

City of Keizer

Marion County, Oregon

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2020



***CITY OF KEIZER
MARION COUNTY, OREGON
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
Fiscal Year Ended June 30, 2020***

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

CITY OF KEIZER, OREGON
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CITY OF KEIZER, OREGON
JUNE 30, 2020

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
Shane Witham (Interim)

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 15, 2020

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, 2020. 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 14th largest city by population in the state of Oregon.

“Pride, Spirit and Volunteerism”

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, 2020, 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 737.

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 2020, the City's taxable assessed value increased 3.3% 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 to 6.3% as compared to 4.2% the previous year. The unemployment rate increased primarily as the result of social distance mandates issued by the Governor of Oregon in response to the COVID-19 outbreak. 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, 2019. This was the twenty-first 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.

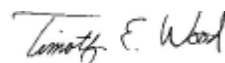
DISTINGUISHED BUDGET PRESENTATION AWARD

The City of Keizer received GFOA's Distinguished Budget Presentation Award for its FY 19-20 annual budget document and the FY 20-21 annual budget has been submitted. This is the sixth 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.

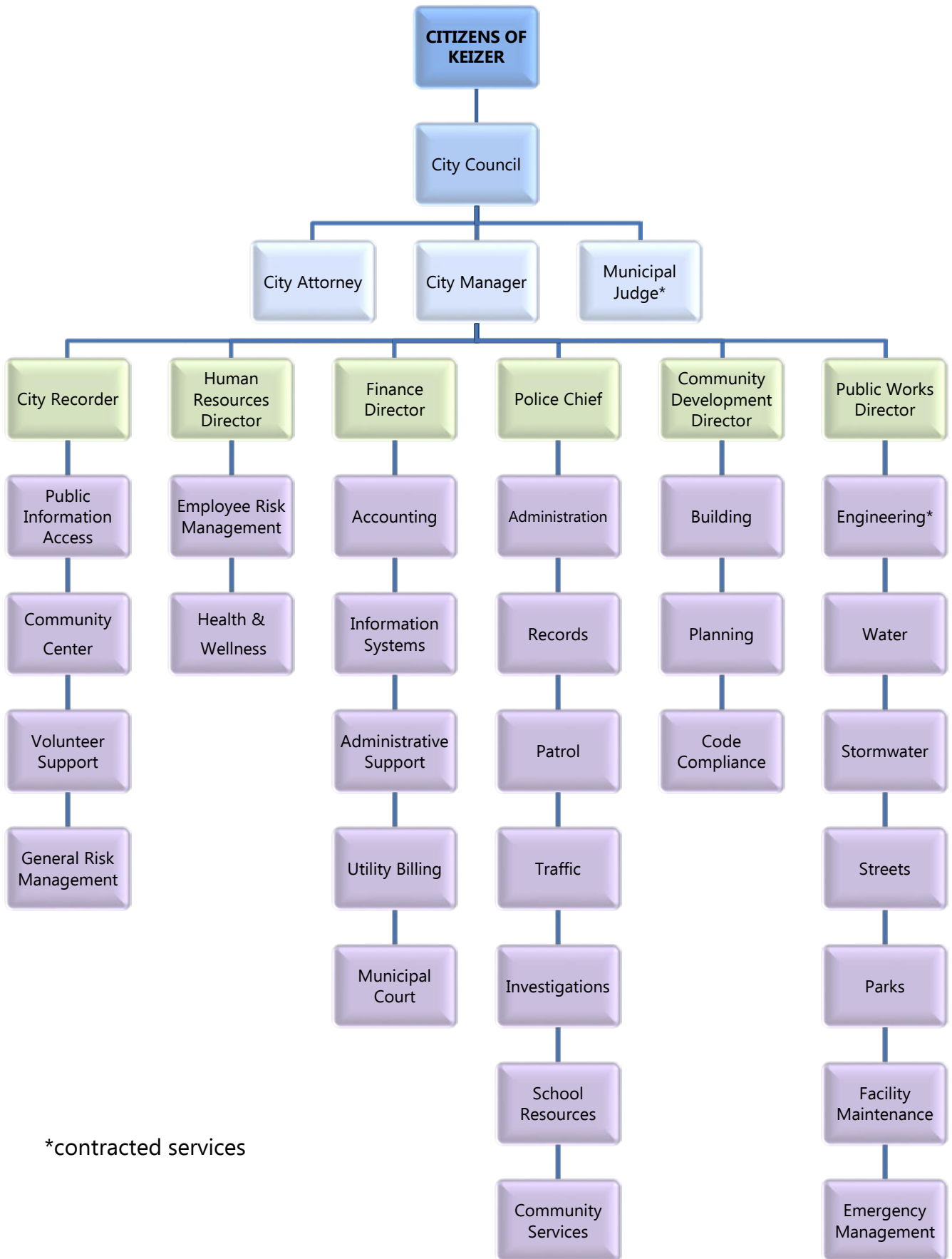
ACKNOWLEDGMENTS

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

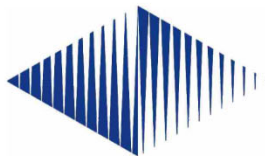
**City of Keizer
Oregon**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO



GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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475 Cottage Street NE, Suite 200 • Salem, Oregon 97301-3814

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, 2020, 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, 2020 and the respective changes in financial

position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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, Street and Transportation Improvement funds (“the budgetary schedules”), the City’s PERS schedules and the City’s 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.

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

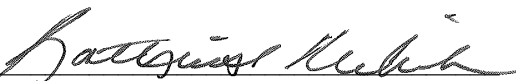
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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 15, 2020, 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 15, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2020

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, 2020. 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, Public Safety, 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		Business-type		Totals	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Cash and investments	\$ 12,106,564	\$ 12,871,507	\$ 3,940,434	\$ 3,415,318	\$ 16,046,998	\$ 16,286,825
Other assets	11,850,176	12,779,469	1,833,775	1,867,488	13,683,951	14,646,957
Capital assets	61,267,476	60,993,789	10,760,251	10,275,157	72,027,727	71,268,946
Total assets	<u>85,224,216</u>	<u>86,644,765</u>	<u>16,534,460</u>	<u>15,557,963</u>	<u>101,758,676</u>	<u>102,202,728</u>
Total deferred outflows of resources	3,385,926	2,881,736	919,866	794,557	4,305,792	3,676,293
Total assets and deferred outflows of resources	<u>88,610,142</u>	<u>89,526,501</u>	<u>17,454,326</u>	<u>16,352,520</u>	<u>106,064,468</u>	<u>105,879,021</u>
Other liabilities	12,082,584	9,438,728	4,011,417	3,135,007	16,094,001	12,573,735
Long-term debt	13,534,000	14,607,000	225,000	440,000	13,759,000	15,047,000
Total liabilities	<u>25,616,584</u>	<u>24,045,728</u>	<u>4,236,417</u>	<u>3,575,007</u>	<u>29,853,001</u>	<u>27,620,735</u>
Total deferred inflows of resources	523,855	505,273	218,265	213,205	742,120	718,478
Total liabilities and deferred inflows of resources	<u>26,140,439</u>	<u>24,551,001</u>	<u>4,454,682</u>	<u>3,788,212</u>	<u>30,595,121</u>	<u>28,339,213</u>
Net position						
Net investment in capital assets	47,733,476	47,700,192	10,535,251	9,835,157	58,268,727	57,535,349
Restricted	18,850,018	19,880,698	1,306,037	1,291,976	20,156,055	21,172,674
Unrestricted	<u>(4,113,791)</u>	<u>(2,605,390)</u>	<u>1,158,356</u>	<u>1,437,175</u>	<u>(2,955,435)</u>	<u>(1,168,215)</u>
Total net position	<u>\$ 62,469,703</u>	<u>\$ 64,975,500</u>	<u>\$ 12,999,644</u>	<u>\$ 12,564,308</u>	<u>\$ 75,469,347</u>	<u>\$ 77,539,808</u>

Overall the City's financial position decreased by \$2.1 million. The majority of this is due to higher pension costs in the current year as compared to the prior year. In addition, the City received several grants in the prior year that did not recur in the current year.

Governmental Activities

The City's net position from governmental activities decreased by \$2.5 million from \$65.0 million to \$62.5 million. This decrease is the change in net position reflected in the condensed Statement of Net Position, and explained below:

- Cash and investments decreased by \$0.8 million as the result of normal fluctuations in when cash is received.
- Other assets decreased by \$0.9 million, as a result the ongoing collection of \$0.9 million in assessments associated with the Keizer Station Local Improvement District.
- Capital assets increased by \$0.3 million, primarily as a result of
 - \$3.6 million for acquisition of capital assets (primarily street resurfacing projects) offset by
 - \$3.3 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 \$2.6 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 \$1.1 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 increased slightly 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 \$0.4 million from \$12.6 million to \$13.0 million. This increase is the change in net position reflected in the Statement of Net Position, and explained below:

- Cash and investments increased by \$0.5 million as the result of normal fluctuations in when cash is received.
- Capital assets increased by \$0.5 million as a result of \$1.2 million investment in water and sewer systems and equipment and vehicles offset by \$0.7 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 \$0.9 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 increased 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 ended June 30,

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Totals</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Program Revenues						
Fees, fines, and charges for services	\$ 2,192,544	\$ 2,285,152	\$ 11,597,044	\$ 11,359,688	\$ 13,789,588	\$ 13,644,840
Operating grants and contributions	3,077,220	3,292,210	-	-	3,077,220	3,292,210
Capital grants and contributions	180,414	736,312	71,525	37,453	251,939	773,765
Total program revenues	5,450,178	6,313,674	11,668,569	11,397,141	17,118,747	17,710,815
General Revenues						
Taxes and assessments	5,939,247	5,743,098	-	-	5,939,247	5,743,098
Franchise taxes	2,788,920	2,763,692	-	-	2,788,920	2,763,692
Intergovernmental	917,426	865,271	-	-	917,426	865,271
Miscellaneous	886,273	1,080,033	254,437	239,822	1,140,710	1,319,855
Total general revenues	10,531,866	10,452,094	254,437	239,822	10,786,303	10,691,916
Total Revenues	15,982,044	16,765,768	11,923,006	11,636,963	27,905,050	28,402,731
Expenses						
Programs	17,946,792	16,377,676	12,028,719	11,315,273	29,975,511	27,692,949
Change in net position before transfers	(1,964,748)	388,092	(105,713)	321,690	(2,070,461)	709,782
Transfers	(541,049)	(500,400)	541,049	500,400	-	-
Change in net position	(2,505,797)	(112,308)	435,336	822,090	(2,070,461)	709,782
Beginning net position	64,975,500	65,087,808	12,564,308	11,742,218	77,539,808	76,830,026
Ending net position	<u>\$ 62,469,703</u>	<u>\$ 64,975,500</u>	<u>\$ 12,999,644</u>	<u>\$ 12,564,308</u>	<u>\$ 75,469,347</u>	<u>\$ 77,539,808</u>

Governmental Activities

The City's net position from governmental activities decreased by \$2.5 million in the current year as compared to a decrease of \$0.1 million in the previous year. This change in net position primarily reflects:

- Fee, fines and charges for services decreased \$0.1 million primarily as the result of lower planning and public works permit fees in the current year as compared to the prior year due to a slowdown in construction.
- Operating grants and contributions decreased by \$0.2 million as the result of the City receiving less fuel tax revenue in the current year as compared to the prior year due to the impact of stay at home and work from home measures recommended to slow the spread of COVID-19.
- Capital grants and contributions decreased by \$0.6 million as the result of receiving a capital grant in the prior year for park improvement projects that didn't recur in the current year.
- 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 \$0.2 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 decreased by \$0.2 million primarily due to one-time revenue received by the Street Fund as reimbursements for street related improvement projects received during the prior year.
- 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 ended June 30,

Programs	2020		2019		Compared to Prior Year	
	Amount	%	Amount	%	Change	%
General government	\$ 2,563,675	14.3%	\$ 2,269,514	13.9%	\$ 294,161	13.0%
Community and youth services	29,150	0.2%	36,052	0.2%	(6,902)	-19.1%
Community development	2,596,946	14.5%	2,453,365	15.0%	143,581	5.9%
Parks	817,655	4.6%	763,928	4.7%	53,727	7.0%
Public safety	9,315,013	51.9%	8,445,721	51.6%	869,292	10.3%
Public works	1,919,138	10.7%	1,651,007	10.1%	268,131	16.2%
Interest on long-term debt	705,215	3.9%	758,089	4.6%	(52,874)	-7.0%
Total expenses	\$ 17,946,792	100.0%	\$ 16,377,676	100.0%	\$ 1,569,116	9.6%

Program expenses increased by \$1.6 million from \$16.4 million in the prior year to \$18.0 million in the current year. The primary reason for the increase is an increase of approximately \$1.0 million in pension expense associated with the Oregon Public Employee Retirement System.

Business-type Activities

The City's net position from business activities increased by \$0.4 million in the current year as compared to \$0.8 million in the previous year. This change in net position primarily reflects:

- Fees, fines, and charges for services increased by \$0.3 million from \$11.4 million in the prior year to \$11.7 million in the current year. The increase is attributed to rate increases associated with water, sewer and stormwater services.

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 ended June 30,

Programs	2020		2019		Compared to Prior Year	
	Amount	%	Amount	%	Change	%
Water	\$ 3,332,794	27.7%	\$ 3,002,331	26.5%	\$ 330,463	11.0%
Sewer	6,307,715	52.4%	6,056,382	53.5%	251,333	4.1%
Stormwater	1,663,489	13.8%	1,560,693	13.8%	102,796	6.6%
Community center	331,501	2.8%	308,389	2.7%	23,112	7.5%
Street lighting	393,220	3.3%	387,478	3.4%	5,742	1.5%
Total expenses	\$ 12,028,719	100.0%	\$ 11,315,273	100.0%	\$ 713,446	6.3%

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. In addition, the increase is due to a \$0.2 million increase in pension expense associated with the Oregon Public Employee Retirement 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	2020		2019		Compared to Prior Year	
	Amount	%	Amount	%	Change	%
General	\$ 3,196,710	27.1%	\$ 3,017,421	23.1%	\$ 179,289	5.9%
Streets	1,195,689	10.1%	2,758,099	21.1%	(1,562,410)	-56.6%
Transportation Improvement	3,397,298	28.8%	3,280,801	25.1%	116,497	3.6%
Keizer Station LID	2,735,391	23.2%	2,724,408	20.9%	10,983	0.4%
Other governmental funds	1,283,648	10.9%	1,274,547	9.8%	9,101	0.7%
Total fund balances	\$ 11,808,736	100.0%	\$ 13,055,276	100.0%	\$ (1,246,540)	-9.5%

At June 30, 2020, the City's governmental funds reported combined fund balances of \$11.8 million, which is a decrease of \$1.2 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 public safety, community development, administration, and parks.

The General fund revenue increased by \$0.1 million from \$12.1 million in the prior year to \$12.2 million in the current year. General fund revenue consisted of the following:

	2020		2019		Compared to Prior Year	
	Amount	%	Amount	%	Change	%
Taxes and assessments	\$ 5,932,101	48.6%	\$ 5,841,664	48.2%	\$ 90,437	1.5%
Licenses and permits	4,256,239	34.9%	4,264,707	35.2%	(8,468)	-0.2%
Charges for services	2,370	0.0%	150	0.0%	2,220	100.0%
Intergovernmental	1,331,193	10.9%	1,253,372	10.3%	77,821	6.2%
Fines and forfeitures	444,041	3.6%	472,633	3.9%	(28,592)	-6.0%
Miscellaneous	243,462	2.0%	296,291	2.4%	(52,829)	-17.8%
Total General fund revenue	\$ 12,209,406	100.0%	\$ 12,128,817	100.0%	\$ 80,589	0.7%

General fund expenditures consisted of the following:

	2020		2019		Compared to Prior Year	
	Amount	%	Amount	%	Change	%
General government	\$ 2,228,992	18.5%	\$ 2,079,979	17.9%	\$ 149,013	7.2%
Community and youth services	29,150	0.2%	36,052	0.3%	(6,902)	-19.1%
Community development	682,662	5.7%	563,072	4.9%	119,590	21.2%
Parks	1,133,071	9.4%	963,591	8.3%	169,480	17.6%
Public safety	7,966,193	66.2%	7,961,199	68.6%	4,994	0.1%
Total General fund expenditures	\$ 12,040,068	100.0%	\$ 11,603,893	100.0%	\$ 436,175	3.8%

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 decrease by \$0.4 million from \$3.1 million in the prior year to \$2.7 million in the current year, primarily as the result of a decrease in driving associated with the stay at home measures recommended state wide in response to the COVID-19 pandemic.

Expenditures are restricted to street and bike-path related projects and costs, plus debt service on street-related debt. Expenditures were \$3.7 million in the current year as compared to \$2.8 million in the prior year. The increase is associated with paving a significant portion of River Road, the City’s main street, in addition to the regular 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 \$0.1 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	2020		2019		Compared to Prior Year	
	Amount	%	Amount	%	Change	%
Sewer and Sewer Reserve	\$ 2,077,070	16.0%	\$ 2,108,991	16.8%	\$ (31,921)	-1.5%
Water and Water Facility	8,120,227	62.5%	8,110,138	64.5%	10,089	0.1%
Stormwater	2,063,615	15.9%	1,644,368	13.1%	419,247	25.5%
Other funds	738,732	5.7%	700,811	5.6%	37,921	5.4%
Total net position	\$ 12,999,644	100.0%	\$ 12,564,308	100.0%	\$ 435,336	3.5%

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 remained consistent at \$3.3 million in the prior year and the current year. The Water fund had a 4% rate increase that took effect January 1, 2020.

The Water and Water Facility funds expenses increased to \$3.3 million in the current year as compared to \$3.0 million in fiscal prior year. The increase is due to an increase in capital outlay associated with a waterline replacement project.

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 \$6.3 million in the current year as compared to \$6.1 million in the prior year. The increase is due to a 2.0% rate increase that took effect January 1, 2020 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 \$0.2 million from \$1.4 million in prior year to \$1.6 million in the current year. The increase is due to a rate increase that took effect January 1, 2020.

The Stormwater fund expenses increased \$0.1 million from \$1.6 million in the prior year to \$1.7 million in the current year.

Budgetary Highlights

The General fund budget was modified during the year to recognize and appropriate \$190,000 of community development grants to provide for a transportation impact study. The General fund was also modified to provide for \$90,000 to provide relief to small business as the result of the COVID-19 pandemic. In addition, the General fund budget was increased to recognize and appropriate \$7,200 in donations to the police department.

Capital Assets

As of June 30, 2020, the City had invested \$72.0 million in capital assets as reflected in the following table, which represents a net decrease (additions, deductions, and depreciation) of \$0.8 million, when compared to the previous fiscal year.

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

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	\$ 14,941,368	\$ 14,941,368	\$ 371,759	\$ 371,759	\$ 15,313,127	\$ 15,313,127
Building and improvements	57,164,287	53,882,405	1,065,730	1,065,730	58,230,017	54,948,135
Equipment and vehicles	3,275,677	3,059,063	1,412,882	1,157,048	4,688,559	4,216,111
Infrastructure	38,935,047	38,935,047	26,481,231	25,587,076	65,416,278	64,522,123
Accumulated depreciation	(53,048,903)	(49,824,094)	(18,571,351)	(17,906,456)	(71,620,254)	(67,730,550)
 Net capital assets	 <u>\$ 61,267,476</u>	 <u>\$ 60,993,789</u>	 <u>\$ 10,760,251</u>	 <u>\$ 10,275,157</u>	 <u>\$ 72,027,727</u>	 <u>\$ 71,268,946</u>

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

Table 8
Changes in Capital Assets
For the year ended June 30, 2020

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Beginning balance	\$ 60,993,789	\$ 10,275,157	\$ 71,268,946
Additions	3,559,364	1,149,989	4,709,353
Depreciation	<u>(3,285,677)</u>	<u>(664,895)</u>	<u>(3,950,572)</u>
Net capital assets	<u>\$ 61,267,476</u>	<u>\$ 10,760,251</u>	<u>\$ 72,027,727</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, 2020, the City had \$13.8 million in debt (bonds, notes, etc.) outstanding compared to the \$15.0 million last year.

Table 9
Outstanding Debt at Year End
June 30,

	<u>Totals</u>	
	<u>2020</u>	<u>2019</u>
Governmental Activities		
Gas Tax Revenue Loan 2018	\$ 1,609,000	\$ 1,712,000
Keizer Station LID Bonds 2008	<u>11,925,000</u>	<u>12,895,000</u>
Total Governmental Activities	13,534,000	14,607,000
Business-type Activities		
Water Revenue Loan	<u>225,000</u>	<u>440,000</u>
Total	<u>\$ 13,759,000</u>	<u>\$ 15,047,000</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

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CITY OF KEIZER, OREGON
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and investments	\$ 12,106,564	\$ 3,940,434	\$ 16,046,998
Accounts receivable	817,318	1,676,669	2,493,987
Property taxes receivable	268,285	-	268,285
Assessment liens receivable, net	10,323,153	-	10,323,153
Loans receivable	335,028	-	335,028
Inventories	-	130,849	130,849
Nondepreciable capital assets	14,941,368	371,759	15,313,127
Other capital assets, net of depreciation	46,326,108	10,388,492	56,714,600
Other post-employment benefits	106,392	26,257	132,649
<i>Total Assets</i>	85,224,216	16,534,460	101,758,676
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to OPEB	113,396	27,985	141,381
Deferred outflows of resources related to pensions	3,272,530	891,881	4,164,411
<i>Total Deferred Outflows of Resources</i>	3,385,926	919,866	4,305,792
LIABILITIES			
Accounts payable	898,115	936,984	1,835,099
Deposits	19,995	258,886	278,881
Accrued interest payable	55,765	3,075	58,840
Noncurrent liabilities:			
Due within one year:			
Bonds and notes payable	103,000	225,000	328,000
Accrued compensated absences	250,705	75,312	326,017
Due in more than one year:			
Bonds and notes payable	13,431,000	-	13,431,000
Accrued compensated absences	465,595	139,864	605,459
Other post-employment benefits	1,057,688	261,037	1,318,725
Net pension liability	9,334,721	2,336,259	11,670,980
<i>Total Liabilities</i>	25,616,584	4,236,417	29,853,001
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to OPEB	62,810	15,502	78,312
Deferred inflows of resources related to pensions	461,045	202,763	663,808
<i>Total Deferred Inflows of Resources</i>	523,855	218,265	742,120
NET POSITION			
Net investment in capital assets	47,733,476	10,535,251	58,268,727
Restricted for:			
Debt service	13,152,936	234,100	13,387,036
Construction	5,371,549	594,906	5,966,455
Other	325,533	477,031	802,564
Unrestricted	(4,113,791)	1,158,356	(2,955,435)
<i>Total Net Position</i>	<u>\$ 62,469,703</u>	<u>\$ 12,999,644</u>	<u>\$ 75,469,347</u>

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

CITY OF KEIZER, OREGON
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

	<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	\$ 2,563,675	\$ 181,828	\$ -	\$ 75,075
Community and youth services	29,150	-	-	-
Community development	2,596,946	78,325	1,200	-
Parks	817,655	755,669	7,048	104,659
Public safety	9,315,013	1,122,846	419,181	-
Public works	1,919,138	11,470	2,649,791	680
Stadium operations	-	42,406	-	-
Interest on long-term debt	705,215	-	-	-
<i>Total Governmental Activities</i>	17,946,792	2,192,544	3,077,220	180,414
Business-type Activities:				
Water	3,332,794	3,252,417	-	71,525
Sewer	6,307,715	6,248,838	-	-
Stormwater	1,663,489	1,553,342	-	-
Community center	331,501	146,699	-	-
Street lighting	393,220	395,748	-	-
<i>Total Business-type Activities</i>	12,028,719	11,597,044	-	71,525
<i>Total Activities</i>	<u>\$ 29,975,511</u>	<u>\$ 13,789,588</u>	<u>\$ 3,077,220</u>	<u>\$ 251,939</u>
General Revenues:				
Property taxes				
Sales taxes				
Franchise taxes				
Intergovernmental - unrestricted				
Miscellaneous				
<i>Total General Revenues</i>				
Transfers				
Change in Net Position				
Net Position, July 1, 2019				
Net Position, June 30, 2020				

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

<i>Governmental Activities</i>	<i>Business-type Activities</i>	<i>Totals</i>
\$ (2,306,772)	\$ -	\$ (2,306,772)
(29,150)	-	(29,150)
(2,517,421)	-	(2,517,421)
49,721	-	49,721
(7,772,986)	-	(7,772,986)
742,803	-	742,803
42,406	-	42,406
(705,215)	-	(705,215)
(12,496,614)	-	(12,496,614)
-	(8,852)	(8,852)
-	(58,877)	(58,877)
-	(110,147)	(110,147)
-	(184,802)	(184,802)
-	2,528	2,528
-	(360,150)	(360,150)
(12,496,614)	(360,150)	(12,856,764)
5,662,558	-	5,662,558
276,689	-	276,689
2,788,920	-	2,788,920
917,426	-	917,426
886,273	254,437	1,140,710
10,531,866	254,437	10,786,303
(541,049)	541,049	-
(2,505,797)	435,336	(2,070,461)
64,975,500	12,564,308	77,539,808
<u>\$ 62,469,703</u>	<u>\$ 12,999,644</u>	<u>\$ 75,469,347</u>

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

CITY OF KEIZER, OREGON
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020

	<i>General</i>	<i>Special Revenue</i>	
		<i>Street</i>	<i>Transportation Improvement</i>
ASSETS			
Cash and investments	\$ 2,985,408	\$ 1,328,572	\$ 3,442,712
Accounts receivable	621,227	162,480	-
Loans receivable	-	-	-
Property taxes receivable	268,285	-	-
Assessment liens receivable, net	-	6,133	-
<i>Total Assets</i>	<u>\$ 3,874,920</u>	<u>\$ 1,497,185</u>	<u>\$ 3,442,712</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 209,363	\$ 295,363	\$ 45,414
Accrued expenses payable	231,165	-	-
Deposits	19,995	-	-
<i>Total Liabilities</i>	460,523	295,363	45,414
Deferred Inflows			
Unavailable revenue	217,687	6,133	-
Fund Balances			
Restricted for:			
Debt service	-	152,200	-
Construction	-	1,043,489	3,397,298
Other	-	-	-
Committed	691,515	-	-
Unassigned	2,505,195	-	-
<i>Total Fund Balances</i>	<u>3,196,710</u>	<u>1,195,689</u>	<u>3,397,298</u>
<i>Total Liabilities, Deferred Inflows and Fund Balances</i>	<u>\$ 3,874,920</u>	<u>\$ 1,497,185</u>	<u>\$ 3,442,712</u>

<u>Debt Service</u>	<u>Other</u>	
<u>Keizer</u>	<u>Governmental</u>	
<u>Station LID</u>	<u>Funds</u>	<u>Totals</u>
\$ 2,735,391	\$ 1,258,982	\$ 11,751,065
-	33,611	817,318
-	335,028	335,028
-	-	268,285
10,317,020	-	10,323,153
<u>\$ 13,052,411</u>	<u>\$ 1,627,621</u>	<u>\$ 23,494,849</u>
\$ -	\$ 8,945	\$ 559,085
-	-	231,165
-	-	19,995
-	8,945	810,245
10,317,020	335,028	10,875,868
2,735,391	-	2,887,591
-	958,115	5,398,902
-	325,533	325,533
-	-	691,515
-	-	2,505,195
<u>2,735,391</u>	<u>1,283,648</u>	<u>11,808,736</u>
<u>\$ 13,052,411</u>	<u>\$ 1,627,621</u>	<u>\$ 23,494,849</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, 2020**

<i>Fund Balances</i>	\$ 11,808,736
 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.	
	10,875,868
 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	(9,334,721)
Deferred outflows	3,272,530
Deferred inflows	(461,045)
 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	114,316,379
Accumulated depreciation	(53,048,903)
 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	(13,534,000)
Accrued interest payable	(55,765)
Accrued compensated absences	(716,300)
OPEB liability	(1,057,688)
OPEB asset	106,392
OPEB deferred outflows	113,396
OPEB deferred inflows	(62,810)
 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>247,634</u>
Net Position of governmental activities	<u>\$ 62,469,703</u>

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

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CITY OF KEIZER, OREGON**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020**

	<u>Special Revenue</u>		
	<u>General</u>	<u>Street</u>	<u>Transportation Improvement</u>
REVENUES			
Taxes and assessments	\$ 5,932,101	\$ 608	\$ -
Licenses and permits	4,256,239	11,470	75,075
Charges for services	2,370	-	-
Intergovernmental	1,331,193	2,635,917	-
Fines and forfeitures	444,041	-	-
Miscellaneous	243,462	28,019	41,422
<i>Total Revenues</i>	12,209,406	2,676,014	116,497
EXPENDITURES			
Current operating			
General government	2,228,992	-	-
Community and youth services	29,150	-	-
Community development	682,662	-	-
Parks	527,408	-	-
Public safety	7,795,994	-	-
Public works	-	894,522	-
Capital outlay	775,862	2,667,763	-
Debt service			
Principal	-	103,000	-
Interest	-	52,139	-
<i>Total Expenditures</i>	12,040,068	3,717,424	-
REVENUES OVER (UNDER) EXPENDITURES	169,338	(1,041,410)	116,497
OTHER FINANCING SOURCES (USES)			
Transfers in	185,000	-	-
Transfers out	(175,049)	(521,000)	-
<i>Total Other Financing Sources (Uses)</i>	9,951	(521,000)	-
NET CHANGE IN FUND BALANCES	179,289	(1,562,410)	116,497
FUND BALANCES, Beginning of year	3,017,421	2,758,099	3,280,801
FUND BALANCES, End of year	\$ 3,196,710	\$ 1,195,689	\$ 3,397,298

<u><i>Debt Service</i></u>	<u><i>Other</i></u>	
<u><i>Keizer</i></u>	<u><i>Governmental</i></u>	
<u><i>Station LID</i></u>	<u><i>Funds</i></u>	<u><i>Totals</i></u>
\$ 919,629	\$ -	\$ 6,852,338
-	238,135	4,580,919
-	-	2,370
-	-	3,967,110
-	-	444,041
718,894	54,934	1,086,731
<hr/>	<hr/>	<hr/>
1,638,523	293,069	16,933,509
-	108,229	2,337,221
-	-	29,150
-	-	682,662
-	-	527,408
-	-	7,795,994
-	-	894,522
-	145,739	3,589,364
970,000	-	1,073,000
657,540	-	709,679
<hr/>	<hr/>	<hr/>
1,627,540	253,968	17,639,000
<hr/>	<hr/>	<hr/>
10,983	39,101	(705,491)
-	100,000	285,000
-	(130,000)	(826,049)
<hr/>	<hr/>	<hr/>
-	(30,000)	(541,049)
<hr/>	<hr/>	<hr/>
10,983	9,101	(1,246,540)
2,724,408	1,274,547	13,055,276
<hr/>	<hr/>	<hr/>
\$ 2,735,391	\$ 1,283,648	\$ 11,808,736
<hr/>	<hr/>	<hr/>

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, 2020**

Net change in fund balances - total governmental funds \$ (1,246,540)

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. (951,465)

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. (81,927)

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	3,559,364
Depreciation	(3,285,677)

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	1,073,000
Accrued interest payable	4,464

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. (1,601,015)

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. 23,999

Change in net position of governmental activities \$ (2,505,797)

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

CITY OF KEIZER, OREGON
STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2020

	<i>Business-type Activities - Enterprise Funds</i>				<i>Totals</i>	<i>Governmental Activities Administrative Service Fund</i>
	<i>Sewer and Sewer Reserve</i>	<i>Water and Water Facility</i>	<i>Stormwater</i>	<i>Other Enterprise Funds</i>		
ASSETS						
Current Assets						
Cash and investments	\$ 515,546	\$ 1,421,203	\$ 1,161,292	\$ 842,393	\$ 3,940,434	\$ 355,499
Accounts receivable	938,535	457,286	229,389	51,459	1,676,669	-
Inventories	-	129,489	1,360	-	130,849	-
<i>Total Current Assets</i>	<u>1,454,081</u>	<u>2,007,978</u>	<u>1,392,041</u>	<u>893,852</u>	<u>5,747,952</u>	<u>355,499</u>
Noncurrent Assets						
Nondepreciable capital assets	-	371,759	-	-	371,759	-
Other capital assets, net of depreciation	1,231,613	7,400,048	1,698,515	58,316	10,388,492	-
OPEB asset	1,956	14,454	7,955	1,892	26,257	-
<i>Total Noncurrent Assets</i>	<u>1,233,569</u>	<u>7,786,261</u>	<u>1,706,470</u>	<u>60,208</u>	<u>10,786,508</u>	<u>-</u>
<i>Total Assets</i>	<u>2,687,650</u>	<u>9,794,239</u>	<u>3,098,511</u>	<u>954,060</u>	<u>16,534,460</u>	<u>355,499</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to OPEB	2,084	15,405	8,479	2,017	27,985	-
Deferred outflows related to pensions	52,999	464,618	308,952	65,312	891,881	-
<i>Total Deferred Outflows of Resources</i>	<u>55,083</u>	<u>480,023</u>	<u>317,431</u>	<u>67,329</u>	<u>919,866</u>	<u>-</u>
LIABILITIES						
Current Liabilities						
Accounts payable	462,203	122,235	320,719	31,827	936,984	107,865
Deposits	-	217,988	-	40,898	258,886	-
Accrued interest payable	-	3,075	-	-	3,075	-
Bonds payable - due within one year	-	225,000	-	-	225,000	-
Accrued compensated absences	4,977	44,374	21,266	4,695	75,312	-
<i>Total Current Liabilities</i>	<u>467,180</u>	<u>612,672</u>	<u>341,985</u>	<u>77,420</u>	<u>1,499,257</u>	<u>107,865</u>
Noncurrent Liabilities						
Accrued compensated absences	9,243	82,410	39,494	8,717	139,864	-
Other post-employment benefits	19,442	143,690	79,087	18,818	261,037	-
Net pension liability	147,381	1,199,530	822,999	166,349	2,336,259	-
<i>Total Noncurrent Liabilities</i>	<u>176,066</u>	<u>1,425,630</u>	<u>941,580</u>	<u>193,884</u>	<u>2,737,160</u>	<u>-</u>
<i>Total Liabilities</i>	<u>643,246</u>	<u>2,038,302</u>	<u>1,283,565</u>	<u>271,304</u>	<u>4,236,417</u>	<u>107,865</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to OPEB	1,155	8,533	4,697	1,117	15,502	-
Deferred inflows related to pensions	21,262	107,200	64,065	10,236	202,763	-
<i>Total Deferred Inflows of Resources</i>	<u>22,417</u>	<u>115,733</u>	<u>68,762</u>	<u>11,353</u>	<u>218,265</u>	<u>-</u>
NET POSITION						
Net investment in capital assets	1,231,613	7,546,807	1,698,515	58,316	10,535,251	-
Restricted for:						
Construction	257,878	337,028	-	-	594,906	-
Debt service	-	234,100	-	-	234,100	-
Other	-	-	-	477,031	477,031	-
Unrestricted	587,579	2,292	365,100	203,385	1,158,356	247,634
<i>Total Net Position</i>	<u>\$ 2,077,070</u>	<u>\$ 8,120,227</u>	<u>\$ 2,063,615</u>	<u>\$ 738,732</u>	<u>\$ 12,999,644</u>	<u>\$ 247,634</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, 2020**

	<i>Business-type Activities - Enterprise Funds</i>				<i>Totals</i>	<i>Governmental Activities Administrative Service Fund</i>
	<i>Sewer and Sewer Reserve</i>	<i>Water and Water Facility</i>	<i>Stormwater</i>	<i>Other Enterprise Funds</i>		
OPERATING REVENUES						
Licenses and permits	\$ -	\$ 85,083	\$ 8,703	\$ -	\$ 93,786	\$ -
Charges for services	6,246,788	3,155,225	1,543,128	535,629	11,480,770	3,842,714
Miscellaneous	2,050	12,109	1,511	6,818	22,488	18,041
<i>Total Operating Revenues</i>	6,248,838	3,252,417	1,553,342	542,447	11,597,044	3,860,755
OPERATING EXPENSES						
Personnel services	38,754	1,365,870	848,784	136,008	2,389,416	2,708,558
Materials and services	6,196,617	1,469,842	720,552	570,826	8,957,837	1,128,198
Depreciation	72,344	480,511	94,153	17,887	664,895	-
<i>Total Operating Expenses</i>	6,307,715	3,316,223	1,663,489	724,721	12,012,148	3,836,756
OPERATING INCOME (LOSS)	(58,877)	(63,806)	(110,147)	(182,274)	(415,104)	23,999
NONOPERATING REVENUES (EXPENSES)						
Investment revenue	6,157	19,691	8,394	11,276	45,518	-
Miscellaneous	-	-	-	208,919	208,919	-
Interest expense	-	(16,571)	-	-	(16,571)	-
<i>Total Nonoperating Revenues (Expenses)</i>	6,157	3,120	8,394	220,195	237,866	-
CAPITAL CONTRIBUTIONS	20,799	50,726	-	-	71,525	-
INCOME (LOSS) BEFORE TRANSFERS	(31,921)	(9,960)	(101,753)	37,921	(105,713)	23,999
Transfers in	-	20,049	521,000	-	541,049	-
CHANGE IN NET POSITION	(31,921)	10,089	419,247	37,921	435,336	23,999
NET POSITION, Beginning of year	2,108,991	8,110,138	1,644,368	700,811	12,564,308	223,635
NET POSITION, End of year	\$ 2,077,070	\$ 8,120,227	\$ 2,063,615	\$ 738,732	\$ 12,999,644	\$ 247,634

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

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CITY OF KEIZER, OREGON
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020

	<u>Sewer and Sewer Reserve</u>	<u>Water and Water Facility</u>	<u>Stormwater</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 6,231,210	\$ 3,309,303	\$ 1,543,123
Cash paid for employee services and benefits	(3,672)	(1,124,361)	(731,883)
Cash paid to suppliers for goods and services	(6,198,753)	(1,452,773)	(436,783)
<i>Net Cash Provided by (Used in) Operating Activities</i>	28,785	732,169	374,457
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Taxes available for operating purposes	-	-	-
Transfers in	-	20,049	521,000
<i>Net Cash Provided by Non-Capital Financing Activities</i>	-	20,049	521,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	-	(691,533)	(393,253)
Principal paid on contracts/bonds payable	-	(215,000)	-
Contribution of capital	20,799	50,726	-
Interest paid	-	(19,509)	-
<i>Net Cash Provided by (Used in) Capital Related Financing Activities</i>	20,799	(875,316)	(393,253)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investment	6,157	19,691	8,394
<i>Increase (Decrease) in Cash and Investments</i>	55,741	(103,407)	510,598
CASH AND INVESTMENTS, Beginning of year	459,805	1,524,610	650,694
CASH AND INVESTMENTS, End of year	<u>\$ 515,546</u>	<u>\$ 1,421,203</u>	<u>\$ 1,161,292</u>
RECONCILIATION OF CASH PROVIDED BY OPERATING ACTIVITIES TO OPERATING INCOME (LOSS)			
Operating income (loss)	\$ (58,877)	\$ (63,806)	\$ (110,147)
Depreciation	72,344	480,511	94,153
<i>Change in assets and liabilities</i>			
Accounts receivable	(17,628)	50,203	(10,219)
Prepaid items	(14,211)	-	(10,863)
Inventory	-	9,278	-
Accounts payable	12,075	7,790	294,632
Accrued compensated absences	277	8,448	(265)
Net pension liability	29,429	217,511	119,718
Other post-employment benefits	5,376	15,551	(2,552)
Deposits payable	-	6,683	-
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>\$ 28,785</u>	<u>\$ 732,169</u>	<u>\$ 374,457</u>

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

<i>Other Enterprise Funds</i>	<i>Totals</i>	<i>Governmental Activities Administrative Service Fund</i>
\$ 543,809	\$ 11,627,445	\$ 3,860,755
(104,917)	(1,964,833)	(2,708,558)
(569,550)	(8,657,859)	(1,095,803)
(130,658)	1,004,753	56,394
246,769	246,769	-
-	541,049	-
246,769	787,818	-
(65,203)	(1,149,989)	-
-	(215,000)	-
-	71,525	-
-	(19,509)	-
(65,203)	(1,312,973)	-
11,276	45,518	-
62,184	525,116	56,394
780,209	3,415,318	299,105
<u>\$ 842,393</u>	<u>\$ 3,940,434</u>	<u>\$ 355,499</u>
\$ (182,274)	\$ (415,104)	\$ 23,999
17,887	664,895	-
1,438	23,794	-
50	(25,024)	-
-	9,278	-
1,150	315,647	32,395
2,846	11,306	-
28,486	395,144	-
(241)	18,134	-
-	6,683	-
<u>\$ (130,658)</u>	<u>\$ 1,004,753</u>	<u>\$ 56,394</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 public safety, parks, community development 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

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 Revolving 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, 2020

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, 2020

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.

CITY OF KEIZER, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2020

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, 2020. 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, 2020

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, 2019 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 Post-employment Benefit Plans

The City's net other post-employment 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, 2020

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, 2020 the carrying value of cash and investments and fair value are approximately equal. Cash and investments are comprised of the following at June 30, 2020:

Cash	
Cash on hand	\$ 2,200
Deposits with financial institutions	7,164,896
Investments	
Local Government Investment Pool	<u>8,879,902</u>
<i>Total Cash and Investments</i>	<u>\$ 16,046,998</u>

Deposits

At year end, the book balance of the City's bank deposits (checking and money market accounts) was \$7,164,896 and the bank balance was \$7,177,781. 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, 2020, \$6,927,781 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, 2020, 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, 2020

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	\$ 621,227	\$ 268,285	\$ -	\$ -
Street	162,480	-	6,133	-
Keizer Station LID	-	-	11,114,020	-
Other governmental funds	33,611	-	-	335,028
Sewer	938,535	-	-	-
Water	457,286	-	-	-
Stormwater	229,389	-	-	-
Other business-type funds	51,459	-	-	-
Allowance for doubtful accounts	-	-	(797,000)	-
	<u>\$ 2,493,987</u>	<u>\$ 268,285</u>	<u>\$ 10,323,153</u>	<u>\$ 335,028</u>

CITY OF KEIZER, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2020

CAPITAL ASSETS

The summary of capital assets for the business-type activities for the year ended June 30, 2020 is as follows:

	Balances July 1, 2019	Additions	Deletions	Balances June 30, 2020
NON-DEPRECIABLE				
Land	\$ 371,759	\$ -	\$ -	\$ 371,759
DEPRECIABLE				
Buildings and improvements	1,065,730	-	-	1,065,730
Water and sewer systems	25,587,076	894,155	-	26,481,231
Equipment and vehicles	1,157,048	255,834	-	1,412,882
Total depreciable	27,809,854	1,149,989	-	28,959,843
ACCUMULATED DEPRECIATION				
Buildings	932,148	18,405	-	950,553
Water and sewer systems	16,005,552	521,988	-	16,527,540
Equipment and vehicles	968,756	124,502	-	1,093,258
<i>Total accumulated depreciation</i>	17,906,456	664,895	-	18,571,351
<i>Business-type activities capital assets, net</i>	<u>\$ 10,275,157</u>	<u>\$ 485,094</u>	<u>\$ -</u>	<u>\$ 10,760,251</u>

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

Water	\$ 480,511
Sewer	72,344
Stormwater	94,153
Community Center	17,887
<i>Total depreciation expense for business-type activities</i>	<u>\$ 664,895</u>

CITY OF KEIZER, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2020

CAPITAL ASSETS (continued)

The changes in the capital assets for governmental activities for the year ended June 30, 2020 are as follows:

	Balances July 1, 2019	Additions	Deletions	Balances June 30, 2020
NON-DEPRECIABLE				
Land	\$ 14,941,368	\$ -	\$ -	\$ 14,941,368
DEPRECIABLE				
Buildings and improvements	53,882,405	3,281,882	-	57,164,287
Equipment and vehicles	3,059,063	277,482	60,868	3,275,677
Infrastructure	38,935,047	-	-	38,935,047
Total depreciable	95,876,515	3,559,364	60,868	99,375,011
ACCUMULATED DEPRECIATION				
Buildings	27,265,126	1,722,306	-	28,987,432
Equipment and vehicles	2,385,461	281,611	60,868	2,606,204
Infrastructure	20,173,507	1,281,760	-	21,455,267
Total accumulated depreciation	49,824,094	3,285,677	60,868	53,048,903
Governmental activities capital assets, net	<u>\$ 60,993,789</u>	<u>\$ 273,687</u>	<u>\$ -</u>	<u>\$ 61,267,476</u>

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

General government	\$ 29,471
Public safety	215,423
Public works	991,220
Community development	1,822,370
Parks	227,193
Total depreciation expense for governmental activities	<u>\$ 3,285,677</u>

CITY OF KEIZER, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2020

LONG-TERM OBLIGATIONS

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

	<u>Outstanding July 1, 2019</u>	<u>Issued</u>	<u>Matured/ Redeemed During Year</u>	<u>Outstanding June 30, 2020</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%	\$ 1,712,000	\$ -	\$ (103,000)	\$ 1,609,000	\$ 103,000
General Obligation Bonds					
Keizer Station LID Bonds 2008					
Initial issue \$26,810,000,					
interest only at 5.20%	12,895,000	-	(970,000)	11,925,000	-
	<u>\$ 14,607,000</u>	<u>\$ -</u>	<u>\$ (1,073,000)</u>	<u>\$ 13,534,000</u>	<u>\$ 103,000</u>
Accrued compensated absences	<u>\$ 682,550</u>	<u>\$ 729,046</u>	<u>\$ (695,296)</u>	<u>\$ 716,300</u>	<u>\$ 250,705</u>
Business-type Activities					
Notes from Direct Borrowings					
2005 Water Revenue Loan					
Initial issue \$2,600,000,					
interest at 4.10%	<u>\$ 440,000</u>	<u>\$ -</u>	<u>\$ (215,000)</u>	<u>\$ 225,000</u>	<u>\$ 225,000</u>
Accrued compensated absences	<u>\$ 198,482</u>	<u>\$ 160,623</u>	<u>\$ (143,929)</u>	<u>\$ 215,176</u>	<u>\$ 75,312</u>

The City's outstanding note from direct borrowings related to governmental activities of \$1,609,000 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 \$11,925,000 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 \$225,000 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, 2020

LONG-TERM OBLIGATIONS (Continued)

The future maturities of obligations outstanding as of June 30, 2020:

<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>
2021	\$ -	\$ 620,100	\$ 103,000	\$ 49,075	\$ 225,000	\$ 4,612
2022	-	620,100	106,000	45,933	-	-
2023	-	620,100	109,000	42,700	-	-
2024	-	620,100	112,000	39,376	-	-
2025	-	620,100	116,000	35,960	-	-
2026-2028	-	1,860,300	369,000	86,254	-	-
2029-2033	11,925,000	1,860,300	694,000	64,752	-	-
	<u>\$ 11,925,000</u>	<u>\$ 6,821,100</u>	<u>\$ 1,609,000</u>	<u>\$ 364,050</u>	<u>\$ 225,000</u>	<u>\$ 4,612</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, 2020

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, 2020

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, 2017 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2019. The City's contribution rates for the period were 20.65% for Tier One/Tier Two members, 9.49% for OPSRP General Service members, and 14.12% for OPSRP Police and Fire members. The City's total contributions exclusive of the 6% "pick-up" was \$1,084,456.

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 \$450,066 of the employees' contribution.

CITY OF KEIZER, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2020

PENSION PLANS (Continued)

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

At June 30, 2020, the City reported a liability of \$11,670,980 for its proportionate share of the OPERS net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2017 rolled forward to June 30, 2019. The City's proportion of the net 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, 2019, the City's proportion was 0.06747% as compared to 0.05984% 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, 2019, and has been included in the net pension asset/liability proportionate shares calculated by OPERS.

For the year ended June 30, 2020, the City recognized pension expense of \$1,996,159. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 643,620	\$ -
Changes in assumptions	1,583,301	-
Net difference between projected and actual earnings on pension plan investments	-	330,861
Changes in proportionate share	827,081	103,291
Difference between employer contributions and employer's proportionate share of system contributions	42,719	229,656
City contributions subsequent to the measurement date	<u>1,067,690</u>	<u>-</u>
Total	<u>\$ 4,164,411</u>	<u>\$ 663,808</u>

Deferred outflows of resources related to pensions of \$1,067,690 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, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ 1,260,980
2022	240,900
2023	477,295
2024	408,242
2025	<u>45,496</u>
Total	<u>\$ 2,432,913</u>

CITY OF KEIZER, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2020

PENSION PLANS (Continued)

Actuarial Methods and Assumptions

The total pension liability in the December 31, 2017 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, 2020

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%	10.53%	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	<u>100.00%</u>		

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, 2020

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:

	<u>1% Decrease (6.20%)</u>	<u>Discount Rate (7.20%)</u>	<u>1% Increase (8.20%)</u>
City's proportionate share of the net pension liability (asset)	\$ 18,690,030	\$ 11,670,980	\$ 5,796,992

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, 2020, amounted to \$17,303. 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 \$446,117 for the year ended June 30, 2020.

CITY OF KEIZER, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2020

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:

	<u>Implicit Rate Subsidy Plan</u>	<u>PERS RHIA Plan</u>	<u>Total OPEB on Financials</u>
Net OPEB Asset	\$ -	\$ 132,649	\$ 132,649
Deferred Outflows of Resources			
Contributions subsequent to the measurement date	32,906	2,929	35,835
Change of assumptions	59,050	-	59,050
Net difference between projected and actual earnings	46,496	-	46,496
Total deferred outflows of resources	138,452	2,929	141,381
Total OPEB Liability	(1,318,725)	-	(1,318,725)
Deferred Inflows of Resources			
Differences between expected and actual experience	-	(17,493)	(17,493)
Change of assumptions	(50,316)	(137)	(50,453)
Net difference between projected and actual earnings	-	(8,188)	(8,188)
Changes in proportionate share	-	(2,178)	(2,178)
Total deferred inflows of resources	(50,316)	(27,996)	(78,312)
OPEB Expense (Included in program expenses on Statement of Activities)	87,947	(21,607)	66,340

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, 2020

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 \$1,318,725 was measured as of June 30, 2019, and was determined by an actuarial valuation as of July 1, 2018.

For the fiscal year ended June 30, 2020, the City recognized OPEB expense from this plan of \$87,947. At June 30, 2020, 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	\$ 46,496	\$ -
Changes of assumptions or inputs	59,050	50,316
Benefits payments	32,906	-
Total	<u>\$ 138,452</u>	<u>\$ 50,316</u>

Deferred outflows of resources related to OPEB of \$32,906 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2021	\$ 5,503
2022	5,503
2023	5,503
2024	5,503
2025	5,503
Thereafter	<u>27,715</u>
Total	<u>\$ 55,230</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 3.50% (change from 3.87% 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, 2020

OTHER POST EMPLOYMENT BENEFITS (Continued)

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance as of June 30, 2019	\$ 1,197,180
Changes for the year:	
Service cost	67,100
Interest on Total OPEB Liability	48,250
Effect of assumptions changes or inputs	41,524
Benefit payments	(35,329)
Balance as of June 30, 2020	<u>\$ 1,318,725</u>

Changes in assumptions is the result of the change in the discount rate from 3.87% to 3.50%.

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 (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare trend assumption.

Discount Rate:	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB Liability	\$ 1,440,019	\$ 1,318,725	\$ 1,207,049
 Healthcare Cost Trend:			
	1% Decrease (5.75% decreasing to 3.75%)	Current Healthcare Trend Rate (6.75% decreasing to 4.75%)	1% Increase (7.75% decreasing to 5.75%)
Total OPEB Liability	\$ 1,171,044	\$ 1,318,725	\$ 1,491,012

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, 2020

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, 2017 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2019. 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, 2020 contributions was \$34,059.

OPEB Assets, Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - At June 30, 2020, the City reported an asset of \$132,649 for its proportionate share of the OPERS net OPEB asset. The net OPEB asset was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2017 rolled forward to June 30, 2019. The City's proportion of the net OPEB asset was based on the City's contributions to the RHIA program during the measurement period relative to contributions from all participating employers. At June 30, 2019, the City's proportionate share was 0.0686%, which is an increase from its proportion of 0.0655% as of June 30, 2018.

For the year ended June 30, 2020, the City recognized OPEB income from this plan of \$21,607. At June 30, 2020, 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	\$ -	\$ 17,493
Change of assumptions	-	137
Net difference between projected and actual earnings	-	8,188
Changes in proportionate share	-	2,178
Contributions subsequent to the measurement date	2,929	-
Total	<u>\$ 2,929</u>	<u>\$ 27,996</u>

CITY OF KEIZER, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2020

OTHER POST EMPLOYMENT BENEFITS (Continued)

Deferred outflows of resources related to OPEB of \$2,929 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, 2021. 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:	
2021	\$ (14,518)
2022	(12,725)
2023	(1,596)
2024	843
Total	<u>\$ (27,996)</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> </u>	<u> </u>
Net OPEB (Asset)	\$ (102,838)	\$ (132,649)	\$ (158,053)

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, 2020

TRANSFERS

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ 185,000	\$ 175,049
Street	-	521,000
Park Improvement	100,000	130,000
Water and Water Facility	20,049	-
Stormwater	521,000	-
	<u>\$ 826,049</u>	<u>\$ 826,049</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.

SUBSEQUENT EVENTS

On August 5, 2020 the City entered into an agreement with the State of Oregon to receive up to \$1,151,914 in grant funds under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The grant funds are to support local government actions in the statewide fight against the Coronavirus by providing reimbursement of federally eligible expenses under the CARES act. The grant funds are for costs incurred from March 1, 2020 through December 30, 2020. As of December 15, 2020, the City has received \$271,359 in eligible reimbursements.

On October 29, 2020 the City ceased Community Center rental operations until at least January 2021 in response to the State of Oregon restrictions implemented to slow the spread of COVID-19. Community Center rental operations provide for approximately \$200,000 in rental revenues annually.

CITY OF KEIZER, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2020

NEW ACCOUNTING PRONOUNCEMENTS AND ACCOUNTING STANDARDS

During the fiscal year ended June 30, 2020, the City implemented the following GASB 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. There was no effect to the City’s financials as a result of the implementing this standard.

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. 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 June 15, 2021.

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, 2020.

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, 2019.

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 SEVEN 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>
2020	0.0675%	\$ 11,670,980	\$ 7,450,379	156.6%	80.2%
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 SEVEN 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
2020	\$ 1,535,105	\$ 1,535,105	\$ -	\$ 7,498,978	20.47%
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 THREE FISCAL YEARS

	Fiscal year		
	Ending June 30,		
	2020	2019	2018
Service cost	\$ 67,100	\$ 53,289	\$ 60,950
Interest on total OPEB liability	48,250	38,835	31,517
Effect of economic/demographic gains or losses	-	58,894	-
Effect of assumption change or inputs	41,524	27,737	(74,277)
Benefit payments	(35,329)	(25,913)	(37,228)
Net change in total OPEB liability	121,545	152,842	(19,038)
Net OPEB liability, beginning	1,197,180	1,044,338	1,063,376
Net OPEB liability, ending	\$ 1,318,725	\$ 1,197,180	\$ 1,044,338
Covered payroll	\$ 7,498,978	\$ 7,450,379	\$ 7,263,146
Total OPEB liability as a % of covered payroll	18%	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 FOUR FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability (asset)	0.0686%	0.0655%	0.0641%	0.0706%
City's proportionate share of the net OPEB liability (asset)	\$ (132,649)	\$ (73,109)	\$ (26,764)	\$ 19,168
City's covered-employee payroll	7,450,379	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	-1.78%	-1.06%	-0.42%	0.32%
Plan fiduciary net position as a percentage of the total pension liability	144.4%	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 FOUR FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contributions	\$ 34,059	\$ 34,023	\$ 31,928	\$ 31,473
Contributions in relation to the contractually required contribution	<u>(34,059)</u>	<u>(34,023)</u>	<u>(31,928)</u>	<u>(31,473)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 7,498,978	\$ 7,450,379	\$ 6,865,083	\$ 6,419,498
Contributions as a percentage of covered-employee payroll	-0.45%	-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, 2020

	Budgetary Funds			Total General Operating Fund
	General Fund	Police Services	Park Services	
ASSETS				
Cash and investments	\$ 2,383,981	\$ 235,811	\$ 365,616	\$ 2,985,408
Accounts receivable	493,008	64,113	64,106	621,227
Property taxes receivable	268,285	-	-	268,285
<i>Total Assets</i>	<u>3,145,274</u>	<u>299,924</u>	<u>429,722</u>	<u>3,874,920</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities				
Accounts payable	171,232	-	38,131	209,363
Accrued expenses payable	231,165	-	-	231,165
Deposits	19,995	-	-	19,995
<i>Total Liabilities</i>	422,392	-	38,131	460,523
Deferred Inflows				
Unavailable revenue	217,687	-	-	217,687
Fund Balances				
Committed	-	299,924	391,591	691,515
Unassigned	2,505,195	-	-	2,505,195
<i>Total Fund Balances</i>	<u>2,505,195</u>	<u>299,924</u>	<u>391,591</u>	<u>3,196,710</u>
<i>Total Liabilities, Deferred Inflows and Fund Balances</i>	<u>\$ 3,145,274</u>	<u>\$ 299,924</u>	<u>\$ 429,722</u>	<u>\$ 3,874,920</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, 2020

	Budgetary Funds			Eliminate Interfund Activity	Total General Operating Fund
	General Fund	Police Services	Park Services		
REVENUES					
Taxes and assessments	\$ 5,932,101	\$ -	\$ -	\$ -	\$ 5,932,101
Licenses and permits	2,890,969	680,620	684,650	-	4,256,239
Charges for services	2,370	-	-	-	2,370
Intergovernmental	1,326,493	-	4,700	-	1,331,193
Fines and forfeitures	444,041	-	-	-	444,041
Miscellaneous	156,001	-	87,461	-	243,462
<i>Total Revenues</i>	10,751,975	680,620	776,811	-	12,209,406
EXPENDITURES					
Administration	2,258,142	-	-	-	2,258,142
Parks	-	-	1,133,071	-	1,133,071
Community development	682,662	-	-	-	682,662
Police	7,762,740	-	-	-	7,762,740
Municipal court	203,453	-	-	-	203,453
<i>Total Expenditures</i>	10,906,997	-	1,133,071	-	12,040,068
REVENUES OVER (UNDER) EXPENDITURES	(155,022)	680,620	(356,260)	-	169,338
OTHER FINANCING SOURCES (USES)					
Transfers in	652,000	-	490,800	(957,800)	185,000
Transfers out	(460,800)	(652,000)	(20,049)	957,800	(175,049)
<i>Total Other Financing Sources (Uses)</i>	191,200	(652,000)	470,751	-	9,951
NET CHANGE IN FUND BALANCE	36,178	28,620	114,491	-	179,289
FUND BALANCE, Beginning of year	2,469,017	271,304	277,100	-	3,017,421
FUND BALANCE, End of year	\$ 2,505,195	\$ 299,924	\$ 391,591	\$ -	\$ 3,196,710

CITY OF KEIZER, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2020**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Taxes and assessments	\$ 5,912,000	\$ 5,912,000	\$ 5,932,101	\$ 20,101
Licenses and permits	2,983,100	2,983,100	2,890,969	(92,131)
Charges for services	5,000	5,000	2,370	(2,630)
Intergovernmental	1,263,800	1,513,800	1,326,493	(187,307)
Fines and forfeitures	454,000	454,000	444,041	(9,959)
Miscellaneous	132,900	140,100	156,001	15,901
<i>Total Revenues</i>	10,750,800	11,008,000	10,751,975	(256,025)
EXPENDITURES				
General services	2,312,300	2,402,300	2,258,142	144,158
Community development	696,000	856,000	682,662	173,338
Police	8,014,000	8,021,200	7,609,629	411,571
Revenue sharing	222,500	222,500	153,111	69,389
Municipal court	218,000	218,000	203,453	14,547
Contingency	50,000	50,000	-	50,000
<i>Total Expenditures</i>	11,512,800	11,770,000	10,906,997	863,003
REVENUES OVER (UNDER) EXPENDITURES				
	(762,000)	(762,000)	(155,022)	606,978
OTHER FINANCING SOURCES (USES)				
Transfers in	652,000	652,000	652,000	-
Transfers out	(460,800)	(460,800)	(460,800)	-
NET CHANGE IN FUND BALANCE	(570,800)	(570,800)	36,178	606,978
FUND BALANCE, Beginning of year	2,185,700	2,185,700	2,469,017	283,317
FUND BALANCE, End of year	\$ 1,614,900	\$ 1,614,900	\$ 2,505,195	\$ 890,295

CITY OF KEIZER, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – POLICE SERVICES FUND
YEAR ENDED JUNE 30, 2020**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
License and fees	\$ 686,800	\$ 686,800	\$ 680,620	\$ (6,180)
EXPENDITURES				
Contingency	257,500	257,500	-	257,500
REVENUES OVER (UNDER) EXPENDITURES	429,300	429,300	680,620	251,320
OTHER FINANCING SOURCES (USES)				
Transfers out	(652,000)	(652,000)	(652,000)	-
NET CHANGE IN FUND BALANCES	(222,700)	(222,700)	28,620	251,320
FUND BALANCE, Beginning of year	271,500	271,500	271,304	(196)
FUND BALANCE, End of year	<u>\$ 48,800</u>	<u>\$ 48,800</u>	<u>\$ 299,924</u>	<u>\$ 251,124</u>

CITY OF KEIZER, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – PARK SERVICES FUND
YEAR ENDED JUNE 30, 2020**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
License and fees	\$ 696,300	\$ 696,300	\$ 684,650	\$ (11,650)
Intergovernmental	4,700	4,700	4,700	-
Miscellaneous	72,000	72,000	87,461	15,461
<i>Total Revenues</i>	773,000	773,000	776,811	3,811
EXPENDITURES				
Personnel services	358,600	358,600	350,616	7,984
Materials and services	267,800	267,800	202,520	65,280
Capital outlay	503,000	653,000	579,935	73,065
Contingency	98,000	98,000	-	98,000
<i>Total Expenditures</i>	1,227,400	1,377,400	1,133,071	244,329
REVENUES OVER (UNDER) EXPENDITURES				
	(454,400)	(604,400)	(356,260)	(84,715)
OTHER FINANCING SOURCES (USES)				
Transfers in	360,800	510,800	490,800	(20,000)
Transfers out	(25,000)	(25,000)	(20,049)	4,951
<i>Total Other Financing Sources (Uses)</i>	335,800	485,800	470,751	(15,049)
NET CHANGE IN FUND BALANCE	(118,600)	(118,600)	114,491	233,091
FUND BALANCE, Beginning of year	205,500	205,500	277,100	71,600
FUND BALANCE, End of year	\$ 86,900	\$ 86,900	\$ 391,591	\$ 304,691

CITY OF KEIZER, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - STREET FUND
YEAR ENDED JUNE 30, 2020

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Licenses and permits	\$ 10,600	\$ 10,600	\$ 11,470	\$ 870
Intergovernmental	2,900,000	2,900,000	2,635,917	(264,083)
Taxes and assessments	-	-	608	608
Miscellaneous	20,500	20,500	28,019	7,519
<i>Total Revenues</i>	2,931,100	2,931,100	2,676,014	(255,086)
EXPENDITURES				
Personnel services	146,000	146,000	141,734	4,266
Materials and services	848,200	848,200	752,788	95,412
Capital outlay	3,354,700	3,354,700	2,667,763	686,937
Debt service				
Principal	100,000	103,000	103,000	-
Interest	52,200	52,200	52,139	61
Contingency	49,700	46,700	-	46,700
<i>Total Expenditures</i>	4,550,800	4,550,800	3,717,424	833,376
REVENUES OVER (UNDER)				
EXPENDITURES	(1,619,700)	(1,619,700)	(1,041,410)	578,290
OTHER FINANCING SOURCES (USES)				
Transfers out	(521,000)	(521,000)	(521,000)	-
NET CHANGE IN FUND BALANCE	(2,140,700)	(2,140,700)	(1,562,410)	578,290
FUND BALANCE, Beginning of year	2,435,000	2,435,000	2,758,099	323,099
FUND BALANCE, End of year	\$ 294,300	\$ 294,300	\$ 1,195,689	\$ 901,389

CITY OF KEIZER, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – TRANSPORTATION IMPROVEMENT FUND
YEAR ENDED JUNE 30, 2020**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Licenses and permits	\$ 33,600	\$ 33,600	\$ 75,075	\$ 41,475
Miscellaneous	25,000	25,000	41,422	16,422
<i>Total Revenues</i>	58,600	58,600	116,497	57,897
EXPENDITURES				
Capital outlay	1,500,000	1,500,000	-	1,500,000
REVENUES OVER (UNDER) EXPENDITURES	(1,441,400)	(1,441,400)	116,497	1,557,897
FUND BALANCE, Beginning of year	3,112,200	3,112,200	3,280,801	168,601
FUND BALANCE, End of year	\$ 1,670,800	\$ 1,670,800	\$ 3,397,298	\$ 1,726,498

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, 2020**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Taxes and assessments	\$ 919,600	\$ 919,600	\$ 919,629	\$ 29
Miscellaneous	710,300	710,300	718,894	8,594
<i>Total Revenues</i>	1,629,900	1,629,900	1,638,523	8,623
EXPENDITURES				
Debt service				
Principal	970,000	970,000	970,000	-
Interest	660,000	660,000	657,540	2,460
<i>Total Expenditures</i>	1,630,000	1,630,000	1,627,540	2,460
REVENUES OVER (UNDER) EXPENDITURES	(100)	(100)	10,983	11,083
FUND BALANCE, Beginning of year	2,709,500	2,709,500	2,724,408	14,908
FUND BALANCE, End of year	\$ 2,709,400	\$ 2,709,400	\$ 2,735,391	\$ 25,991

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CITY OF KEIZER, OREGON
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	<i>Public Education Government</i>	<i>Park Improvement</i>	<i>Special Revenue Off-site Transportation Improvement</i>
ASSETS			
Cash and investments	\$ 300,867	\$ 853,608	\$ -
Accounts receivable	33,611	-	-
Loans receivable	-	-	-
<i>Total Assets</i>	<u>\$ 334,478</u>	<u>\$ 853,608</u>	<u>\$ -</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 8,945	\$ -	\$ -
Deferred inflows			
Unavailable revenue	-	-	-
Fund Balances			
Restricted			
Construction	-	853,608	-
Other	325,533	-	-
<i>Total Fund Balance</i>	<u>325,533</u>	<u>853,608</u>	<u>-</u>
<i>Total Liabilities, Deferred Inflows and Fund Balances</i>	<u>\$ 334,478</u>	<u>\$ 853,608</u>	<u>\$ -</u>

<i>Housing Services</i>	<i>Energy Efficiency Revolving Loan</i>	<i>Totals</i>
\$ 89,519	\$ 14,988	\$ 1,258,982
-	-	33,611
<u>251,997</u>	<u>83,031</u>	<u>335,028</u>
<u>\$ 341,516</u>	<u>\$ 98,019</u>	<u>\$ 1,627,621</u>
\$ -	\$ -	\$ 8,945
251,997	83,031	335,028
89,519	14,988	958,115
<u>-</u>	<u>-</u>	<u>325,533</u>
<u>89,519</u>	<u>14,988</u>	<u>1,283,648</u>
<u>\$ 341,516</u>	<u>\$ 98,019</u>	<u>\$ 1,627,621</u>

CITY OF KEIZER, OREGON**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020**

	<u>Public Education Government</u>	<u>Park Improvement</u>	<u>Special Revenue Offsite Transportation Improvement</u>
REVENUES			
Licenses and permits	\$ 133,476	\$ 104,659	\$ -
Miscellaneous	6,265	10,177	-
<i>Total Revenues</i>	139,741	114,836	-
EXPENDITURES			
Current operating			
General government	108,229	-	-
Capital outlay	61,002	29,128	55,609
<i>Total Expenditures</i>	169,231	29,128	55,609
REVENUES OVER (UNDER) EXPENDITURES	(29,490)	85,708	(55,609)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	100,000	-
Transfers out	-	(130,000)	-
<i>Total Other Financing Sources (Uses)</i>	-	(30,000)	-
NET CHANGE IN FUND BALANCES	(29,490)	55,708	(55,609)
FUND BALANCES, Beginning of year	355,023	797,900	55,609
FUND BALANCES, End of year	<u>\$ 325,533</u>	<u>\$ 853,608</u>	<u>\$ -</u>

<i>Housing Services</i>	<i>Energy Efficiency Revolving Loan</i>	<i>Totals</i>
\$ -	\$ -	\$ 238,135
37,299	1,193	54,934
37,299	1,193	293,069
-	-	108,229
-	-	145,739
-	-	253,968
37,299	1,193	39,101
-	-	100,000
-	-	(130,000)
-	-	(30,000)
37,299	1,193	9,101
52,220	13,795	1,274,547
<u>\$ 89,519</u>	<u>\$ 14,988</u>	<u>\$ 1,283,648</u>

CITY OF KEIZER, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - PUBLIC EDUCATION GOVERNMENT FUND
YEAR ENDED JUNE 30, 2020**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Licenses and permits	\$ 133,000	\$ 133,000	\$ 133,476	\$ 476
Miscellaneous	3,000	3,000	6,265	3,265
<i>Total Revenues</i>	136,000	136,000	139,741	3,741
EXPENDITURES				
Materials and services	108,900	108,900	108,229	671
Capital outlay	50,000	70,000	61,002	8,998
Contingency	50,000	50,000	-	50,000
<i>Total Expenditures</i>	208,900	228,900	169,231	59,669
REVENUES OVER (UNDER) EXPENDITURES	(72,900)	(92,900)	(29,490)	63,410
FUND BALANCE, Beginning of year	330,400	350,400	355,023	4,623
FUND BALANCE, End of year	\$ 257,500	\$ 257,500	\$ 325,533	\$ 68,033

CITY OF KEIZER, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – PARK IMPROVEMENT FUND
YEAR ENDED JUNE 30, 2020**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Licenses and permits	\$ 45,000	\$ 45,000	\$ 104,659	\$ 59,659
Miscellaneous	10,000	10,000	10,177	177
<i>Total Revenues</i>	55,000	55,000	114,836	59,836
EXPENDITURES				
Capital outlay	600,000	450,000	29,128	420,872
REVENUES OVER (UNDER) EXPENDITURES	(545,000)	(395,000)	85,708	480,708
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	100,000	100,000	-
Transfers out	-	(150,000)	(130,000)	20,000
<i>Total Other Financing Sources (Uses)</i>	100,000	(50,000)	(30,000)	20,000
NET CHANGE IN FUND BALANCE	(445,000)	(445,000)	55,708	500,708
FUND BALANCE, Beginning of year	784,100	784,100	797,900	13,800
FUND BALANCE, End of year	\$ 339,100	\$ 339,100	\$ 853,608	\$ 514,508

CITY OF KEIZER, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - OFFSITE TRANSPORTATION IMPROVEMENT FUND
YEAR ENDED JUNE 30, 2020**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Miscellaneous	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
EXPENDITURES				
Capital outlay	70,500	70,500	55,609	14,891
REVENUES OVER (UNDER) EXPENDITURES	(69,500)	(69,500)	(55,609)	13,891
FUND BALANCE, Beginning of year	69,500	69,500	55,609	(13,891)
FUND BALANCE, End of year	\$ -	\$ -	\$ -	\$ -

CITY OF KEIZER, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - HOUSING SERVICES FUND
YEAR ENDED JUNE 30, 2020**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Miscellaneous	\$ 30,000	\$ 30,000	\$ 37,299	\$ 7,299
EXPENDITURES				
Materials and services	75,000	75,000	-	75,000
REVENUES OVER (UNDER) EXPENDITURES	(45,000)	(45,000)	37,299	82,299
FUND BALANCE, Beginning of year	45,000	45,000	52,220	7,220
FUND BALANCE, End of year	\$ -	\$ -	\$ 89,519	\$ 89,519

CITY OF KEIZER, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – ENERGY EFFICIENCY REVOLVING LOAN FUND
YEAR ENDED JUNE 30, 2020**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Miscellaneous	\$ 15,000	\$ 15,000	\$ 1,193	\$ (13,807)
EXPENDITURES				
Materials and services	26,200	26,200	-	26,200
REVENUES OVER (UNDER) EXPENDITURES	(11,200)	(11,200)	1,193	12,393
FUND BALANCE, Beginning of year	11,200	11,200	13,795	2,595
FUND BALANCE, End of year	\$ -	\$ -	\$ 14,988	\$ 14,988

CITY OF KEIZER, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – ADMINISTRATIVE SERVICES FUND
YEAR ENDED JUNE 30, 2020

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Charges for services	\$ 3,986,900	\$ 3,986,900	\$ 3,842,714	\$ (144,186)
Miscellaneous	-	-	18,041	18,041
<i>Total Revenues</i>	3,986,900	3,986,900	3,860,755	(126,145)
EXPENDITURES				
Administrative services - general	282,000	303,000	300,909	2,091
City manager	253,200	253,200	252,967	233
City attorney	321,400	321,400	312,811	8,589
City recorder	266,700	266,700	262,282	4,418
Human resources	349,600	349,600	345,472	4,128
Finance - non-departmental	508,400	508,400	477,727	30,673
Finance - information systems	604,200	604,200	564,486	39,714
Finance - utility billing	374,900	394,900	377,606	17,294
Public works - non-departmental	609,600	609,600	590,109	19,491
Public works - facility maintenance	370,900	395,900	352,387	43,513
Contingency	217,400	176,400	-	176,400
<i>Total Expenditures</i>	4,158,300	4,183,300	3,836,756	346,544
REVENUES OVER (UNDER)				
EXPENDITURES	(171,400)	(196,400)	23,999	220,399
FUND BALANCE, Beginning of year	171,400	196,400	223,635	27,235
FUND BALANCE, End of year	\$ -	\$ -	\$ 247,634	\$ 247,634

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, 2020

	<u>Budgetary Funds</u>		<u>Total Sewer and Sewer Reserve</u>
	<u>Sewer</u>	<u>Sewer Reserve</u>	
REVENUES			
Licenses and permits	\$ -	\$ 20,799	\$ 20,799
Charges for services	6,232,577	-	6,232,577
Miscellaneous	5,188	3,019	8,207
<i>Total Revenues</i>	6,237,765	23,818	6,261,583
EXPENDITURES			
Personnel services	3,641	-	3,641
Materials and services	6,196,617	-	6,196,617
<i>Total Expenditures</i>	6,200,258	-	6,200,258
REVENUES OVER (UNDER) EXPENDITURES	37,507	23,818	61,325
FUND BALANCE, Beginning of year	400,887	234,060	634,947
FUND BALANCE, End of year	<u>\$ 438,394</u>	<u>\$ 257,878</u>	696,272
RECONCILIATION TO NET POSITION - GAAP BASIS			
Accrued receivables			295,606
OPEB Asset			1,956
Capital assets, net			1,231,613
Deferred outflows related to pensions			52,999
Deferred outflows related to OPEB			2,084
Accrued compensated absences			(14,220)
Deferred inflows related to pensions			(21,262)
Deferred inflows related to OPEB			(1,155)
Net pension liability			(147,381)
OPEB Liability			(19,442)
NET POSITION			<u>\$ 2,077,070</u>

CITY OF KEIZER, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - SEWER FUND
YEAR ENDED JUNE 30, 2020**

	<i>Budgeted Amounts</i>		<i>Budget Basis</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Charges for services	\$ 6,284,000	\$ 6,284,000	\$ 6,232,577	\$ (51,423)
Miscellaneous	1,000	1,000	5,188	4,188
<i>Total Revenues</i>	6,285,000	6,285,000	6,237,765	(47,235)
EXPENDITURES				
Personnel services	3,900	3,900	3,641	259
Materials and services	6,244,000	6,244,000	6,196,617	47,383
Contingency	40,000	40,000	-	40,000
<i>Total Expenditures</i>	6,287,900	6,287,900	6,200,258	87,642
REVENUES OVER (UNDER) EXPENDITURES	(2,900)	(2,900)	37,507	40,407
FUND BALANCE, Beginning of year	418,800	418,800	400,887	(17,913)
FUND BALANCE, End of year	\$ 415,900	\$ 415,900	\$ 438,394	\$ 22,494

CITY OF KEIZER, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - SEWER RESERVE FUND
YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>		<u>Budget Basis</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Licenses and permits	\$ 35,000	\$ 35,000	\$ 20,799	\$ (14,201)
Miscellaneous	2,000	2,000	3,019	1,019
<i>Total Revenues</i>	37,000	37,000	23,818	(13,182)
EXPENDITURES				
Capital outlay	248,500	248,500	-	248,500
REVENUES OVER (UNDER) EXPENDITURES	(211,500)	(211,500)	23,818	235,318
FUND BALANCE, Beginning of year	235,000	235,000	234,060	(940)
FUND BALANCE, End of year	<u>\$ 23,500</u>	<u>\$ 23,500</u>	<u>\$ 257,878</u>	<u>\$ 234,378</u>

CITY OF KEIZER, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – WATER AND WATER FACILITY FUNDS COMBINED
YEAR ENDED JUNE 30, 2020**

	<i>Budgetary Funds</i>		<i>Eliminate</i>	<i>Total Water and Water Facility</i>
	<i>Water</i>	<i>Water Facility</i>	<i>Interfund Activity</i>	
REVENUES				
Licenses and permits	\$ 85,083	\$ 50,726	\$ -	\$ 135,809
Charges for services	3,192,250	-	-	3,192,250
Miscellaneous	26,519	5,281	-	31,800
<i>Total Revenues</i>	3,303,852	56,007	-	3,359,859
EXPENDITURES				
Personnel services	1,124,367	-	-	1,124,367
Materials and services	1,460,564	-	-	1,460,564
Capital outlay	146,534	544,999	-	691,533
Debt service	228,633	-	-	228,633
<i>Total Expenditures</i>	2,960,098	544,999	-	3,505,097
REVENUES OVER (UNDER) EXPENDITURES	343,754	(488,992)	-	(145,238)
OTHER FINANCING SOURCES (USES)				
Transfers in	20,049	470,000	(470,000)	20,049
Transfers out	(470,000)	-	470,000	-
<i>Total Other Financing Sources (Uses)</i>	(449,951)	470,000	-	20,049
NET CHANGE IN FUND BALANCE	(106,197)	(18,992)	-	(125,189)
FUND BALANCE, Beginning of year	1,142,756	356,019	-	1,498,775
FUND BALANCE, End of year	<u>\$ 1,036,559</u>	<u>\$ 337,027</u>	<u>\$ -</u>	1,373,586
RECONCILIATION TO NET POSITION - GAAP BASIS				
Inventories				129,489
Accrued receivables				164,680
OPEB Asset				14,454
Capital assets, net				7,771,807
Deferred outflows related to pensions				464,618
Deferred outflows related to OPEB				15,405
Accrued compensated absences				(126,784)
Accrued interest payable				(3,075)
Current portion of long-term debt				(225,000)
Deferred inflows related to pensions				(107,200)
Deferred inflows related to OPEB				(8,533)
Net pension liability				(1,199,530)
OPEB Liability				(143,690)
NET POSITION				<u>\$ 8,120,227</u>

CITY OF KEIZER, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - WATER FUND
YEAR ENDED JUNE 30, 2020**

	<i>Budgeted Amounts</i>		<i>Budget Basis</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Licenses and permits	\$ 55,500	\$ 55,500	\$ 85,083	\$ 29,583
Charges for services	3,175,000	3,175,000	3,192,250	17,250
Miscellaneous	14,000	14,000	26,519	12,519
<i>Total Revenues</i>	<u>3,244,500</u>	<u>3,244,500</u>	<u>3,303,852</u>	<u>59,352</u>
EXPENDITURES				
Personnel services	1,159,100	1,159,100	1,124,367	34,733
Materials and services	1,506,000	1,506,000	1,460,564	45,436
Capital outlay	163,400	163,400	146,534	16,866
Debt service				
Principal	215,000	215,000	215,000	-
Interest	13,700	13,700	13,633	67
Contingency	125,000	125,000	-	125,000
<i>Total Expenditures</i>	<u>3,182,200</u>	<u>3,182,200</u>	<u>2,960,098</u>	<u>222,102</u>
REVENUES OVER (UNDER) EXPENDITURES	62,300	62,300	343,754	281,454
OTHER FINANCING SOURCES (USES)				
Transfers in	25,000	25,000	20,049	(4,951)
Transfers out	(450,000)	(470,000)	(470,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(425,000)</u>	<u>(445,000)</u>	<u>(449,951)</u>	<u>(4,951)</u>
CHANGE IN FUND BALANCE	(362,700)	(382,700)	(106,197)	276,503
FUND BALANCE, Beginning of year	<u>1,008,100</u>	<u>1,028,100</u>	<u>1,142,756</u>	<u>114,656</u>
FUND BALANCE, End of year	<u>\$ 645,400</u>	<u>\$ 645,400</u>	<u>\$ 1,036,559</u>	<u>\$ 391,159</u>

CITY OF KEIZER, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - WATER FACILITY FUND
YEAR ENDED JUNE 30, 2020**

	<i>Budgeted Amounts</i>		<i>Budget Basis</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Licenses and permits	\$ 23,000	\$ 23,000	\$ 50,726	\$ 27,726
Miscellaneous	2,500	2,500	5,281	2,781
<i>Total Revenues</i>	25,500	25,500	56,007	30,507
EXPENDITURES				
Capital outlay	450,000	545,000	544,999	1
REVENUES OVER (UNDER) EXPENDITURES	(424,500)	(519,500)	(488,992)	30,508
OTHER FINANCING SOURCES (USES)				
Transfers in	450,000	470,000	470,000	-
CHANGE IN FUND BALANCE	25,500	(49,500)	(18,992)	30,508
FUND BALANCE, Beginning of year	278,500	353,500	356,019	2,519
FUND BALANCE, End of year	\$ 304,000	\$ 304,000	\$ 337,027	\$ 33,027

CITY OF KEIZER, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – STORMWATER FUND
YEAR ENDED JUNE 30, 2020**

	<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	\$ 8,703	\$ (1,297)
Charges for services	1,486,000	1,486,000	1,532,272	46,272
Miscellaneous	2,000	2,000	9,905	7,905
<i>Total Revenues</i>	1,498,000	1,498,000	1,550,880	52,880
EXPENDITURES				
Personnel services	879,100	879,100	731,888	147,212
Materials and services	797,800	797,800	718,039	79,761
Capital outlay	501,300	501,300	395,766	105,534
Contingency	104,400	104,400	-	104,400
<i>Total Expenditures</i>	2,282,600	2,282,600	1,845,693	436,907
REVENUES OVER (UNDER) EXPENDITURES	(784,600)	(784,600)	(294,813)	489,787
OTHER FINANCING SOURCES (USES)				
Transfers in	521,000	521,000	521,000	-
CHANGE IN FUND BALANCE	(263,600)	(263,600)	226,187	489,787
FUND BALANCE, Beginning of year	602,800	602,800	770,393	167,593
FUND BALANCE, End of year	<u>\$ 339,200</u>	<u>\$ 339,200</u>	996,580	<u>\$ 657,380</u>
RECONCILIATION TO NET POSITION - GAAP BASIS				
Inventories			1,360	
Accrued receivables			73,382	
OPEB asset			7,955	
Capital assets, net			1,698,515	
Deferred outflows related to pensions			308,952	
Deferred outflows related to OPEB			8,479	
Accrued compensated absences			(60,760)	
Deferred inflows related to pensions			(64,065)	
Deferred inflows related to OPEB			(4,697)	
Net pension liability			(822,999)	
OPEB Liability			(79,087)	
NET POSITION			<u>\$ 2,063,615</u>	

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

JUNE 30, 2020

	<i>Lighting Districts</i>	<i>Community Center</i>	<i>Totals</i>
ASSETS			
Current Assets			
Cash and investments	\$ 501,108	\$ 341,285	\$ 842,393
Accounts receivable	18,547	32,912	51,459
<i>Total Current Assets</i>	519,655	374,197	893,852
Noncurrent Assets			
Other capital assets, net of depreciation	-	58,316	58,316
Other post-employment benefits	266	1,626	1,892
<i>Total Noncurrent Assets</i>	266	59,942	60,208
<i>Total Assets</i>	519,921	434,139	954,060
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to OPEB	284	1,733	2,017
Deferred outflows related to pensions	7,459	57,853	65,312
<i>Total Deferred Outflows of Resources</i>	7,743	59,586	67,329
LIABILITIES			
Current Liabilities			
Accounts payable	23,678	8,149	31,827
Accrued compensated absences	507	4,188	4,695
Deposits	-	40,898	40,898
<i>Total Current Liabilities</i>	24,185	53,235	77,420
Noncurrent Liabilities			
Accrued compensated absences	942	7,775	8,717
Other post-employment benefits	2,649	16,169	18,818
Net pension liability	20,435	145,914	166,349
<i>Total Noncurrent Liabilities</i>	24,026	169,858	193,884
<i>Total Liabilities</i>	48,211	223,093	271,304
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to OPEB	157	960	1,117
Deferred inflows related to pensions	2,265	7,971	10,236
<i>Total Deferred Inflows of Resources</i>	2,422	8,931	11,353
NET POSITION			
Net investment in capital assets	-	58,316	58,316
Restricted	477,031	-	477,031
Unrestricted	-	203,385	203,385
<i>Total Net Position</i>	\$ 477,031	\$ 261,701	\$ 738,732

CITY OF KEIZER, OREGON**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2020**

	<u><i>Lighting Districts</i></u>	<u><i>Community Center</i></u>	<u><i>Totals</i></u>
OPERATING REVENUES			
Charges for services	\$ 389,056	\$ 146,573	\$ 535,629
Miscellaneous	6,692	126	6,818
<i>Total Operating Revenues</i>	395,748	146,699	542,447
OPERATING EXPENSES			
Personnel services	4,671	131,337	136,008
Materials and services	388,549	182,277	570,826
Depreciation	-	17,887	17,887
<i>Total Operating Expenses</i>	393,220	331,501	724,721
OPERATING INCOME (LOSS)	2,528	(184,802)	(182,274)
NONOPERATING REVENUES (EXPENSES)			
Investment revenue	6,706	4,570	11,276
Miscellaneous	-	208,919	208,919
<i>Total Nonoperating Revenues (Expenses)</i>	6,706	213,489	220,195
CHANGE IN NET POSITION	9,234	28,687	37,921
NET POSITION, Beginning of year	467,797	233,014	700,811
NET POSITION, End of year	<u>\$ 477,031</u>	<u>\$ 261,701</u>	<u>\$ 738,732</u>

CITY OF KEIZER, OREGON
COMBINING STATEMENT OF CASH FLOWS - NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2020

	<u>Lighting Districts</u>	<u>Community Center</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 397,186	\$ 146,623	\$ 543,809
Cash paid to employees for services	2	(104,919)	(104,917)
Cash paid to suppliers for goods and services	(388,121)	(181,429)	(569,550)
<i>Net Cash Provided by (Used in) Operating Activities</i>	9,067	(139,725)	(130,658)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Taxes available for operating purposes	-	246,769	246,769
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	-	(65,203)	(65,203)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investment	6,706	4,570	11,276
<i>Increase in Cash and Investments</i>	15,773	46,411	62,184
CASH AND INVESTMENTS, Beginning of year	485,335	294,874	780,209
CASH AND INVESTMENTS, End of year	<u>\$ 501,108</u>	<u>\$ 341,285</u>	<u>\$ 842,393</u>
RECONCILIATION OF CASH PROVIDED BY OPERATING ACTIVITIES TO OPERATING INCOME (LOSS)			
Operating income (loss)	\$ 2,528	\$ (184,802)	\$ (182,274)
Depreciation	-	17,887	17,887
<i>Change in assets and liabilities</i>			
Accounts receivable	1,438	-	1,438
Deposits	-	50	50
Accounts payable	428	722	1,150
Accrued compensated absences	98	2,748	2,846
Net pension liability	4,010	24,476	28,486
Other post-employment benefits	565	(806)	(241)
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>\$ 9,067</u>	<u>\$ (139,725)</u>	<u>\$ (130,658)</u>

CITY OF KEIZER, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - LIGHTING DISTRICTS FUND
YEAR ENDED JUNE 30, 2020

	<i>Budgeted Amounts</i>		<i>Budget Basis</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Charges for services	\$ 420,000	\$ 420,000	\$ 390,965	\$ (29,035)
Miscellaneous	7,000	7,000	13,398	6,398
<i>Total Revenues</i>	427,000	427,000	404,363	(22,637)
EXPENDITURES				
Materials and services	426,900	426,900	388,549	38,351
Contingency	30,000	30,000	-	30,000
<i>Total Expenditures</i>	456,900	456,900	388,549	68,351
REVENUES OVER (UNDER)				
EXPENDITURES	(29,900)	(29,900)	15,814	45,714
FUND BALANCE, Beginning of year	440,100	440,100	462,125	22,025
FUND BALANCE, End of year	<u>\$ 410,200</u>	<u>\$ 410,200</u>	477,939	<u>\$ 67,739</u>
RECONCILIATION TO NET POSITION - GAAP BASIS				
Accrued receivables			18,038	
OPEB Asset			266	
Deferred outflows related to pensions			7,459	
Deferred outflows related to OPEB			284	
Accrued compensated absences			(1,449)	
Deferred inflows related to pensions			(2,265)	
Deferred inflows related to OPEB			(157)	
Net pension liability			(20,435)	
OPEB Liability			(2,649)	
NET POSITION			<u>\$ 477,031</u>	

CITY OF KEIZER, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – COMMUNITY CENTER FUND
YEAR ENDED JUNE 30, 2020**

	<i>Budgeted Amounts</i>		<i>Budget Basis</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Charges for services	\$ 215,000	\$ 215,000	\$ 146,573	\$ (68,427)
Miscellaneous	116,500	161,500	213,615	52,115
<i>Total Revenues</i>	331,500	376,500	360,188	(16,312)
EXPENDITURES				
Personnel services	115,600	160,600	104,920	55,680
Materials and services	194,700	194,700	182,277	12,423
Capital outlay/depreciation	50,000	90,000	65,201	24,799
Contingency	20,000	20,000	-	20,000
<i>Total Expenditures</i>	380,300	465,300	352,398	112,902
REVENUES OVER (UNDER) EXPENDITURES				
	(48,800)	(88,800)	7,790	(129,214)
FUND BALANCE, Beginning of year				
	149,700	189,700	317,360	127,660
FUND BALANCE, End of year				
	\$ 100,900	\$ 100,900	\$ 325,150	\$ 224,250
RECONCILIATION TO NET POSITION - GAAP BASIS				
OPEB asset			1,626	
Capital assets, net			58,316	
Deferred outflows related to pensions			57,853	
Deferred outflows related to OPEB			1,733	
Accrued compensated absences			(11,963)	
Deferred inflows related to pensions			(7,971)	
Deferred inflows related to OPEB			(960)	
Net pension liability			(145,914)	
OPEB Liability			(16,169)	
NET POSITION			\$ 261,701	

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.

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STATISTICAL SECTION

FINANCIAL TRENDS

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Governmental activities:				
Net investment in capital assets	\$ 47,733,476	\$ 47,700,192	\$ 46,907,730	\$ 46,386,969
Restricted for special purposes	18,850,018	19,880,698	20,441,015	22,063,736
Unrestricted	<u>(4,113,791)</u>	<u>(2,605,390)</u>	<u>(2,260,937)</u>	<u>(4,187,227)</u>
Total governmental activities net position	62,469,703	64,975,500	65,087,808	64,263,478
Business-type activities:				
Net investment in capital assets	10,535,251	9,835,157	9,750,061	9,297,623
Restricted for special purposes	1,306,037	1,291,976	1,040,844	1,064,417
Unrestricted	<u>1,158,356</u>	<u>1,437,175</u>	<u>951,313</u>	<u>343,622</u>
Total business-type activities net position	12,999,644	12,564,308	11,742,218	10,705,662
Total government				
Net investment in capital assets	58,268,727	57,535,349	56,657,791	55,684,592
Restricted for special purposes	20,156,055	21,172,674	21,481,859	23,128,153
Unrestricted	<u>(2,955,435)</u>	<u>(1,168,215)</u>	<u>(1,309,624)</u>	<u>(3,843,905)</u>
Total government net position	<u>\$ 75,469,347</u>	<u>\$ 77,539,808</u>	<u>\$ 76,830,026</u>	<u>\$ 74,968,840</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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 47,885,058	\$ 48,396,074	\$ 47,862,183	\$ 39,605,284	\$ 37,455,473	\$ 38,278,605
21,760,454	22,270,151	25,606,003	32,206,315	35,457,026	35,190,084
<u>(3,326,175)</u>	<u>(1,078,821)</u>	<u>634,849</u>	<u>912,419</u>	<u>621,715</u>	<u>739,296</u>
66,319,337	69,587,404	74,103,035	72,724,018	73,534,214	74,207,985
8,809,630	8,400,648	7,989,214	8,164,309	8,130,948	8,114,069
1,035,403	906,164	956,861	965,652	1,162,551	1,358,513
<u>570,549</u>	<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>
10,415,582	10,439,453	10,242,534	10,506,369	10,666,406	10,928,696
56,694,688	56,796,722	55,851,397	47,769,593	45,586,421	46,392,674
22,795,857	23,176,315	26,562,864	33,171,967	36,619,577	36,548,597
<u>(2,755,626)</u>	<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>\$ 76,734,919</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>

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Expenses:				
Governmental activities:				
General government	\$ 2,563,675	\$ 2,269,514	\$ 2,034,704	\$ 2,057,330
Community and youth services	29,150	36,052	22,187	14,926
Community development	2,596,946	2,453,365	2,453,238	2,512,532
Parks	817,655	763,928	723,829	453,211
Public safety	9,315,013	8,445,721	7,912,602	7,574,569
Public works	1,919,138	1,651,007	1,701,588	1,605,167
Interest on long-term debt	705,215	758,089	757,863	791,570
Total governmental activities expense	<u>17,946,792</u>	<u>16,377,676</u>	<u>15,606,011</u>	<u>15,009,305</u>
Business-type activities:				
Water	3,332,794	3,002,331	2,842,910	2,773,955
Sewer	6,307,715	6,056,382	5,938,158	5,811,582
Storm water	1,663,489	1,560,693	1,580,629	1,531,923
Community center and Amphitheater	331,501	308,389	290,796	247,938
Street lighting	393,220	387,478	413,605	393,511
Total business-type activities expense	<u>12,028,719</u>	<u>11,315,273</u>	<u>11,066,098</u>	<u>10,758,909</u>
Total City expenses	29,975,511	27,692,949	26,672,109	25,768,214
Program Revenues:				
Governmental activities:				
Fees, fines, and charges for services:				
General government	181,828	177,439	184,271	253,265
Community development	78,325	107,672	83,190	106,065
Parks	755,669	763,722	495,460	11,470
Public safety	1,122,846	1,125,409	802,300	402,479
Public works	11,470	62,022	9,404	12,904
Stadium operations	42,406	48,888	52,333	52,494
Operating grants and contributions	3,077,220	3,292,210	2,871,026	2,625,522
Capital grants and contributions	180,414	736,312	214,983	224,701
Total governmental activities program revenues	<u>5,450,178</u>	<u>6,313,674</u>	<u>4,712,967</u>	<u>3,688,900</u>
Business-type activities:				
Fees, fines, and charges for services:				
Water	3,252,417	3,225,447	3,198,816	2,872,830
Sewer and storm water	7,802,180	7,485,786	7,234,915	7,000,564
Community center and Amphitheater	146,699	236,280	192,826	156,536
Street lighting	395,748	412,175	418,908	419,990
Capital grants and contributions	71,525	37,453	41,764	55,482
Total business-type activities program revenues	<u>11,668,569</u>	<u>11,397,141</u>	<u>11,087,229</u>	<u>10,505,402</u>
Total City program revenues	<u>17,118,747</u>	<u>17,710,815</u>	<u>15,800,196</u>	<u>14,194,302</u>

<i>Fiscal Year</i>					
<i>2016</i>	<i>2015</i>	<i>2014</i>	<i>2013</i>	<i>2012</i>	<i>2011</i>
\$ 2,130,033	\$ 2,100,607	\$ 2,992,312	\$ 1,753,597	\$ 1,406,963	\$ 1,282,546
29,317	19,493	15,971	5,530	8,719	11,019
2,704,035	4,500,288	2,789,728	3,805,625	5,459,845	2,854,558
483,174	388,200	392,258	386,174	318,911	308,754
8,539,975	5,644,121	6,390,471	6,342,334	6,454,171	6,299,787
1,658,334	1,415,078	1,692,960	1,648,403	1,404,779	1,452,880
866,363	924,296	1,164,981	1,272,365	1,327,508	1,434,549
<u>16,411,231</u>	<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>
2,920,211	2,419,921	2,751,772	2,590,864	2,559,552	2,591,674
5,711,828	5,522,545	5,379,925	5,188,916	5,076,755	5,124,701
1,507,343	1,106,176	1,170,447	983,980	954,541	779,980
250,248	171,525	121,246	151,428	116,861	13,316
410,320	409,131	443,225	405,658	435,313	418,929
<u>10,799,950</u>	<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>
27,211,181	24,621,381	25,305,296	24,534,874	25,523,918	22,572,693
284,394	234,703	180,800	176,993	177,073	145,020
121,808	99,652	60,510	49,810	35,079	35,235
15,472	7,456	17,107	7,216	2,604	2,534
406,195	325,818	418,237	507,154	648,165	574,574
65,063	26,236	21,178	7,225	123	8,779
54,631	48,899	46,449	45,922	46,696	41,627
2,543,156	2,555,870	2,520,561	2,799,523	2,402,228	2,289,262
773,529	613,253	218,513	811,621	92,063	97,663
<u>4,264,248</u>	<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>
2,947,965	2,732,223	2,536,257	2,508,264	2,407,469	2,420,266
6,728,498	6,445,708	6,511,153	6,045,064	5,694,866	5,608,798
154,416	125,844	108,356	108,293	118,369	98,063
313,399	519,563	416,965	405,585	424,280	464,933
116,962	105,151	51,963	24,203	17,483	19,104
<u>10,261,240</u>	<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>14,525,488</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>

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Net (Expense) Revenue				
Governmental activities	\$ (12,496,614)	\$ (10,064,002)	\$ (10,893,044)	\$ (11,320,405)
Business-type activities	(360,150)	81,868	21,131	(253,507)
Total City activities	(12,856,764)	(9,982,134)	(10,871,913)	(11,573,912)
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes and assessments	5,939,247	5,743,098	5,613,585	5,007,045
Franchise taxes	2,788,920	2,763,692	2,764,326	2,729,145
Intergovernmental	917,426	865,271	828,085	786,466
Miscellaneous	886,273	1,080,033	904,857	1,148,390
Gain (loss) on sale of capital assets	-	-	8,500	17,000
Transfers	(541,049)	(500,400)	(460,400)	(423,800)
Total governmental activities	9,990,817	9,951,694	9,658,953	9,264,246
Business-type activities				
Miscellaneous	254,437	239,822	149,050	119,787
Transfers	541,049	500,400	460,400	423,800
Total business-type activities	795,486	740,222	609,450	543,587
Total City revenues	10,786,303	10,691,916	10,268,403	9,807,833
Change in Net Position				
Governmental activities	(2,505,797)	(112,308)	(1,234,091)	(2,056,159)
Business-type activities	435,336	822,090	630,581	290,080
	(2,070,461)	709,782	(603,510)	(1,766,079)
Net Position, July 1				
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
	77,539,808	76,830,026	74,968,840	76,734,919
Governmental activities - restatement	-	-	2,058,721	-
Business-type activities - restatement	-	-	405,975	-
Governmental activities - loss on impairment	-	-	-	-
Total Government	77,539,808	76,830,026	77,433,536	76,734,919
Net Position, June 30				
Governmental activities	62,469,703	64,975,500	65,087,808	64,263,178
Business-type activities	12,999,644	12,564,308	11,742,218	10,705,662
Total Government	<u>\$ 75,469,347</u>	<u>\$ 77,539,808</u>	<u>\$ 76,830,026</u>	<u>\$ 74,968,840</u>

<i>Fiscal Year</i>					
<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ (12,146,983)	\$ (11,080,196)	\$ (11,955,326)	\$ (10,808,564)	\$ (12,976,865)	\$ (10,449,399)
(538,710)	299,191	(241,921)	(229,437)	(480,555)	(317,436)
(12,685,693)	(10,781,005)	(12,197,247)	(11,038,001)	(13,457,420)	(10,766,835)
4,852,373	5,521,449	5,416,357	5,545,135	7,951,843	7,654,368
2,606,744	2,539,863	2,490,463	2,433,345	2,462,290	2,475,239
743,428	803,880	768,187	770,249	887,403	918,055
1,076,723	195,193	4,631,567	1,658,468	1,212,058	1,452,870
(10,050)	-	-	-	-	1,522,293
(390,302)	(393,336)	27,769	(62,792)	(210,500)	(145,675)
8,878,916	8,667,049	13,334,343	10,344,405	12,303,094	13,877,150
124,537	4,601	5,855	6,608	7,765	12,547
390,302	393,336	(27,769)	62,792	210,500	145,675
514,839	397,937	(21,914)	69,400	218,265	158,222
9,393,755	9,064,986	13,312,429	10,413,805	12,521,359	14,035,372
(3,268,067)	(2,413,147)	1,386,654	(464,159)	(673,771)	3,427,751
(23,871)	697,128	(271,472)	(160,037)	(262,290)	(159,214)
(3,291,938)	(1,716,019)	1,115,182	(624,196)	(936,061)	3,268,537
69,587,404	74,103,035	72,724,018	73,534,214	74,207,985	70,780,234
10,439,453	10,242,534	10,506,369	10,666,406	10,928,696	11,087,910
80,026,857	84,345,569	83,230,387	84,200,620	85,136,681	81,868,144
-	(2,102,484)	-	-	-	-
-	(500,209)	-	-	-	-
-	-	-	346,037	-	-
80,026,857	81,742,876	83,230,387	84,546,657	85,136,681	81,868,144
66,319,337	69,587,404	74,103,035	72,724,018	73,534,214	74,207,985
10,415,582	10,439,453	10,242,534	10,506,369	10,666,406	10,928,696
\$ 76,734,919	\$ 80,026,857	\$ 84,345,569	\$ 83,230,387	\$ 84,200,620	\$ 85,136,681

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
General fund				
Committed	\$ 691,515	\$ 548,404	\$ -	\$ -
Unassigned	2,505,195	2,469,017	2,331,161	2,231,504
Total General Fund	<u>\$ 3,196,710</u>	<u>\$ 3,017,421</u>	<u>\$ 2,331,161</u>	<u>\$ 2,231,504</u>
All Other Governmental Funds				
Unreserved, reported in:				
Restricted	\$ 8,612,026	\$ 10,037,855	\$ 10,018,743	\$ 9,156,723
Total all other governmental funds	<u>\$ 8,612,026</u>	<u>\$ 10,037,855</u>	<u>\$ 10,018,743</u>	<u>\$ 9,156,723</u>

<i>Fiscal Year</i>					
<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,898,504	2,252,430	2,241,954	2,144,797	1,877,738	1,646,079
<u>\$ 1,898,504</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>
\$ 8,073,301	\$ 7,141,457	\$ 6,970,715	\$ 12,636,124	\$ 13,631,432	\$ 10,189,183
<u>\$ 8,073,301</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>

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Revenues				
Taxes and assessments	\$ 6,852,338	\$ 6,712,056	\$ 6,335,201	\$ 5,803,798
Licenses and permits	4,580,919	4,755,060	4,093,764	3,246,930
Charges for services	2,370	-	-	-
Intergovernmental	3,967,110	4,505,694	3,663,137	3,398,159
Fines and forfeitures	444,041	472,783	387,003	423,291
Miscellaneous	1,086,731	1,298,998	1,066,267	1,324,651
Total revenues	<u>16,933,509</u>	<u>17,744,591</u>	<u>15,545,372</u>	<u>14,196,829</u>
Expenditures				
Current operating:				
General government	2,337,221	2,187,866	2,109,767	1,947,167
Community and youth services	29,150	36,052	22,187	14,926
Community development	682,662	563,072	520,647	492,419
Parks	527,408	547,578	421,668	300,842
Public safety	7,795,994	7,725,741	7,120,604	6,625,239
Public works	894,522	811,574	902,689	787,918
Capital outlay	3,589,364	2,882,018	3,221,793	600,016
Debt service				
Principal	1,073,000	1,018,000	860,000	810,000
Interest	709,679	766,918	752,440	795,080
Total expenditures	<u>17,639,000</u>	<u>16,538,819</u>	<u>15,931,795</u>	<u>12,373,607</u>
Revenues over (under) expenditures	(705,491)	1,205,772	(386,423)	1,823,222
Other financing sources (uses)				
Issuance of debt	-	-	1,800,000	-
Proceeds from the sale of capital assets	-	-	8,500	17,000
Transfers in	285,000	100,000	215,700	-
Transfers out	(826,049)	(600,400)	(676,100)	(423,800)
Total other financing sources (uses)	<u>(541,049)</u>	<u>(500,400)</u>	<u>1,348,100</u>	<u>(406,800)</u>
Net change in fund balances	(1,246,540)	705,372	961,677	1,416,422
Fund balance, beginning of year	13,055,276	12,349,904	11,388,227	9,971,805
Fund balance, end of year	<u>\$ 11,808,736</u>	<u>\$ 13,055,276</u>	<u>\$ 12,349,904</u>	<u>\$ 11,388,227</u>
Debt service as a percentage of noncapital expenditures	12.7%	13.1%	12.7%	13.6%

<i>Fiscal Year</i>						
<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	
\$ 6,287,872	\$ 6,444,385	\$ 9,984,150	\$ 7,009,859	\$ 9,468,976	\$ 9,449,329	
3,685,709	3,319,557	2,919,492	2,767,306	2,706,955	2,802,152	
-	-	-	-	-	-	
3,267,481	3,237,002	3,158,760	3,803,537	3,252,754	3,121,931	
415,874	386,984	448,615	571,525	648,165	574,574	
1,284,531	1,236,979	1,248,775	1,613,364	338,558	212,061	
<u>14,941,467</u>	<u>14,624,907</u>	<u>17,759,792</u>	<u>15,765,591</u>	<u>16,415,408</u>	<u>16,160,047</u>	
2,280,259	1,645,180	2,912,876	1,728,960	1,377,214	1,230,536	
29,317	19,493	15,971	5,530	8,719	11,019	
532,274	584,370	740,748	671,543	627,441	736,517	
306,683	281,119	269,821	293,089	261,696	232,665	
6,529,017	6,170,100	5,951,077	5,822,788	5,874,096	5,858,204	
807,639	704,993	976,579	909,450	743,603	781,393	
1,152,734	1,676,533	4,993,159	4,050,924	1,309,615	2,303,875	
1,490,000	2,030,000	6,294,000	1,668,000	996,000	3,269,000	
872,820	938,565	1,201,582	1,280,764	1,332,616	1,452,260	
<u>14,000,743</u>	<u>14,050,353</u>	<u>23,355,813</u>	<u>16,431,048</u>	<u>12,531,000</u>	<u>15,875,469</u>	
940,724	574,554	(5,596,021)	(665,457)	3,884,408	284,578	
-	-	-	-	-	260,000	
27,496	-	-	-	-	3,121,820	
-	76,481	4,217,166	1,036,256	546,289	718,715	
<u>(390,302)</u>	<u>(469,817)</u>	<u>(4,189,397)</u>	<u>(1,099,048)</u>	<u>(756,789)</u>	<u>(864,390)</u>	
<u>(362,806)</u>	<u>(393,336)</u>	<u>27,769</u>	<u>(62,792)</u>	<u>(210,500)</u>	<u>3,236,145</u>	
577,918	181,218	(5,568,252)	(728,249)	3,673,908	3,520,723	
9,393,887	9,212,669	14,780,921	15,509,170	11,835,262	8,314,539	
<u>\$ 9,971,805</u>	<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>	
18.4%	24.0%	40.8%	23.8%	20.8%	34.8%	

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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 Property</u>	<u>Farm Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>
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	-
2019-20	2,124,999	1,906	584,633	-

* 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>
\$ 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
33,044	54,517	2,799,099	2.08	4,449,357

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

	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</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	3.03
Keizer Fire District	2.03	2.07	2.08	2.08	2.04
Marion County Fire District	2.90	2.91	2.92	2.93	2.51
Marion County Soil & Water	0.05	0.04	0.05	0.05	0.05
Marion County Extension and 4-H	0.05	0.05	0.05	0.05	0.05
School District	7.15	7.37	6.08	5.87	6.52
Willamette Regional ESD	0.30	0.30	0.30	0.30	0.30
Community College	0.89	0.90	0.90	0.90	0.92
Regional Library	0.08	0.08	0.08	0.08	0.08
Transit District	0.76	0.76	0.76	0.76	0.76
Total	<u>\$ 19.32</u>	<u>\$ 19.58</u>	<u>\$ 18.32</u>	<u>\$ 18.13</u>	<u>\$ 18.35</u>

Source: Marion County Assessor's Office

<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>
\$ 2.08	\$ 2.08	\$ 2.08	\$ 2.08	\$ 2.08
3.02	3.02	3.02	3.02	3.02
2.05	1.81	1.82	1.84	1.84
2.52	2.53	2.47	2.35	2.42
0.05	0.05	0.05	0.05	0.05
-	-	-	-	-
6.40	6.67	6.69	6.44	6.31
0.30	0.30	0.30	0.30	0.30
0.89	0.86	0.90	0.88	0.79
0.08	0.08	0.08	0.08	0.08
0.76	0.76	0.76	0.76	0.76
<u>\$ 18.15</u>	<u>\$ 18.16</u>	<u>\$ 18.17</u>	<u>\$ 17.80</u>	<u>\$ 17.65</u>

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

Private Enterprise	Industry	Rank	2020	
			Assessed Valuation	Percent of Total Assessed Value
Donahue Schriber Realty Group LP	Real Estate	1	\$ 68,958,720	1.65%
MWIC Keizer LLC	Real Estate	2	14,982,610	0.36%
MWSH Keizer LLC	Real Estate	3	14,068,440	0.34%
Target Corporation	Retail	4	13,116,512	0.31%
Lowe's HIW Inc	Retail	5	12,665,520	0.30%
CCP Keizer 1526 LLC	Retirement Center	6	12,421,970	0.30%
Emerald Pointe LLC	Real Estate	7	12,367,680	0.30%
Hawk's Point Apartments LLC	Real Estate	8	12,044,070	0.29%
Keizer OR Senior Property LLC	Retirement Center	9	11,077,400	0.27%
Keizer Road Apartments LLC	Real Estate	10	10,266,740	0.25%
Hidden Creek Loop Apartments	Real Estate		-	-
Keizer Schoolhouse LLC	Real Estate		-	-
Keizer Campus LLC	Real Estate		-	-
Keizer Hospitality Inc	Hotel		-	-
A Lee Sjothun Investment	Real Estate		-	-
Public Utilities				
Northwest Natural Gas Co	Natural Gas		16,899,000	0.40%
Portland General Electric Co	Electricity		24,259,000	0.58%
Qwest Corporation	Telephone		-	-
Government				
City of Keizer*	Municipality		7,174,870	0.17%
All other taxpayers			<u>3,944,714,935</u>	<u>94.48%</u>
			<u>\$ 4,175,017,467</u>	<u>100.00%</u>

Source: Marion County Assessor's Office

*Related to baseball stadium property

2011		
Rank	Assessed Valuation	Percent of Total Assessed Value
1	\$ 53,197,870	1.95%
	-	-
	-	-
3	10,061,029	0.37%
2	11,607,232	0.43%
	-	-
4	9,787,916	0.36%
	-	-
	-	-
6	8,301,970	0.30%
9	5,826,350	0.21%
7	7,854,750	0.29%
5	9,520,490	0.35%
10	5,207,878	0.19%
8	6,294,390	0.23%
	14,122,400	0.52%
	13,334,000	0.49%
	5,688,200	0.21%
	5,183,900	0.19%
	<u>2,557,887,885</u>	<u>93.91%</u>
	<u>\$ 2,723,876,260</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>
2010-11	\$ 3,697,042	\$ 3,544,683	95.88%	\$ 151,204	\$ 3,695,887	99.97%
2011-12	3,788,065	3,652,199	96.41%	134,153	3,786,352	99.95%
2012-13	4,215,696	4,070,606	96.56%	143,717	4,214,323	99.97%
2013-14	4,380,096	4,249,504	97.02%	129,003	4,378,507	99.96%
2014-15	4,556,032	4,437,265	97.39%	116,494	4,553,759	99.95%
2015-16	4,948,959	4,840,799	97.81%	104,531	4,945,330	99.93%
2016-17	5,165,626	5,004,062	96.87%	151,721	5,155,783	99.81%
2017-18	5,409,298	5,238,586	96.84%	143,542	5,382,128	99.50%
2018-19	5,650,021	5,480,648	97.00%	122,793	5,603,441	99.18%
2019-20	5,834,255	5,664,681	97.09%	-	5,664,681	97.09%

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>
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%	0.78%
2019-20	38,580	2,799,099	11,925,000	2,735,391	9,189,609	238.20	0.43%	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, 2020 - 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	\$ 4,274,498	100.00%	\$ 13,534,000	\$ 13,534,000
Overlapping:				
Marion County	50,681,035	15.85%	8,713,119	2,201,416
Keizer Fire District	4,274,498	99.08%	5,548,323	3,120,932
Marion County Fire District	6,305,645	9.19%	213,238	213,238
Salem-Keizer School District 24J	31,821,345	20.95%	141,821,059	141,821,059
Gervais School District 1	1,513,685	0.01%	726	726
Chemeketa Community College	50,681,035	10.95%	10,133,066	6,252,113
Willamette ESD	50,101,096	9.96%	1,940,818	766,886
Total Overlapping			168,370,349	154,376,370
Total Direct and Overlapping Debt			\$ 181,904,349	\$ 167,910,370

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>
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%
2019-20	133,480,718	13,534,000	119,946,718	10.14%

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							
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
2019-20	2,676,014	1,049,661	1,626,353	103,000	52,139	155,139	10.5
WATER FUND LOAN							
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	3,284,318	2,466,926	817,392	210,000	22,345	232,345	3.5
2019-20	3,359,859	2,584,931	774,928	215,000	13,633	228,633	3.4

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>
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	1,657,332,210	43,042	7,663	4.2%
2019-20	38,580	7.36	5,242	N/A	N/A	7,600	6.3%

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>2020</i>	<i>2011</i>
State of Oregon	State	19,350	22,000
Salem Hospital	Healthcare	4,600	4,000
Salem-Keizer School District	Primary and secondary public schools	4,759	5,000
Norpac Foods, Incorporated	Food processor	-	1,550
Marion County	County	1,652	1,552
U.S. Federal Agencies	Federal	1,415	2,300
City of Salem	Municipal	1,330	1,237
State Accident Insurance Fund	Insurance	1,024	814
Chemeketa Community College	State college of higher education	1,412	700
Willamette University	Private University	685	700

STATISTICAL SECTION

OPERATING INFORMATION

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

	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>
GOVERNMENT ACTIVITIES:				
General Government:				
Number of municipal court citations processed	1,700	2,198	1,702	2,016
Number of land use applications processed	22	-	25	36
Number of building permits:				
Single family dwellings	35	30	28	47
Multi-family units	28	-	17	3
Valuation of permits issued (expressed in thousands)	\$ 12,202	\$ 9,761	\$ 8,255	\$ 34,503
Public Safety:				
Number of arrests by patrol officers	N/A	2,029	1,854	1,165
Number of traffic violations cited	1,770	1,774	1,264	2,303
BUSINESS-TYPE ACTIVITIES:				
Water:				
Number of meters				
Single-family residential	10,335	10,308	10,334	10,304
Multi-family residential	258	259	259	261
Commercial	465	466	466	452
Consumption (ccf)				
Single-family residential	1,031,793	1,078,405	1,047,355	1,021,708
Multi-family residential	338,444	330,753	317,031	327,037
Commercial	156,527	149,471	147,110	167,630
Number of private fire lines	82	83	83	80
Sewer				
Number of accounts	10,565	10,574	10,517	10,557

Based on active meters at fiscal year end

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

<i>2015-16</i>	<i>2014-15</i>	<i>2013-14</i>	<i>2012-13</i>	<i>2011-12</i>	<i>2010-11</i>
2,036	1,263	1,712	2,499	3,497	3,831
23	17	23	15	17	12
91	68	45	33	24	35
19	69	-	-	-	1
\$ 69,190	\$ 32,464	\$ 26,236	\$ 17,198	\$ 13,036	\$ 13,578
1,171	1,698	1,844	1,725	1,969	1,990
1,757	1,374	1,932	2,102	3,229	3,610
10,235	10,108	9,956	9,431	9,426	9,414
254	250	249	254	259	255
447	449	426	387	371	365
1,115,548	1,068,653	1,041,894	1,039,564	1,015,975	1,015,994
393,083	320,347	320,741	302,744	322,947	316,418
173,790	161,668	153,453	150,256	155,693	150,304
76	70	65	60	60	59
10,343	10,274	10,189	10,136	10,140	10,129

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</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	22	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)	167	187.6	187.6	173.1
Miles of water line	126.7	126.7	125	125
Number of pump stations	15	15	15	15
Number of public hydrants	907	907	898	898
Sewer System:				
Miles of storm drains	73	73	73	73
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

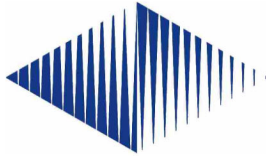
<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
3	3	3	3	3	3
2	2	2	2	2	2
65.5	65.5	65.5	65.5	65.5	65.5
27	27	27	27	27	27
148	148	148	148	148	120
0.5	0.5	0.5	0.5	0.5	0.5
0.5	0.5	0.5	0.5	0.5	0.5
206	205	204	204	204	204
2	2	2	2	2	2
7	7	7	7	7	7
21	21	20	20	20	20
3	3	3	3	3	3
2.75	2.75	2.75	2.75	2.75	2.75
177.2	179.4	165.5	172.5	163	168
107	107	106	106	106	106
16	16	16	16	16	16
898	898	859	859	859	859
80	80	80	80	80	77
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>
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
2019-20	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

www.gmscpa.com

(503) 581-7788 • FAX (503) 581-0152

475 Cottage Street NE, Suite 200 • Salem, Oregon 97301-3814

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, Oregon (the City) as of and for the year ended June 30, 2020 and have issued our report thereon dated December 15, 2020.

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.

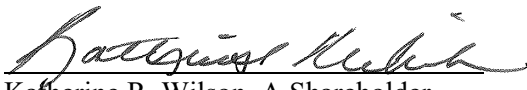
Internal Control Over Financial Reporting

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 City Council 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 15, 2020

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