,000,184	(1,694,816)
125,635	-	125,635	121,565
110,689	-	110,689	52,031
244,262	-	244,262	3,715,738
-	-	-	-
-	-	-	2,621,073
480,586	-	480,586	6,510,407
1,519,598	-	1,519,598	4,815,591
(896,789)	-	(896,789)	896,751
(896,789)	-	(896,789)	896,751
622,809	-	622,809	5,712,342
5,311,254	-	5,311,254	221,721
\$ 5,934,063	\$ -	\$ 5,934,063	\$ 5,934,063

**CITY OF SANDY, OREGON**  
**TRANSIT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2020**

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	Biennial Budget	
	Original	Final
<b>REVENUES:</b>		
Public service taxes	\$ 1,514,400	\$ 1,514,400
Grants	3,508,290	3,508,290
Charges for services	-	-
Interest	51,000	51,000
Intergovernmental	-	-
Miscellaneous	11,000	11,000
	<u>5,084,690</u>	<u>5,084,690</u>
Total revenues		
<b>EXPENDITURES:</b>		
Personnel services	614,000	614,000
Materials and services	2,353,078	2,353,078
Capital outlay	2,669,000	2,669,000
Contingency	1,029,526	1,029,526
	<u>6,665,604</u>	<u>6,665,604</u>
Total expenditures		
Revenues over (under) expenditures	(1,580,914)	(1,580,914)
<b>OTHER FINANCING SOURCES (USES):</b>		
Interfund loan receipts	160,258	160,258
Transfers in	838,345	838,345
Transfers out	(1,031,278)	(1,031,278)
	<u>(32,675)</u>	<u>(32,675)</u>
Total other financing sources (uses)		
Net changes in fund balance	(1,613,589)	(1,613,589)
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	<u>1,613,589</u>	<u>1,613,589</u>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<u>\$ -</u>	<u>\$ -</u>
Interfund loan receivable		
<b>FUND BALANCE, ENDING</b>		

Actual			Variance with	
FY 2020	FY 2021	Biennial	Final Budget	
\$ 762,973	\$ -	\$ 762,973	\$ (751,427)	
2,005,205	-	2,005,205	(1,503,085)	
121,884	-	121,884	121,884	
71,244	-	71,244	20,244	
409,274	-	409,274	409,274	
33,057	-	33,057	22,057	
<u>3,403,637</u>	<u>-</u>	<u>3,403,637</u>	<u>(1,681,053)</u>	
758,443	-	758,443	(144,443) <sup>1</sup>	
1,106,760	-	1,106,760	1,246,318 <sup>1</sup>	
1,725,266	-	1,725,266	943,734	
-	-	-	1,029,526	
<u>3,590,469</u>	<u>-</u>	<u>3,590,469</u>	<u>3,075,135</u>	
(186,832)	-	(186,832)	1,394,082	
79,367	-	79,367	(80,891)	
-	-	-	(838,345)	
<u>(96,466)</u>	<u>-</u>	<u>(96,466)</u>	<u>934,812</u> <sup>1</sup>	
<u>(17,099)</u>	<u>-</u>	<u>(17,099)</u>	<u>15,576</u>	
(203,931)	-	(203,931)	1,409,658	
<u>1,845,656</u>	<u>-</u>	<u>1,845,656</u>	<u>232,067</u>	
1,641,725	-	<u>\$ 1,641,725</u>	<u>\$ 1,641,725</u>	
<u>731,075</u>	<u>-</u>			
<u>\$ 2,372,800</u>	<u>\$ -</u>			

<sup>1</sup> Appropriation level

**CITY OF SANDY, OREGON**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**For the Last Ten Fiscal Years<sup>1</sup>**

Measurement Date June 30,	(a) City's proportion of the net pension liability (asset)	(b) City's proportionate share of the net pension liability (asset)	(c) City's covered payroll	(b/c) 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
2019	0.05248442%	\$ 9,078,548	\$ 4,981,924	182.23%	80.20%
2018	0.04919473%	7,452,354	4,686,533	159.02%	82.10%
2017	0.04837362%	6,520,782	4,309,195	151.32%	83.10%
2016	0.04639990%	6,965,702	4,182,946	166.53%	80.53%
2015	0.05014105%	2,878,829	3,743,111	76.91%	91.90%
2014	0.04860486%	(1,101,733)	3,678,613	-29.95%	103.60%
2013	0.05014105%	673,613	3,634,579	18.53%	91.97%

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 CONTRIBUTIONS PENSION**  
**For the Last Ten Fiscal Years<sup>1</sup>**

Year Ended June 30,	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) City's covered payroll	(b/c) Contributions as a percent of covered payroll
2020	\$ 995,762	\$ 995,762	\$ -	\$ 4,795,403	20.76%
2019	758,025	758,025	-	4,981,924	15.22%
2018	721,679	721,679	-	4,686,533	15.40%
2017	550,058	550,058	-	4,309,195	12.76%
2016	499,561	499,561	-	4,182,946	11.94%
2015	439,953	439,953	-	3,743,111	11.75%
2014	400,323	400,323	-	3,678,613	10.88%

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, 2015	December 31, 2013	December 31, 2011
Effective:	July 2017 - June 2019	July 2015 - June 2017	July 2013 - June 2015
Actuarial cost method:	Entry Age Normal	Entry Age Normal	Projected Unit Credit
Amortization method:	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll
Asset valuation method:	Market value	Market value	Market value
Remaining amortization periods:	20 years	20 years	N/A
Actuarial assumptions			
Inflation rate	2.50 percent	2.75 percent	2.75 percent
Projected salary increases	3.50 percent	3.75 percent	3.75 percent
Investment rate of return	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)**  
**For the Last Ten Fiscal Years<sup>1</sup>**

Measurement Date June 30,	(a) City's proportion of the net OPEB liability (asset)	(b) City's proportionate share of the net OPEB liability (asset)	(c) Covered payroll	(b/c) 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
2019	0.04360022%	\$ (84,251)	\$ 4,981,924	-1.69%	144.40%
2018	0.04407014%	(49,194)	4,686,533	-1.05%	124.00%
2017	0.04101136%	(17,116)	4,309,195	-0.40%	108.90%
2016	0.03960650%	10,756	4,182,946	0.26%	108.90%

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**

Changes of Assumptions:

The PERS Board adopted assumption changes that were used to measure the June 30, 2018 total OPEB liability. The changes include lowering of the long-term expected rate of return to 7.20 percent. In addition, healthy retiree participation and healthy mortality assumptions were changes to reflect an updated trends and mortality improvement scale for all groups.

**CITY OF SANDY, OREGON**  
**SCHEDULE OF CONTRIBUTIONS - OPEB (RHIA)**  
**For the Last Ten Fiscal Years<sup>1</sup>**

Year Ended June 30,	(a) Contractually determined contribution	(b) Contributions in relation to the actuarially required contribution	(a-b) Contribution deficiency (excess)	(c) Covered payroll	(b/c) Contributions as a percent of covered payroll
2020	\$ 2,550	\$ 2,550	\$ -	\$ 4,795,403	0.05%
2019	21,153	21,153	-	4,981,924	0.42%
2018	21,339	21,339	-	4,686,533	0.46%
2017	20,418	20,418	-	4,309,195	0.47%

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

**CITY OF SANDY, OREGON**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (CIS)**  
**For the Last Ten Fiscal Years<sup>1</sup>**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>			
Service Interest	\$ 24,956	\$ 28,685	\$ 30,636
Interest	11,069	11,343	8,819
Differences between expected and actual experience	-	(6,860)	-
Changes of assumptions	10,926	(49,167)	(22,856)
Benefit payment	<u>(17,181)</u>	<u>(5,143)</u>	<u>(9,296)</u>
<b>Net change in total OPEB liability</b>	29,770	(21,142)	7,303
<b>Total OPEB liability - beginning</b>	<u>269,572</u>	<u>290,714</u>	<u>283,411</u>
<b>Total OPEB liability - ending (a)</b>	<u><u>299,342</u></u>	<u><u>269,572</u></u>	<u><u>\$ 290,714</u></u>
Covered-employee payroll	\$ 4,981,924	\$ 4,686,533	\$ 4,309,195
Total OPEB liability as a percentage of covered-employee payroll	6.01%	5.75%	6.75%

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 CONTRIBUTIONS - OPEB (CIS)**  
**For the Last Ten Fiscal Years<sup>1</sup>**

Year Ended June 30,	(a) Actuarially determined contribution	(b) Contributions in relation to the actuarially required contribution	(a-b) Contribution deficiency (excess)	(c) Covered payroll	(b/c) Contributions as a percent of covered payroll
2020	\$ 5,103	\$ 5,103	\$ -	\$ 5,277,632	0.10%
2019	22,324	22,324	-	4,981,924	0.45%
2018	5,143	5,143	-	4,686,533	0.11%
2017	9,296	9,296	-	4,309,195	0.22%

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:	July 1, 2018	July 1, 2016
Effective:	June 30, 2018 and 2019	July 2016 - June 2018
Actuarial cost method:	Entry Age Normal	Entry Age Normal
Amortization method:	Level percentage of payroll, closed	Level percentage of payroll, closed
Amortization period:	6.8 years	10 years
Asset valuation method:	Market value	Market value
Remaining amortization periods:	20 years	20 years
Actuarial assumptions		
Inflation rate	2.50 percent	2.75 percent
Projected salary increases	3.50 percent	3.75 percent

**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.

**B. Deficit Fund Balance**

At June 30, 2020, the Telecommunications Fund had a deficit budgetary basis fund balance of (\$120,122) and the Operations Center Internal Service Fund had a deficit budgetary basis fund balance of (\$3,947).

## **OTHER SUPPLEMENTARY INFORMATION**

## 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

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, 2020**

	Aquatic/Recreation Center Fund Special Revenue Fund	City FFC Debt Service Fund Debt Service Funds	Parks Capital Project Fund Capital Projects Fund	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 110,131	\$ -	\$ 2,298,181	\$ 2,408,312
Total assets	<u>\$ 110,131</u>	<u>\$ -</u>	<u>\$ 2,298,181</u>	<u>\$ 2,408,312</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accounts payable and other current liabilities	\$ 3,010	\$ -	\$ 9,041	\$ 12,051
Total liabilities	<u>3,010</u>	<u>-</u>	<u>9,041</u>	<u>12,051</u>
<b>FUND BALANCES:</b>				
Restricted:				
System development charges	-	-	1,223,401	1,223,401
Park projects	-	-	1,016,305	1,016,305
Committed:				
Capital projects fund	-	-	49,434	49,434
Assigned:				
Special revenue fund	<u>107,121</u>	<u>-</u>	<u>-</u>	<u>107,121</u>
Total fund equity	<u>107,121</u>	<u>-</u>	<u>2,289,140</u>	<u>2,396,261</u>
Total liabilities and fund equity	<u>\$ 110,131</u>	<u>\$ -</u>	<u>\$ 2,298,181</u>	<u>\$ 2,408,312</u>

**CITY OF SANDY, OREGON**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**For the Fiscal Year Ended June 30, 2020**

	Aquatic/Recreation Center Fund Special Revenue Fund	City FFC Debt Service Fund Debt Service Funds	Parks Capital Project Fund Capital Projects Fund	Total
<b>REVENUES:</b>				
Charges for services	\$ 35	\$ -	\$ -	\$ 35
System development charges	-	-	312,487	312,487
Interest	2,096	-	43,724	45,820
Contributions and donations	-	-	208,073	208,073
<b>Total revenues</b>	<b>2,131</b>	<b>-</b>	<b>564,284</b>	<b>566,415</b>
<b>EXPENDITURES:</b>				
General government	89,021	-	69,925	158,946
Capital outlay	-	-	59,447	59,447
Debt service:				
Principal	-	664,796	-	664,796
Interest	-	223,041	-	223,041
<b>Total expenditures</b>	<b>89,021</b>	<b>887,837</b>	<b>129,372</b>	<b>1,106,230</b>
Revenues over (under) expenditures	(86,890)	(887,837)	434,912	(539,815)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	80,000	887,837	-	967,837
<b>Total other financing sources (uses)</b>	<b>80,000</b>	<b>887,837</b>	<b>-</b>	<b>967,837</b>
Net changes in fund balances	(6,890)	-	434,912	428,022
<b>FUND BALANCES, BEGINNING</b>	<b>114,011</b>	<b>-</b>	<b>1,854,228</b>	<b>1,968,239</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 107,121</b>	<b>\$ -</b>	<b>\$ 2,289,140</b>	<b>\$ 2,396,261</b>

**CITY OF SANDY, OREGON**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2020**

	Biennial Budget	
	Original	Final
Mayor and city council		
Materials and services	\$ 55,500	\$ 55,500
Capital outlay	1,000	1,000
Indirect service	28,874	28,874
Transfer	888	888
Contingency	1,718	1,718
Subtotal	87,980	87,980
Administration		
Personnel services	415,500	415,500
Materials and services	41,000	41,000
Capital outlay	8,000	8,000
Contingency	23,461	23,461
Subtotal	487,961	487,961
Legal		
Materials and services	207,414	207,414
Subtotal	207,414	207,414
Municipal court		
Personnel services	109,700	109,700
Materials and services	28,600	28,600
Capital outlay	6,000	6,000
Indirect services	24,949	24,949
Contingency	26,777	26,777
Subtotal	196,026	196,026
Finance		
Personnel services	575,500	575,500
Materials and services	141,600	141,600
Capital outlay	15,000	15,000
Contingency	40,000	40,000
Subtotal	772,100	772,100
Library		
Personnel services	2,301,500	2,301,500
Materials and services	447,100	447,100
Capital outlay	15,000	15,000
Debt service	94,468	94,468
Indirect service	341,372	341,372
Contingency	50,253	50,253
Subtotal	3,249,693	3,249,693

Actual		Variance with	
FY 2020	FY 2021	Biennial	Final Budget
\$ 26,774	\$ -	\$ 26,774	\$ 28,726
-	-	-	1,000
14,438	-	14,438	14,436
444	-	444	444
-	-	-	1,718
<u>41,656</u>	<u>-</u>	<u>41,656</u>	<u>46,324</u> <sup>1</sup>
207,175	-	207,175	208,325
4,147	-	4,147	36,853
1,202	-	1,202	6,798
-	-	-	23,461
<u>212,524</u>	<u>-</u>	<u>212,524</u>	<u>275,437</u> <sup>1</sup>
<u>116,696</u>	<u>-</u>	<u>116,696</u>	<u>90,718</u>
<u>116,696</u>	<u>-</u>	<u>116,696</u>	<u>90,718</u> <sup>1</sup>
42,905	-	42,905	66,795
12,965	-	12,965	15,635
2,745	-	2,745	3,255
12,474	-	12,474	12,475
-	-	-	26,777
<u>71,089</u>	<u>-</u>	<u>71,089</u>	<u>124,937</u> <sup>1</sup>
270,597	-	270,597	304,903
59,314	-	59,314	82,286
5,915	-	5,915	9,085
-	-	-	40,000
<u>335,826</u>	<u>-</u>	<u>335,826</u>	<u>436,274</u> <sup>1</sup>
1,122,895	-	1,122,895	1,178,605
234,447	-	234,447	212,653
18,656	-	18,656	(3,656)
45,937	-	45,937	48,531
170,686	-	170,686	170,686
-	-	-	50,253
<u>1,592,621</u>	<u>-</u>	<u>1,592,621</u>	<u>1,657,072</u> <sup>1</sup>

**CITY OF SANDY, OREGON**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2020**

	Biennial Budget	
	Original	Final
Continued		
Police		
Personnel services	5,105,000	5,105,000
Materials and services	708,300	708,300
Capital outlay	43,046	43,046
Debt service	198,286	198,286
Indirect service	572,084	572,084
Transfer	7,163	7,163
Subtotal	<u>6,633,879</u>	<u>6,633,879</u>
Recreation		
Personnel services	620,500	620,500
Materials and services	220,700	220,700
Capital outlay	18,000	18,000
Indirect service	75,025	75,025
Contingency	66,389	66,389
Subtotal	<u>1,000,614</u>	<u>1,000,614</u>
Seniors		
Personnel services	867,500	867,500
Materials and services	245,100	245,100
Capital outlay	48,800	48,800
Indirect service	101,650	101,650
Contingency	25,004	25,004
Subtotal	<u>1,288,054</u>	<u>1,288,054</u>
Parks maintenance		
Personnel services	532,000	532,000
Materials and services	225,400	225,400
Capital outlay	65,500	65,500
Indirect service	65,276	65,276
Transfer	8,075	8,075
Contingency	11,047	11,047
Subtotal	<u>907,298</u>	<u>907,298</u>

Actual				Variance with
FY 2020	FY 2021	Biennial		Final Budget
2,420,274	-	2,420,274		2,684,726
359,248	-	359,248		349,052
31,331	-	31,331		11,715
100,368	-	100,368		97,918
286,048	-	286,048		286,036
3,582	-	3,582		3,581
<u>3,200,851</u>	<u>-</u>	<u>3,200,851</u>		<u>3,433,028</u> <sup>1</sup>
303,751	-	303,751		316,749
82,881	-	82,881		137,819
1,937	-	1,937		16,063
37,512	-	37,512		37,513
-	-	-		66,389
<u>426,081</u>	<u>-</u>	<u>426,081</u>		<u>574,533</u> <sup>1</sup>
383,934	-	383,934		483,566
108,607	-	108,607		136,493
4,566	-	4,566		44,234
50,824	-	50,824		50,826
-	-	-		25,004
<u>547,931</u>	<u>-</u>	<u>547,931</u>		<u>740,123</u> <sup>1</sup>
255,766	-	255,766		276,234
88,295	-	88,295		137,105
11,100	-	11,100		54,400
32,638	-	32,638		32,638
4,038	-	4,038		4,037
-	-	-		11,047
<u>391,837</u>	<u>-</u>	<u>391,837</u>		<u>515,461</u> <sup>1</sup>

**CITY OF SANDY, OREGON**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2020**

	Biennial Budget	
	Original	Final
Continued		
Planning		
Personnel services	548,000	548,000
Materials and services	78,100	78,100
Capital outlay	9,000	9,000
Indirect service	84,406	84,406
Contingency	62,277	62,277
Subtotal	781,783	781,783
Building		
Personnel services	652,500	652,500
Materials and services	90,080	90,080
Capital outlay	11,000	11,000
Indirect service	123,297	123,297
Contingency	280,788	280,788
Subtotal	1,157,665	1,157,665
Economic development		
Personnel services	105,200	105,200
Materials and services	99,100	99,100
Capital outlay	2,000	2,000
Indirect service	38,997	38,997
Contingency	5,047	5,047
Subtotal	250,344	250,344
Non departmental		
Materials and services	365,500	365,500
Capital outlay	22,000	22,000
Debt Service	9,006	9,006
Transfer	85,000	85,000
Contingency	804,683	804,683
Subtotal	1,286,189	1,286,189
Information technology		
Personnel services	281,524	281,524
Materials and services	205,500	205,500
Capital outlay	75,000	75,000
Contingency	23,789	23,789
Subtotal	585,813	585,813
Total expenditures	\$ 18,892,813	\$ 18,892,813

<sup>1</sup> Appropriation level

Actual				Variance with
FY 2020	FY 2021	Biennial		Final Budget
243,388	-	243,388		304,612
88,915	-	88,915		(10,815)
5,775	-	5,775		3,225
42,204	-	42,204		42,202
-	-	-		62,277
<u>380,282</u>	<u>-</u>	<u>380,282</u>		<u>401,501</u> <sup>1</sup>
344,230	-	344,230		308,270
43,347	-	43,347		46,733
3,995	-	3,995		7,005
61,648	-	61,648		61,649
-	-	-		280,788
<u>453,220</u>	<u>-</u>	<u>453,220</u>		<u>704,445</u> <sup>1</sup>
51,219	-	51,219		53,981
48,043	-	48,043		51,057
2,069	-	2,069		(69)
19,498	-	19,498		19,499
-	-	-		5,047
<u>120,829</u>	<u>-</u>	<u>120,829</u>		<u>129,515</u> <sup>1</sup>
222,032	-	222,032		143,468
5,139	-	5,139		16,861
11,343	-	11,343		(2,337)
197,500	-	197,500		(112,500)
-	-	-		804,683
<u>436,014</u>	<u>-</u>	<u>436,014</u>		<u>850,175</u> <sup>1</sup>
128,775	-	128,775		152,749
181,294	-	181,294		24,206
46,582	-	46,582		28,418
-	-	-		23,789
<u>356,651</u>	<u>-</u>	<u>356,651</u>		<u>229,162</u> <sup>1</sup>
<u>\$ 8,684,108</u>	<u>\$ -</u>	<u>\$ 8,684,108</u>		<u>\$ 10,208,705</u>



**CITY OF SANDY, OREGON**  
**AQUATIC/RECREATION CENTER FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2020**

---

	Biennial Budget	
	Original	Final
<b>REVENUES:</b>		
Charges for services	\$ -	\$ -
Interest	-	-
Total revenues	-	-
<b>EXPENDITURES:</b>		
Personnel services	47,700	47,700
Materials and services	206,000	206,000
Contingency	39,782	39,782
Total expenditures	293,482	293,482
Revenues over (under) expenditures	(293,482)	(293,482)
<b>OTHER FINANCING SOURCES (USES):</b>		
Transfers in	160,000	160,000
Total other financing sources (uses)	160,000	160,000
Net changes in fund balances	(133,482)	(133,482)
<b>FUND BALANCES, BEGINNING</b>	133,482	133,482
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -

<hr/>			
Actual			Variance
FY 2020	FY 2021	Biennial	Positive (Negative)
\$ 35	\$ -	\$ 35	\$ 35
2,096	-	2,096	2,096
<hr/>	<hr/>	<hr/>	<hr/>
2,131	-	2,131	2,131
<hr/>	<hr/>	<hr/>	<hr/>
11,214	-	11,214	36,486 <sup>1</sup>
77,807	-	77,807	128,193 <sup>1</sup>
-	-	-	39,782
<hr/>	<hr/>	<hr/>	<hr/>
89,021	-	89,021	204,461
<hr/>	<hr/>	<hr/>	<hr/>
(86,890)	-	(86,890)	206,592
<hr/>	<hr/>	<hr/>	<hr/>
80,000	-	80,000	(80,000)
<hr/>	<hr/>	<hr/>	<hr/>
80,000	-	80,000	(80,000)
<hr/>	<hr/>	<hr/>	<hr/>
(6,890)	-	(6,890)	126,592
<hr/>	<hr/>	<hr/>	<hr/>
114,011	-	114,011	(19,471)
<hr/>	<hr/>	<hr/>	<hr/>
\$ 107,121	\$ -	\$ 107,121	\$ 107,121
<hr/>	<hr/>	<hr/>	<hr/>

<sup>1</sup> Appropriation level

**CITY OF SANDY, OREGON**  
**CITY FFC DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2020**

---

	Biennial Budget	
	Original	Final
<b>EXPENDITURES:</b>		
Debt service:		
Principal	\$ 1,345,813	\$ 1,345,813
Interest	429,821	429,821
	<hr/>	<hr/>
Total expenditures	1,775,634	1,775,634
	<hr/>	<hr/>
Revenues over (under) expenditures	(1,775,634)	(1,775,634)
<b>OTHER FINANCING SOURCES (USES):</b>		
Transfers in	1,775,634	1,775,634
	<hr/>	<hr/>
Total other financing sources (uses)	1,775,634	1,775,634
	<hr/>	<hr/>
Net changes in fund balances	-	-
<b>FUND BALANCES, BEGINNING</b>	<hr/>	<hr/>
	-	-
<b>FUND BALANCES, ENDING</b>	<hr/>	<hr/>
	\$ -	\$ -

<u>Actual</u>			Variance
<u>FY 2020</u>	<u>FY 2021</u>	<u>Biennial</u>	<u>Positive (Negative)</u>
\$ 664,796	\$ -	\$ 664,796	\$ 681,017
223,041	-	223,041	206,780
<u>887,837</u>	<u>-</u>	<u>887,837</u>	<u>887,797</u> <sup>1</sup>
(887,837)	-	(887,837)	887,797
<u>887,837</u>	<u>-</u>	<u>887,837</u>	<u>(887,797)</u>
<u>887,837</u>	<u>-</u>	<u>887,837</u>	<u>(887,797)</u>
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<sup>1</sup> Appropriation level

**CITY OF SANDY, OREGON  
PARKS CAPITAL PROJECT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2020**

---

	Biennial Budget	
	Original	Final
<b>REVENUES:</b>		
System development charges	\$ 700,000	\$ 700,000
Interest	40,000	40,000
Contributions and donations	-	-
Total revenues	<u>740,000</u>	<u>740,000</u>
<b>EXPENDITURES:</b>		
Materials and services	204,687	204,687
Capital outlay	1,250,000	1,250,000
Contingency	1,024,874	1,024,874
Total expenditures	<u>2,479,561</u>	<u>2,479,561</u>
Net changes in fund balances	(1,739,561)	(1,739,561)
<b>FUND BALANCE, BEGINNING</b>	<u>1,739,561</u>	<u>1,739,561</u>
<b>FUND BALANCE, ENDING</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

<sup>1</sup> Appropriation level

---

Actual			Variance
FY 2020	FY 2021	Biennial	Positive (Negative)
\$ 312,487	\$ -	\$ 312,487	\$ (387,513)
43,724	-	43,724	3,724
208,073	-	208,073	208,073
<u>564,284</u>	<u>-</u>	<u>564,284</u>	<u>(175,716)</u>
69,925	-	69,925	134,762 <sup>1</sup>
59,447	-	59,447	1,190,553
-	-	-	1,024,874
<u>129,372</u>	<u>-</u>	<u>129,372</u>	<u>2,350,189</u>
434,912	-	434,912	2,174,473
1,854,228	-	1,854,228	114,667
<u>\$ 2,289,140</u>	<u>\$ -</u>	<u>\$ 2,289,140</u>	<u>\$ 2,289,140</u>

## **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 REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2020**

	Biennial Budget	
	Original	Final
<b>REVENUES:</b>		
Charges for services	\$ 3,644,500	\$ 3,644,500
System development charges	-	-
Interest	31,500	31,500
Miscellaneous	25,500	25,500
Total revenues	3,701,500	3,701,500
<b>EXPENDITURES:</b>		
Personnel services	534,000	534,000
Materials and services	1,603,850	1,603,850
Capital outlay	784,000	784,000
Debt service:		
Principal	867,743	867,743
Interest	335,811	335,811
Contingency	1,452,441	1,452,441
Total expenditures	5,577,845	5,577,845
Revenues over (under) expenditures	(1,876,345)	(1,876,345)
<b>OTHER FINANCING SOURCES (USES):</b>		
Transfers out	(133,025)	(133,025)
Total other financing sources (uses)	(133,025)	(133,025)
Changes in fund balance	(2,009,370)	(2,009,370)
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	2,009,370	2,009,370
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	\$ -	\$ -

<sup>1</sup> Appropriation level

**RECONCILIATION TO NET POSITION - GAAP BASIS**

Allowance for doubtful accounts  
Capital assets, net  
Net OPEB Asset  
Deferred outflows related to pensions  
Deferred outflows related to OPEB  
Notes receivable  
Accrued interest  
Accrued compensated absence  
Loans payable  
Net pension liability  
Net OPEB liability  
Deferred inflows of resources related to pensions  
Deferred inflows of resources related to OPEB

**NET POSITION**



Actual				Variance with
FY 2020	FY 2021	Biennial	Final Budget	
\$ 1,594,118	\$ -	\$ 1,594,118	\$ (2,050,382)	
370,248	-	370,248	370,248	
73,893	-	73,893	42,393	
59,604	-	59,604	34,104	
<u>2,097,863</u>	<u>-</u>	<u>2,097,863</u>	<u>(1,603,637)</u>	
250,301	-	250,301	283,699	<sup>1</sup>
673,176	-	673,176	930,674	<sup>1</sup>
167,720	-	167,720	616,280	
428,440	-	428,440	439,303	<sup>1</sup>
173,242	-	173,242	162,569	<sup>1</sup>
-	-	-	1,452,441	
<u>1,692,879</u>	<u>-</u>	<u>1,692,879</u>	<u>3,884,966</u>	
404,984	-	404,984	2,281,329	
<u>(66,512)</u>	<u>-</u>	<u>(66,512)</u>	<u>66,513</u>	<sup>1</sup>
<u>(66,512)</u>	<u>-</u>	<u>(66,512)</u>	<u>66,513</u>	
338,472	-	338,472	2,347,842	
<u>2,404,270</u>	<u>-</u>	<u>2,404,270</u>	<u>394,900</u>	
2,742,742	<u>\$ -</u>	<u>\$ 2,742,742</u>	<u>\$ 2,742,742</u>	
(1,615)				
12,484,735				
2,484				
95,211				
520				
122,778				
(92,498)				
(15,390)				
(5,957,321)				
(267,653)				
(8,825)				
(12,877)				
(2,206)				
<u>\$ 9,090,085</u>				

**CITY OF SANDY, OREGON**  
**SEWER OPERATIONS COMBINED**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
**For the Fiscal Year Ended June 30, 2020**

	Sewer Fund	Sewer Bond Reserve Fund	Total Sewer Operations
<b>REVENUES:</b>			
Charges for services	\$ 2,204,790	\$ -	\$ 2,204,790
System development charges	253,611	-	253,611
Interest	23,496	43,697	67,193
Miscellaneous	5,384	-	5,384
Total revenues	<u>2,487,281</u>	<u>43,697</u>	<u>2,530,978</u>
<b>EXPENDITURES:</b>			
Personnel services	274,929	-	274,929
Materials and services	1,183,253	-	1,183,253
Capital outlay	452,778	-	452,778
Debt service:			
Principal	68,450	-	68,450
Interest	101,092	-	101,092
Total expenditures	<u>2,080,502</u>	<u>-</u>	<u>2,080,502</u>
Revenues over (under) expenditures	406,779	43,697	450,476
<b>OTHER FINANCING SOURCES (USES):</b>			
Issuance of debt	228,072	-	228,072
Interfund loan receipts	-	103,999	103,999
Transfers in	-	100,000	100,000
Transfers out	(170,404)	-	(170,404)
Total other financing sources (uses)	<u>57,668</u>	<u>203,999</u>	<u>261,667</u>
Net changes in fund balance	464,447	247,696	712,143
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	<u>414,297</u>	<u>1,632,437</u>	<u>2,046,734</u>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<u>\$ 878,744</u>	<u>\$ 1,880,133</u>	<u>2,758,877</u>
<b>RECONCILIATION TO NET POSITION - GAAP BASIS</b>			
Allowance for doubtful accounts			(16,550)
Capital assets, net			6,211,609
Net OPEB Asset			2,760
Deferred outflows related to pensions			105,810
Deferred outflows related to OPEB			578
Accrued interest			(8,163)
Accrued compensated absence			(15,390)
Loans payable			(2,423,660)
Net pension liability			(297,450)
Net OPEB liability			(9,808)
Deferred inflows of resources related to pensions			(14,311)
Deferred inflows of resources related to OPEB			(2,451)
<b>NET POSITION</b>			<u>\$ 6,291,851</u>

**CITY OF SANDY, OREGON**  
**SEWER FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2020**

	Biennial Budget	
	Original	Final
<b>REVENUES:</b>		
Charges for services	\$ 3,620,000	\$ 3,620,000
System development charges	-	-
Interest	2,500	2,500
Miscellaneous	5,500	5,500
Total revenues	3,628,000	3,628,000
<b>EXPENDITURES:</b>		
Personnel services	621,500	621,500
Materials and services	1,910,145	1,910,145
Capital outlay	6,688,178	6,688,178
Debt service:		
Principal	222,218	222,218
Interest	207,077	207,077
Contingency	200,000	200,000
Total expenditures	9,849,118	9,849,118
Revenues over (under) expenditures	(6,221,118)	(6,221,118)
<b>OTHER FINANCING SOURCES (USES):</b>		
Issuance of debt	6,266,000	6,266,000
Transfers out	(340,808)	(340,808)
Total other financing sources (uses)	5,925,192	5,925,192
Net changes in fund balance	(295,926)	(295,926)
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	295,926	295,926
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	\$ -	\$ -

<sup>1</sup> Appropriation level

Actual				Variance with
FY 2020	FY 2021	Biennial	Final Budget	
\$ 2,204,790	\$ -	\$ 2,204,790	\$ (1,415,210)	
253,611	-	253,611	253,611	
23,496	-	23,496	20,996	
5,384	-	5,384	(116)	
<u>2,487,281</u>	<u>-</u>	<u>2,487,281</u>	<u>(1,140,719)</u>	
274,929	-	274,929	346,571 <sup>1</sup>	
1,183,253	-	1,183,253	726,892 <sup>1</sup>	
452,778	-	452,778	6,235,400	
68,450	-	68,450	153,768 <sup>1</sup>	
101,092	-	101,092	105,985 <sup>1</sup>	
-	-	-	200,000	
<u>2,080,502</u>	<u>-</u>	<u>2,080,502</u>	<u>7,768,616</u>	
406,779	-	406,779	6,627,897	
228,072	-	228,072	(6,037,928)	
(170,404)	-	(170,404)	170,404 <sup>1</sup>	
<u>57,668</u>	<u>-</u>	<u>57,668</u>	<u>(5,867,524)</u>	
464,447	-	464,447	760,373	
414,297	-	414,297	118,371	
<u>\$ 878,744</u>	<u>\$ -</u>	<u>\$ 878,744</u>	<u>\$ 878,744</u>	

**CITY OF SANDY, OREGON**  
**SEWER BOND RESERVE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2020**

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	Biennial Budget	
	Original	Final
<b>REVENUES:</b>		
Interest	\$ 45,000	\$ 45,000
Total revenues	45,000	45,000
<b>OTHER FINANCING SOURCES (USES):</b>		
Interfund loan receipts	103,999	103,999
Transfers in	200,000	200,000
Total other financing sources (uses)	303,999	303,999
Changes in fund balance	348,999	348,999
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	1,665,166	1,665,166
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	\$ 2,014,165	\$ 2,014,165

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Actual FY 2020	FY 2021	Biennial	Variance with Final Budget
\$ 43,697	\$ -	\$ 43,697	\$ (1,303)
<u>43,697</u>	<u>-</u>	<u>43,697</u>	<u>(1,303)</u>
103,999	-	103,999	-
<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>(100,000)</u>
203,999	-	203,999	(100,000)
247,696	-	247,696	(101,303)
<u>1,632,437</u>	<u>-</u>	<u>1,632,437</u>	<u>(32,729)</u>
<u>\$ 1,880,133</u>	<u>\$ -</u>	<u>\$ 1,880,133</u>	<u>\$ (134,032)</u>

**CITY OF SANDY, OREGON  
STORM WATER FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2020**

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	Biennial Budget	
	Original	Final
<b>REVENUES:</b>		
Charges for services	\$ 520,000	\$ 520,000
Interest	12,500	12,500
Miscellaneous	2,500	2,500
	<hr/>	<hr/>
Total revenues	535,000	535,000
	<hr/>	<hr/>
<b>EXPENDITURES:</b>		
Personnel services	449,000	449,000
Materials and services	200,000	200,000
Capital outlay	137,000	137,000
Debt service:		
Principal	79,662	79,662
Interest	44,680	44,680
Contingency	1,171	1,171
	<hr/>	<hr/>
Total expenditures	911,513	911,513
	<hr/>	<hr/>
Revenues over (under) expenditures	(376,513)	(376,513)
	<hr/>	<hr/>
<b>OTHER FINANCING SOURCES (USES):</b>		
Transfers out	(47,578)	(47,578)
	<hr/>	<hr/>
Total other financing sources (uses)	(47,578)	(47,578)
	<hr/>	<hr/>
Changes in fund balance	(424,091)	(424,091)
	<hr/>	<hr/>
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	424,091	424,091
	<hr/>	<hr/>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	\$ -	\$ -
	<hr/> <hr/>	<hr/> <hr/>

<sup>1</sup> Appropriation level

**RECONCILIATION TO NET POSITION - GAAP BASIS**

Allowance for doubtful accounts  
Capital assets, net  
Net OPEB asset  
Deferred outflows related to pensions  
Deferred outflows related to OPEB  
Accrued interest  
Accrued compensated absence  
Loans payable  
Net pension liability  
Net OPEB liability  
Deferred inflows of resources related to pensions  
Deferred inflows of resources related to OPEB

**NET POSITION**

Actual FY 2020	FY 2021	Biennial	Variance with Final Budget
\$ 246,673	\$ -	\$ 246,673	\$ (273,327)
9,619	-	9,619	(2,881)
1,018	-	1,018	(1,482)
257,310	-	257,310	(277,690)
202,401	-	202,401	246,599 <sup>1</sup>
68,594	-	68,594	131,406 <sup>1</sup>
5,496	-	5,496	131,504
37,331	-	37,331	42,331 <sup>1</sup>
22,918	-	22,918	21,762 <sup>1</sup>
-	-	-	1,171
336,740	-	336,740	574,773
(79,430)	-	(79,430)	297,083
(23,788)	-	(23,788)	23,790
(23,788)	-	(23,788)	23,790
(103,218)	-	(103,218)	320,873
491,367	-	491,367	67,276
388,149	\$ -	\$ 388,149	\$ 388,149
(710)			
463,599			
2,040			
78,204			
427			
(1,814)			
(2,740)			
(514,660)			
(219,846)			
(7,249)			
(10,578)			
(1,812)			
\$ 173,010			



**CITY OF SANDY, OREGON  
TELECOMMUNICATIONS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2020**

	Biennial Budget	
	Original	Final
<b>REVENUES:</b>		
Charges for services	\$ 3,742,500	\$ 3,742,500
Interest	-	-
Miscellaneous	-	-
Total revenues	<u>3,742,500</u>	<u>3,742,500</u>
<b>EXPENDITURES:</b>		
Personnel services	1,308,015	1,308,015
Materials and services	527,070	527,070
Capital outlay	232,843	232,843
Debt service:		
Principal	652,160	652,160
Interest	557,774	557,774
Other Fees	2,000	2,000
Contingency	10,341	10,341
Total expenditures	<u>3,290,203</u>	<u>3,290,203</u>
Revenues over (under) expenditures	452,297	452,297
<b>OTHER FINANCING SOURCES (USES):</b>		
Issuance of debt	32,843	32,843
Interfund loan receipts	-	-
Interfund loan payments	(216,941)	(216,941)
Transfers in	150,000	150,000
Transfers out	(112,326)	(112,326)
Total other financing sources (uses)	<u>(146,424)</u>	<u>(146,424)</u>
Changes in fund balance	305,873	305,873
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	<u>(305,873)</u>	<u>(305,873)</u>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<u>\$ -</u>	<u>\$ -</u>

<sup>1</sup> Appropriation level

**RECONCILIATION TO NET POSITION - GAAP BASIS**

Interfund loan payable  
Allowance for doubtful accounts  
Inventory  
Capital assets, net  
Net OPEB Asset  
Deferred outflows related to pensions  
Deferred outflows related to OPEB  
Accrued interest  
Accrued compensated absence  
Loans payable  
Net pension liability  
Net OPEB liability  
Deferred inflows of resources related to pensions  
Deferred inflows of resources related to OPEB

**NET POSITION**

Actual				Variance with
FY 2020	FY 2021	Biennial	Final Budget	
\$ 1,817,515	\$ -	\$ 1,817,515	\$ (1,924,985)	
332	-	332	332	
97,226	-	97,226	97,226	
<u>1,915,073</u>	<u>-</u>	<u>1,915,073</u>	<u>(1,827,427)</u>	
536,174	-	536,174	771,841 <sup>1</sup>	
270,113	-	270,113	256,957 <sup>1</sup>	
196,651	-	196,651	36,192	
318,291	-	318,291	333,869 <sup>1</sup>	
284,004	-	284,004	273,770 <sup>1</sup>	
-	-	-	2,000 <sup>1</sup>	
-	-	-	10,341	
<u>1,605,233</u>	<u>-</u>	<u>1,605,233</u>	<u>1,684,970</u>	
309,840	-	309,840	(142,457)	
32,187	-	32,187	(656)	
-	-	-	-	
(161,510)	-	(161,510)	55,431	
75,000	-	75,000	(75,000)	
(56,162)	-	(56,162)	56,164 <sup>1</sup>	
<u>(110,485)</u>	<u>-</u>	<u>(110,485)</u>	<u>35,939</u>	
199,355	-	199,355	(106,518)	
(319,477)	-	(319,477)	(13,604)	
(120,122)	<u>\$ -</u>	<u>\$ (120,122)</u>	<u>\$ (120,122)</u>	
(407,459)				
(8,240)				
163,564				
8,566,675				
5,313				
203,642				
1,112				
(91,428)				
(21,345)				
(7,232,752)				
(572,472)				
(18,876)				
(27,544)				
(4,718)				
<u>\$ 435,350</u>				

**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, 2020**

	Internal Service Funds		
	Operations Center Internal Service Fund	Facility Maintenance Internal Service Fund	Total
<b>ASSETS</b>			
Cash and investments	\$ 1,946	\$ 317,900	\$ 319,846
Total current assets	1,946	317,900	319,846
Total assets	<u>\$ 1,946</u>	<u>\$ 317,900</u>	<u>\$ 319,846</u>
<b>LIABILITIES AND NET POSITION</b>			
<b>LIABILITIES:</b>			
Accounts payable and accrued expenses	\$ 5,893	\$ -	\$ 5,893
Total liabilities	<u>5,893</u>	<u>-</u>	<u>5,893</u>
<b>NET POSITION:</b>			
Unrestricted	<u>(3,947)</u>	<u>317,900</u>	<u>313,953</u>
Total net position	<u>(3,947)</u>	<u>317,900</u>	<u>313,953</u>
Total liabilities and net position	<u>\$ 1,946</u>	<u>\$ 317,900</u>	<u>\$ 319,846</u>

**CITY OF SANDY, OREGON**  
**INTERNAL SERVICE FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**  
**For the Fiscal Year Ended June 30, 2020**

	Internal Service Funds		
	Operations Center	Facility	Total
	Internal Service Fund	Maintenance Internal Service Fund	
<b>OPERATING EXPENSES:</b>			
Utilities	\$ 30,439	\$ -	\$ 30,439
Operating supplies	3,121	-	3,121
Insurance	6,240	-	6,240
Operating costs	7,025	-	7,025
Contract services	14,730	67,100	81,830
Maintenance and repairs	4,896	-	4,896
	<u>66,451</u>	<u>67,100</u>	<u>133,551</u>
Total operating expenses	66,451	67,100	133,551
Operating income (loss)	(66,451)	(67,100)	(133,551)
<b>NON-OPERATING INCOME (EXPENSE):</b>			
Interest income	6	-	6
	<u>6</u>	<u>-</u>	<u>6</u>
Total non-operating income (expenses)	6	-	6
Net income (loss) before transfers	(66,445)	(67,100)	(133,545)
<b>TRANSFERS:</b>			
Transfers in (out)	62,498	55,000	117,498
	<u>62,498</u>	<u>55,000</u>	<u>117,498</u>
Change in net position	(3,947)	(12,100)	(16,047)
<b>NET POSITION, BEGINNING</b>	-	330,000	330,000
	<u>-</u>	<u>330,000</u>	<u>330,000</u>
<b>NET POSITION, ENDING</b>	\$ (3,947)	\$ 317,900	\$ 313,953
	<u>\$ (3,947)</u>	<u>\$ 317,900</u>	<u>\$ 313,953</u>

**CITY OF SANDY, OREGON**  
**INTERNAL SERVICE FUNDS**  
**COMBINING SCHEDULE OF CASH FLOWS**  
**For the Fiscal Year Ended June 30, 2020**

	Internal Service Funds		
	Operations Center Internal Service Fund	Maintenance Internal Service Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash paid to suppliers and others	\$ (61,981)	\$ (67,100)	\$ (129,081)
Net cash provided by operating activities	(61,981)	(67,100)	(129,081)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
Transfers in (out)	62,498	55,000	117,498
Net cash provided by non-capital financing activities	62,498	55,000	117,498
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest revenue	6	-	6
Net cash provided by investing activities	6	-	6
Net increase in cash and cash equivalents	523	(12,100)	(11,577)
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	1,423	330,000	331,423
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	\$ 1,946	\$ 317,900	\$ 319,846
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (66,451)	\$ (67,100)	\$ (133,551)
Increase (decrease) in:			
Accounts payable and accrued expenses	4,470	-	4,470
Net cash provided by operating activities:	\$ (61,981)	\$ (67,100)	\$ (129,081)

**CITY OF SANDY, OREGON**  
**OPERATIONS CENTER INTERNAL SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2020**

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	Biennial Budget	
	Original	Final
<b>REVENUES:</b>		
Interest	\$ 1,000	\$ 1,000
Total revenues	<u>1,000</u>	<u>1,000</u>
<b>EXPENDITURES:</b>		
Materials and services	124,000	124,000
Capital outlay	<u>2,000</u>	<u>2,000</u>
Total expenditures	<u>126,000</u>	<u>126,000</u>
Revenues over (under) expenditures	(125,000)	(125,000)
<b>OTHER FINANCING SOURCES (USES):</b>		
Transfers in	<u>125,000</u>	<u>125,000</u>
Total other financing sources (uses)	<u>125,000</u>	<u>125,000</u>
Changes in fund balance	-	-
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

<sup>1</sup> Appropriation level

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Actual FY 2020	FY 2021	Biennial	Variance with Final Budget
\$ 6	\$ -	\$ 6	\$ (994)
6	-	6	(994)
61,555	-	61,555	62,445
4,896	-	4,896	(2,896)
66,451	-	66,451	59,549 <sup>1</sup>
(66,445)	-	(66,445)	58,555
62,498	-	62,498	(62,502)
62,498	-	62,498	(62,502)
(3,947)	-	(3,947)	(3,947)
-	-	-	-
\$ (3,947)	\$ -	\$ (3,947)	\$ (3,947)



**CITY OF SANDY, OREGON**  
**FACILITY MAINTENANCE INTERNAL SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2020**

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	Biennial Budget	
	Original	Final
<b>EXPENDITURES:</b>		
Materials and services	\$ 100,000	\$ 100,000
Contingency	340,000	340,000
	<hr/>	<hr/>
Total expenditures	440,000	440,000
	<hr/>	<hr/>
Revenues over (under) expenditures	(440,000)	(440,000)
 <b>OTHER FINANCING SOURCES (USES):</b>		
Transfers in	110,000	110,000
	<hr/>	<hr/>
Total other financing sources (uses)	110,000	110,000
	<hr/>	<hr/>
Net changes in fund balances	(330,000)	(330,000)
 <b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	<hr/>	<hr/>
	330,000	330,000
 <b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<hr/>	<hr/>
	\$ -	\$ -
	<hr/>	<hr/>

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Actual			Variance
FY 2020	FY 2021	Biennial	Positive (Negative)
\$ 67,100	\$ -	\$ 67,100	\$ 32,900
-	-	-	340,000
67,100	-	67,100	372,900
(67,100)	-	(67,100)	372,900
55,000	-	55,000	(55,000)
55,000	-	55,000	(55,000)
(12,100)	-	(12,100)	317,900
330,000	-	330,000	-
<u>\$ 317,900</u>	<u>\$ -</u>	<u>\$ 317,900</u>	<u>\$ 317,900</u>

## **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, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>ASSETS:</b>		
Current assets:		
Cash and investments	\$ 2,520,343	\$ 2,073,647
Accounts receivables, net	249,062	141,514
Interfund loan receivable	-	104,000
Total current assets	<u>2,769,405</u>	<u>2,319,161</u>
Noncurrent assets:		
Capital assets, net	6,211,609	6,173,556
Notes receivable	-	5,706
Net OPEB asset	2,760	1,709
Total noncurrent assets	<u>6,214,369</u>	<u>6,180,971</u>
Total assets	<u>8,983,774</u>	<u>8,500,132</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
Deferred outflow related to pension	105,810	104,743
Deferred outflow related to OPEB	578	1,517
Total deferred outflows of resources	<u>106,388</u>	<u>106,260</u>
Total assets & deferred outflows of resources	<u>\$ 9,090,162</u>	<u>\$ 8,606,392</u>
<b>LIABILITIES:</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 27,078	\$ 172,156
Accrued compensated absences payable	3,078	2,927
Accrued interest payable	8,163	8,424
Loans payable within one year	170,431	117,526
Total current liabilities	<u>208,750</u>	<u>301,033</u>
Noncurrent liabilities:		
Net pension liability	297,450	258,920
Net OPEB liability	9,808	9,366
Accrued compensated absences payable	12,312	11,710
Loans payable, net of current portion	2,253,229	2,146,512
Total noncurrent liabilities	<u>2,572,799</u>	<u>2,426,508</u>
Total liabilities	<u>2,781,549</u>	<u>2,727,541</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Deferred inflow related to pension	14,311	16,461
Deferred inflow related to OPEB	2,451	2,823
Total deferred inflows of resources	<u>16,762</u>	<u>19,284</u>
<b>NET POSITION:</b>		
Net investment in capital assets	3,787,949	3,909,518
Restricted for:		
Debt service	1,880,133	1,736,439
Net OPEB asset	2,760	-
Unrestricted	621,009	213,610
Total net position	<u>6,291,851</u>	<u>5,859,567</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 9,090,162</u>	<u>\$ 8,606,392</u>

**CITY OF SANDY, OREGON**  
**SEWER OPERATIONS**  
**COMPARATIVE SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**For the Fiscal Years Ended June 30, 2020 and 2019**

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	<u>2020</u>	<u>2019</u>
<b>OPERATING REVENUES:</b>		
Charges for services	\$ 2,191,969	\$ 1,490,614
Special assessments and surcharges	247,905	209,465
Miscellaneous	5,384	57,810
	<u>2,445,258</u>	<u>1,757,889</u>
<b>OPERATING EXPENSES:</b>		
Salaries, fringe benefits and payroll taxes	310,953	289,069
Operating costs	1,300,414	1,086,308
Depreciation	297,564	302,460
	<u>1,908,931</u>	<u>1,677,837</u>
Total operating expenses	<u>1,908,931</u>	<u>1,677,837</u>
Operating income (loss)	<u>536,327</u>	<u>80,052</u>
<b>NON-OPERATING INCOME (EXPENSE):</b>		
Interest income	67,192	58,278
Interest expense	(100,831)	(103,840)
Gain on the sale of assets	-	200
	<u>(33,639)</u>	<u>(45,362)</u>
Total non-operating income (expenses)	<u>(33,639)</u>	<u>(45,362)</u>
Net income (loss) before transfers	502,688	34,690
<b>TRANSFERS:</b>		
Transfers in (out)	<u>(70,404)</u>	<u>(63,462)</u>
Change in net position	432,284	(28,772)
<b>NET POSITION, BEGINNING</b>	<u>5,859,567</u>	<u>5,888,339</u>
<b>NET POSITION, ENDING</b>	<u>\$ 6,291,851</u>	<u>\$ 5,859,567</u>

**CITY OF SANDY, OREGON**  
**SEWER OPERATIONS**  
**COMPARATIVE SCHEDULE OF CASH FLOWS**  
**For the Fiscal Years Ended June 30, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 2,337,710	\$ 1,748,427
Cash paid to employees and others for salaries and benefits	(238,905)	(247,733)
Cash paid to suppliers and others	(1,481,516)	(973,437)
Net cash provided by operating activities	<u>617,289</u>	<u>527,257</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Payment from (to) other funds for interfund loans and interest	104,000	101,960
Transfers in (out)	(70,404)	(63,462)
Net cash provided by noncapital financing activities	<u>33,596</u>	<u>38,498</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of capital assets	(335,617)	(375,098)
Proceeds from loans	228,072	128,760
Principal paid on loans	(68,450)	(65,452)
Interest paid on loans	(101,092)	(103,890)
Net cash provided by capital and related financing activities	<u>(277,087)</u>	<u>(415,680)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest revenue	67,192	58,278
Notes receivable	5,706	3,730
Net cash provided by investing activities	<u>72,898</u>	<u>62,008</u>
Net increase in cash and cash equivalents	446,696	212,083
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<u>2,073,647</u>	<u>1,861,564</u>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<u>\$ 2,520,343</u>	<u>\$ 2,073,647</u>
<b>COMPRISED AS FOLLOWS:</b>		
Cash and cash equivalents	<u>\$ 2,520,343</u>	<u>\$ 2,073,647</u>
Total cash and cash equivalents	<u>\$ 2,520,343</u>	<u>\$ 2,073,647</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 536,327	\$ 80,052
Adjustments:		
Depreciation	297,564	302,460
Decrease (increase) in:		
Accounts receivable	(107,548)	(9,462)
Net OPEB Asset	(1,051)	(1,709)
Increase (decrease) in:		
Accounts payable and accrued expenses	(145,078)	133,539
Accrued compensated absences	753	(2,986)
Net pension liability	35,313	24,247
Net OPEB liability	1,009	1,116
Net cash provided by operating activities	<u>\$ 617,289</u>	<u>\$ 527,257</u>



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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.



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**CITY OF SANDY, OREGON**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	<b>Fiscal Year (in thousands)</b>									
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 17,295	\$ 20,290	\$ 20,840	\$ 20,935	\$ 20,860	\$ 20,958	\$ 13,474	\$ 21,269	\$ 21,021	\$ 22,586
Restricted	1,041	1,401	1,669	2,565	3,872	5,065	11,389	9,962	9,706	10,141
Unrestricted	2,755	1,987	2,247	3,127	3,693	2,529	2,343	(1,390)	524	(138)
<b>Total governmental activities net position</b>	<b>21,090</b>	<b>23,678</b>	<b>24,756</b>	<b>26,627</b>	<b>28,425</b>	<b>28,553</b>	<b>27,207</b>	<b>29,842</b>	<b>31,251</b>	<b>32,589</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	10,895	10,640	11,209	11,534	12,026	12,114	11,671	11,457	11,525	11,598
Restricted	652	717	701	717	790	374	242	167	1,736	1,893
Unrestricted	5,080	4,874	3,366	2,893	2,672	2,737	2,761	2,990	1,626	2,499
<b>Total business-type activities net position</b>	<b>16,627</b>	<b>16,231</b>	<b>15,276</b>	<b>15,144</b>	<b>15,488</b>	<b>15,226</b>	<b>14,674</b>	<b>14,615</b>	<b>14,887</b>	<b>15,990</b>
<b>Primary government</b>										
Invested in capital assets, net of related debt	28,189	30,930	32,049	32,469	32,885	33,072	25,145	32,727	32,546	34,184
Restricted	1,693	2,118	2,371	3,282	4,663	5,440	11,632	10,129	11,443	12,034
Unrestricted	7,835	6,861	5,613	6,020	6,365	5,266	5,104	1,600	2,150	2,361
<b>Total primary government net position</b>	<b>\$ 37,717</b>	<b>\$ 39,909</b>	<b>\$ 40,032</b>	<b>\$ 41,771</b>	<b>\$ 43,914</b>	<b>\$ 43,778</b>	<b>\$ 41,881</b>	<b>\$ 44,457</b>	<b>\$ 46,139</b>	<b>\$ 48,579</b>

**CITY OF SANDY, OREGON**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

Expenses	Fiscal Year (in thousands)									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities:										
General government	\$ 1,769	\$ 1,563	\$ 1,380	\$ 1,142	\$ 775	\$ 1,914	\$ 2,080	\$ 1,037	\$ 2,062	\$ 2,114
Highways and streets	783	629	1,080	727	937	1,133	949	751	1,049	1,650
Public transportation	1,201	1,243	1,324	1,321	1,315	1,336	1,343	1,492	1,489	2,108
Economic development	654	842	878	954	1,075	975	3,530	912	1,275	1,914
Public safety	1,851	2,147	2,301	2,537	2,161	3,602	3,076	3,286	3,323	3,646
Culture and recreation	1,760	1,929	2,133	2,156	1,860	2,660	2,586	2,796	2,943	3,125
Interest on long-term debt	170	205	159	142	68	63	128	264	244	247
Total Governmental Activities	8,188	8,558	9,255	8,979	8,191	11,683	13,692	10,538	12,387	14,805
Business-type activities:										
Water	954	1,133	1,843	1,104	1,485	1,739	1,694	1,653	1,622	1,529
Sewer	1,304	1,364	1,344	1,341	1,350	1,628	1,588	1,755	1,782	2,010
Stormwater	129	161	185	193	180	288	232	289	308	418
Telecommunications	435	562	563	737	528	1,077	1,619	1,542	1,662	1,571
Total Business-type Activities	2,822	3,220	3,935	3,374	3,542	4,731	5,132	5,240	5,374	5,527
Total Expenses	\$ 11,010	\$ 11,778	\$ 13,190	\$ 12,354	\$ 11,733	\$ 16,414	\$ 18,825	\$ 15,777	\$ 17,761	\$ 20,332
<b>Program Revenues</b>										
Governmental Activities:										
Charges for services:										
General government	\$ 647	\$ 419	\$ 494	\$ 147	\$ 751	\$ 260	\$ 580	\$ 635	\$ 651	\$ 1,032
Highways and streets	210	913	707	202	316	418	227	645	605	648
Public transportation	12	13	12	125	136	121	111	88	84	122
Economic development	155	96	127	268	268	454	543	334	382	312
Public safety	171	22	20	591	591	734	265	786	391	171
Culture and recreation	171	231	285	358	122	340	390	136	230	117
Operating grants and contributions	586	2,196	853	831	1,385	1,087	216	251	131	1,138
Capital grants and contributions	1,209	303	509	254	254	-	1,423	1,150	1,334	2,104
Total Governmental Activities	3,160	4,193	3,007	2,776	3,822	3,413	3,753	4,025	3,808	5,644

	Fiscal Year (in thousands)									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business-type Activity:										
Charges for services:										
Water	1,044	1,088	1,250	1,309	1,405	1,767	1,478	1,775	1,867	1,958
Sewer	1,097	1,253	1,182	1,208	1,343	1,392	1,406	1,653	1,700	2,440
Stormwater	201	201	218	217	219	231	240	248	256	247
Telecommunications	250	368	453	552	635	1,094	1,339	1,507	1,620	1,813
Operating grants and contributions	413	96	-	-	363	16	-	-	-	-
<b>Total Business-Type Activity</b>	<b>3,005</b>	<b>3,006</b>	<b>3,103</b>	<b>3,286</b>	<b>3,965</b>	<b>4,499</b>	<b>4,462</b>	<b>5,183</b>	<b>5,444</b>	<b>6,458</b>
<b>Total Program Revenues</b>	<b>\$ 6,166</b>	<b>\$ 7,198</b>	<b>\$ 6,109</b>	<b>\$ 6,063</b>	<b>\$ 7,787</b>	<b>\$ 7,912</b>	<b>\$ 8,215</b>	<b>\$ 9,208</b>	<b>\$ 9,251</b>	<b>\$ 12,101</b>
Net (Expense)/Revenue										
Governmental Activities	\$ (5,028)	\$ (4,366)	\$ (6,248)	\$ (6,203)	\$ (4,369)	\$ (8,270)	\$ (9,939)	\$ (6,513)	\$ (8,579)	\$ (9,162)
Business-type Activity	183	(215)	(833)	(88)	423	(232)	(670)	(56)	69	931
<b>Total Net Expense</b>	<b>\$ (4,845)</b>	<b>\$ (4,580)</b>	<b>\$ (7,081)</b>	<b>\$ (6,291)</b>	<b>\$ (3,946)</b>	<b>\$ (8,502)</b>	<b>\$ (10,609)</b>	<b>\$ (6,569)</b>	<b>\$ (8,510)</b>	<b>\$ (8,231)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Taxes:										
Property taxes	\$ 3,555	\$ 3,735	\$ 3,779	\$ 3,965	\$ 4,222	\$ 4,428	\$ 4,611	\$ 4,875	\$ 5,078	\$ 5,416
Public service taxes	2,349	2,512	2,667	2,630	2,800	3,081	3,085	3,251	3,488	3,550
Franchise taxes	447	471	479	531	605	563	589	639	644	629
Investment earnings	54	28	23	34	41	63	154	249	403	408
Miscellaneous	122	115	218	832	278	90	133	237	261	354
Transfers	156	92	167	117	80	171	21	119	113	142
<b>Total Governmental Activities</b>	<b>6,683</b>	<b>6,953</b>	<b>7,333</b>	<b>8,108</b>	<b>8,026</b>	<b>8,397</b>	<b>8,593</b>	<b>9,369</b>	<b>9,989</b>	<b>10,499</b>
Business-type Activity:										
Investment earnings	85	62	28	37	50	48	42	61	133	151
Miscellaneous	23	56	33	103	153	92	97	98	183	163
Transfers	(156)	(92)	(167)	(117)	(80)	(171)	(21)	(119)	(113)	(142)
<b>Total Business-type Activity</b>	<b>(49)</b>	<b>25</b>	<b>(106)</b>	<b>23</b>	<b>123</b>	<b>(30)</b>	<b>118</b>	<b>40</b>	<b>203</b>	<b>172</b>
<b>Total Primary Government</b>	<b>\$ 6,634</b>	<b>\$ 6,978</b>	<b>\$ 7,227</b>	<b>\$ 8,131</b>	<b>\$ 8,149</b>	<b>\$ 8,366</b>	<b>\$ 8,712</b>	<b>\$ 9,410</b>	<b>\$ 10,192</b>	<b>\$ 10,671</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ 1,655	\$ 2,588	\$ 1,085	\$ 1,905	\$ 3,658	\$ 127	\$ (1,346)	\$ 2,856	\$ 1,409	\$ 1,337
Business-type Activity	135	(190)	(939)	(64)	546	(263)	(552)	(16)	272	1,103
<b>Total Primary Government</b>	<b>\$ 1,789</b>	<b>\$ 2,398</b>	<b>\$ 146</b>	<b>\$ 1,840</b>	<b>\$ 4,203</b>	<b>\$ (135)</b>	<b>\$ (1,897)</b>	<b>\$ 2,841</b>	<b>\$ 1,682</b>	<b>\$ 2,440</b>

**CITY OF SANDY, OREGON**  
**Fund Balance of Government Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year (in thousands)									
	2011 <sup>1</sup>	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ 2	\$ 76
Assigned	-	-	-	-	-	-	-	63	-	-
Unassigned	2,256	1,226	1,226	2,055	2,654	2,646	2,304	2,314	2,164	2,350
Total General Fund	<u>\$ 2,256</u>	<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>\$ 2,425</u>
All other governmental funds										
Non-spendable	\$ 33	\$ 33	\$ 36	\$ 35	\$ 8	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	1,041	1,401	1,669	2,565	3,872	5,065	11,879	9,960	12,181	12,915
Committed	-	-	-	-	-	-	-	-	-	49
Assigned	596	1,065	1,016	1,108	1,475	1,939	1,953	2,234	2,770	2,480
Unassigned, reported in:										
Special revenue funds	-	(422)	(73)	-	-	-	-	15	-	-
Capital project funds	(209)	(228)	(181)	(307)	-	-	(10)	5	-	-
Total all other governmental funds	<u>\$ 1,461</u>	<u>\$ 1,849</u>	<u>\$ 2,467</u>	<u>\$ 3,401</u>	<u>\$ 5,356</u>	<u>\$ 7,004</u>	<u>\$ 13,822</u>	<u>\$ 12,214</u>	<u>\$ 14,951</u>	<u>\$ 15,444</u>

<sup>1</sup> Information in subsequent years is presented in accordance with GASB 54: Fund Balance

**CITY OF SANDY, OREGON**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year (in thousands)									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>REVENUES</b>										
Property taxes	\$ 3,564	\$ 3,696	\$ 3,774	\$ 3,978	\$ 4,214	\$ 4,412	\$ 4,604	\$ 4,843	\$ 5,231	\$ 5,415
Public service taxes	2,349	2,512	2,667	2,630	2,800	3,081	3,085	3,251	3,488	3,550
Franchise fees	447	471	479	531	605	579	591	641	647	639
Grants	1,186	2,466	1,182	1,112	1,747	851	1,388	1,076	1,210	2,189
Charges for services	398	306	910	752	1,004	1,124	1,056	1,057	720	794
Licenses and permits	455	158	167	243	358	347	414	392	404	479
Fines and forfeitures	268	241	305	313	277	270	246	182	213	219
Special assessments	-	-	-	9	36	64	19	32	18	51
System development charges	241	985	253	372	472	517	421	946	968	910
Interest	54	27	23	33	40	62	153	248	403	408
Contributions and donations	608	33	15	-	-	11	164	205	478	254
Intergovernmental	-	-	-	-	-	-	-	-	-	409
Miscellaneous	78	84	87	768	47	50	101	259	339	403
Payment in lieu of land dedication	43	31	131	65	232	45	-	-	-	-
<b>Total Revenues</b>	<b>9,690</b>	<b>11,011</b>	<b>9,993</b>	<b>10,804</b>	<b>11,833</b>	<b>11,413</b>	<b>12,240</b>	<b>13,133</b>	<b>14,120</b>	<b>15,720</b>
<b>EXPENDITURES</b>										
Current:										
General government	\$ 980	\$ 851	\$ 851	\$ 794	\$ 728	\$ 787	\$ 1,047	\$ 954	\$ 1,396	\$ 1,066
Highways and streets	650	489	932	544	484	721	718	596	893	1,466
Public transportation	1,016	1,041	1,093	1,096	1,102	1,037	1,114	1,256	1,322	1,865
Economic and physical development	480	662	697	761	837	807	837	905	1,076	1,366
Public safety	1,776	2,045	2,137	2,358	2,374	2,652	2,728	2,857	2,741	2,835
Culture and recreation	1,690	1,845	1,901	1,846	2,051	2,124	2,231	2,392	2,482	2,581
Capital outlay:	3,322	4,595	1,280	1,253	1,169	1,172	5,796	4,767	677	2,704
Debt Service:										
Principal	543	620	1,040	2,713	552	598	1,161	992	854	859
Interest	172	195	161	166	82	74	188	277	259	250
<b>Total Expenditures</b>	<b>10,630</b>	<b>12,344</b>	<b>10,093</b>	<b>11,531</b>	<b>9,378</b>	<b>9,973</b>	<b>15,820</b>	<b>14,995</b>	<b>11,702</b>	<b>14,992</b>
Excess (Deficiency) of Revenues over Expenditures	(940)	(1,333)	(99)	(726)	2,455	1,441	(3,580)	(1,862)	2,419	728
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	\$ 258	\$ 277	\$ 270	\$ 265	\$ 282	\$ 261	\$ 261	\$ 1,417	\$ 1,742	\$ 1,282
Transfers out	(102)	(288)	(103)	(343)	(202)	(198)	(348)	(1,410)	(1,735)	(1,257)
Sale of capital assets	-	-	-	-	-	-	28	3	4	-
Proceeds from lease	-	-	-	-	-	-	-	320	94	-
Proceeds from bond	-	876	-	2,280	-	-	-	-	-	-
Proceeds from note	-	-	385	286	-	136	10,115	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>156</b>	<b>864</b>	<b>552</b>	<b>2,489</b>	<b>80</b>	<b>199</b>	<b>10,055</b>	<b>330</b>	<b>105</b>	<b>24</b>
<b>Net change in fund balances</b>	<b>\$ (783)</b>	<b>\$ (469)</b>	<b>\$ 452</b>	<b>\$ 1,762</b>	<b>\$ 2,535</b>	<b>\$ 1,640</b>	<b>\$ 6,476</b>	<b>\$ (1,532)</b>	<b>\$ 2,524</b>	<b>\$ 753</b>
Debt service as a percentage of noncapital expenditures	9.07%	9.89%	13.17%	27.30%	7.17%	7.37%	13.46%	13.44%	10.10%	9.02%

**CITY OF SANDY, OREGON**  
**Assessed Values and Estimated Actual Value**  
**of Taxable Property**  
**Last Ten Fiscal Years**

<b>Fiscal Year Ended June 30</b>	<b>Real Property</b>	<b>Manufactured Structure</b>	<b>Personal Property</b>	<b>Public Utility</b>
2020	\$ 954,934,447	\$ 4,818,623	\$ 22,139,048	\$ 26,786,200
2019	903,116,423	4,773,690	20,398,973	24,575,400
2018	857,082,927	4,497,275	19,402,085	28,696,572
2017	813,445,713	3,936,785	18,402,810	27,632,300
2016	771,821,532	3,580,913	17,849,834	24,394,900
2015	733,190,302	3,350,268	19,136,695	22,033,200
2014	698,952,246	3,270,241	17,205,910	19,987,180
2013	666,954,675	3,306,018	18,491,458	20,552,300
2012	654,881,300	3,251,093	17,820,060	22,712,390
2011	630,020,828	3,498,390	17,929,701	20,867,500

Source: Clackamas County Assessor's Office



	<b>Less Urban Renewal Excess</b>	<b>Total Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Total M5 Value</b>	<b>Taxable Assessed Value As a Percentage of Estimated Actual Value</b>
\$	109,895,756	\$ 898,782,562	5.5208	\$ 1,624,994,208	55.31%
	104,024,571	848,839,915	5.5208	1,469,956,872	57.75%
	97,517,601	812,161,258	5.5101	1,314,771,126	61.77%
	89,830,142	773,587,466	5.4849	1,167,454,337	66.26%
	87,184,331	730,462,848	5.5444	1,032,175,837	70.77%
	83,248,892	694,461,573	5.5588	931,218,558	74.58%
	76,680,367	662,735,210	5.5157	817,332,995	81.09%
	73,943,011	635,361,440	5.5258	776,203,139	81.86%
	70,662,947	628,001,896	5.4744	819,168,170	76.66%
	67,539,433	604,776,986	5.4605	862,772,904	70.10%

**CITY OF SANDY, OREGON**

**Property Tax Rates - Direct and Overlapping Governments**

**(Per \$1,000 of Assessed Valuation)**

**Last Ten Fiscal Years**

<b>City of Sandy</b>	
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<b>Fiscal Year Ended June 30</b>	<b>General Fund</b>	<b>Urban Renewal</b>	<b>Total</b>	<b>Port of Portland</b>	<b>Clackamas County</b>	<b>Oregon Trail School District No. 46</b>
2020	3.67	1.85	5.52	0.06	2.91	6.06
2019	3.67	1.86	5.53	0.06	2.92	6.07
2018	3.67	1.84	5.51	0.06	2.92	6.16
2017	3.69	1.80	5.48	0.06	2.82	6.19
2016	3.68	1.87	5.54	0.06	2.81	6.16
2015	3.67	1.88	5.56	0.06	2.81	6.21
2014	3.69	1.83	5.52	0.06	2.82	6.25
2013	3.69	1.84	5.53	0.06	2.81	6.28
2012	3.70	1.78	5.47	0.06	2.82	6.23
2011	3.70	1.76	5.46	0.06	2.81	6.20

## Overlapping Rates

Mt. Hood Community College	Clackamas County ESD	Vector Control	Fire District No. 72	Clackamas County Urban Renewal	Total Direct & Overlapping Rates
0.44	0.33	0.03	1.94	0.0056	17.29
0.44	0.33	0.03	1.94	0.0055	17.32
0.44	0.33	0.03	1.94	0.0051	17.40
0.44	0.33	0.03	1.95	0.0047	17.31
0.44	0.33	0.03	1.94	0.0039	17.32
0.44	0.33	0.03	1.94	0.0034	17.37
0.44	0.33	0.03	1.95	0.0031	17.40
0.44	0.32	0.03	1.95	0.1248	17.54
0.44	0.32	0.03	1.95	0.1191	17.45
0.44	0.32	0.03	1.95	0.1349	17.42

**CITY OF SANDY, OREGON**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
FRED MEYER STORES INC	\$ 22,908,657	1	2.55%	\$ 16,554,807	1	2.74%
ACS SANDY MARKETPLACE	11,204,358	2	1.25%	8,446,082	2	1.40%
PORTLAND GENERAL ELEC CO	9,613,727	3	1.07%	7,867,433	3	1.30%
JAKSICH PROPERTIES LLC	9,095,229	4	1.01%	6,795,586	4	1.12%
SANDY SAFEWAY CENTER LLC	8,790,823	5	0.98%	6,749,011	5	1.12%
COLONY NORTHSTAR INC	6,588,321	6	0.73%	5,356,909	7	0.89%
QUANTUM RESIDENTIAL INC	6,533,611	7	0.73%	5,157,692	8	0.85%
PLR PROPERTIES LLC	6,212,952	8	0.69%	4,755,359	10	0.79%
VENTAS INC	6,192,124	9	0.69%	4,888,120	9	0.81%
SANDY PLACE APARTMENTS	5,863,565	10	0.65%			
NW NATURAL GAS CO				5,469,700	6	0.90%
Total Assessed Valuation	\$ 93,003,367		10.35%	\$ 72,040,699		11.91%

Source: Clackamas County Assessor's Office

**CITY OF SANDY, OREGON**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

<b>Fiscal Year Ended June 30</b>	<b>Total Tax Levy for Fiscal year</b>	<b>Collected with the Fiscal Year of Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections To Date</b>	
		<b>Amount Collected</b>	<b>Percentage of Levy</b>		<b>Amount Collected</b>	<b>Percentage of Levy</b>
2020	\$ 5,568,556	\$ 5,321,433	95.56%	\$ 72,215	\$ 5,393,648	96.86%
2019	5,265,841	5,035,622	95.63%	178,595	5,214,217	99.02%
2018	5,012,256	4,772,432	95.22%	63,802	4,836,235	96.49%
2017	4,733,648	4,515,453	95.39%	88,440	4,603,893	97.26%
2016	4,540,854	4,318,289	95.10%	82,971	4,401,260	96.93%
2015	4,328,297	4,110,192	94.96%	94,287	4,204,479	97.14%
2014	4,065,109	3,853,063	94.78%	105,515	3,958,578	97.38%
2013	3,882,695	3,660,054	94.27%	100,847	3,760,901	96.86%
2012	3,821,943	3,590,784	93.95%	93,767	3,684,551	96.41%
2011	3,674,144	3,438,155	93.58%	113,452	3,551,607	96.66%

Source: Clackamas County Assessor's Office

**CITY OF SANDY, OREGON**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities				Business-Type Activities		Total Outstanding Debt	Population <sup>1</sup>	Per Capita
	General Obligation Bonds	Local Improvement District Bonds	Special Assessment Bonds	Leases and Notes Payable	Leases and Notes Payable	Bonds Payable			
2020	\$ 8,475,391	\$ -	\$ -	\$ 728,469	\$ 8,292,292	\$ 7,836,102	25,332,254	11,075	2,287
2019	9,140,187	-	-	922,483	8,496,730	8,236,843	26,796,243	10,990	2,438
2018	497,866	-	-	10,324,931	8,815,231	8,583,137	28,221,165	10,855	2,600
2017	971,430	-	-	10,523,709	8,837,650	8,968,187	29,300,976	10,655	2,750
2016	1,419,788	-	-	1,121,375	9,174,600	9,103,043	20,818,806	10,395	2,003
2015	1,846,624	-	-	1,156,297	9,501,409	9,256,628	21,760,958	9,990	2,178
2014	2,243,584	-	-	1,311,819	9,916,536	9,182,865	22,654,804	9,990	2,268
2013	2,584,285	-	-	1,192,331	7,025,861	1,080,000	11,882,477	9,880	1,203
2012	-	3,589,450	-	857,473	4,703,579	-	9,150,502	9,780	936
2011	-	4,184,455	-	26,746	4,202,822	-	8,414,023	9,570	879

**CITY OF SANDY, OREGON**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

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<b>Fiscal Year</b>	<b>Population</b>	<b>Total Taxable Assessed Value</b>	<b>General Obligation Bonds</b>	<b>Percentage of Debt to Value of Property</b>	<b>Net Bonded Debt Per Capita Value</b>
2020	11,075	\$ 898,782,562	\$ 8,475,391	0.94%	765
2019	10,990	848,839,915	8,475,391	1.00%	771
2018	10,855	812,161,258	497,866	0.06%	46
2017	10,655	773,587,466	971,430	0.13%	91
2016	10,395	730,462,848	1,419,788	0.19%	137
2015	10,395	694,461,573	1,846,624	0.27%	178
2014	9,990	662,735,210	2,243,584	0.34%	225
2013	9,880	635,361,440	2,584,285	0.41%	262
2012	9,780	628,001,896	3,184,895	0.51%	326
2011	9,570	604,776,986	3,745,505	0.62%	391

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**  
**As of June 30, 2020**

<b>Government Unit:</b>	<b>Outstanding Gross Property Tax-Backed Debt</b>	<b>Percentage Applicable to City</b>	<b>Gross General Obligation Bonded Debt Outstanding</b>
Clackamas County	\$ 121,210,000	1.96%	\$ 2,379,231
Mt. Hood Community College	52,317,708	3.27%	1,710,266
Clackamas County ESD	20,636,690	2.06%	424,848
Clackamas County RFPD 1	42,040,960	0.00%	462
Clackamas County SD 46 (Oregon Trail)	83,539,476	28.56%	23,856,117
Port of Portland	56,255,000	0.44%	248,703
Clackamas Soil & Water Conservation	6,494,000	1.96%	127,471
Subtotal, overlapping debt	382,493,834		28,747,098
City of Sandy, direct debt	9,203,860	100.00%	9,203,860
Total direct and overlapping debt	\$ 391,697,694		\$ 37,950,958

Source: Oregon State Treasury

Note: Overlapping governments are those that coincide, at least in part with geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City of Sandy. This process recognized that, when considering the government's ability to issue and repay long-term debt, the entire debt burden by the property taxpayers should be taken into account.



**CITY OF SANDY, OREGON**  
**Demographics and Economic Statistics**  
**Last Ten Fiscal Years <sup>1</sup>**

<b>Fiscal Year</b>	<b>Population <sup>1</sup></b>	<b>Personal Income <sup>2</sup></b>	<b>Per capita personal income <sup>3</sup></b>	<b>Unemployment Rate <sup>4</sup></b>
2020	11,075	N/A	N/A	10.70%
2019	10,990	25,812,808	61,726	3.70%
2018	10,855	24,730,939	59,533	3.80%
2017	10,655	23,016,541	55,806	3.90%
2016	10,395	21,842,453	53,716	4.80%
2015	10,395	20,368,315	50,966	5.40%
2014	9,990	18,985,794	48,263	6.30%
2013	9,880	18,075,023	46,652	7.30%
2012	9,780	18,066,635	47,162	8.20%
2011	9,570	16,881,632	44,473	9.10%

**Source:**

1 Portland State University, 2020 Oregon Population Report (Sandy), FY 2020 Population Figure from Portland State University, 2020 Oregon Population Report (Sandy)

2 Bureau of Economic Analysis (BEA) (Clackamas County in thousands of dollars)

3 Bureau of Economic Analysis (BEA) (Clackamas County)

4 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**

<b>Employer <sup>1</sup></b>	<b>2020</b>			<b>2011*</b>			
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>	<b>Employer</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Oregon Trail School District	441	1	9.0%	Information for 2010- 2011 is not readily available			
Fred Meyer #663	187	2	3.8%				
Mt. Hood Corporations, Inc.	130	3	2.6%				
City of Sandy	86	4	1.7%				
Johnson RV	76	5	1.5%				
Safeway	71	6	1.4%				
Suburban Ford	56	7	1.1%				
Konnell Construction & Demolition Corp	53	8	1.1%				
Tollgate Inn, Inc.	52	9	1.1%				
Avamere at Sandy	50	10	1.0%				
Total	1202		24.4%				

Source:

<sup>1</sup> Business License Data, Oregon Trail School District

\* Data unavailable prior to 2012

**CITY OF SANDY, OREGON**  
**Full-time Equivalent City Government**  
**By Functions**  
**Last Ten Fiscal Years**

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FUNCTION	Full-Time Equivalent Employees as of June 30				
	2011-13	2013-15	2015-17	2017-19	2019-21
<b>Government activities:</b>					
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
<b>Business-type activities:</b>					
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
<b>Total</b>	<b>61.4</b>	<b>64.1</b>	<b>71.0</b>	<b>72.8</b>	<b>75.1</b>

Source: Various City Departments

**CITY OF SANDY, OREGON**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

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Function	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police										
Physical arrests	618	723	620	876	650	371	218	472	411	421
Parking violations	79	114	420	105	150	152	128	117	141	131
Traffic violations	1,696	1,563	1,197	1,154	1,011	1,664	405	710	1,217	1,193
Highways and streets										
Street resurfacing (SF)	-	611,076	111,440	184,000	73,972	296,631	-	-	-	1,039,752
Water										
Meter connections	3,337	3,357	3,455	3,460	3,637	3,729	3,779	3,850	3,900	3,998
Average daily treatment (gallons)	1,028,334	1,081,000	1,068,000	824,887	930,000	1,190,000	1,200,000	1,135,000	956,000	1,177,000
Wastewater										
Average daily sewage treatment (gallons)	1,378,795	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

Source: Various City Departments

**CITY OF SANDY, OREGON**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

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FUNCTION	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Government Activities:</b>										
Public Safety										
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	34	35	35	35	35	35	35	35	35
Culture and recreation										
Parks acreage	165	165	165	172	172	172	172	212	212	212
Community centers	1	1	1	1	1	1	1	1	1	1
<b>Business-type Activities:</b>										
Water										
Maximum daily capacity (gallons)	2,900,000	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
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: Various City Departments

## **AUDIT COMMENTS AND DISCLOSURES**

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

Honorable Mayor and City Council  
City of Sandy, Oregon

We have audited the basic financial statements of City of Sandy, Oregon, as of and for the year ended June 30, 2020 and have issued our report thereon dated December 31, 2020. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the *Minimum Standards of Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State 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 City of Sandy, Oregon's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of Oregon Revised Statutes as specified in the Oregon Administrative Rules 162-10-000 through 162-10-330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, as set forth below, noncompliance with which could have a direct and material effect on the financial statements:

- Deposits of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions, and repayments.
- 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, and 279C).
- Accountability for collecting or receiving money by elected officials. The City does not have any elected officials collecting or receiving money.

However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Minimum Standards for Audits of Oregon Municipal Corporations* except as follows.

At June 30, 2020, the following funds had a deficit budgetary basis fund balance:

<u>Fund</u>	<u>Amount</u>
Telecommunications Fund	\$ (120,122)
Operations Center Internal Service Fund	\$ (3,947)

### **OAR 162-10-0230 Internal Control**

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

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

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Minimum Standards of Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



For Merina+Co  
Tualatin, Oregon  
December 31, 2020





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