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CITY OF SANDY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2018

CITY OF SANDY, OREGON

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**For the Fiscal Year Ended
June 30, 2018**

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

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INTRODUCTORY SECTION

January 28, 2018

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, 2018 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 is able to attract 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. Each year, tourism has become more important in stabilizing Sandy's economy. The City of Sandy's certified population in 2017 was 10,855. Extrapolating annual growth to 2018 yields an estimate of 10,990. In addition, Sandy is the commercial center of a rural area with a population of approximately 20,000.

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 (i.e., by all city voters); 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 8 department heads with approximately 83 full-time equivalent employees (FTE).

The City provides a full range of municipal services which include police, a municipal court, community services, 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 wireless and 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 ¾ 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 82.

ECONOMIC CONDITION AND OUTLOOK

Since 2009, the economic growth and investment in Sandy has been over \$200 million dollars in a mix of residential and commercial development. This development increase is a combination of an easy commute to the nearby cities and the presence of high recreation, and education facilities that have strengthened the city's economic base. Single family and commercial permits have increased. The housing market continues to grow, with 62 new home permits issued.

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

LONG-TERM FINANCIAL PLANNING

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

MAJOR INITIATIVES

A number of significant initiatives, outlined below, ensures the City's continued economic health and ability to provide services to its residents and businesses.



Branding – The City went through a rebranding process this fiscal year. The purpose of this initiative was to have a cohesive brand and logo within all of the departments. The results are incredible, with the new tagline of “Where Innovation Meets Elevation.”

Cedar Ridge Project – The City began 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. The pool has re-opened with new programming, new staff, and of course, a new look.



Façade Improvement Grant Program – This incentive program provides businesses in the downtown area with funding to update or improve their façade to meet the “Sandy Style” design standards found in the development code. This has brought cohesiveness to our downtown corridor, while also assisting businesses with needed repairs of their buildings.

Tenant Improvement Grant Program – The economic development incentive program was designed to promote business recruitment in Sandy by helping eligible restaurant businesses address the cost barrier with new or existing improvements. This program will pay for 50% of eligible project costs, up to a maximum total of \$25,000 per project.

SandyNet – The City of Sandy has come a long way in the last 15 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.



Fiber-To-The-Home (FTTH) – Sandy is now 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. Approximately 70% of residential homes have active service.

Fleet Management – The city entered into a contract in 2017 for fleet management services and lease to purchase of vehicles for the following departments: Public Works, SandyNet, Police Department, and Non-Departmental. The fleet management program helps to ensure our vehicles are performing at maximum efficiency, reduces fuel costs, tracks repair & maintenance per vehicle, and provides a consolidated billing/lease statement.



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, 2018. 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, 2018. This was the 27th 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.

ACKNOWLEDGEMENTS

The preparation of this report was made possible by the dedicated service of the finance and administration department. We wish to 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
Finance Director



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, 2017

Christopher P. Morrill

Executive Director/CEO



ELECTED CITY OFFICIALS

NAME

TERM EXPIRES

Mayor

Bill King

December 2018

Councilors

Jeremy Pietzold

December 2018

Scott Horsfall

December 2018

John Hamblin

December 2020

Jan Lee

December 2020

Carl Exner

December 2018

Jean Cubic

December 2020

CITY STAFF

City Manager

Kim Yamashita

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

Joe Knapp

Transit Director

Andi Howell

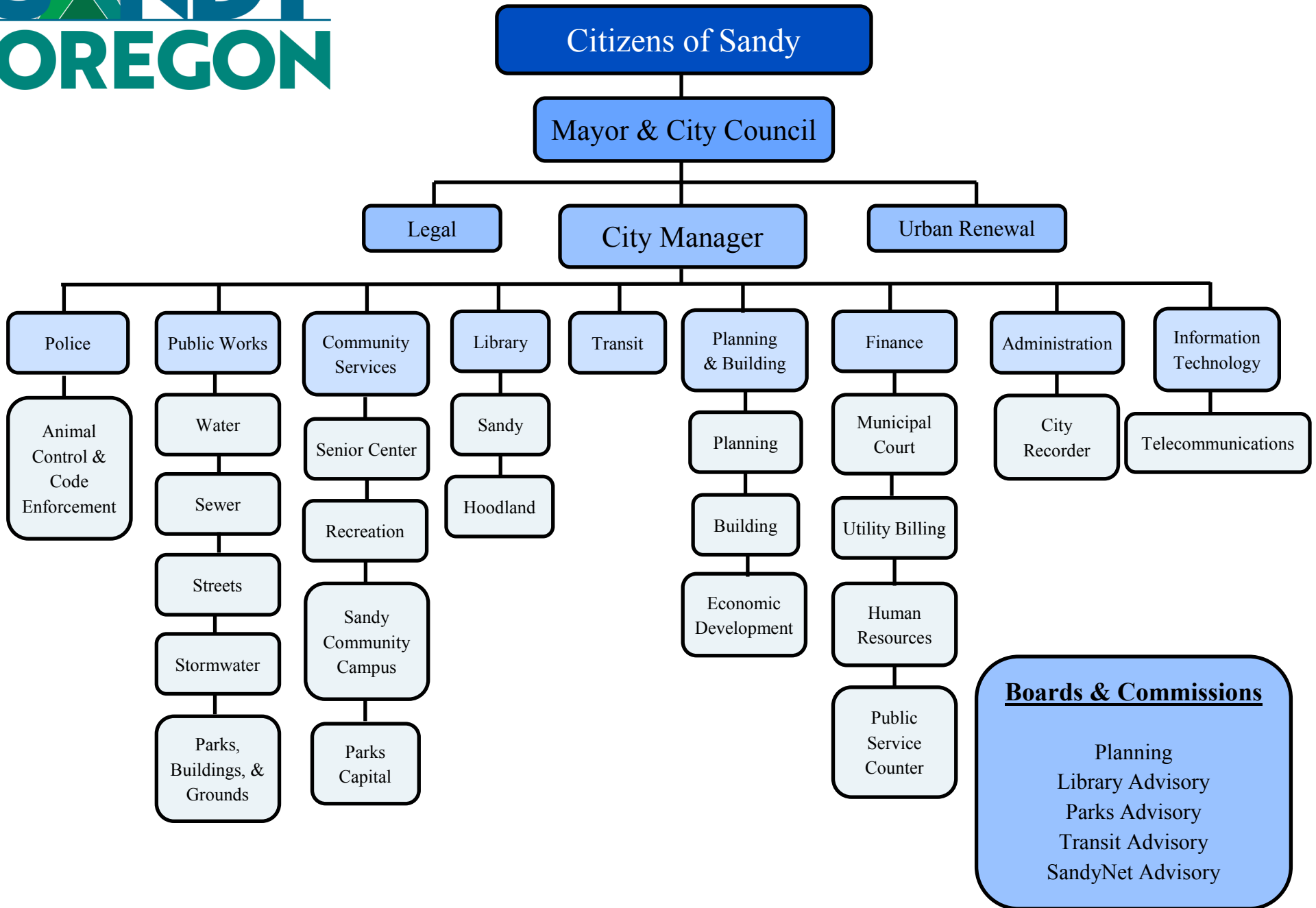
MAILING ADDRESS

39250 Pioneer Blvd.
Sandy, Oregon 97055

www.ci.sandy.or.us



ORGANIZATIONAL CHART





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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, 2018, 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, 2018, 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 14 to the financial statements, the City of Sandy adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to these matters.

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, schedule of the proportionate share of the net OPEB liability (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 January 28, 2019 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 January 28, 2019, 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 & Company, LLP
Tualatin, Oregon
January 28, 2019

CITY OF SANDY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2018

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, 2018. 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 at the close of the most recent fiscal year by \$44,456,770. Of this amount, \$1,600,443 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 \$2,576,088. 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 \$29,841,762, which is an increase of \$2,635,058.
- The City's business-type activities reported total net position of \$14,615,008, which is a decrease of \$58,970 from the prior year. Approximately 20% of the total, or \$2,990,305, is unrestricted and thus available for spending at the City's discretion.
- The City of Sandy's total outstanding debt decreased by \$987,031 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, 2018

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, 2018**

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 both the Operations Center and the Facility Maintenance Internal Service Funds as a proprietary funds. An internal service fund is used to account for an activity that provides goods or services to other departments on a cost-reimbursement basis. 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, Stormwater, Street, Transit, and General Funds. The Facility Maintenance internal service fund is intended for major maintenance, repairs and replacements at City-owned buildings.

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. Agency 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 66 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 68 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 by \$44,456,770. 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, 2018**

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

	Governmental Activities		Business-type Activities		Total		+ (-)
	2018	2017	2018	2017	2018	2017	
Current assets	\$ 16,373	\$ 17,994	\$ 3,943	\$ 3,540	\$ 20,316	\$ 21,534	(\$1,218)
Other assets	-	-	307	369	307	369	(63)
Capital assets	29,122	24,991	28,856	29,477	57,978	54,468	3,511
Total assets	45,495	42,985	33,106	33,386	78,601	76,371	2,231
Deferred outflows of resources	2,137	3,123	417	583	2,554	3,706	(1,152)
Other liabilities	1,671	2,001	1,114	981	2,785	2,982	(197)
Long term debt outstanding	15,902	16,628	17,753	18,267	33,655	34,895	(1,241)
Total liabilities	17,573	18,629	18,867	19,248	36,440	37,877	(1,438)
Deferred inflows of resources	218	271	40	47	258	318	(59)
Net position:							
Net investment in capital	21,269	13,474	11,457	11,671	32,726	25,145	7,582
Restricted for:							
Capital Projects	-	220	-	-	-	220	(220)
Debt Service	-	-	167	167	167	167	-
System Development Charges	3,628	2,722	-	75	3,628	2,797	831
State/Local Gas Tax	1,138	709	-	-	1,138	709	428
Grants	-	6	-	-	-	6	(6)
Parks Projects	362	151	-	-	362	151	210
Peg fees	2	12	-	-	2	12	(11)
Urban renewal projects	4,833	8,277	-	-	4,833	8,277	(3,444)
Unrestricted	(1,390)	1,634	2,990	2,761	1,600	4,395	(2,794)
Total net position	\$ 29,842	\$ 27,205	\$ 14,614	\$ 14,674	\$ 44,456	\$ 41,879	\$ 2,576

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 23% 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 \$1,600,443 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 is able to report positive balances in all reported categories of net position, for the government as a whole; the same situation held true for the prior fiscal year.

However, the City of Sandy's overall net position increased by \$2,576,088 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, 2018**

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 + (-)
	2018	2017	2018	2017	2018	2017	
REVENUES							
Program revenues							
Charges for services	\$ 2,624	\$ 2,115	\$ 5,183	\$ 4,462	\$ 7,807	\$ 6,577	\$ 1,230
Operating grants and contributions	251	216	-	-	251	216	35
Capital grants and contributions	1,150	1,423	-	-	1,150	1,423	(273)
General revenues							
Property taxes	4,875	4,611	-	-	4,875	4,611	264
Franchise fees and public services taxes	3,890	3,674	-	-	3,890	3,674	216
Interest and investment earnings	249	154	61	42	310	196	114
Other	237	133	98	97	335	230	105
Total revenues	<u>13,276</u>	<u>12,326</u>	<u>5,342</u>	<u>4,601</u>	<u>18,618</u>	<u>16,927</u>	<u>1,691</u>
EXPENSES							
General Government	1,037	2,080	-	-	1,037	2,080	(1,043)
Highways and streets	751	949	-	-	751	949	(198)
Public transportation	1,492	1,343	-	-	1,492	1,343	149
Economic development	912	3,530	-	-	912	3,530	(2,618)
Public safety	3,286	3,076	-	-	3,286	3,076	210
Culture and recreation	2,796	2,586	-	-	2,796	2,586	210
Interest on long-term debt	264	128	-	-	264	128	136
Water	-	-	1,653	1,694	1,653	1,694	(41)
Wastewater	-	-	1,755	1,588	1,755	1,588	167
Stormwater	-	-	289	232	289	232	57
Telecommunications	-	-	1,542	1,619	1,542	1,619	(77)
Total Expenses	<u>10,538</u>	<u>13,692</u>	<u>5,239</u>	<u>5,133</u>	<u>15,777</u>	<u>18,825</u>	<u>(3,048)</u>
Increase in net position before transfers	2,737	(1,367)	103	(531)	2,840	(1,898)	4,738
Transfers	119	21	(119)	(21)	-	-	-
Changes in net position	<u>2,856</u>	<u>(1,346)</u>	<u>(16)</u>	<u>(552)</u>	<u>2,840</u>	<u>(1,898)</u>	<u>4,738</u>
Net position, July 1	<u>27,207</u>	<u>28,553</u>	<u>14,674</u>	<u>15,226</u>	<u>41,881</u>	<u>43,779</u>	<u>(1,898)</u>
Prior period adjustment	(221)	-	(43)	-	(264)	-	(264)
Net position, June 30	<u>\$ 29,842</u>	<u>\$ 27,207</u>	<u>\$ 14,615</u>	<u>\$ 14,674</u>	<u>\$ 44,457</u>	<u>\$ 41,881</u>	<u>\$ 2,576</u>

Governmental activities. During the current fiscal year, net position for government activities increased by \$2,635,058 from the prior year for an ending balance of \$29,841,762. The net change is a result of increases in program revenues offset by decreases in expenses related to capital purchases (for example, buses in the public transportation category, and building and land purchases in the economic development category).

Business-type activities. For the City of Sandy's business-type activities, the results for the current fiscal year were relatively flat. The total decrease in net position for business-type activities (water, sewer, stormwater and telecommunication) was \$58,970. The Water Fund and Telecommunications Fund had a positive change in net position of \$107,082 and \$30,680, respectively. The Sewer Fund and Storm Water Fund had a negative change in net position of \$141,598 and \$55,134 respectively. Compared to the prior year, operating revenues increased by approximately 16%, and operating expenses increased by approximately 2%. Acquisitions of capital assets and principal payments on long-term debt are not reported as direct expenses, but are reported as additions to assets and reductions to liabilities respectively on the Statement of Net Positions.

**CITY OF SANDY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

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 \$14,593,129. Approximately 32% percent of this total amount (\$4,630,992) 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 M. in the Notes to the Financial Statements beginning on page 38.

The *General Fund* is the chief operating fund of the City. At the end of the audited fiscal year, the General Fund decreased \$15,167 from the prior year.

The *Street Fund* provides for the maintenance and construction of City streets. The fund had a substantial increase of \$1,044,683 from the prior year.

The *Urban Renewal Fund* decreased by \$3,444,470, largely due to capital outlay related to the Sandy Fire District and the Sandy Community Campus.

The *Transit Fund* balance increased by \$352,668 as capital outlay decreased significantly.

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 \$573,830. This increase is due in part to a significant increase in system development charges in the Parks Capital Projects 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 saw an increase in fund balance of \$190,027. The Sewer Fund and Stormwater Fund had a slight decrease of \$2,738 and \$6,912 respectively. The Telecommunications Fund's fund balance decreased by \$180,773. This is largely due to the high demand of residential and business fiber connections, as has been the case in prior years.

**CITY OF SANDY, OREGON
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, there was one budget adjustments to the original budget that impacted the General Fund. This adjustment was to reallocate contingency funds to hire two additional employees.

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, 2018 amounts to \$57,978,350 (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 approximately 6%.

On the following page, Tables 3 and 4 summarizes capital assets and changes as of June 30, 2018.

**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
	2018	2017	2018	2017	2018	2017	+ (-)
Land	\$ 4,207	\$ 3,207	\$ 1,100	\$ 1,100	\$ 5,307	\$ 4,307	\$ 1,000
Construction in Progress	3,567	1,680	82	-	3,649	1,680	1,969
Improvements	7,636	8,051	25,710	26,609	33,346	34,660	(1,314)
Buildings	11,790	10,284	655	674	12,445	10,958	1,487
Furniture and equipment	398	277	1,121	1,000	1,519	1,277	242
Vehicles	1,286	1,226	189	94	1,475	1,320	155
Intangible Assets	237	266	-	-	237	266	(29)
Total	\$ 29,121	\$ 24,991	\$ 28,857	\$ 29,477	\$ 57,978	\$ 54,468	\$ 3,510

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

- ❖ Governmental Activities
 - Transit Fund – Trolley - \$106,639
 - Urban Renewal Fund – Sandy Community Campus - \$3,000,000
 - General Fund – Police Vehicles - \$308,144
- ❖ Business-Type Activities
 - Telecommunications Fund – Fiber Equipment - \$219,111
 - Telecommunications Fund – Vehicles - \$115,562

**CITY OF SANDY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

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

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Beginning balance	\$ 24,991	\$ 23,532	\$ 29,476	\$30,506	\$54,467	\$54,038
Additions	5,714	2,958	633	192	6,347	3,150
Depreciation	(1,421)	(1,142)	(1,253)	(1,222)	(2,674)	(2,364)
Deletions	(161)	(357)	-	-	(161)	(357)
Ending balance	<u>\$ 29,123</u>	<u>\$ 24,991</u>	<u>\$ 28,856</u>	<u>\$29,476</u>	<u>\$57,978</u>	<u>\$54,467</u>

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 \$28,593,533. The City's total debt decreased by \$987,031 (approximately 3%). During the fiscal year ended June 30, 2018 all scheduled debt payments were met.

On the following page, Table 5 summarizes outstanding debt as of June 30, 2018.

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

	Government Activities		Business Activities		Total		Total Change
	2018	2017	2018	2017	2018	2017	+ (-)
Bonds payable	\$ 498	\$ 971	\$ 8,363	\$ 8,644	\$ 8,861	\$ 9,615	\$ (754)
Bond premium	-	-	220	233	220	233	(13)
Notes payable	10,325	10,524	8,815	8,929	19,140	19,453	(313)
Compensated absences	323	240	49	39	372	279	93
Lease payable	-	-	-	-	-	-	-
Total	<u>\$ 11,146</u>	<u>\$11,735</u>	<u>\$17,447</u>	<u>\$ 17,845</u>	<u>\$ 28,593</u>	<u>\$ 29,580</u>	<u>\$ (987)</u>

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 the Note 7.

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, 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, 2018

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 13,945,224	\$ 4,418,276	\$ 18,363,500
Property taxes receivable	296,045	-	296,045
Due from other governments	15,757	-	15,757
Accounts receivable, net	365,959	448,502	814,461
Inventories	-	215,280	215,280
Prepaid	18,431	-	18,431
Long term receivable	62,851	-	62,851
Internal balances	1,138,995	(1,138,995)	-
Grants receivable	517,374	-	517,374
Notes receivable	12,731	-	12,731
Total current assets	<u>16,373,367</u>	<u>3,943,063</u>	<u>20,316,430</u>
Noncurrent assets:			
Restricted cash and cash equivalents	-	156,820	156,820
Notes receivable	-	149,801	149,801
Capital assets:			
Nondepreciable	7,774,488	1,181,787	8,956,275
Depreciable, net	<u>21,348,004</u>	<u>27,674,071</u>	<u>49,022,075</u>
Total noncurrent assets	<u>29,122,492</u>	<u>29,162,479</u>	<u>58,284,971</u>
Total assets	<u>45,495,859</u>	<u>33,105,542</u>	<u>78,601,401</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflow related to pension	2,114,593	412,456	2,527,049
Deferred outflow related to OPEB	<u>22,392</u>	<u>4,369</u>	<u>26,761</u>
Total deferred outflows of resources	<u>2,136,985</u>	<u>416,825</u>	<u>2,553,810</u>
Total assets & deferred outflows of resources	<u>\$ 47,632,844</u>	<u>\$ 33,522,367</u>	<u>\$ 81,155,211</u>
LIABILITIES:			
Current liabilities:			
Accounts payable and accrued expenses	\$ 598,280	\$ 98,176	\$ 696,456
Interest payable	31,374	208,548	239,922
Deposits	111,676	3,756	115,432
Current portion of accrued compensated absences payable	64,658	9,817	74,475
Current portion of long-term debt	<u>864,803</u>	<u>793,553</u>	<u>1,658,356</u>
Total current liabilities	<u>1,670,791</u>	<u>1,113,850</u>	<u>2,784,641</u>
Noncurrent liabilities:			
Noncurrent portion of accrued compensated absences payable	258,631	39,264	297,895
Net pension liability	5,456,482	1,064,301	6,520,783
Net OPEB liability	228,942	44,656	273,598
Noncurrent portion of long-term obligations	<u>9,957,994</u>	<u>16,604,813</u>	<u>26,562,807</u>
Total noncurrent liabilities	<u>15,902,049</u>	<u>17,753,034</u>	<u>33,655,083</u>
Total liabilities	<u>17,572,840</u>	<u>18,866,884</u>	<u>36,439,724</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred gain on refunding	10,736	-	10,736
Deferred inflow related to pension	183,897	35,869	219,766
Deferred inflow related to OPEB	<u>23,609</u>	<u>4,606</u>	<u>28,215</u>
Total deferred inflows of resources	<u>218,242</u>	<u>40,475</u>	<u>258,717</u>
NET POSITION:			
Net investment in capital assets	21,269,487	11,457,492	32,726,979
Restricted for:			
Debt service	-	167,211	167,211
System development charges	3,628,276	-	3,628,276
State/local gas tax	1,137,751	-	1,137,751
Peg fees	1,795	-	1,795
Park projects	361,506	-	361,506
Urban renewal projects	4,832,809	-	4,832,809
Unrestricted	<u>(1,389,862)</u>	<u>2,990,305</u>	<u>1,600,443</u>
Total net position	<u>29,841,762</u>	<u>14,615,008</u>	<u>44,456,770</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 47,632,844</u>	<u>\$ 33,522,367</u>	<u>\$ 81,155,211</u>

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, 2018

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 1,037,004	\$ 634,872	\$ 209,970	\$ -
Highways and streets	750,680	644,728	-	-
Public transportation	1,491,751	88,221	41,250	950,742
Economic development	911,779	333,882	-	-
Public safety	3,286,371	785,818	-	-
Culture and recreation	2,796,492	136,184	-	199,129
Interest on long-term debt	263,742	-	-	-
Total governmental activities	<u>10,537,819</u>	<u>2,623,705</u>	<u>251,220</u>	<u>1,149,871</u>
Business type activities:				
Water Fund	1,653,360	1,775,499	-	-
Sewer Operations	1,755,411	1,652,602	-	-
Storm Water Fund	288,757	248,200	-	-
Telecommunications Fund	1,542,146	1,507,197	-	-
Total business type activities	<u>5,239,674</u>	<u>5,183,498</u>	<u>-</u>	<u>-</u>
Total government	<u>\$ 15,777,493</u>	<u>\$ 7,807,203</u>	<u>\$ 251,220</u>	<u>\$ 1,149,871</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 (as reported)

Prior period adjustment

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
\$ (192,162)	\$ -	\$ (192,162)
(105,952)	-	(105,952)
(411,538)	-	(411,538)
(577,897)	-	(577,897)
(2,500,553)	-	(2,500,553)
(2,461,179)	-	(2,461,179)
(263,742)	-	(263,742)
<u>(6,513,023)</u>	<u>-</u>	<u>(6,513,023)</u>
-	122,139	122,139
-	(102,809)	(102,809)
-	(40,557)	(40,557)
-	(34,949)	(34,949)
<u>-</u>	<u>(56,176)</u>	<u>(56,176)</u>
<u>(6,513,023)</u>	<u>(56,176)</u>	<u>(6,569,199)</u>
4,874,743	-	4,874,743
3,251,155	-	3,251,155
638,545	-	638,545
249,304	61,141	310,445
236,586	98,265	334,851
119,038	(119,038)	-
<u>9,369,371</u>	<u>40,368</u>	<u>9,409,739</u>
2,856,348	(15,808)	2,840,540
27,206,704	14,673,978	41,880,682
<u>(221,290)</u>	<u>(43,162)</u>	<u>(264,452)</u>
<u>\$ 29,841,762</u>	<u>\$ 14,615,008</u>	<u>\$ 44,456,770</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, 2018**

	General Fund	Street Fund	Urban Renewal Agency Fund	Transit Fund	Other Governmental	Total Governmental
ASSETS						
Cash and cash equivalents	\$ 1,664,198	\$ 4,105,583	\$ 4,880,187	\$ 2,011,915	\$ 1,008,998	\$ 13,670,881
Property taxes receivable	198,027	-	98,018	-	-	296,045
Due from other governments	10,514	-	5,243	-	-	15,757
Accounts receivable, net	98,988	94,268	25,101	147,602	-	365,959
Prepays	4,144	-	-	14,287	-	18,431
Notes receivable	-	12,731	-	-	-	12,731
Long term receivable	62,851	-	-	-	-	62,851
Grants receivable	-	-	-	517,374	-	517,374
Due from other funds	1,138,995	-	-	-	-	1,138,995
Total assets	\$ 3,177,717	\$ 4,212,582	\$ 5,008,549	\$ 2,691,178	\$ 1,008,998	\$ 16,099,024
LIABILITIES:						
Accounts payable and other current liabilities	\$ 380,258	\$ 31,184	\$ 82,965	\$ 73,204	\$ 30,290	\$ 597,901
Deposits	111,676	-	-	-	-	111,676
Total liabilities	491,934	31,184	82,965	73,204	30,290	709,577
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	187,514	-	92,775	-	-	280,289
Unavailable revenue - receivables	119,442	12,731	-	383,856	-	516,029
Total deferred inflows of resources	306,956	12,731	92,775	383,856	-	796,318
FUND BALANCES:						
Restricted:						
System development charges	-	3,030,916	-	-	597,360	3,628,276
Street and roadside maintenance	-	1,137,751	-	-	-	1,137,751
Peg fees	1,795	-	-	-	-	1,795
Park projects	-	-	-	-	361,506	361,506
Urban renewal projects	-	-	4,832,809	-	-	4,832,809
Assigned:						
Public transportation	-	-	-	2,234,118	-	2,234,118
Park district	56,500	-	-	-	-	56,500
Youth scholarship	1,500	-	-	-	-	1,500
Grant	5,295	-	-	-	-	5,295
Unassigned, reported in:						
General fund	2,313,737	-	-	-	-	2,313,737
Special revenue fund	-	-	-	-	15,269	15,269
Capital projects fund	-	-	-	-	4,573	4,573
Total fund balance	2,378,827	4,168,667	4,832,809	2,234,118	978,708	14,593,129
Total liabilities, deferred inflows of resources and fund balance	\$ 3,177,717	\$ 4,212,582	\$ 5,008,549	\$ 2,691,178	\$ 1,008,998	

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.	29,122,492
Pension related changes.	(3,525,786)
OPEB related changes.	(230,159)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred outflows in the funds. Unavailable revenue	796,318
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.	273,964
The difference between the reacquisition price and the net carrying amount of the old debt is a deferred inflow of resources and is not reported in the funds.	(10,736)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(11,177,460)
Net position	\$ 29,841,762

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, 2018**

	<u>General Fund</u>	<u>Street Fund</u>	<u>Urban Renewal Agency Fund</u>
REVENUES:			
Property taxes	\$ 3,230,419	\$ -	\$ 1,612,446
Public service taxes	1,577,420	1,004,323	-
Franchise fees	639,363	-	-
Grants	124,912	-	-
Charges for services	966,103	-	-
Licenses and permits	392,221	-	-
Fines and forfeitures	181,926	-	-
Special assessments	-	32,134	-
System development charges	-	612,594	-
Interest	39,745	54,141	112,380
Contributions and donations	5,716	-	-
Intergovernmental	-	-	-
Miscellaneous	183,916	26,887	-
Indirect service	-	-	-
	<u>7,341,741</u>	<u>1,730,079</u>	<u>1,724,826</u>
EXPENDITURES:			
Current:			
General government	825,538	-	-
Highways and streets	-	595,666	-
Public transportation	-	-	-
Economic development	803,940	-	101,289
Public safety	2,857,167	-	-
Culture and recreation	2,391,752	-	-
Capital outlay	468,342	29,195	4,170,741
Debt service:			
Principal	294,311	58,799	-
Interest	23,569	4,189	-
	<u>7,664,619</u>	<u>687,849</u>	<u>4,272,030</u>
Revenues over (under) expenditures	(322,878)	1,042,230	(2,547,204)
OTHER FINANCING SOURCES (USES):			
Issuance of debt	308,144	11,653	-
Sale of capital assets	2,500	-	-
Transfers in	372,165	-	-
Transfers out	(375,098)	(53,115)	(897,266)
	<u>307,711</u>	<u>(41,462)</u>	<u>(897,266)</u>
Net changes in fund balances	(15,167)	1,000,768	(3,444,470)
FUND BALANCES, BEGINNING	<u>2,393,994</u>	<u>3,167,899</u>	<u>8,277,279</u>
FUND BALANCES, ENDING	<u>\$ 2,378,827</u>	<u>\$ 4,168,667</u>	<u>\$ 4,832,809</u>

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

Transit Fund	Other Governmental	Total Governmental
\$ -	\$ -	\$ 4,842,865
669,412	-	3,251,155
-	1,800	641,163
950,742	-	1,075,654
88,221	3,138	1,057,462
-	-	392,221
-	-	181,926
-	-	32,134
-	333,883	946,477
30,702	10,995	247,963
-	199,129	204,845
41,250	-	41,250
5,418	-	216,221
-	1,775	1,775
<u>1,785,745</u>	<u>550,720</u>	<u>13,133,111</u>
-	128,594	954,132
-	-	595,666
1,255,726	-	1,255,726
-	-	905,229
-	-	2,857,167
-	-	2,391,752
93,114	5,320	4,766,712
-	639,030	992,140
-	248,786	276,544
<u>1,348,840</u>	<u>1,021,730</u>	<u>14,995,068</u>
436,905	(471,010)	(1,861,957)
-	-	319,797
-	-	2,500
-	1,044,840	1,417,005
<u>(84,217)</u>	<u>-</u>	<u>(1,409,696)</u>
<u>(84,217)</u>	<u>1,044,840</u>	<u>329,606</u>
352,688	573,830	(1,532,351)
<u>1,881,430</u>	<u>404,878</u>	<u>16,125,480</u>
<u>\$ 2,234,118</u>	<u>\$ 978,708</u>	<u>\$ 14,593,129</u>

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, 2018

Amounts reported in the statement of activities are different because:

Net changes in fund balance		\$ (1,532,351)
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.		(528,402)
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.		(8,869)
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	(1,421,310)	
Capital assets	<u>5,553,188</u>	4,131,878
Some revenue reported in the statement of activities do not provide current financial resources in the governmental funds.		138,177
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		12,802
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	(82,955)	
Debt service principal payments	992,140	
Debt proceeds	<u>(319,797)</u>	589,388
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>53,725</u>
Change in net position of governmental activities		<u><u>\$ 2,856,348</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 2019.

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 Funds 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, 2018

	Enterprise Funds		
	Water Fund	Sewer Operations	Storm Water Fund
ASSETS:			
Current assets:			
Cash and investments	\$ 2,053,854	\$ 1,861,564	\$ 502,858
Accounts receivables, net	142,323	132,052	20,805
Interfund loan receivable	-	205,960	-
Inventories	-	-	-
Total current assets	<u>2,196,177</u>	<u>2,199,576</u>	<u>523,663</u>
Noncurrent assets:			
Restricted cash and cash equivalents	-	-	-
Capital assets, net	13,076,448	6,100,918	573,513
Notes receivable	140,365	9,436	-
Total noncurrent assets	<u>13,216,813</u>	<u>6,110,354</u>	<u>573,513</u>
Total assets	<u>15,412,990</u>	<u>8,309,930</u>	<u>1,097,176</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflow related to pension	87,798	87,798	44,440
Deferred outflow related to OPEB	930	930	472
Total deferred outflows of resources	<u>88,728</u>	<u>88,728</u>	<u>44,912</u>
Total assets & deferred outflows of resources	<u>\$ 15,501,718</u>	<u>\$ 8,398,658</u>	<u>\$ 1,142,088</u>
LIABILITIES:			
Current liabilities:			
Accounts payable and accrued expenses	\$ 42,264	\$ 38,617	\$ 3,476
Accrued compensated absences payable	3,525	3,525	1,066
Accrued interest payable	102,060	8,674	2,027
Deposits	3,756	-	-
Interfund loan payable	-	-	-
Loans payable within one year	410,818	65,451	37,331
Due to other funds	-	-	-
Total current liabilities	<u>562,423</u>	<u>116,267</u>	<u>43,900</u>
Noncurrent liabilities:			
Net pension liability	226,554	226,554	114,673
Net OPEB liability	9,506	9,506	4,811
Loans payable, net of current portion	6,385,762	2,135,279	551,991
Accrued compensated absences payable	14,098	14,098	4,265
Total noncurrent liabilities	<u>6,635,920</u>	<u>2,385,437</u>	<u>675,740</u>
Total liabilities	<u>7,198,343</u>	<u>2,501,704</u>	<u>719,640</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflow related to pension	7,635	7,635	3,865
Deferred inflow related to OPEB	980	980	498
Total deferred inflows of resources	<u>8,615</u>	<u>8,615</u>	<u>4,363</u>
NET POSITION:			
Net investment in capital assets	6,279,868	3,900,188	(15,809)
Restricted for:			
Debt service	-	167,211	-
Unrestricted	<u>2,014,892</u>	<u>1,820,940</u>	<u>433,894</u>
Total net position	<u>8,294,760</u>	<u>5,888,339</u>	<u>418,085</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 15,501,718</u>	<u>\$ 8,398,658</u>	<u>\$ 1,142,088</u>

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

		Governmental Activities	
Telecommunications		Internal Service Funds	
Fund	Total		
\$ -	\$ 4,418,276	\$ 274,343	
153,322	448,502	-	
-	205,960	-	
215,280	215,280	-	
<u>368,602</u>	<u>5,288,018</u>	<u>274,343</u>	
156,820	156,820	-	
9,104,979	28,855,858	-	
-	149,801	-	
<u>9,261,799</u>	<u>29,162,479</u>	<u>-</u>	
<u>9,630,401</u>	<u>34,450,497</u>	<u>274,343</u>	
192,420	412,456	-	
2,037	4,369	-	
<u>194,457</u>	<u>416,825</u>	<u>-</u>	
<u>\$ 9,824,858</u>	<u>\$ 34,867,322</u>	<u>\$ 274,343</u>	
\$ 13,819	\$ 98,176	\$ 379	
1,701	9,817	-	
95,787	208,548	-	
-	3,756	-	
205,960	205,960	-	
279,953	793,553	-	
1,138,995	1,138,995	-	
<u>1,736,215</u>	<u>2,458,805</u>	<u>379</u>	
496,520	1,064,301	-	
20,833	44,656	-	
7,531,781	16,604,813	-	
6,803	39,264	-	
<u>8,055,937</u>	<u>17,753,034</u>	<u>-</u>	
<u>9,792,152</u>	<u>20,211,839</u>	<u>379</u>	
16,734	35,869	-	
2,148	4,606	-	
<u>18,882</u>	<u>40,475</u>	<u>-</u>	
1,293,245	11,457,492	-	
-	167,211	-	
<u>(1,279,421)</u>	<u>2,990,305</u>	<u>273,964</u>	
<u>13,824</u>	<u>14,615,008</u>	<u>273,964</u>	
<u>\$ 9,824,858</u>	<u>\$ 34,867,322</u>	<u>\$ 274,343</u>	

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, 2018

	Enterprise Funds		
	Water Fund	Sewer Operations	Storm Water Fund
OPERATING REVENUES:			
Charges for services	\$ 1,525,845	\$ 1,414,237	\$ 248,200
Special assessments and surcharges	249,654	238,365	-
Miscellaneous	28,165	6,360	2,703
Total operating revenues	<u>1,803,664</u>	<u>1,658,962</u>	<u>250,903</u>
OPERATING EXPENSES:			
Salaries, fringe benefits and payroll taxes	281,737	280,966	147,497
Utilities	-	-	-
Operating supplies	-	-	-
Insurance	-	-	-
Operating costs	744,843	1,058,005	57,660
Contract services	-	-	-
Depreciation	438,080	309,726	58,159
Total operating expenses	<u>1,464,660</u>	<u>1,648,697</u>	<u>263,316</u>
Operating income (loss)	339,004	10,265	(12,413)
NON-OPERATING INCOME (EXPENSE):			
Interest income	25,246	26,752	8,457
Interest expense	(188,700)	(106,714)	(25,441)
Gain on the sale of assets	750	750	-
Other fees	-	-	-
Total non-operating income (expenses)	<u>(162,704)</u>	<u>(79,212)</u>	<u>(16,984)</u>
Net income (loss) before transfers	176,300	(68,947)	(29,397)
TRANSFERS:			
Transfers in (out)	<u>(60,030)</u>	<u>(63,463)</u>	<u>(21,087)</u>
Change in net position	116,270	(132,410)	(50,484)
NET POSITION, BEGINNING	8,187,678	6,029,937	473,219
PRIOR PERIOD ADJUSTMENT	<u>(9,188)</u>	<u>(9,188)</u>	<u>(4,650)</u>
NET POSITION, ENDING	<u><u>\$ 8,294,760</u></u>	<u><u>\$ 5,888,339</u></u>	<u><u>\$ 418,085</u></u>

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

		Governmental Activities	
Telecommunications Fund	Total	Internal Service Funds	
\$ 1,507,197	\$ 4,695,479	\$ -	
-	488,019	-	
59,537	96,765	-	
<u>1,566,734</u>	<u>5,280,263</u>	<u>-</u>	
582,440	1,292,640	-	
-	-	30,329	
-	-	3,437	
-	-	4,647	
226,939	2,087,447	11,983	
-	-	8,949	
447,492	1,253,457	-	
<u>1,256,871</u>	<u>4,633,544</u>	<u>59,345</u>	
309,863	646,719	(59,345)	
686	61,141	1,341	
(284,275)	(605,130)	-	
-	1,500	-	
(1,000)	(1,000)	-	
<u>(284,589)</u>	<u>(543,489)</u>	<u>1,341</u>	
25,274	103,230	(58,004)	
<u>25,542</u>	<u>(119,038)</u>	<u>111,729</u>	
50,816	(15,808)	53,725	
(16,856)	14,673,978	220,239	
<u>(20,136)</u>	<u>(43,162)</u>	<u>-</u>	
<u>\$ 13,824</u>	<u>\$ 14,615,008</u>	<u>\$ 273,964</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, 2018

	Water Fund	Sewer Operations
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 1,788,073	\$ 1,642,178
Cash paid to employees and others for salaries and benefits	(248,198)	(213,886)
Cash paid to suppliers and others	(766,251)	(1,062,569)
Net cash provided by operating activities	<u>773,624</u>	<u>365,723</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Payment from (to) other funds for interfund loans and interest	-	128,336
Transfers in (out)	(60,030)	(63,463)
Advances to/from other funds	-	-
Net cash provided by non-capital financing activities	<u>(60,030)</u>	<u>64,873</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	(11,653)	(93,766)
Proceeds from loans	11,653	11,653
Principal paid on loans	(400,329)	(62,589)
Interest paid on loans	(193,518)	(106,203)
Proceeds from sale of capital assets	750	-
Net cash provided by capital and related financing activities	<u>(593,097)</u>	<u>(250,905)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest revenue	25,246	26,752
Notes receivable	7,148	3,628
Net cash provided by investing activities	<u>32,394</u>	<u>30,380</u>
Net increase (decrease) in cash and cash equivalents	152,891	210,071
CASH AND INVESTMENTS, BEGINNING	<u>1,900,963</u>	<u>1,651,493</u>
CASH AND INVESTMENTS, ENDING	<u>\$ 2,053,854</u>	<u>\$ 1,861,564</u>
COMPRISED AS FOLLOWS:		
Unrestricted	\$ 2,053,854	\$ 1,861,564
Restricted	-	-
Total	<u>\$ 2,053,854</u>	<u>\$ 1,861,564</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	\$ 339,004	\$ 10,265
Adjustments:		
Depreciation	438,080	309,726
Decrease (increase) in:		
Accounts receivable	(15,601)	(16,784)
Inventories	-	-
Increase (decrease) in:		
Accounts payable and accrued expenses	(21,408)	28,976
Accrued compensated absences	4,687	4,687
Deposits	10	-
Net pension liability	28,484	28,485
Net OPEB liability	368	368
Net cash provided by operating activities	<u>\$ 773,624</u>	<u>\$ 365,723</u>

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

Enterprise Funds			Activities	
Storm Water Fund	Telecommunications Fund	Total	Internal Service Funds	
\$ 249,886	\$ 1,539,637	\$ 5,219,774	\$ -	-
(101,843)	(482,576)	(1,046,503)	-	-
(80,329)	(419,537)	(2,328,686)	(59,398)	-
<u>67,714</u>	<u>637,524</u>	<u>1,844,585</u>	<u>(59,398)</u>	-
-	(128,336)	-	-	-
(21,087)	25,542	(119,038)	111,729	-
-	155,673	155,673	-	-
<u>(21,087)</u>	<u>52,879</u>	<u>36,635</u>	<u>111,729</u>	-
(11,653)	(515,569)	(632,641)	-	-
11,653	296,457	331,416	-	-
(37,331)	(238,635)	(738,884)	-	-
(25,543)	(285,329)	(610,593)	-	-
-	-	750	-	-
<u>(62,874)</u>	<u>(743,076)</u>	<u>(1,649,952)</u>	<u>-</u>	-
8,457	686	61,141	1,341	-
-	-	10,776	-	-
<u>8,457</u>	<u>686</u>	<u>71,917</u>	<u>1,341</u>	-
(7,790)	(51,987)	303,185	53,672	-
<u>510,648</u>	<u>208,807</u>	<u>4,271,911</u>	<u>220,671</u>	-
<u>\$ 502,858</u>	<u>\$ 156,820</u>	<u>\$ 4,575,096</u>	<u>\$ 274,343</u>	-
\$ 502,858	\$ -	\$ 4,418,276	\$ 274,343	-
-	156,820	156,820	-	-
<u>\$ 502,858</u>	<u>\$ 156,820</u>	<u>\$ 4,575,096</u>	<u>\$ 274,343</u>	-
\$ (12,413)	\$ 309,863	\$ 646,719	\$ (59,345)	-
58,159	447,492	1,253,457	-	-
(1,017)	(27,097)	(60,499)	-	-
-	(142,974)	(142,974)	-	-
158	308	8,034	(53)	-
1,616	(1,164)	9,826	-	-
-	-	10	-	-
21,024	50,288	128,281	-	-
187	808	1,731	-	-
<u>\$ 67,714</u>	<u>\$ 637,524</u>	<u>\$ 1,844,585</u>	<u>\$ (59,398)</u>	-

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

FUND FINANCIAL STATEMENTS

Fiduciary Funds

This fund is used to account for assets held by the City 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, 2018

	Private-Purpose Trust Fund
ASSETS:	
Cash and cash equivalents	\$ 100,192
Total assets	<u>\$ 100,192</u>
LIABILITIES:	
Accounts payable and other current liabilities	<u>\$ 938</u>
Total liabilities	<u>938</u>
NET POSITION:	
Held in trust for:	
Library	8,954
Adopt a book	1,382
Seniors	40,976
Meinig park	15,225
Recreation	949
Fantasy forest	8,695
Youth basketball	7,849
GREAT	3,131
Riparian	4,380
Emergency services	274
EASEY	6,090
Sandy times	(64)
Noah's Quest	2,017
DARE	(991)
Shop with a cop	<u>387</u>
Total net position	<u>99,254</u>
Total liabilities and net position	<u>\$ 100,192</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, 2018

	<u>Private-Purpose Trust Fund</u>
ADDITIONS:	
Donations:	
Seniors	\$ 3,685
Meinig park	3,228
Noah's Quest	4,783
Shop with a cop	345
Interest:	
Library	140
Adopt a book	22
Seniors	641
Meinig park	213
Recreation	15
Fantasy forest	140
Youth basketball	123
GREAT	49
Riparian	69
Emergency services	4
EASEY	95
Noah's Quest	2
Shop with a cop	1
	<hr/>
Total additions	13,555
	<hr/>
DEDUCTIONS:	
Seniors	3,590
Meinig park	1,611
Fantasy forest	236
Police explorers	3,187
Noah's Quest	2,919
	<hr/>
Total deductions	11,543
	<hr/>
Change in net position	2,012
NET POSITION, BEGINNING	<hr/> 97,242
NET POSITION, ENDING	<hr/> <hr/> \$ 99,254

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

CITY OF SANDY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

1. Summary of Significant Accounting Policies

The financial statements of the City have been prepared in accordance with Generally Accepted Accounting Principles (GAAP). GAAP statements include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

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.

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 (Sandy Urban Renewal 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. 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.

CITY OF SANDY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

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 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.

CITY OF SANDY, OREGON
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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. 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. 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.

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

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*

CITY OF SANDY, OREGON
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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.

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 30 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

CITY OF SANDY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
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full accrual basis of accounting, all expenditures affecting the economic resource status of the government must be recognized. Thus, the expense and related accrued liability for long term portions of debt and compensated absences must be included.

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

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.

CITY OF SANDY, OREGON
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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.

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.”

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:

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<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 four 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. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter life of the refunded or refunding debt.

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.

CITY OF SANDY, OREGON
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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. 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 includes 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 council action who authorizes, by resolution, the City Manager to assign fund balance. Assigned fund balance is also established by the Council through adoption or amendment of the budget as intended for specific purpose.

CITY OF SANDY, OREGON
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Unassigned – This is the residual classification used for those balances not assigned to another category.

N. 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 to report a positive unassigned fund balance. In other governmental funds, other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, these funds may report a negative unassigned fund balance.

O. 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, 2018 the cash equivalents of the City and its component unit consist of the following:

	Weighted Average Maturity	Fair Value
	<hr/>	<hr/>
Investments in the State Treasurer’s Local Government Investment Pool	0.00	\$14,500,899
US Treasuries	0.95	2,178,725
US Agencies	1.11	988,395
Municipal Bonds	7.65	368,672
Corporate Bonds	1.25	247,436
	<hr/>	<hr/>
Total investments	<u>0.34</u>	<u>\$18,284,127</u>

CITY OF SANDY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Cash and investments are displayed on the financial statements as:

Cash and investments - government-wide	\$ 18,363,500
Restricted cash and investments – government-wide	156,820
Cash and investments - fiduciary funds	<u>100,192</u>
Total cash and investments	<u>\$ 18,620,512</u>

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 A 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

CITY OF SANDY, OREGON
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structure for participating depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. As of June 30, 2018, the book value of the City’s deposits was \$333,966 and the bank balance was \$606,208. \$145,840 of the City’s bank balances were exposed to custodial credit risk as they were collateralized under PFCP. The City has \$2,420 cash on hand.

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, 2018			
	Level 1	Level 2	Level 3	Total
Investments in the State Treasurer’s Local Government Investment Pool	\$ -	\$ 14,500,899	\$ -	\$ 14,500,899
US Treasuries	1,927,676	-	-	1,927,676
US Agencies	1,119,480	-	-	1,119,480
Corporate Bonds	-	280,252	-	280,252
	<u>\$ 3,047,156</u>	<u>\$ 14,781,151</u>	<u>\$ -</u>	<u>\$ 17,828,307</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
June 30, 2018

4. Capital Assets

Capital asset activity for the year ended June 30, 2018 was as follows:

Primary Government	Beginning Balance	Additions	Deletions	Ending Balance
<i>Capital assets, not being depreciated:</i>				
Land	\$ 3,207,088	\$ 1,000,000	\$ -	\$ 4,207,088
Construction in progress	1,680,368	2,047,671	(160,639)	3,567,400
Total capital assets, not being depreciated	4,887,456	3,047,671	(160,639)	7,774,488
<i>Capital assets, being depreciated:</i>				
Improvements	11,366,658	-	-	11,366,658
Buildings	13,473,568	2,000,000	-	15,473,568
Furniture and equipment	1,446,259	186,000	-	1,632,259
Vehicles	3,950,037	480,436	(12,000)	4,418,473
Intangible assets	359,680	-	-	359,680
Total capital assets, being depreciated	30,596,202	2,666,436	(12,000)	33,250,638
<i>Less accumulated depreciation for:</i>				
Improvements	(3,315,803)	(414,942)	-	(3,730,745)
Buildings	(3,189,951)	(493,441)	-	(3,683,392)
Furniture and equipment	(1,169,582)	(64,241)	-	(1,233,823)
Vehicles	(2,723,848)	(419,885)	11,720	(3,132,013)
Intangible assets	(93,860)	(28,801)	-	(122,661)
Total accumulated depreciation	(10,493,044)	(1,421,310)	11,720	(11,902,634)
Total capital assets, being depreciated, net	20,103,158	1,245,126	(280)	21,348,004
Governmental activities capital assets, net	\$ 24,990,614	\$ 4,292,797	\$ (160,919)	\$ 29,122,492

CITY OF SANDY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

Business-type activities:	Beginning Balance	Additions	Deletions	Ending Balance
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,099,674	\$ -	\$ -	\$ 1,099,674
Construction in progress	-	82,113	-	82,113
Total capital assets, not being depreciated	1,099,674	82,113	-	1,181,787
<i>Capital assets, being depreciated:</i>				
Improvements	37,717,701	92,354	-	37,810,055
Buildings	976,801	-	-	976,801
Furniture and equipment	2,901,274	307,651	-	3,208,925
Vehicles	605,865	150,520	-	756,385
Total capital assets, being depreciated	42,201,641	550,525	-	42,752,166
<i>Less accumulated depreciation for:</i>				
Improvements	(11,108,288)	(992,242)	-	(12,100,530)
Buildings	(302,729)	(19,208)	-	(321,937)
Furniture and equipment	(1,901,381)	(186,519)	-	(2,087,900)
Vehicles	(512,243)	(55,485)	-	(567,728)
Total accumulated depreciation	(13,824,641)	(1,253,454)	-	(15,078,095)
Total capital assets, being depreciated, net	28,377,000	(702,929)	-	27,674,071
Business-type activities capital assets, net	\$ 29,476,674	\$ (620,816)	\$ -	\$ 28,855,858

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	Depreciation
General government	\$ 356,465
Public safety	196,879
Highways and streets	135,996
Public transportation	208,293
Economic development	153,009
Culture and recreation	370,668
Total depreciation expense - governmental activities	<u><u>\$ 1,421,310</u></u>
Business-type activities:	
Water	\$ 438,080
Sewer	309,726
Stormwater	58,158
Telecommunications	447,490
Total depreciation expense - business-type activities	<u><u>\$ 1,253,454</u></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 June 1, 2015 the Sewer Bond Reserve Fund loaned the Telecommunications Fund \$500,000. The loan is to be repaid within five years with an annual interest rate of 2.0 percent.

The Interfund loan receivables and payables are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Sewer Bond Reserve	Telecommunications Fund	<u>\$ 205,960</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	\$ 372,165	\$ 375,098
Street Fund	-	53,115
Urban Renewal Agency Fund	-	897,266
Transit Fund	-	84,217
Operations Center Internal Service Fund	56,729	220,000
Facility Maintenance Internal Service Fund	275,000	-
Total Major Governmental Funds	<u>703,894</u>	<u>1,629,696</u>
Special Revenue Funds:		
Aquatic/Recreation Center Fund	133,104	-
City FFC Debt Service Fund	887,816	-
Parks Capital Project Fund	23,920	-
Total Special Revenue Funds	<u>1,044,840</u>	<u>-</u>
Proprietary Funds:		
Water Fund	-	60,030
Sewer Fund	-	113,463
Sewer Bond Reserve Fund	50,000	-
Storm Water Fund	-	21,087
Telecommunications Fund	81,408	55,866
Total Proprietary Funds	<u>131,408</u>	<u>250,446</u>
Total All Funds	<u>\$ 1,880,142</u>	<u>\$ 1,880,142</u>

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

Unavailable revenues on June 30, 2018 consisted of the following:

Property taxes receivable	\$ 280,289
Other receivables	516,029
Total unavailable revenue	<u>\$ 796,318</u>

7. Long Term Debt

During the year ended June 30, 2018, long-term liability activity was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
Governmental Activities					
Bonds and notes payable:					
Bonds payable	\$ 971,430	\$ -	\$ 473,564	\$ 497,866	\$ 497,866
Notes payable	10,523,709	319,797	518,575	10,324,931	366,937
Total bonds and notes payable	11,495,139	319,797	992,139	10,822,797	864,803
Compensated absences	240,335	283,953	200,999	323,289	64,658
Total governmental activities	<u>\$ 11,735,474</u>	<u>\$ 603,750</u>	<u>\$ 1,193,138</u>	<u>\$ 11,146,086</u>	<u>\$ 929,461</u>
Business-type Activities					
Bonds payable	\$ 8,644,273	\$ -	\$ 280,835	\$ 8,363,438	\$ 333,369
Bond premium	232,619	-	12,922	219,697	12,924
Notes payable	8,928,943	331,416	445,128	8,815,231	447,260
Total bonds and notes payable	17,805,835	331,416	738,885	17,398,366	793,553
Compensated absences	39,255	54,407	44,581	49,081	9,817
Total business-type activities	<u>\$ 17,845,090</u>	<u>\$ 385,823</u>	<u>\$ 783,466</u>	<u>\$ 17,447,447</u>	<u>\$ 803,370</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.

CITY OF SANDY, OREGON
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Governmental Activities

Series 2014: original amount \$2,279,741; interest rate 1.85%; final payment due June 2019.	<u>\$ 497,866</u>
Total bonds payable	<u>\$ 497,866</u>

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

Fiscal Year	UR Series 2014 Principal	UR Series 2014 Interest
2019	<u>\$ 497,867</u>	<u>\$ 14,862</u>
	<u>\$ 497,867</u>	<u>\$ 14,862</u>

Business-Type Activities

Series 2014: original amount \$947,154; interest rate 1.85%; final payment due June 2022.	\$ 488,438
Series 2011: original amount \$800,000; interest rate 4.60%; final payment due June 2031.	580,000
Series 2014: original amount \$7,500,000; interest rate 1.375 to 4.00%; final payment due March 2035.	<u>7,295,000</u>
Total bonds payable	<u>\$ 8,363,438</u>

Bonds Payable Business-Type Activities

Fiscal Year	Water Fund Series 2014		Storm Water Series 2011		TC Revenue Bond Series 2014	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 113,369	\$ 3,385	\$ 35,000	\$ 24,318	\$ 185,000	\$ 284,968
2020	122,817	6,939	35,000	22,918	230,000	282,425
2021	125,280	4,667	40,000	21,763	255,000	273,225
2022	126,973	2,350	40,000	20,363	275,000	263,025
2023	-	-	40,000	18,883	300,000	252,025
2024-28	-	-	230,000	68,432	1,990,000	1,057,250
2029-33	-	-	160,000	14,950	2,765,000	605,000
2034-38	-	-	-	-	1,295,000	78,200
	<u>\$ 488,439</u>	<u>\$ 17,341</u>	<u>\$ 580,000</u>	<u>\$ 191,627</u>	<u>\$ 7,295,000</u>	<u>\$ 3,096,118</u>

CITY OF SANDY, OREGON
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B. General Obligation Notes Payable

Governmental Activities	
Washington Federal Loan: original amount \$605,000; interest rate 2.62%; final payment due January 2020.	\$ 117,442
Clackamas County Bank Loan - Library: original amount \$799,999; interest rate 2.75%; final payment due June 2037.	635,940
Series 2017: original amount \$10,000,000; interest rate 2.44%; final payment due June 2031.	9,294,179
Kansas State Bank: original amount \$69,225; interest rate 3.96%; final payment due June 2020.	28,195
HP- USA 1 – Computers: original amount \$46,526; interest rate 3.08%; final payment due May 2019	5,154
HP – USA 2 – Servers: original amount \$20,250; interest rate 3.83%; final payment September 2018	12,227
Enterprise Fleet Management: original amount \$11,653	9,322
Enterprise Fleet Management: original amount \$285,631	204,462
Enterprise Fleet Management: original amount \$22,513	18,010
	<u>\$ 10,324,931</u>
Total notes payable	<u>\$ 10,324,931</u>

Fiscal Year	Notes Payable Governmental Activities					
	Washington Federal		CCB - Library		UR Series 2017	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 57,957	\$ 2,699	\$ 26,787	\$ 17,301	\$ 153,992	\$ 226,778
2020	59,485	1,171	27,529	16,559	664,796	223,021
2021	-	-	28,246	15,842	681,017	206,800
2022	-	-	29,073	15,015	697,634	190,183
2023	-	-	29,878	14,210	714,656	173,160
2024-28	-	-	162,228	58,212	3,843,512	595,571
2029-33	-	-	185,963	34,476	2,538,572	124,878
2034-38	-	-	146,236	8,140	-	-
	<u>\$ 117,442</u>	<u>\$ 3,870</u>	<u>\$ 635,940</u>	<u>\$ 179,755</u>	<u>\$ 9,294,179</u>	<u>\$ 1,740,391</u>

CITY OF SANDY, OREGON
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Fiscal Year	Notes Payable Governmental Activities					
	Kansas State Bank		HP - USA1 - Computers		HP - USA2 - Server	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 13,824	\$ 1,117	\$ 5,154	\$ 198	\$ 12,227	\$ 234
2020	14,371	569	-	-	-	-
	<u>\$ 28,195</u>	<u>\$ 1,686</u>	<u>\$ 5,154</u>	<u>\$ 198</u>	<u>\$ 12,227</u>	<u>\$ 234</u>

Fiscal Year	Notes Payable Governmental Activities					
	Enterprise - Ford Interceptors		Enterprise - Ford Hybrid		Enterprise - Ford F-150	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 61,846	\$ -	\$ 4,503	\$ -	\$ 2,331	\$ -
2020	61,846	-	4,503	-	2,331	-
2021	61,846	-	4,503	-	2,331	-
2022	16,301	-	4,501	-	2,329	-
2023	2,623	-	-	-	-	-
	<u>\$ 204,462</u>	<u>\$ -</u>	<u>\$ 18,010</u>	<u>\$ -</u>	<u>\$ 9,322</u>	<u>\$ -</u>

Business-Type Activities	
USDA Sewer Facility Loan: Original amount \$2,970,000; interest amount 4.75%; final payment due June 2039.	\$ 2,191,408
OBDD water intertie loan: original amount 7,500,000; interest amount 2.77%; final payment due June 2035.	6,298,821
HP – Ditch Witch: original amount \$124,363; interest at 3.5%	67,020
Enterprise Fleet Management: original amount \$11,653	9,322
Enterprise Fleet Management: original amount \$11,653	9,322
Enterprise Fleet Management: original amount \$11,653	9,322
Enterprise Fleet Management: original amount \$115,562	84,984
Cisco Equipment: original amount \$180,895; interest at 3.0%	145,032
Total notes payable	<u>\$ 8,815,231</u>

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Notes Payable Business-Type Activities

Fiscal Year	USDA		OBDD Water Intertie	
	Principal	Interest	Principal	Interest
2019	\$ 63,120	\$ 104,091	\$ 295,118	\$ 174,477
2020	66,118	101,093	303,293	166,303
2021	69,259	97,952	311,694	157,901
2022	72,548	94,663	320,328	149,267
2023	75,994	91,217	329,201	140,394
2024-28	437,671	398,384	1,787,945	560,030
2029-33	551,975	284,080	2,049,680	298,294
2034-38	696,127	139,928	901,562	37,630
	<u>\$ 2,191,408</u>	<u>\$ 1,318,941</u>	<u>\$ 6,298,821</u>	<u>\$ 1,684,296</u>

Notes Payable Business-Type Activities

Fiscal Year	HP - Ditch Witch		Enterprise - Nissan Frontier		Enterprise - Nissan Frontier	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 25,206	\$ 1,936	\$ 2,331	\$ -	\$ 2,331	\$ -
2020	28,316	1,042	2,331	-	2,331	-
2021	13,498	183	2,331	-	2,331	-
2022	-	-	2,329	-	2,329	-
	<u>\$ 67,020</u>	<u>\$ 3,161</u>	<u>\$ 9,322</u>	<u>\$ -</u>	<u>\$ 9,322</u>	<u>\$ -</u>

Notes Payable Business-Type Activities

Fiscal Year	Enterprise - Nissan Frontier		Enterprise - Ford F-450		Cisco Equipment	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 2,331	\$ -	\$ 20,812	\$ -	\$ 36,011	\$ 695
2020	2,331	-	20,812	-	36,169	537
2021	2,331	-	20,812	-	36,337	369
2022	2,329	-	20,812	-	36,515	190
2023	-	-	1,736	-	-	-
	<u>\$ 9,322</u>	<u>\$ -</u>	<u>\$ 84,984</u>	<u>\$ -</u>	<u>\$ 145,032</u>	<u>\$ 1,791</u>

7. Net Position

The government-wide statement of net position reports \$10,129,348 of restricted net position, of which \$9,960,342 is restricted by enabling legislation.

8. Deferred Inflows of Resources

In fiscal year 2013-2014, the City refunded revenue bonds which resulted in a difference between the reacquisition price and the net carrying value of the old debt that was deferred and will be amortized over the life of the bond. The balance at June 30, 2018 is \$10,736.

9. Pension Plan

A. Plan Description

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

<http://www.oregon.gov/pers/EMP/Pages/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). General service employees may retire after reaching age 55. Police 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 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) 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: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police member, the individual must have been employed continuously as a police 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 0.15 percent on annual benefits above \$60,000.

3. OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits

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.

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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

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, 2013 actuarial valuation as subsequently modified by 2015 legislated changes in benefit provisions. The rates based on a percentage of payroll, first became effective July 1, 2015. Employer contributions for the year ended June 30, 2018 were \$721,679, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2018 were 21.86 percent for Tier One/Tier Two General Service Member, 21.86 percent for Tier One/Tier Two Police, 13.28 percent for OPSRP Pension Program General Service Members, 18.05 percent for OPSRP Pension Program Police Members, and 6 percent for OPSRP Individual Account Program.

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

At June 30, 2018, the City reported a liability of \$6,520,783 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015 rolled forward to June 30, 2017. 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, 2017, the City's proportion was 0.04837362 percent, which was increased from its proportion of 0.04639990 measured as of June 30, 2016.

For the year ended June 30, 2018, the City's recognized pension expense (income) of \$1,388,391. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 315,348	\$ -
Changes of assumptions	1,188,622	-
Net difference between projected and actual earnings on investments	67,179	-
Changes in proportion	148,067	154,564
Differences between employer contributions and proportionate share of contributions	86,154	65,202
Total (prior to post-MD contributions)	1,805,370	219,766
Contributions subsequent to the MD	721,679	-
Total	\$ 2,527,049	\$ 219,766

\$721,679 Reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$ 268,766
2019	801,171
2020	564,446
2021	(90,488)
2022	41,709
Total	<u>\$ 1,585,604</u>

E. Actuarial Assumptions

The employer contribution rates effective July 1, 2017, through June 30, 2019, were set using the entry age normal method.

For the ORS 238 Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), and (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years.

For the ORS 238A OPSRP Pension Program component of the PERS Defined Benefit Plan, this

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method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an actuarially determined amount for funding a disability benefit component, and (3) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2015
Measurement Date	June 30, 2017
Experience Study Report	2014, published September 2015
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Long-Term Expected Rate of Return	7.50 percent
Discount Rate	7.50 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>Health retirees and beneficiaries: RP-2000 sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation.</p> <p>Active Members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.</p> <p>Disabled retirees: Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 sex-distinct, generational per Scale BB, disabled mortality table.</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 2014 Experience Study which reviewed experience for the four-year period ending on December 31, 2014.

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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 2015 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. 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>	<u>Assumed Asset Allocation</u>		
	<u>Low Range</u>	<u>High Range</u>	<u>Target</u>
Cash	0.0%	3.0%	0.0%
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Private Equity	14.0%	21.0%	17.5%
Real Estate	9.5%	15.5%	12.5%
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%	4.00%
Short-Term Bonds	8.00%	3.61%
Bank/Leveraged Loans	3.00%	5.42%
High Yield Bonds	1.00%	6.20%
Large/Mid Cap US Equities	15.75%	6.70%
Small Cap US Equities	1.30%	6.99%
Micro Cap US Equities	1.30%	7.01%
Developed Foreign Equities	13.13%	6.73%
Emerging Foreign Equities	4.12%	7.25%
Non-US Small Cap Equities	1.88%	7.22%
Private Equities	17.50%	7.97%
Real Estate (Property)	10.00%	5.84%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	2.50%	4.64%
Hedge Fund - Event-Driven	0.63%	6.72%
Timber	1.88%	5.85%
Farmland	1.88%	6.37%
Infrastructure	3.75%	7.13%
Commodities	1.88%	4.58%
	<hr/>	
Total	<u>100.00%</u>	
	<hr/>	
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.

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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 7.50 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 7.50 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 (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	<u>1% Decrease (6.50%)</u>	<u>Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
City's proportionate share of the net pension liability (asset)	\$ 11,112,604	\$ 6,520,783	\$ 2,681,169

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.

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K. Changes in Plan Provisions During the Measurement Period

There were no changes during the June 30, 2017 measurement period that require disclosure.

L. Changes in Plan Provisions Subsequent to Measurement Date

On July 28, 2017, subsequent to the June 30, 2017 measurement date, the OSPERS Board lowered the assumed rate to 7.2 percent. The current assumed rate is 7.5 percent and has been in effect for member transactions since January 1, 2016. The new rate will take effect January 1, 2018. The effect on the City has not been determined.

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.

11. 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 Plan</u>	<u>PERS RHIA Plan</u>	<u>Total OPEB on Financials</u>
Net OPEB Asset	\$ -	\$ 17,116	\$ 17,116
Deferred Outflows of Resources			
Change in Proportionate Share	-	279	279
Contributions After MD	5,143	21,339	26,482
Total OPEB Liability	(290,714)	-	(290,714)
Deferred Inflows of Resources			
Difference in Experience	(20,288)	-	(20,288)
Difference in Earnings	-	(7,927)	(7,927)
OPEB Expense/(Income)*	36,887	195	37,082

*Included in program expenses on Statement of Activities

12. Implicit Rate Subsidy

A. 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

CITY OF SANDY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

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>.

B. 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, 2016, the following employees were covered by the benefit terms:

Active employees	67
Inactive employees or beneficiaries receiving benefits	<u>1</u>
	<u><u>68</u></u>

C. 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 \$290,714 was measured as of June 30, 2017, and was determined by an actuarial valuation as of July 1, 2016.

For the fiscal year ended June 30, 2018, the City recognized OPEB expense from this plan of \$36,887. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ -	\$ 20,288
Contributions subsequent to the MD	<u>5,143</u>	<u>-</u>
Total	<u><u>\$ 5,143</u></u>	<u><u>\$ 20,288</u></u>

Deferred outflows of resources related to OPEB of \$5,143 resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2019. 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>	
2019	\$ (2,568)
2020	(2,568)
2021	(2,568)
2022	(2,568)
2023	(2,568)
Thereafter	<u>(7,448)</u>
Total	<u><u>\$ (20,288)</u></u>

CITY OF SANDY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

D. Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2016 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry age normal
Inflation	2.5 percent
Salary increases	3.5 percent
Healthy mortality	RP-2000 healthy white collar male and female mortality tables, set back one year for males. Mortality is projected on a generational basis using Scale BB for males and females.
Discount rate	3.58 percent (change from 2.85 percent in previous measurement period)
Healthcare cost trend rate	Medical and vision: 7.50 percent per year, decreasing to 5.0 percent Dental: 4.50 percent per year

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

E. Changes in the Total OPEB Liability

Changes in assumptions is the result of the change in the discount rate from 2.85 to 3.58.

	Total OPEB Liability
Balance as of June 30, 2017	\$ 283,411
Changes for the year:	
Service cost	30,636
Interest on Total OPEB Liability	8,819
Effect of assumptions changes or inputs	(22,856)
Benefit payments	(9,296)
Balance as of June 30, 2018	<u>\$ 290,714</u>

F. 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 (2.58 percent) or 1-percentage-point higher (4.58 percent) than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare trend assumption.

CITY OF SANDY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

Discount Rate:

	<u>1% Decrease (2.58%)</u>	<u>Current Discount Rate (3.58%)</u>	<u>1% Increase (4.58%)</u>
Total OPEB Liability	\$ 322,427	\$ 290,714	\$ 262,091

Healthcare Cost Trend:

	<u>1% Decrease (6.5% decreasing to 4.0%)</u>	<u>Current Health Care Trend Rates (7.5% decreasing to 5.0%)</u>	<u>1% Increase (8.5% decreasing to 6.0%)</u>
Total OPEB Liability	\$ 249,087	\$ 290,714	\$ 341,786

13. PERS Retirement Health Insurance Account

A. Plan Description

The City contributes to the PERS Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by PERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums for eligible retirees. ORS 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants hired after August 29, 2003. PERS issues publicly available financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700, or online at http://Oregon.gov/PERS/section/financial_reports/financials.shtml.

B. 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.

CITY OF SANDY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

C. Contributions

PERS funding policy provides for employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2015 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2017. The City's contribution rates for the period were 0.50% for Tier One/Tier Two members, and 0.43% for OPSRP members. The City's total for the year ended June 30, 2018 contributions was \$21,339.

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

At June 30, 2018, the City reported an asset of \$17,116 for its proportionate share of the OPERS net OPEB asset. The net OPEB asset was measured as of June 30, 2017, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2015 rolled forward to June 30, 2017. 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, 2017, the City's proportionate share was 0.4101%, which is an increase from its proportion of 0.3961% as of June 30, 2016.

For the year ended June 30, 2018, the City recognized OPEB expense from this plan of \$195. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on investments	\$ -	\$ 7,927
Changes in proportionate share	279	-
Contributions subsequent to the MD	21,339	-
Total	<u>\$ 21,618</u>	<u>\$ 7,927</u>

Deferred outflows of resources related to OPEB of \$21,339 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, 2019.

CITY OF SANDY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

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>	
2019	\$ (2,833)
2020	(2,833)
2021	(1,982)
2022	-
2023	-
Thereafter	-
Total	<u>\$ (7,648)</u>

E. Actuarial Methods and Assumptions

The total OPEB asset in the December 31, 2015 actuarial valuation was determined using the actuarial methods and assumptions are the same as listed above in note 9 – Pension Plan

Actuarial cost method	Entry age normal
Amortization method	Amortized as a level percentage of payroll as layered bases over a closed 10 year period
Asset valuation method	Market value of assets
Inflation	2.5 percent
Investment rate of return	7.5 percent
Salary increases	3.5 percent
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation Disabled retirees: Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 sex-distinct, generational per Scale BB, disabled mortality table
Healthcare cost trend rate	Ranging from 6.3% in 2016 to 4.4% in 2094

Actuarial Assumptions and an additional assumption for healthcare cost trend rate ranging from 6.3% in 2016 to 4.4% in 2094.

CITY OF SANDY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

F. Long-Term Expected Rate of Return

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

G. Discount Rate

The discount rate used to measure the total OPEB liability was 7.50% 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 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.

H. 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 7.50%, 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 (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

Discount Rate:

	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
Total OPEB Liability	\$ 2,386	\$ (17,116)	\$ (33,703)

I. OPEB Plan Fiduciary Net Position

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

J. Changes in Plan Provisions Subsequent to Measurement Date

The PE RS Board lowered the Assumed Rate of Return from 7.50% to 7.20% on July 28, 2017. This change is effective January 1, 2018, and will decrease the net OPEB asset or increase the net OPEB liability in future periods. The effect on the City has not been determined.

14. New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued *Statement No. 75, Accounting and Financial Reporting or Postemployment Benefits Other Than Pensions*. GASB Statement 75 replaces GASB Statement 45, GASB Statement 57, and GASB Statement 74 and establishes new accounting and financial reporting requirements for OPEB plans. GASB Statement 75 establishes standards for recognizing and measuring liabilities, deferred outflows of

CITY OF SANDY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

resources, deferred inflows of resources, and expense/expenditures. The City implemented Statement 75 for the year ending June 30, 2018.

The Governmental Accounting Standards Board (GASB) has issued Statement No. 87, *Leases*. GASB Statement 87 establishes new standards for accounting and financial reporting for leases by governments. The requirements of this statement are effective for financial statements for fiscal years beginning after December 15, 2019. The City implemented Statement 87 for the year ending June 30, 2018.

15. Change in Accounting Principle

In implementing GASB Statement No. 75, the City has restated beginning net position in order to recognize the correct Total OPEB Liability for the City’s Implicit Rate Subsidy plan and to recognize the City’s proportionate share of the Net OPEB Asset of the Oregon Public Employees Retirement Systems (OPERS). The City had previously reported a Net OPEB Obligation in accordance with GASB Statement No. 45 related to the Implicit Rate Subsidy plan, which has been replaced with the Total OPEB Liability. The restatement also recognizes a deferred outflow of resources related to OPEB for contributions from each plan made after the June 30, 2017 measurement date.

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net position - beginning (as reported)	\$ 27,206,704	\$ 14,673,978	\$ 41,880,682
Cumulative effect of change in accounting principle	(221,238)	(43,164)	(264,402)
Net position - beginning (as restated)	<u>\$ 26,985,466</u>	<u>\$ 14,630,814</u>	<u>\$ 41,616,280</u>

16. 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.

17. Contingencies

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

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

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

- Budgetary Comparison Schedules
 - General Fund
 - Street Fund
 - Urban Renewal Agency Fund
 - Transit Fund
- Schedule of the Proportionate Share of the Net Pension Liability
- Schedule of Contributions

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, 2018

	Biennial Budget	
	Original	Final
REVENUES:		
Property taxes	\$ 6,504,000	\$ 6,504,000
Public service taxes	3,043,744	3,043,744
Franchise fees	1,067,400	1,067,400
Grants	305,006	305,006
Charges for services	1,657,200	1,657,200
Licenses and permits	810,000	829,541
Fines and forfeitures	710,200	710,200
Interest	36,000	36,000
Contributions and donations	17,500	17,500
Miscellaneous	22,100	22,100
Indirect service	1,850,403	1,850,403
Total revenues	<u>16,023,553</u>	<u>16,043,094</u>
EXPENDITURES:		
General government	1,889,131	1,889,131
Economic development	1,846,485	1,866,026
Public safety	5,539,367	5,539,367
Culture and recreation	4,862,768	5,038,002
Capital outlay	909,862	909,862
Debt service:		
Principal	352,667	352,667
Interest	23,569	23,569
Contingency	1,470,255	1,252,753
Indirect service	1,281,309	1,281,309
Total expenditures	<u>18,175,413</u>	<u>18,152,686</u>
Revenues over (under) expenditures	(2,151,860)	(2,109,592)
OTHER FINANCING SOURCES (USES):		
Issuance of debt	284,227	284,227
Sale of capital assets	500	500
Transfers in	8,422,480	8,422,480
Transfers out	(8,822,069)	(8,864,337)
Total other financing sources (uses)	<u>(114,862)</u>	<u>(157,130)</u>
Net changes in fund balance	(2,266,722)	(2,266,722)
FUND BALANCE, BEGINNING	<u>2,266,722</u>	<u>2,266,722</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ -</u>

Actual					Variance with
FY 2018	FY 2019		Biennial		Final Budget
\$ 3,230,419	\$ -	\$	3,230,419	\$	(3,273,581)
1,577,420	-		1,577,420		(1,466,324)
639,363	-		639,363		(428,037)
124,912	-		124,912		(180,094)
966,103	-		966,103		(691,097)
392,221	-		392,221		(437,320)
181,926	-		181,926		(528,274)
39,745	-		39,745		3,745
5,716	-		5,716		(11,784)
183,916	-		183,916		161,816
-	-		-		(1,850,403)
<u>7,341,741</u>	<u>-</u>		<u>7,341,741</u>		<u>(8,701,353)</u>
825,538	-		825,538		1,063,593
803,940	-		803,940		1,062,086
2,857,167	-		2,857,167		2,682,200
2,391,752	-		2,391,752		2,646,250
468,342	-		468,342		441,520
294,311	-		294,311		58,356
23,569	-		23,569		-
-	-		-		1,252,753
<u>640,657</u>	<u>-</u>		<u>640,657</u>		<u>640,652</u>
<u>8,305,276</u>	<u>-</u>		<u>8,305,276</u>		<u>9,847,410</u>
(963,535)	-		(963,535)		1,146,057
308,144	-		308,144		23,917
2,500	-		2,500		2,000
1,012,822	-		1,012,822		(7,409,658)
<u>(375,098)</u>	<u>-</u>		<u>(375,098)</u>		<u>8,489,239</u>
<u>948,368</u>	<u>-</u>		<u>948,368</u>		<u>1,105,498</u>
(15,167)	-		(15,167)		2,251,555
<u>2,393,994</u>	<u>-</u>		<u>2,393,994</u>		<u>127,272</u>
<u>\$ 2,378,827</u>	<u>\$ -</u>	<u>\$</u>	<u>2,378,827</u>	<u>\$</u>	<u>2,378,827</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, 2018

	Biennial Budget	
	Original	Final
REVENUES:		
Public service taxes	\$ 2,300,000	\$ 2,300,000
Grants	700,000	700,000
Special assessments	20,000	20,000
System development charges	510,000	510,000
Interest	25,100	25,100
Miscellaneous	11,000	11,000
Total revenues	<u>3,566,100</u>	<u>3,566,100</u>
EXPENDITURES:		
Personnel services	470,735	470,735
Materials and services	1,276,450	1,276,450
Capital outlay	3,874,239	3,874,239
Debt service:		
Principal	119,673	119,673
Interest	6,889	6,889
Contingency	504,210	504,210
Total expenditures	<u>6,252,196</u>	<u>6,252,196</u>
Revenues over (under) expenditures	(2,686,096)	(2,686,096)
OTHER FINANCING SOURCES (USES):		
Issuance of debt	12,488	12,488
Sale of capital assets	1,000	1,000
Transfers out	(106,230)	(106,230)
Total other financing sources (uses)	<u>(92,742)</u>	<u>(92,742)</u>
Net changes in fund balance	(2,778,838)	(2,778,838)
FUND BALANCE, BEGINNING	<u>2,778,838</u>	<u>2,778,838</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ -</u>

Actual				Variance with
FY 2018	FY 2019	Biennial	Final Budget	
\$ 1,004,323	\$ -	\$ 1,004,323	\$ (1,295,677)	
-	-	-	(700,000)	
32,134	-	32,134	12,134	
612,594	-	612,594	102,594	
54,141	-	54,141	29,041	
26,887	-	26,887	15,887	
<u>1,730,079</u>	<u>-</u>	<u>1,730,079</u>	<u>(1,836,021)</u>	
239,664	-	239,664	231,071	
356,002	-	356,002	920,448	
29,195	-	29,195	3,845,044	
58,799	-	58,799	60,874	
4,189	-	4,189	2,700	
-	-	-	504,210	
<u>687,849</u>	<u>-</u>	<u>687,849</u>	<u>5,564,347</u>	
1,042,230	-	1,042,230	3,728,326	
11,653	-	11,653	(835)	
-	-	-	(1,000)	
<u>(53,115)</u>	<u>-</u>	<u>(53,115)</u>	<u>53,115</u>	
<u>(41,462)</u>	<u>-</u>	<u>(41,462)</u>	<u>51,280</u>	
1,000,768	-	1,000,768	3,779,606	
<u>3,167,899</u>	<u>-</u>	<u>3,167,899</u>	<u>389,061</u>	
<u>\$ 4,168,667</u>	<u>\$ -</u>	<u>\$ 4,168,667</u>	<u>\$ 4,168,667</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, 2018**

	Biennial Budget	
	Original	Final
REVENUES:		
Property taxes	\$ 3,081,900	\$ 3,081,900
Interest	27,000	27,000
Total revenues	<u>3,108,900</u>	<u>3,108,900</u>
EXPENDITURES:		
Personnel services	120,470	120,470
Materials and services	101,550	101,550
Capital outlay	8,033,956	8,033,956
Contingency	1,095,649	1,095,649
Total expenditures	<u>9,351,625</u>	<u>9,351,625</u>
Revenues over (under) expenditures	(6,242,725)	(6,242,725)
OTHER FINANCING SOURCES (USES):		
Interfund loan payments	(81,600)	(81,600)
Transfers out	<u>(1,805,789)</u>	<u>(1,805,789)</u>
Total other financing sources (uses)	<u>(1,887,389)</u>	<u>(1,887,389)</u>
Net changes in fund balance	(8,130,114)	(8,130,114)
FUND BALANCE, BEGINNING BUDGETARY BASIS	<u>8,130,114</u>	<u>8,130,114</u>
FUND BALANCE, ENDING BUDGETARY BASIS	<u>\$ -</u>	<u>\$ -</u>

Actual FY 2018	FY 2019	Biennial	Variance with Final Budget
\$ 1,612,446	\$ -	\$ 1,612,446	\$ (1,469,454)
112,380	-	112,380	85,380
<u>1,724,826</u>	<u>-</u>	<u>1,724,826</u>	<u>(1,384,074)</u>
49,462	-	49,462	71,008
51,827	-	51,827	49,723
4,170,741	-	4,170,741	3,863,215
-	-	-	1,095,649
<u>4,272,030</u>	<u>-</u>	<u>4,272,030</u>	<u>5,079,595</u>
(2,547,204)	-	(2,547,204)	3,695,521
-	-	-	81,600
<u>(897,266)</u>	<u>-</u>	<u>(897,266)</u>	<u>908,523</u>
<u>(897,266)</u>	<u>-</u>	<u>(897,266)</u>	<u>990,123</u>
(3,444,470)	-	(3,444,470)	4,685,644
<u>8,277,279</u>	<u>-</u>	<u>8,277,279</u>	<u>147,165</u>
<u>\$ 4,832,809</u>	<u>\$ -</u>	<u>\$ 4,832,809</u>	<u>\$ 4,832,809</u>

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, 2018

	Biennial Budget	
	Original	Final
REVENUES:		
Public service taxes	\$ 1,000,000	\$ 1,000,000
Grants	2,238,937	2,238,937
Charges for services	209,400	209,400
Interest	10,000	10,000
Intergovernmental	47,500	47,500
Miscellaneous	-	-
	<u>3,505,837</u>	<u>3,505,837</u>
Total revenues		
EXPENDITURES:		
Personnel services	379,795	379,795
Materials and services	1,910,625	1,910,625
Capital outlay	1,191,279	1,191,279
Contingency	1,923,758	1,923,758
	<u>5,405,457</u>	<u>5,405,457</u>
Total expenditures		
Revenues over (under) expenditures	(1,899,620)	(1,899,620)
OTHER FINANCING SOURCES (USES):		
Transfers out	<u>(168,434)</u>	<u>(168,434)</u>
Total other financing sources (uses)	<u>(168,434)</u>	<u>(168,434)</u>
Net changes in fund balance	(2,068,054)	(2,068,054)
FUND BALANCE, BEGINNING	<u>2,068,054</u>	<u>2,068,054</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ -</u>

<u>Actual</u>			<u>Variance with</u>
<u>FY 2018</u>	<u>FY 2019</u>	<u>Biennial</u>	<u>Final Budget</u>
\$ 669,412	\$ -	\$ 669,412	\$ (330,588)
950,742	-	950,742	(1,288,195)
88,221	-	88,221	(121,179)
30,702	-	30,702	20,702
41,250	-	41,250	(6,250)
5,418	-	5,418	5,418
<u>1,785,745</u>	<u>-</u>	<u>1,785,745</u>	<u>(1,720,092)</u>
234,189	-	234,189	145,606
1,021,537	-	1,021,537	889,088
93,114	-	93,114	1,098,165
-	-	-	1,923,758
<u>1,348,840</u>	<u>-</u>	<u>1,348,840</u>	<u>4,056,617</u>
436,905	-	436,905	2,336,525
<u>(84,217)</u>	<u>-</u>	<u>(84,217)</u>	<u>84,217</u>
<u>(84,217)</u>	<u>-</u>	<u>(84,217)</u>	<u>84,217</u>
352,688	-	352,688	2,420,742
<u>1,881,430</u>	<u>-</u>	<u>1,881,430</u>	<u>(186,624)</u>
<u>\$ 2,234,118</u>	<u>\$ -</u>	<u>\$ 2,234,118</u>	<u>\$ 2,234,118</u>

CITY OF SANDY, OREGON
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For the Last Five Fiscal Years

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
2017	0.04837362%	\$ 6,520,783	\$ 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	3,634,578	18.53%	91.97%

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

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
For the Last Five Fiscal Years

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
2018	\$ 721,679	\$ 721,679	\$ -	\$ 4,406,707	16.38%
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.

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 THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (RHIA)

For the Last Fiscal Year ¹

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) City's 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
2017	0.04101136%	\$ (17,116)	\$ 4,309,195	-0.40%	108.90%

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

¹ 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 (RHIA)
For the Last Two Fiscal Year ¹

Year Ended June 30,	(a) Contractually determined contribution	(b) Contributions in relation to the actuarially required contribution	(a-b) Contribution deficiency (excess)	(c) proportion of covered payroll	(b/c) Contributions as a percent of covered payroll
2018	\$ 21,339	\$ 21,339	\$ -	\$ 4,406,707	0.48%
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.

¹ 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 CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (CIS)
For the Last Fiscal Year ¹

	<u>2018</u>
Total OPEB Liability	
Service Interest	\$ 30,636
Interest	8,819
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	(22,856)
Benefit payment	<u>(9,296)</u>
Net change in total OPEB liability	7,303
Total OPEB liability - beginning	<u>283,411</u>
Total OPEB liability - ending (a)	<u><u>290,714</u></u>
Covered-employee payroll	\$ 4,309,195
Total OPEB liability as a percentage of covered-employee payroll	6.75%

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

¹ 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 Two Fiscal Year ¹

Year Ended June 30,	(a) Actuarially determined contribution	(b) Contributions in relation to the actuarially required contribution	(a-b) Contribution deficiency (excess)	(c) City's covered payroll	(b/c) Contributions as a percent of covered payroll
2018	\$ 5,143	\$ 5,143	-	\$ 4,406,707	0.12%
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.

¹ 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
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2018

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. Expenditures in excess of appropriations

Expenditures in the following funds exceeded appropriations for the year ended June 30, 2018:

Fund	Budget Category	Amount of Over Expenditure
Parks Capital Project Fund	Operations	\$ 9,075
Operations Center Internal Service Fund	Transfers out	220,000

C. Deficit Fund Balance

At June 30, 2018, the Telecommunications Fund had a deficit budgetary basis fund balance of (\$841,592).

At June 30, 2018, the Operations Center Internal Service Fund had a deficit budgetary basis fund balance of (\$1,036).

D. Changes in Benefit Terms

The 2013 Oregon Legislature made a series of changes to PERS that lowered projected future benefit payments from the System. These changes included reductions to future Cost of Living Adjustments (COLA) made through Senate Bills 822 and 861. Senate Bill 822 also required the contribution rates scheduled to be in effect from July 2013 to June 2015 to be reduced. The

CITY OF SANDY, OREGON
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2018

Oregon Supreme Court decision in *Moro v. State of Oregon*, issued on April 30, 2015, reversed a significant portion of the reductions the 2013 Oregon Legislature made to future System Cost of Living Adjustments (COLA) through Senate Bills 822 and 861. This reversal increased the total pension liability as of June 30, 2015 compared to June 30, 2014 total pension liability.

E. Changes of Assumptions

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

F. Actuarial Assumptions - OPEB

Actuarial assumptions and methods used to set the actuarially determined contributions:

Actuarial valuation:	July 1, 2016
Effective:	July 2016 - June 2018
Actuarial cost method:	Entry Age Normal
Amortization method:	Level percentage of payroll, closed
Amortization period:	8.9 years
Asset valuation method:	Market value
Remaining amortization periods:	20 years
Actuarial assumptions	
Inflation rate	2.50 percent
Projected salary increases	3.50 percent
Investment rate of return	7.85 percent

G. Changes of Assumptions – RHIA

The Board reviews the discount rate in odd-numbered years as part of the Boards adoption of actuarial methods and assumptions. That rate is then adopted in an administrative rule at the time the Board sets the new rate. On July 28, 2017, the PERS Board adopted a 7.2% assumed rate.

The rule specifies that the adopted assumed rate will be effective for PERS transactions with an effective date of January 1, 2018, consistent with this Board’s policy decision from 2013 that the assumed rate will be effective January 1 following the Board's adoption of the rate.

CITY OF SANDY, OREGON
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2018

H. Actuarial Assumptions - RHIA

Actuarial assumptions and methods used to set the actuarially determined contributions:

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

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 analysis.

Such statements and schedules include:

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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 Funds

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 2014 Refunding Bond - Sandy Police Building and the 2017 Series - capital improvements to fire district facilities, and purchase of property for a future aquatic/recreation center property. Both projects are listed in the Urban Renewal Plan.

Capital Projects Funds

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

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, 2018**

	Aquatic/Recreation Center Fund Special Revenue Fund	City FFC Debt Service Fund Debt Service Funds	Parks Capital Project Fund Capital Projects Fund	Total
ASSETS				
Cash and cash equivalents	\$ 45,227	\$ -	\$ 963,771	\$ 1,008,998
Total assets	<u>\$ 45,227</u>	<u>\$ -</u>	<u>\$ 963,771</u>	<u>\$ 1,008,998</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable and other current liabilities	\$ 29,958	\$ -	\$ 332	\$ 30,290
Total liabilities	<u>29,958</u>	<u>-</u>	<u>332</u>	<u>30,290</u>
FUND BALANCES:				
Restricted:				
System development charges	-	-	597,360	597,360
Park projects	-	-	361,506	361,506
Unassigned, reported in:				
Special revenue fund	15,269	-	-	15,269
Capital projects fund	-	-	4,573	4,573
Total fund equity	<u>15,269</u>	<u>-</u>	<u>963,439</u>	<u>978,708</u>
Total liabilities and fund equity	<u>\$ 45,227</u>	<u>\$ -</u>	<u>\$ 963,771</u>	<u>\$ 1,008,998</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, 2018

	Aquatic/Recreation Center Fund Special Revenue Fund	City FFC Debt Service Fund Debt Service Funds	Parks Capital Project Fund Capital Projects Fund	Total
REVENUES:				
Franchise fees	\$ 1,800	\$ -	\$ -	\$ 1,800
Charges for services	3,138	-	-	3,138
System development charges	-	-	333,883	333,883
Interest	15	-	10,980	10,995
Contributions and donations	-	-	199,129	199,129
Indirect service	-	-	1,775	1,775
	<u>4,953</u>	<u>-</u>	<u>545,767</u>	<u>550,720</u>
Total revenues				
	<u>4,953</u>	<u>-</u>	<u>545,767</u>	<u>550,720</u>
EXPENDITURES:				
General government	117,519	-	11,075	128,594
Capital outlay	5,269	-	51	5,320
Debt service:				
Principal	-	639,030	-	639,030
Interest	-	248,786	-	248,786
	<u>122,788</u>	<u>887,816</u>	<u>11,126</u>	<u>1,021,730</u>
Total expenditures				
	<u>122,788</u>	<u>887,816</u>	<u>11,126</u>	<u>1,021,730</u>
Revenues over (under) expenditures	(117,835)	(887,816)	534,641	(471,010)
OTHER FINANCING SOURCES (USES):				
Transfers in	133,104	887,816	23,920	1,044,840
	<u>133,104</u>	<u>887,816</u>	<u>23,920</u>	<u>1,044,840</u>
Total other financing sources (uses)				
	<u>133,104</u>	<u>887,816</u>	<u>23,920</u>	<u>1,044,840</u>
Net changes in fund balances	15,269	-	558,561	573,830
FUND BALANCES, BEGINNING	<u>-</u>	<u>-</u>	<u>404,878</u>	<u>404,878</u>
FUND BALANCES, ENDING	<u>\$ 15,269</u>	<u>\$ -</u>	<u>\$ 963,439</u>	<u>\$ 978,708</u>

CITY OF SANDY, OREGON
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Biennial Budget		Actual
	Original	Final	FY 2018
Mayor and city council			
Materials and services	\$ 39,016	\$ 39,016	\$ 8,859
Capital outlay	2,500	2,500	1,785
Indirect service	23,706	23,706	11,853
Transfer	730	730	-
Subtotal	<u>65,952</u>	<u>65,952</u>	<u>22,497</u>
Administration			
Personnel services	405,805	405,805	211,006
Materials and services	83,500	83,500	19,505
Capital outlay	11,000	11,000	5,565
Contingency	12,898	12,898	-
Subtotal	<u>513,203</u>	<u>513,203</u>	<u>236,076</u>
Legal			
Materials and services	201,725	201,725	86,992
Subtotal	<u>201,725</u>	<u>201,725</u>	<u>86,992</u>
Municipal court			
Personnel services	120,727	120,727	68,609
Materials and services	44,750	44,750	-
Capital outlay	2,000	2,000	2,324
Indirect services	21,010	21,010	10,505
Contingency	51,066	51,066	-
Subtotal	<u>239,553</u>	<u>239,553</u>	<u>81,438</u>
Finance			
Personnel services	516,223	516,223	246,681
Materials and services	146,120	146,120	60,946
Capital outlay	5,000	5,000	5,806
Contingency	37,767	37,767	-
Subtotal	<u>705,110</u>	<u>705,110</u>	<u>313,433</u>
Library			
Personnel services	2,161,985	2,161,985	1,106,290
Materials and services	451,031	451,031	227,637
Capital outlay	19,282	19,282	30,781
Debt service	91,876	91,876	45,937
Indirect service	303,686	303,686	151,843
Contingency	57,377	57,377	-
Subtotal	<u>3,085,237</u>	<u>3,085,237</u>	<u>1,562,488</u>

	FY 2019	Biennial	Variance with Final Budget
\$	-	\$ 8,859	\$ 30,157
	-	1,785	715
	-	11,853	11,853
	-	-	730
	-	22,497	43,455
	-	211,006	194,799
	-	19,505	63,995
	-	5,565	5,435
	-	-	12,898
	-	236,076	277,127
	-	86,992	114,733
	-	86,992	114,733
	-	68,609	52,118
	-	-	44,750
	-	2,324	(324)
	-	10,505	10,505
	-	-	51,066
	-	81,438	158,115
	-	246,681	269,542
	-	60,946	85,174
	-	5,806	(806)
	-	-	37,767
	-	313,433	391,677
	-	1,106,290	1,055,695
	-	227,637	223,394
	-	30,781	(11,499)
	-	45,937	45,939
	-	151,843	151,843
	-	-	57,377
	-	1,562,488	1,522,749

CITY OF SANDY, OREGON
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Biennial Budget		Actual
	Original	Final	FY 2018
Continued			
Police			
Personnel services	4,640,715	4,640,715	2,327,191
Materials and services	733,175	733,175	461,367
Capital outlay	382,356	382,356	330,476
Debt service	239,271	239,271	134,717
Indirect service	509,121	509,121	254,562
Transfer	5,813	5,813	-
Contingency	18,252	18,252	-
Subtotal	<u>6,528,703</u>	<u>6,528,703</u>	<u>3,508,313</u>
Recreation			
Personnel services	452,460	452,460	235,091
Materials and services	291,700	291,700	109,330
Capital outlay	9,000	9,000	5,128
Indirect service	66,820	66,820	33,410
Contingency	163,351	163,351	-
Subtotal	<u>983,331</u>	<u>983,331</u>	<u>382,959</u>
Seniors			
Personnel services	651,969	827,203	314,944
Materials and services	259,500	259,500	108,907
Capital outlay	5,000	5,000	4,479
Indirect service	90,312	90,312	45,156
Contingency	53,000	53,000	-
Subtotal	<u>1,059,781</u>	<u>1,235,015</u>	<u>473,486</u>
Parks maintenance			
Personnel services	401,683	401,683	209,911
Materials and services	192,440	192,440	79,642
Capital outlay	97,550	97,550	11,770
Indirect service	58,216	58,216	29,108
Transfer	6,554	6,554	-
Contingency	5,581	5,581	-
Subtotal	<u>762,024</u>	<u>762,024</u>	<u>330,431</u>

<u>FY 2019</u>	<u>Biennial</u>	<u>Variance with Final Budget</u>
-	2,327,191	2,313,524
-	461,367	271,808
-	330,476	51,880
-	134,717	104,554
-	254,562	254,559
-	-	5,813
-	-	18,252
-	<u>3,508,313</u>	<u>3,020,390</u>
-	235,091	217,369
-	109,330	182,370
-	5,128	3,872
-	33,410	33,410
-	-	163,351
-	<u>382,959</u>	<u>600,372</u>
-	314,944	512,259
-	108,907	150,593
-	4,479	521
-	45,156	45,156
-	-	53,000
-	<u>473,486</u>	<u>761,529</u>
-	209,911	191,772
-	79,642	112,798
-	11,770	85,780
-	29,108	29,108
-	-	6,554
-	-	5,581
-	<u>330,431</u>	<u>431,593</u>

CITY OF SANDY, OREGON
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Biennial Budget		Actual
	Original	Final	FY 2018
Continued			
Planning			
Personnel services	379,907	399,448	177,874
Materials and services	94,381	94,381	36,122
Capital outlay	12,000	12,000	8,410
Indirect service	72,082	72,082	36,041
Contingency	51,622	51,622	-
Subtotal	609,992	629,533	258,447
Building			
Personnel services	577,774	577,774	271,525
Materials and services	119,762	119,762	41,776
Capital outlay	15,000	15,000	4,288
Indirect service	103,839	103,839	51,920
Contingency	229,816	229,816	-
Subtotal	1,046,191	1,046,191	369,509
Economic development			
Personnel services	148,196	148,196	71,192
Materials and services	170,120	170,120	54,437
Capital outlay	-	-	1,484
Indirect service	32,517	32,517	16,259
Contingency	1,785	1,785	-
Subtotal	352,618	352,618	143,372
Non departmental			
Personnel services	25,500	25,500	-
Materials and services	471,242	471,242	191,549
Capital outlay	224,174	224,174	43,483
Debt Service	9,644	9,644	119,503
Transfer	85,000	127,268	375,098
Contingency	785,000	567,498	-
Subtotal	1,600,560	1,425,326	729,633
Information technology			
Personnel services	247,689	247,689	102,804
Materials and services	108,656	108,656	48,210
Capital outlay	125,000	125,000	12,563
Debt service	35,445	35,445	17,723
Contingency	2,740	2,740	-
Subtotal	519,530	519,530	181,300
Total expenditures	\$ 18,273,510	\$ 18,293,051	\$ 8,680,374

<u>FY 2019</u>	<u>Biennial</u>	<u>Variance with Final Budget</u>
-	177,874	221,574
-	36,122	58,259
-	8,410	3,590
-	36,041	36,041
-	-	51,622
-	258,447	371,086
-	271,525	306,249
-	41,776	77,986
-	4,288	10,712
-	51,920	51,919
-	-	229,816
-	369,509	676,682
-	71,192	77,004
-	54,437	115,683
-	1,484	(1,484)
-	16,259	16,258
-	-	1,785
-	143,372	209,246
-	-	25,500
-	191,549	279,693
-	43,483	180,691
-	119,503	(109,859)
-	375,098	(247,830)
-	-	567,498
-	729,633	695,693
-	102,804	144,885
-	48,210	60,446
-	12,563	112,437
-	17,723	17,722
-	-	2,740
-	181,300	338,230
<u>\$ -</u>	<u>\$ 8,680,374</u>	<u>\$ 9,612,677</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, 2018

	Biennial Budget	
	Original	Final
REVENUES:		
Franchise fees	\$ -	\$ -
Charges for services	133,105	133,105
Interest	-	-
Total revenues	<u>133,105</u>	<u>133,105</u>
EXPENDITURES:		
Personnel services	14,508	44,508
Materials and services	118,597	88,597
Capital outlay	-	-
Total expenditures	<u>133,105</u>	<u>133,105</u>
Revenues over (under) expenditures	-	-
OTHER FINANCING SOURCES (USES):		
Transfers in	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net changes in fund balances	-	-
FUND BALANCES, BEGINNING	<u>-</u>	<u>-</u>
FUND BALANCES, ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

¹ Appropriation level

<u>Actual</u>			Variance
<u>FY 2018</u>	<u>FY 2019</u>	<u>Biennial</u>	<u>Positive (Negative)</u>
\$ 1,800	\$ -	\$ 1,800	\$ 1,800
3,138	-	3,138	(129,967)
15	-	15	15
<u>4,953</u>	<u>-</u>	<u>4,953</u>	<u>(128,152)</u>
18,207	-	18,207	26,301 ¹
99,312	-	99,312	(10,715) ¹
5,269	-	5,269	(5,269) ¹
<u>122,788</u>	<u>-</u>	<u>122,788</u>	<u>10,317</u> ¹
(117,835)	-	(117,835)	(117,835)
<u>133,104</u>	<u>-</u>	<u>133,104</u>	<u>133,104</u>
<u>133,104</u>	<u>-</u>	<u>133,104</u>	<u>133,104</u>
15,269	-	15,269	15,269
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 15,269</u>	<u>\$ -</u>	<u>\$ 15,269</u>	<u>\$ 15,269</u>

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, 2018

	Biennial Budget	
	Original	Final
EXPENDITURES:		
Debt service:		
Principal	\$ 1,290,889	\$ 1,290,889
Interest	496,001	496,001
	<hr/>	<hr/>
Total expenditures	1,786,890	1,786,890
	<hr/>	<hr/>
Revenues over (under) expenditures	(1,786,890)	(1,786,890)
OTHER FINANCING SOURCES (USES):		
Transfers in	1,786,890	1,786,890
	<hr/>	<hr/>
Total other financing sources (uses)	1,786,890	1,786,890
	<hr/>	<hr/>
Net changes in fund balances	-	-
FUND BALANCES, BEGINNING	<hr/>	<hr/>
	-	-
FUND BALANCES, ENDING	<hr/>	<hr/>
	\$ -	\$ -

			Variance
Actual			Positive
FY 2018	FY 2019	Biennial	(Negative)
\$ 639,030	\$ -	\$ 639,030	\$ 651,859
248,786	-	248,786	247,215
887,816	-	887,816	899,074
(887,816)	-	(887,816)	899,074
887,816	-	887,816	(899,074)
887,816	-	887,816	(899,074)
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

**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, 2018**

	Biennial Budget	
	Original	Final
REVENUES:		
Grants	\$ 225,000	\$ 225,000
System development charges	300,000	300,000
Interest	-	-
Contributions and donations	250,000	250,000
Miscellaneous	5,570	5,570
Indirect service	2,500	2,500
Total revenues	<u>783,070</u>	<u>783,070</u>
EXPENDITURES:		
Personnel services	-	-
Materials and services	2,000	2,000
Capital outlay	1,108,556	1,150,824
Contingency	148,000	148,000
Total expenditures	<u>1,258,556</u>	<u>1,300,824</u>
Revenues over (under) expenditures	(475,486)	(517,754)
OTHER FINANCING SOURCES (USES):		
Transfers in	-	42,268
Total other financing sources (uses)	<u>-</u>	<u>42,268</u>
Net changes in fund balances	(475,486)	(475,486)
FUND BALANCE, BEGINNING	<u>475,486</u>	<u>475,486</u>
FUND BALANCE, ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

¹ Appropriation level

Actual			Variance
FY 2018	FY 2019	Biennial	Positive (Negative)
\$ -	\$ -	\$ -	\$ (225,000)
333,883	-	333,883	33,883
10,980	-	10,980	10,980
199,129	-	199,129	(50,871)
-	-	-	(5,570)
1,775	-	1,775	(725)
<u>545,767</u>	<u>-</u>	<u>545,767</u>	<u>(237,303)</u>
11,030	-	11,030	(11,030) ¹
45	-	45	1,955 ¹
51	-	51	1,150,773
-	-	-	148,000
<u>11,126</u>	<u>-</u>	<u>11,126</u>	<u>1,289,698</u>
534,641	-	534,641	1,052,395
<u>23,920</u>	<u>-</u>	<u>23,920</u>	<u>(18,348)</u>
<u>23,920</u>	<u>-</u>	<u>23,920</u>	<u>(18,348)</u>
558,561	-	558,561	1,034,047
<u>404,878</u>	<u>-</u>	<u>404,878</u>	<u>(70,608)</u>
<u>\$ 963,439</u>	<u>\$ -</u>	<u>\$ 963,439</u>	<u>\$ 963,439</u>



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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, 2018**

	Biennial Budget	
	Original	Final
REVENUES:		
Charges for services	\$ 2,512,500	\$ 2,512,500
Special assessments	-	-
System development charges	330,000	330,000
Interest	15,000	15,000
Miscellaneous	30,000	30,000
Total revenues	<u>2,887,500</u>	<u>2,887,500</u>
EXPENDITURES:		
Personnel services	515,531	515,531
Materials and services	1,667,250	1,667,250
Capital outlay	963,239	963,239
Debt service:		
Principal	811,793	811,793
Interest	365,806	365,806
Contingency	9,530	9,530
Total expenditures	<u>4,333,149</u>	<u>4,333,149</u>
Revenues over (under) expenditures	(1,445,649)	(1,445,649)
OTHER FINANCING SOURCES (USES):		
Issuance of debt	12,489	12,489
Sale of capital assets	300	300
Transfers out	(120,058)	(120,058)
Total other financing sources (uses)	<u>(107,269)</u>	<u>(107,269)</u>
Changes in fund balance	(1,552,918)	(1,552,918)
FUND BALANCE, BEGINNING BUDGETARY BASIS	<u>1,552,918</u>	<u>1,552,918</u>
FUND BALANCE, ENDING BUDGETARY BASIS	<u>\$ -</u>	<u>\$ -</u>

RECONCILIATION TO NET POSITION - GAAP BASIS

Allowance for doubtful accounts
Capital assets, net
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
Deferred inflows of resources - OPEB

NET POSITION

Actual			Variance with
FY 2018	FY 2019	Biennial	Final Budget
\$ 1,533,131	\$ -	\$ 1,533,131	\$ (979,369)
4,279	-	4,279	4,279
245,375	-	245,375	(84,625)
25,246	-	25,246	10,246
28,165	-	28,165	(1,835)
<u>1,836,196</u>	<u>-</u>	<u>1,836,196</u>	<u>(1,051,304)</u>
248,198	-	248,198	267,333
665,517	-	665,517	1,001,733
90,979	-	90,979	872,260
400,329	-	400,329	411,464
193,519	-	193,519	172,287
-	-	-	9,530
<u>1,598,542</u>	<u>-</u>	<u>1,598,542</u>	<u>2,734,607</u>
237,654	-	237,654	1,683,303
11,653	-	11,653	(836)
750	-	750	450
<u>(60,030)</u>	<u>-</u>	<u>(60,030)</u>	<u>60,028</u>
<u>(47,627)</u>	<u>-</u>	<u>(47,627)</u>	<u>59,642</u>
190,027	-	190,027	1,742,945
<u>1,961,653</u>	<u>-</u>	<u>1,961,653</u>	<u>408,735</u>
2,151,680	<u>\$ -</u>	<u>\$ 2,151,680</u>	<u>\$ 2,151,680</u>
(1,523)			
13,076,448			
87,798			
930			
140,365			
(102,060)			
(17,623)			
(6,796,580)			
(226,554)			
(9,506)			
(7,635)			
<u>(980)</u>			
<u>\$ 8,294,760</u>			

**CITY OF SANDY, OREGON
SEWER OPERATIONS COMBINED
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2018**

	<u>Sewer Fund</u>	<u>Sewer Bond Reserve Fund</u>	<u>Total Sewer Operations</u>
REVENUES:			
Charges for services	\$ 1,414,332	\$ -	\$ 1,414,332
Special assessments	44,175	-	44,175
System development charges	197,818	-	197,818
Interest	4,376	22,376	26,752
Miscellaneous	6,360	-	6,360
	<u>1,667,061</u>	<u>22,376</u>	<u>1,689,437</u>
EXPENDITURES:			
Personnel services	247,426	-	247,426
Materials and services	877,511	-	877,511
Capital outlay	274,260	-	274,260
Debt service:			
Principal	62,589	-	62,589
Interest	106,953	-	106,953
	<u>1,568,739</u>	<u>-</u>	<u>1,568,739</u>
Revenues over (under) expenditures	98,322	22,376	120,698
OTHER FINANCING SOURCES (USES):			
Issuance of debt	11,653	-	11,653
Interfund loan receipts	-	128,336	128,336
Sale of capital assets	750	-	750
Transfers in	-	50,000	50,000
Transfers out	(113,463)	-	(113,463)
	<u>(101,060)</u>	<u>178,336</u>	<u>77,276</u>
Total other financing sources (uses)	(101,060)	178,336	77,276
Net changes in fund balance	(2,738)	200,712	197,974
FUND BALANCE, BEGINNING BUDGETARY BASIS	<u>469,635</u>	<u>1,288,433</u>	<u>1,758,068</u>
FUND BALANCE, ENDING BUDGETARY BASIS	<u>\$ 466,897</u>	<u>\$ 1,489,145</u>	1,956,042
RECONCILIATION TO NET POSITION - GAAP BASIS			
Interfund Loan			205,960
Allowance for doubtful accounts			(1,043)
Capital assets, net			6,100,918
Deferred outflows related to pensions			87,798
Deferred outflows related to OPEB			930
Notes receivable			9,436
Accrued interest			(8,674)
Accrued compensated absence			(17,623)
Loans payable			(2,200,730)
Net pension liability			(226,554)
Net OPEB liability			(9,506)
Deferred inflows of resources			(7,635)
Deferred inflows of resources - OPEB			(980)
NET POSITION			<u>\$ 5,888,339</u>



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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, 2018

	Biennial Budget	
	Original	Final
REVENUES:		
Charges for services	\$ 2,556,000	\$ 2,656,000
Special assessments	-	-
System development charges	177,000	177,000
Interest	2,000	2,000
Miscellaneous	5,000	5,000
Total revenues	<u>\$ 2,740,000</u>	<u>2,840,000</u>
EXPENDITURES:		
Personnel services	515,531	515,531
Materials and services	1,684,425	1,684,425
Capital outlay	985,239	533,922
Debt service:		
Principal	60,249	172,785
Interest	-	216,638
Contingency	96,666	11,520
Total expenditures	<u>\$ 3,342,110</u>	<u>3,134,821</u>
Revenues over (under) expenditures	(602,110)	(294,821)
OTHER FINANCING SOURCES (USES):		
Issuance of debt	262,489	262,489
Sale of capital assets	100	100
Transfers out	(326,925)	(226,925)
Total other financing sources (uses)	<u>(64,336)</u>	<u>35,664</u>
Net changes in fund balance	(666,446)	(259,157)
FUND BALANCE, BEGINNING BUDGETARY BASIS	<u>666,446</u>	<u>469,645</u>
FUND BALANCE, ENDING BUDGETARY BASIS	<u><u>\$ -</u></u>	<u><u>\$ 210,488</u></u>

Actual FY 2018	FY 2019	Biennial	Variance with Final Budget
\$ 1,414,332	\$ -	\$ 1,414,332	\$ (1,241,668)
44,175	-	44,175	44,175
197,818	-	197,818	20,818
4,376	-	4,376	2,376
6,360	-	6,360	1,360
<u>1,667,061</u>	<u>-</u>	<u>1,667,061</u>	<u>(1,172,939)</u>
247,426	-	247,426	268,105
877,511	-	877,511	806,914
274,260	-	274,260	259,662
-	-	-	-
62,589	-	62,589	110,196
106,953	-	106,953	109,685
-	-	-	11,520
<u>1,568,739</u>	<u>-</u>	<u>1,568,739</u>	<u>1,566,082</u>
98,322	-	98,322	393,143
11,653	-	11,653	(250,836)
750	-	750	650
(113,463)	-	(113,463)	113,462
<u>(101,060)</u>	<u>-</u>	<u>(101,060)</u>	<u>(136,724)</u>
(2,738)	-	(2,738)	256,419
469,635	-	469,635	(10)
<u>\$ 466,897</u>	<u>\$ -</u>	<u>\$ 466,897</u>	<u>\$ 256,409</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, 2018

	Biennial Budget	
	Original	Final
REVENUES:		
Interest	\$ 30,000	\$ 30,000
Total revenues	30,000	30,000
EXPENDITURES:		
Contingency	1,826,002	1,726,002
Total expenditures	1,826,002	1,726,002
Revenues over (under) expenditures	(1,796,002)	(1,696,002)
OTHER FINANCING SOURCES (USES):		
Interfund loan receipts	308,117	308,117
Transfers in	200,000	100,000
Total other financing sources (uses)	508,117	408,117
Changes in fund balance	(1,287,885)	(1,287,885)
FUND BALANCE, BEGINNING BUDGETARY BASIS	1,287,885	1,287,885
FUND BALANCE, ENDING BUDGETARY BASIS	\$ -	\$ -

Actual FY 2018	FY 2019	Biennial	Variance with Final Budget
\$ 22,376	\$ -	\$ 22,376	\$ (7,624)
22,376	-	22,376	(7,624)
-	-	-	1,726,002
-	-	-	1,726,002
22,376	-	22,376	1,718,378
128,336	-	128,336	(179,781)
50,000	-	50,000	(50,000)
178,336	-	178,336	(229,781)
200,712	-	200,712	1,488,597
1,288,433	-	1,288,433	548
\$ 1,489,145	\$ -	\$ 1,489,145	\$ 1,489,145

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, 2018

	Biennial Budget	
	Original	Final
REVENUES:		
Charges for services	\$ 462,500	\$ 462,500
Interest	3,000	3,000
Miscellaneous	1,000	1,000
	<hr/>	<hr/>
Total revenues	466,500	466,500
	<hr/>	<hr/>
EXPENDITURES:		
Personnel services	269,560	269,560
Materials and services	159,650	159,650
Capital outlay	401,239	401,239
Debt service:		
Principal	75,249	75,249
Interest	49,860	49,860
Contingency	9,609	9,609
	<hr/>	<hr/>
Total expenditures	965,167	965,167
	<hr/>	<hr/>
Revenues over (under) expenditures	(498,667)	(498,667)
OTHER FINANCING SOURCES (USES):		
Issuance of debt	12,488	12,488
Transfers out	(42,173)	(42,173)
	<hr/>	<hr/>
Total other financing sources (uses)	(29,685)	(29,685)
	<hr/>	<hr/>
Changes in fund balance	(528,352)	(528,352)
FUND BALANCE, BEGINNING BUDGETARY BASIS	528,352	528,352
	<hr/>	<hr/>
FUND BALANCE, ENDING BUDGETARY BASIS	\$ -	\$ -
	<hr/> <hr/>	<hr/> <hr/>

* Appropriation level is at the program level

RECONCILIATION TO NET POSITION - GAAP BASIS

Allowance for doubtful accounts
Capital assets, net
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
Deferred inflows of resources - OPEB

NET POSITION

Actual				Variance with
FY 2018	FY 2019	Biennial	Final Budget	
\$ 248,219	\$ -	\$ 248,219	\$ (214,281)	
8,457	-	8,457	5,457	
2,703	-	2,703	1,703	
<u>259,379</u>	<u>-</u>	<u>259,379</u>	<u>(207,121)</u>	
124,670	-	124,670	144,890	
53,399	-	53,399	106,251	
15,914	-	15,914	385,325	
37,331	-	37,331	37,918	
25,543	-	25,543	24,317	
-	-	-	9,609	
<u>256,857</u>	<u>-</u>	<u>256,857</u>	<u>708,310</u>	
2,522	-	2,522	501,189	
11,653	-	11,653	(835)	
<u>(21,087)</u>	<u>-</u>	<u>(21,087)</u>	<u>21,086</u>	
<u>(9,434)</u>	<u>-</u>	<u>(9,434)</u>	<u>20,251</u>	
(6,912)	-	(6,912)	521,440	
<u>527,306</u>	<u>-</u>	<u>527,306</u>	<u>(1,046)</u>	
520,394	<u>\$ -</u>	<u>\$ 520,394</u>	<u>\$ 520,394</u>	
(207)				
573,513				
44,440				
472				
(2,027)				
(5,331)				
(589,322)				
(114,673)				
(4,811)				
(3,865)				
<u>(498)</u>				
<u>\$ 418,085</u>				

**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, 2018**

	Biennial Budget	
	Original	Final
REVENUES:		
Charges for services	\$ 3,430,063	\$ 3,430,063
Interest	-	-
Miscellaneous	18,000	18,000
Total revenues	<u>3,448,063</u>	<u>3,448,063</u>
EXPENDITURES:		
Personnel services	1,175,479	1,175,479
Materials and services	579,344	579,344
Capital outlay	561,102	561,102
Debt service:		
Principal	492,598	492,598
Interest	592,141	592,141
Other Fees	2,000	2,000
Contingency	47,609	47,609
Total expenditures	<u>3,450,273</u>	<u>3,450,273</u>
Revenues over (under) expenditures	(2,210)	(2,210)
OTHER FINANCING SOURCES (USES):		
Issuance of debt	768,506	768,506
Interfund loan payments	(344,606)	(344,606)
Transfers in	162,817	162,817
Transfers out	(111,732)	(111,732)
Total other financing sources (uses)	<u>474,985</u>	<u>474,985</u>
Changes in fund balance	472,775	472,775
FUND BALANCE, BEGINNING BUDGETARY BASIS	<u>(472,775)</u>	<u>(472,775)</u>
FUND BALANCE, ENDING BUDGETARY BASIS	<u>\$ -</u>	<u>\$ -</u>

* Appropriation level is at the program level

RECONCILIATION TO NET POSITION - GAAP BASIS

Interfund loan payable
Allowance for doubtful accounts
Inventory
Capital assets, net
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

NET POSITION

Actual			Variance with	
FY 2018	FY 2019	Biennial	Final Budget	
\$ 1,507,295	\$ -	\$ 1,507,295	\$ (1,922,768)	
686	-	686	686	
59,537	-	59,537	41,537	
<u>1,567,518</u>	<u>-</u>	<u>1,567,518</u>	<u>(1,880,545)</u>	
532,508	-	532,508	642,971	
353,211	-	353,211	226,133	
532,271	-	532,271	28,831	
			-	
225,713	-	225,713	266,885	
290,537	-	290,537	301,604	
1,000	-	1,000	1,000	
-	-	-	47,609	
<u>1,935,240</u>	<u>-</u>	<u>1,935,240</u>	<u>1,515,033</u>	
(367,722)	-	(367,722)	(365,512)	
296,457	-	296,457	(472,049)	
(135,050)	-	(135,050)	209,556	
81,408	-	81,408	(81,409)	
(55,866)	-	(55,866)	55,866	
<u>186,949</u>	<u>-</u>	<u>186,949</u>	<u>(288,036)</u>	
(180,773)	-	(180,773)	(653,548)	
(660,819)	-	(660,819)	(188,044)	
(841,592)	<u>\$ -</u>	<u>\$ (841,592)</u>	<u>\$ (841,592)</u>	
(205,960)				
(1,080)				
215,280				
9,104,979				
192,420				
2,037				
(95,787)				
(8,504)				
(7,811,734)				
(496,520)				
(20,833)				
(16,734)				
(2,148)				
<u>\$ 13,824</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, 2018

	Internal Service Funds		
	Operations Center Internal Service Fund	Facility Maintenance Internal Service Fund	Total
ASSETS			
Cash and investments	\$ (657)	\$ 275,000	\$ 274,343
Total current assets	(657)	275,000	274,343
Total assets	<u>\$ (657)</u>	<u>275,000</u>	<u>\$ 274,343</u>
LIABILITIES AND NET POSITION			
LIABILITIES:			
Accounts payable and accrued expenses	\$ 379	\$ -	\$ 379
Total liabilities	379	-	379
NET POSITION:			
Unrestricted	(1,036)	275,000	273,964
Total net position	(1,036)	275,000	273,964
Total liabilities and net position	<u>\$ (657)</u>	<u>\$ 275,000</u>	<u>\$ 274,343</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, 2018

	Internal Service Funds		
	Operations Center Internal Service Fund	Facility Maintenance Internal Service Fund	Total
	Fund	Fund	Total
OPERATING EXPENSES:			
Utilities	\$ 30,329	\$ -	\$ 30,329
Operating supplies	3,437	-	3,437
Insurance	4,647	-	4,647
Operating costs	11,983	-	11,983
Contract services	8,949	-	8,949
Total operating expenses	59,345	-	59,345
Operating income (loss)	(59,345)	-	(59,345)
NON-OPERATING INCOME (EXPENSE):			
Interest income	1,341	-	1,341
Total non-operating income (expenses)	1,341	-	1,341
Net income (loss) before transfers	(58,004)	-	(58,004)
TRANSFERS:			
Transfers in (out)	(163,271)	275,000	111,729
Change in net position	(221,275)	275,000	53,725
NET POSITION, BEGINNING	220,239	-	220,239
NET POSITION, ENDING	\$ (1,036)	\$ 275,000	\$ 273,964

CITY OF SANDY, OREGON
INTERNAL SERVICE FUNDS
COMBINING SCHEDULE OF CASH FLOWS
For the Fiscal Year Ended June 30, 2018

	Internal Service Funds		
	Operations Center Internal Service Fund	Facility Maintenance Internal Service	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash paid to suppliers and others	\$ (59,398)	\$ -	\$ (59,398)
Net cash provided by operating activities	(59,398)	-	(59,398)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers in (out)	(163,271)	275,000	111,729
Net cash provided by non-capital financing activities	(163,271)	275,000	111,729
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest revenue	1,341	-	1,341
Net cash provided by investing activities	1,341	-	1,341
Net increase in cash and cash equivalents	(221,328)	275,000	53,672
CASH AND CASH EQUIVALENTS, BEGINNING	220,671	-	220,671
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ (657)</u>	<u>\$ 275,000</u>	<u>\$ 274,343</u>
 RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (59,345)	\$ -	\$ (59,345)
Increase (decrease) in:			
Accounts payable and accrued expenses	(53)	-	(53)
Net cash provided by operating activities	<u>\$ (59,398)</u>	<u>\$ -</u>	<u>\$ (59,398)</u>

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, 2018

	Biennial Budget	
	Original	Final
REVENUES:		
Interest	\$ 2,100	\$ 2,100
Total revenues	2,100	2,100
EXPENDITURES:		
Materials and services	110,900	110,900
Capital outlay	5,000	5,000
Total expenditures	115,900	115,900
Revenues over (under) expenditures	(113,800)	(113,800)
OTHER FINANCING SOURCES (USES):		
Transfers in	113,458	113,458
Transfers out	-	-
Total other financing sources (uses)	113,458	113,458
Changes in fund balance	(342)	(342)
FUND BALANCE, BEGINNING BUDGETARY BASIS	342	342
FUND BALANCE, ENDING BUDGETARY BASIS	\$ -	\$ -

<u>Actual</u> <u>FY 2018</u>	<u>FY 2019</u>	<u>Biennial</u>	<u>Variance with</u> <u>Final Budget</u>
\$ 1,341	\$ -	\$ 1,341	\$ (759)
1,341	-	1,341	(759)
59,345	-	59,345	51,555
-	-	-	5,000
59,345	-	59,345	56,555
(58,004)	-	(58,004)	55,796
56,729	-	56,729	(56,729)
(220,000)	-	(220,000)	(220,000)
(163,271)	-	(163,271)	(276,729)
(221,275)	-	(221,275)	(220,933)
220,239	-	220,239	219,897
<u>\$ (1,036)</u>	<u>\$ -</u>	<u>\$ (1,036)</u>	<u>\$ (1,036)</u>

**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, 2018**

	Biennial Budget	
	Original	Final
EXPENDITURES:		
Materials and services	\$ 50,000	\$ 50,000
Contingency	280,000	280,000
Total expenditures	<u>330,000</u>	<u>330,000</u>
Revenues over (under) expenditures	(330,000)	(330,000)
OTHER FINANCING SOURCES (USES):		
Transfers in	<u>110,000</u>	<u>110,000</u>
Total other financing sources (uses)	<u>110,000</u>	<u>110,000</u>
Net changes in fund balances	(220,000)	(220,000)
FUND BALANCE, BEGINNING BUDGETARY BASIS	<u>220,000</u>	<u>220,000</u>
FUND BALANCE, ENDING BUDGETARY BASIS	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

<hr/>			
Actual			Variance
FY 2018	FY 2019	Biennial	Positive (Negative)
\$ -	\$ -	\$ -	\$ 50,000
-	-	-	280,000
-	-	-	330,000
-	-	-	330,000
275,000	-	275,000	165,000
275,000	-	275,000	165,000
275,000	-	275,000	495,000
-	-	-	(220,000)
<u>\$ 275,000</u>	<u>\$ -</u>	<u>\$ 275,000</u>	<u>\$ 275,000</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 FUND
COMPARATIVE SCHEDULE OF NET POSITION
June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS:		
Current assets:		
Cash and investments	\$ 1,861,564	\$ 1,651,493
Accounts receivables, net	132,052	115,268
Interfund loan receivable	<u>205,960</u>	<u>334,296</u>
Total current assets	<u>2,199,576</u>	<u>2,101,057</u>
Noncurrent assets:		
Capital assets, net	6,100,918	6,316,878
Notes receivable	<u>9,436</u>	<u>13,064</u>
Total noncurrent assets	<u>6,110,354</u>	<u>6,329,942</u>
Total assets	<u>8,309,930</u>	<u>8,430,999</u>
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred outflow related to pension	87,798	122,837
Deferred outflow related to OPEB	<u>930</u>	<u>-</u>
Total deferred outflows of resources	<u>88,728</u>	<u>122,837</u>
Total assets & deferred outflows of resources	<u>\$ 8,398,658</u>	<u>\$ 8,553,836</u>
LIABILITIES:		
Current liabilities:		
Accounts payable and accrued expenses	\$ 38,617	\$ 9,641
Accrued compensated absences payable	3,525	2,587
Accrued interest payable	8,674	8,913
Loans payable within one year	<u>65,451</u>	<u>60,258</u>
Total current liabilities	<u>116,267</u>	<u>81,399</u>
Noncurrent liabilities:		
Net pension liability	226,554	230,909
Net OPEB liability	9,506	-
Accrued compensated absences payable	14,098	10,349
Loans payable, net of current portion	<u>2,135,279</u>	<u>2,191,408</u>
Total noncurrent liabilities	<u>2,385,437</u>	<u>2,432,666</u>
Total liabilities	<u>2,501,704</u>	<u>2,514,065</u>
DEFERRED INFLOWS OF RESOURCES:		
Deferred inflow related to pension	7,635	9,834
Deferred inflow related to OPEB	<u>980</u>	<u>-</u>
Total deferred inflows of resources	<u>8,615</u>	<u>9,834</u>
NET POSITION:		
Net investment in capital assets	3,900,188	4,065,212
Restricted for:		
Debt service	167,211	167,211
System development charges	-	75,239
Unrestricted	<u>1,820,940</u>	<u>1,722,275</u>
Total net position	<u>5,888,339</u>	<u>6,029,937</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 8,398,658</u>	<u>\$ 8,553,836</u>

CITY OF SANDY, OREGON
SEWER OPERATIONS
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
OPERATING REVENUES:		
Charges for services	\$ 1,414,237	\$ 1,264,927
Special assessments and surcharges	238,365	140,786
Miscellaneous	6,360	12,578
	<u>1,658,962</u>	<u>1,418,291</u>
OPERATING EXPENSES:		
Salaries, fringe benefits and payroll taxes	280,966	240,390
Operating costs	1,058,005	927,616
Depreciation	309,726	310,044
	<u>1,648,697</u>	<u>1,478,050</u>
Total operating expenses		
Operating income (loss)	<u>10,265</u>	<u>(59,759)</u>
NON-OPERATING INCOME (EXPENSE):		
Interest income	26,752	19,652
Interest expense	(106,714)	(109,457)
Gain on the sale of assets	750	1,900
	<u>(79,212)</u>	<u>(87,905)</u>
Total non-operating income (expenses)		
Net income (loss) before transfers	(68,947)	(147,664)
TRANSFERS:		
Transfers in (out)	<u>(63,463)</u>	<u>(66,055)</u>
Change in net position	(132,410)	(213,719)
NET POSITION, BEGINNING	6,029,937	6,243,656
CHANGE IN ACCOUNTING PRINCIPAL	<u>(9,188)</u>	<u>-</u>
NET POSITION, ENDING	<u>\$ 5,888,339</u>	<u>\$ 6,029,937</u>

CITY OF SANDY, OREGON
SEWER FUND
COMPARATIVE SCHEDULE OF CASH FLOWS
For the fiscal years ended June 30, 2018 and 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 1,642,178	\$ 1,404,268
Cash paid to employees and others for salaries and benefits	(213,886)	(199,480)
Cash paid to suppliers and others	(1,062,569)	(984,194)
Net cash provided by operating activities	<u>365,723</u>	<u>220,594</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Payment from (to) other funds for interfund loans and interest	128,336	208,677
Transfers in (out)	(63,463)	(66,055)
Net cash provided by noncapital financing activities	<u>64,873</u>	<u>142,622</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	(93,766)	-
Proceeds from loans	11,653	-
Principal paid on loans	(62,589)	(57,526)
Interest paid on loans	(106,203)	(109,685)
Net cash provided by capital and related financing activities	<u>(250,905)</u>	<u>(167,211)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest revenue	26,752	19,652
Notes receivable	3,628	3,222
Net cash provided by investing activities	<u>30,380</u>	<u>22,874</u>
Net increase in cash and cash equivalents	210,071	218,879
CASH AND CASH EQUIVALENTS, BEGINNING	<u>1,651,493</u>	<u>1,432,614</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 1,861,564</u>	<u>\$ 1,651,493</u>
COMPRISED AS FOLLOWS:		
Cash and cash equivalents	<u>\$ 1,861,564</u>	<u>\$ 1,651,493</u>
Total cash and cash equivalents	<u>\$ 1,861,564</u>	<u>\$ 1,651,493</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	\$ 10,265	\$ (57,859)
Adjustments:		
Depreciation	309,726	310,044
Decrease (increase) in:		
Accounts receivable	(16,784)	(15,923)
Increase (decrease) in:		
Accounts payable and accrued expenses	28,976	(36,123)
Accrued compensated absences	4,687	(1,094)
Net pension liability	28,485	21,549
Net OPEB liability	368	-
Net cash provided by operating activities	<u>\$ 365,723</u>	<u>\$ 220,594</u>



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**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***

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, 2018 and have issued our report thereon dated January 28, 2019. 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 grants, including the provisions of Oregon Revised Statutes as specified in the Oregon Administrative Rules 162 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts:

- 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 of Sandy 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. In connection with our testing, nothing came to our attention that caused us to believe City of Sandy, Oregon was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, 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* except as follows.

Expenditures in the following funds exceeded appropriations for the year ended June 30, 2018:

<u>Fund</u>	<u>Budget Category</u>	<u>Amount</u>
Parks Capital Project Fund	Personnel services	\$ 9,075
Operations Center Internal Services Fund	Transfers out	\$ 220,000

At June 30, 2018, the following funds had a deficit budgetary basis fund balance:

<u>Fund</u>	<u>Amount</u>
Telecommunications Fund	\$ (841,592)
Operations Center Internal Service Fund	\$ (1,036)

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered City of Sandy, Oregon's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiencies in internal control and described in the separately issued schedule of findings and questions costs that we consider to be material weaknesses as item 2018-1 and 2018-2.

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 & Company, LLP
Tualatin, Oregon
January 28, 2019



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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)

	Fiscal Year (in thousands)									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Invested in capital assets, net of related debt	\$ 15,264	\$ 14,792	\$ 17,295	\$ 20,290	\$ 20,840	\$ 20,935	\$ 20,860	\$ 20,958	\$ 13,474	\$ 21,269
Restricted	95	226	1,041	1,401	1,669	2,565	3,872	5,065	11,389	9,962
Unrestricted	2,968	4,418	2,755	1,987	2,247	3,127	3,693	2,529	2,343	(1,390)
Total governmental activities net position	\$ 18,327	\$ 19,436	\$ 21,090	\$ 23,678	\$ 24,756	\$ 26,627	\$ 28,425	\$ 28,553	\$ 27,207	\$ 29,842
Business-type activities										
Invested in capital assets, net of related debt	\$ 10,537	\$ 10,811	\$ 10,895	\$ 10,640	\$ 11,209	\$ 11,534	\$ 12,026	\$ 12,114	\$ 11,671	\$ 11,457
Restricted	1,087	799	652	717	701	717	790	374	242	167
Unrestricted	4,574	4,882	5,080	4,874	3,366	2,893	2,672	2,737	2,761	2,990
Total business-type activities net position	\$ 16,198	\$ 16,492	\$ 16,627	\$ 16,231	\$ 15,276	\$ 15,144	\$ 15,488	\$ 15,226	\$ 14,674	\$ 14,615
Primary government										
Invested in capital assets, net of related debt	\$ 25,801	\$ 25,604	\$ 28,189	\$ 30,930	\$ 32,049	\$ 32,469	\$ 32,885	\$ 33,072	\$ 25,145	\$ 32,727
Restricted	1,182	1,024	1,693	2,118	2,371	3,282	4,663	5,440	11,632	10,129
Unrestricted	7,542	9,300	7,835	6,861	5,613	6,020	6,365	5,266	5,104	1,600
Total primary government net position	\$ 34,524	\$ 35,928	\$ 37,717	\$ 39,909	\$ 40,032	\$ 41,771	\$ 43,914	\$ 43,778	\$ 41,881	\$ 44,457

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

Expenses	Fiscal Year (in thousands)									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities:										
General government	\$ 1,406	\$ 1,788	\$ 1,769	\$ 1,563	\$ 1,380	\$ 1,142	\$ 775	\$ 1,914	\$ 2,080	\$ 1,037
Highways and streets	842	699	783	629	1,080	727	937	1,133	949	751
Public transportation	1,105	1,132	1,201	1,243	1,324	1,321	1,315	1,336	1,343	1,492
Economic development	561	531	654	842	878	954	1,075	975	3,530	912
Public safety	1,676	1,926	1,851	2,147	2,301	2,537	2,161	3,602	3,076	3,286
Culture and recreation	1,392	1,682	1,760	1,929	2,133	2,156	1,860	2,660	2,586	2,796
Interest on long-term debt	179	162	170	205	159	142	68	63	128	264
Total Governmental Activities	7,161	7,920	8,188	8,558	9,255	8,979	8,191	11,683	13,692	10,538
Business-type activities:										
Water	1,034	941	954	1,133	1,843	1,104	1,485	1,739	1,694	1,653
Sewer	1,208	1,239	1,304	1,364	1,344	1,341	1,350	1,628	1,588	1,755
Stormwater	55	103	129	161	185	193	180	288	232	289
Telecommunications	202	333	435	562	563	737	528	1,077	1,619	1,542
Total Business-type Activities	2,499	2,616	2,822	3,220	3,935	3,374	3,542	4,731	5,132	5,240
Total Expenses	\$ 9,660	\$ 10,536	\$ 11,010	\$ 11,778	\$ 13,190	\$ 12,354	\$ 11,733	\$ 16,414	\$ 18,825	\$ 15,777
Program Revenues										
Governmental Activities:										
Charges for services:										
General government	\$ 107	\$ 251	\$ 647	\$ 419	\$ 494	\$ 147	\$ 751	\$ 260	\$ 580	\$ 635
Highways and streets	87	185	210	913	707	202	316	418	227	645
Public transportation	6	11	12	13	12	125	136	121	111	88
Economic development	152	154	155	96	127	268	268	454	543	334
Public safety	171	171	171	22	20	591	591	734	265	786
Culture and recreation	206	234	171	231	285	358	122	340	390	136
Operating grants and contributions	919	881	586	2,196	853	831	1,385	1,087	216	251
Capital grants and contributions	1,096	836	1,209	303	509	254	254	-	1,423	1,150
Total Governmental Activities	2,742	2,722	3,160	4,193	3,007	2,776	3,822	3,413	3,753	4,025

	Fiscal Year (in thousands)									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Business-type Activity:										
Charges for services:										
Water	1,084	1,142	1,044	1,088	1,250	1,309	1,405	1,767	1,478	1,775
Sewer	1,081	1,187	1,097	1,253	1,182	1,208	1,343	1,392	1,406	1,653
Stormwater	190	194	201	201	218	217	219	231	240	248
Telecommunications	178	186	250	368	453	552	635	1,094	1,339	1,507
Operating grants and contributions	-	-	413	96	-	-	363	16	-	-
Total Business-Type Activity	2,534	2,709	3,005	3,006	3,103	3,286	3,965	4,499	4,462	5,183
Total Program Revenues	\$ 5,276	\$ 5,430	\$ 6,166	\$ 7,198	\$ 6,109	\$ 6,063	\$ 7,787	\$ 7,912	\$ 8,215	\$ 9,208
Net (Expense)/Revenue										
Governmental Activities	\$ (4,419)	\$ (5,198)	\$ (5,028)	\$ (4,366)	\$ (6,248)	\$ (6,203)	\$ (4,369)	\$ (8,270)	\$ (9,939)	\$ (6,513)
Business-type Activity	35	93	183	(215)	(833)	(88)	423	(232)	(670)	(56)
Total Net Expense	\$ (4,384)	\$ (5,105)	\$ (4,845)	\$ (4,580)	\$ (7,081)	\$ (6,291)	\$ (3,946)	\$ (8,502)	\$ (10,609)	\$ (6,569)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Property taxes	\$ 3,058	\$ 3,445	\$ 3,555	\$ 3,735	\$ 3,779	\$ 3,965	\$ 4,222	\$ 4,428	\$ 4,611	\$ 4,875
Public service taxes	1,440	2,082	2,349	2,512	2,667	2,630	2,800	3,081	3,085	3,251
Franchise taxes	445	526	447	471	479	531	605	563	589	639
Investment earnings	87	48	54	28	23	34	41	63	154	249
Miscellaneous	199	208	122	115	218	832	278	90	133	237
Transfers	550	(2)	156	92	167	117	80	171	21	119
Total Governmental Activities	5,780	6,307	6,683	6,953	7,333	8,108	8,026	8,397	8,593	9,369
Business-type Activity:										
Investment earnings	218	117	85	62	28	37	50	48	42	61
Miscellaneous	22	83	23	56	33	103	153	92	97	98
Transfers	(550)	2	(156)	(92)	(167)	(117)	(80)	(171)	(21)	(119)
Total Business-type Activity	(310)	202	(49)	25	(106)	23	123	(30)	118	40
Total Primary Government	\$ 5,470	\$ 6,509	\$ 6,634	\$ 6,978	\$ 7,227	\$ 8,131	\$ 8,149	\$ 8,366	\$ 8,712	\$ 9,410
Change in Net Position										
Governmental Activities	\$ 1,361	\$ 1,109	\$ 1,655	\$ 2,588	\$ 1,085	\$ 1,905	\$ 3,658	\$ 127	\$ (1,346)	\$ 2,856
Business-type Activity	(275)	295	135	(190)	(939)	(64)	546	(263)	(552)	(16)
Total Primary Government	\$ 1,086	\$ 1,404	\$ 1,789	\$ 2,398	\$ 146	\$ 1,840	\$ 4,203	\$ (135)	\$ (1,897)	\$ 2,841

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

	Fiscal Year (in thousands)									
	2009	2010	2011 ¹	2012	2013	2014	2015	2016	2017	2018
General Fund										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2
Assigned	-	-	-	-	-	-	-	-	-	63
Unreserved	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	2,256	1,226	1,226	2,055	2,654	2,646	2,304	2,314
Total General Fund	<u>\$ -</u>	<u>\$ -</u>	<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>
All other governmental funds										
Reserved	\$ 95	\$ 226	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-spendable	-	-	33	33	36	35	8	-	-	-
Restricted	-	-	1,041	1,401	1,669	2,565	3,872	5,065	11,879	9,960
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	596	1,065	1,016	1,108	1,475	1,939	1,953	2,234
Unreserved, reported in:	-	-	-	-	-	-	-	-	-	-
Special revenue funds	1,717	2,935	-	-	-	-	-	-	-	-
Capital project funds	(370)	(212)	-	-	-	-	-	-	-	-
Unassigned, reported in:	-	-	-	-	-	-	-	-	-	-
Special revenue funds	-	-	-	(422)	(73)	-	-	-	-	15
Capital project funds	-	-	(209)	(228)	(181)	(307)	-	-	(10)	5
Total all other governmental funds	<u>\$ 1,441</u>	<u>\$ 2,948</u>	<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>

¹ 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)									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
REVENUES										
Property taxes	\$ 3,010	\$ 3,424	\$ 3,564	\$ 3,696	\$ 3,774	\$ 3,978	\$ 4,214	\$ 4,412	\$ 4,604	\$ 4,843
Public service taxes	1,440	2,082	2,349	2,512	2,667	2,630	2,800	3,081	3,085	3,251
Franchise fees	445	526	447	471	479	531	605	579	591	641
Grants	1,550	1,715	1,186	2,466	1,182	1,112	1,747	851	1,388	1,076
Charges for services	232	350	398	306	910	752	1,004	1,124	1,056	1,057
Licenses and permits	118	157	455	158	167	243	358	347	414	392
Fines and forfeitures	198	230	268	241	305	313	277	270	246	182
Special assessments	2	-	-	-	-	9	36	64	19	32
System development charges	177	265	241	985	253	372	472	517	421	946
Interest	87	48	54	27	23	33	40	62	153	248
Contributions and donations	522	1	608	33	15	-	-	11	164	205
Miscellaneous	194	133	78	84	87	768	47	50	101	259
Payment in lieu of land dedication	5	75	43	31	131	65	232	45	-	-
Total Revenues	7,981	9,007	9,690	11,011	9,993	10,804	11,833	11,413	12,240	13,133
EXPENDITURES										
Current:										
General government	802	825	980	851	851	794	728	787	1,047	954
Highways and streets	730	576	650	489	932	544	484	721	718	596
Public transportation	912	961	1,016	1,041	1,093	1,096	1,102	1,037	1,114	1,256
Economic and physical development	529	483	480	662	697	761	837	807	837	905
Public safety	1,614	1,868	1,776	2,045	2,137	2,358	2,374	2,652	2,728	2,857
Culture and recreation	1,318	1,613	1,690	1,845	1,901	1,846	2,051	2,124	2,231	2,392
Capital outlay:	2,074	2,738	3,322	4,595	1,280	1,253	1,169	1,172	5,796	4,767
Debt Service:										
Principal	1,028	505	543	620	1,040	2,713	552	598	1,161	992
Interest	173	170	172	195	161	166	82	74	188	277
Total Expenditures	9,180	9,740	10,630	12,344	10,093	11,531	9,378	9,973	15,820	14,995
Excess (Deficiency) of Revenues over Expenditures	(1,199)	(733)	(940)	(1,333)	(99)	(726)	2,455	1,441	(3,580)	(1,862)
OTHER FINANCING SOURCES (USES)										
Transfers in	2,658	258	258	277	270	265	282	261	261	1,417
Transfers out	(2,108)	(382)	(102)	(288)	(103)	(343)	(202)	(198)	(348)	(1,410)
Sale of capital assets	-	-	-	-	-	-	-	-	28	3
Proceeds from lease	-	-	-	-	-	-	-	-	-	320
Proceeds from bond	2,899	2,297	-	876	-	2,280	-	-	-	-
Proceeds from note	-	-	-	-	385	286	-	136	10,115	-
Total Other Financing Sources (Uses)	3,449	2,174	156	864	552	2,489	80	199	10,055	330
Net change in fund balances	\$ 2,250	\$ 1,441	\$ (783)	\$ (469)	\$ 452	\$ 1,762	\$ 2,535	\$ 1,640	\$ 6,476	\$ (1,532)
Debt service as a percentage of noncapital expenditures	15.78%	8.75%	9.07%	9.89%	13.17%	27.30%	7.17%	7.37%	13.46%	12.40%

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

Fiscal Year Ended June 30	Real Property	Manufactured Structure	Personal Property	Public Utility	Less Urban Renewal Excess	Total Assessed Value	Total M5 Value	Taxable Assessed Value As a Percentage of Estimated Actual Value
2018	\$ 857,082,927	\$ 4,497,275	\$ 19,402,085	\$ 28,696,572	\$ 97,517,601	\$ 812,161,258	\$ 1,314,771,126	61.77%
2017	813,445,713	3,936,785	18,402,810	27,632,300	89,830,142	773,587,466	1,167,454,337	66.26%
2016	771,821,532	3,580,913	17,849,834	24,394,900	87,184,331	730,462,848	1,032,175,837	70.77%
2015	733,190,302	3,350,268	19,136,695	22,033,200	83,248,892	694,461,573	931,218,558	74.58%
2014	698,952,246	3,270,241	17,205,910	19,987,180	76,680,367	662,735,210	817,332,995	81.09%
2013	666,954,675	3,306,018	18,491,458	20,552,300	73,943,011	635,361,440	776,203,139	81.86%
2012	654,881,300	3,251,093	17,820,060	22,712,390	70,662,947	628,001,896	819,168,170	76.66%
2011	630,020,828	3,498,390	17,929,701	20,867,500	67,539,433	604,776,986	862,772,904	70.10%
2010	604,737,137	4,545,224	18,847,145	21,402,130	63,734,945	585,796,691	944,171,169	62.04%
2009	568,216,289	4,688,694	18,522,380	18,289,930	58,243,479	551,473,814	1,050,613,214	52.49%

Source: Clackamas County Assessor's Office



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CITY OF SANDY, OREGON

Property Tax Rates - Direct and Overlapping Governments

(Per \$1,000 of Assessed Valuation)

Last Ten Fiscal Years

Fiscal Year Ended June 30	City of Sandy						Oregon Trail School District No. 46
	General Fund	Urban Renewal	Total	Port of Portland	Clackamas County		
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	
2010	3.71	1.73	5.44	0.06	2.83	6.23	
2009	3.72	1.41	5.13	0.06	2.44	3.92	

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	0.0051	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
0.44	0.33	0.03	1.96	0.1352	17.45
0.42	0.33	0.03	1.97	0.3698	14.67

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

Taxpayer	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
FRED MEYER STORES INC	\$ 22,428,481	1	25.30%	\$ 14,110,768	1	21.92%
ACS SANDY MARKETPLACE	10,878,017	2	12.27%	7,515,959	2	11.68%
JAKSISH PROPERTIES LLC	8,830,320	3	9.96%	6,405,492	3	9.95%
SANDY SAFEWAY CENTER LLC	8,493,868	4	9.58%	6,361,591	4	9.88%
PORTLAND GENERAL ELEC CO	7,574,000	5	8.54%	5,921,000	5	9.20%
COLONY NORTHSTAR INC	6,396,428	6	7.22%	5,094,742	6	7.92%
CASCADE CREST APARTMENTS LLC	6,343,312	7	7.16%	4,861,619	8	7.55%
PLR PROPERTIES LLC	6,031,992	8	6.80%	4,482,382	10	6.96%
VENTAS INC	6,011,771	9	6.78%	4,608,522	9	7.16%
NORTHWEST NATURAL GAS CO	5,664,000	10	6.39%	5,001,400	7	7.77%
Total Assessed Valuation	\$ 88,652,189			\$ 64,363,475		

Source: Clackamas County Assessor's Office

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

Fiscal Year Ended June 30	Total Tax Levy for Fiscal year	Collected with the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections To Date	
		Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy
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%
2010	3,533,039	3,308,913	93.66%	104,885	3,413,798	96.62%
2009	3,136,139	2,919,723	93.10%	76,581	2,996,304	95.54%

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 ¹	Per Capita
	General Obligation Bonds	Local Improvement District Bonds	Special Assessment Bonds	Notes Payable	Notes Payable	Bonds Payable			
2018	\$ 497,866	\$ -	\$ -	\$ 10,324,931	\$ 8,815,231	\$ 8,583,135	\$ 28,221,163	10,855	2,600
2017	431,075	-	-	11,064,034	8,837,650	8,968,187	29,300,946	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
2010	-	4,739,460	-	34,753	4,487,257	-	9,261,470	8,205	1,129
2009	-	2,957,114	-	-	4,470,076	-	7,427,190	8,005	928

¹ Portland State University, Population Research Center

CITY OF SANDY, OREGON
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	Population	Total Taxable Assessed Value	General Obligation Bonds	Percentage of Debt to Value of Property	Net Bonded Debt Per Capita Value
2018	10,855	\$ 812,161,258	\$ 497,866	0.06%	46
2017	10,655	773,587,466	431,075	0.06%	40
2016	10,395	730,462,848	1,846,624	0.25%	178
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
2010	8,205	585,796,691	4,266,115	0.73%	520
2009	8,005	551,473,814	2,449,374	0.44%	306

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, 2018

<u>Government Unit:</u>	<u>Outstanding Gross Property Tax-Backed Debt</u>	<u>Percentage Applicable to City</u>	<u>Gross General Obligation Bonded Debt Outstanding</u>
Clackamas County	\$ 138,185,000	1.82%	\$ 2,573,281
Mt. Hood Community College	56,481,704	3.07%	1,721,393
Clackamas County ESD	22,100,000	1.91%	431,812
Clackamas County SD 46 (Oregon Trail)	91,495,487	28.18%	26,096,160
Port of Portland	60,339,399	0.40%	245,219
Subtotal, overlapping debt	368,601,590		31,067,865
City of Sandy, direct debt	10,822,797	100.00%	10,822,797
Total direct and overlapping debt	<u>\$ 379,424,387</u>		<u>\$ 41,890,662</u>

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 ¹

Fiscal Year	Population ¹	Personal Income ²	Per capita personal income ³	Unemployment Rate ⁴
2018	10,855	N/A	N/A	3.70%
2017	10,655	N/A	N/A	3.80%
2016	10,395	\$ 20,965,832	\$ 51,379	4.80%
2015	10,395	20,125,378	50,169	4.80%
2014	9,990	18,748,588	47,550	7.30%
2013	9,880	17,863,812	46,041	7.20%
2012	9,780	17,811,472	46,464	8.10%
2011	9,570	16,659,841	43,886	9.30%
2010	8,205	15,759,185	41,809	10.40%
2009	8,005	15,485,121	41,395	8.30%

Source:

¹ Portland State University, 2012 Oregon Population Report (Sandy), FY 2012 Population Figure from Portland State University, 2012 Oregon Population Report (Sandy), FY 2011 Population Figure from Census 2010

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

<u>Employer¹</u>	<u>2018</u>			<u>2009*</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Oregon Trail School District	434	1	9.8%			
Fred Meyer #663	206	2	4.7%			
City of Sandy	104	3	2.4%			
Johnson RV	72	4	1.6%			
Safeway	63	5	1.4%			
Konell Construction	56	6	1.3%			
McDonald's	56	7	1.3%			
Suburban Ford	54	8	1.2%			
Avamere at Sandy	51	9	1.2%			
Tollgate Inn, Inc.	51	9	1.2%			
Total	713		16.1%			

Information for 2008-2009 is not readily available

Source:

1 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

FUNCTION	Full-Time Equivalent Employees as of June 30				
	2009-11	2011-13	2013-15	2015-17	2017-19
Government activities:					
General Government	6.4	6.0	6.3	6.7	6.4
Public Safety					
Police					
Officers	13.0	14.0	14.0	16.0	16.0
Civilians	3.3	3.0	3.9	3.8	3.9
Economic Development	-	1.0	1.1	0.9	0.8
Planning & Development	4.9	4.6	3.9	4.6	4.5
Urban Renewal	0.3	0.3	0.7	0.6	0.5
Culture & Recreation					
Library	11.4	12.6	13.2	13.6	13.8
Recreation & Senior Center	5.7	5.7	6.4	6.0	6.0
Parks Maintenance	2.3	2.3	2.3	2.3	2.3
Highways & Streets	2.4	2.4	2.5	2.4	2.6
Public Transportation	1.8	1.8	1.8	1.8	2.8
Business-type activities:					
Water	2.4	2.4	2.4	2.5	2.8
Sewer	2.4	2.4	2.4	2.5	2.8
Stormwater	0.7	0.7	1.0	1.3	1.5
Telecommunications	1.2	2.2	2.2	6.1	6.1
Total	58.2	61.4	64.1	71.0	72.8

Source: Various city departments

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

Function	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police										
Physical arrests	657	727	618	723	620	876	650	371	218	472
Parking violations	55	57	79	114	420	105	150	152	128	117
Traffic violations	1,296	1,481	1,696	1,563	1,197	1,154	1,011	1,664	405	710
Highways and streets										
Street resurfacing (SF)	155,908	469,530	-	611,076	111,440	184,000	73,972	296,631	-	-
Water										
Meter connections	3,250	3,312	3,337	3,357	3,455	3,460	3,637	3,729	3,779	3,850
Average daily consumption (gallons)	1,114,467	1,119,488	1,028,334	1,081,000	1,068,000	824,887	930,000	1,190,000	1,200,000	1,135,000
Wastewater										
Average daily sewage treatment (gallons)	1,077,753	1,277,068	1,378,795	1,245,000	1,460,000	1,302,550	1,360,000	1,488,000	1,600,000	1,126,000

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

FUNCTION	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Government Activities:										
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	11	14	14	14	14	14	14	14	14	14
Highways and streets										
Streets (miles)	34.0	34.0	34.0	34.0	34.6	34.6	34.7	34.9	35	0
Culture and recreation										
Parks acreage	165	165	165	165	165	172	172	172	172	212
Community centers	1	1	1	1	1	1	1	1	1	1
Business-type Activities:										
Water										
Maximum daily capacity (gallons)	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000	3,700,000	3,700,000	3,700,000	3,700,000	3,700,000
Sewer										
Maximum wet weather treatment capacity (gallons)	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000

Source: City Departments



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