

City of Keizer

Marion County, Oregon

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2019



***CITY OF KEIZER
MARION COUNTY, OREGON
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
Fiscal Year Ended June 30, 2019***

*Prepared by
City of Keizer - Finance Department
Timothy E. Wood, Finance Director*

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MAYOR

Cathy Clark

Term Expires

January 2021

CITY COUNCIL

Kim Freeman

January 2021

Roland Herrera

January 2023

Dan Kohler

January 2023

Marlene Parsons

January 2021

Laura Reid

January 2021

Elizabeth Smith

January 2023

City Officials may be contacted at:

Mailing Address
930 Chemawa Road NE
Keizer, Oregon 97303

STAFF

CITY MANAGER
Chris Eppley

HUMAN RESOURCES DIRECTOR
Machell DePina

CHIEF OF POLICE
John Teague

COMMUNITY DEVELOPMENT DIRECTOR
Nathan Brown

CITY RECORDER
Tracy Davis

PUBLIC WORKS DIRECTOR
Bill Lawyer

FINANCE DIRECTOR
Timothy E. Wood

CITY ATTORNEY
E. Shannon Johnson



City of Keizer

Phone: (503) 390-3700 • Fax: (503) 393-9437
930 Chemawa Rd. N.E. • P.O. Box 21000 • Keizer, OR 97307-1000

December 13, 2019

Citizens of Keizer
The Honorable Mayor Cathy Clark
Members of the City Council
Christopher Eppley, City Manager
930 Chemawa Road NE
Keizer, Oregon 97303

INTRODUCTION

The City of Keizer Finance Department is pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Keizer, Oregon for the fiscal year ended June 30, 2019. This report is published in fulfillment of the Oregon Revised Statutes (ORS 297.425), which require that every general-purpose local government publish a complete set of audited financial statements within six months of the close of the fiscal year.

The financial statements and supporting schedules have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and meet the requirements of the standards as prescribed by the Secretary of State. We believe the data, as presented, are accurate in all material respects and presented in a manner designed to fairly set forth the financial position and results of operations of the various funds of the City.

Responsibility for the completeness and reliability of the information contained in this report rests with the City's management and is based on an internal control structure designed for this purpose. The internal control structure is designed to provide reasonable, rather than absolute, assurance that these objectives are met because the cost of the internal control should not exceed the related benefits likely to be derived.

The accounting firm of Grove, Mueller & Swank P.C. performed an audit of our financial statements and other information using generally accepted auditing standards. Their unmodified opinions are included in the Financial Section of the report.

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

THE CITY

The City of Keizer, Oregon (City) is a financially independent entity located in Marion County in the center of the Willamette Valley. The City is bordered on the western edge by the Willamette River, southern edge by the city of Salem, eastern edge by Interstate 5, and the northern edge by rural portions of Marion County. The City was incorporated in 1982 and operates under a charter that was adopted and has been periodically updated by the voters. The City of Keizer is the 13th largest city by population in the state of Oregon.

The City operates under a council-manager form of government. The council-manager form of government separates the legislative policy function from the professional administrative functions. The City Council consists of a Mayor and six Councilors, all of which are volunteers. The Mayor is the formal representative of the City, and is elected to a two-year term by the voters at-large on a non-partisan ballot. The City Council is composed of six non-partisan members elected to four-year terms, with half the council elected every two years. These seven officers comprise the

Council who make the policy decisions for municipal activity and pass its ordinances and resolutions.

The Council appoints a City Manager who is responsible for the administration and execution of the City's policies and ordinances. As of June 30, 2019 there are 101 full-time city employees working in eight departments: City Manager, Finance, Human Resources, Public Works, Community Development, City Recorder, Legal Services and Police Services. The City is subject to collective bargaining agreements with the Keizer Police Association and the Municipal Utility Workers' Local 320.

The City provides basic services. These services include police, municipal court, street construction and maintenance, water reservoirs, wells and water lines, storm drainage, land use planning and zoning, public improvements, parks and administrative services. The City contracts with the City of Salem, Oregon for maintenance of its sanitary sewer system and administers the billing function for use of this facility.

In June 1997, the City revised its tax base for the first time since 1986. Shortly thereafter, Oregon's tax system was overturned by Ballot Measure 50 and like all Oregon cities, Keizer had a permanent tax rate, replacing the existing tax base. The tax rate is constrained by the effects of Measure 5, which limits the consolidated tax rate that local governments can charge plus Measure 50, which limits growth in assessed value and places a tax rate limit that can be charged on each parcel of taxed property. The City's permanent levy rate is \$2.0838 per thousand. This amount will be applied to the taxable assessed value on the roll. The assessed value growth is limited to 3.0% plus any new construction, remodeling, or value increases due to property sales. In Fiscal Year 2019, the City's taxable assessed value increased 4.42% overall.

ECONOMIC CONDITION AND OUTLOOK

The City's economic condition is significantly influenced by the economic conditions of the neighboring cities, since the majority of the workforce that resides within the City commutes to Salem or the Portland Metro area for employment. The area's unemployment rate increased slightly to 4.2% as compared to 4.1% the previous year. The City's economy is supported by jobs in the service, technology/manufacturing, retail and government sector.

When the City was incorporated, the City limits were aligned adjacent to the urban growth boundaries leaving little opportunity for annexation. In fact, the City's area has increased less than one-hundredth of one square mile since it was incorporated. This geographic constraint will result in new residential and commercial construction slowing over time as infill is completed. Despite the geographic constraint and the economic slowdown the City's real market value continues to exceed the assessed value.

FINANCIAL INFORMATION

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

The City is required by state law to budget all funds. The budgeting process includes employee and citizen input through various stages of preparation, public hearings and adoption of the original budget by the City Council. Requirements not anticipated in the original budget may be added through the use of a supplemental budget. A supplemental budget requires publications in newspapers and adoption by the City Council. Original and supplemental budgets may also be modified by the use of appropriation transfers between the cost categories. Such transfers require approval by the City Council.

Budgetary control is maintained at the fund and/or departmental level by comparison of estimated purchase amounts with adopted appropriations prior to placing purchase orders to vendors. The City Manager and the seven department heads are responsible for ensuring their departments, funds and programs fall within appropriated amounts.

FINANCIAL PLANNING

The City will continue to have an ongoing need for new or expanded streets, water, stormwater, and sanitary sewer systems, public safety measures and cultural and recreation opportunities. The guiding principle for all of the City's long-term financial planning is a focus on sustainability. Service levels are set and planned for in a manner in which costs are not allowed to exceed revenue. The City actively engages in long-term financial planning through its annual budgetary process, the creation of master plans for certain services and through the development of a multi-year long-range financial plan.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate for Achievement of Excellence in Financial Reporting to the City of Keizer for its comprehensive annual financial report for the fiscal year ended June 30, 2018. This was the twentieth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. 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.

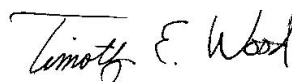
DISTINGUISHED BUDGET PRESENTATION AWARD

The City of Keizer received GFOA's Distinguished Budget Presentation Award for its FY 18-19 annual budget document and the FY 19-20 annual budget has been submitted. This is the fifth year that the City of Keizer has achieved the prestigious award of a distinguished presentation. The Distinguished Budget Presentation is the highest form of recognition in governmental budgeting. Its attainment represents a significant accomplishment by a government and its management. In order to receive the award, a governmental unit must publish a budget document that meets program criteria as a policy document, a communications medium, an operations guide, and a financial plan.

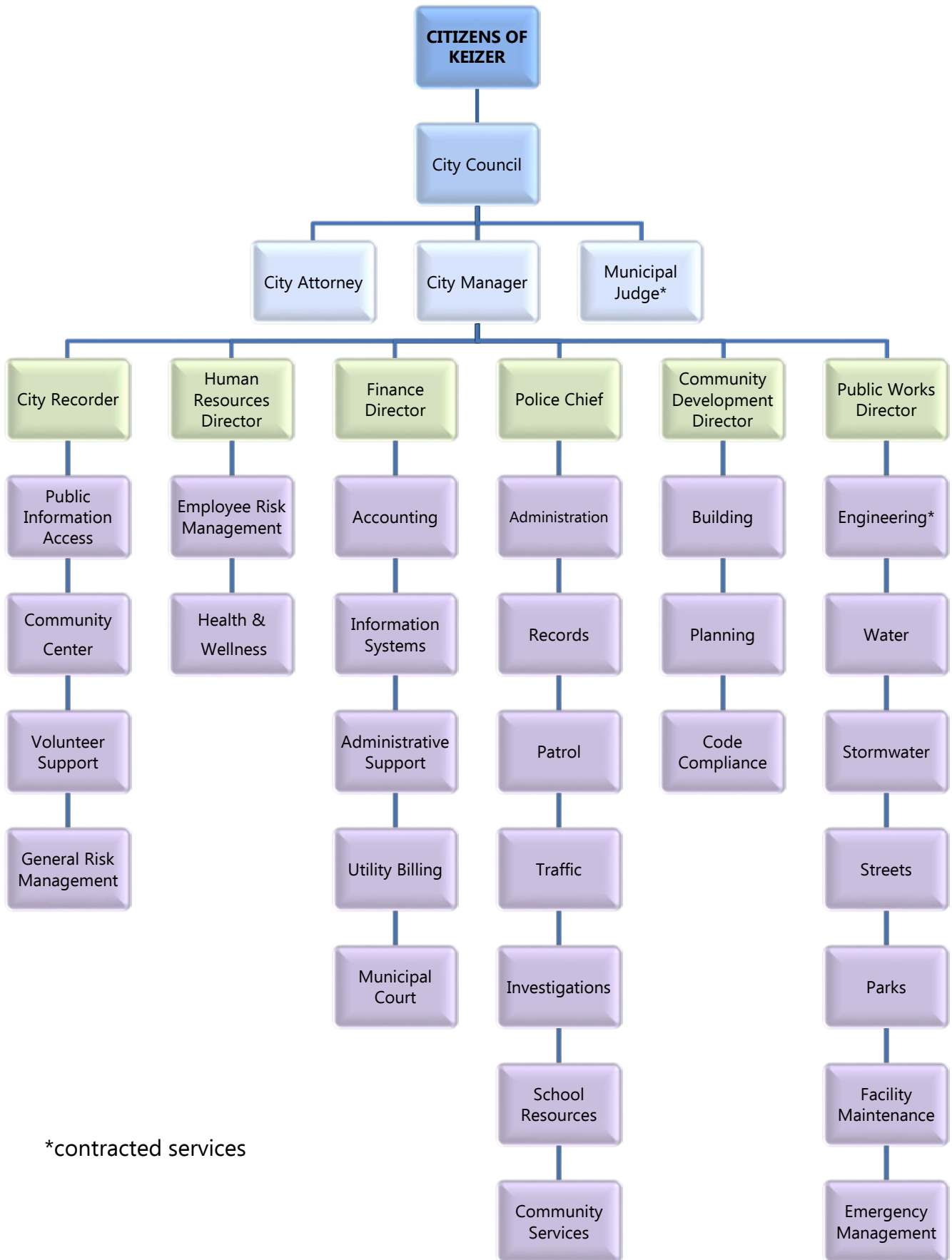
ACKNOWLEDGMENTS

Special recognition is given to the City's Finance staff whose hard work and dedication during the annual audit ensures the preparation of the Comprehensive Annual Financial Report on a timely basis. I also recognize and thank all other Departments within the City who provided supporting information for this report. I would like to express my appreciation to the Mayor, City Council members, the Audit Committee, the Budget Committee, and the City Manager for their leadership, support and dedication, to ensure the sound financial operations of the City of Keizer. Preparation of this report would not have been successful without that support.

Respectfully submitted,



Timothy E. Wood
Finance Director



*contracted services



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Keizer
Oregon**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO



GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
475 Cottage Street NE, Suite 200, Salem, Oregon 97301
(503) 581-7788

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Council Members
City of Keizer
930 Chemawa Road NE
Keizer, Oregon 97303

Report on 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 the City of Keizer, Oregon (the City) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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. 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 City'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 City'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 the City of Keizer, Oregon, as of June 30, 2019, 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.

Emphasis of Matter – Change in Accounting Presentation

During the year ended June 30, 2019, the City combined related enterprise funds into two operating funds, Water and Water Facility, and Sewer and Sewer Reserve. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis (MD&A) and the schedules of revenues, expenditures and changes in fund balance – budget and actual for the General and Street funds (“the budgetary schedules”), the schedule of the City’s proportionate share of the net pension liability (asset) – Oregon public employees retirement system, the schedule of the City’s contributions – Oregon public employees retirement system (PERS schedules), the schedule of the changes in total other post-employment benefits liability and related ratios, the schedule of the City’s proportionate share of the net OPEB liability (asset) – Oregon public employees retirement system retiree health insurance account, and the schedule of the City’s contributions – Oregon public employees retirement system retiree health insurance account (OPEB schedules) 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 management’s discussion and analysis, PERS schedules and OPEB schedules described in the preceding paragraph in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The budgetary schedules described above were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The budgetary schedules have 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 budgetary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Supplementary Information

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

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.


Other Information

The introductory and statistical sections 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.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 13, 2019, on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and results of that testing and not to provide an opinion on compliance.

GROVE, MUELLER & SWANK, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

By 
Katherine R. Wilson, A Shareholder
December 13, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2019

This discussion and analysis of the City of Keizer's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2019. Please read it in conjunction with the accompanying transmittal letter (beginning on page ii), the basic financial statements (beginning on page 16), and the accompanying notes to those basic financial statements (beginning on page 29).

THE FINANCIAL STATEMENTS

The financial statements presented herein include all of the activities of the City of Keizer (the City) and its component unit using the integrated approach as prescribed by GASB Statement No. 34. The *government-wide financial statements* (pages 16-18) present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. Governmental activities and business type activities are presented separately. These statements include all assets of the City (including infrastructure) as well as all liabilities (including long-term debt). Additionally, certain eliminations have occurred as prescribed by Statement No. 34 in regards to interfund activity, payables and receivables.

The *fund financial statements* (pages 19-28) include statements for each of the categories of activities - governmental and proprietary. The governmental activities are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. The proprietary activities are prepared using the economic resources measurement focus and the accrual basis of accounting. A reconciliation of the fund financial statements to the government-wide financial statements is provided to explain the differences created by the integrated approach.

REPORTING THE CITY AS A WHOLE

The **Statement of Net Position** and the **Statement of Activities** report financial information about the City as a whole and about its activities. These statements include *all* assets and liabilities of the City using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's *net position* and the changes in net position. Net position is the difference between assets and liabilities, which is one way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net position is one indicator of whether its *financial health* is improving or deteriorating. Other factors to consider are changes in the City's property tax base and the condition of the City's infrastructure. In these statements, City activities are separated as follows:

Governmental activities - Most of the City's basic services are reported in this category, including General Government, Police, Community Development, and Street maintenance and preservation. Property taxes, state shared revenues, interest income, franchise fees, and state and federal grants finance these activities.

Business-type activities - The City's water, sewer and stormwater activities are reported in this category. The City charges a fee to customers to cover all or most of the cost of certain services it provides.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

Governmental funds - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The reconciliation of differences between the governmental fund financial statements and the government-wide financial statements is explained in a section following each governmental fund financial statement.

Proprietary funds - When the City charges customers for the services it provides - whether to outside customers or to other units of the City - these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows.

FINANCIAL ACTIVITIES OF THE CITY AS A WHOLE

Government-wide Financial Statements

Statement of Net Position

The following table reflects the condensed Statement of Net Position compared to the prior year.

Table 1
Statements of Net Position
As of June 30,

| | Governmental Activities | | Business-type Activities | | Totals | |
|---|----------------------------|---------------|-----------------------------|---------------|---------------|---------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Cash and investments | \$ 12,871,507 | \$ 12,539,641 | \$ 3,415,318 | \$ 2,475,341 | \$ 16,286,825 | \$ 15,014,982 |
| Other assets | 12,779,469 | 13,735,323 | 1,867,488 | 1,832,357 | 14,646,957 | 15,567,680 |
| Capital assets | 60,993,789 | 61,219,327 | 10,275,157 | 10,400,061 | 71,268,946 | 71,619,388 |
| Total assets | 86,644,765 | 87,494,291 | 15,557,963 | 14,707,759 | 102,202,728 | 102,202,050 |
| Total deferred outflows of resources | 2,881,736 | 2,361,369 | 794,557 | 665,659 | 3,676,293 | 3,027,028 |
| Total assets and deferred outflows of resources | 89,526,501 | 89,855,660 | 16,352,520 | 15,373,418 | 105,879,021 | 105,229,078 |
| Other liabilities | 9,438,728 | 8,838,179 | 3,135,007 | 2,844,956 | 12,573,735 | 11,683,135 |
| Long-term debt | 14,607,000 | 15,625,000 | 440,000 | 650,000 | 15,047,000 | 16,275,000 |
| Total liabilities | 24,045,728 | 24,463,179 | 3,575,007 | 3,494,956 | 27,620,735 | 27,958,135 |
| Total deferred inflows of resources | 505,273 | 304,673 | 213,205 | 136,244 | 718,478 | 440,917 |
| Total liabilities and deferred inflows of resources | 24,551,001 | 24,767,852 | 3,788,212 | 3,631,200 | 28,339,213 | 28,399,052 |
| Net position | | | | | | |
| Net investment in capital assets | 47,700,192 | 46,907,730 | 9,835,157 | 9,750,061 | 57,535,349 | 56,657,791 |
| Restricted | 19,880,698 | 20,441,015 | 1,291,976 | 1,040,844 | 21,172,674 | 21,481,859 |
| Unrestricted | (2,605,390) | (2,260,937) | 1,437,175 | 951,313 | (1,168,215) | (1,309,624) |
| Total net position | \$ 64,975,500 | \$ 65,087,808 | \$ 12,564,308 | \$ 11,742,218 | \$ 77,539,808 | \$ 76,830,026 |

Overall the City's financial position increased by \$0.7 million. The majority of this is due to higher than anticipated revenues in the Water and Community Center Funds coupled with lower than anticipated expenditures in the Storm Water Fund.

Governmental Activities

The City's net position from governmental activities decreased by \$0.2 million from \$65.1 million to \$64.9 million. This decrease is the change in net position reflected in the condensed Statement of Net Position, and explained below:

- Cash and investments increased by \$0.3 million as the result of normal fluctuations in when cash is received.
- Other assets decreased by \$1.0 million, as a result the ongoing collection of \$0.9 million in assessments associated with the Keizer Station Local Improvement District offset by an increase in accounts receivable associated with normal fluctuations in when cash is received.
- Capital assets decreased by \$0.2 million, primarily as a result of
 - \$3.0 million for acquisition of capital assets (primarily street resurfacing projects) offset by
 - \$3.2 million of depreciation expense and asset disposals.
- Deferred outflows of resources increased by \$0.5 million as the result of a change in the underlying actuarial assumptions associated with the Oregon Public Employee Retirement System.
- Other liabilities increased by \$0.6 million as the result of an increase in the Net Pension Liability associated with the Oregon Public Employee Retirement System.
- Long-term debt outstanding decreased by \$1.0 million, as the result of paying down the debt associated with the Keizer Station Local Improvement District bond and the Dearborn Bridge Replacement bank loan.
- Deferred inflows of resources increase by \$0.2 million as the result of the net difference between projected and actual earnings on Oregon Public Employee Retirement System's pension plan investments.

Business-type Activities

The City's net position from business-type activities increased by \$0.8 million from \$11.7 million to \$12.5 million. This increase is the change in net position reflected in the Statement of Net Position, and explained below:

- Cash and investments increased by \$0.9 million as the result of normal fluctuations in when cash is received.
- Capital assets decreased by \$0.1 million as a result of \$0.5 million investment in water and sewer systems and equipment and vehicles offset by \$0.6 million of depreciation expense.
- Deferred outflows of resources increased by \$0.1 million as the result of a change in the underlying actuarial assumptions associated with the Oregon Public Employee Retirement System.
- Other liabilities increased by \$0.3 million as the result of an increase in the Net Pension Liability associated with the Oregon Public Employee Retirement System.
- Long-term debt decreased by \$0.2 million as the result of the scheduled principal payments on outstanding Water Revenue Bonds.
- Deferred inflows of resources increase by \$0.1 million as the result of the net difference between projected and actual earnings on Oregon Public Employee Retirement System's pension plan investments.

Statement of Activities

The following table reflects the condensed Statement of Activities and comparison to the prior year.

Table 2
Statements of Activities
For the years ending June 30,

| | Governmental | | Business-type | | Totals | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | Activities | Activities | Activities | Activities | Activities | Activities |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Program Revenues | | | | | | |
| Fees, fines, and charges for services | \$ 2,285,152 | \$ 1,626,958 | \$ 11,359,688 | \$ 11,045,465 | \$ 13,644,840 | \$ 12,672,423 |
| Operating grants and contributions | 3,292,210 | 2,871,026 | - | - | 3,292,210 | 2,871,026 |
| Capital grants and contributions | 736,312 | 214,983 | 37,453 | 41,764 | 773,765 | 256,747 |
| Total program revenues | 6,313,674 | 4,712,967 | 11,397,141 | 11,087,229 | 17,710,815 | 15,800,196 |
| General Revenues | | | | | | |
| Taxes and assessments | 5,743,098 | 5,613,585 | - | - | 5,743,098 | 5,613,585 |
| Franchise taxes | 2,763,692 | 2,764,326 | - | - | 2,763,692 | 2,764,326 |
| Intergovernmental | 865,271 | 828,085 | - | - | 865,271 | 828,085 |
| Gain on the sale of capital assets | - | 8,500 | - | - | - | 8,500 |
| Miscellaneous | 1,080,033 | 904,857 | 239,822 | 149,050 | 1,319,855 | 1,053,907 |
| Total general revenues | 10,452,094 | 10,119,353 | 239,822 | 149,050 | 10,691,916 | 10,268,403 |
| Total Revenues | 16,765,768 | 14,832,320 | 11,636,963 | 11,236,279 | 28,402,731 | 26,068,599 |
| Expenses | | | | | | |
| Programs | 16,377,676 | 15,606,011 | 11,315,273 | 11,066,098 | 27,692,949 | 26,672,109 |
| Change in net position before transfers | 388,092 | (773,691) | 321,690 | 170,181 | 709,782 | (603,510) |
| Transfers | (500,400) | (460,400) | 500,400 | 460,400 | - | - |
| Change in net position | (112,308) | (1,234,091) | 822,090 | 630,581 | 709,782 | (603,510) |
| Beginning net position, | 65,087,808 | 64,263,178 | 11,742,218 | 10,705,662 | 76,830,026 | 74,968,840 |
| Restatement from implementing new accounting standard | - | 2,058,721 | - | 405,975 | - | 2,464,696 |
| Beginning net position, revised | 65,087,808 | 66,321,899 | 11,742,218 | 11,111,637 | 76,830,026 | 77,433,536 |
| Ending net position | <u>\$ 64,975,500</u> | <u>\$ 65,087,808</u> | <u>\$ 12,564,308</u> | <u>\$ 11,742,218</u> | <u>\$ 77,539,808</u> | <u>\$ 76,830,026</u> |

Governmental Activities

The City's net position from governmental activities decreased by \$0.1 million in the current year as compared to a decrease of \$1.2 in the previous year. This change in net position primarily reflects:

- Fee, fines and charges for services – These revenues increased \$0.7 million primarily as the result of the annualized impact of implementing a Police Services Fee and Park Services Fee in November 2017.
- Operating grants and contributions increased by \$0.4 million as the result of the City receiving a grant from the State of Oregon to add restroom facilities at Keizer Rapids Park.

- Taxes and assessments – These are revenues arising from property taxes, street lighting district assessments, local improvement district assessments and urban renewal tax increment revenues. Taxes and assessments increased \$0.1 million as the result of an increase in the assessed value of property within the City limits and additional construction resulting in more property tax collected.
- Miscellaneous – Revenues primarily consist of interest earnings on funds held for working capital needs and interest earned on assessments and reserves held over an extended period of time. Miscellaneous revenues increased by \$0.2 million primarily due to one-time revenue received by the Street Fund as reimbursements for street related improvement projects.
- Programs - These are direct expenses that are specifically associated with a service, program, or department and, thus, are clearly identifiable to a particular function. The following table reflects the changes in program expenses:

Table 3
Governmental Activities - Program Expenses
For the years ending June 30,

| Programs | 2019 | | 2018 | | Compared to Prior Year | |
|------------------------------|----------------------|---------------|----------------------|---------------|---------------------------|-------------|
| | Amount | % | Amount | % | Change | % |
| General government | \$ 2,269,514 | 13.9% | \$ 2,034,704 | 13.0% | \$ 234,810 | 11.5% |
| Community and youth services | 36,052 | 0.2% | 22,187 | 0.1% | 13,865 | 62.5% |
| Community development | 2,453,365 | 15.0% | 2,453,238 | 15.7% | 127 | 0.0% |
| Parks | 763,928 | 4.7% | 723,829 | 4.6% | 40,099 | 5.5% |
| Public safety | 8,445,721 | 51.6% | 7,912,602 | 50.7% | 533,119 | 6.7% |
| Public works | 1,651,007 | 10.1% | 1,701,588 | 10.9% | (50,581) | -3.0% |
| Interest on long-term debt | 758,089 | 4.6% | 757,863 | 4.9% | 226 | 0.0% |
| Total expenses | <u>\$ 16,377,676</u> | <u>100.0%</u> | <u>\$ 15,606,011</u> | <u>100.0%</u> | <u>\$ 771,665</u> | <u>4.9%</u> |

Program expenses increased by \$0.8 million from \$15.6 million in the prior year to \$16.4 million in the current year. The primary reason for the increase is the annualized impact of the Police Department adding five additional officers and the Parks Department adding two additional employees in response to the Police Services Fee and Park Services Fee which started in November 2017.

Business-type Activities

The City’s net position from business-type activities increased by \$0.8 million in the current year as compared to the prior year.

Program expenses are direct expenses that are specifically associated with a service, program, or department and, thus, are clearly identifiable to a particular function. The following table reflects the changes in program expenses:

Table 4
Business-type Activities - Program Expenses
For the years ending June 30,

| Programs | 2019 | | 2018 | | Compared to Prior Year | |
|---------------------------|----------------------|---------------|----------------------|---------------|-----------------------------------|-------------|
| | Amount | % | Amount | % | Change | % |
| Water | \$ 3,002,331 | 26.5% | \$ 2,842,910 | 25.7% | \$ 159,421 | 5.6% |
| Sewer | 6,056,382 | 53.5% | 5,938,158 | 53.7% | 118,224 | 2.0% |
| Stormwater | 1,560,693 | 13.8% | 1,580,629 | 14.3% | (19,936) | -1.3% |
| Community Center | 308,389 | 2.7% | 290,796 | 2.6% | 17,593 | 6.0% |
| Street Lighting Districts | 387,478 | 3.4% | 413,605 | 3.7% | (26,127) | -6.3% |
| Total expenses | \$ 11,315,273 | 100.0% | \$ 11,066,098 | 100.0% | \$ 249,175 | 2.3% |

Program expenses increased by \$0.3 million primarily as the result of an increase in pass through sewer charges from the City of Salem who is responsible for maintaining the regional sewer system.

Fund Financial Statements - Governmental Funds

The following table reflects a summary of ending fund balances for governmental funds compared to the prior year.

Table 5
Governmental Funds - Fund Balances
As of June 30,

| Major Funds | 2019 | | 2018 | | Compared to Prior Year | |
|----------------------------|----------------------|---------------|----------------------|---------------|-----------------------------------|-------------|
| | Amount | % | Amount | % | Change | % |
| General | \$ 3,017,421 | 23.1% | \$ 2,609,897 | 21.1% | \$ 407,524 | 15.6% |
| Streets | 2,758,099 | 21.1% | 3,037,414 | 24.6% | (279,315) | -9.2% |
| Transportation Improvement | 3,280,801 | 25.1% | 2,997,193 | 24.3% | 283,608 | 9.5% |
| Keizer Station LID | 2,724,408 | 20.9% | 2,716,376 | 22.0% | 8,032 | 0.3% |
| Other Governmental Funds | 1,274,547 | 9.8% | 989,024 | 8.0% | 285,523 | 28.9% |
| Total fund balances | \$ 13,055,276 | 100.0% | \$ 12,349,904 | 100.0% | \$ 705,372 | 5.7% |

At June 30, 2019, the City's governmental funds reported combined fund balances of \$13.1 million, which is an increase of \$0.7 million compared with last year. In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

General

The General fund accounts for all of the financial resources of the City, which are not accounted for in any other fund. Principal sources of revenue are property taxes, franchise taxes, state shared revenues and fines and forfeitures. Principal expenditures are made for police, community development, administration, and parks.

The General fund revenue increased by \$1.1 million from \$11.0 million in the prior year to \$12.1 million in the current year. General fund revenue consisted of the following:

| | 2019 | | 2018 | | Compared to Prior Year | |
|-----------------------------------|----------------------|---------------|----------------------|---------------|---------------------------|-------------|
| | Amount | % | Amount | % | Change | % |
| Taxes and assessments | \$ 5,841,664 | 48.2% | \$ 5,513,465 | 49.9% | \$ 328,199 | 6.0% |
| Licenses and permits | 4,264,707 | 35.2% | 3,729,602 | 33.8% | 535,105 | 14.3% |
| Charges for services | 150 | 0.0% | - | 0.0% | 150 | 100.0% |
| Intergovernmental | 1,253,372 | 10.3% | 1,211,771 | 11.0% | 41,601 | 3.4% |
| Fines and forfeitures | 472,633 | 3.9% | 387,003 | 3.5% | 85,630 | 22.1% |
| Miscellaneous | 296,291 | 2.4% | 204,220 | 1.8% | 92,071 | 45.1% |
| Total General fund revenue | \$ 12,128,817 | 100.0% | \$ 11,046,061 | 100.0% | \$ 1,082,756 | 9.8% |

General fund expenditures consisted of the following:

| | 2019 | | 2018 | | Compared to Prior Year | |
|--|----------------------|---------------|----------------------|---------------|---------------------------|-------------|
| | Amount | % | Amount | % | Change | % |
| General government | \$ 2,079,979 | 17.9% | \$ 2,003,679 | 18.4% | \$ 76,300 | 3.8% |
| Community and youth services | 36,052 | 0.3% | 22,187 | 0.2% | 13,865 | 62.5% |
| Community development | 563,072 | 4.9% | 520,647 | 4.8% | 42,425 | 8.1% |
| Parks | 963,591 | 8.3% | 727,864 | 6.7% | 235,727 | 32.4% |
| Public safety | 7,961,199 | 68.6% | 7,600,091 | 69.9% | 361,108 | 4.8% |
| Total General fund expenditures | \$ 11,603,893 | 100.0% | \$ 10,874,468 | 100.0% | \$ 729,425 | 6.7% |

Parks and Public Safety expenditures increased significantly as the result of the annualized impact of the cost of services added in response to the Parks and Public Safety fees implemented in November 2017.

Street Fund

The Street fund accounts for the use of gas tax revenue received. Street fund revenues increased by \$0.6 million from \$2.5 million in the prior year to \$3.1 million in the current year, primarily as the result of a state-wide increase in gas tax.

Expenditures are restricted to street and bike-path related projects and costs, plus debt service on street-related debt. Expenditures were \$2.8 million in the current year as compared to \$3.0 million in the prior year and consisted primarily of ongoing street resurfacing projects.

Transportation Improvement Fund

The Transportation Improvement fund is used to account for systems development charges designated for transportation improvements. These fees are collected from new development in the City. Improvements are included in the City Council adopted Transportation Master Plan and expenditures follow the adopted methodology.

Consistent with prior year the Transportation Improvement fund collected approximately \$0.3 million in revenues and did not have any expenditures.

Keizer Station LID Fund

The Keizer Station LID fund accounts for the improvements to the Keizer Station Development project. In fiscal year 2007 a line-of-credit was used to finance the construction phase of the project. The development was completed in fiscal year 2008 and the City paid off the line-of-credit by issuing long-term debt. The costs of the improvements have been assessed to the property owners who directly benefit from the project. The assessment payments will be used to pay off the long-term debt.

The Keizer Station LID fund revenues remained consistent at 1.6 million in the current year as compared to the prior year.

The Keizer Station LID fund expenditures remained consistent at \$1.6 million in the current year as compared to the prior year. The \$1.6 million is principal and interest payments on the outstanding debt.

Other Governmental Funds

These funds are not presented separately in the basic financial statements, but are individually presented as supplemental information.

Fund Financial Statements - Proprietary Funds

The following table reflects a summary of net position for Proprietary Funds compared to the prior year.

Table 6
Proprietary Funds - Net Position
As of June 30,

| Major Funds | 2019 | | 2018 | | Compared to Prior Year | |
|--------------------------|----------------------|---------------|----------------------|---------------|-----------------------------------|-------------|
| | Amount | % | Amount | % | Change | % |
| Sewer and Sewer Reserve | \$ 2,108,991 | 16.8% | \$ 1,906,724 | 16.2% | \$ 202,267 | 10.6% |
| Water and Water Facility | 8,110,138 | 64.5% | 7,811,234 | 66.5% | 298,904 | 3.8% |
| Stormwater | 1,644,368 | 13.1% | 1,285,897 | 11.0% | 358,471 | 27.9% |
| Other Funds | 700,811 | 5.6% | 738,363 | 6.3% | (37,552) | -5.1% |
| Total net position | <u>\$ 12,564,308</u> | <u>100.0%</u> | <u>\$ 11,742,218</u> | <u>100.0%</u> | <u>\$ 822,090</u> | <u>7.0%</u> |

Water and Water Facility Funds

The Water and Water Facility funds account for the operations, maintenance, and capital construction of the water system. The primary sources of revenues are user fees, system development charges, and interest earnings.

The Water and Water Facility funds revenues increased from \$3.2 million in the prior year to \$3.3 million in the current year. The Water fund had a 4% rate increase that took effect January 1, 2019. In addition the Water and Water Facility funds received one-time revenue in the prior year which did not occur in the current year.

The Water and Water Facility funds expenses increased to \$3.0 million in the current year as compared to \$2.8 million in fiscal prior year.

Sewer and Sewer Reserve Funds

The Sewer and Sewer Reserve funds account for the operations, maintenance, and capital construction of the water and wastewater collection systems. The primary sources of revenues are user fees, system development charges, and interest earnings. The City of Keizer contracts with the City of Salem to provide sewer services to Keizer residences. Much of the activity in the fund is “passed through”; it is collected from the customer and paid to the City of Salem for sewer services. A portion of each billing receipt is retained in the fund to pay the cost of administering the sewer accounts.

The Sewer fund revenues and expenses increased to \$6.1 million in the current year as compared to \$5.9 million in the prior year. The increase is due to a 2.0% rate increase that took effect January 1, 2019 offset by lower consumption charges.

Stormwater Fund

The Stormwater fund reflects a program designed to meet the Federal Clean Water Act. The primary sources of revenues are user fees, system development charges and gas tax revenues (transferred from the City’s Street fund).

The Stormwater fund revenues increased \$0.1 million from \$1.3 million in prior year to \$1.4 million in the current year. The increase is due to a rate increase that took effect January 1, 2019.

The Stormwater fund expenses remained consistent at \$1.6 million in the current year as compared to the prior year.

Budgetary Highlights

The General fund budget was modified during the year to recognize and appropriate \$10,000 of municipal court revenue in excess of what was originally anticipated. In addition the General fund budget was increased to recognize and appropriate \$45,000 in insurance proceeds received as the result of a police vehicle accident.

Capital Assets

As of June 30, 2019, the City had invested \$71.3 million in capital assets as reflected in the following table, which represents a net decrease (additions, deductions, and depreciation) of \$0.3 million, when compared to the previous fiscal year.

Table 7
Capital Assets at June 30,
(net of depreciation)

| | Governmental | | Business-type | | Totals | |
|---------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | Activities | | Activities | | | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Land | \$ 14,941,368 | \$ 14,941,368 | \$ 371,759 | \$ 371,759 | \$ 15,313,127 | \$ 15,313,127 |
| Construction in process | - | 544,562 | - | 201,474 | - | 746,036 |
| Building and improvements | 53,882,405 | 50,966,874 | 1,065,730 | 1,065,730 | 54,948,135 | 52,032,604 |
| Equipment and vehicles | 3,059,063 | 2,824,608 | 1,157,048 | 1,049,057 | 4,216,111 | 3,873,665 |
| Infrastructure | 38,935,047 | 38,620,049 | 25,587,076 | 25,026,590 | 64,522,123 | 63,646,639 |
| Accumulated depreciation | (49,824,094) | (46,678,134) | (17,906,456) | (17,314,549) | (67,730,550) | (63,992,683) |
| Net capital assets | <u>\$ 60,993,789</u> | <u>\$ 61,219,327</u> | <u>\$ 10,275,157</u> | <u>\$ 10,400,061</u> | <u>\$ 71,268,946</u> | <u>\$ 71,619,388</u> |

The following table is a summarized reconciliation of the change in capital assets.

Table 8
Changes in Capital Assets
For the year ending June 30, 2019

| | <u>Governmental</u> <u>Activities</u> | <u>Business-type</u> <u>Activities</u> | <u>Total</u> |
|--------------------|--|---|----------------------|
| Beginning balance | \$ 61,219,327 | \$ 10,400,061 | \$ 71,619,388 |
| Additions | 2,952,905 | 467,003 | 3,419,908 |
| Depreciation | <u>(3,178,443)</u> | <u>(591,907)</u> | <u>(3,770,350)</u> |
| Net capital assets | <u>\$ 60,993,789</u> | <u>\$ 10,275,157</u> | <u>\$ 71,268,946</u> |

For more detailed information see the Notes to Basic Financial Statements (pages 40-41).

The City depreciates all its capital assets except for land.

Debt Outstanding

As of June 30, 2019, the City had \$15.0 million in debt (bonds, notes, etc.) outstanding compared to the \$16.3 million last year.

Table 9
Outstanding Debt at Year End
June 30,

| | <u>Totals</u> | |
|-------------------------------|----------------------|----------------------|
| | <u>2019</u> | <u>2018</u> |
| Governmental Activities | | |
| Gas Tax Revenue Loan 2018 | \$ 1,712,000 | \$ 1,800,000 |
| Keizer Station LID Bonds 2008 | <u>12,895,000</u> | <u>13,825,000</u> |
| Total Governmental Activities | 14,607,000 | 15,625,000 |
| Business-type Activities | | |
| Water Revenue Loan | <u>440,000</u> | <u>650,000</u> |
| Total | <u>\$ 15,047,000</u> | <u>\$ 16,275,000</u> |

For more detailed information see the Notes to Basic Financial Statements (pages 42-43).

ECONOMIC FACTORS

The economy of the City and its major initiatives are discussed in detail in the accompanying Transmittal Letter.

FINANCIAL CONTACT

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, please contact the City's Finance Director at 930 Chemawa Road NE, Keizer, Oregon 97303.

BASIC FINANCIAL STATEMENTS

CITY OF KEIZER, OREGON
STATEMENT OF NET POSITION
JUNE 30, 2019

| | Governmental Activities | Business-type Activities | Totals |
|--|------------------------------------|-------------------------------------|----------------------|
| ASSETS | | | |
| Cash and investments | \$ 12,871,507 | \$ 3,415,318 | \$ 16,286,825 |
| Accounts receivable | 837,483 | 1,713,239 | 2,550,722 |
| Property taxes receivable | 266,208 | - | 266,208 |
| Assessment liens receivable | 11,243,272 | - | 11,243,272 |
| Loans receivable | 373,520 | - | 373,520 |
| Inventories | - | 140,127 | 140,127 |
| Nondepreciable capital assets | 14,941,368 | 371,759 | 15,313,127 |
| Other capital assets, net of depreciation | 46,052,421 | 9,903,398 | 55,955,819 |
| Other post-employment benefits | 58,986 | 14,122 | 73,108 |
| <i>Total Assets</i> | 86,644,765 | 15,557,963 | 102,202,728 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred outflows of resources related to OPEB | 118,492 | 28,372 | 146,864 |
| Deferred outflows of resources related to pensions | 2,763,244 | 766,185 | 3,529,429 |
| <i>Total Deferred Outflows of Resources</i> | 2,881,736 | 794,557 | 3,676,293 |
| LIABILITIES | | | |
| Accounts payable | 416,350 | 621,368 | 1,037,718 |
| Deposits | 69,396 | 252,153 | 321,549 |
| Accrued interest payable | 60,229 | 6,013 | 66,242 |
| Noncurrent liabilities: | | | |
| Due within one year: | | | |
| Bonds and notes payable | 103,000 | 215,000 | 318,000 |
| Accrued compensated absences | 238,893 | 71,355 | 310,248 |
| Due in more than one year: | | | |
| Bonds and notes payable | 14,504,000 | 225,000 | 14,729,000 |
| Accrued compensated absences | 443,658 | 132,515 | 576,172 |
| Other post-employment benefits | 965,903 | 231,277 | 1,197,180 |
| Net pension liability | 7,244,300 | 1,820,326 | 9,064,626 |
| <i>Total Liabilities</i> | 24,045,728 | 3,575,007 | 27,620,735 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred inflows of resources related to OPEB | 64,108 | 15,349 | 79,457 |
| Deferred inflows of resources related to pensions | 441,165 | 197,856 | 639,021 |
| <i>Total Deferred Inflows of Resources</i> | 505,273 | 213,205 | 718,478 |
| NET POSITION | | | |
| Net investment in capital assets | 47,700,192 | 9,835,157 | 57,535,349 |
| Restricted for: | | | |
| Debt service | 13,905,179 | 234,100 | 14,139,279 |
| Construction | 5,620,496 | 590,079 | 6,210,575 |
| Other | 355,023 | 467,797 | 822,820 |
| Unrestricted | (2,605,390) | 1,437,175 | (1,168,215) |
| <i>Total Net Position</i> | <u>\$ 64,975,500</u> | <u>\$ 12,564,308</u> | <u>\$ 77,539,808</u> |

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

CITY OF KEIZER, OREGON
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

| | <i>Expenses</i> | <i>Program Revenues</i> | | |
|---------------------------------------|----------------------|---|---|---|
| | | <i>Fees, Fines and Charges for Services</i> | <i>Operating Grants and Contributions</i> | <i>Capital Grants and Contributions</i> |
| FUNCTIONS/PROGRAMS | | | | |
| Governmental Activities: | | | | |
| General government | \$ 2,269,514 | \$ 177,439 | \$ - | \$ 239,105 |
| Community and youth services | 36,052 | - | - | - |
| Community development | 2,453,365 | 107,672 | 1,200 | - |
| Parks | 763,928 | 763,722 | 38,386 | 496,852 |
| Public safety | 8,445,721 | 1,125,409 | 429,521 | - |
| Public works | 1,651,007 | 62,022 | 2,823,103 | 355 |
| Stadium operations | - | 48,888 | - | - |
| Interest on long-term debt | 758,089 | - | - | - |
| <i>Total Governmental Activities</i> | 16,377,676 | 2,285,152 | 3,292,210 | 736,312 |
| Business-type Activities: | | | | |
| Water | 3,002,331 | 3,225,447 | - | 37,453 |
| Sewer | 6,056,382 | 6,053,743 | - | - |
| Stormwater | 1,560,693 | 1,432,043 | - | - |
| Community center | 308,389 | 236,280 | - | - |
| Street lighting | 387,478 | 412,175 | - | - |
| <i>Total Business-type Activities</i> | 11,315,273 | 11,359,688 | - | 37,453 |
| <i>Total Activities</i> | <u>\$ 27,692,949</u> | <u>\$ 13,644,840</u> | <u>\$ 3,292,210</u> | <u>\$ 773,765</u> |

General Revenues:

Property taxes
Sales taxes
Franchise taxes
Intergovernmental - unrestricted
Miscellaneous

Total General Revenues

Transfers

Change in Net Position

Net Position, July 1, 2018

Net Position, June 30, 2019

***Net (Expenses) Revenues and
Changes in Net Position***

| <i>Governmental Activities</i> | <i>Business-type Activities</i> | <i>Totals</i> |
|---|--|----------------------|
| \$ (1,852,970) | \$ - | \$ (1,852,970) |
| (36,052) | - | (36,052) |
| (2,344,493) | - | (2,344,493) |
| 535,032 | - | 535,032 |
| (6,890,791) | - | (6,890,791) |
| 1,234,473 | - | 1,234,473 |
| 48,888 | - | 48,888 |
| (758,089) | - | (758,089) |
| (10,064,002) | - | (10,064,002) |
| - | 260,569 | 260,569 |
| - | (2,639) | (2,639) |
| - | (128,650) | (128,650) |
| - | (72,109) | (72,109) |
| - | 24,697 | 24,697 |
| - | 81,868 | 81,868 |
| (10,064,002) | 81,868 | (9,982,134) |
| 5,505,800 | - | 5,505,800 |
| 237,298 | - | 237,298 |
| 2,763,692 | - | 2,763,692 |
| 865,271 | - | 865,271 |
| 1,080,033 | 239,822 | 1,319,855 |
| 10,452,094 | 239,822 | 10,691,916 |
| (500,400) | 500,400 | - |
| (112,308) | 822,090 | 709,782 |
| 65,087,808 | 11,742,218 | 76,830,026 |
| <u>\$ 64,975,500</u> | <u>\$ 12,564,308</u> | <u>\$ 77,539,808</u> |

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

CITY OF KEIZER, OREGON
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019

| | <u>Special Revenue</u> | | |
|--|-----------------------------|-----------------------------|---------------------------------------|
| | <u>General</u> | <u>Street</u> | <u>Transportation Improvement</u> |
| ASSETS | | | |
| Cash and investments | \$ 2,749,630 | \$ 2,568,138 | \$ 3,280,801 |
| Accounts receivable | 547,795 | 256,273 | - |
| Loans receivable | - | - | - |
| Property taxes receivable | 266,208 | - | - |
| Assessment liens receivable, net | - | 6,623 | - |
| | <u> </u> | <u> </u> | <u> </u> |
| <i>Total Assets</i> | <u>\$ 3,563,633</u> | <u>\$ 2,831,034</u> | <u>\$ 3,280,801</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts payable | \$ 96,182 | \$ 66,312 | \$ - |
| Accrued expenses payable | 170,093 | - | - |
| Deposits | 69,396 | - | - |
| | <u> </u> | <u> </u> | <u> </u> |
| <i>Total Liabilities</i> | 335,671 | 66,312 | - |
| Deferred Inflows | | | |
| Unavailable revenue | 210,541 | 6,623 | - |
| Fund Balances | | | |
| Restricted for: | | | |
| Debt service | - | - | - |
| Construction | - | 2,758,099 | 3,280,801 |
| Other | - | - | - |
| Committed | 548,404 | - | - |
| Unassigned | 2,469,017 | - | - |
| | <u> </u> | <u> </u> | <u> </u> |
| <i>Total Fund Balances</i> | <u>3,017,421</u> | <u>2,758,099</u> | <u>3,280,801</u> |
| | <u> </u> | <u> </u> | <u> </u> |
| <i>Total Liabilities and Fund Balances</i> | <u>\$ 3,563,633</u> | <u>\$ 2,831,034</u> | <u>\$ 3,280,801</u> |

| <u>Debt Service</u> <u>Keizer</u> <u>Station LID</u> | <u>Other</u> <u>Governmental</u> <u>Funds</u> | <u>Totals</u> |
|--|---|----------------------|
| \$ 2,724,408 | \$ 1,249,425 | \$ 12,572,402 |
| - | 33,415 | 837,483 |
| - | 373,520 | 373,520 |
| - | - | 266,208 |
| 11,236,649 | - | 11,243,272 |
| <u>\$ 13,961,057</u> | <u>\$ 1,656,360</u> | <u>\$ 25,292,885</u> |
| \$ - | \$ 8,293 | \$ 170,787 |
| - | - | 170,093 |
| - | - | 69,396 |
| - | 8,293 | 410,276 |
| 11,236,649 | 373,520 | 11,827,333 |
| 2,724,408 | - | 2,724,408 |
| - | 919,524 | 6,958,424 |
| - | 355,023 | 355,023 |
| - | - | 548,404 |
| - | - | 2,469,017 |
| <u>2,724,408</u> | <u>1,274,547</u> | <u>13,055,276</u> |
| <u>\$ 13,961,057</u> | <u>\$ 1,656,360</u> | <u>\$ 25,292,885</u> |

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

CITY OF KEIZER, OREGON

**RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF
NET POSITION
JUNE 30, 2019**

| | |
|--|----------------------|
| <i>Fund Balances</i> | \$ 13,055,276 |
| The Statement of Net Position reports receivables at their net realizable value. However, receivables not available to pay for current-period expenditures are deferred in governmental funds. | |
| | 11,827,333 |
| Net pension asset, deferred outflows of resources arising from contributions paid, and deferred inflows arising from changes in proportionate share of earnings in the current year are not financial resources in governmental funds, but are reported in the Statement of Net Position. | |
| Net pension liability | (7,244,300) |
| Deferred outflows | 2,763,244 |
| Deferred inflows | (441,165) |
| Capital assets are not financial resources in governmental funds, but are reported in the Statement of Net Position at their net depreciable value. | |
| Costs of capital assets | 110,817,883 |
| Accumulated depreciation | (49,824,094) |
| All liabilities are reported in the Statement of Net Position. However, if they are not due and payable in the current period, they are not recorded in governmental funds. | |
| Bonds and notes payable | (14,607,000) |
| Accrued interest payable | (60,229) |
| Accrued compensated absences | (682,550) |
| OPEB liability | (965,903) |
| OPEB asset | 58,986 |
| OPEB deferred outflows | 118,492 |
| OPEB deferred inflows | (64,108) |
| An internal service fund is used to charge the cost of technology, communications, administrative services and risk management to the individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the the Statement of Net Position. | |
| | <u>223,635</u> |
| Net Position of governmental activities | <u>\$ 64,975,500</u> |

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

CITY OF KEIZER, OREGON

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019**

| | <u>Special Revenue</u> | | |
|---|------------------------|---------------------|---------------------------------------|
| | <u>General</u> | <u>Street</u> | <u>Transportation Improvement</u> |
| REVENUES | | | |
| Taxes and assessments | \$ 5,841,664 | \$ 1,542 | \$ - |
| Licenses and permits | 4,264,707 | 62,022 | 239,105 |
| Charges for services | 150 | - | - |
| Intergovernmental | 1,253,372 | 2,818,182 | - |
| Fines and forfeitures | 472,633 | - | - |
| Miscellaneous | 296,291 | 151,464 | 44,503 |
| <i>Total Revenues</i> | <u>12,128,817</u> | <u>3,033,210</u> | <u>283,608</u> |
| EXPENDITURES | | | |
| Current operating | | | |
| General government | 2,079,979 | - | - |
| Community and youth services | 36,052 | - | - |
| Community development | 563,072 | - | - |
| Parks | 547,578 | - | - |
| Public safety | 7,725,741 | - | - |
| Public works | - | 811,574 | - |
| Capital outlay | 651,471 | 1,869,713 | - |
| Debt service | | | |
| Principal | - | 88,000 | - |
| Interest | - | 60,238 | - |
| <i>Total Expenditures</i> | <u>11,603,893</u> | <u>2,829,525</u> | <u>-</u> |
| REVENUES OVER (UNDER) EXPENDITURES | 524,924 | 203,685 | 283,608 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | - | - | - |
| Transfers out | (117,400) | (483,000) | - |
| <i>Total Other Financing Sources (Uses)</i> | <u>(117,400)</u> | <u>(483,000)</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | 407,524 | (279,315) | 283,608 |
| FUND BALANCES, Beginning of year | <u>2,609,897</u> | <u>3,037,414</u> | <u>2,997,193</u> |
| FUND BALANCES, End of year | <u>\$ 3,017,421</u> | <u>\$ 2,758,099</u> | <u>\$ 3,280,801</u> |

| <u>Debt Service</u> <u>Keizer</u> <u>Station LID</u> | <u>Other</u> <u>Governmental</u> <u>Funds</u> | <u>Totals</u> |
|--|---|----------------------|
| \$ 868,850 | \$ - | \$ 6,712,056 |
| - | 189,226 | 4,755,060 |
| - | - | 150 |
| - | 434,140 | 4,505,694 |
| - | - | 472,633 |
| 775,862 | 30,878 | 1,298,998 |
| 1,644,712 | 654,244 | 17,744,591 |
| - | 107,887 | 2,187,866 |
| - | - | 36,052 |
| - | - | 563,072 |
| - | - | 547,578 |
| - | - | 7,725,741 |
| - | - | 811,574 |
| - | 360,834 | 2,882,018 |
| 930,000 | - | 1,018,000 |
| 706,680 | - | 766,918 |
| 1,636,680 | 468,721 | 16,538,819 |
| 8,032 | 185,523 | 1,205,772 |
| - | 100,000 | 100,000 |
| - | - | (600,400) |
| - | 100,000 | (500,400) |
| 8,032 | 285,523 | 705,372 |
| 2,716,376 | 989,024 | 12,349,904 |
| <u>\$ 2,724,408</u> | <u>\$ 1,274,547</u> | <u>\$ 13,055,276</u> |

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

CITY OF KEIZER, OREGON

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019**

Net change in fund balances - total governmental funds \$ 705,372

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

Governmental funds defer revenues that do not provide current financial resources. However, the Statement of Activities recognizes such revenues at their net realizable value when earned, regardless of when received. (978,823)

Governmental funds do not report expenditures for unpaid compensated absences and other post employment benefits since they do not require the use of current financial resources. However, the Statement of Activities reports such expenses when incurred, regardless of when payment ultimately occurs. 13,431

Capital outlays are reported as expenditures in governmental funds. However, the Statement of Activities allocates the cost of capital outlay over their estimated useful lives as depreciation expense.

Capital outlays 2,952,905
Depreciation (3,178,443)

Proceeds from the issuance of long-term debt provide current financial resources to governmental funds and are reported as revenues. In the same way, repayment of long-term debt use current financial resources and are reported as expenditures in governmental funds. However, neither the receipt of debt proceeds nor the payment of debt principal affect the Statement of Activities, but are reported as increases and decreases in noncurrent liabilities in the Statement of Net Position.

Debt principal payments 1,018,000
Accrued interest payable 8,829

Current year pension expense related to change in net pension liability and other post employment benefits are reported as expenses in the Statement of Activities but are not recorded as expenditures in the governmental funds. (657,888)

An internal service fund is used to charge technology, communications, administrative services and risk management to the individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities. 4,309

Change in net position of governmental activities \$ (112,308)

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

CITY OF KEIZER, OREGON
STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2019

| | <i>Business-type Activities - Enterprise Funds</i> | | | | <i>Totals</i> | <i>Governmental</i> |
|---|--|---------------------------------|---------------------|-------------------------------|----------------------|---|
| | <i>Sewer and Sewer Reserve</i> | <i>Water and Water Facility</i> | <i>Stormwater</i> | <i>Other Enterprise Funds</i> | | <i>Activities Administrative Service Fund</i> |
| ASSETS | | | | | | |
| Current Assets | | | | | | |
| Cash and investments | \$ 459,805 | \$ 1,524,610 | \$ 650,694 | \$ 780,209 | \$ 3,415,318 | \$ 299,105 |
| Accounts receivable | 906,696 | 507,489 | 208,307 | 90,747 | 1,713,239 | - |
| Inventories | - | 138,767 | 1,360 | - | 140,127 | - |
| <i>Total Current Assets</i> | <u>1,366,501</u> | <u>2,170,866</u> | <u>860,361</u> | <u>870,956</u> | <u>5,268,684</u> | <u>299,105</u> |
| Noncurrent Assets | | | | | | |
| Nondepreciable capital assets | - | 371,759 | - | - | 371,759 | - |
| Other capital assets, net of depreciation | 1,303,957 | 7,189,026 | 1,399,415 | 11,000 | 9,903,398 | - |
| OPEB asset | 771 | 7,390 | 4,836 | 1,125 | 14,122 | - |
| <i>Total Noncurrent Assets</i> | <u>1,304,728</u> | <u>7,568,175</u> | <u>1,404,251</u> | <u>12,125</u> | <u>10,289,279</u> | <u>-</u> |
| <i>Total Assets</i> | <u>2,671,229</u> | <u>9,739,041</u> | <u>2,264,612</u> | <u>883,081</u> | <u>15,557,963</u> | <u>299,105</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Deferred outflows related to OPEB | 1,550 | 14,845 | 9,716 | 2,261 | 28,372 | - |
| Deferred outflows related to pensions | 43,637 | 395,428 | 270,870 | 56,250 | 766,185 | - |
| <i>Total Deferred Outflows of Resources</i> | <u>45,187</u> | <u>410,273</u> | <u>280,586</u> | <u>58,511</u> | <u>794,557</u> | <u>-</u> |
| LIABILITIES | | | | | | |
| Current Liabilities | | | | | | |
| Accounts payable | 450,159 | 114,445 | 26,087 | 30,677 | 621,368 | 75,470 |
| Deposits | - | 211,305 | - | 40,848 | 252,153 | - |
| Accrued interest payable | - | 6,013 | - | - | 6,013 | - |
| Bonds payable - due within one year | - | 215,000 | - | - | 215,000 | - |
| Accrued compensated absences | 4,880 | 41,418 | 21,359 | 3,699 | 71,355 | - |
| <i>Total Current Liabilities</i> | <u>455,039</u> | <u>588,181</u> | <u>47,446</u> | <u>75,224</u> | <u>1,165,889</u> | <u>75,470</u> |
| Noncurrent Liabilities | | | | | | |
| Bonds payable | - | 225,000 | - | - | 225,000 | - |
| Accrued compensated absences | 9,063 | 76,918 | 39,666 | 6,867 | 132,515 | - |
| Other post-employment benefits | 12,633 | 121,016 | 79,198 | 18,430 | 231,277 | - |
| Net pension liability | 108,955 | 915,530 | 666,686 | 129,155 | 1,820,326 | - |
| <i>Total Noncurrent Liabilities</i> | <u>130,651</u> | <u>1,338,464</u> | <u>785,550</u> | <u>154,452</u> | <u>2,409,118</u> | <u>-</u> |
| <i>Total Liabilities</i> | <u>585,690</u> | <u>1,926,645</u> | <u>832,996</u> | <u>229,676</u> | <u>3,575,007</u> | <u>75,470</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Deferred inflows related to OPEB | 838 | 8,032 | 5,256 | 1,223 | 15,349 | - |
| Deferred inflows related to pensions | 20,897 | 104,499 | 62,578 | 9,882 | 197,856 | - |
| <i>Total Deferred Inflows of Resources</i> | <u>21,735</u> | <u>112,531</u> | <u>67,834</u> | <u>11,105</u> | <u>213,205</u> | <u>-</u> |
| NET POSITION | | | | | | |
| Net investment in capital assets | 1,303,957 | 7,120,785 | 1,399,415 | 11,000 | 9,835,157 | - |
| Restricted for: | | | | | | |
| Capital projects | 234,060 | 356,020 | - | - | 590,080 | - |
| Debt service | - | 234,100 | - | - | 234,100 | - |
| Other | - | - | - | 467,797 | 467,797 | - |
| Unrestricted | 570,974 | 399,233 | 244,953 | 222,014 | 1,437,174 | 223,635 |
| <i>Total Net Position</i> | <u>\$ 2,108,991</u> | <u>\$ 8,110,138</u> | <u>\$ 1,644,368</u> | <u>\$ 700,811</u> | <u>\$ 12,564,308</u> | <u>\$ 223,635</u> |

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

CITY OF KEIZER, OREGON

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2019**

| | <i>Business-type Activities - Enterprise Funds</i> | | | | <i>Totals</i> | <i>Governmental</i> |
|---|--|---|-------------------|---------------------------------------|---------------|---|
| | <i>Sewer and Sewer Reserve</i> | <i>Water and Water Facility</i> | <i>Stormwater</i> | <i>Other Enterprise Funds</i> | | <i>Activities Administrative Service Fund</i> |
| OPERATING REVENUES | | | | | | |
| Licenses and permits | \$ 31,736 | \$ 68,024 | \$ 15,880 | \$ - | \$ 115,640 | \$ - |
| Charges for services | 6,016,140 | 3,149,145 | 1,414,928 | 642,026 | 11,222,239 | 3,681,896 |
| Miscellaneous | 5,867 | 8,278 | 1,235 | 6,429 | 21,809 | 8,930 |
| <i>Total Operating Revenues</i> | 6,053,743 | 3,225,447 | 1,432,043 | 648,455 | 11,359,688 | 3,690,826 |
| OPERATING EXPENSES | | | | | | |
| Personnel services | 12,933 | 1,154,695 | 764,342 | 123,888 | 2,055,858 | 2,550,500 |
| Materials and services | 5,971,105 | 1,392,535 | 717,261 | 567,132 | 8,648,033 | 1,136,017 |
| Depreciation | 72,344 | 435,626 | 79,090 | 4,847 | 591,907 | - |
| <i>Total Operating Expenses</i> | 6,056,382 | 2,982,856 | 1,560,693 | 695,867 | 11,295,798 | 3,686,517 |
| OPERATING INCOME (LOSS) | (2,639) | 242,591 | (128,650) | (47,412) | 63,890 | 4,309 |
| NONOPERATING REVENUES (EXPENSES) | | | | | | |
| Investment revenue | 5,435 | 20,935 | 4,121 | 10,673 | 41,164 | - |
| Miscellaneous | - | - | - | 198,658 | 198,658 | - |
| Interest expense | - | (19,475) | - | - | (19,475) | - |
| <i>Total Nonoperating Revenues (Expenses)</i> | 5,435 | 1,460 | 4,121 | 209,331 | 220,347 | - |
| CAPITAL CONTRIBUTION | - | 37,453 | - | - | 37,453 | - |
| INCOME (LOSS) BEFORE TRANSFERS | 2,796 | 281,504 | (124,529) | 161,919 | 321,690 | 4,309 |
| Transfers in | - | 17,400 | 483,000 | - | 500,400 | - |
| CHANGE IN NET POSITION | 2,796 | 298,904 | 358,471 | 161,919 | 822,090 | 4,309 |
| NET POSITION, Beginning of year | 2,106,195 | 7,811,234 | 1,285,897 | 538,892 | 11,742,218 | 219,326 |
| NET POSITION, End of year | \$ 2,108,991 | \$ 8,110,138 | \$ 1,644,368 | \$ 700,811 | \$ 12,564,308 | \$ 223,635 |

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

CITY OF KEIZER, OREGON
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2019

| | <u>Sewer and Sewer Reserve</u> | <u>Water and Water Facility</u> | <u>Stormwater</u> |
|---|------------------------------------|---|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash received from customers | \$ 6,041,773 | \$ 3,296,761 | \$ 1,421,795 |
| Cash paid for employee services and benefits | (3,248) | (1,053,743) | (710,753) |
| Cash paid to suppliers for goods and services | (5,944,171) | (1,376,699) | (728,653) |
| <i>Net Cash Provided by (Used in) Operating Activities</i> | 94,354 | 866,319 | (17,611) |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | | | |
| Taxes available for operating purposes | - | - | - |
| Transfers in | - | 17,400 | 483,000 |
| <i>Net Cash Provided by (Used in) Non-Capital Financing Activities</i> | - | 17,400 | 483,000 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Acquisition of capital assets | - | (297,555) | (169,448) |
| Principal paid on contracts/bonds payable | - | (210,000) | - |
| Contribution of capital | - | 37,590 | - |
| Interest paid | - | (22,345) | - |
| <i>Net Cash Used in Capital Related Financing Activities</i> | - | (492,310) | (169,448) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest on investment | 5,435 | 20,935 | 4,121 |
| <i>Increase (Decrease) in Cash and Investments</i> | 99,789 | 412,344 | 300,062 |
| CASH AND INVESTMENTS, Beginning of year | <u>360,016</u> | <u>1,112,266</u> | <u>350,632</u> |
| CASH AND INVESTMENTS, End of year | <u>\$ 459,805</u> | <u>\$ 1,524,610</u> | <u>\$ 650,694</u> |
| RECONCILIATION OF CASH PROVIDED BY OPERATING ACTIVITIES TO OPERATING INCOME (LOSS) | | | |
| Operating income (loss) | \$ (2,639) | \$ 242,591 | \$ (128,650) |
| Depreciation | 72,344 | 435,626 | 79,090 |
| <i>Change in assets and liabilities</i> | | | |
| Accounts receivable | (11,970) | 44,115 | (10,248) |
| Prepaid items | - | - | - |
| Inventory | - | (21,443) | (257) |
| Accounts payable | 26,934 | 37,278 | (8,043) |
| Accrued compensated absences | 981 | 2,411 | (75) |
| Net pension liability | 9,236 | 88,482 | 57,906 |
| Other post-employment benefits | (532) | 10,059 | (7,334) |
| Deposits payable | - | 27,200 | - |
| <i>Net Cash Provided by (Used in) Operating Activities</i> | <u>\$ 94,354</u> | <u>\$ 866,319</u> | <u>\$ (17,611)</u> |

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

| <i>Other Proprietary Funds</i> | <i>Totals</i> | <i>Governmental Activities</i> |
|--|---------------------|--|
| | | <i>Administrative Service Fund</i> |
| \$ 655,778 | \$ 11,416,107 | \$ 3,690,826 |
| (108,616) | (1,876,360) | (2,550,500) |
| (594,161) | (8,643,684) | (1,148,040) |
| (46,999) | 896,063 | (7,714) |
| 164,137 | 164,137 | - |
| - | 500,400 | - |
| 164,137 | 664,537 | - |
| - | (467,003) | - |
| - | (210,000) | - |
| - | 37,590 | - |
| - | (22,345) | - |
| - | (661,758) | - |
| 10,673 | 41,164 | - |
| 127,811 | 940,006 | (7,714) |
| 652,398 | 2,475,312 | 306,819 |
| <u>\$ 780,209</u> | <u>\$ 3,415,318</u> | <u>\$ 299,105</u> |
| \$ (47,412) | \$ 63,890 | \$ 4,309 |
| 4,847 | 591,907 | - |
| 7,973 | 29,870 | - |
| (650) | (650) | 745 |
| - | (21,700) | - |
| (27,029) | 29,140 | (12,768) |
| 2,071 | 5,388 | - |
| 13,474 | 169,098 | - |
| (273) | 1,920 | - |
| - | 27,200 | - |
| <u>\$ (46,999)</u> | <u>\$ 896,063</u> | <u>\$ (7,714)</u> |

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The City of Keizer, Oregon (the "City") was established in November 1982 and is a municipal corporation governed by an elected mayor and six-member council. The council appoints a City Manager to act as the administrative head of operations.

As required by accounting principles generally accepted in the United States of America, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

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 services.

Government-wide financial statements display information about the reporting government as a whole. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are interfund services provided and used. Elimination of these charges would distort the direct costs and program revenues of the various functions concerned.

These statements focus on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the Statement of Net Position and the Statement of Activities.

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basic Financial Statements (Continued)

Fund financial 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, or fiduciary. Currently, the City has general, special revenue, capital projects, debt service, enterprise and internal service funds. Major individual governmental funds, major individual special revenue funds, and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are consolidated into a single column within each fund type in the financial section of the basic financial statements and are detailed in the other supplementary information.

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, receipts and disbursements. The various funds are reported by generic classification within the financial statements.

The General Fund is used to account for all financial resources not accounted for in another fund.

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term “proceeds of specific revenue sources” meant that the revenue sources for the fund must be from restricted or committed sources, specifically that a substantial portion of the revenue must be from these sources and be expended in accordance with those requirements.

Capital Project Funds are utilized to account for the financial resources to be used for the acquisition or construction of capital equipment and facilities.

Debt Service Funds are utilized to account for the accumulation of resources for, and the payment of, long-term debt principal and interest.

The reporting model sets forth minimum criteria (percentage of the assets liabilities, revenues or expenses of either fund category or the government and enterprise combined) for the determination of major funds.

The City reports the following major governmental funds:

General Fund - this fund accounts for the activities of the City which are not accounted for in any other fund. Principal sources of revenue are property taxes, franchise fees and state and county shared revenues. Primary expenditures are for police protection, parks, planning and general government. In accordance with GASB No. 54, the Police Services Fund and the Parks Services Funds, which are budgeted separately, are combined with the General Fund for financial reporting purposes.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Special Revenue Funds

Street Fund - this fund accounts for highway gas tax apportionments from the State of Oregon. Expenditures are as specified under Article IX, Section 3 of the Constitution of the State of Oregon.

Transportation Improvement Fund - this fund was established to account for system development fees. The City charges a system development fee per dwelling unit or business type unit to help cover the cost of transportation improvements resulting from development.

Debt Service Fund

Keizer Station LID Fund - this fund is used to account for debt service on improvements made to real property to facilitate the construction of Keizer Station, a major shopping complex. Property owner assessments are the primary source of revenue.

The City reports the following non-major governmental funds:

Special Revenue Funds

Law Enforcement Grant Fund - this fund accounts for money received to support law enforcement activities. Expenditures are for purposes designated in the grant.

Public Education Government Fund - this fund accounts for franchise fees assessed on cable television bills. Expenditures are for governmental cable programming.

Park Improvement Fund - this fund accounts for money set aside for park purposes. System development fees and interest earnings are the primary source of revenue.

Off-site Transportation Improvement Fund - this fund was established to account for future transportation improvement projects. The resources are from developer fees required to be paid as set forth in the Keizer Station master plan orders.

Housing Services Fund - this fund accounts for rehabilitation loans to qualifying borrowers. Revenues are primarily from grant revenue and loan repayments.

Energy Efficiency Loan Fund - this fund accounts for rehabilitation loans to qualifying borrowers. Revenues are primarily from grant revenue and loan repayments.

CITY OF KEIZER, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reports the following major proprietary funds:

Sewer Operations – sewer operations consists of the Sewer and Sewer Reserve Funds. These funds account for the operation of the City’s wastewater system.

Water Operations – water operations consists of the Water and Water Facility Funds. These funds account for the operation of the City’s water system.

Stormwater Fund – this fund accounts for the operation of the City’s stormwater system.

The City reports the following nonmajor proprietary funds:

Lighting Districts Fund - this fund accounts for assessments received to pay for street lighting.

Community Center Fund - This fund accounts for revenues from the use of the Community Center and related costs.

The City has one internal service fund, the Administrative Services Fund. This fund provides administrative services to other City funds.

Fund Balance

In the fund financial statements, the 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 purposes for which amounts in those funds can be spent. Governmental Fund type fund balances are reported in the following classifications.

Fund balance is reported as non-spendable when the resources cannot be spent because they are either in a non-spendable form or legally or contractually required to be maintained intact. Resources in non-spendable form include inventories, prepaid amounts, deposits, and assets held for sale.

Fund balance is reported as restricted when the constraints placed on the use of resources are either: (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Fund balance is reported as committed when the City Council takes formal action by resolution that places specific constraints on how the resources may be used. The City Council can modify or rescind the commitment at any time through taking a similar formal action.

CITY OF KEIZER, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance (Continued)

Resources that are constrained by the City's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent is expressed when the City Council approves which resources should be "reserved" during the adoption of the annual budget.

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

When expenditures are paid for purposes in which multiple classifications of fund balance are available, the City deems committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The government-wide financial statements and the proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the statement of net assets. Net assets are segregated into investment in capital assets, net of related debt, restricted and unrestricted components. Operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes as available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Those revenues susceptible to accrual are property taxes, franchise fees, license fees, interest revenue and charges for services. Fines and permits revenues are not susceptible to accrual because generally they are not measurable until received in cash.

Transfers between funds are to facilitate operations.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reporting amounts of certain assets, liabilities, revenues and expenses as of and for the year ended June 30, 2019. Actual results may differ from such estimates.

Cash and Investments

Statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial paper Record, and the State Treasurer's Investment Pool. The City's investment policy is in compliance with the statutes.

Investments are stated at cost, which approximates fair value. Fair value is defined as the amount at which an investment could be exchanged between willing parties, other than in a forced or liquidation sale. The fair value adjustment is an "unrealized" gain or loss and is reported with other interest income. No investments are carried at amortized cost.

For purposes of the statement of cash flows, the proprietary funds consider cash and cash equivalents to include cash and investment pool amounts since they have the characteristics of demand deposits.

Receivables/Deferred Inflows of Resources

Receivables in governmental and business-type funds are stated net of any allowance for doubtful accounts.

Receivables for state, county and local shared revenues, included in accounts receivable, are recorded as revenue in the governmental funds as earned.

Receivables of the business-type funds are recorded as revenue as earned.

Property taxes receivable for the governmental fund types, which have been collected within sixty days subsequent to year end, are considered measurable and available and are recognized as revenues. All other property taxes are offset by unavailable property tax revenues and, accordingly, have not been recorded as revenue.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows, represents an acquisition that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category: unavailable revenue, deferred inflows related to OPEB, and deferred inflows related to pensions. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and loans receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The deferred pension and OPEB amounts result from differences between projected and actual investment earnings.

CITY OF KEIZER, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables/Deferred Inflows of Resources (Continued)

Real and personal property taxes are levied upon all taxable property within the City and become liens against the property as of July 1 of each year and are payable in three installments which are due on November 15, February 15, and May 15. Discounts are allowed if the amount due is received by February 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Property taxes receivable by the City represent the City's allocated share of delinquent property taxes and other amounts to be collected from property owners within Marion County, Oregon.

Assessment liens in the governmental fund types are recognized as receivables at the time property owners are assessed for property improvements. All assessments receivable are offset by an unavailable revenue account and, accordingly, have not been recorded as revenue.

Interest earned on assessments in the governmental fund types is accrued when due and is offset by an unavailable revenue account and, accordingly, have not been recorded as revenue.

Inventory

Inventory in the business-type funds is stated at cost (first-in, first-out basis) and is charged to expense as used.

Capital Assets

Capital assets are stated at cost or estimated historical cost.

Normal maintenance and repairs are charged to operations as incurred. Major additions, improvements and replacements are capitalized. Gains or losses from sales or retirements of capital assets are included in operations.

Capital assets include land, right-of-way (included with land), buildings, improvements, equipment, infrastructure, and other tangible and intangible assets costing \$5,000 or more used in operations that have initial useful lives extending beyond one year. Infrastructure are those capital assets that are stationary in nature and can be preserved for a significantly greater number of years than most other capital assets. Infrastructure reported in governmental activities consists of roads, bridges, sidewalks, and traffic and lighting systems. Infrastructure reported in business-type activities consists of water, stormwater and wastewater collection systems.

As permitted by GAAP, the City has limited the retroactive capitalization of governmental fund infrastructure to fiscal years ended after June 30, 1980. Although, the majority of such infrastructure was placed in service before that date, it has not been included in these financial statements since they have been substantially depreciated.

Capital assets are depreciated unless they are inexhaustible in nature (e.g., land and right-of-ways). Depreciation is an accounting process to allocate the cost of capital assets to expense in a systematic and rational manner to those periods expected to benefit from the use of capital assets. Depreciation is not intended to represent an estimate in the decline of fair market value, nor are capital assets, net of accumulated depreciation, intended to represent an estimate of the current condition of the assets, or the maintenance requirements needed to maintain the assets at their current level of condition.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

Depreciation is computed over the estimated useful lives of the capital assets. All estimates of useful lives are based on actual experience by City departments with identical or similar capital assets. Depreciation is calculated on the straight-line basis. The estimated useful lives of the various categories of assets are as follows:

| | |
|-----------------------------------|-------------|
| Buildings | 20-50 years |
| Improvements other than buildings | 20 years |
| Infrastructure | 20-75 years |
| Equipment | 5 years |

Upon disposal of capital assets, cost and accumulated depreciation are removed from the accounts and, if appropriate, a gain or loss on the disposal is recognized. In accordance with the composite depreciation method, no gain or loss is recorded upon disposal, but rather, cost is removed from the capital asset account and charged to the accumulated depreciation account.

Long-Term Debt

Long-term debt directly related and expected to be paid from the enterprise funds is recorded in these funds. All other unmatured long-term debt is recorded on the Statement of Net Position. Water revenue loan is payable from water sales and system development fees. Gas tax loan is payable from gas tax revenues. Keizer Station LID bonds are payable from property owner assessments.

Deferred Outflows

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows, represents pension and OPEB related items that apply to future periods and so will not be recognized as an outflow of resources (expenditure) until then. The City reports deferred outflow of resources related to pensions and OPEB for contributions made after the June 30, 2018 measurement date, differences between expected and actual experience, and changes in proportionate share.

Compensated Absences

Compensated absences are accrued in the government-wide and enterprise funds financial statements as it is earned by employees. In governmental fund types the amounts, if any, which have matured and will be paid from available resources are accrued. Liabilities for accrued compensated absences are generally paid from funds which incur personnel service expenses.

The City has a policy which permits employees to accumulate unused sick pay at the rate of eight hours per month with no maximum accrual balance. Portions of sick pay accumulated at any point in time can be expected to be redeemed before termination of employment, however, such redemptions cannot be reasonably estimated.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Assets

Amounts reported on the Statement of Net Position as restricted for special purposes represent net assets which are subject to restrictions that are either (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation.

When expenditures are paid for purposes in which both restricted and unrestricted resources are available, the City deems restricted resources to be spent first.

Operating Revenues and Expenses

The City, in its proprietary funds, distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise fund are charges to customers for sales and services. Operating expenses for the enterprise fund includes the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Budget and Budgetary Accounting

The City Council adopts the budget on a departmental basis for the General fund and object level for all other funds. Expenditures may not legally exceed that fund's appropriations. Management has no authority outside of budgeted appropriations. City Council may, by resolution, transfer appropriations. Public hearings before a budget committee and the City Council and formal newspaper publications of certain budgetary information must be conducted prior to the formal adoption of the budget by City resolution. The City Council may amend the budget to expend unforeseen receipts by supplemental appropriations. Supplemental budgets require newspaper publications, public hearings in certain circumstances and approval by the City Council prior to enactment. Budgets are adopted on the modified accrual basis of accounting. Appropriations lapse at year-end and may not be carried over.

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.

Other Postemployment Benefit Plans

The City's net other postemployment benefits plan (OPEB) asset/liability, deferred inflows and outflows related to OPEB and OPEB benefit/expense have been determined on the basis reported by Oregon Public Employees Retirement System (OPERS). Additionally, the City's total OPEB obligation, deferred inflows and outflows related to OPEB, and OPEB benefit/expense for the implicit subsidy have been actuarially determined. These amounts are recognized in the government-wide financial statements.

CITY OF KEIZER, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2019

CASH AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed as part of "cash and investments." At June 30, 2019 the carrying value of cash and investments and fair value are approximately equal. Cash and investments are comprised of the following at June 30, 2019:

| | |
|--------------------------------------|----------------------|
| Cash | |
| Cash on hand | \$ 2,200 |
| Deposits with financial institutions | 6,229,635 |
| Investments | |
| Local Government Investment Pool | <u>10,054,990</u> |
| <i>Total Cash and Investments</i> | <u>\$ 16,286,825</u> |

Deposits

At year end, the book balance of the City's bank deposits (checking and money market accounts) was \$6,229,635 and the bank balance was \$6,344,837. The difference is due to transactions in process. Deposits are secured to legal limits by federal deposit insurance. The remaining amount is secured in accordance with Oregon Revised Statutes 295 under a collateral program administered by the Oregon State Treasurer.

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the City's deposits with financial institutions up to \$250,000 each for the aggregate of all demand accounts and the aggregate of all time deposit accounts at each institution. Deposits in excess of FDIC coverage are with institutions participating in the Oregon Public Funds Collateralization Program. The PFCP is a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities. As of June 30, 2019, \$5,979,635 of the City's bank balances were exposed to custodial credit risk as they were collateralized under PFCP.

Investments

The State Treasurer of the State of Oregon maintains the Oregon Short-term Fund, of which the Local Government Investment Pool is part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, the investment funds are invested as a prudent investor would do, exercising reasonable care, skill and caution. The Oregon Short-term Fund is the LGIP for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. At June 30, 2019, the fair value of the position in the Oregon State Treasurer's Short-term Investment Pool was approximately equal to the value of the pool shares. Separate financial statements for the Oregon Short-Term Fund are available from the Oregon State Treasurer.

CITY OF KEIZER, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2019

CASH AND INVESTMENTS (Continued)

Interest Rate Risk

In accordance with its investment policy, the City manages its exposure to declines in fair value of its investments by limiting the weighted average maturity of its investments, specifically by maintaining funds in the Local Government Investment Pool.

Custodial Credit Risk - Investments

For an investment, this is the risk that, in the event of a failure of the counterparty, the City will not be able to recover the value of its investments or collateralized securities that are in the possession of an outside party. Currently the City's investments are limited to the Local Government Investment Pool.

The LGIP is administered by the Oregon State Treasury with the advice of other state agencies and is not registered with the U.S. Securities and Exchange Commission. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision, or public corporation of the state that by law is made the custodian of, or has control of any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short-term Fund Board, which has established diversification percentages and specifies the types and maturities of the investments. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP. These investments within the LGIP must be invested and managed as a prudent investor would, exercising reasonable care, skill and caution. The investment in the Oregon Short-term Fund is not subject to classification. Nevertheless, management does not believe that there is any substantial custodial risk related to investments in the LGIP. The LGIP is not rated for risk quality.

RECEIVABLES

| <i>Fund</i> | <i>Accounts</i> | <i>Property Taxes</i> | <i>Assessments</i> | <i>Loans</i> |
|---------------------------------|---------------------|---------------------------|----------------------|-------------------|
| General | \$ 547,795 | \$ 266,208 | \$ - | \$ - |
| Street | 256,273 | - | 6,623 | - |
| Keizer Station LID | - | - | 12,033,649 | - |
| Other governmental funds | 33,415 | - | - | 373,520 |
| Sewer | 906,696 | - | - | - |
| Water | 507,489 | - | - | - |
| Stormwater | 208,307 | - | - | - |
| Other business-type funds | 90,747 | - | - | - |
| Allowance for doubtful accounts | - | - | (797,000) | - |
| | <u>\$ 2,550,722</u> | <u>\$ 266,208</u> | <u>\$ 11,243,272</u> | <u>\$ 373,520</u> |

CITY OF KEIZER, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2019

CAPITAL ASSETS

The summary of capital assets for the business-type activities for the year ended June 30, 2019 is as follows:

| | Balances July 1, 2018 | Additions | Deletions | Transfers | Balances June 30, 2019 |
|---|--------------------------------------|---------------------|------------------|------------------|---------------------------------------|
| NON-DEPRECIABLE | | | | | |
| Land | \$ 371,759 | \$ - | \$ - | \$ - | \$ 371,759 |
| Construction work-in-progress | 201,474 | - | - | (201,474) | - |
| Total non-depreciable | 573,233 | - | - | (201,474) | 371,759 |
| DEPRECIABLE | | | | | |
| Buildings and improvements | 1,065,730 | - | - | - | 1,065,730 |
| Water and sewer systems | 25,026,590 | 359,012 | - | 201,474 | 25,587,076 |
| Equipment and vehicles | 1,049,057 | 107,991 | - | - | 1,157,048 |
| Total depreciable | 27,141,377 | 467,003 | - | 201,474 | 27,809,854 |
| ACCUMULATED DEPRECIATION | | | | | |
| Buildings | 912,878 | 19,270 | - | - | 932,148 |
| Water and sewer systems | 15,513,367 | 492,185 | - | - | 16,005,552 |
| Equipment and vehicles | 888,304 | 80,452 | - | - | 968,756 |
| Total accumulated depreciation | 17,314,549 | 591,907 | - | - | 17,906,456 |
| <i>Business-type activities capital assets, net</i> | <u>\$ 10,400,061</u> | <u>\$ (124,904)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 10,275,157</u> |

Depreciation expense for business-type activities is charged to functions as follows:

| | |
|--|-------------------|
| Water | \$ 435,626 |
| Sewer | 72,344 |
| Stormwater | 79,090 |
| Community Center | 4,847 |
| <i>Total depreciation expense for business-type activities</i> | <u>\$ 591,907</u> |

CITY OF KEIZER, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2019

CAPITAL ASSETS (continued)

The changes in the capital assets for governmental activities for the year ended June 30, 2019 are as follows:

| | Balances July 1, 2018 | Additions | Deletions | Transfers | Balances June 30, 2019 |
|---|--------------------------------------|---------------------|------------------|------------------|---------------------------------------|
| NON-DEPRECIABLE | | | | | |
| Land | \$ 14,941,368 | \$ - | \$ - | \$ - | \$ 14,941,368 |
| Construction work-in-progress | 544,562 | - | - | (544,562) | - |
| Total non-depreciable | 15,485,930 | - | - | (544,562) | 14,941,368 |
| DEPRECIABLE | | | | | |
| Buildings and improvements | 50,966,874 | 2,370,969 | - | 544,562 | 53,882,405 |
| Equipment and vehicles | 2,824,608 | 266,938 | 32,483 | - | 3,059,063 |
| Infrastructure | 38,620,049 | 314,998 | - | - | 38,935,047 |
| Total depreciable | 92,411,531 | 2,952,905 | 32,483 | 544,562 | 95,876,515 |
| ACCUMULATED DEPRECIATION | | | | | |
| Buildings | 25,667,065 | 1,598,061 | - | - | 27,265,126 |
| Equipment and vehicles | 2,119,682 | 298,262 | 32,483 | - | 2,385,461 |
| Infrastructure | 18,891,387 | 1,282,120 | - | - | 20,173,507 |
| Total accumulated depreciation | 46,678,134 | 3,178,443 | 32,483 | - | 49,824,094 |
| Governmental activities capital assets, net | <u>\$ 61,219,327</u> | <u>\$ (225,538)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 60,993,789</u> |

Depreciation expense for governmental-type activities is charged to functions as follows:

| | |
|--|---------------------|
| General government | \$ 21,115 |
| Public safety | 239,988 |
| Public works | 872,885 |
| Community development | 1,848,236 |
| Parks | 196,219 |
| Total depreciation expense for governmental activities | <u>\$ 3,178,443</u> |

CITY OF KEIZER, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2019

LONG-TERM OBLIGATIONS

Long-term debt transactions for the year were as follows:

| | <u>Outstanding July 1, 2018</u> | <u>Issued</u> | <u>Matured/ Redeemed During Year</u> | <u>Outstanding June 30, 2019</u> | <u>Due in One Year</u> |
|--|---|-------------------|--|--|----------------------------|
| Governmental Activities | | | | | |
| Notes from Direct Borrowings | | | | | |
| City of Keizer, Full Faith and Credit Financing 2018 | | | | | |
| Initial issue \$1,800,000 | | | | | |
| interest at 3.05% | \$ 1,800,000 | \$ - | \$ (88,000) | \$ 1,712,000 | \$ 103,000 |
| General Obligation Bonds | | | | | |
| Keizer Station LID Bonds 2008 | | | | | |
| Initial issue \$26,810,000, | | | | | |
| interest only at 5.20% | 13,825,000 | - | (930,000) | 12,895,000 | - |
| | <u>\$ 15,625,000</u> | <u>\$ -</u> | <u>\$ (1,018,000)</u> | <u>\$ 14,607,000</u> | <u>\$ 103,000</u> |
| Accrued compensated absences | <u>\$ 710,845</u> | <u>\$ 692,640</u> | <u>\$ (720,935)</u> | <u>\$ 682,550</u> | <u>\$ 238,893</u> |
| Business-type Activities | | | | | |
| Notes from Direct Borrowings | | | | | |
| 2005 Water Revenue Loan | | | | | |
| Initial issue \$2,600,000, | | | | | |
| interest at 4.10% | <u>\$ 650,000</u> | <u>\$ -</u> | <u>\$ (210,000)</u> | <u>\$ 440,000</u> | <u>\$ 215,000</u> |
| Accrued compensated absences | <u>\$ 198,482</u> | <u>\$ 161,071</u> | <u>\$ (155,682)</u> | <u>\$ 203,871</u> | <u>\$ 71,355</u> |

The City's outstanding note from direct borrowings related to governmental activities of \$1,712,000 is an unconditional obligation of the City, which is payable from all legally available funds. In addition the City pledged its Gas Tax Revenues to pay the amounts due under this financing agreement. The financing agreement requires a reserve of \$152,200 which is included in the Street Fund.

The City's outstanding general obligation bond related to governmental activities of \$12,895,000 is an unconditional obligation of the City, which is payable from all legally available funds. In addition the City pledged amounts required to be paid to the City under all contracts for installment payment of final assessments for the improvements, the net proceeds of foreclosing the liens securing those contracts, a bond reserve account and earnings on those amounts. The Keizer Station LID bonds require a reserve of \$2,681,000 which was included in the Keizer Station LID fund.

The City's outstanding note from direct borrowings related to business-type activities of \$440,000 is payable from gross revenues in the Water Fund. The Water Revenue Loan requires a reserve of \$234,100 which was included in the Water and Water Facility Fund.

CITY OF KEIZER, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2019

LONG-TERM OBLIGATIONS (Continued)

The future maturities of obligations outstanding as of June 30, 2019:

| <i>Fiscal Year Ending June 30,</i> | <i>Governmental Activities</i> | | | | <i>Business-type Activities</i> | |
|--|--------------------------------|---------------------|-------------------------------------|-------------------|-------------------------------------|------------------|
| | <i>Bonds</i> | | <i>Notes from Direct borrowings</i> | | <i>Notes from Direct Borrowings</i> | |
| | <i>Principal</i> | <i>Interest</i> | <i>Principal</i> | <i>Interest</i> | <i>Principal</i> | <i>Interest</i> |
| 2020 | \$ - | \$ 670,540 | \$ 103,000 | \$ 52,125 | \$ 215,000 | \$ 13,633 |
| 2021 | - | 670,540 | 103,000 | 49,075 | 225,000 | 4,612 |
| 2022 | - | 670,540 | 106,000 | 45,933 | - | - |
| 2023 | - | 670,540 | 109,000 | 42,700 | - | - |
| 2024 | - | 670,540 | 112,000 | 39,376 | - | - |
| 2025-2029 | - | 3,352,700 | 358,000 | 143,381 | - | - |
| 2030-2033 | 12,895,000 | 1,341,080 | 821,000 | 43,585 | - | - |
| | <u>\$ 12,895,000</u> | <u>\$ 8,046,480</u> | <u>\$ 1,712,000</u> | <u>\$ 416,175</u> | <u>\$ 440,000</u> | <u>\$ 18,245</u> |

Compensated Absences

Compensated absences are liabilities of the fund in which the related payroll costs are accrued, primarily the General Fund, Street Fund, Water Fund, Stormwater Fund and Administrative Services Fund.

CITY OF KEIZER, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2019

PENSION PLANS

Plan Description

Substantially all City employees are members in the Oregon Public Employees Retirement System (OPERS); a cost-sharing multiple-employer defined benefit pension plan that acts as a common investment and administrative agent for government units in the State of Oregon. Employees hired before August 29, 2003 belong to the Tier One/Tier Two Retirement Benefit Program (established pursuant to ORS Chapter 238), while employees hired on or after August 29, 2003 belong to the OPSRP Pension Program (established pursuant to ORS Chapter 238A). OPERS produces an independently audited CAFR which can be found at: <http://www.oregon.gov/pers/Pages/Financials/CAFR-Previous-Years.aspx>.

Benefits Provided

Tier One/Tier Two Retirement Benefit

Pension Benefits. The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0% for police and fire employees, 1.67% for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

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

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

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

Disability Benefits. A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member for disability benefit regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

CITY OF KEIZER, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2019

PENSION PLANS (Continued)

Benefit Changes After Retirement. Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25% on the first \$60,000 of annual benefit and 0.15% on annual benefits above \$60,000.

OPSRP Pension Program

Pension Benefits. The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated by formula for members who attain normal retirement age. For general service members, 1.5% is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit. For police and fire members, 1.8% is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and if the pension program is terminated, the date on which termination becomes effective.

Death Benefits. Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

Disability Benefits. A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit Changes After Retirement. Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25% on the first \$60,000 of annual benefit and 0.15% on annual benefits above \$60,000.

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 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 17.22% for Tier One/Tier Two members, 6.87% for OPSRP General Service members, and 11.64% for OPSRP Police and Fire members. The City's total contributions exclusive of the 6% "pick-up" was \$922,988.

Covered employees are required to contribute 6% of their salary to the Plan, but the employer is allowed to pay any or all of the employees' contribution in addition to the required employers' contribution. The City has elected to contribute the 6% "pick-up" or \$447,023 of the employees' contribution.

CITY OF KEIZER, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2019

PENSION PLANS (Continued)

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

At June 30, 2019, the City reported a liability of \$9,046,626 for its proportionate share of the OPERS net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016 rolled forward to June 30, 2018. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the City's proportion was 0.05984% as compared to 0.05902% at the prior measurement date.

The Oregon Supreme Court (Court) ruled on April 30, 2015 that certain provisions of Senate Bill (SB) 861, signed into law in October 2013, were unconstitutional. SB 861 included provisions that limited post-retirement COLA on benefits accrued prior to the signing of the law. The Court ruled that benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. OPERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire. This is a change in benefit terms prior to the measurement date of June 30, 2018, and has been included in the net pension asset/liability proportionate shares calculated by OPERS.

For the year ended June 30, 2019, the City recognized pension expense of \$826,986. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between expected and actual experience | \$ 308,351 | \$ - |
| Changes in assumptions | 2,107,508 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 402,521 |
| Changes in proportionate share | 156,199 | 148,200 |
| Difference between employer contributions and employer's proportionate share of system contributions | 66,123 | 88,300 |
| City contributions subsequent to the measurement date | <u>891,248</u> | <u>-</u> |
| Total | <u>\$ 3,529,429</u> | <u>\$ 639,021</u> |

Deferred outflows of resources related to pensions of \$891,248 resulting from the City's contributions subsequent to the measurement date will be recognized as either a reduction of the net pension liability or an increase in the net pension asset in the year ending June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year ended June 30:</u> | |
|----------------------------|---------------------|
| 2018 | \$ 1,103,411 |
| 2019 | 813,778 |
| 2020 | (92,554) |
| 2021 | 118,054 |
| 2022 | <u>56,471</u> |
| Total | <u>\$ 1,999,160</u> |

CITY OF KEIZER, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2019

PENSION PLANS (Continued)

Actuarial Methods and Assumptions

The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial methods and assumptions:

| | |
|----------------------------|--|
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years |
| Asset Valuation Method | Market value of assets |
| Actuarial Assumptions: | |
| Inflation Rate | 2.50% |
| Investment Rate of Return | 7.20% |
| Projected Salary Increases | 3.50% overall payroll growth; salaries for individuals are assumed to grow at 3.50% plus assumed rates of merit/longevity increases based on service |
| Mortality | <p>Healthy retirees and beneficiaries:</p> <p>RP-2014 Health annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Active members:</p> <p>RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees:</p> <p>RP-2014 Disables retirees, sex-distinct, generational with Unisex, Social Security Data Scale.</p> |

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2016 experience study which reviewed experience for the four-year period ending on December 31, 2016.

CITY OF KEIZER, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2019

PENSION PLANS (Continued)

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 was based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

| Asset Class | Target Allocation | Annual Arithmetic Return | Compounded Annual Return (Geometric) |
|-----------------------------------|-------------------|--------------------------------|--|
| Core Fixed Income | 8.00% | 3.59% | 3.49% |
| Short-Term Bonds | 8.00% | 3.42% | 3.38% |
| Bank/Leveraged Loans | 3.00% | 5.34% | 5.09% |
| High Yield Bonds | 1.00% | 6.90% | 6.45% |
| Large/Mid Cap US equities | 15.75% | 7.45% | 6.30% |
| Small Cap US Equities | 1.30% | 8.49% | 6.69% |
| Micro Cap US Equities | 1.30% | 9.01% | 6.80% |
| Developed Foreign Equities | 13.13% | 8.21% | 6.71% |
| Emerging Market Equities | 4.12% | 1053.00% | 7.45% |
| Non-US Small Cap Equities | 1.88% | 8.67% | 7.01% |
| Private Equity | 17.50% | 11.45% | 7.82% |
| Real Estate (Property) | 10.00% | 6.15% | 5.51% |
| Real Estate (REITS) | 2.50% | 8.26% | 6.37% |
| Hedge Fund of Funds - Diversified | 2.50% | 4.36% | 4.09% |
| Hedge Fund - Event-driven | 0.63% | 6.21% | 5.86% |
| Timber | 1.88% | 6.37% | 5.62% |
| Farmland | 1.88% | 6.90% | 6.15% |
| Infrastructure | 3.75% | 7.54% | 6.60% |
| Commodities | 1.88% | 5.43% | 3.84% |
| Total | 100.00% | | |
| Assumed Inflation - Mean | | | 2.50% |

Discount Rate

The discount rate used to measure the total pension liability was 7.20% for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF KEIZER, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2019

PENSION PLANS (Continued)

Sensitivity of the City’s proportionate share of the net pension liability to changes in the discount rate

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

| | 1% Decrease (6.20%) | Discount Rate (7.20%) | 1% Increase (8.20%) |
|---|--------------------------------|----------------------------------|--------------------------------|
| City's proportionate share of the net pension liability (asset) | \$ 15,148,703 | \$ 9,064,626 | \$ 4,042,719 |

Pension Plan Fiduciary Net Position

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

OTHER RETIREMENT AND DEFERRED COMPENSATION PLANS

Defined Contribution

The City transitioned most previous non-PERS employees from a section 401(a) retirement plan to the Oregon PERS retirement fund during fiscal year 2010. At that time a few employees elected to continue with a section 401(a) qualified pension plan. The City Council has the authority to amend the plan provisions and contribution requirements. Contributions to the plan are 11 to 12 percent of compensation paid by the City. There are no employee contributions. Contributions for the year ended June 30, 2019, amounted to \$17,029. Plan assets are invested in registered mutual funds. Benefits are provided at normal retirement age or under other circumstances such as death or disability.

Deferred Compensation

The City offers its permanent, full-time employees a deferred compensation plan under Internal Revenue Code section 457 wherein they may defer amounts earned until a future date when certain circumstances are met. These circumstances are: termination by reason of death, disability, resignation or retirement. Payment to the employees will be made in a lump sum or by annuity. Under the plan the City will match employee contributions up to 6% of an employee’s eligible salary, matching contributions totaled \$452,248 for the year ended June 30, 2019.

CITY OF KEIZER, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2019

OTHER POST EMPLOYMENT BENEFITS

Post Employment Benefits Other than Pensions

The other postemployment benefits (OPEB) for the City combines two separate plans. The City provides an implicit rate subsidy for retiree health insurance premiums, and a contribution to the State of Oregon’s PERS cost-sharing multiple-employer defined health insurance benefit plan.

Financial Statement Presentation

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

| | Implicit Rate Subsidy Plan | PERS RHIA Plan | Total OPEB on Financials |
|---|---------------------------------------|---------------------------|-------------------------------------|
| Net OPEB Asset | \$ - | \$ 73,108 | \$ 73,108 |
| Deferred Outflows of Resources | | | |
| Contributions After the Measurement Date | 35,329 | 34,023 | 69,352 |
| Change of assumptions | 24,817 | - | 24,817 |
| Net difference between projected and actual earnings | 52,695 | - | 52,695 |
| Total OPEB Liability | (1,197,180) | - | (1,197,180) |
| Deferred Inflows of Resources | | | |
| Change of assumptions | (58,302) | (232) | (58,534) |
| Net difference between projected and actual earnings | - | (4,143) | (4,143) |
| Changes in proportionate share | - | (1,018) | (1,018) |
| Contributions subsequent to the measurement date | - | (15,762) | (15,762) |
| OPEB Expense (Included in program expenses on Statement of Activities) | 57,927 | (41,176) | 16,751 |

Implicit Rate Subsidy

Plan Description - The City’s single-employer defined benefit postemployment healthcare plan is administered by the City’s health insurance providers. Benefit provisions are established through negotiations between the City and representatives of City or through resolutions passed by City Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

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, 2018, the following employees were covered by the benefit terms:

| | |
|--|------------|
| Inactive employees or beneficiaries receiving benefits | 4 |
| Active employees | 100 |
| | <u>104</u> |

CITY OF KEIZER, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2019

OTHER POST EMPLOYMENT BENEFITS (Continued)

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 \$1,197,180 was measured as of June 30, 2019, and was determined by an actuarial valuation as of July 1, 2018.

For the fiscal year ended June 30, 2019, the City recognized OPEB expense from this plan of \$57,927. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Change of assumptions | \$ 24,817 | \$ 58,302 |
| Net difference between projected and actual earnings | 52,695 | - |
| Contributions subsequent to the measurement date | 35,329 | - |
| Total | <u>\$ 112,841</u> | <u>\$ 58,302</u> |

Deferred outflows of resources related to OPEB of \$35,329 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:

| Year ended June 30: | |
|----------------------------|------------------|
| 2020 | \$ 1,132 |
| 2021 | 1,132 |
| 2022 | 1,132 |
| 2023 | 1,132 |
| 2024 | 1,132 |
| Thereafter | 13,550 |
| Total | <u>\$ 19,210</u> |

Actuarial Assumptions and Other Inputs - The total OPEB liability for the June 30, 2019 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified: inflation rate of 2.50%, projected salary increases of 3.50%, discount rate of 3.87% (change from 3.58% in the previous measurement period), medical and vision varies between 6.75% and 4.75% (due to the timing of the excise tax scheduled to affect health care benefits), dental at 4.50%, and mortality rates based on the RP-2014 Healthy Annuitant, sex distinct mortality tables blended 50/50 blue collar and white collar, set back one year for males. Mortality is projected on a generational basis using the Unisex Social Security Data Scale.

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

CITY OF KEIZER, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2019

OTHER POST EMPLOYMENT BENEFITS (Continued)

Changes in the Total OPEB Liability

| | Total OPEB Liability |
|--|---------------------------------|
| Balance as of June 30, 2018 | \$ 1,044,338 |
| Changes for the year: | |
| Service cost | 53,289 |
| Interest on Total OPEB Liability | 38,835 |
| Effect of economic/demographic gains or losses | 58,894 |
| Effect of assumptions changes or inputs | 27,737 |
| Benefit payments | (25,913) |
| Balance as of June 30, 2019 | <u>\$ 1,197,180</u> |

Changes in assumptions is the result of the change in the discount rate from 3.58% to 3.87%.

Sensitivity of the Total OPEB Liability - The following presents the City's total OPEB liability, as well as what the liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87 percent) or 1-percentage-point higher (4.87 percent) than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare trend assumption.

Discount Rate:

| | 1% Decrease (2.87%) | Current Discount Rate (3.87%) | 1% Increase (4.87%) |
|----------------------|--------------------------------|--|--------------------------------|
| Total OPEB Liability | \$ 1,307,612 | \$ 1,197,180 | \$ 1,095,735 |

Healthcare Cost Trend:

| | 1% Decrease (6.00% decreasing to 3.75%) | Current Healthcare Trend Rate (7.00% decreasing to 4.75%) | 1% Increase (8.0% decreasing to 5.75%) |
|----------------------|--|--|---|
| Total OPEB Liability | \$ 1,064,491 | \$ 1,197,180 | \$ 1,351,794 |

PERS Retirement Health Insurance Account

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

CITY OF KEIZER, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2019

OTHER POST EMPLOYMENT BENEFITS (Continued)

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

Contributions - PERS funding policy provides for employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 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, 2019 contributions was \$31,712.

OPEB Assets, Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - At June 30, 2019, the City reported an asset of \$73,109 for its proportionate share of the OPERS net OPEB asset. The net OPEB asset was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2016 rolled forward to June 30, 2018. 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, 2018, the City's proportionate share was 0.0655%, which is an increase from its proportion of 0.0641% as of June 30, 2017.

For the year ended June 30, 2019, the City recognized OPEB income from this plan of \$41,176. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Differences between expected and actual experience | \$ - | \$ 4,143 |
| Change of assumptions | - | 232 |
| Net difference between projected and actual earnings | - | 15,762 |
| Changes in proportionate share | - | 1,018 |
| Contributions subsequent to the measurement date | 34,023 | - |
| Total | <u>\$ 34,023</u> | <u>\$ 21,155</u> |

CITY OF KEIZER, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2019

OTHER POST EMPLOYMENT BENEFITS (Continued)

Deferred outflows of resources related to OPEB of \$34,023 resulting from the City's contributions subsequent to the measurement date will be recognized as either a reduction of the net OPEB liability or an increase in the net OPEB asset in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (income), as follows:

| Year ended June 30: | |
|----------------------------|--------------------------|
| 2020 | \$ (7,201) |
| 2021 | (7,058) |
| 2022 | (5,329) |
| 2023 | <u>(1,567)</u> |
| Total | <u><u>\$(21,155)</u></u> |

Actuarial Methods and Assumptions - The healthcare cost trend rate ranges from 6.50% in 2018 to 4.20% in 2093. See OPERS Pension Plan footnote for additional information on Actuarial Assumptions and Methods, the Long-Term Expected Rate of Return, and the Discount Rate.

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

| | 1% Decrease | Current | 1% Increase |
|------------------|--------------------|----------------------|--------------------|
| | (6.20%) | Discount Rate | (8.20%) |
| | <u></u> | <u>(7.20%)</u> | <u></u> |
| Net OPEB (Asset) | \$ (42,567) | \$ (73,109) | \$ (99,105) |

OPEB Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

CITY OF KEIZER, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2019

TRANSFERS

| <u>Fund</u> | <u>Transfer In</u> | <u>Transfer Out</u> |
|------------------|---------------------|---------------------|
| General | \$ - | \$ 117,400 |
| Street | - | 483,000 |
| Park Improvement | 100,000 | - |
| Water | 17,400 | 400,000 |
| Water Facility | 400,000 | - |
| Stormwater | 483,000 | - |
| | <u>\$ 1,000,400</u> | <u>\$ 1,000,400</u> |

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CONTINGENCIES

The City purchases commercial insurance to cover all commonly insurable risks, including property, liability, vehicles, fidelity bond, worker's compensation and unemployment. All policies carry a small deductible amount. No insurance claims settled in each of the prior three years have exceeded policy coverage.

The City is a defendant in various litigation proceedings. Management believes any losses arising from these actions will not materially affect the City's financial position.

CITY OF KEIZER, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2019

NEW ACCOUNTING PRONOUNCEMENTS AND ACCOUNTING STANDARDS

During the fiscal year ended June 30, 2019, the City implemented the following GASB pronouncements:

GASB Statement No. 83, "Certain Asset Retirement Obligation", addresses accounting and financial reporting for certain asset retirement obligations. The statement is effective for fiscal years beginning after June 15, 2018. There was no effect to the City's financials as a result of the implementing this standard.

GASB Statement No. 88, "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements." This statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. The statement is effective for reporting periods beginning after June 15, 2018.

The City will implement applicable new GASB pronouncements no later than the required fiscal year. Management has not determined the effect on the financial statements from implementing any of the following pronouncements.

GASB Statement No. 84, "Fiduciary Activities." This statement establishes criteria for identifying fiduciary activities of all state and local governments. The statement is effective for fiscal years beginning after December 15, 2018.

GASB Statement No. 87, "Leases." This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single models for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This statement is effective for the first reporting period beginning after December 15, 2019.

GASB Statement No. 89, "Accounting for Interest Cost Incurred Before the End of a Construction Period." This statement establishes accounting requirements for interest cost incurred before the end of a construction period. The statement is effective for reporting periods beginning after December 15, 2019.

GASB Statement No. 90, "Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61." This statement defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. The statement is effective for reporting periods beginning after December 15, 2018.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF KEIZER, OREGON

**SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST SIX FISCAL YEARS**

| <u>Year Ended June 30,</u> | <u>(a) City's proportion of the net pension liability (asset)</u> | <u>(b) City's proportionate share of the net pension liability (asset)</u> | <u>(c) City's covered payroll</u> | <u>(b/c) City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll</u> | <u>Plan fiduciary net position as a percentage of the total pension liability</u> |
|----------------------------|---|--|---|---|---|
| 2019 | 0.0598% | \$ 9,064,626 | \$ 6,865,083 | 132.0% | 82.1% |
| 2018 | 0.0590% | 7,955,648 | 6,419,498 | 123.9% | 83.1% |
| 2017 | 0.0619% | 9,287,987 | 6,014,572 | 154.4% | 80.5% |
| 2016 | 0.0589% | 3,383,841 | 6,235,184 | 54.3% | 91.9% |
| 2015 | 0.0582% | (1,319,368) | 5,783,998 | -22.8% | 103.6% |
| 2014 | 0.0582% | 2,970,346 | 5,595,885 | 53.1% | 92.0% |

The amounts presented for each fiscal year were actuarially 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 KEIZER, OREGON
SCHEDULE OF THE CITY'S CONTRIBUTIONS
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST SIX 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 |
|---------------------|--|---|---|-------------------------------|--|
| 2019 | \$ 1,370,011 | \$ 1,370,011 | \$ - | \$ 7,450,379 | 18.39% |
| 2018 | 1,282,290 | 1,282,290 | - | 6,865,083 | 18.68% |
| 2017 | 1,081,511 | 1,081,511 | - | 6,419,498 | 16.85% |
| 2016 | 1,078,513 | 1,078,513 | - | 6,014,572 | 17.93% |
| 2015 | 806,453 | 806,453 | - | 6,235,184 | 12.93% |
| 2014 | 744,892 | 744,892 | - | 5,783,998 | 12.88% |

The amounts presented for each fiscal year were actuarially 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 KEIZER, OREGON
SCHEDULE OF CHANGES IN TOTAL OTHER POST-EMPLOYMENT BENEFITS
LIABILITY AND RELATED RATIOS
IMPLICIT RATE SUBSIDY
LAST TWO FISCAL YEARS

| | Fiscal year | |
|--|------------------------|---------------------|
| | Ending June 30, | |
| | 2019 | 2018 |
| Service Cost | \$ 53,289 | \$ 60,950 |
| Interest on total OPEB liability | 38,835 | 31,517 |
| Effect of economic/demographic gains or losses | 58,894 | |
| Effect of assumption change or inputs | 27,737 | (74,277) |
| Benefit payments | (25,913) | (37,228) |
| Net change in total OPEB liability | 152,842 | (19,038) |
| Net OPEB liability, beginning | 1,044,338 | 1,063,376 |
| Net OPEB liability, ending | <u>\$ 1,197,180</u> | <u>\$ 1,044,338</u> |
| Covered payroll | \$ 7,450,379 | \$ 7,263,146 |
| Total OPEB liability as a % of covered payroll | 16% | 14% |

Notes:

The above table presents the most recent actuarial valuations for the City's post-employment health insurance benefits plan and provides information that approximates the funding progress of the plan.

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

10-year trend information required by GASB Statement No. 75 will be presented prospectively.

CITY OF KEIZER, OREGON

SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)

OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM RETIREE HEALTH INSURANCE ACCOUNT

LAST THREE FISCAL YEARS

| | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|--|-------------|-------------|-------------|
| City's proportion of the net OPEB liability (asset) | 0.0655% | 0.0641% | 0.0706% |
| City's proportionate share of the net OPEB liability (asset) | \$ (73,109) | \$ (26,764) | \$ 19,168 |
| City's covered-employee payroll | 6,865,083 | 6,419,498 | 6,014,572 |
| City's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll | -1.06% | -0.42% | 0.32% |
| Plan fiduciary net position as a percentage of the total pension liability | 124.0% | 108.9% | 94.2% |

CITY OF KEIZER, OREGON
SCHEDULE OF CITY'S CONTRIBUTIONS
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM RETIREE HEALTH INSURANCE ACCOUNT
LAST THREE FISCAL YEARS

| | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|--|-----------------|-----------------|-----------------|
| Contractually required contributions | \$ 34,023 | \$ 31,928 | \$ 31,473 |
| Contributions in relation to the contractually required contribution | <u>(34,023)</u> | <u>(31,928)</u> | <u>(31,473)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| City's covered-employee payroll | \$ 7,450,379 | \$ 6,865,083 | \$ 6,419,498 |
| Contributions as a percentage of covered-employee payroll | -0.46% | -0.47% | -0.49% |

10-year trend information required by GASB Statement No. 75 will be presented prospectively.

CITY OF KEIZER, OREGON**COMBINING BALANCE SHEET – BUDGETARY FUNDS REPORTED AS GENERAL OPERATING FUND**

JUNE 30, 2019

| | Budgetary Funds | | | Total General Operating Fund |
|---|------------------------|------------------------|----------------------|---|
| | General Fund | Police Services | Park Services | |
| ASSETS | | | | |
| Cash and investments | \$ 2,292,545 | \$ 209,149 | \$ 247,936 | \$ 2,749,630 |
| Accounts receivable | 423,486 | 62,155 | 62,154 | 547,795 |
| Property taxes receivable | 266,208 | - | - | 266,208 |
| <i>Total Assets</i> | <u>2,982,239</u> | <u>271,304</u> | <u>310,090</u> | <u>3,563,633</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities | | | | |
| Accounts payable | 63,192 | - | 32,990 | 96,182 |
| Accrued expenses payable | 170,093 | - | - | 170,093 |
| Deposits | 69,396 | - | - | 69,396 |
| <i>Total Liabilities</i> | 302,681 | - | 32,990 | 335,671 |
| Deferred Inflows | | | | |
| Unavailable revenue | 210,541 | - | - | 210,541 |
| Fund Balances | | | | |
| Committed | - | 271,304 | 277,100 | 548,404 |
| Unassigned | 2,469,017 | - | - | 2,469,017 |
| <i>Total Fund Balances</i> | <u>2,469,017</u> | <u>271,304</u> | <u>277,100</u> | <u>3,017,421</u> |
| <i>Total Liabilities , Deferred Inflows and Fund Balances</i> | <u>\$ 2,982,239</u> | <u>\$ 271,304</u> | <u>\$ 310,090</u> | <u>\$ 3,563,633</u> |

CITY OF KEIZER, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGETARY FUNDS REPORTED AS GENERAL OPERATING FUND
YEAR ENDED JUNE 30, 2019

| | <i>Budgetary Funds</i> | | | <i>Eliminate Interfund Activity</i> | <i>Total General Operating Fund</i> |
|---|------------------------|------------------------|----------------------|-------------------------------------|-------------------------------------|
| | <i>General Fund</i> | <i>Police Services</i> | <i>Park Services</i> | | |
| REVENUES | | | | | |
| Taxes and assessments | \$ 5,841,664 | \$ - | \$ - | \$ - | \$ 5,841,664 |
| Licenses and permits | 2,897,047 | 679,777 | 687,883 | - | 4,264,707 |
| Charges for services | 150 | - | - | - | 150 |
| Intergovernmental | 1,248,672 | - | 4,700 | - | 1,253,372 |
| Fines and forfeitures | 472,633 | - | - | - | 472,633 |
| Miscellaneous | 181,792 | - | 114,499 | - | 296,291 |
| <i>Total Revenues</i> | 10,641,958 | 679,777 | 807,082 | - | 12,128,817 |
| EXPENDITURES | | | | | |
| Administration | 2,116,031 | - | - | - | 2,116,031 |
| Parks | - | - | 963,591 | - | 963,591 |
| Community development | 563,072 | - | - | - | 563,072 |
| Police | 7,746,780 | - | - | - | 7,746,780 |
| Municipal court | 214,419 | - | - | - | 214,419 |
| <i>Total Expenditures</i> | 10,640,302 | - | 963,591 | - | 11,603,893 |
| REVENUES OVER (UNDER) EXPENDITURES | 1,656 | 679,777 | (156,509) | - | 524,924 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 597,000 | - | 360,800 | (957,800) | - |
| Transfers out | (460,800) | (597,000) | (17,400) | 957,800 | (117,400) |
| <i>Total Other Financing Sources (Uses)</i> | 136,200 | (597,000) | 343,400 | - | (117,400) |
| NET CHANGE IN FUND BALANCE | 137,856 | 82,777 | 186,891 | - | 407,524 |
| FUND BALANCE, Beginning of year | 2,331,161 | 188,527 | 90,209 | - | 2,609,897 |
| FUND BALANCE, End of year | \$ 2,469,017 | \$ 271,304 | \$ 277,100 | \$ - | \$ 3,017,421 |

CITY OF KEIZER, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2019**

| | <i>Budgeted Amounts</i> | | <i>Actual</i> | <i>Variance</i> |
|---|-------------------------|--------------|---------------|-----------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| Taxes and assessments | \$ 5,524,400 | \$ 5,524,400 | \$ 5,841,664 | \$ 317,264 |
| Licenses and permits | 2,987,300 | 2,987,300 | 2,897,047 | (90,253) |
| Charges for services | 5,000 | 5,000 | 150 | (4,850) |
| Intergovernmental | 1,192,300 | 1,192,300 | 1,248,672 | 56,372 |
| Fines and forfeitures | 428,000 | 438,000 | 472,633 | 34,633 |
| Miscellaneous | 166,900 | 211,900 | 181,792 | (30,108) |
| <i>Total Revenues</i> | 10,303,900 | 10,358,900 | 10,641,958 | 283,058 |
| EXPENDITURES | | | | |
| Administration | 2,511,100 | 2,511,100 | 2,116,031 | 395,069 |
| Community development | 661,800 | 661,800 | 563,072 | 98,728 |
| Police | 7,980,100 | 8,025,100 | 7,746,780 | 278,320 |
| Municipal court | 212,500 | 222,500 | 214,419 | 8,081 |
| Contingency | 50,000 | 50,000 | - | 50,000 |
| <i>Total Expenditures</i> | 11,415,500 | 11,470,500 | 10,640,302 | 830,198 |
| REVENUES OVER (UNDER) EXPENDITURES | (1,111,600) | (1,111,600) | 1,656 | 1,113,256 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 847,000 | 847,000 | 597,000 | (250,000) |
| Transfers out | (460,800) | (460,800) | (460,800) | - |
| NET CHANGE IN FUND BALANCE | (725,400) | (725,400) | 137,856 | 863,256 |
| FUND BALANCE, Beginning of year | 2,263,200 | 2,263,200 | 2,331,161 | 67,961 |
| FUND BALANCE, End of year | \$ 1,537,800 | \$ 1,537,800 | \$ 2,469,017 | \$ 931,217 |

CITY OF KEIZER, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – POLICE SERVICES FUND
YEAR ENDED JUNE 30, 2019**

| | <i>Budgeted Amounts</i> | | <i>Actual</i> | <i>Variance</i> |
|---|-------------------------|--------------|---------------|-----------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| License & Fees | \$ 656,000 | \$ 656,000 | \$ 679,777 | \$ 23,777 |
| EXPENDITURES | | | | |
| Contingency | 229,000 | 229,000 | - | 229,000 |
| REVENUES OVER (UNDER) EXPENDITURES | 427,000 | 427,000 | 679,777 | 252,777 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (597,000) | (597,000) | (597,000) | - |
| NET CHANGE IN FUND BALANCES | (170,000) | (170,000) | 82,777 | 252,777 |
| FUND BALANCE, Beginning of year | 170,000 | 170,000 | 188,527 | 18,527 |
| FUND BALANCE, End of year | \$ - | \$ - | \$ 271,304 | \$ 271,304 |

CITY OF KEIZER, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – PARK SERVICES FUND
YEAR ENDED JUNE 30, 2019**

| | <i>Budgeted Amounts</i> | | <i>Actual</i> | <i>Variance</i> |
|---|-------------------------|--------------|---------------|-----------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| License & Fees | \$ 665,500 | \$ 665,500 | \$ 687,883 | \$ 22,383 |
| Intergovernmental | 4,700 | 4,700 | 4,700 | - |
| Miscellaneous | 68,000 | 68,000 | 114,499 | 46,499 |
| <i>Total Revenues</i> | 738,200 | 738,200 | 807,082 | 68,882 |
| EXPENDITURES | | | | |
| Personnel services | 339,300 | 339,300 | 304,756 | 34,544 |
| Materials and services | 250,500 | 250,500 | 237,621 | 12,879 |
| Capital outlay | 486,000 | 486,000 | 421,214 | 64,786 |
| <i>Total Expenditures</i> | 1,075,800 | 1,075,800 | 963,591 | 112,209 |
| REVENUES OVER (UNDER) EXPENDITURES | | | | |
| | (337,600) | (337,600) | (156,509) | (42,403) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 360,800 | 360,800 | 360,800 | - |
| Transfers out | (17,400) | (17,400) | (17,400) | - |
| <i>Total Other Financing Sources (Uses)</i> | 343,400 | 343,400 | 343,400 | - |
| NET CHANGE IN FUND BALANCE | 5,800 | 5,800 | 186,891 | 181,091 |
| FUND BALANCE, Beginning of year | 4,900 | 4,900 | 90,209 | 85,309 |
| FUND BALANCE, End of year | \$ 10,700 | \$ 10,700 | \$ 277,100 | \$ 266,400 |

CITY OF KEIZER, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - STREET FUND
YEAR ENDED JUNE 30, 2019

| | <i>Budgeted Amounts</i> | | <i>Actual</i> | <i>Variance</i> |
|--|-------------------------|--------------|---------------|-----------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| Licenses and permits | \$ 10,600 | \$ 10,600 | \$ 62,022 | \$ 51,422 |
| Intergovernmental | 2,301,000 | 2,301,000 | 2,818,182 | 517,182 |
| Taxes and assessments | - | - | 1,542 | 1,542 |
| Miscellaneous | 2,500 | 2,500 | 151,464 | 148,964 |
| <i>Total Revenues</i> | 2,314,100 | 2,314,100 | 3,033,210 | 719,110 |
| EXPENDITURES | | | | |
| Personnel services | 146,700 | 146,700 | 126,991 | 19,709 |
| Materials and services | 811,600 | 811,600 | 684,583 | 127,017 |
| Capital outlay | 2,717,100 | 2,717,100 | 1,869,713 | 847,387 |
| Debt service | | | | |
| Principal | 200,000 | 200,000 | 88,000 | 112,000 |
| Interest | 56,300 | 56,300 | 60,238 | (3,938) * |
| Contingency | 47,900 | 47,900 | - | 47,900 |
| <i>Total Expenditures</i> | 3,979,600 | 3,979,600 | 2,829,525 | 1,150,075 |
| REVENUES OVER (UNDER) | | | | |
| EXPENDITURES | (1,665,500) | (1,665,500) | 203,685 | 1,869,185 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (483,000) | (483,000) | (483,000) | - |
| NET CHANGE IN FUND BALANCE | (2,148,500) | (2,148,500) | (279,315) | 1,869,185 |
| FUND BALANCE, Beginning of year | 2,804,100 | 2,804,100 | 3,037,414 | 233,314 |
| FUND BALANCE, End of year | \$ 655,600 | \$ 655,600 | \$ 2,758,099 | \$ 2,102,499 |

*Debt is appropriated in total, therefore this is not an over expenditure of appropriations.

CITY OF KEIZER, OREGON**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – TRANSPORTATION IMPROVEMENT FUND
YEAR ENDED JUNE 30, 2019**

| | <i>Budgeted Amounts</i> | | <i>Actual</i> | <i>Variance</i> |
|---|-------------------------|--------------|---------------|-----------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| Licenses and permits | \$ 33,000 | \$ 33,000 | \$ 239,105 | \$ 206,105 |
| Miscellaneous | 5,000 | 5,000 | 44,503 | 39,503 |
| <i>Total Revenues</i> | 38,000 | 38,000 | 283,608 | 245,608 |
| EXPENDITURES | | | | |
| Capital outlay | 1,000,000 | 1,000,000 | - | 1,000,000 |
| REVENUES OVER (UNDER) EXPENDITURES | (962,000) | (962,000) | 283,608 | 1,245,608 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (250,000) | (250,000) | - | 250,000 |
| NET CHANGE IN FUND BALANCES | (1,212,000) | (1,212,000) | 283,608 | 1,495,608 |
| FUND BALANCE, Beginning of year | 2,695,700 | 2,695,700 | 2,997,193 | 301,493 |
| FUND BALANCE, End of year | \$ 1,483,700 | \$ 1,483,700 | \$ 3,280,801 | \$ 1,797,101 |

OTHER SUPPLEMENTARY INFORMATION

CITY OF KEIZER, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - KEIZER STATION LID FUND
YEAR ENDED JUNE 30, 2019**

| | <i>Budgeted Amounts</i> | | <i>Actual</i> | <i>Variance</i> |
|---|-------------------------|--------------|---------------|-----------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| Taxes and assessments | \$ 868,800 | \$ 868,800 | \$ 868,850 | \$ 50 |
| Miscellaneous | 747,000 | 747,000 | 775,862 | 28,862 |
| <i>Total Revenues</i> | 1,615,800 | 1,615,800 | 1,644,712 | 28,912 |
| EXPENDITURES | | | | |
| Debt service | | | | |
| Principal | 935,000 | 935,000 | 930,000 | 5,000 |
| Interest | 707,000 | 707,000 | 706,680 | 320 |
| <i>Total Expenditures</i> | 1,642,000 | 1,642,000 | 1,636,680 | 5,320 |
| REVENUES OVER (UNDER) EXPENDITURES | (26,200) | (26,200) | 8,032 | 34,232 |
| FUND BALANCE, Beginning of year | 2,708,600 | 2,708,600 | 2,716,376 | 7,776 |
| FUND BALANCE, End of year | \$ 2,682,400 | \$ 2,682,400 | \$ 2,724,408 | \$ 42,008 |

CITY OF KEIZER, OREGON
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

| | <u>Public</u> | | <u>Special Revenue</u> |
|--|-------------------|--------------------|------------------------|
| | <u>Education</u> | <u>Park</u> | <u>Off-site</u> |
| | <u>Government</u> | <u>Improvement</u> | <u>Transportation</u> |
| | | | <u>Improvement</u> |
| ASSETS | | | |
| Cash and investments | \$ 329,901 | \$ 797,900 | \$ 55,609 |
| Accounts receivable | 33,415 | - | - |
| Loans receivable | - | - | - |
| | <u> </u> | <u> </u> | <u> </u> |
| <i>Total Assets</i> | <u>\$ 363,316</u> | <u>\$ 797,900</u> | <u>\$ 55,609</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts payable | \$ 8,293 | \$ - | \$ - |
| Deferred inflows | | | |
| Unavailable revenue | - | - | - |
| Fund Balances | | | |
| Restricted | | | |
| Construction | - | 797,900 | 55,609 |
| Other | 355,023 | - | - |
| | <u> </u> | <u> </u> | <u> </u> |
| <i>Total Fund Balance</i> | <u>355,023</u> | <u>797,900</u> | <u>55,609</u> |
| <i>Total Liabilities and Fund Balances</i> | <u>\$ 363,316</u> | <u>\$ 797,900</u> | <u>\$ 55,609</u> |

| <i>Housing Services</i> | <i>Energy Efficiency</i> | <i>Totals</i> |
|-----------------------------|------------------------------|---------------------|
| \$ 52,220 | \$ 13,795 | \$ 1,249,425 |
| - | - | 33,415 |
| 289,296 | 84,224 | 373,520 |
| <u>\$ 341,516</u> | <u>\$ 98,019</u> | <u>\$ 1,656,360</u> |
| \$ - | \$ - | \$ 8,293 |
| 289,296 | 84,224 | 373,520 |
| 52,220 | 13,795 | 919,524 |
| - | - | 355,023 |
| <u>52,220</u> | <u>13,795</u> | <u>1,274,547</u> |
| <u>\$ 341,516</u> | <u>\$ 98,019</u> | <u>\$ 1,656,360</u> |

CITY OF KEIZER, OREGON**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019**

| | <u>Public</u> <u>Education</u> <u>Government</u> | <u>Park</u> <u>Improvement</u> | <u>Special Revenue</u> <u>Offsite</u> <u>Transportation</u> <u>Improvement</u> |
|---|--|-----------------------------------|---|
| REVENUES | | | |
| Licenses and permits | \$ 135,706 | \$ 53,520 | \$ - |
| Intergovernmental | - | 434,140 | - |
| Miscellaneous | 4,681 | 15,259 | 1,187 |
| <i>Total Revenues</i> | 140,387 | 502,919 | 1,187 |
| EXPENDITURES | | | |
| Current operating | | | |
| General government | 107,887 | - | - |
| Capital outlay | 5,772 | 314,998 | 40,064 |
| <i>Total Expenditures</i> | 113,659 | 314,998 | 40,064 |
| REVENUES OVER (UNDER) EXPENDITURES | 26,728 | 187,921 | (38,877) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | - | 100,000 | - |
| NET CHANGE IN FUND BALANCES | 26,728 | 287,921 | (38,877) |
| FUND BALANCES, Beginning of year | 328,295 | 509,979 | 94,486 |
| FUND BALANCES, End of year | <u>\$ 355,023</u> | <u>\$ 797,900</u> | <u>\$ 55,609</u> |

| <u><i>Housing Services</i></u> | <u><i>Energy Efficiency</i></u> | <u><i>Totals</i></u> |
|------------------------------------|-------------------------------------|----------------------|
| \$ - | \$ - | \$ 189,226 |
| - | - | 434,140 |
| <u>7,203</u> | <u>2,548</u> | <u>30,878</u> |
| 7,203 | 2,548 | 654,244 |
| - | - | 107,887 |
| <u>-</u> | <u>-</u> | <u>360,834</u> |
| - | - | <u>468,721</u> |
| 7,203 | 2,548 | 185,523 |
| <u>-</u> | <u>-</u> | <u>100,000</u> |
| 7,203 | 2,548 | 285,523 |
| <u>45,017</u> | <u>11,247</u> | <u>989,024</u> |
| <u>\$ 52,220</u> | <u>\$ 13,795</u> | <u>\$ 1,274,547</u> |

CITY OF KEIZER, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - LAW ENFORCEMENT GRANT FUND
YEAR ENDED JUNE 30, 2019**

| | <i>Budgeted Amounts</i> | | <i>Actual</i> | <i>Variance</i> |
|---|-------------------------|--------------|---------------|-----------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| Intergovernmental | \$ 30,000 | \$ 30,000 | \$ - | \$ (30,000) |
| EXPENDITURES | | | | |
| Law enforcement grant | 30,000 | 30,000 | - | 30,000 |
| REVENUES OVER (UNDER) EXPENDITURES | - | - | - | - |
| FUND BALANCE, Beginning of year | - | - | - | - |
| FUND BALANCE, End of year | \$ - | \$ - | \$ - | \$ - |

CITY OF KEIZER, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - PUBLIC EDUCATION GOVERNMENT FUND
YEAR ENDED JUNE 30, 2019**

| | <i>Budgeted Amounts</i> | | <i>Actual</i> | <i>Variance</i> |
|---|-------------------------|--------------|---------------|-----------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| Licenses and permits | \$ 135,700 | \$ 135,700 | \$ 135,706 | \$ 6 |
| Miscellaneous | 1,000 | 1,000 | 4,681 | 3,681 |
| <i>Total Revenues</i> | 136,700 | 136,700 | 140,387 | 3,687 |
| EXPENDITURES | | | | |
| Materials and services | 111,700 | 111,700 | 107,887 | 3,813 |
| Capital outlay | 25,000 | 35,000 | 5,772 | 29,228 |
| Contingency | 50,000 | 40,000 | - | 40,000 |
| <i>Total Expenditures</i> | 186,700 | 186,700 | 113,659 | 73,041 |
| REVENUES OVER (UNDER) EXPENDITURES | (50,000) | (50,000) | 26,728 | 76,728 |
| FUND BALANCE, Beginning of year | 306,000 | 306,000 | 328,295 | 22,295 |
| FUND BALANCE, End of year | \$ 256,000 | \$ 256,000 | \$ 355,023 | \$ 99,023 |

CITY OF KEIZER, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – OFFSITE TRANSPORTATION IMPROVEMENT FUND
YEAR ENDED JUNE 30, 2019**

| | <i>Budgeted Amounts</i> | | <i>Actual</i> | <i>Variance</i> |
|---|-------------------------|--------------|---------------|-----------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| Miscellaneous | \$ - | \$ - | \$ 1,187 | \$ 1,187 |
| EXPENDITURES | | | | |
| Capital outlay | 94,100 | 94,100 | 40,064 | 54,036 |
| REVENUES OVER (UNDER) EXPENDITURES | (94,100) | (94,100) | (38,877) | 55,223 |
| FUND BALANCE, Beginning of year | 94,100 | 94,100 | 94,486 | 386 |
| FUND BALANCE, End of year | \$ - | \$ - | \$ 55,609 | \$ 55,609 |

CITY OF KEIZER, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - PARK IMPROVEMENT FUND
YEAR ENDED JUNE 30, 2019**

| | <i>Budgeted Amounts</i> | | <i>Actual</i> | <i>Variance</i> |
|---|-------------------------|--------------|---------------|-----------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| Licenses and permits | \$ 45,000 | \$ 45,000 | \$ 53,520 | \$ 8,520 |
| Intergovernmental | 434,200 | 434,200 | 434,140 | (60) |
| Miscellaneous | 1,000 | 1,000 | 15,259 | 14,259 |
| <i>Total Revenues</i> | 480,200 | 480,200 | 502,919 | 22,719 |
| EXPENDITURES | | | | |
| Capital outlay | 1,029,200 | 1,029,200 | 314,998 | 714,202 |
| REVENUES OVER (UNDER) EXPENDITURES | (549,000) | (549,000) | 187,921 | 736,921 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 100,000 | 100,000 | 100,000 | - |
| NET CHANGE IN FUND BALANCE | (449,000) | (449,000) | 287,921 | 736,921 |
| FUND BALANCE, Beginning of year | 474,200 | 474,200 | 509,979 | 35,779 |
| FUND BALANCE, End of year | \$ 25,200 | \$ 25,200 | \$ 797,900 | \$ 772,700 |

CITY OF KEIZER, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - HOUSING SERVICES FUND
YEAR ENDED JUNE 30, 2019**

| | <i>Budgeted Amounts</i> | | <i>Actual</i> | <i>Variance</i> |
|---|-------------------------|--------------|---------------|-----------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| Miscellaneous | \$ 30,000 | \$ 30,000 | \$ 7,203 | \$ (22,797) |
| EXPENDITURES | | | | |
| Materials and services | 75,000 | 75,000 | - | 75,000 |
| REVENUES OVER (UNDER) EXPENDITURES | (45,000) | (45,000) | 7,203 | 52,203 |
| FUND BALANCE, Beginning of year | 45,000 | 45,000 | 45,017 | 17 |
| FUND BALANCE, End of year | \$ - | \$ - | \$ 52,220 | \$ 52,220 |

CITY OF KEIZER, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – ENERGY EFFICIENCY GRANT FUND
YEAR ENDED JUNE 30, 2019**

| | <i>Budgeted Amounts</i> | | <i>Actual</i> | <i>Variance</i> |
|---|-------------------------|--------------|---------------|-----------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| Miscellaneous | \$ 15,000 | \$ 15,000 | \$ 2,548 | \$ (12,452) |
| EXPENDITURES | | | | |
| Materials and services | 26,200 | 26,200 | - | 26,200 |
| REVENUES OVER (UNDER) EXPENDITURES | (11,200) | (11,200) | 2,548 | 13,748 |
| FUND BALANCE, Beginning of year | 11,200 | 11,200 | 11,247 | 47 |
| FUND BALANCE, End of year | \$ - | \$ - | \$ 13,795 | \$ 13,795 |

CITY OF KEIZER, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – ADMINISTRATIVE SERVICES FUND
YEAR ENDED JUNE 30, 2019**

| | <i>Budgeted Amounts</i> | | <i>Actual</i> | <i>Variance</i> |
|---|-------------------------|--------------|---------------|-----------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| Charges for services | \$ 3,778,900 | \$ 3,778,900 | \$ 3,681,896 | \$ (97,004) |
| Miscellaneous | - | - | 8,930 | 8,930 |
| <i>Total Revenues</i> | 3,778,900 | 3,778,900 | 3,690,826 | (88,074) |
| EXPENDITURES | | | | |
| Administrative services - general | 274,700 | 319,700 | 314,644 | 5,056 |
| City manager | 241,600 | 241,600 | 240,481 | 1,119 |
| City attorney | 306,800 | 306,800 | 295,972 | 10,828 |
| City recorder | 250,800 | 250,800 | 246,657 | 4,143 |
| Human resources | 330,800 | 330,800 | 325,819 | 4,981 |
| Finance - non-departmental | 479,300 | 479,300 | 455,069 | 24,231 |
| Finance - information systems | 552,400 | 599,400 | 541,699 | 57,701 |
| Finance - utility billing | 360,300 | 360,300 | 339,050 | 21,250 |
| Public works - non-departmental | 581,000 | 581,000 | 569,145 | 11,855 |
| Public works - facility maintenance | 386,200 | 426,200 | 357,981 | 68,219 |
| Contingency | 186,400 | 101,400 | - | 101,400 |
| <i>Total Expenditures</i> | 3,950,300 | 3,997,300 | 3,686,517 | 310,783 |
| REVENUES OVER (UNDER) EXPENDITURES | (171,400) | (218,400) | 4,309 | 222,709 |
| FUND BALANCE, Beginning of year | 171,400 | 218,400 | 219,326 | 926 |
| FUND BALANCE, End of year | \$ - | \$ - | \$ 223,635 | \$ 223,635 |

The Administrative Services Fund uses the modified accrual basis of accounting for budgetary purposes and the full accrual basis of accounting for GAAP purposes.

CITY OF KEIZER, OREGON

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – SEWER AND SEWER RESERVE COMBINED

YEAR ENDED JUNE 30, 2019

| | <u>Budgetary Funds</u> | | <u>Eliminate Interfund Activity</u> | <u>Total Sewer and Sewer Reserve Fund</u> |
|--|------------------------|----------------------|---|---|
| | <u>Sewer</u> | <u>Sewer Reserve</u> | | |
| REVENUES | | | | |
| Licenses and permits | \$ - | \$ 31,736 | \$ - | \$ 31,736 |
| Charges for services | 6,015,637 | - | - | 6,015,637 |
| Miscellaneous | 8,242 | 3,060 | - | 11,302 |
| <i>Total Revenues</i> | 6,023,879 | 34,796 | - | 6,058,675 |
| EXPENDITURES | | | | |
| Personnel services | 3,278 | - | - | 3,278 |
| Materials and services | 5,970,898 | - | - | 5,970,898 |
| Capital outlay | - | 207 | - | 207 |
| <i>Total Expenditures</i> | 5,974,176 | 207 | - | 5,974,383 |
| REVENUES OVER (UNDER) EXPENDITURES | | | | |
| | 49,703 | 34,589 | - | 84,292 |
| FUND BALANCE, Beginning of year | 351,184 | 199,471 | - | 550,655 |
| FUND BALANCE, End of year | <u>\$ 400,887</u> | <u>\$ 234,060</u> | <u>\$ -</u> | 634,947 |
| RECONCILIATION TO NET POSITION - GAAP BASIS | | | | |
| Accrued receivables | | | | 281,395 |
| OPEB Asset | | | | 771 |
| Capital assets, net | | | | 1,303,957 |
| Deferred outflows related to pensions | | | | 43,637 |
| Deferred outflows related to OPEB | | | | 1,550 |
| Accrued compensated absences | | | | (13,943) |
| Deferred inflows related to pensions | | | | (20,897) |
| Deferred inflows related to OPEB | | | | (838) |
| Net pension liability | | | | (108,955) |
| OPEB Liability | | | | (12,633) |
| NET POSITION | | | | <u>\$ 2,108,991</u> |

CITY OF KEIZER, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - SEWER FUND
YEAR ENDED JUNE 30, 2019**

| | <u>Budgeted Amounts</u> | | <u>Budget Basis</u> | <u>Variance</u> |
|---|-------------------------|-------------------|-------------------------|------------------|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Charges for services | \$ 6,165,900 | \$ 6,165,900 | \$ 6,015,637 | \$ (150,263) |
| Miscellaneous | 400 | 400 | 8,242 | 7,842 |
| <i>Total Revenues</i> | <u>6,166,300</u> | <u>6,166,300</u> | <u>6,023,879</u> | <u>(142,421)</u> |
| EXPENDITURES | | | | |
| Personnel services | 3,700 | 3,700 | 3,278 | 422 |
| Materials and services | 6,163,200 | 6,163,200 | 5,970,898 | 192,302 |
| Contingency | 20,000 | 20,000 | - | 20,000 |
| <i>Total Expenditures</i> | <u>6,186,900</u> | <u>6,186,900</u> | <u>5,974,176</u> | <u>212,724</u> |
| REVENUES OVER (UNDER) EXPENDITURES | (20,600) | (20,600) | 49,703 | 70,303 |
| FUND BALANCE, Beginning of year | <u>324,300</u> | <u>324,300</u> | <u>351,184</u> | <u>26,884</u> |
| FUND BALANCE, End of year | <u>\$ 303,700</u> | <u>\$ 303,700</u> | <u>\$ 400,887</u> | <u>\$ 97,187</u> |

CITY OF KEIZER, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - SEWER RESERVE FUND
YEAR ENDED JUNE 30, 2019**

| | <u>Budgeted Amounts</u> | | <u>Budget Basis</u> | <u>Variance</u> |
|---|-------------------------|-----------------|-------------------------|-------------------|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Licenses and permits | \$ 33,500 | \$ 33,500 | \$ 31,736 | \$ (1,764) |
| Miscellaneous | 1,000 | 1,000 | 3,060 | 2,060 |
| <i>Total Revenues</i> | 34,500 | 34,500 | 34,796 | 296 |
| EXPENDITURES | | | | |
| Capital outlay | 225,000 | 225,000 | 207 | 224,793 |
| REVENUES OVER (UNDER) EXPENDITURES | (190,500) | (190,500) | 34,589 | 225,089 |
| FUND BALANCE, Beginning of year | 199,100 | 199,100 | 199,471 | 371 |
| FUND BALANCE, End of year | <u>\$ 8,600</u> | <u>\$ 8,600</u> | <u>\$ 234,060</u> | <u>\$ 225,460</u> |

CITY OF KEIZER, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – WATER AND WATER FACILITY FUNDS COMBINED
YEAR ENDED JUNE 30, 2019**

| | <u>Budgetary Funds</u> | | <u>Eliminate Interfund Activity</u> | <u>Total Water and Water Facility Fund</u> |
|--|------------------------|-----------------------|---|--|
| | <u>Water</u> | <u>Water Facility</u> | | |
| REVENUES | | | | |
| Licenses and permits | \$ 68,024 | \$ 37,590 | \$ - | \$ 105,614 |
| Charges for services | 3,149,491 | - | - | 3,149,491 |
| Miscellaneous | 24,454 | 4,759 | - | 29,213 |
| <i>Total Revenues</i> | <u>3,241,969</u> | <u>42,349</u> | - | <u>3,284,318</u> |
| EXPENDITURES | | | | |
| Personnel services | 1,053,743 | - | - | 1,053,743 |
| Materials and services | 1,413,183 | - | - | 1,413,183 |
| Capital outlay | 40,702 | 257,648 | - | 298,350 |
| Debt service | 232,345 | - | - | 232,345 |
| <i>Total Expenditures</i> | <u>2,739,973</u> | <u>257,648</u> | - | <u>2,997,621</u> |
| REVENUES OVER (UNDER) EXPENDITURES | 501,996 | (215,299) | - | 286,697 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 17,400 | 400,000 | (400,000) | 17,400 |
| Transfers out | (400,000) | - | 400,000 | - |
| <i>Total Other Financing Sources (Uses)</i> | <u>(382,600)</u> | <u>400,000</u> | - | <u>17,400</u> |
| NET CHANGE IN FUND BALANCE | 119,396 | 184,701 | - | 304,097 |
| FUND BALANCE, Beginning of year | <u>1,023,360</u> | <u>171,318</u> | - | <u>1,194,678</u> |
| FUND BALANCE, End of year | <u>\$ 1,142,756</u> | <u>\$ 356,019</u> | <u>\$ -</u> | <u>1,498,775</u> |
| RECONCILIATION TO NET POSITION - GAAP BASIS | | | | |
| Inventories | | | | 138,767 |
| Accrued receivables | | | | 207,574 |
| OPEB Asset | | | | 7,390 |
| Capital assets, net | | | | 7,560,785 |
| Deferred outflows related to pensions | | | | 395,428 |
| Deferred outflows related to OPEB | | | | 14,845 |
| Accrued compensated absences | | | | (118,336) |
| Accrued interest payable | | | | (6,013) |
| Noncurrent portion of long-term debt | | | | (440,000) |
| Deferred inflows related to pensions | | | | (104,499) |
| Deferred inflows related to OPEB | | | | (8,032) |
| Net pension liability | | | | (915,530) |
| OPEB Liability | | | | (121,016) |
| NET POSITION | | | | <u>\$ 8,110,138</u> |

CITY OF KEIZER, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - WATER FUND
YEAR ENDED JUNE 30, 2019**

| | <i>Budgeted Amounts</i> | | <i>Budget Basis</i> | <i>Variance</i> |
|---|-------------------------|--------------|---------------------|-----------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| Licenses and permits | \$ 52,500 | \$ 52,500 | \$ 68,024 | \$ 15,524 |
| Charges for services | 3,053,000 | 3,053,000 | 3,149,491 | 96,491 |
| Miscellaneous | 7,000 | 7,000 | 24,454 | 17,454 |
| <i>Total Revenues</i> | 3,112,500 | 3,112,500 | 3,241,969 | 129,469 |
| EXPENDITURES | | | | |
| Personnel services | 1,075,000 | 1,075,000 | 1,053,743 | 21,257 |
| Materials and services | 1,443,100 | 1,443,100 | 1,413,183 | 29,917 |
| Capital outlay | 52,100 | 52,100 | 40,702 | 11,398 |
| Debt service | | | | |
| Principal | 210,000 | 210,000 | 210,000 | - |
| Interest | 22,400 | 22,400 | 22,345 | 55 |
| Contingency | 165,000 | 165,000 | - | 165,000 |
| <i>Total Expenditures</i> | 2,967,600 | 2,967,600 | 2,739,973 | 227,627 |
| REVENUES OVER (UNDER) EXPENDITURES | 144,900 | 144,900 | 501,996 | 357,096 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 17,400 | 17,400 | 17,400 | - |
| Transfers out | (400,000) | (400,000) | (400,000) | - |
| <i>Total Other Financing Sources (Uses)</i> | (382,600) | (382,600) | (382,600) | - |
| CHANGE IN FUND BALANCE | (237,700) | (237,700) | 119,396 | 357,096 |
| FUND BALANCE, Beginning of year | 857,400 | 857,400 | 1,023,360 | 165,960 |
| FUND BALANCE, End of year | \$ 619,700 | \$ 619,700 | \$ 1,142,756 | \$ 523,056 |

CITY OF KEIZER, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - WATER FACILITY FUND
YEAR ENDED JUNE 30, 2019**

| | <u>Budgeted Amounts</u> | | <u>Budget Basis</u> | <u>Variance</u> |
|---|-------------------------|-------------------|-------------------------|-------------------|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Licenses and permits | \$ 24,700 | \$ 24,700 | \$ 37,590 | \$ 12,890 |
| Miscellaneous | 1,500 | 1,500 | 4,759 | 3,259 |
| <i>Total Revenues</i> | 26,200 | 26,200 | 42,349 | 16,149 |
| EXPENDITURES | | | | |
| Capital outlay | 385,000 | 385,000 | 257,648 | 127,352 |
| REVENUES OVER (UNDER) EXPENDITURES | | | | |
| | (358,800) | (358,800) | (215,299) | 143,501 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 400,000 | 400,000 | 400,000 | - |
| CHANGE IN FUND BALANCE | | | | |
| | 41,200 | 41,200 | 184,701 | 143,501 |
| FUND BALANCE, Beginning of year | | | | |
| | 205,300 | 205,300 | 171,318 | (33,982) |
| FUND BALANCE, End of year | | | | |
| | <u>\$ 246,500</u> | <u>\$ 246,500</u> | <u>\$ 356,019</u> | <u>\$ 109,519</u> |

CITY OF KEIZER, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – STORMWATER FUND
YEAR ENDED JUNE 30, 2019

| | <i>Budgeted Amounts</i> | | <i>Budget Basis</i> | <i>Variance</i> |
|--|-------------------------|--------------|---------------------|-----------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| Licenses and permits | \$ 10,000 | \$ 10,000 | \$ 15,880 | \$ 5,880 |
| Charges for services | 1,375,000 | 1,375,000 | 1,414,928 | 39,928 |
| Miscellaneous | 2,000 | 2,000 | 5,356 | 3,356 |
| <i>Total Revenues</i> | 1,387,000 | 1,387,000 | 1,436,164 | 49,164 |
| EXPENDITURES | | | | |
| Personnel services | 759,800 | 759,800 | 713,845 | 45,955 |
| Materials and services | 791,800 | 791,800 | 717,518 | 74,282 |
| Capital outlay | 386,200 | 386,200 | 169,448 | 216,752 |
| Contingency | 106,900 | 106,900 | - | 106,900 |
| <i>Total Expenditures</i> | 2,044,700 | 2,044,700 | 1,600,811 | 443,889 |
| REVENUES OVER (UNDER) | | | | |
| EXPENDITURES | (657,700) | (657,700) | (164,647) | 493,053 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Issuance of debt | 125,000 | 125,000 | - | (125,000) |
| Transfers in | 483,000 | 483,000 | 483,000 | - |
| <i>Total Other Financing Sources (Uses)</i> | 608,000 | 608,000 | 483,000 | (125,000) |
| CHANGE IN FUND BALANCE | | | | |
| | (49,700) | (49,700) | 318,353 | 368,053 |
| FUND BALANCE, Beginning of year | | | | |
| | 317,900 | 317,900 | 452,040 | 134,140 |
| FUND BALANCE, End of year | | | | |
| | \$ 268,200 | \$ 268,200 | 770,393 | \$ 502,193 |
| RECONCILIATION TO NET POSITION - GAAP BASIS | | | | |
| Inventories | | | 1,360 | |
| Accrued receivables | | | 62,521 | |
| OPEB asset | | | 4,836 | |
| Capital assets, net | | | 1,399,415 | |
| Deferred outflows related to pensions | | | 270,870 | |
| Deferred outflows related to OPEB | | | 9,716 | |
| Accrued compensated absences | | | (61,025) | |
| Deferred inflows related to pensions | | | (62,578) | |
| Deferred inflows related to OPEB | | | (5,256) | |
| Net pension liability | | | (666,686) | |
| OPEB Liability | | | (79,198) | |
| NET POSITION | | | \$ 1,644,368 | |

CITY OF KEIZER, OREGON**COMBINING STATEMENT OF FUND NET POSITION - NONMAJOR ENTERPRISE FUNDS**

JUNE 30, 2019

| | <u>Lighting Districts</u> | <u>Community Center</u> | <u>Totals</u> |
|---|-------------------------------|-----------------------------|-------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and investments | \$ 485,335 | \$ 294,874 | \$ 780,209 |
| Accounts receivable | 19,985 | 70,762 | 90,747 |
| <i>Total Current Assets</i> | 505,320 | 365,636 | 870,956 |
| Noncurrent Assets | | | |
| Other capital assets, net of depreciation | - | 11,000 | 11,000 |
| Other post-employment benefits | 117 | 1,008 | 1,125 |
| <i>Total Noncurrent Assets</i> | 117 | 12,008 | 12,125 |
| <i>Total Assets</i> | 505,437 | 377,644 | 883,081 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred outflows related to OPEB | 235 | 2,026 | 2,261 |
| Deferred outflows related to pensions | 6,183 | 50,067 | 56,250 |
| <i>Total Deferred Outflows of Resources</i> | 6,418 | 52,093 | 58,511 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts payable | 23,250 | 7,427 | 30,677 |
| Accrued compensated absences | 473 | 3,226 | 3,699 |
| Deposits | - | 40,848 | 40,848 |
| <i>Total Current Liabilities</i> | 23,723 | 51,501 | 75,224 |
| Noncurrent Liabilities | | | |
| Accrued compensated absences | 878 | 5,989 | 6,867 |
| Other post-employment benefits | 1,916 | 16,514 | 18,430 |
| Net pension liability | 15,199 | 113,956 | 129,155 |
| <i>Total Noncurrent Liabilities</i> | 17,993 | 136,459 | 154,452 |
| <i>Total Liabilities</i> | 41,716 | 187,960 | 229,676 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred inflows related to OPEB | 127 | 1,096 | 1,223 |
| Deferred inflows related to pensions | 2,215 | 7,667 | 9,882 |
| <i>Total Deferred Inflows of Resources</i> | 2,342 | 8,763 | 11,105 |
| NET POSITION | | | |
| Net investment in capital assets | - | 11,000 | 11,000 |
| Restricted | 467,797 | - | 467,797 |
| Unrestricted | - | 222,014 | 222,014 |
| <i>Total Net Position</i> | <u>\$ 467,797</u> | <u>\$ 233,014</u> | <u>\$ 700,811</u> |

CITY OF KEIZER, OREGON**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2019**

| | <u><i>Lighting Districts</i></u> | <u><i>Community Center</i></u> | <u><i>Totals</i></u> |
|---|--------------------------------------|------------------------------------|----------------------|
| OPERATING REVENUES | | | |
| Charges for services | \$ 405,746 | \$ 236,280 | \$ 642,026 |
| Miscellaneous | 6,429 | - | 6,429 |
| <i>Total Operating Revenues</i> | 412,175 | 236,280 | 648,455 |
| OPERATING EXPENSES | | | |
| Personnel services | 1,154 | 122,734 | 123,888 |
| Materials and services | 386,324 | 180,808 | 567,132 |
| Depreciation | - | 4,847 | 4,847 |
| <i>Total Operating Expenses</i> | 387,478 | 308,389 | 695,867 |
| OPERATING INCOME (LOSS) | 24,697 | (72,109) | (47,412) |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Investment revenue | 7,145 | 3,528 | 10,673 |
| Miscellaneous | - | 198,658 | 198,658 |
| <i>Total Nonoperating Revenues (Expenses)</i> | 7,145 | 202,186 | 209,331 |
| CHANGE IN NET POSITION | 31,842 | 130,077 | 161,919 |
| NET POSITION, Beginning of year | 435,955 | 102,937 | 538,892 |
| NET POSITION, End of year | <u>\$ 467,797</u> | <u>\$ 233,014</u> | <u>\$ 700,811</u> |

CITY OF KEIZER, OREGON
COMBINING STATEMENT OF CASH FLOWS - NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2019

| | <u>Lighting Districts</u> | <u>Community Center</u> | <u>Totals</u> |
|---|-------------------------------|-----------------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash received from customers | \$ 420,148 | \$ 235,630 | \$ 655,778 |
| Cash paid to employees for services | - | (108,616) | (108,616) |
| Cash paid to suppliers for goods and services | (410,373) | (183,788) | (594,161) |
| <i>Net Cash Provided by (Used in) Operating Activities</i> | 9,775 | (56,774) | (46,999) |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | | | |
| Taxes available for operating purposes | - | 164,137 | 164,137 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest on investment | 7,145 | 3,528 | 10,673 |
| <i>Increase (Decrease) in Cash and Investments</i> | 16,920 | 110,891 | 127,811 |
| CASH AND INVESTMENTS, Beginning of year | <u>468,415</u> | <u>183,983</u> | <u>652,398</u> |
| CASH AND INVESTMENTS, End of year | <u>\$ 485,335</u> | <u>\$ 294,874</u> | <u>\$ 780,209</u> |
| RECONCILIATION OF CASH PROVIDED BY OPERATING ACTIVITIES TO OPERATING INCOME (LOSS) | | | |
| Operating income (loss) | \$ 24,697 | \$ (72,109) | \$ (47,412) |
| Depreciation | - | 4,847 | 4,847 |
| <i>Change in assets and liabilities</i> | | | |
| Accounts receivable | 7,973 | - | 7,973 |
| Deposits | - | (650) | (650) |
| Accounts payable | (24,049) | (2,980) | (27,029) |
| Accrued compensated absences | (239) | 2,310 | 2,071 |
| Net pension liability | 1,400 | 12,074 | 13,474 |
| Other post-employment benefits | (7) | (266) | (273) |
| <i>Net Cash Provided by (Used in) Operating Activities</i> | <u>\$ 9,775</u> | <u>\$ (56,774)</u> | <u>\$ (46,999)</u> |

CITY OF KEIZER, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - LIGHTING DISTRICTS FUND
YEAR ENDED JUNE 30, 2019**

| | <u>Budgeted Amounts</u> | | <u>Budget Basis</u> | <u>Variance</u> |
|--|-------------------------|-------------------|-------------------------|------------------|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Charges for services | \$ 420,000 | \$ 420,000 | \$ 413,350 | \$ (6,650) |
| Miscellaneous | 7,000 | 7,000 | 13,574 | 6,574 |
| <i>Total Revenues</i> | 427,000 | 427,000 | 426,924 | (76) |
| EXPENDITURES | | | | |
| Materials and services | 460,700 | 460,700 | 386,324 | 74,376 |
| Contingency | 30,000 | 30,000 | - | 30,000 |
| <i>Total Expenditures</i> | 490,700 | 490,700 | 386,324 | 104,376 |
| REVENUES OVER (UNDER) EXPENDITURES | (63,700) | (63,700) | 40,600 | 104,300 |
| FUND BALANCE, Beginning of year | 427,400 | 427,400 | 421,525 | (5,875) |
| FUND BALANCE, End of year | <u>\$ 363,700</u> | <u>\$ 363,700</u> | 462,125 | <u>\$ 98,425</u> |
| RECONCILIATION TO NET POSITION - GAAP BASIS | | | | |
| Accrued receivables | | | 19,945 | |
| OPEB Asset | | | 117 | |
| Deferred outflows related to pensions | | | 6,183 | |
| Deferred outflows related to OPEB | | | 235 | |
| Accrued compensated absences | | | (1,351) | |
| Deferred inflows related to pensions | | | (2,215) | |
| Deferred inflows related to OPEB | | | (127) | |
| Net pension liability | | | (15,199) | |
| OPEB Liability | | | (1,916) | |
| NET POSITION | | | <u>\$ 467,797</u> | |

CITY OF KEIZER, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – COMMUNITY CENTER FUND
YEAR ENDED JUNE 30, 2019**

| | <i>Budgeted Amounts</i> | | <i>Budget Basis</i> | <i>Variance</i> |
|--|-------------------------|-----------------|-------------------------|-------------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| Charges for services | \$ 150,000 | \$ 150,000 | \$ 236,280 | \$ 86,280 |
| Miscellaneous | 100,500 | 100,500 | 202,186 | 101,686 |
| <i>Total Revenues</i> | 250,500 | 250,500 | 438,466 | 187,966 |
| EXPENDITURES | | | | |
| Community center | 326,700 | 326,700 | 289,424 | 37,276 |
| Contingency | 16,500 | 16,500 | - | 16,500 |
| <i>Total Expenditures</i> | 343,200 | 343,200 | 289,424 | 53,776 |
| REVENUES OVER (UNDER) EXPENDITURES | (92,700) | (92,700) | 149,042 | 134,190 |
| FUND BALANCE, Beginning of year | 95,300 | 95,300 | 168,318 | 73,018 |
| FUND BALANCE, End of year | <u>\$ 2,600</u> | <u>\$ 2,600</u> | 317,360 | <u>\$ 314,760</u> |
| RECONCILIATION TO NET POSITION - GAAP BASIS | | | | |
| OPEB asset | | | 1,008 | |
| Capital assets, net | | | 11,000 | |
| Deferred outflows related to pensions | | | 50,067 | |
| Deferred outflows related to OPEB | | | 2,026 | |
| Accrued compensated absences | | | (9,214) | |
| Deferred inflows related to pensions | | | (7,667) | |
| Deferred inflows related to OPEB | | | (1,096) | |
| Net pension liability | | | (113,956) | |
| OPEB Liability | | | (16,514) | |
| NET POSITION | | | <u>\$ 233,014</u> | |

STATISTICAL SECTION

STATISTICAL SECTION

The Statistical Section of the 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 overall financial health of the City of Keizer.

FINANCIAL TRENDS

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

REVENUE CAPACITY

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

DEBT CAPACITY

These schedules 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 offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

OPERATING INFORMATION

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

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

STATISTICAL SECTION

FINANCIAL TRENDS

CITY OF KEIZER, OREGON
SCHEDULE OF NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS - UNAUDITED

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|---|----------------------|----------------------|----------------------|----------------------|
| Governmental activities: | | | | |
| Net investment in capital assets | \$ 47,700,192 | \$ 46,907,730 | \$ 46,386,969 | \$ 47,885,058 |
| Restricted for special purposes | 19,880,698 | 20,441,015 | 22,063,736 | 21,760,454 |
| Unrestricted | <u>(2,605,390)</u> | <u>(2,260,937)</u> | <u>(4,187,227)</u> | <u>(3,326,175)</u> |
| Total governmental activities net position | 64,975,500 | 65,087,808 | 64,263,478 | 66,319,337 |
| Business-type activities: | | | | |
| Net investment in capital assets | 9,835,157 | 9,750,061 | 9,297,623 | 8,809,630 |
| Restricted for special purposes | 1,291,976 | 1,040,844 | 1,064,417 | 1,035,403 |
| Unrestricted | <u>1,437,175</u> | <u>951,313</u> | <u>343,622</u> | <u>570,549</u> |
| Total business-type activities net position | 12,564,308 | 11,742,218 | 10,705,662 | 10,415,582 |
| Total government | | | | |
| Net investment in capital assets | 57,535,349 | 56,657,791 | 55,684,592 | 56,694,688 |
| Restricted for special purposes | 21,172,674 | 21,481,859 | 23,128,153 | 22,795,857 |
| Unrestricted | <u>(1,168,215)</u> | <u>(1,309,624)</u> | <u>(3,843,905)</u> | <u>(2,755,626)</u> |
| Total government net position | <u>\$ 77,539,808</u> | <u>\$ 76,830,026</u> | <u>\$ 74,968,840</u> | <u>\$ 76,734,919</u> |

Financial trend schedule: Net position by component is intended to provide the user with summary data to analyze changes in the components of net position.

Accompanying schedule: Changes in net position provides the user with additional detail for analytical purposes.

| <i>Fiscal Year</i> | | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> |
| \$ 48,396,074 | \$ 47,862,183 | \$ 39,605,284 | \$ 37,455,473 | \$ 38,278,605 | \$ 37,762,700 |
| 22,270,151 | 25,606,003 | 32,206,315 | 35,457,026 | 35,190,084 | 31,897,733 |
| <u>(1,078,821)</u> | <u>634,849</u> | <u>912,419</u> | <u>621,715</u> | <u>739,296</u> | <u>1,119,801</u> |
| 69,587,404 | 74,103,035 | 72,724,018 | 73,534,214 | 74,207,985 | 70,780,234 |
| 8,400,648 | 7,989,214 | 8,164,309 | 8,130,948 | 8,114,069 | 7,820,911 |
| 906,164 | 956,861 | 965,652 | 1,162,551 | 1,358,513 | 1,967,905 |
| <u>1,132,641</u> | <u>1,296,459</u> | <u>1,376,408</u> | <u>1,372,907</u> | <u>1,456,114</u> | <u>1,299,094</u> |
| 10,439,453 | 10,242,534 | 10,506,369 | 10,666,406 | 10,928,696 | 11,087,910 |
| 56,796,722 | 55,851,397 | 47,769,593 | 45,586,421 | 46,392,674 | 45,583,611 |
| 23,176,315 | 26,562,864 | 33,171,967 | 36,619,577 | 36,548,597 | 33,865,638 |
| <u>53,820</u> | <u>1,931,308</u> | <u>2,288,827</u> | <u>1,994,622</u> | <u>2,195,410</u> | <u>2,418,895</u> |
| <u>\$ 80,026,857</u> | <u>\$ 84,345,569</u> | <u>\$ 83,230,387</u> | <u>\$ 84,200,620</u> | <u>\$ 85,136,681</u> | <u>\$ 81,868,144</u> |

CITY OF KEIZER, OREGON
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS - UNAUDITED

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|---|-------------------|-------------------|-------------------|-------------------|
| Expenses: | | | | |
| Governmental activities: | | | | |
| General government | \$ 2,269,514 | \$ 2,034,704 | \$ 2,057,330 | \$ 2,130,033 |
| Community and youth services | 36,052 | 22,187 | 14,926 | 29,317 |
| Community development | 2,453,365 | 2,453,238 | 2,512,532 | 2,704,035 |
| Parks | 763,928 | 723,829 | 453,211 | 483,174 |
| Public safety | 8,445,721 | 7,912,602 | 7,574,569 | 8,539,975 |
| Public works | 1,651,007 | 1,701,588 | 1,605,167 | 1,658,334 |
| Interest on long-term debt | 758,089 | 757,863 | 791,570 | 866,363 |
| Total governmental activities expense | <u>16,377,676</u> | <u>15,606,011</u> | <u>15,009,305</u> | <u>16,411,231</u> |
| Business-type activities: | | | | |
| Water | 3,002,331 | 2,842,910 | 2,773,955 | 2,920,211 |
| Sewer | 6,056,382 | 5,938,158 | 5,811,582 | 5,711,828 |
| Storm water | 1,560,693 | 1,580,629 | 1,531,923 | 1,507,343 |
| Community center and Amphitheater | 308,389 | 290,796 | 247,938 | 250,248 |
| Street lighting | 387,478 | 413,605 | 393,511 | 410,320 |
| Total business-type activities expense | <u>11,315,273</u> | <u>11,066,098</u> | <u>10,758,909</u> | <u>10,799,950</u> |
| Total City expenses | 27,692,949 | 26,672,109 | 25,768,214 | 27,211,181 |
| Program Revenues: | | | | |
| Governmental activities: | | | | |
| Fees, fines, and charges for services: | | | | |
| General government | 177,439 | 184,271 | 253,265 | 284,394 |
| Community development | 107,672 | 83,190 | 106,065 | 121,808 |
| Parks | 763,722 | 495,460 | 11,470 | 15,472 |
| Public safety | 1,125,409 | 802,300 | 402,479 | 406,195 |
| Public works | 62,022 | 9,404 | 12,904 | 65,063 |
| Stadium operations | 48,888 | 52,333 | 52,494 | 54,631 |
| Operating grants and contributions | 3,292,210 | 2,871,026 | 2,625,522 | 2,543,156 |
| Capital grants and contributions | 736,312 | 214,983 | 224,701 | 773,529 |
| Total governmental activities program revenues | <u>6,313,674</u> | <u>4,712,967</u> | <u>3,688,900</u> | <u>4,264,248</u> |
| Business-type activities: | | | | |
| Fees, fines, and charges for services: | | | | |
| Water | 3,225,447 | 3,198,816 | 2,872,830 | 2,947,965 |
| Sewer and storm water | 7,485,786 | 7,234,915 | 7,000,564 | 6,728,498 |
| Community center and Amphitheater | 236,280 | 192,826 | 156,536 | 154,416 |
| Street lighting | 412,175 | 418,908 | 419,990 | 313,399 |
| Capital grants and contributions | 37,453 | 41,764 | 55,482 | 116,962 |
| Total business-type activities program revenues | <u>11,397,141</u> | <u>11,087,229</u> | <u>10,505,402</u> | <u>10,261,240</u> |
| Total City program revenues | <u>17,710,815</u> | <u>15,800,196</u> | <u>14,194,302</u> | <u>14,525,488</u> |

| <i>Fiscal Year</i> | | | | | | |
|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--|
| <i>2015</i> | <i>2014</i> | <i>2013</i> | <i>2012</i> | <i>2011</i> | <i>2010</i> | |
| \$ 2,100,607 | \$ 2,992,312 | \$ 1,753,597 | \$ 1,406,963 | \$ 1,282,546 | \$ 1,206,448 | |
| 19,493 | 15,971 | 5,530 | 8,719 | 11,019 | 18,041 | |
| 4,500,288 | 2,789,728 | 3,805,625 | 5,459,845 | 2,854,558 | 2,980,764 | |
| 388,200 | 392,258 | 386,174 | 318,911 | 308,754 | 355,892 | |
| 5,644,121 | 6,390,471 | 6,342,334 | 6,454,171 | 6,299,787 | 6,404,239 | |
| 1,415,078 | 1,692,960 | 1,648,403 | 1,404,779 | 1,452,880 | 1,480,993 | |
| 924,296 | 1,164,981 | 1,272,365 | 1,327,508 | 1,434,549 | 1,549,187 | |
| <u>14,992,083</u> | <u>15,438,681</u> | <u>15,214,028</u> | <u>16,380,896</u> | <u>13,644,093</u> | <u>13,995,564</u> | |
| 2,419,921 | 2,751,772 | 2,590,864 | 2,559,552 | 2,591,674 | 2,610,480 | |
| 5,522,545 | 5,379,925 | 5,188,916 | 5,076,755 | 5,124,701 | 5,117,610 | |
| 1,106,176 | 1,170,447 | 983,980 | 954,541 | 779,980 | 573,790 | |
| 171,525 | 121,246 | 151,428 | 116,861 | 13,316 | - | |
| 409,131 | 443,225 | 405,658 | 435,313 | 418,929 | 423,953 | |
| <u>9,629,298</u> | <u>9,866,615</u> | <u>9,320,846</u> | <u>9,143,022</u> | <u>8,928,600</u> | <u>8,725,833</u> | |
| 24,621,381 | 25,305,296 | 24,534,874 | 25,523,918 | 22,572,693 | 22,721,397 | |
| 234,703 | 180,800 | 176,993 | 177,073 | 145,020 | 181,547 | |
| 99,652 | 60,510 | 49,810 | 35,079 | 35,235 | 57,006 | |
| 7,456 | 17,107 | 7,216 | 2,604 | 2,534 | 2,587 | |
| 325,818 | 418,237 | 507,154 | 648,165 | 574,574 | 731,465 | |
| 26,236 | 21,178 | 7,225 | 123 | 8,779 | 1,215 | |
| 48,899 | 46,449 | 45,922 | 46,696 | 41,627 | 42,390 | |
| 2,555,870 | 2,520,561 | 2,799,523 | 2,402,228 | 2,289,262 | 1,880,643 | |
| 613,253 | 218,513 | 811,621 | 92,063 | 97,663 | 247,068 | |
| <u>3,911,887</u> | <u>3,483,355</u> | <u>4,405,464</u> | <u>3,404,031</u> | <u>3,194,694</u> | <u>3,143,921</u> | |
| 2,732,223 | 2,536,257 | 2,508,264 | 2,407,469 | 2,420,266 | 2,480,006 | |
| 6,445,708 | 6,511,153 | 6,045,064 | 5,694,866 | 5,608,798 | 5,463,673 | |
| 125,844 | 108,356 | 108,293 | 118,369 | 98,063 | - | |
| 519,563 | 416,965 | 405,585 | 424,280 | 464,933 | 454,933 | |
| 105,151 | 51,963 | 24,203 | 17,483 | 19,104 | 49,265 | |
| <u>9,928,489</u> | <u>9,624,694</u> | <u>9,091,409</u> | <u>8,662,467</u> | <u>8,611,164</u> | <u>8,447,877</u> | |
| <u>13,840,376</u> | <u>13,108,049</u> | <u>13,496,873</u> | <u>12,066,498</u> | <u>11,805,858</u> | <u>11,591,798</u> | |

CITY OF KEIZER, OREGON
CHANGES IN NET POSITION (Continued)
LAST TEN FISCAL YEARS - UNAUDITED

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|---|----------------------|----------------------|----------------------|----------------------|
| Net (Expense) Revenue | | | | |
| Governmental activities | \$ (10,064,002) | \$ (10,893,044) | \$ (11,320,405) | \$ (12,146,983) |
| Business-type activities | 81,868 | 21,131 | (253,507) | (538,710) |
| Total City activities | (9,982,134) | (10,871,913) | (11,573,912) | (12,685,693) |
| General Revenues and Other Changes in Net Position | | | | |
| Governmental activities | | | | |
| Taxes and assessments | 5,743,098 | 5,613,585 | 5,007,045 | 4,852,373 |
| Franchise taxes | 2,763,692 | 2,764,326 | 2,729,145 | 2,606,744 |
| Intergovernmental | 865,271 | 828,085 | 786,466 | 743,428 |
| Miscellaneous | 1,080,033 | 904,857 | 1,148,390 | 1,076,723 |
| Gain (loss) on sale of capital assets | - | 8,500 | 17,000 | (10,050) |
| Transfers | (500,400) | (460,400) | (423,800) | (390,302) |
| Total governmental activities | 9,951,694 | 9,658,953 | 9,264,246 | 8,878,916 |
| Business-type activities | | | | |
| Miscellaneous | 239,822 | 149,050 | 119,787 | 124,537 |
| Transfers | 500,400 | 460,400 | 423,800 | 390,302 |
| Total business-type activities | 740,222 | 609,450 | 543,587 | 514,839 |
| Total City revenues | 10,691,916 | 10,268,403 | 9,807,833 | 9,393,755 |
| Change in Net Position | | | | |
| Governmental activities | (112,308) | (1,234,091) | (2,056,159) | (3,268,067) |
| Business-type activities | 822,090 | 630,581 | 290,080 | (23,871) |
| | 709,782 | (603,510) | (1,766,079) | (3,291,938) |
| Net Position, July 1 | | | | |
| Governmental activities | 65,087,808 | 64,263,178 | 66,319,337 | 69,587,404 |
| Business-type activities | 11,742,218 | 10,705,662 | 10,415,582 | 10,439,453 |
| | 76,830,026 | 74,968,840 | 76,734,919 | 80,026,857 |
| Governmental activities - restatement | - | 2,058,721 | - | - |
| Business-type activities - restatement | - | 405,975 | - | - |
| Governmental activities - loss on impairment | - | - | - | - |
| Total Government | 76,830,026 | 77,433,536 | 76,734,919 | 80,026,857 |
| Net Position, June 30 | | | | |
| Governmental activities | 64,975,500 | 65,087,808 | 64,263,178 | 66,319,337 |
| Business-type activities | 12,564,308 | 11,742,218 | 10,705,662 | 10,415,582 |
| Total Government | <u>\$ 77,539,808</u> | <u>\$ 76,830,026</u> | <u>\$ 74,968,840</u> | <u>\$ 76,734,919</u> |

| <i>Fiscal Year</i> | | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> |
| \$ (11,080,196) | \$ (11,955,326) | \$ (10,808,564) | \$ (12,976,865) | \$ (10,449,399) | \$ (10,851,643) |
| 299,191 | (241,921) | (229,437) | (480,555) | (317,436) | (277,956) |
| (10,781,005) | (12,197,247) | (11,038,001) | (13,457,420) | (10,766,835) | (11,129,599) |
| 5,521,449 | 5,416,357 | 5,545,135 | 7,951,843 | 7,654,368 | 7,625,782 |
| 2,539,863 | 2,490,463 | 2,433,345 | 2,462,290 | 2,475,239 | 2,371,341 |
| 803,880 | 768,187 | 770,249 | 887,403 | 918,055 | 894,860 |
| 195,193 | 4,631,567 | 1,658,468 | 1,212,058 | 1,452,870 | 1,698,151 |
| - | - | - | - | 1,522,293 | - |
| (393,336) | 27,769 | (62,792) | (210,500) | (145,675) | (169,941) |
| 8,667,049 | 13,334,343 | 10,344,405 | 12,303,094 | 13,877,150 | 12,420,193 |
| 4,601 | 5,855 | 6,608 | 7,765 | 12,547 | 24,790 |
| 393,336 | (27,769) | 62,792 | 210,500 | 145,675 | 169,941 |
| 397,937 | (21,914) | 69,400 | 218,265 | 158,222 | 194,731 |
| 9,064,986 | 13,312,429 | 10,413,805 | 12,521,359 | 14,035,372 | 12,614,924 |
| (2,413,147) | 1,386,654 | (464,159) | (673,771) | 3,427,751 | 1,568,550 |
| 697,128 | (271,472) | (160,037) | (262,290) | (159,214) | (83,225) |
| (1,716,019) | 1,115,182 | (624,196) | (936,061) | 3,268,537 | 1,485,325 |
| 74,103,035 | 72,724,018 | 73,534,214 | 74,207,985 | 70,780,234 | 69,131,385 |
| 10,242,534 | 10,506,369 | 10,666,406 | 10,928,696 | 11,087,910 | 11,251,434 |
| 84,345,569 | 83,230,387 | 84,200,620 | 85,136,681 | 81,868,144 | 80,382,819 |
| (2,102,484) | - | - | - | - | - |
| (500,209) | - | - | - | - | - |
| - | - | 346,037 | - | - | - |
| 81,742,876 | 83,230,387 | 84,546,657 | 85,136,681 | 81,868,144 | 80,382,819 |
| 69,587,404 | 74,103,035 | 72,724,018 | 73,534,214 | 74,207,985 | 70,699,935 |
| 10,439,453 | 10,242,534 | 10,506,369 | 10,666,406 | 10,928,696 | 11,168,209 |
| <u>\$ 80,026,857</u> | <u>\$ 84,345,569</u> | <u>\$ 83,230,387</u> | <u>\$ 84,200,620</u> | <u>\$ 85,136,681</u> | <u>\$ 81,868,144</u> |

CITY OF KEIZER, OREGON
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS - UNAUDITED

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|------------------------------------|----------------------|----------------------|---------------------|---------------------|
| General fund | | | | |
| Committed | \$ 548,404 | \$ - | \$ - | \$ - |
| Unreserved | - | - | - | - |
| Unassigned | <u>2,469,017</u> | <u>2,331,161</u> | <u>2,231,504</u> | <u>1,898,504</u> |
| Total General Fund | <u>\$ 3,017,421</u> | <u>\$ 2,331,161</u> | <u>\$ 2,231,504</u> | <u>\$ 1,898,504</u> |
| All Other Governmental Funds | | | | |
| Unreserved, reported in: | | | | |
| Special revenue funds | \$ - | \$ - | \$ - | \$ - |
| Debt service funds | - | - | - | - |
| Restricted | <u>10,037,855</u> | <u>10,018,743</u> | <u>9,156,723</u> | <u>8,073,301</u> |
| Total all other governmental funds | <u>\$ 10,037,855</u> | <u>\$ 10,018,743</u> | <u>\$ 9,156,723</u> | <u>\$ 8,073,301</u> |

This schedule has been modified to conform with the adoption of GASB 54 in fiscal year 2011.

| <i>Fiscal Year</i> | | | | | |
|---------------------|---------------------|----------------------|----------------------|----------------------|---------------------|
| <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | 1,514,530 |
| <u>2,252,430</u> | <u>2,241,954</u> | <u>2,144,797</u> | <u>1,877,738</u> | <u>1,646,079</u> | <u>-</u> |
| <u>\$ 2,252,430</u> | <u>\$ 2,241,954</u> | <u>\$ 2,144,797</u> | <u>\$ 1,877,738</u> | <u>\$ 1,646,079</u> | <u>\$ 1,514,530</u> |
| | | | | | |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 4,090,716 |
| - | - | - | - | - | 2,720,399 |
| <u>7,141,457</u> | <u>6,970,715</u> | <u>12,636,124</u> | <u>13,631,432</u> | <u>10,189,183</u> | <u>-</u> |
| <u>\$ 7,141,457</u> | <u>\$ 6,970,715</u> | <u>\$ 12,636,124</u> | <u>\$ 13,631,432</u> | <u>\$ 10,189,183</u> | <u>\$ 6,811,115</u> |

CITY OF KEIZER, OREGON
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS - UNAUDITED

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|--|----------------------|----------------------|----------------------|---------------------|
| Revenues | | | | |
| Taxes and assessments | \$ 6,712,056 | \$ 6,335,201 | \$ 5,803,798 | \$ 6,287,872 |
| Licenses and permits | 4,755,060 | 4,093,764 | 3,246,930 | 3,685,709 |
| Intergovernmental | 4,505,694 | 3,663,137 | 3,398,159 | 3,267,481 |
| Fines and forfeitures | 472,783 | 387,003 | 423,291 | 415,874 |
| Miscellaneous | 1,298,998 | 1,066,267 | 1,324,651 | 1,284,531 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total revenues | 17,744,591 | 15,545,372 | 14,196,829 | 14,941,467 |
| Expenditures | | | | |
| Current operating: | | | | |
| General government | 2,187,866 | 2,109,767 | 1,947,167 | 2,280,259 |
| Community and youth services | 36,052 | 22,187 | 14,926 | 29,317 |
| Community development | 563,072 | 520,647 | 492,419 | 532,274 |
| Parks | 547,578 | 421,668 | 300,842 | 306,683 |
| Public safety | 7,725,741 | 7,120,604 | 6,625,239 | 6,529,017 |
| Public works | 811,574 | 902,689 | 787,918 | 807,639 |
| Capital outlay | 2,882,018 | 3,221,793 | 600,016 | 1,152,734 |
| Debt service | | | | |
| Principal | 1,018,000 | 860,000 | 810,000 | 1,490,000 |
| Interest | 766,918 | 752,440 | 795,080 | 872,820 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total expenditures | 16,538,819 | 15,931,795 | 12,373,607 | 14,000,743 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Revenues over (under) expenditures | 1,205,772 | (386,423) | 1,823,222 | 940,724 |
| Other financing sources (uses) | | | | |
| Issuance of debt | - | 1,800,000 | - | - |
| Proceeds from the sale of capital assets | - | 8,500 | 17,000 | 27,496 |
| Transfers in | 100,000 | 215,700 | - | - |
| Transfers out | (600,400) | (676,100) | (423,800) | (390,302) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total other financing sources (uses) | (500,400) | 1,348,100 | (406,800) | (362,806) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Net change in fund balances | 705,372 | 961,677 | 1,416,422 | 577,918 |
| Fund balance, beginning of year | 12,349,904 | 11,388,227 | 9,971,805 | 9,393,887 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Fund balance, end of year | <u>\$ 13,055,276</u> | <u>\$ 12,349,904</u> | <u>\$ 11,388,227</u> | <u>\$ 9,971,805</u> |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Debt service as a percentage of noncapital expenditures | 13.1% | 12.7% | 13.6% | 18.4% |

| <i>Fiscal Year</i> | | | | | | |
|---------------------|---------------------|----------------------|----------------------|----------------------|---------------------|--|
| <i>2015</i> | <i>2014</i> | <i>2013</i> | <i>2012</i> | <i>2011</i> | <i>2010</i> | |
| \$ 6,444,385 | \$ 9,984,150 | \$ 7,009,859 | \$ 9,468,976 | \$ 9,449,329 | \$ 9,871,770 | |
| 3,319,557 | 2,919,492 | 2,767,306 | 2,706,955 | 2,802,152 | 2,791,477 | |
| 3,237,002 | 3,158,760 | 3,803,537 | 3,252,754 | 3,121,931 | 2,727,373 | |
| 386,984 | 448,615 | 571,525 | 648,165 | 574,574 | 731,465 | |
| 1,236,979 | 1,248,775 | 1,613,364 | 338,558 | 212,061 | 315,239 | |
| 14,624,907 | 17,759,792 | 15,765,591 | 16,415,408 | 16,160,047 | 16,437,324 | |
| 1,645,180 | 2,912,876 | 1,728,960 | 1,377,214 | 1,230,536 | 1,151,914 | |
| 19,493 | 15,971 | 5,530 | 8,719 | 11,019 | 17,877 | |
| 584,370 | 740,748 | 671,543 | 627,441 | 736,517 | 786,471 | |
| 281,119 | 269,821 | 293,089 | 261,696 | 232,665 | 264,013 | |
| 6,170,100 | 5,951,077 | 5,822,788 | 5,874,096 | 5,858,204 | 5,863,258 | |
| 704,993 | 976,579 | 909,450 | 743,603 | 781,393 | 752,322 | |
| 1,676,533 | 4,993,159 | 4,050,924 | 1,309,615 | 2,303,875 | 2,886,717 | |
| 2,030,000 | 6,294,000 | 1,668,000 | 996,000 | 3,269,000 | 5,613,000 | |
| 938,565 | 1,201,582 | 1,280,764 | 1,332,616 | 1,452,260 | 1,522,690 | |
| 14,050,353 | 23,355,813 | 16,431,048 | 12,531,000 | 15,875,469 | 18,858,262 | |
| 574,554 | (5,596,021) | (665,457) | 3,884,408 | 284,578 | (2,420,938) | |
| - | - | - | - | 260,000 | 650,000 | |
| - | - | - | - | 3,121,820 | - | |
| 76,481 | 4,217,166 | 1,036,256 | 546,289 | 718,715 | 1,948,067 | |
| (469,817) | (4,189,397) | (1,099,048) | (756,789) | (864,390) | (2,118,008) | |
| (393,336) | 27,769 | (62,792) | (210,500) | 3,236,145 | 480,059 | |
| 181,218 | (5,568,252) | (728,249) | 3,673,908 | 3,520,723 | (1,940,879) | |
| 9,212,669 | 14,780,921 | 15,509,170 | 11,835,262 | 8,314,539 | 10,266,524 | |
| <u>\$ 9,393,887</u> | <u>\$ 9,212,669</u> | <u>\$ 14,780,921</u> | <u>\$ 15,509,170</u> | <u>\$ 11,835,262</u> | <u>\$ 8,325,645</u> | |
| 24.0% | 40.8% | 23.8% | 20.8% | 34.8% | 44.7% | |

STATISTICAL SECTION

REVENUE CAPACITY

CITY OF KEIZER, OREGON

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS - UNAUDITED (in thousands of dollars)

| <u>June 30,</u> | <u>Residential</u> <u>Property</u> | <u>Farm</u> <u>Property</u> | <u>Commercial</u> <u>Property</u> | <u>Industrial</u> <u>Property</u> |
|-----------------|---------------------------------------|--------------------------------|--------------------------------------|--------------------------------------|
| 2009-10 | \$ 1,558,501 | \$ 1,639 | \$ 384,554 | \$ 2,437 |
| 2010-11 | 1,606,706 | 1,896 | 391,123 | 2,501 |
| 2011-12 | 1,641,764 | 1,835 | 407,124 | 2,552 |
| 2012-13 | 1,632,503 | 2,047 | 422,279 | 2,620 |
| 2013-14 | 1,685,116 | 1,991 | 434,358 | - |
| 2014-15 | 1,767,018 | 2,088 | 445,738 | - |
| 2015-16 | 1,834,924 | 2,011 | 467,014 | - |
| 2016-17 | 1,912,682 | 2,115 | 491,943 | - |
| 2017-18 | 1,985,939 | 2,337 | 526,220 | - |
| 2018-19 | 2,055,468 | 2,299 | 565,050 | - |

* Per \$1,000 of assessed value

Source: Marion County Assessor's Office

| <i>Personal Property</i> | <i>Utility Property</i> | <i>Total Measure 50 Assessed Value</i> | <i>Total Direct Tax Rate *</i> | <i>Real Market Value</i> |
|------------------------------|-----------------------------|--|------------------------------------|------------------------------|
| \$ 27,873 | \$ 37,591 | \$ 2,012,595 | \$ 2.08 | \$ 3,070,376 |
| 26,824 | 37,224 | 2,066,274 | 2.08 | 2,924,103 |
| 26,662 | 38,793 | 2,118,730 | 2.08 | 2,761,019 |
| 27,604 | 37,470 | 2,124,523 | 2.08 | 2,604,791 |
| 27,136 | 33,960 | 2,182,561 | 2.08 | 2,669,051 |
| 28,348 | 35,228 | 2,278,420 | 2.08 | 2,878,298 |
| 31,126 | 38,504 | 2,373,579 | 2.08 | 3,034,894 |
| 31,312 | 38,882 | 2,476,934 | 2.08 | 3,272,616 |
| 33,013 | 48,389 | 2,595,898 | 2.08 | 3,729,329 |
| 33,678 | 54,179 | 2,710,674 | 2.08 | 4,116,926 |

CITY OF KEIZER, OREGON
DIRECT AND OVERLAPPING PROPERTY TAXES
LAST TEN FISCAL YEARS - UNAUDITED (rate per \$1,000 of assessed value)

| | <u>2018-19</u> | <u>2017-18</u> | <u>2016-17</u> | <u>2015-16</u> | <u>2014-15</u> |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| City of Keizer | \$ 2.08 | \$ 2.08 | \$ 2.08 | \$ 2.08 | \$ 2.08 |
| Overlapping Governments: | | | | | |
| Marion County | 3.03 | 3.03 | 3.03 | 3.03 | 3.02 |
| Keizer Fire District | 2.07 | 2.08 | 2.08 | 2.04 | 2.05 |
| Marion County Fire District | 2.91 | 2.92 | 2.93 | 2.51 | 2.52 |
| Marion County Soil & Water | 0.04 | 0.05 | 0.05 | 0.05 | 0.05 |
| Marion County Extension and 4-H | 0.05 | 0.05 | 0.05 | 0.05 | - |
| School District | 7.37 | 6.08 | 5.87 | 6.52 | 6.40 |
| Willamette Regional ESD | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 |
| Community College | 0.90 | 0.90 | 0.90 | 0.92 | 0.89 |
| Regional Library | 0.08 | 0.08 | 0.08 | 0.08 | 0.08 |
| Transit District | <u>0.76</u> | <u>0.76</u> | <u>0.76</u> | <u>0.76</u> | <u>0.76</u> |
| Total | <u>\$ 19.58</u> | <u>\$ 18.32</u> | <u>\$ 18.13</u> | <u>\$ 18.35</u> | <u>\$ 18.15</u> |

Source: Marion County Assessor's Office

| <u>2013-14</u> | <u>2012-13</u> | <u>2011-12</u> | <u>2010-11</u> | <u>2009-10</u> |
|-----------------|-----------------|-----------------|-----------------|-----------------|
| \$ 2.08 | \$ 2.08 | \$ 2.08 | \$ 2.08 | \$ 2.08 |
| 3.02 | 3.02 | 3.02 | 3.02 | 3.02 |
| 1.81 | 1.82 | 1.84 | 1.84 | 1.85 |
| 2.53 | 2.47 | 2.35 | 2.42 | 2.40 |
| 0.05 | 0.05 | 0.05 | 0.05 | 0.05 |
| - | - | - | - | - |
| 6.67 | 6.69 | 6.44 | 6.31 | 6.53 |
| 0.30 | 0.30 | 0.30 | 0.30 | 0.30 |
| 0.86 | 0.90 | 0.88 | 0.79 | 0.89 |
| 0.08 | 0.08 | 0.08 | 0.08 | 0.08 |
| 0.76 | 0.76 | 0.76 | 0.76 | 0.76 |
| <u>\$ 18.16</u> | <u>\$ 18.17</u> | <u>\$ 17.80</u> | <u>\$ 17.65</u> | <u>\$ 17.96</u> |

CITY OF KEIZER, OREGON
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO - UNAUDITED

| Private Enterprise | Industry | Rank | 2019 | |
|----------------------------------|-------------------|-------------|---------------------------|--|
| | | | Assessed Valuation | Percent of Total Assessed Value |
| Donahue Schriber Realty Group LP | Real Estate | 1 | \$ 67,577,230 | 1.76% |
| MWSH Keizer LLC | Real Estate | 2 | 16,739,960 | 0.44% |
| MWIC Keizer LLC | Real Estate | 3 | 14,546,240 | 0.38% |
| Lowe's HIW Inc | Retail | 4 | 12,296,630 | 0.32% |
| Target Corporation | Retail | 5 | 12,112,158 | 0.31% |
| Emerald Pointe LLC | Real Estate | 6 | 12,068,179 | 0.31% |
| CCP Keizer 1526 LLC | Retirement Center | 7 | 12,060,170 | 0.31% |
| Hawk's Point Apartments LLC | Real Estate | 8 | 11,693,280 | 0.30% |
| Keizer OR Senior Property LLC | Retirement Center | 9 | 10,754,760 | 0.28% |
| McGee Court LLC | Real Estate | 10 | 10,441,520 | 0.27% |
| Keizer Road Apartments LLC | Real Estate | | - | - |
| Hidden Creek Loop Apartments | Real Estate | | - | - |
| Keizer Schoolhouse LLC | Real Estate | | - | - |
| Keizer Campus LLC | Real Estate | | - | - |
| Keizer Hospitality Inc | Hotel | | - | - |
| Trail Development LLC | Real Estate | | - | - |
| Public Utilities | | | | |
| Northwest Natural Gas Co | Natural Gas | | 16,933,000 | 0.44% |
| Portland General Electric Co | Electricity | | 22,298,000 | 0.58% |
| Qwest Corporation | Telephone | | - | - |
| Government | | | | |
| City of Keizer* | Municipality | | 6,630,970 | 0.17% |
| All other taxpayers | | | <u>3,619,318,131</u> | <u>94.12%</u> |
| | | | <u>\$ 3,845,470,228</u> | <u>100.00%</u> |

Source: Marion County Assessor's Office

*Related to baseball stadium property

| 2010 | | |
|-------------|-------------------------------|--|
| Rank | Assessed Valuation | Percent of Total Assessed Value |
| 1 | \$ 54,306,900 | 1.89% |
| | - | - |
| | - | - |
| 2 | 11,577,219 | 0.40% |
| 3 | 9,966,668 | 0.35% |
| 4 | 9,600,703 | 0.33% |
| | - | - |
| | - | - |
| | - | - |
| | - | - |
| 6 | 8,060,170 | 0.28% |
| 9 | 5,656,660 | 0.20% |
| 7 | 7,625,980 | 0.27% |
| 5 | 9,243,210 | 0.32% |
| 8 | 6,259,035 | 0.22% |
| 10 | 5,199,410 | 0.18% |
| | 14,894,400 | 0.52% |
| | 12,238,000 | 0.43% |
| | 5,906,400 | 0.21% |
| | 5,032,940 | 0.18% |
| | <u>2,707,900,049</u> | <u>94.24%</u> |
| | <u>\$ 2,873,467,744</u> | <u>100.00%</u> |

CITY OF KEIZER, OREGON
GENERAL FUND PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS - UNAUDITED

| <i>Fiscal year ended June 30,</i> | <i>Taxes levied in the fiscal year</i> | | <i>Collected in fiscal year of levy</i> | | <i>Collections in subsequent years</i> | <i>Total Collections</i> | |
|---|--|------------------|---|------------------|--|--------------------------|------------------|
| | <i>Amount</i> | <i>% of Levy</i> | <i>Amount</i> | <i>% of Levy</i> | | <i>Amount</i> | <i>% of Levy</i> |
| 2009-10 | \$ 3,533,537 | | \$ 3,387,003 | 95.85% | \$ 144,486 | \$ 3,531,489 | 99.94% |
| 2010-11 | 3,697,042 | | 3,544,683 | 95.88% | 150,896 | 3,695,579 | 99.96% |
| 2011-12 | 3,788,065 | | 3,652,199 | 96.41% | 133,696 | 3,785,895 | 99.94% |
| 2012-13 | 4,215,696 | | 4,070,606 | 96.56% | 143,350 | 4,213,956 | 99.96% |
| 2013-14 | 4,380,096 | | 4,249,504 | 97.02% | 128,383 | 4,377,887 | 99.95% |
| 2014-15 | 4,556,032 | | 4,437,265 | 97.39% | 115,357 | 4,552,622 | 99.93% |
| 2015-16 | 4,948,959 | | 4,840,799 | 97.81% | 97,776 | 4,938,575 | 99.79% |
| 2016-17 | 5,165,626 | | 5,004,062 | 96.87% | 135,073 | 5,139,135 | 99.49% |
| 2017-18 | 5,409,298 | | 5,238,586 | 96.84% | 125,130 | 5,363,716 | 99.16% |
| 2018-19 | 5,650,021 | | 5,480,648 | 97.00% | - | 5,480,648 | 97.00% |

Source: Marion County Assessor's Office

STATISTICAL SECTION

DEBT CAPACITY

CITY OF KEIZER, OREGON

**RATIO OF BONDED DIRECT DEBT TO ASSESSED VALUE AND BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS**

| <i>Fiscal Year</i> | <i>Population</i> | <i>Assessed Value (in thousands)</i> | <i>Gross Bonded Debt</i> | <i>Less Debt Service Money Available</i> | <i>Net Bonded Debt</i> | <i>Ratio of Net Bonded Debt Per Capita</i> | <i>Ratio of Net Bonded Debt to Assessed Value</i> | <i>Percentage of Total Personal Income*</i> |
|--------------------|-------------------|--------------------------------------|--------------------------|--|------------------------|--|---|---|
| 2009-10 | 36,150 | \$ 2,012,595 | \$ 25,482,000 | \$ 2,720,400 | \$ 22,761,600 | 629.64 | 1.27% | 2.18% |
| 2010-11 | 36,220 | 2,066,274 | 24,360,000 | 3,283,030 | 21,076,970 | 581.92 | 1.18% | 2.01% |
| 2011-12 | 36,295 | 2,118,730 | 23,540,000 | 2,729,997 | 20,810,003 | 573.36 | 1.11% | 1.92% |
| 2012-13 | 36,715 | 2,124,523 | 22,050,000 | 2,687,875 | 19,362,125 | 527.36 | 1.04% | 1.73% |
| 2013-14 | 36,735 | 2,182,561 | 19,050,000 | 2,685,746 | 16,364,254 | 445.47 | 0.87% | 1.48% |
| 2014-15 | 36,795 | 2,278,420 | 16,985,000 | 2,685,804 | 14,299,196 | 388.62 | 0.75% | 1.30% |
| 2015-16 | 36,985 | 2,373,579 | 15,495,000 | 2,693,208 | 12,801,792 | 346.13 | 0.65% | 1.13% |
| 2016-17 | 37,505 | 2,476,934 | 14,685,000 | 2,704,120 | 11,980,880 | 319.45 | 0.59% | 1.03% |
| 2017-18 | 38,345 | 2,595,898 | 13,825,000 | 2,716,376 | 11,108,624 | 289.70 | 0.53% | 0.88% |
| 2018-19 | 38,505 | 2,710,674 | 12,895,000 | 2,724,408 | 10,170,592 | 264.14 | 0.48% | N/A |

Source:

Marion County Assessor's Office
Portland State University, Population Research and Census Center
City of Keizer Finance Department

CITY OF KEIZER, OREGON
DIRECT AND OVERLAPPING DEBT
AS OF JUNE 30, 2019 - UNAUDITED

| <i>Governmental unit</i> | <i>Real Market Value (In Thousands)</i> | <i>Percent Overlapping</i> | <i>Overlapping</i> | |
|-----------------------------------|---|----------------------------|---------------------------------------|-------------------------------------|
| | | | <i>Gross Property-tax Backed Debt</i> | <i>Net Property-tax Backed Debt</i> |
| Direct: | | | | |
| City of Keizer | \$ 4,116,926 | 100.00% | \$ 14,607,000 | \$ 14,607,000 |
| Overlapping: | | | | |
| Marion County | 46,399,107 | 15.16% | 9,005,419 | 2,306,716 |
| Keizer Fire District | 3,968,949 | 99.05% | 3,219,164 | 3,219,164 |
| Marion County Fire District | 5,693,044 | 9.43% | 312,180 | 312,180 |
| Salem-Keizer School District 24J | 29,268,381 | 20.08% | 144,012,069 | 144,012,069 |
| Gervais School District 1 | 1,327,573 | 0.01% | 842 | 842 |
| Chemeketa Community College | 46,399,107 | 10.43% | 10,518,758 | 6,821,578 |
| Willamette ESD | 45,851,582 | 9.47% | 1,905,257 | 789,359 |
| Total Overlapping | | | 168,973,689 | 157,461,908 |
| Total Direct and Overlapping Debt | | | \$ 183,580,689 | \$ 172,068,908 |

Note: Overlapping taxing jurisdictions are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates portion of the outstanding debt of those overlapping governments that is borne by the residents and business of the City of Keizer.

Source: Oregon State Treasury

CITY OF KEIZER, OREGON
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS - UNAUDITED

| <i>Fiscal Year</i> | <i>Debt Limit</i> | <i>Total Debt Applicable to Limit</i> | <i>Legal Debt Margin *</i> | <i>Total Net Debt Applicable</i> |
|--------------------|-------------------|---|--------------------------------|--------------------------------------|
| 2009-10 | \$ 92,111,295 | \$ 24,360,000 | \$ 67,751,295 | 26.45% |
| 2010-11 | 87,723,097 | 24,360,000 | 63,363,097 | 27.77% |
| 2011-12 | 82,830,572 | 23,540,000 | 59,290,572 | 28.42% |
| 2012-13 | 78,143,734 | 22,050,000 | 56,093,734 | 28.22% |
| 2013-14 | 80,071,541 | 17,755,000 | 62,316,541 | 22.17% |
| 2014-15 | 86,348,943 | 16,985,000 | 69,363,943 | 19.67% |
| 2015-16 | 91,046,830 | 15,495,000 | 75,551,830 | 17.02% |
| 2016-17 | 98,178,467 | 14,685,000 | 83,493,467 | 14.96% |
| 2017-18 | 111,879,882 | 15,625,000 | 96,254,882 | 13.97% |
| 2018-19 | 123,507,779 | 14,607,000 | 108,900,779 | 11.83% |

ORS 287.004 provides a debt limit of 3% of the true cash value (market) of all taxable property within the City boundaries.

Source:
Marion County Tax Assessors Office
City of Keizer Finance Department

* The legal debt margin has been calculated in accordance with the provisions of ORS 287.004.

CITY OF KEIZER, OREGON
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS - UNAUDITED

| <i>Fiscal Year</i> | <i>Gross Revenues</i> | <i>Less Direct Operating Expenses</i> | <i>Net Revenues Available for Debt Service</i> | <i>Debt Service Requirements</i> | | | <i>Coverage</i> |
|-----------------------------------|-----------------------|---------------------------------------|--|----------------------------------|-----------------|--------------|-----------------|
| | | | | <i>Principal</i> | <i>Interest</i> | <i>Total</i> | |
| STREET FUND - GAS TAX LOAN | | | | | | | |
| 2009-10 | \$ 1,549,097 | \$ 1,094,801 | \$ 454,296 | \$ 163,000 | \$ 47,177 | \$ 210,177 | 2.2 |
| 2010-11 | 1,809,447 | 1,088,712 | 720,735 | 169,000 | 40,670 | 209,670 | 3.4 |
| 2011-12 | 2,150,294 | 1,448,481 | 701,813 | 176,000 | 33,908 | 209,908 | 3.3 |
| 2012-13 | 2,073,957 | 3,163,773 | (1,089,816) | 183,000 | 26,872 | 209,872 | (5.2) |
| 2013-14 | 2,128,602 | 1,779,211 | 349,391 | 190,000 | 19,561 | 209,561 | 1.7 |
| 2014-15 | 2,168,436 | 1,757,477 | 410,959 | - | - | - | - |
| 2015-16 | 2,291,471 | 1,844,554 | 446,917 | - | - | - | - |
| 2016-17 | 2,458,630 | 1,261,008 | 1,197,622 | - | - | - | - |
| 2017-18 | 2,483,189 | 2,956,710 | (473,521) | - | - | - | - |
| 2018-19 | 3,033,210 | 959,812 | 2,073,398 | 88,000 | 60,238 | 148,238 | 14.0 |
| WATER FUND LOAN | | | | | | | |
| 2009-10 | \$ 2,545,768 | \$ 1,879,709 | \$ 666,059 | \$ 145,000 | \$ 86,818 | \$ 231,818 | 2.9 |
| 2010-11 | 2,447,765 | 1,924,941 | 522,824 | 150,000 | 80,770 | 230,770 | 2.3 |
| 2011-12 | 2,430,151 | 1,919,503 | 510,648 | 155,000 | 74,518 | 229,518 | 2.2 |
| 2012-13 | 2,537,001 | 1,967,837 | 569,164 | 165,000 | 67,958 | 232,958 | 2.4 |
| 2013-14 | 2,591,882 | 2,125,666 | 466,216 | 170,000 | 61,090 | 231,090 | 2.0 |
| 2014-15 | 2,840,186 | 2,172,980 | 667,206 | 180,000 | 53,915 | 233,915 | 2.9 |
| 2015-16 | 3,068,231 | 2,488,202 | 580,029 | 185,000 | 46,433 | 231,433 | 2.5 |
| 2016-17 | 2,934,480 | 2,322,705 | 611,775 | 190,000 | 38,745 | 228,745 | 2.7 |
| 2017-18 | 3,249,509 | 2,401,793 | 847,716 | 200,000 | 30,750 | 230,750 | 3.7 |
| 2018-19 | 3,283,835 | 2,547,230 | 736,605 | 210,000 | 22,345 | 232,345 | 3.2 |

STATISTICAL SECTION

DEMOGRAPHIC AND ECONOMIC INFORMATION

CITY OF KEIZER, OREGON
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS - UNAUDITED

| <i>Fiscal Year</i> | <i>Population at July 1</i> | <i>Area (square mile)</i> | <i>Average Density (persons/square mile)</i> | <i>Total Personal Income</i> | <i>Per Capita Personal Income</i> | <i>School Enrollment</i> | <i>Average Annual Unemployment</i> |
|--------------------|-----------------------------|---------------------------|--|------------------------------|-----------------------------------|--------------------------|------------------------------------|
| 2009-10 | 36,150 | 7.36 | 4,912 | \$ 1,168,368,000 | \$ 32,320 | 7,664 | 11.0% |
| 2010-11 | 36,220 | 7.36 | 4,921 | 1,213,949,520 | 33,516 | 7,357 | 10.0% |
| 2011-12 | 36,295 | 7.36 | 4,931 | 1,224,266,645 | 33,731 | 7,276 | 9.2% |
| 2012-13 | 36,715 | 7.36 | 4,988 | 1,271,917,745 | 34,643 | 7,256 | 8.4% |
| 2013-14 | 36,735 | 7.36 | 4,991 | 1,290,610,755 | 35,133 | 7,478 | 7.3% |
| 2014-15 | 36,795 | 7.36 | 4,999 | 1,305,817,755 | 35,489 | 7,332 | 6.1% |
| 2015-16 | 36,985 | 7.36 | 5,025 | 1,375,805,015 | 37,199 | 7,354 | 5.2% |
| 2016-17 | 37,505 | 7.36 | 5,096 | 1,431,490,840 | 38,168 | 7,466 | 4.4% |
| 2017-18 | 38,345 | 7.36 | 5,210 | 1,575,711,085 | 41,093 | 7,676 | 4.1% |
| 2018-19 | 38,505 | 7.36 | 5,232 | N/A | N/A | 7,663 | 4.2% |

Sources:
Portland State University, Population Research and Census Center
City of Keizer Community Development Department
Bureau of Economic Analysis
US Department of Labor, Bureau of Labor Statistics
Salem Keizer School District

CITY OF KEIZER, OREGON
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO – UNAUDITED

| <i>Name</i> | <i>Industry</i> | <i>Number of employees</i> | |
|-------------------------------|--------------------------------------|----------------------------|-------------|
| | | <i>2019</i> | <i>2010</i> |
| State of Oregon | State | 20,625 | 19,547 |
| Salem Hospital | Healthcare | 4,900 | 4,000 |
| Salem-Keizer School District | Primary and secondary public schools | 5,324 | 4,338 |
| Norpac Foods, Incorporated | Food processor | 1,500 | 1,565 |
| Marion County | County | 1,510 | 1,552 |
| U.S. Federal Agencies | Federal | 1,253 | 2,235 |
| City of Salem | Municipal | 1,211 | 1,479 |
| State Accident Insurance Fund | Insurance | 1,024 | 871 |
| Chemeketa Community College | State college of higher education | 900 | 700 |
| Willamette University | Private University | 742 | 700 |

STATISTICAL SECTION

OPERATING INFORMATION

CITY OF KEIZER, OREGON
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS - UNAUDITED

| | <u>2018-19</u> | <u>2017-18</u> | <u>2016-17</u> | <u>2015-16</u> |
|--|----------------|----------------|----------------|----------------|
| GOVERNMENT ACTIVITIES: | | | | |
| General Government: | | | | |
| Number of municipal court citations processed | 2,198 | 1,702 | 2,016 | 2,036 |
| Number of land use applications processed | - | 25 | 36 | 23 |
| Number of building permits: | | | | |
| Single family dwellings | 30 | 28 | 47 | 91 |
| Multi-family units | - | 17 | 3 | 19 |
| Valuation of permits issued (expressed in thousands) | \$ 9,761 | \$ 8,255 | \$ 34,503 | \$ 69,190 |
| Public Safety: | | | | |
| Number of arrests by patrol officers | 2,029 | 1,854 | 1,165 | 1,171 |
| Number of traffic violations cited | 1,774 | 1,264 | 2,303 | 1,757 |
| BUSINESS-TYPE ACTIVITIES: | | | | |
| Water: | | | | |
| Number of meters | | | | |
| Single-family residential | 10,308 | 10,334 | 10,304 | 10,235 |
| Multi-family residential | 259 | 259 | 261 | 254 |
| Commercial | 466 | 466 | 452 | 447 |
| Consumption (ccf) | | | | |
| Single-family residential | 1,078,405 | 1,047,355 | 1,021,708 | 1,115,548 |
| Multi-family residential | 330,753 | 317,031 | 327,037 | 393,083 |
| Commercial | 149,471 | 147,110 | 167,630 | 173,790 |
| Number of private fire lines | 83 | 83 | 80 | 76 |
| Sewer | | | | |
| Number of accounts | 10,574 | 10,517 | 10,557 | 10,343 |

Based on active meters at fiscal year end

Source: City of Keizer Community Development Department
City of Keizer Police Department

| <i>2014-15</i> | <i>2013-14</i> | <i>2012-13</i> | <i>2011-12</i> | <i>2010-11</i> | <i>2009-10</i> |
|----------------|----------------|----------------|----------------|----------------|----------------|
| 1,263 | 1,712 | 2,499 | 3,497 | 3,831 | 3,235 |
| 17 | 23 | 15 | 17 | 12 | 19 |
| 68 | 45 | 33 | 24 | 35 | 49 |
| 69 | - | - | - | 1 | 33 |
| \$ 32,464 | \$ 26,236 | \$ 17,198 | \$ 13,036 | \$ 13,578 | \$ 17,300 |
| 1,698 | 1,844 | 1,725 | 1,969 | 1,990 | 1,895 |
| 1,374 | 1,932 | 2,102 | 3,229 | 3,610 | 3,483 |
| 10,108 | 9,956 | 9,431 | 9,426 | 9,414 | 9,456 |
| 250 | 249 | 254 | 259 | 255 | 256 |
| 449 | 426 | 387 | 371 | 365 | 360 |
| 1,068,653 | 1,041,894 | 1,039,564 | 1,015,975 | 1,015,994 | 1,097,706 |
| 320,347 | 320,741 | 302,744 | 322,947 | 316,418 | 328,357 |
| 161,668 | 153,453 | 150,256 | 155,693 | 150,304 | 161,689 |
| 70 | 65 | 60 | 60 | 59 | 50 |
| 10,274 | 10,189 | 10,136 | 10,140 | 10,129 | 10,139 |

CITY OF KEIZER, OREGON
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS - UNAUDITED

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|---|-------------|-------------|-------------|-------------|
| GOVERNMENT ACTIVITIES: | | | | |
| General Government: | | | | |
| Number of City owned building facilities | 3 | 3 | 3 | 3 |
| Public Safety: | | | | |
| Number of jail facilities (holding cells) | 2 | 2 | 2 | 2 |
| Parks and Recreation: | | | | |
| Number of Parks and Acreage: | | | | |
| Neighborhood parks (15) | 65.5 | 65.5 | 65.5 | 65.5 |
| Community parks (2) | 27 | 27 | 27 | 27 |
| Regional park (1) | 148 | 148 | 148 | 148 |
| Landscape areas (1) | 0.5 | 0.5 | 0.5 | 0.5 |
| Historical areas (1) | 0.5 | 0.5 | 0.5 | 0.5 |
| Streets: | | | | |
| Miles of streets and alleys: | | | | |
| Streets - Lane Miles | 206 | 206 | 206 | 206 |
| Alleys | 2 | 2 | 2 | 2 |
| Number of street, pedestrian, and other bridges | 7 | 7 | 7 | 7 |
| Number of traffic signals | 21 | 21 | 21 | 21 |
| BUSINESS-TYPE ACTIVITIES: | | | | |
| Water System: | | | | |
| Number of reservoirs | 3 | 3 | 3 | 3 |
| Storage capacity (in millions of gallons) | 2.75 | 2.75 | 2.75 | 2.75 |
| Annual production (in millions of cubic feet) | 187.6 | 187.6 | 173.1 | 177.2 |
| Miles of water line | 126.7 | 125 | 125 | 107 |
| Number of pump stations | 15 | 15 | 15 | 16 |
| Number of public hydrants | 907 | 898 | 898 | 898 |
| Sewer System: | | | | |
| Miles of storm drains | 73 | 73 | 73 | 80 |
| Miles of sewer lines | 105 | 105 | 105 | 105 |
| Number of lift stations | 1 | 1 | 1 | 1 |

Source: City of Keizer Public Works Department and Police Department

| 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 3 | 3 | 3 | 3 | 3 | 3 |
| 2 | 2 | 2 | 2 | 2 | 2 |
| 65.5 | 65.5 | 65.5 | 65.5 | 65.5 | 65.5 |
| 27 | 27 | 27 | 27 | 27 | 27 |
| 148 | 148 | 148 | 148 | 120 | 120 |
| 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| 205 | 204 | 204 | 204 | 204 | 204 |
| 2 | 2 | 2 | 2 | 2 | 2 |
| 7 | 7 | 7 | 7 | 7 | 7 |
| 21 | 20 | 20 | 20 | 20 | 20 |
| 3 | 3 | 3 | 3 | 3 | 3 |
| 2.75 | 2.75 | 2.75 | 2.75 | 2.75 | 2.75 |
| 179.4 | 165.5 | 172.5 | 163 | 168 | 165 |
| 107 | 106 | 106 | 106 | 106 | 106 |
| 16 | 16 | 16 | 16 | 16 | 15 |
| 898 | 859 | 859 | 859 | 859 | 758 |
| 80 | 80 | 80 | 80 | 77 | 54 |
| 105 | 105 | 105 | 105 | 105 | 105 |
| 1 | 1 | 1 | 1 | 1 | 1 |

CITY OF KEIZER, OREGON
BUDGETED CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS - UNAUDITED

| <i>Fiscal Year</i> | <i>Community Development</i> | <i>General Government</i> | <i>Parks</i> | <i>Public Safety</i> | <i>Public Works</i> | <i>Total</i> |
|--------------------|------------------------------|---------------------------|--------------|----------------------|---------------------|--------------|
| 2009-10 | 5.00 | 19.00 | 2.00 | 48.00 | 20.00 | 94.00 |
| 2010-11 | 5.00 | 19.00 | 2.00 | 45.00 | 22.00 | 93.00 |
| 2011-12 | 4.00 | 18.00 | 2.00 | 45.00 | 22.00 | 91.00 |
| 2012-13 | 4.00 | 17.00 | 2.00 | 45.00 | 23.00 | 91.00 |
| 2013-14 | 4.00 | 18.00 | 2.00 | 45.00 | 24.00 | 93.00 |
| 2014-15 | 5.00 | 19.00 | 2.00 | 45.00 | 24.00 | 95.00 |
| 2015-16 | 5.00 | 19.00 | 2.00 | 45.00 | 24.00 | 95.00 |
| 2016-17 | 5.00 | 19.00 | 2.00 | 45.00 | 23.00 | 94.00 |
| 2017-18 | 5.00 | 18.00 | 4.00 | 50.00 | 24.00 | 101.00 |
| 2018-19 | 5.00 | 18.00 | 4.00 | 50.00 | 24.00 | 101.00 |

Source: City of Keizer Finance Department

COMPLIANCE SECTION



GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
475 Cottage Street NE, Suite 200, Salem, Oregon 97301
(503) 581-7788

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Honorable Mayor and Council Members
City of Keizer
930 Chemawa Road NE
Keizer, Oregon 97303

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City of Keizer (the City) as of and for the year ended June 30, 2019 and have issued our report thereon dated December 13, 2019.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 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 statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Highway revenues used for public highways, roads, and streets.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **Accountability for collecting or receiving money by elected officials – no money was collected or received by elected officials.**

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


Internal Control Over Financial Reporting

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

Restriction on Use

This report is intended solely for the information and use of the council members and management of the City of Keizer and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

GROVE, MUELLER & SWANK, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

By 
Katherine R. Wilson, A Shareholder
December 13, 2019

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