

City of Keizer

Marion County, Oregon

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2021



***CITY OF KEIZER
MARION COUNTY, OREGON
ANNUAL COMPREHENSIVE
FINANCIAL REPORT
Fiscal Year Ended June 30, 2021***

*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, 2021

MAYOR

Cathy Clark

Term Expires

January 2023

CITY COUNCIL

Position 1 – Laura Reid

January 2025

Position 2 – Ross Day (resigned November 2021)

January 2025

Position 3 – Kyle Juran

January 2025

Position 4 – Roland Herrera

January 2023

Position 5 – Elizabeth Smith

January 2023

Position 6 – Dan Kohler

January 2023

City Officials may be contacted at:

Mailing Address
930 Chemawa Road NE
Keizer, Oregon 97303

STAFF

INTERIM CITY MANAGER
R. Wes Hare

CHIEF OF POLICE
John Teague

CITY RECORDER
Tracy Davis

FINANCE DIRECTOR
Timothy E. Wood

HUMAN RESOURCES DIRECTOR
Machell DePina

PLANNING DIRECTOR
Shane Witham

PUBLIC WORKS DIRECTOR
Bill Lawyer

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 16, 2021

Citizens of Keizer
The Honorable Mayor Cathy Clark
Members of the City Council
R. Wes Hare, Interim City Manager
930 Chemawa Road NE
Keizer, Oregon 97303

INTRODUCTION

The City of Keizer Finance Department is pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Keizer, Oregon for the fiscal year ended June 30, 2021. 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, 2021, there are 91 full-time city employees working in eight departments: City Manager, Finance, Human Resources, Public Works, Planning, 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 2021, 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 6.2% as compared to 6.3% 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 annual comprehensive financial report for the fiscal year ended June 30, 2020. This was the twenty-second 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 annual comprehensive 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 annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

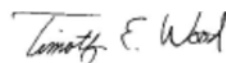
DISTINGUISHED BUDGET PRESENTATION AWARD

The City of Keizer received GFOA's Distinguished Budget Presentation Award for its FY 20-21 annual budget document and the FY 21-22 annual budget has been submitted. This is the seventh 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.

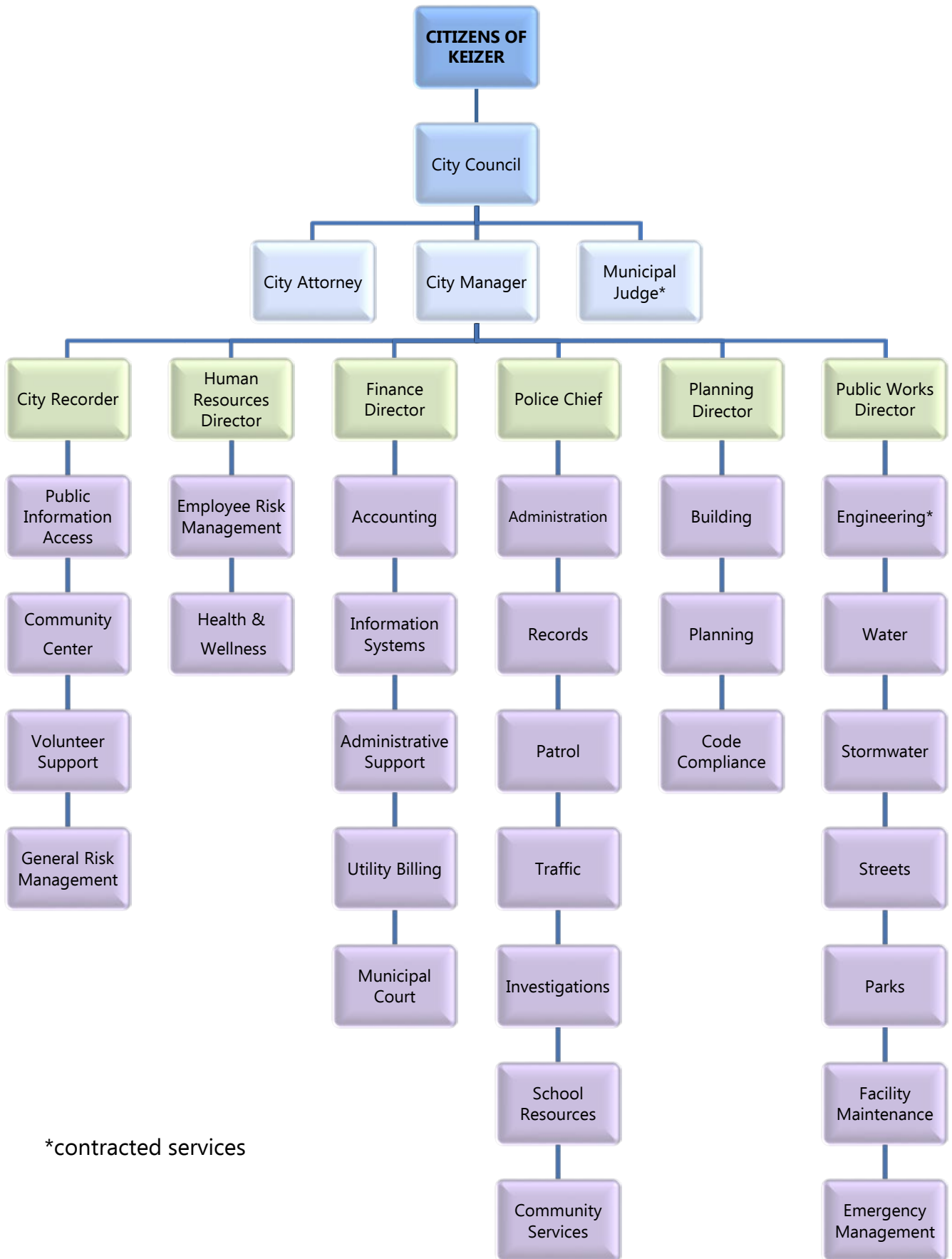
ACKNOWLEDGMENTS

Special recognition is given to the City's Finance staff whose hard work and dedication during the annual audit ensures the preparation of the Annual Comprehensive 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

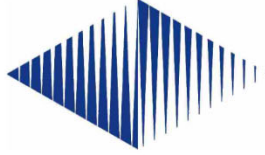
**City of Keizer
Oregon**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO



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

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, 2021, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, 2021 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.

Other Reporting Required by Legal and Regulatory Requirements


Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 16, 2021, 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 16, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2021

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, 2021. 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 Parks and Public Works. 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, stormwater and street lighting activities are reported in this category. The City charges a fee to customers to cover all or most of the cost of certain services it provides.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

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

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

FINANCIAL ACTIVITIES OF THE CITY AS A WHOLE

Government-wide Financial Statements

Statement of Net Position

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

Table 1
Statements of Net Position
As of June 30,

	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Cash and investments	\$ 12,790,441	\$ 12,106,564	\$ 4,290,167	\$ 3,940,434	\$ 17,080,608	\$ 16,046,998
Other assets	10,939,537	11,850,176	1,915,272	1,833,775	12,854,809	13,683,951
Capital assets	60,230,412	61,267,476	10,913,845	10,760,251	71,144,257	72,027,727
Total assets	<u>83,960,390</u>	<u>85,224,216</u>	<u>17,119,284</u>	<u>16,534,460</u>	<u>101,079,674</u>	<u>101,758,676</u>
Total deferred outflows of resources	<u>3,902,691</u>	<u>3,385,926</u>	<u>1,051,241</u>	<u>919,866</u>	<u>4,953,932</u>	<u>4,305,792</u>
Total assets and deferred outflows of resources	<u>87,863,081</u>	<u>88,610,142</u>	<u>18,170,525</u>	<u>17,454,326</u>	<u>106,033,606</u>	<u>106,064,468</u>
Other liabilities	14,034,285	12,082,584	4,347,010	4,011,417	18,381,295	16,094,001
Long-term debt	12,371,000	13,534,000	-	225,000	12,371,000	13,759,000
Total liabilities	<u>26,405,285</u>	<u>25,616,584</u>	<u>4,347,010</u>	<u>4,236,417</u>	<u>30,752,295</u>	<u>29,853,001</u>
Total deferred inflows of resources	<u>828,149</u>	<u>523,855</u>	<u>295,595</u>	<u>218,265</u>	<u>1,123,744</u>	<u>742,120</u>
Total liabilities and deferred inflows of resources	<u>27,233,434</u>	<u>26,140,439</u>	<u>4,642,605</u>	<u>4,454,682</u>	<u>31,876,039</u>	<u>30,595,121</u>
Net position						
Net investment in capital assets	47,859,412	47,733,476	10,913,845	10,535,251	58,773,257	58,268,727
Restricted	17,810,620	18,850,018	1,533,001	1,306,037	19,343,621	20,156,055
Unrestricted	<u>(5,040,385)</u>	<u>(4,113,791)</u>	<u>1,081,074</u>	<u>1,158,356</u>	<u>(3,959,311)</u>	<u>(2,955,435)</u>
Total net position	<u>\$ 60,629,647</u>	<u>\$ 62,469,703</u>	<u>\$ 13,527,920</u>	<u>\$ 12,999,644</u>	<u>\$ 74,157,567</u>	<u>\$ 75,469,347</u>

Overall the City's financial position decreased by \$1.3 million. The majority of the decrease is due to the ongoing pressure in the Governmental Activities to provide as much services as possible in light of the resources available. The Governmental Activities decrease in financial position is partially offset by an increase in Business-type Activities.

Governmental Activities

The City's net position from governmental activities decreased by \$1.9 million from \$62.5 million to \$60.6 million. This decrease is the change in net position reflected in the condensed Statement of Net Position, and explained below:

- Cash and investments increased by \$0.7 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 decreased by \$1.0 million, primarily as a result of
 - \$2.4 million for acquisition of capital assets (primarily street resurfacing projects) offset by
 - \$3.4 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 \$2.0 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 \$1.2 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 by \$0.3 million as the result of the net difference between projected and actual earnings on Oregon Public Employee Retirement System's pension plan investments.

Business-type Activities

The City's net position from business-type activities increased by \$0.5 million from \$13.0 million to \$13.5 million. This increase is the change in net position reflected in the Statement of Net Position, and explained below:

- Cash and investments increased by \$0.3 million as the result of normal fluctuations in when cash is received.
- Capital assets increased by \$0.2 million as a result of \$0.8 million investment in water and sewer systems and equipment and vehicles offset by \$0.6 million of depreciation expense.
- Deferred outflows of resources increased by \$0.1 million as the result of a change in the underlying actuarial assumptions associated with the Oregon Public Employee Retirement System.
- Other liabilities increased by \$0.3 million as the result of an increase in the Net Pension Liability associated with the Oregon Public Employee Retirement System.
- Long-term debt decreased by \$0.2 million as the result of the scheduled principal payments on outstanding Water Revenue Bonds.
- Deferred inflows of resources increased by \$0.1 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,

	Governmental		Business-type		Totals	
	Activities	Activities	Activities	Activities	Activities	Activities
	2021	2020	2021	2020	2021	2020
Program Revenues						
Fees, fines, and charges for services	\$ 2,167,092	\$ 2,192,544	\$ 11,900,151	\$ 11,597,044	\$ 14,067,243	\$ 13,789,588
Operating grants and contributions	4,672,078	3,077,220	-	-	4,672,078	3,077,220
Capital grants and contributions	170,880	180,414	40,642	71,525	211,522	251,939
Total program revenues	7,010,050	5,450,178	11,940,793	11,668,569	18,950,843	17,118,747
General Revenues						
Taxes and assessments	6,093,066	5,939,247	-	-	6,093,066	5,939,247
Franchise taxes	2,895,179	2,788,920	-	-	2,895,179	2,788,920
Intergovernmental	848,936	917,426	-	-	848,936	917,426
Gain on the sale of capital assets	26,000	-	-	-	26,000	-
Miscellaneous	726,350	886,273	178,647	254,437	904,997	1,140,710
Total general revenues	10,589,531	10,531,866	178,647	254,437	10,768,178	10,786,303
Total Revenues	17,599,581	15,982,044	12,119,440	11,923,006	29,719,021	27,905,050
Expenses						
Programs	18,897,986	17,946,792	12,132,815	12,028,719	31,030,801	29,975,511
Change in net position before transfers	(1,298,405)	(1,964,748)	(13,375)	(105,713)	(1,311,780)	(2,070,461)
Transfers	(541,651)	(541,049)	541,651	541,049	-	-
Change in net position	(1,840,056)	(2,505,797)	528,276	435,336	(1,311,780)	(2,070,461)
Beginning net position	62,469,703	64,975,500	12,999,644	12,564,308	75,469,347	77,539,808
Ending net position	<u>\$ 60,629,647</u>	<u>\$ 62,469,703</u>	<u>\$ 13,527,920</u>	<u>\$ 12,999,644</u>	<u>\$ 74,157,567</u>	<u>\$ 75,469,347</u>

Governmental Activities

The City's net position from governmental activities decreased by \$1.9 million in the current year as compared to a decrease of \$2.5 million in the previous year. This change in net position primarily reflects:

- Fee, fines and charges for services remained consistent with the prior year as the result of ongoing lower planning and public works permit fees associated with a slowdown in construction stemming from the ongoing COVID-19 pandemic.
- Operating grants and contributions increased by \$1.6 million as the result of the City receiving approximately \$1.1 million in CARES Act grant to support the relief and recovery from the COVID-19 Pandemic.
- Capital grants and contributions remained consistent with the prior 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	2021		2020		Compared to Prior Year	
	Amount	%	Amount	%	Change	%
General government	\$ 3,107,038	16.4%	\$ 2,563,675	14.3%	\$ 543,363	21.2%
Community and youth services	34,124	0.2%	29,150	0.2%	4,974	17.1%
Community development	2,369,993	12.5%	2,596,946	14.5%	(226,953)	-8.7%
Parks	1,025,417	5.4%	817,655	4.6%	207,762	25.4%
Public safety	9,601,858	50.8%	9,315,013	51.9%	286,845	3.1%
Public works	2,109,276	11.2%	1,919,138	10.7%	190,138	9.9%
Interest on long-term debt	650,280	3.4%	705,215	3.9%	(54,935)	-7.8%
Total expenses	<u>\$ 18,897,986</u>	<u>100.0%</u>	<u>\$ 17,946,792</u>	<u>100.0%</u>	<u>\$ 951,194</u>	<u>5.3%</u>

Program expenses increased by \$1.0 million from \$17.9 million in the prior year to \$18.9 million in the current year. The primary reason for the increase is due to expenditures associated with the CARES Act grant of \$1.0 million and costs associated with the City recovering from the ice storm natural disaster that occurred during February 2021.

Business-type Activities

The City's net position from business activities increased by \$0.5 million in the current year as compared to \$0.4 million in the previous year. This change in net position primarily reflects:

- Fees, fines, and charges for services increased by \$0.3 million from \$11.6 million in the prior year to \$11.9 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	2021		2020		Compared to Prior Year	
	Amount	%	Amount	%	Change	%
Water	\$ 3,272,934	27.0%	\$ 3,332,794	27.7%	\$ (59,860)	-1.8%
Sewer	6,463,650	53.3%	6,307,715	52.4%	155,935	2.5%
Stormwater	1,727,255	14.2%	1,663,489	13.8%	63,766	3.8%
Community center	274,021	2.3%	331,501	2.8%	(57,480)	-17.3%
Street lighting	394,955	3.3%	393,220	3.3%	1,735	0.4%
Total expenses	<u>\$ 12,132,815</u>	<u>100.0%</u>	<u>\$ 12,028,719</u>	<u>100.0%</u>	<u>\$ 104,096</u>	<u>0.9%</u>

Program expenses increased by \$0.1 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. The sewer increase was offset by lower than anticipated costs in the community center as the result closing the center due to the COVID-19 pandemic.

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	2021		2020		Compared to Prior Year	
	Amount	%	Amount	%	Change	%
General	\$ 4,024,145	32.0%	\$ 3,196,710	27.1%	\$ 827,435	25.9%
Streets	1,033,393	8.2%	1,195,689	10.1%	(162,296)	-13.6%
Transportation Improvement	3,394,392	27.0%	3,397,298	28.8%	(2,906)	-0.1%
Keizer Station LID	2,683,235	21.3%	2,735,391	23.2%	(52,156)	-1.9%
Other governmental funds	1,435,024	11.4%	1,283,648	10.9%	151,376	11.8%
Total fund balances	<u>\$ 12,570,189</u>	<u>100.0%</u>	<u>\$ 11,808,736</u>	<u>100.0%</u>	<u>\$ 761,453</u>	<u>6.4%</u>

At June 30, 2021, the City's governmental funds reported combined fund balances of \$12.6 million, which is an increase of \$0.8 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 \$1.5 million from \$12.2 million in the prior year to \$13.7 million in the current year. General fund revenue consisted of the following:

	2021		2020		Compared to Prior Year	
	Amount	%	Amount	%	Change	%
Taxes and assessments	\$ 6,107,528	44.5%	\$ 5,932,101	48.6%	\$ 175,427	3.0%
Licenses and permits	4,325,118	31.5%	4,256,239	34.9%	68,879	1.6%
Charges for services	1,738	0.0%	2,370	0.0%	(632)	100.0%
Intergovernmental	2,560,089	18.7%	1,331,193	10.9%	1,228,896	92.3%
Fines and forfeitures	481,622	3.5%	444,041	3.6%	37,581	8.5%
Miscellaneous	242,761	1.8%	243,462	2.0%	(701)	-0.3%
Total General fund revenue	\$ 13,718,856	100.0%	\$ 12,209,406	100.0%	\$ 1,509,450	12.4%

General fund expenditures consisted of the following:

	2021		2020		Compared to Prior Year	
	Amount	%	Amount	%	Change	%
General government	\$ 3,018,998	23.3%	\$ 2,228,992	18.5%	\$ 790,006	35.4%
Community and youth services	34,124	0.3%	29,150	0.2%	4,974	17.1%
Community development	511,758	3.9%	682,662	5.7%	(170,904)	-25.0%
Parks	1,129,130	8.7%	1,133,071	9.4%	(3,941)	-0.3%
Public safety	8,270,260	63.8%	7,966,193	66.2%	304,067	3.8%
Total General fund expenditures	\$ 12,964,270	100.0%	\$ 12,040,068	100.0%	\$ 924,202	7.7%

General government costs increased significantly as the result of spending the \$1.1 million CARES Act grant. Public safety expenditures increase as the result of the Police Department getting closer to being fully staffed.

Street Fund

The Street fund accounts for the use of gas tax revenue received. Street fund revenues increased by \$0.2 million from \$2.7 million in the prior year to \$2.9 million in the current year, primarily as the result of an increase in driving associated with the reduction of 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 \$2.6 million in the current year as compared to \$3.7 million in the prior year. The decrease is associated with delaying capital projects in light of the COVID-19 pandemics impact on revenues available.

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 supplementary 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	2021		2020		Compared to Prior Year	
	Amount	%	Amount	%	Change	%
Sewer and Sewer Reserve	\$ 2,009,751	14.9%	\$ 2,077,070	16.0%	\$ (67,319)	-3.2%
Water and Water Facility	8,391,136	62.0%	8,120,227	62.5%	270,909	3.3%
Stormwater	2,484,644	18.4%	2,063,615	15.9%	421,029	20.4%
Other funds	642,389	4.7%	738,732	5.7%	(96,343)	-13.0%
Total net position	<u>\$ 13,527,920</u>	<u>100.0%</u>	<u>\$ 12,999,644</u>	<u>100.0%</u>	<u>\$ 528,276</u>	<u>4.1%</u>

Water and Water Facility Funds

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

The Water and Water Facility funds revenues increased by \$0.2 million from \$3.3 million in the prior year to \$3.5 million in the current year. The primary reason for the increase is higher demand as the result of residents working from home and the annualized impact of a 4% rate increase that took effect January 1, 2020.

The Water and Water Facility funds expenses decreased to \$3.2 million in the current year as compared to \$3.3 million in fiscal prior year. The decrease is due to lower capital outlay associated with waterline replacement projects.

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 \$6.4 million in the current year as compared to \$6.3 million in the prior year. The increase is due to a 2.0% rate increase that took effect January 1, 2021 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 remained consistent at \$1.6 million during the year. The last rate increase took effect January 1, 2020.

The Stormwater fund expenses increased \$0.2 million from \$1.7 million in the prior year to \$1.9 million in the current year. The increase is primarily attributed to increased capital outlay.

Budgetary Highlights

The General fund budget was modified during the year to recognize and appropriate the CARES Act grant of \$1,130,000. This grant was received to respond to and recover from the COVID-19 pandemic. In addition, the General fund budget was modified to provide for a transfer of resources of \$148,200 from the Transportation Improvement fund to provide resources and appropriations to upgrade the police vehicle video system.

The General fund expenditures were under the final amended budget by approximately \$1.3 million primarily due to having unfilled positions in the Police and Community Development departments. In addition general services grant expenditures were lower than originally anticipated.

Capital Assets

As of June 30, 2021, the City had invested \$71.1 million in capital assets as reflected in the following table, which represents a net decrease (additions, deductions, and depreciation) of \$0.9 million, when compared to the previous fiscal year.

Capital Assets as of June 30, (net of depreciation)

	Governmental		Business-type		Totals	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Land	\$ 14,941,368	\$ 14,941,368	\$ 371,759	\$ 371,759	\$ 15,313,127	\$ 15,313,127
Building and improvements	59,162,399	57,164,287	1,065,730	1,065,730	60,228,129	58,230,017
Equipment and vehicles	3,372,736	3,275,677	1,435,286	1,412,882	4,808,022	4,688,559
Infrastructure	38,935,047	38,935,047	27,292,012	26,481,231	66,227,059	65,416,278
Accumulated depreciation	(56,181,138)	(53,048,903)	(19,250,942)	(18,571,351)	(75,432,080)	(71,620,254)
 Net capital assets	 <u>\$ 60,230,412</u>	 <u>\$ 61,267,476</u>	 <u>\$ 10,913,845</u>	 <u>\$ 10,760,251</u>	 <u>\$ 71,144,257</u>	 <u>\$ 72,027,727</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, 2021

	Governmental	Business-type	Total
	Activities	Activities	
Beginning balance	\$ 61,267,476	\$ 10,760,251	\$ 72,027,727
Additions	2,363,979	833,185	3,197,164
Depreciation	<u>(3,401,043)</u>	<u>(679,591)</u>	<u>(4,080,634)</u>
 Net capital assets	 <u>\$ 60,230,412</u>	 <u>\$ 10,913,845</u>	 <u>\$ 71,144,257</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, 2021, the City had \$12.4 million in debt (bonds, notes, etc.) outstanding compared to the \$13.8 million last year.

Table 9
Outstanding Debt at Year End
As of June 30,

	Totals	
	2021	2020
Governmental Activities		
Gas Tax Revenue Loan 2018	\$ 1,506,000	\$ 1,609,000
Keizer Station LID Bonds 2008	10,865,000	11,925,000
Total Governmental Activities	12,371,000	13,534,000
Business-type Activities		
Water Revenue Loan	-	225,000
Total	\$ 12,371,000	\$ 13,759,000

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

ECONOMIC FACTORS

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

FINANCIAL CONTACT

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

BASIC FINANCIAL STATEMENTS

CITY OF KEIZER, OREGON
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and investments	\$ 12,790,441	\$ 4,290,167	\$ 17,080,608
Accounts receivable	944,762	1,750,686	2,695,448
Property taxes receivable	270,300	-	270,300
Assessment liens receivable, net	9,346,907	-	9,346,907
Loans receivable	313,124	-	313,124
Inventories	-	148,291	148,291
Nondepreciable capital assets	14,941,368	371,759	15,313,127
Other capital assets, net of depreciation	45,289,044	10,542,086	55,831,130
Other post-employment benefits	64,444	16,295	80,739
<i>Total Assets</i>	83,960,390	17,119,284	101,079,674
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to OPEB	178,667	45,179	223,846
Deferred outflows of resources related to pensions	3,724,024	1,006,062	4,730,086
<i>Total Deferred Outflows of Resources</i>	3,902,691	1,051,241	4,953,932
LIABILITIES			
Accounts payable	836,268	784,038	1,620,306
Deposits	38,403	231,480	269,883
Accrued interest payable	50,910	-	50,910
Noncurrent liabilities:			
Due within one year:			
Bonds and notes payable	106,000	-	106,000
Accrued compensated absences	248,972	77,259	326,231
Due in more than one year:			
Bonds and notes payable	12,265,000	-	12,265,000
Accrued compensated absences	462,377	143,482	605,858
Other post-employment benefits	1,023,953	258,921	1,282,874
Net pension liability	11,373,402	2,851,831	14,225,233
<i>Total Liabilities</i>	26,405,285	4,347,010	30,752,295
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to OPEB	189,559	47,932	237,491
Deferred inflows of resources related to pensions	638,590	247,663	886,253
<i>Total Deferred Inflows of Resources</i>	828,149	295,595	1,123,744
NET POSITION			
Net investment in capital assets	47,859,412	10,913,845	58,773,257
Restricted for:			
Debt service	12,698,692	234,100	12,932,792
Construction	4,780,229	808,939	5,589,168
Other	331,699	489,962	821,661
Unrestricted	(5,040,385)	1,081,074	(3,959,311)
<i>Total Net Position</i>	\$ 60,629,647	\$ 13,527,920	\$ 74,157,567

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

CITY OF KEIZER, OREGON
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

	<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	\$ 3,107,038	\$ 170,643	\$ 1,102,741	\$ 129,564
Community and youth services	34,124	-	33,404	-
Community development	2,369,993	49,645	125,270	-
Parks	1,025,417	764,337	12,353	38,726
Public safety	9,601,858	1,130,652	491,187	-
Public works	2,109,276	16,723	2,907,123	2,590
Stadium operations	-	35,092	-	-
Interest on long-term debt	650,280	-	-	-
<i>Total Governmental Activities</i>	18,897,986	2,167,092	4,672,078	170,880
Business-type Activities:				
Water	3,272,934	3,490,153	-	25,797
Sewer	6,463,650	6,378,894	-	14,845
Stormwater	1,727,255	1,623,849	-	-
Community center	274,021	1,810	-	-
Street lighting	394,955	405,445	-	-
<i>Total Business-type Activities</i>	12,132,815	11,900,151	-	40,642
<i>Total Activities</i>	<u>\$ 31,030,801</u>	<u>\$ 14,067,243</u>	<u>\$ 4,672,078</u>	<u>\$ 211,522</u>

General Revenues:

Property taxes
Sales taxes
Franchise taxes
Intergovernmental - unrestricted
Gain on the sale of capital assets
Miscellaneous

Total General Revenues

Transfers

Change in Net Position

Net Position, July 1, 2020

Net Position, June 30, 2021

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

<i>Governmental Activities</i>	<i>Business-type Activities</i>	<i>Totals</i>
\$ (1,704,090)	\$ -	\$ (1,704,090)
(720)	-	(720)
(2,195,078)	-	(2,195,078)
(210,001)	-	(210,001)
(7,980,019)	-	(7,980,019)
817,160	-	817,160
35,092	-	35,092
<u>(650,280)</u>	<u>-</u>	<u>(650,280)</u>
(11,887,936)	-	(11,887,936)
-	243,016	243,016
-	(69,911)	(69,911)
-	(103,406)	(103,406)
-	(272,211)	(272,211)
<u>-</u>	<u>10,490</u>	<u>10,490</u>
-	<u>(192,022)</u>	<u>(192,022)</u>
(11,887,936)	(192,022)	(12,079,958)
5,850,998	-	5,850,998
242,068	-	242,068
2,895,179	-	2,895,179
848,936	-	848,936
26,000	-	26,000
<u>726,350</u>	<u>178,647</u>	<u>904,997</u>
10,589,531	178,647	10,768,178
<u>(541,651)</u>	<u>541,651</u>	<u>-</u>
(1,840,056)	528,276	(1,311,780)
<u>62,469,703</u>	<u>12,999,644</u>	<u>75,469,347</u>
<u>\$ 60,629,647</u>	<u>\$ 13,527,920</u>	<u>\$ 74,157,567</u>

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

CITY OF KEIZER, OREGON
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

	<i>General</i>	<i>Special Revenue</i>	
		<i>Street</i>	<i>Transportation Improvement</i>
ASSETS			
Cash and investments	\$ 3,995,878	\$ 822,846	\$ 3,394,392
Accounts receivable	652,951	255,269	-
Loans receivable	-	-	-
Property taxes receivable	270,300	-	-
Assessment liens receivable, net	-	3,232	-
<i>Total Assets</i>	<u>\$ 4,919,129</u>	<u>\$ 1,081,347</u>	<u>\$ 3,394,392</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 363,169	\$ 44,722	\$ -
Accrued expenses payable	290,186	-	-
Deposits	38,403	-	-
<i>Total Liabilities</i>	691,758	44,722	-
Deferred Inflows			
Unavailable revenue	203,226	3,232	-
Fund Balances			
Restricted for:			
Debt service	-	152,200	-
Construction	-	881,193	3,394,392
Other	-	-	-
Committed for:			
Police	289,738	-	-
Parks	352,825	-	-
Unassigned	3,381,582	-	-
<i>Total Fund Balances</i>	<u>4,024,145</u>	<u>1,033,393</u>	<u>3,394,392</u>
<i>Total Liabilities, Deferred Inflows and Fund Balances</i>	<u>\$ 4,919,129</u>	<u>\$ 1,081,347</u>	<u>\$ 3,394,392</u>

<u>Debt Service</u>	<u>Other</u>	
<u>Keizer</u>	<u>Governmental</u>	
<u>Station LID</u>	<u>Funds</u>	<u>Totals</u>
\$ 2,683,235	\$ 1,411,743	\$ 12,308,094
-	34,487	942,707
-	313,124	313,124
-	-	270,300
9,343,675	-	9,346,907
<u>\$ 12,026,910</u>	<u>\$ 1,759,354</u>	<u>\$ 23,181,132</u>
\$ -	\$ 11,206	\$ 419,097
-	-	290,186
-	-	38,403
-	11,206	747,686
9,343,675	313,124	9,863,257
2,683,235	-	2,835,435
-	1,103,325	5,378,910
-	331,699	331,699
-	-	289,738
-	-	352,825
-	-	3,381,582
<u>2,683,235</u>	<u>1,435,024</u>	<u>12,570,189</u>
<u>\$ 12,026,910</u>	<u>\$ 1,759,354</u>	<u>\$ 23,181,132</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, 2021**

<i>Fund Balances</i>	\$ 12,570,189
<p>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.</p>	
	9,863,257
<p>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.</p>	
Net pension liability	(11,373,402)
Deferred outflows	3,724,024
Deferred inflows	(638,590)
<p>Capital assets are not financial resources in governmental funds, but are reported in the Statement of Net Position at their net depreciable value.</p>	
Costs of capital assets	116,411,550
Accumulated depreciation	(56,181,138)
<p>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.</p>	
Bonds and notes payable	(12,371,000)
Accrued interest payable	(50,910)
Accrued compensated absences	(711,349)
OPEB liability	(1,023,953)
OPEB asset	64,444
OPEB deferred outflows	178,667
OPEB deferred inflows	(189,559)
<p>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.</p>	
	<u>357,417</u>
Net Position of governmental activities	<u>\$ 60,629,647</u>

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

CITY OF KEIZER, OREGON**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021**

	<u>General</u>	<u>Special Revenue</u>	
		<u>Street</u>	<u>Transportation Improvement</u>
REVENUES			
Taxes and assessments	\$ 6,107,528	\$ 492	\$ -
Licenses and permits	4,325,118	16,723	129,564
Charges for services	1,738	-	-
Intergovernmental	2,560,089	2,870,642	-
Fines and forfeitures	481,622	-	-
Miscellaneous	242,761	4,790	15,730
<i>Total Revenues</i>	<u>13,718,856</u>	<u>2,892,647</u>	<u>145,294</u>
EXPENDITURES			
Current operating			
General government	2,808,062	-	-
Community and youth services	34,124	-	-
Community development	511,758	-	-
Parks	722,508	-	-
Public safety	7,945,906	-	-
Public works	-	988,495	-
Capital outlay	941,912	1,393,373	-
Debt service			
Principal	-	103,000	-
Interest	-	49,075	-
<i>Total Expenditures</i>	<u>12,964,270</u>	<u>2,533,943</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	754,586	358,704	145,294
OTHER FINANCING SOURCES (USES)			
Proceeds from property sales	26,000	-	-
Transfers in	148,200	-	-
Transfers out	(101,351)	(521,000)	(148,200)
<i>Total Other Financing Sources (Uses)</i>	<u>72,849</u>	<u>(521,000)</u>	<u>(148,200)</u>
NET CHANGE IN FUND BALANCES	827,435	(162,296)	(2,906)
FUND BALANCES, Beginning of year	<u>3,196,710</u>	<u>1,195,689</u>	<u>3,397,298</u>
FUND BALANCES, End of year	<u>\$ 4,024,145</u>	<u>\$ 1,033,393</u>	<u>\$ 3,394,392</u>

<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>
\$ 973,346	\$ -	\$ 7,081,366
-	176,481	4,647,886
-	-	1,738
-	-	5,430,731
-	-	481,622
<u>640,558</u>	<u>39,010</u>	<u>942,849</u>
1,613,904	215,491	18,586,192
-	116,121	2,924,183
-	-	34,124
-	-	511,758
-	-	722,508
-	-	7,945,906
-	-	988,495
-	28,694	2,363,979
1,060,000	-	1,163,000
<u>606,060</u>	<u>-</u>	<u>655,135</u>
<u>1,666,060</u>	<u>144,815</u>	<u>17,309,088</u>
(52,156)	70,676	1,277,104
-	-	26,000
-	80,700	228,900
<u>-</u>	<u>-</u>	<u>(770,551)</u>
<u>-</u>	<u>80,700</u>	<u>(515,651)</u>
(52,156)	151,376	761,453
<u>2,735,391</u>	<u>1,283,648</u>	<u>11,808,736</u>
<u>\$ 2,683,235</u>	<u>\$ 1,435,024</u>	<u>\$ 12,570,189</u>

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

CITY OF KEIZER, OREGON

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

<i>Net change in fund balances - total governmental funds</i>	\$ 761,453
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.	(1,012,611)
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.	(64,740)
Capital outlays are reported as expenditures in governmental funds. However, the Statement of Activities allocates the cost of capital outlay over their estimated useful lives as depreciation expense.	
Capital outlays	2,363,979
Depreciation	(3,401,043)
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	1,163,000
Accrued interest payable	4,855
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.	(1,764,732)
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.	<u>109,783</u>
<i>Change in net position of governmental activities</i>	<u>\$ (1,840,056)</u>

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

CITY OF KEIZER, OREGON
STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2021

	<i>Business-type Activities - Enterprise Funds</i>				<i>Totals</i>	<i>Governmental Activities Administrative Services 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	\$ 597,600	\$ 1,681,948	\$ 1,261,545	\$ 749,074	\$ 4,290,167	\$ 482,347
Accounts receivable	914,393	550,055	220,144	66,094	1,750,686	2,055
Inventories	-	146,344	1,947	-	148,291	-
<i>Total Current Assets</i>	1,511,993	2,378,347	1,483,636	815,168	6,189,144	484,402
Noncurrent Assets						
Nondepreciable capital assets	-	371,759	-	-	371,759	-
Other capital assets, net of depreciation	1,159,269	7,319,763	2,022,625	40,429	10,542,086	-
OPEB asset	1,222	8,824	4,981	1,268	16,295	-
<i>Total Noncurrent Assets</i>	1,160,491	7,700,346	2,027,606	41,697	10,930,140	-
<i>Total Assets</i>	2,672,484	10,078,693	3,511,242	856,865	17,119,284	484,402
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to OPEB	3,389	24,465	13,809	3,516	45,179	-
Deferred outflows related to pensions	61,563	526,450	343,853	74,196	1,006,062	-
<i>Total Deferred Outflows of Resources</i>	64,952	550,915	357,662	77,712	1,051,241	-
LIABILITIES						
Current Liabilities						
Accounts payable	478,857	107,453	166,223	31,505	784,038	126,985
Deposits	-	220,855	-	10,625	231,480	-
Accrued compensated absences	5,295	46,815	23,053	2,096	77,259	-
<i>Total Current Liabilities</i>	484,152	375,123	189,276	44,226	1,092,777	126,985
Noncurrent Liabilities						
Accrued compensated absences	9,834	86,941	42,812	3,894	143,482	-
Other post-employment benefits	19,421	140,212	79,142	20,146	258,921	-
Net pension liability	186,053	1,478,725	980,590	206,463	2,851,831	-
<i>Total Noncurrent Liabilities</i>	215,308	1,705,878	1,102,544	230,503	3,254,234	-
<i>Total Liabilities</i>	699,460	2,081,001	1,291,820	274,729	4,347,010	126,985
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to OPEB	3,595	25,957	14,651	3,729	47,932	-
Deferred inflows related to pensions	24,630	131,514	77,789	13,730	247,663	-
<i>Total Deferred Inflows of Resources</i>	28,225	157,471	92,440	17,459	295,595	-
NET POSITION						
Net investment in capital assets	1,159,269	7,691,522	2,022,625	40,429	10,913,845	-
Restricted for:						
Construction	273,944	534,995	-	-	808,939	-
Debt service	-	234,100	-	-	234,100	-
Other	-	-	-	489,962	489,962	-
Unrestricted	576,538	(69,481)	462,019	111,998	1,081,074	357,417
<i>Total Net Position</i>	\$ 2,009,751	\$ 8,391,136	\$ 2,484,644	\$ 642,389	\$ 13,527,920	\$ 357,417

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, 2021**

	<i>Business-type Activities - Enterprise Funds</i>				<i>Totals</i>	<i>Governmental Activities Administrative Services 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	\$ -	\$ 62,667	\$ 12,693	\$ -	\$ 75,360	\$ -
Charges for services	6,376,395	3,410,762	1,602,906	398,120	11,788,183	4,101,476
Intergovernmental	-	8,687	8,250	1,807	18,744	8,497
Miscellaneous	2,499	8,037	-	7,328	17,864	21,285
<i>Total Operating Revenues</i>	6,378,894	3,490,153	1,623,849	407,255	11,900,151	4,131,258
OPERATING EXPENSES						
Personnel services	37,940	1,385,213	857,796	79,039	2,359,988	2,829,217
Materials and services	6,353,366	1,403,274	763,008	572,050	9,091,698	1,192,258
Depreciation	72,344	482,909	106,451	17,887	679,591	-
<i>Total Operating Expenses</i>	6,463,650	3,271,396	1,727,255	668,976	12,131,277	4,021,475
OPERATING INCOME (LOSS)	(84,756)	218,757	(103,406)	(261,721)	(231,126)	109,783
NONOPERATING REVENUES (EXPENSES)						
Investment revenue	2,592	7,242	3,435	3,552	16,821	-
Miscellaneous	-	-	-	161,826	161,826	-
Interest expense	-	(1,538)	-	-	(1,538)	-
<i>Total Nonoperating Revenues (Expenses)</i>	2,592	5,704	3,435	165,378	177,109	-
CAPITAL CONTRIBUTIONS	14,845	25,797	-	-	40,642	-
INCOME (LOSS) BEFORE TRANSFERS	(67,319)	250,258	(99,971)	(96,343)	(13,375)	109,783
Transfers in	-	20,651	521,000	-	541,651	-
CHANGE IN NET POSITION	(67,319)	270,909	421,029	(96,343)	528,276	109,783
NET POSITION, Beginning of year	2,077,070	8,120,227	2,063,615	738,732	12,999,644	247,634
NET POSITION, End of year	\$ 2,009,751	\$ 8,391,136	\$ 2,484,644	\$ 642,389	\$ 13,527,920	\$ 357,417

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

CITY OF KEIZER, OREGON
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021

	<u>Sewer and Sewer Reserve</u>	<u>Water and Water Facility</u>	<u>Stormwater</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 6,409,565	\$ 3,400,250	\$ 1,633,107
Cash paid for employee services and benefits	(1,707)	(1,126,048)	(708,624)
Cash paid to suppliers for goods and services	<u>(6,343,241)</u>	<u>(1,434,910)</u>	<u>(918,104)</u>
<i>Net Cash Provided by (Used in) Operating Activities</i>	64,617	839,292	6,379
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Taxes available for operating purposes	-	-	-
Transfers in	-	20,651	521,000
<i>Net Cash Provided by Non-Capital Financing Activities</i>	-	20,651	521,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	-	(402,624)	(430,561)
Principal paid on contracts/bonds payable	-	(225,000)	-
Contribution of capital	14,845	25,797	-
Interest paid	-	(4,613)	-
<i>Net Cash Provided by (Used in) Capital Related Financing Activities</i>	14,845	(606,440)	(430,561)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investment	<u>2,592</u>	<u>7,242</u>	<u>3,435</u>
<i>Increase (Decrease) in Cash and Investments</i>	82,054	260,745	100,253
CASH AND INVESTMENTS, Beginning of year	<u>515,546</u>	<u>1,421,203</u>	<u>1,161,292</u>
CASH AND INVESTMENTS, End of year	<u>\$ 597,600</u>	<u>\$ 1,681,948</u>	<u>\$ 1,261,545</u>
RECONCILIATION OF CASH PROVIDED BY OPERATING ACTIVITIES TO OPERATING INCOME (LOSS)			
Operating income (loss)	\$ (84,756)	\$ 218,757	\$ (103,406)
Depreciation	72,344	482,909	106,451
<i>Change in assets and liabilities</i>			
Accounts receivable	30,671	(92,769)	9,258
Prepaid items	(6,529)	-	(13)
Inventory	-	(16,855)	(587)
Accounts payable	16,654	(14,782)	(154,496)
Accrued compensated absences	909	6,972	5,105
Net pension liability	33,476	241,677	136,414
Other post-employment benefits	1,848	10,516	7,653
Deposits payable	-	2,867	-
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>\$ 64,617</u>	<u>\$ 839,292</u>	<u>\$ 6,379</u>

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

<i>Other Enterprise Funds</i>	<i>Totals</i>	<i>Governmental Activities Administrative Services Fund</i>
\$ 375,586	\$ 11,818,508	\$ 4,129,203
(46,865)	(1,883,244)	(2,829,217)
<u>(572,369)</u>	<u>(9,268,624)</u>	<u>(1,173,138)</u>
(243,648)	666,640	126,848
146,777	146,777	-
-	541,651	-
<u>146,777</u>	<u>688,428</u>	<u>-</u>
-	(833,185)	-
-	(225,000)	-
-	40,642	-
<u>-</u>	<u>(4,613)</u>	<u>-</u>
-	(1,022,156)	-
<u>3,552</u>	<u>16,821</u>	<u>-</u>
(93,319)	349,733	126,848
<u>842,393</u>	<u>3,940,434</u>	<u>355,499</u>
<u>\$ 749,074</u>	<u>\$ 4,290,167</u>	<u>\$ 482,347</u>
\$ (261,721)	\$ (231,126)	\$ 109,783
17,887	679,591	-
414	(52,426)	(2,055)
(30,273)	(36,815)	-
-	(17,442)	-
(322)	(152,946)	19,120
(7,422)	5,564	-
34,724	446,291	-
3,065	23,082	-
<u>-</u>	<u>2,867</u>	<u>-</u>
<u>\$ (243,648)</u>	<u>\$ 666,640</u>	<u>\$ 126,848</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.

CITY OF KEIZER, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2021

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.

CITY OF KEIZER, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2021

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

Keizer Youth Peer Court – this fund accounts for donations received for the benefit of Keizer Youth Peer Court.

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.

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, 2021

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 Replacement Reserve 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, 2021

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, 2021

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, 2021. 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, 2021

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.

CITY OF KEIZER, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2021

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 of Resources

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, 2020 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.

CITY OF KEIZER, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2021

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 liability, 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, 2021

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, 2021 the carrying value of cash and investments and fair value are approximately equal. Cash and investments are comprised of the following at June 30, 2021:

Cash	
Cash on hand	\$ 2,200
Deposits with financial institutions	6,013,964
Investments	
Local Government Investment Pool	<u>11,064,444</u>
<i>Total Cash and Investments</i>	<u><u>\$ 17,080,608</u></u>

Deposits

At year end, the book balance of the City's bank deposits (checking and money market accounts) was \$6,013,964 and the bank balance was \$5,977,561. 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, 2021, \$5,727,561 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, 2021, 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, 2021

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

<u>Fund</u>	<u>Accounts</u>	<u>Property Taxes</u>	<u>Assessments</u>	<u>Loans</u>
General	\$ 652,951	\$ 270,300	\$ -	\$ -
Street	255,269	-	3,232	-
Keizer Station LID	-	-	10,140,675	-
Other governmental funds	34,487	-	-	313,124
Sewer	914,393	-	-	-
Water	550,055	-	-	-
Stormwater	220,144	-	-	-
Administrative Services	2,055	-	-	-
Other business-type funds	66,094	-	-	-
Allowance for doubtful accounts	-	-	(797,000)	-
	<u>\$ 2,695,448</u>	<u>\$ 270,300</u>	<u>\$ 9,346,907</u>	<u>\$ 313,124</u>

CITY OF KEIZER, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2021

CAPITAL ASSETS

The summary of capital assets for the business-type activities for the year ended June 30, 2021 is as follows:

	Balances July 1, 2020	Additions	Deletions	Balances June 30, 2021
NON-DEPRECIABLE				
Land	\$ 371,759	\$ -	\$ -	\$ 371,759
DEPRECIABLE				
Buildings and improvements	1,065,730	-	-	1,065,730
Water and sewer systems	26,481,231	810,781	-	27,292,012
Equipment and vehicles	1,412,882	22,404	-	1,435,286
Total depreciable	28,959,843	833,185	-	29,793,028
ACCUMULATED DEPRECIATION				
Buildings	950,553	18,405	-	968,958
Water and sewer systems	16,527,540	549,014	-	17,076,554
Equipment and vehicles	1,093,258	112,172	-	1,205,430
<i>Total accumulated depreciation</i>	18,571,351	679,591	-	19,250,942
<i>Business-type activities capital assets, net</i>	<u>\$ 10,760,251</u>	<u>\$ 153,594</u>	<u>\$ -</u>	<u>\$ 10,913,845</u>

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

Water	\$ 482,909
Sewer	72,344
Stormwater	106,451
Community center	17,887
<i>Total depreciation expense for business-type activities</i>	<u>\$ 679,591</u>

CITY OF KEIZER, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2021

CAPITAL ASSETS (continued)

The changes in the capital assets for governmental activities for the year ended June 30, 2021 are as follows:

	Balances July 1, 2020	Additions	Deletions	Balances June 30, 2021
NON-DEPRECIABLE				
Land	\$ 14,941,368	\$ -	\$ -	\$ 14,941,368
DEPRECIABLE				
Buildings and improvements	57,164,287	1,998,112	-	59,162,399
Equipment and vehicles	3,275,677	365,867	268,808	3,372,736
Infrastructure	38,935,047	-	-	38,935,047
Total depreciable	99,375,011	2,363,979	268,808	101,470,182
ACCUMULATED DEPRECIATION				
Buildings	28,987,432	1,774,856	-	30,762,288
Equipment and vehicles	2,606,204	344,427	268,808	2,681,823
Infrastructure	21,455,267	1,281,760	-	22,737,027
Total accumulated depreciation	53,048,903	3,401,043	268,808	56,181,138
Governmental activities capital assets, net	<u>\$ 61,267,476</u>	<u>\$ (1,037,064)</u>	<u>\$ -</u>	<u>\$ 60,230,412</u>

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

General government	\$ 42,890
Public safety	272,803
Public works	1,055,808
Community development	1,782,941
Parks	246,601
Total depreciation expense for governmental activities	<u>\$ 3,401,043</u>

CITY OF KEIZER, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2021

LONG-TERM OBLIGATIONS

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

	<u>Outstanding July 1, 2020</u>	<u>Issued</u>	<u>Matured/ Redeemed During Year</u>	<u>Outstanding June 30, 2021</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%	\$ 1,609,000	\$ -	\$ (103,000)	\$ 1,506,000	\$ 106,000
General Obligation Bonds					
Keizer Station LID Bonds 2008					
Initial issue \$26,810,000, interest only at 5.20%	11,925,000	-	(1,060,000)	10,865,000	-
	<u>\$ 13,534,000</u>	<u>\$ -</u>	<u>\$ (1,163,000)</u>	<u>\$ 12,371,000</u>	<u>\$ 106,000</u>
Accrued compensated absences	<u>\$ 716,300</u>	<u>\$ 707,163</u>	<u>\$ (712,114)</u>	<u>\$ 711,349</u>	<u>\$ 248,972</u>
Business-type Activities					
Notes from Direct Borrowings					
2005 Water Revenue Loan					
Initial issue \$2,600,000, interest at 4.10%	<u>\$ 225,000</u>	<u>\$ -</u>	<u>\$ (225,000)</u>	<u>\$ -</u>	<u>\$ -</u>
Accrued compensated absences	<u>\$ 215,176</u>	<u>\$ 156,521</u>	<u>\$ (150,958)</u>	<u>\$ 220,739</u>	<u>\$ 77,259</u>

The City's outstanding note from direct borrowings related to governmental activities of \$1,506,000 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 \$10,865,000 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.

CITY OF KEIZER, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2021

LONG-TERM OBLIGATIONS (Continued)

The future maturities of obligations outstanding as of June 30, 2021:

<i>Fiscal Year</i> <i>Ending</i> <i>June 30,</i>	<i>Governmental Activities</i>			
	<i>Bonds</i>		<i>Notes from Direct borrowings</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2022	\$ -	\$ 564,980	\$ 106,000	\$ 45,933
2023	-	564,980	109,000	42,700
2024	-	564,980	112,000	39,376
2025	-	564,980	116,000	35,960
2026	-	564,980	119,000	32,422
2027-2029	-	1,694,940	381,000	75,000
2030-2033	10,865,000	1,129,960	563,000	43,585
	<u>\$ 10,865,000</u>	<u>\$ 5,649,800</u>	<u>\$ 1,506,000</u>	<u>\$ 314,976</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, 2021

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 ACFR which can be found at: [State of Oregon: EMPLOYERS - Actuarial & Financial Information](#).

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, 2021

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 20.59% 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 \$1,088,477.

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 \$458,578 of the employees' contribution.

CITY OF KEIZER, OREGON**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2021****PENSION PLANS (Continued)****Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2021, the City reported a liability of \$14,225,233 for its proportionate share of the OPERS net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018 rolled forward to June 30, 2020. The City's proportion of the net 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, 2020, the City's proportion was 0.06518% as compared to 0.06747% 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, 2020, and has been included in the net pension asset/liability proportionate shares calculated by OPERS.

For the year ended June 30, 2021, the City recognized pension expense of \$2,211,023. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 626,081	\$ -
Changes in assumptions	763,421	26,749
Net difference between projected and actual earnings on pension plan investments	1,672,707	-
Changes in proportionate share	600,094	327,371
Difference between employer contributions and employer's proportionate share of system contributions	19,315	532,133
City contributions subsequent to the measurement date	<u>1,048,468</u>	<u>-</u>
Total	<u>\$ 4,730,086</u>	<u>\$ 886,253</u>

Deferred outflows of resources related to pensions of \$1,048,468 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, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2022	\$ 657,123
2023	885,787
2024	818,974
2025	465,081
2026	<u>(31,600)</u>
Total	<u>\$ 2,795,365</u>

CITY OF KEIZER, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2021

PENSION PLANS (Continued)

Actuarial Methods and Assumptions

The total pension liability in the December 31, 2018 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	Healthy retirees and beneficiaries: Pub-2010 Health annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Disabled retirees: Pub 2010 Disables retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

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

CITY OF KEIZER, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2021

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	9.60%	4.14%	4.07%
Short-Term Bonds	9.60%	3.70%	3.68%
Bank/Leveraged Loans	3.60%	5.40%	5.19%
High Yield Bonds	1.20%	6.13%	5.74%
Large/Mid Cap US equities	16.17%	7.35%	6.30%
Small Cap US Equities	1.35%	8.35%	6.68%
Micro Cap US Equities	1.35%	8.86%	6.79%
Developed Foreign Equities	13.48%	8.30%	6.91%
Emerging Market Equities	4.24%	10.35%	7.69%
Non-US Small Cap Equities	1.93%	8.81%	7.25%
Private Equity	17.50%	11.95%	8.33%
Real Estate (Property)	10.00%	6.19%	5.55%
Real Estate (REITS)	2.50%	8.29%	6.69%
Hedge Fund of Funds - Diversified	1.50%	4.28%	4.06%
Hedge Fund - Event-driven	0.38%	5.89%	5.59%
Timber	1.13%	6.36%	5.61%
Farmland	1.13%	6.87%	6.12%
Infrastructure	2.25%	7.51%	6.67%
Commodities	1.13%	5.34%	3.79%
Total	100.0%		
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, 2021

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)	\$ 21,123,245	\$ 14,225,233	\$ 8,440,867

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, 2021, amounted to \$17,744. Plan assets are invested in registered mutual funds. Benefits are provided at normal retirement age or under other circumstances such as death or disability.

Deferred Compensation

The City offers its permanent, full-time employees a deferred compensation plan under Internal Revenue Code section 457 wherein they may defer amounts earned until a future date when certain circumstances are met. These circumstances are: termination by reason of death, disability, resignation or retirement. Payment to the employees will be made in a lump sum or by annuity. Under the plan the City will match employee contributions up to 6% of an employee's eligible salary, matching contributions totaled \$452,962 for the year ended June 30, 2021.

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

CITY OF KEIZER, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2021

OTHER POST EMPLOYMENT BENEFITS (continued)

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	\$ -	\$ 80,739	\$ 80,739
Deferred Outflows of Resources			
Contributions subsequent to the measurement date	22,900	1,396	24,296
Change of assumptions	120,683	-	120,683
Change in proportionate share	-	29,591	29,591
Net difference between projected and actual earnings	<u>40,297</u>	<u>8,979</u>	<u>49,276</u>
Total deferred outflows of resources	183,880	39,966	223,846
Total OPEB Liability	(1,282,874)	-	(1,282,874)
Deferred Inflows of Resources			
Differences between expected and actual experience	(181,685)	(8,254)	(189,939)
Change of assumptions	(42,329)	(4,292)	(46,621)
Net difference between projected and actual earnings	-	-	-
Changes in proportionate share	<u>-</u>	<u>(931)</u>	<u>(931)</u>
Total deferred inflows of resources	(224,014)	(13,477)	(237,491)
OPEB Expense (Included in program expenses on Statement of Activities)	92,421	355	92,776

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, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	2
Active employees	<u>97</u>
	<u><u>99</u></u>

CITY OF KEIZER, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2021

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 \$1,282,874 was measured as of June 30, 2020, and was determined by an actuarial valuation as of July 1, 2020.

For the fiscal year ended June 30, 2021, the City recognized OPEB expense from this plan of \$92,421. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 40,297	\$ 181,685
Changes of assumptions or inputs	120,683	42,329
Benefits payments	22,900	-
Total	<u>\$ 183,880</u>	<u>\$ 224,014</u>

Deferred outflows of resources related to OPEB of \$22,900 resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2022	\$ (8,592)
2023	(8,592)
2024	(8,592)
2025	(8,592)
2026	(8,592)
Thereafter	<u>(20,074)</u>
Total	<u>\$ (63,034)</u>

Actuarial Assumptions and Other Inputs - The total OPEB liability for the June 30, 2020 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 2.210% (change from 3.50% in the previous measurement period), medical and vision varies between 3.75% and 5.00%, dental at - 0.25% to 4.00%, and mortality rates based on the Pub 2010 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, 2021

OTHER POST EMPLOYMENT BENEFITS (Continued)

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance as of June 30, 2020	\$ 1,318,725
Changes for the year:	
Service cost	75,680
Interest on Total OPEB Liability	48,233
Effect of economic/demographic gains or losses	(204,398)
Effect of assumptions changes or inputs	77,540
Benefit payments	(32,906)
Balance as of June 30, 2021	<u>\$ 1,282,874</u>

Changes in assumptions is the result of the change in the discount rate from 3.5% to 2.21%.

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 (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare trend assumption.

Discount Rate:	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB Liability	\$ 1,396,225	\$ 1,282,874	\$ 1,177,213
 Healthcare Cost Trend:			
	1% Decrease (2.75% to 4.00%)	Current Healthcare Trend Rate (3.75% to 5.00%)	1% Increase (4.75 to 6.00%)
Total OPEB Liability	\$ 1,131,755	\$ 1,282,874	\$ 1,460,548

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, 2021

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 0.06% for Tier One/Tier Two members, and 0.00% for OPSRP members. The City's total for the year ended June 30, 2021 contributions was \$3,916.

OPEB Assets, Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - At June 30, 2021, the City reported an asset of \$80,739 for its proportionate share of the OPERS net OPEB asset. The net OPEB asset was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2018 rolled forward to June 30, 2020. The City's proportion of the net OPEB asset was based on the City's contributions to the RHIA program during the measurement period relative to contributions from all participating employers. At June 30, 2020, the City's proportionate share was 0.0396%, which is a decrease from its proportion of 0.0686% as of June 30, 2019.

For the year ended June 30, 2021, the City recognized OPEB expense from this plan of \$355. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 8,254
Change of assumptions	-	4,292
Net difference between projected and actual earnings	8,979	-
Changes in proportionate share	29,591	931
Contributions subsequent to the measurement date	1,396	-
Total	<u>\$ 39,966</u>	<u>\$ 13,477</u>

CITY OF KEIZER, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2021

OTHER POST EMPLOYMENT BENEFITS (Continued)

Deferred outflows of resources related to OPEB of \$1,396 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, 2022. 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:	
2022	\$ 6,673
2023	12,268
2024	3,319
2025	2,833
Total	<u>\$ 25,093</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 (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Net OPEB (Asset)	\$ (65,184)	\$ (80,740)	\$ (94,042)

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, 2021

TRANSFERS

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ 148,200	\$ 101,351
Street	-	521,000
Park Improvement	80,700	-
Transportation Improvement	-	148,200
Water and Water Facility	20,651	-
Stormwater	521,000	-
	<u>\$ 770,551</u>	<u>\$ 770,551</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, 2021 the City entered into an agreement with the U.S. Department of the Treasury to receive approximately \$8.8 million under the American Rescue Plan Act (ARPA). The grant funds are to support local government actions in the nationwide fight against the Coronavirus by providing reimbursement of federally eligible expenses under the act. The grant funds are for costs incurred from March 3, 2021 through December 30, 2026. As of December 16, 2021, the City has received \$4,410,245 in funds.

CITY OF KEIZER, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2021

NEW ACCOUNTING PRONOUNCEMENTS AND ACCOUNTING STANDARDS

During the fiscal year ended June 30, 2021, the City implemented the following GASB pronouncements:

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. There was no effect to the City's financials as the result of implementing this standard.

GASB Statement No. 91, "Conduit Debt Obligations." This statement establishes a single method of reporting conduit debt obligations. The statement is effective for reporting periods beginning after December 15, 2020. There was no effect to the City's financials as the result of implementing this standard.

GASB Statement No. 93, "Replacement of Interbank Offered Rates." This statement is to address accounting and financial reporting implications that result from the replacement of a London Interbank Offered Rate. The statement is effective for reporting periods ending after December 31, 2021. There was no effect to the City's financials as the result of implementing this standard.

GASB Statement No. 98, "The Annual Comprehensive Financial Report." This statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replaces instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The statement is effective for fiscal years ending after December 15, 2021. There was no effect to the City's financials as the result of 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 model 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. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements." This statement is effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 96, "Subscription-Based Information Technology Arrangements." This statement is effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-An amendment of GASB Statements No. 14 and No. 84, and supersession of GASB Statement No. 32. This statement is effective for reporting periods beginning after June 15, 2021.

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 EIGHT 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>
2021	0.0652%	\$ 14,225,233	\$ 7,498,978	189.7%	75.8%
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 EIGHT 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
2021	\$ 1,559,046	\$ 1,559,046	\$ -	\$ 7,559,737	20.62%
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 FOUR FISCAL YEARS**

	Fiscal year			
	Ending June 30,			
	2021	2020	2019	2018
Service cost	\$ 75,680	\$ 67,100	\$ 53,289	\$ 60,950
Interest on total OPEB liability	48,233	48,250	38,835	31,517
Effect of economic/demographic gains or losses	(204,398)	-	58,894	-
Effect of assumption change or inputs	77,540	41,524	27,737	(74,277)
Benefit payments	(32,906)	(35,329)	(25,913)	(37,228)
Net change in total OPEB liability	(35,851)	121,545	152,842	(19,038)
Net OPEB liability, beginning	1,318,725	1,197,180	1,044,338	1,063,376
Net OPEB liability, ending	\$ 1,282,874	\$ 1,318,725	\$ 1,197,180	\$ 1,044,338
Covered employee payroll	\$ 7,559,737	\$ 7,498,978	\$ 7,450,379	\$ 7,263,146
Total OPEB liability as a % of covered employee payroll	17%	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 FIVE FISCAL YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability (asset)	0.0396%	0.0686%	0.0655%	0.0641%	0.0706%
City's proportionate share of the net OPEB liability (asset)	\$ (80,739)	\$ (132,649)	\$ (73,109)	\$ (26,764)	\$ 19,168
City's covered payroll	7,498,978	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	-1.08%	-1.78%	-1.06%	-0.42%	0.32%
Plan fiduciary net position as a percentage of the total pension liability	150.1%	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 FIVE FISCAL YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contributions	\$ 3,916	\$ 34,059	\$ 34,023	\$ 31,928	\$ 31,473
Contributions in relation to the contractually required contribution	<u>(3,916)</u>	<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>	<u>\$ -</u>
City's covered payroll	\$ 7,559,737	\$ 7,498,978	\$ 7,450,379	\$ 6,865,083	\$ 6,419,498
Contributions as a percentage of covered payroll	-0.05%	-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, 2021

	Budgetary Funds			Total General Operating Fund
	General Fund	Police Services	Park Services	
ASSETS				
Cash and investments	\$ 3,330,700	\$ 230,993	\$ 434,185	\$ 3,995,878
Accounts receivable	535,446	58,745	58,760	652,951
Property taxes receivable	270,300	-	-	270,300
<i>Total Assets</i>	<u>\$ 4,136,446</u>	<u>\$ 289,738</u>	<u>\$ 492,945</u>	<u>\$ 4,919,129</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 223,049	\$ -	\$ 140,120	\$ 363,169
Accrued expenses payable	290,186	-	-	290,186
Deposits	38,403	-	-	38,403
<i>Total Liabilities</i>	551,638	-	140,120	691,758
Deferred Inflows				
Unavailable revenue	203,226	-	-	203,226
Fund Balances				
Committed	-	289,738	352,825	642,563
Unassigned	3,381,582	-	-	3,381,582
<i>Total Fund Balances</i>	<u>3,381,582</u>	<u>289,738</u>	<u>352,825</u>	<u>4,024,145</u>
<i>Total Liabilities, Deferred Inflows and Fund Balances</i>	<u>\$ 4,136,446</u>	<u>\$ 289,738</u>	<u>\$ 492,945</u>	<u>\$ 4,919,129</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, 2021**

	<i>Budgetary Funds</i>			<i>Eliminate Interfund Activity</i>	<i>Total General Operating Fund</i>
	<i>General Fund</i>	<i>Police Services</i>	<i>Park Services</i>		
REVENUES					
Taxes and assessments	\$ 6,107,528	\$ -	\$ -	\$ -	\$ 6,107,528
Licenses and permits	2,960,307	682,814	681,997	-	4,325,118
Charges for services	1,738	-	-	-	1,738
Intergovernmental	2,553,315	-	6,774	-	2,560,089
Fines and forfeitures	481,622	-	-	-	481,622
Miscellaneous	142,317	-	126,444	-	268,761
<i>Total Revenues</i>	<u>12,246,827</u>	<u>682,814</u>	<u>815,215</u>	<u>-</u>	<u>13,744,856</u>
EXPENDITURES					
Administration	3,053,122	-	-	-	3,053,122
Parks	-	-	1,129,130	-	1,129,130
Community development	511,758	-	-	-	511,758
Police	8,049,160	-	-	-	8,049,160
Municipal court	221,100	-	-	-	221,100
<i>Total Expenditures</i>	<u>11,835,140</u>	<u>-</u>	<u>1,129,130</u>	<u>-</u>	<u>12,964,270</u>
REVENUES OVER (UNDER) EXPENDITURES	411,687	682,814	(313,915)	-	780,586
OTHER FINANCING SOURCES (USES)					
Transfers in	841,200	-	360,800	(1,053,800)	148,200
Transfers out	(376,500)	(693,000)	(85,651)	1,053,800	(101,351)
<i>Total Other Financing Sources (Uses)</i>	<u>464,700</u>	<u>(693,000)</u>	<u>275,149</u>	<u>-</u>	<u>46,849</u>
NET CHANGE IN FUND BALANCE	876,387	(10,186)	(38,766)	-	827,435
FUND BALANCE, Beginning of year	<u>2,505,195</u>	<u>299,924</u>	<u>391,591</u>	<u>-</u>	<u>3,196,710</u>
FUND BALANCE, End of year	<u>\$ 3,381,582</u>	<u>\$ 289,738</u>	<u>\$ 352,825</u>	<u>\$ -</u>	<u>\$ 4,024,145</u>

CITY OF KEIZER, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2021**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Taxes and assessments	\$ 6,037,000	\$ 6,037,000	\$ 6,107,528	\$ 70,528
Licenses and permits	2,923,400	2,923,400	2,960,307	36,907
Charges for services	5,000	5,000	1,738	(3,262)
Intergovernmental	1,316,700	2,446,700	2,553,315	106,615
Fines and forfeitures	464,000	464,000	481,622	17,622
Miscellaneous	133,000	133,000	142,317	9,317
<i>Total Revenues</i>	10,879,100	12,009,100	12,246,827	237,727
EXPENDITURES				
General services	2,366,800	3,496,800	3,053,122	443,678
Community development	720,800	720,800	511,758	209,042
Police	8,442,900	8,631,100	8,049,160	581,940
Municipal court	221,100	221,100	221,100	-
Contingency	50,000	50,000	-	50,000
<i>Total Expenditures</i>	11,801,600	13,119,800	11,835,140	1,284,660
REVENUES OVER (UNDER) EXPENDITURES	(922,500)	(1,110,700)	411,687	1,522,387
OTHER FINANCING SOURCES (USES)				
Transfers in	693,000	841,200	841,200	-
Transfers out	(376,500)	(376,500)	(376,500)	-
NET CHANGE IN FUND BALANCE	(606,000)	(646,000)	876,387	1,522,387
FUND BALANCE, Beginning of year	2,235,100	2,275,100	2,505,195	230,095
FUND BALANCE, End of year	\$ 1,629,100	\$ 1,629,100	\$ 3,381,582	\$ 1,752,482

CITY OF KEIZER, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – POLICE SERVICES FUND
YEAR ENDED JUNE 30, 2021**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
License and fees	\$ 680,000	\$ 680,000	\$ 682,814	\$ 2,814
EXPENDITURES				
Police Services				
Contingency	286,300	286,300	-	286,300
REVENUES OVER (UNDER) EXPENDITURES	393,700	393,700	682,814	289,114
OTHER FINANCING SOURCES (USES)				
Transfers out	(693,000)	(693,000)	(693,000)	-
NET CHANGE IN FUND BALANCES	(299,300)	(299,300)	(10,186)	289,114
FUND BALANCE, Beginning of year	299,300	299,300	299,924	624
FUND BALANCE, End of year	\$ -	\$ -	\$ 289,738	\$ 289,738

CITY OF KEIZER, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – PARK SERVICES FUND
YEAR ENDED JUNE 30, 2021**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
License and fees	\$ 689,500	\$ 689,500	\$ 681,997	\$ (7,503)
Intergovernmental	4,700	4,700	6,774	2,074
Miscellaneous	77,000	77,000	126,444	49,444
<i>Total Revenues</i>	771,200	771,200	815,215	44,015
EXPENDITURES				
Park Services				
Personnel services	384,200	384,200	407,661	(23,461)
Materials and services	276,100	316,100	313,451	2,649
Capital outlay	502,000	502,000	408,018	93,982
Contingency	98,000	58,000	-	58,000
<i>Total Expenditures</i>	1,260,300	1,260,300	1,129,130	131,170
REVENUES OVER (UNDER) EXPENDITURES				
	(489,100)	(489,100)	(313,915)	(101,485)
OTHER FINANCING SOURCES (USES)				
Transfers in	360,800	360,800	360,800	-
Transfers out	(90,000)	(90,000)	(85,651)	4,349
<i>Total Other Financing Sources (Uses)</i>	270,800	270,800	275,149	4,349
NET CHANGE IN FUND BALANCE	(218,300)	(218,300)	(38,766)	179,534
FUND BALANCE, Beginning of year	348,900	348,900	391,591	42,691
FUND BALANCE, End of year	\$ 130,600	\$ 130,600	\$ 352,825	\$ 222,225

CITY OF KEIZER, OREGON**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - STREET FUND
YEAR ENDED JUNE 30, 2021**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Licenses and permits	\$ 10,600	\$ 10,600	\$ 16,723	\$ 6,123
Intergovernmental	2,900,000	2,900,000	2,870,642	(29,358)
Taxes and assessments	-	-	492	492
Miscellaneous	20,500	20,500	4,790	(15,710)
<i>Total Revenues</i>	2,931,100	2,931,100	2,892,647	(38,453)
EXPENDITURES				
Street				
Personnel services	153,700	153,700	135,989	17,711
Materials and services	879,500	879,500	849,095	30,405
Capital outlay	2,441,800	2,441,800	1,396,784	1,045,016
Debt service				
Principal	103,000	103,000	103,000	-
Interest	49,100	49,100	49,075	25
Contingency	51,700	51,700	-	51,700
<i>Total Expenditures</i>	3,678,800	3,678,800	2,533,943	1,144,857
REVENUES OVER (UNDER) EXPENDITURES				
	(747,700)	(747,700)	358,704	1,106,404
OTHER FINANCING SOURCES (USES)				
Transfers out	(521,000)	(521,000)	(521,000)	-
NET CHANGE IN FUND BALANCE				
	(1,268,700)	(1,268,700)	(162,296)	1,106,404
FUND BALANCE, Beginning of year				
	1,516,500	1,516,500	1,195,689	(320,811)
FUND BALANCE, End of year				
	\$ 247,800	\$ 247,800	\$ 1,033,393	\$ 785,593

CITY OF KEIZER, OREGON**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – TRANSPORTATION IMPROVEMENT FUND
YEAR ENDED JUNE 30, 2021**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Licenses and permits	\$ 28,100	\$ 28,100	\$ 129,564	\$ 101,464
Miscellaneous	25,000	25,000	15,730	(9,270)
<i>Total Revenues</i>	53,100	53,100	145,294	92,194
EXPENDITURES				
Transportation Improvement Capital outlay	3,414,500	3,266,300	-	3,266,300
REVENUES OVER (UNDER) EXPENDITURES	(3,361,400)	(3,213,200)	145,294	3,358,494
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(148,200)	(148,200)	-
NET CHANGE IN FUND BALANCES	(3,361,400)	(3,361,400)	(2,906)	3,358,494
FUND BALANCE, Beginning of year	3,380,800	3,380,800	3,397,298	16,498
FUND BALANCE, End of year	\$ 19,400	\$ 19,400	\$ 3,394,392	\$ 3,374,992

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, 2021**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Taxes and assessments	\$ 973,400	\$ 973,400	\$ 973,346	\$ (54)
Miscellaneous	656,500	656,500	640,558	(15,942)
<i>Total Revenues</i>	1,629,900	1,629,900	1,613,904	(15,996)
EXPENDITURES				
Keizer Station LID				
Debt service				
Principal	1,060,000	1,060,000	1,060,000	-
Interest	606,900	606,900	606,060	840
<i>Total Expenditures</i>	1,666,900	1,666,900	1,666,060	840
CHANGE IN FUND BALANCE	(37,000)	(37,000)	(52,156)	(15,156)
FUND BALANCE, Beginning of year	2,724,300	2,724,300	2,735,391	11,091
FUND BALANCE, End of year	\$ 2,687,300	\$ 2,687,300	\$ 2,683,235	\$ (4,065)

CITY OF KEIZER, OREGON
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	<i>Special Revenue</i>		
	<i>Keizer Youth Peer Court</i>	<i>Public Education Government</i>	<i>Park Improvement</i>
ASSETS			
Cash and investments	\$ 11,514	\$ 296,904	\$ 977,013
Accounts receivable	-	34,487	-
Loans receivable	-	-	-
<i>Total Assets</i>	<u>\$ 11,514</u>	<u>\$ 331,391</u>	<u>\$ 977,013</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
Liabilities			
Accounts payable	\$ -	\$ 11,206	\$ -
Deferred inflows			
Unavailable revenue	-	-	-
Fund Balances			
Restricted			
Construction	-	-	977,013
Other	11,514	320,185	-
<i>Total Fund Balance</i>	<u>11,514</u>	<u>320,185</u>	<u>977,013</u>
<i>Total Liabilities, Deferred Inflows and Fund Balances</i>	<u>\$ 11,514</u>	<u>\$ 331,391</u>	<u>\$ 977,013</u>

<i>Housing Services</i>	<i>Energy Efficiency Revolving Loan</i>	<i>Totals</i>
\$ 108,013	\$ 18,299	\$ 1,411,743
-	-	34,487
<u>233,404</u>	<u>79,720</u>	<u>313,124</u>
<u>\$ 341,417</u>	<u>\$ 98,019</u>	<u>\$ 1,759,354</u>
\$ -	\$ -	\$ 11,206
233,404	79,720	313,124
108,013	18,299	1,103,325
-	-	331,699
<u>108,013</u>	<u>18,299</u>	<u>1,435,024</u>
<u>\$ 341,417</u>	<u>\$ 98,019</u>	<u>\$ 1,759,354</u>

CITY OF KEIZER, OREGON**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021**

	<i>Special Revenue</i>		
	<i>Keizer Youth Peer Court</i>	<i>Public Education Government</i>	<i>Park Improvement</i>
REVENUES			
Licenses and permits	\$ -	\$ 137,767	\$ 38,714
Miscellaneous	11,514	1,599	3,991
<i>Total Revenues</i>	11,514	139,366	42,705
EXPENDITURES			
Current operating			
General government	-	116,020	-
Capital outlay	-	28,694	-
<i>Total Expenditures</i>	-	144,714	-
REVENUES OVER (UNDER) EXPENDITURES	11,514	(5,348)	42,705
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	80,700
NET CHANGE IN FUND BALANCES	11,514	(5,348)	123,405
FUND BALANCES, Beginning of year	-	325,533	853,608
FUND BALANCES, End of year	<u>\$ 11,514</u>	<u>\$ 320,185</u>	<u>\$ 977,013</u>

<i>Housing Services</i>	<i>Energy Efficiency Revolving Loan</i>	<i>Totals</i>
\$ -	\$ -	\$ 176,481
18,595	3,311	39,010
18,595	3,311	215,491
101	-	116,121
-	-	28,694
101	-	144,815
18,494	3,311	70,676
-	-	80,700
18,494	3,311	151,376
89,519	14,988	1,283,648
<u>\$ 108,013</u>	<u>\$ 18,299</u>	<u>\$ 1,435,024</u>

CITY OF KEIZER, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – KEIZER YOUTH PEER COURT FUND
YEAR ENDED JUNE 30, 2021**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 11,514	\$ 11,514
FUND BALANCE, Beginning of year	-	-	-	-
FUND BALANCE, End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,514</u>	<u>\$ 11,514</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, 2021**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Licenses and permits	\$ 129,000	\$ 129,000	\$ 137,767	\$ 8,767
Miscellaneous	3,000	3,000	1,599	(1,401)
<i>Total Revenues</i>	132,000	132,000	139,366	7,366
EXPENDITURES				
Public Education Government				
Materials and services	109,800	109,800	116,020	(6,220)
Capital outlay	50,000	50,000	28,694	21,306
Contingency	50,000	50,000	-	50,000
<i>Total Expenditures</i>	209,800	209,800	144,714	65,086
CHANGE IN FUND BALANCE	(77,800)	(77,800)	(5,348)	72,452
FUND BALANCE, Beginning of year	333,800	333,800	325,533	(8,267)
FUND BALANCE, End of year	\$ 256,000	\$ 256,000	\$ 320,185	\$ 64,185

CITY OF KEIZER, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – PARK IMPROVEMENT FUND
YEAR ENDED JUNE 30, 2021**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Licenses and permits	\$ 34,000	\$ 34,000	\$ 38,714	\$ 4,714
Miscellaneous	10,000	10,000	3,991	(6,009)
<i>Total Revenues</i>	44,000	44,000	42,705	(1,295)
EXPENDITURES				
Park Improvement Capital outlay	500,000	500,000	-	500,000
<i>Total Expenditures</i>	500,000	500,000	-	500,000
REVENUES OVER (UNDER) EXPENDITURES				
	(456,000)	(456,000)	42,705	498,705
OTHER FINANCING SOURCES (USES)				
Transfers in	80,700	80,700	80,700	-
NET CHANGE IN FUND BALANCE	(375,300)	(375,300)	123,405	498,705
FUND BALANCE, Beginning of year	808,400	808,400	853,608	45,208
FUND BALANCE, End of year	<u>\$ 433,100</u>	<u>\$ 433,100</u>	<u>\$ 977,013</u>	<u>\$ 543,913</u>

CITY OF KEIZER, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - HOUSING SERVICES FUND
YEAR ENDED JUNE 30, 2021**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Miscellaneous	\$ 30,000	\$ 30,000	\$ 18,595	\$ (11,405)
EXPENDITURES				
Housing Services				
Materials and services	99,900	99,900	101	99,799
CHANGE IN FUND BALANCE	(69,900)	(69,900)	18,494	88,394
FUND BALANCE, Beginning of year	69,900	69,900	89,519	19,619
FUND BALANCE, End of year	\$ -	\$ -	\$ 108,013	\$ 108,013

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, 2021**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Miscellaneous	\$ 15,000	\$ 15,000	\$ 3,311	\$ (11,689)
EXPENDITURES				
Energy Efficiency Revolving Loan				
Materials and services	29,600	29,600	-	29,600
CHANGE IN FUND BALANCE	(14,600)	(14,600)	3,311	17,911
FUND BALANCE, Beginning of year	14,600	14,600	14,988	388
FUND BALANCE, End of year	\$ -	\$ -	\$ 18,299	\$ 18,299

CITY OF KEIZER, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – ADMINISTRATIVE SERVICES FUND
YEAR ENDED JUNE 30, 2021**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Charges for services	\$ 4,185,500	\$ 4,185,500	\$ 4,101,476	\$ (84,024)
Intergovernmental	-	-	8,497	8,497
Miscellaneous	-	-	21,285	21,285
<i>Total Revenues</i>	4,185,500	4,185,500	4,131,258	(54,242)
EXPENDITURES				
Administrative services - general	302,500	302,500	284,328	18,172
City manager	260,700	370,700	358,924	11,776
City attorney	339,600	339,600	320,281	19,319
City recorder	279,600	279,600	272,225	7,375
Human resources	360,400	360,400	346,897	13,503
Finance - non-departmental	531,000	531,000	503,447	27,553
Finance - information systems	651,100	651,100	581,417	69,683
Finance - utility billing	409,800	409,800	409,349	451
Public works - non-departmental	635,700	635,700	630,398	5,302
Public works - facility maintenance	333,600	333,600	314,209	19,391
Contingency	300,800	220,800	-	220,800
<i>Total Expenditures</i>	4,404,800	4,434,800	4,021,475	413,325
CHANGE IN FUND BALANCE	(219,300)	(249,300)	109,783	359,083
FUND BALANCE, Beginning of year	219,300	249,300	247,634	(1,666)
FUND BALANCE, End of year	\$ -	\$ -	\$ 357,417	\$ 357,417

CITY OF KEIZER, OREGON**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – SEWER AND SEWER RESERVE COMBINED
YEAR ENDED JUNE 30, 2021**

	Budgetary Funds		Total Sewer and Sewer Reserve
	Sewer	Sewer Reserve	
REVENUES			
Licenses and permits	\$ -	\$ 14,845	\$ 14,845
Charges for services	6,369,866	-	6,369,866
Miscellaneous	3,870	1,221	5,091
<i>Total Revenues</i>	6,373,736	16,066	6,389,802
EXPENDITURES			
Personnel services	1,707	-	1,707
Materials and services	6,353,366	-	6,353,366
<i>Total Expenditures</i>	6,355,073	-	6,355,073
CHANGE IN FUND BALANCE	18,663	16,066	34,729
FUND BALANCE, Beginning of year	438,394	257,878	696,272
FUND BALANCE, End of year	\$ 457,057	\$ 273,944	731,001
RECONCILIATION TO NET POSITION - GAAP BASIS			
Accrued receivables			302,135
OPEB Asset			1,222
Capital assets, net			1,159,269
Deferred outflows related to pensions			61,563
Deferred outflows related to OPEB			3,389
Accrued compensated absences			(15,129)
Deferred inflows related to pensions			(24,630)
Deferred inflows related to OPEB			(3,595)
Net pension liability			(186,053)
OPEB Liability			(19,421)
NET POSITION			\$ 2,009,751

CITY OF KEIZER, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - SEWER FUND
YEAR ENDED JUNE 30, 2021**

	<i>Budgeted Amounts</i>		<i>Budget Basis</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Charges for services	\$ 6,284,000	\$ 6,434,000	\$ 6,369,866	\$ (64,134)
Miscellaneous	1,000	1,000	3,870	2,870
<i>Total Revenues</i>	6,285,000	6,435,000	6,373,736	(61,264)
EXPENDITURES				
Sewer				
Personnel services	3,900	3,900	1,707	2,193
Materials and services	6,254,800	6,404,800	6,353,366	51,434
Contingency	40,000	40,000	-	40,000
<i>Total Expenditures</i>	6,298,700	6,448,700	6,355,073	93,627
CHANGE IN FUND BALANCE	(13,700)	(13,700)	18,663	32,363
FUND BALANCE, Beginning of year	231,600	231,600	438,394	206,794
FUND BALANCE, End of year	\$ 217,900	\$ 217,900	\$ 457,057	\$ 239,157

CITY OF KEIZER, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - SEWER RESERVE FUND
YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Budget Basis</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Licenses and permits	\$ 15,000	\$ 15,000	\$ 14,845	\$ (155)
Miscellaneous	2,000	2,000	1,221	(779)
<i>Total Revenues</i>	17,000	17,000	16,066	(934)
EXPENDITURES				
Sewer Reserve				
Capital outlay	248,500	248,500	-	248,500
CHANGE IN FUND BALANCE	(231,500)	(231,500)	16,066	247,566
FUND BALANCE, Beginning of year	250,900	250,900	257,878	6,978
FUND BALANCE, End of year	<u>\$ 19,400</u>	<u>\$ 19,400</u>	<u>\$ 273,944</u>	<u>\$ 254,544</u>

CITY OF KEIZER, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – WATER AND WATER FACILITY FUNDS COMBINED
YEAR ENDED JUNE 30, 2021**

	<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	\$ 62,667	\$ 25,797	\$ -	\$ 88,464
Charges for services	3,347,576	-	-	3,347,576
Intergovernmental	8,687	-	-	8,687
Miscellaneous	12,889	2,390	-	15,279
<i>Total Revenues</i>	<u>3,431,819</u>	<u>28,187</u>	<u>-</u>	<u>3,460,006</u>
EXPENDITURES				
Personnel services	1,126,048	-	-	1,126,048
Materials and services	1,416,694	-	-	1,416,694
Capital outlay	25,839	380,220	-	406,059
Debt service	229,613	-	-	229,613
<i>Total Expenditures</i>	<u>2,798,194</u>	<u>380,220</u>	<u>-</u>	<u>3,178,414</u>
REVENUES OVER (UNDER) EXPENDITURES	633,625	(352,033)	-	281,592
OTHER FINANCING SOURCES (USES)				
Transfers in	20,651	550,000	(550,000)	20,651
Transfers out	(550,000)	-	550,000	-
<i>Total Other Financing Sources (Uses)</i>	<u>(529,349)</u>	<u>550,000</u>	<u>-</u>	<u>20,651</u>
NET CHANGE IN FUND BALANCE	104,276	197,967	-	302,243
FUND BALANCE, Beginning of year	<u>1,036,559</u>	<u>337,027</u>	<u>-</u>	<u>1,373,586</u>
FUND BALANCE, End of year	<u>\$ 1,140,835</u>	<u>\$ 534,994</u>	<u>\$ -</u>	<u>1,675,829</u>
RECONCILIATION TO NET POSITION - GAAP BASIS				
Inventories				146,344
Accrued receivables				227,866
OPEB Asset				8,824
Capital assets, net				7,691,522
Deferred outflows related to pensions				526,450
Deferred outflows related to OPEB				24,465
Accrued compensated absences				(133,756)
Deferred inflows related to pensions				(131,514)
Deferred inflows related to OPEB				(25,957)
Net pension liability				(1,478,725)
OPEB Liability				(140,212)
NET POSITION				<u>\$ 8,391,136</u>

CITY OF KEIZER, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - WATER FUND
YEAR ENDED JUNE 30, 2021**

	<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	\$ 62,667	\$ 7,167
Charges for services	3,245,800	3,245,800	3,347,576	101,776
Intergovernmental	-	-	8,687	8,687
Miscellaneous	14,000	14,000	12,889	(1,111)
<i>Total Revenues</i>	3,315,300	3,315,300	3,431,819	116,519
EXPENDITURES				
Water				
Personnel services	1,223,300	1,223,300	1,126,048	97,252
Materials and services	1,593,200	1,593,200	1,416,694	176,506
Capital outlay	48,600	48,600	25,839	22,761
Debt service				
Principal	225,000	225,000	225,000	-
Interest	4,700	4,700	4,613	87
Contingency	125,000	125,000	-	125,000
<i>Total Expenditures</i>	3,219,800	3,219,800	2,798,194	421,606
REVENUES OVER (UNDER) EXPENDITURES	95,500	95,500	633,625	538,125
OTHER FINANCING SOURCES (USES)				
Transfers in	25,000	25,000	20,651	(4,349)
Transfers out	(550,000)	(550,000)	(550,000)	-
<i>Total Other Financing Sources (Uses)</i>	(525,000)	(525,000)	(529,349)	(4,349)
CHANGE IN FUND BALANCE	(429,500)	(429,500)	104,276	533,776
FUND BALANCE, Beginning of year	1,003,500	1,003,500	1,036,559	33,059
FUND BALANCE, End of year	\$ 574,000	\$ 574,000	\$ 1,140,835	\$ 566,835

CITY OF KEIZER, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - WATER FACILITY REPLACEMENT RESERVE FUND
YEAR ENDED JUNE 30, 2021**

	<i>Budgeted Amounts</i>		<i>Budget Basis</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Licenses and permits	\$ 19,000	\$ 19,000	\$ 25,797	\$ 6,797
Miscellaneous	2,500	2,500	2,390	(110)
<i>Total Revenues</i>	21,500	21,500	28,187	6,687
EXPENDITURES				
Water Facility Replacement Reserve Capital outlay	650,000	650,000	380,220	269,780
REVENUES OVER (UNDER) EXPENDITURES				
	(628,500)	(628,500)	(352,033)	276,467
OTHER FINANCING SOURCES (USES)				
Transfers in	550,000	550,000	550,000	-
CHANGE IN FUND BALANCE				
	(78,500)	(78,500)	197,967	276,467
FUND BALANCE, Beginning of year				
	358,500	358,500	337,027	(21,473)
FUND BALANCE, End of year				
	<u>\$ 280,000</u>	<u>\$ 280,000</u>	<u>\$ 534,994</u>	<u>\$ 254,994</u>

CITY OF KEIZER, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – STORMWATER FUND
YEAR ENDED JUNE 30, 2021

	<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	\$ 12,693	\$ 2,693
Charges for services	1,486,000	1,486,000	1,602,893	116,893
Intergovernmental	-	-	8,250	8,250
Miscellaneous	2,000	2,000	3,435	1,435
<i>Total Revenues</i>	1,498,000	1,498,000	1,627,271	129,271
EXPENDITURES				
Stormwater				
Personnel services	887,900	887,900	708,624	179,276
Materials and services	832,800	832,800	759,949	72,851
Capital outlay	755,200	755,200	434,207	320,993
Contingency	104,400	104,400	-	104,400
<i>Total Expenditures</i>	2,580,300	2,580,300	1,902,780	677,520
REVENUES OVER (UNDER) EXPENDITURES	(1,082,300)	(1,082,300)	(275,509)	806,791
OTHER FINANCING SOURCES (USES)				
Transfers in	521,000	521,000	521,000	-
CHANGE IN FUND BALANCE	(561,300)	(561,300)	245,491	806,791
FUND BALANCE, Beginning of year	949,500	949,500	996,580	47,080
FUND BALANCE, End of year	<u>\$ 388,200</u>	<u>\$ 388,200</u>	1,242,071	<u>\$ 853,871</u>
RECONCILIATION TO NET POSITION - GAAP BASIS				
Inventories			1,947	
Accrued receivables			73,395	
OPEB asset			4,981	
Capital assets, net			2,022,625	
Deferred outflows related to pensions			343,853	
Deferred outflows related to OPEB			13,809	
Accrued compensated absences			(65,865)	
Deferred inflows related to pensions			(77,789)	
Deferred inflows related to OPEB			(14,651)	
Net pension liability			(980,590)	
OPEB Liability			(79,142)	
NET POSITION			<u>\$ 2,484,644</u>	

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

JUNE 30, 2021

	<u>Street Lighting Districts</u>	<u>Community Center</u>	<u>Totals</u>
ASSETS			
Current Assets			
Cash and investments	\$ 525,819	\$ 223,255	\$ 749,074
Accounts receivable	18,133	47,961	66,094
<i>Total Current Assets</i>	543,952	271,216	815,168
Noncurrent Assets			
Other capital assets, net of depreciation	-	40,429	40,429
Other post-employment benefits	170	1,098	1,268
<i>Total Noncurrent Assets</i>	170	41,527	41,697
<i>Total Assets</i>	544,122	312,743	856,865
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to OPEB	472	3,044	3,516
Deferred outflows related to pensions	8,651	65,545	74,196
<i>Total Deferred Outflows of Resources</i>	9,123	68,589	77,712
LIABILITIES			
Current Liabilities			
Accounts payable	30,106	1,399	31,505
Accrued compensated absences	507	4,188	4,695
Deposits	-	10,625	10,625
<i>Total Current Liabilities</i>	30,613	16,212	46,825
Noncurrent Liabilities			
Accrued compensated absences	916	379	1,295
Other post-employment benefits	2,703	17,443	20,146
Net pension liability	25,817	180,646	206,463
<i>Total Noncurrent Liabilities</i>	29,436	198,468	227,904
<i>Total Liabilities</i>	60,049	214,680	274,729
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to OPEB	500	3,229	3,729
Deferred inflows related to pensions	2,734	10,996	13,730
<i>Total Deferred Inflows of Resources</i>	3,234	14,225	17,459
NET POSITION			
Net investment in capital assets	-	40,429	40,429
Restricted	489,962	-	489,962
Unrestricted	-	111,998	111,998
<i>Total Net Position</i>	<u>\$ 489,962</u>	<u>\$ 152,427</u>	<u>\$ 642,389</u>

CITY OF KEIZER, OREGON**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2021**

	<u>Street Lighting Districts</u>	<u>Community Center</u>	<u>Totals</u>
OPERATING REVENUES			
Charges for services	\$ 398,120	\$ -	\$ 398,120
Intergovernmental	-	1,807	1,807
Miscellaneous	7,325	3	7,328
<i>Total Operating Revenues</i>	405,445	1,810	407,255
OPERATING EXPENSES			
Personnel services	4,938	74,101	79,039
Materials and services	390,017	182,033	572,050
Depreciation	-	17,887	17,887
<i>Total Operating Expenses</i>	394,955	274,021	668,976
OPERATING INCOME (LOSS)	10,490	(272,211)	(261,721)
NONOPERATING REVENUES (EXPENSES)			
Investment revenue	2,441	1,111	3,552
Miscellaneous	-	161,826	161,826
<i>Total Nonoperating Revenues (Expenses)</i>	2,441	162,937	165,378
CHANGE IN NET POSITION	12,931	(109,274)	(96,343)
NET POSITION, Beginning of year	477,031	261,701	738,732
NET POSITION, End of year	<u>\$ 489,962</u>	<u>\$ 152,427</u>	<u>\$ 642,389</u>

CITY OF KEIZER, OREGON**COMBINING STATEMENT OF CASH FLOWS - NONMAJOR ENTERPRISE FUNDS**

YEAR ENDED JUNE 30, 2021

	<u>Street Lighting Districts</u>	<u>Community Center</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 405,859	\$ (30,273)	\$ 375,586
Cash paid to employees for services	-	(46,865)	(46,865)
Cash paid to suppliers for goods and services	(383,589)	(188,780)	(572,369)
<i>Net Cash Provided by (Used in) Operating Activities</i>	22,270	(265,918)	(243,648)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Taxes available for operating purposes	-	146,777	146,777
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investment	2,441	1,111	3,552
<i>Increase (decrease) in Cash and Investments</i>	24,711	(118,030)	(93,319)
CASH AND INVESTMENTS, Beginning of year	501,108	341,285	842,393
CASH AND INVESTMENTS, End of year	<u>\$ 525,819</u>	<u>\$ 223,255</u>	<u>\$ 749,074</u>
RECONCILIATION OF CASH PROVIDED BY OPERATING ACTIVITIES TO OPERATING INCOME (LOSS)			
Operating income (loss)	\$ 10,490	\$ (272,211)	\$ (261,721)
Depreciation	-	17,887	17,887
<i>Change in assets and liabilities</i>			
Accounts receivable	414	-	414
Deposits	-	(30,273)	(30,273)
Accounts payable	6,428	(6,750)	(322)
Accrued compensated absences	(26)	(7,396)	(7,422)
Net pension liability	4,659	30,065	34,724
Other post-employment benefits	305	2,760	3,065
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>\$ 22,270</u>	<u>\$ (265,918)</u>	<u>\$ (243,648)</u>

CITY OF KEIZER, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – STREET LIGHTING DISTRICTS FUND
YEAR ENDED JUNE 30, 2021**

	<i>Budgeted Amounts</i>		<i>Budget Basis</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Charges for services	\$ 410,000	\$ 410,000	\$ 397,983	\$ (12,017)
Miscellaneous	8,000	8,000	9,766	1,766
<i>Total Revenues</i>	418,000	418,000	407,749	(10,251)
EXPENDITURES				
Street Lighting Districts				
Materials and services	426,000	426,000	390,017	35,983
Contingency	100,000	100,000	-	100,000
<i>Total Expenditures</i>	526,000	526,000	390,017	135,983
CHANGE IN FUND BALANCE	(108,000)	(108,000)	17,732	125,732
FUND BALANCE, Beginning of year	465,300	465,300	477,939	12,639
FUND BALANCE, End of year	<u>\$ 357,300</u>	<u>\$ 357,300</u>	495,671	<u>\$ 138,371</u>
RECONCILIATION TO NET POSITION - GAAP BASIS				
Accrued receivables			18,175	
OPEB Asset			170	
Deferred outflows related to pensions			8,651	
Deferred outflows related to OPEB			472	
Accrued compensated absences			(1,423)	
Deferred inflows related to pensions			(2,734)	
Deferred inflows related to OPEB			(500)	
Net pension liability			(25,817)	
OPEB Liability			(2,703)	
NET POSITION			<u>\$ 489,962</u>	

CITY OF KEIZER, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – COMMUNITY CENTER FUND
YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Budget Basis</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 160,000	\$ 160,000	\$ -	\$ (160,000)
Intergovernmental	-	-	1,807	1,807
Miscellaneous	183,000	183,000	162,940	(20,060)
<i>Total Revenues</i>	343,000	343,000	164,747	(178,253)
EXPENDITURES				
Community Center				
Personnel services	188,900	188,900	48,672	140,228
Materials and services	234,000	234,000	180,164	53,836
Capital outlay/depreciation	30,000	30,000	1,869	28,131
Contingency	20,000	20,000	-	20,000
<i>Total Expenditures</i>	472,900	472,900	230,705	242,195
CHANGE IN FUND BALANCE	(129,900)	(129,900)	(65,958)	63,942
FUND BALANCE, Beginning of year	285,900	285,900	325,150	39,250
FUND BALANCE, End of year	<u>\$ 156,000</u>	<u>\$ 156,000</u>	259,192	<u>\$ 103,192</u>
RECONCILIATION TO NET POSITION - GAAP BASIS				
OPEB asset			1,098	
Capital assets, net			40,429	
Deferred outflows related to pensions			65,545	
Deferred outflows related to OPEB			3,044	
Accrued compensated absences			(4,567)	
Deferred inflows related to pensions			(10,996)	
Deferred inflows related to OPEB			(3,229)	
Net pension liability			(180,646)	
OPEB Liability			(17,443)	
NET POSITION			<u>\$ 152,427</u>	

STATISTICAL SECTION

STATISTICAL SECTION

The Statistical Section of the annual comprehensive 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 annual comprehensive financial reports for the relevant year.

STATISTICAL SECTION

FINANCIAL TRENDS

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Governmental activities:				
Net investment in capital assets	\$ 47,859,412	\$ 47,733,476	\$ 47,700,192	\$ 46,907,730
Restricted for special purposes	17,810,620	18,850,018	19,880,698	20,441,015
Unrestricted	<u>(5,040,385)</u>	<u>(4,113,791)</u>	<u>(2,605,390)</u>	<u>(2,260,937)</u>
Total governmental activities net position	60,629,647	62,469,703	64,975,500	65,087,808
Business-type activities:				
Net investment in capital assets	10,913,845	10,535,251	9,835,157	9,750,061
Restricted for special purposes	1,533,001	1,306,037	1,291,976	1,040,844
Unrestricted	<u>1,081,074</u>	<u>1,158,356</u>	<u>1,437,175</u>	<u>951,313</u>
Total business-type activities net position	13,527,920	12,999,644	12,564,308	11,742,218
Total government				
Net investment in capital assets	58,773,257	58,268,727	57,535,349	56,657,791
Restricted for special purposes	19,343,621	20,156,055	21,172,674	21,481,859
Unrestricted	<u>(3,959,311)</u>	<u>(2,955,435)</u>	<u>(1,168,215)</u>	<u>(1,309,624)</u>
Total government net position	<u>\$ 74,157,567</u>	<u>\$ 75,469,347</u>	<u>\$ 77,539,808</u>	<u>\$ 76,830,026</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>					
<i>2017</i>	<i>2016</i>	<i>2015</i>	<i>2014</i>	<i>2013</i>	<i>2012</i>
\$ 46,386,969	\$ 47,885,058	\$ 48,396,074	\$ 47,862,183	\$ 39,605,284	\$ 37,455,473
22,063,736	21,760,454	22,270,151	25,606,003	32,206,315	35,457,026
<u>(4,187,227)</u>	<u>(3,326,175)</u>	<u>(1,078,821)</u>	<u>634,849</u>	<u>912,419</u>	<u>621,715</u>
64,263,478	66,319,337	69,587,404	74,103,035	72,724,018	73,534,214
9,297,623	8,809,630	8,400,648	7,989,214	8,164,309	8,130,948
1,064,417	1,035,403	906,164	956,861	965,652	1,162,551
<u>343,622</u>	<u>570,549</u>	<u>1,132,641</u>	<u>1,296,459</u>	<u>1,376,408</u>	<u>1,372,907</u>
10,705,662	10,415,582	10,439,453	10,242,534	10,506,369	10,666,406
55,684,592	56,694,688	56,796,722	55,851,397	47,769,593	45,586,421
23,128,153	22,795,857	23,176,315	26,562,864	33,171,967	36,619,577
<u>(3,843,905)</u>	<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>\$ 74,968,840</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>

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Expenses:				
Governmental activities:				
General government	\$ 3,107,038	\$ 2,563,675	\$ 2,269,514	\$ 2,034,704
Community and youth services	34,124	29,150	36,052	22,187
Community development	2,369,993	2,596,946	2,453,365	2,453,238
Parks	1,025,417	817,655	763,928	723,829
Public safety	9,601,858	9,315,013	8,445,721	7,912,602
Public works	2,109,276	1,919,138	1,651,007	1,701,588
Interest on long-term debt	650,280	705,215	758,089	757,863
Total governmental activities expense	<u>18,897,986</u>	<u>17,946,792</u>	<u>16,377,676</u>	<u>15,606,011</u>
Business-type activities:				
Water	3,272,934	3,332,794	3,002,331	2,842,910
Sewer	6,463,650	6,307,715	6,056,382	5,938,158
Storm water	1,727,255	1,663,489	1,560,693	1,580,629
Community center and Amphitheater	274,021	331,501	308,389	290,796
Street lighting	394,955	393,220	387,478	413,605
Total business-type activities expense	<u>12,132,815</u>	<u>12,028,719</u>	<u>11,315,273</u>	<u>11,066,098</u>
Total City expenses	31,030,801	29,975,511	27,692,949	26,672,109
Program Revenues:				
Governmental activities:				
Fees, fines, and charges for services:				
General government	170,643	181,828	177,439	184,271
Community development	49,645	78,325	107,672	83,190
Parks	764,337	755,669	763,722	495,460
Public safety	1,130,652	1,122,846	1,125,409	802,300
Public works	16,723	11,470	62,022	9,404
Stadium operations	35,092	42,406	48,888	52,333
Operating grants and contributions	4,672,078	3,077,220	3,292,210	2,871,026
Capital grants and contributions	170,880	180,414	736,312	214,983
Total governmental activities program revenues	<u>7,010,050</u>	<u>5,450,178</u>	<u>6,313,674</u>	<u>4,712,967</u>
Business-type activities:				
Fees, fines, and charges for services:				
Water	3,490,153	3,252,417	3,225,447	3,198,816
Sewer and storm water	8,002,743	7,802,180	7,485,786	7,234,915
Community center and Amphitheater	1,810	146,699	236,280	192,826
Street lighting	405,445	395,748	412,175	418,908
Capital grants and contributions	40,642	71,525	37,453	41,764
Total business-type activities program revenues	<u>11,940,793</u>	<u>11,668,569</u>	<u>11,397,141</u>	<u>11,087,229</u>
Total City program revenues	<u>18,950,843</u>	<u>17,118,747</u>	<u>17,710,815</u>	<u>15,800,196</u>

<i>Fiscal Year</i>					
<i>2017</i>	<i>2016</i>	<i>2015</i>	<i>2014</i>	<i>2013</i>	<i>2012</i>
\$ 2,057,330	\$ 2,130,033	\$ 2,100,607	\$ 2,992,312	\$ 1,753,597	\$ 1,406,963
14,926	29,317	19,493	15,971	5,530	8,719
2,512,532	2,704,035	4,500,288	2,789,728	3,805,625	5,459,845
453,211	483,174	388,200	392,258	386,174	318,911
7,574,569	8,539,975	5,644,121	6,390,471	6,342,334	6,454,171
1,605,167	1,658,334	1,415,078	1,692,960	1,648,403	1,404,779
791,570	866,363	924,296	1,164,981	1,272,365	1,327,508
<u>15,009,305</u>	<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>
2,773,955	2,920,211	2,419,921	2,751,772	2,590,864	2,559,552
5,811,582	5,711,828	5,522,545	5,379,925	5,188,916	5,076,755
1,531,923	1,507,343	1,106,176	1,170,447	983,980	954,541
247,938	250,248	171,525	121,246	151,428	116,861
393,511	410,320	409,131	443,225	405,658	435,313
<u>10,758,909</u>	<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>
25,768,214	27,211,181	24,621,381	25,305,296	24,534,874	25,523,918
253,265	284,394	234,703	180,800	176,993	177,073
106,065	121,808	99,652	60,510	49,810	35,079
11,470	15,472	7,456	17,107	7,216	2,604
402,479	406,195	325,818	418,237	507,154	648,165
12,904	65,063	26,236	21,178	7,225	123
52,494	54,631	48,899	46,449	45,922	46,696
2,625,522	2,543,156	2,555,870	2,520,561	2,799,523	2,402,228
224,701	773,529	613,253	218,513	811,621	92,063
<u>3,688,900</u>	<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>
2,872,830	2,947,965	2,732,223	2,536,257	2,508,264	2,407,469
7,000,564	6,728,498	6,445,708	6,511,153	6,045,064	5,694,866
156,536	154,416	125,844	108,356	108,293	118,369
419,990	313,399	519,563	416,965	405,585	424,280
55,482	116,962	105,151	51,963	24,203	17,483
<u>10,505,402</u>	<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>14,194,302</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>

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net (Expense) Revenue				
Governmental activities	\$ (11,887,936)	\$ (12,496,614)	\$ (10,064,002)	\$ (10,893,044)
Business-type activities	(192,022)	(360,150)	81,868	21,131
Total City activities	(12,079,958)	(12,856,764)	(9,982,134)	(10,871,913)
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes and assessments	6,093,066	5,939,247	5,743,098	5,613,585
Franchise taxes	2,895,179	2,788,920	2,763,692	2,764,326
Intergovernmental	848,936	917,426	865,271	828,085
Miscellaneous	726,350	886,273	1,080,033	904,857
Gain (loss) on sale of capital assets	26,000	-	-	8,500
Transfers	(541,651)	(541,049)	(500,400)	(460,400)
Total governmental activities	10,047,880	9,990,817	9,951,694	9,658,953
Business-type activities				
Miscellaneous	178,647	254,437	239,822	149,050
Transfers	541,651	541,049	500,400	460,400
Total business-type activities	720,298	795,486	740,222	609,450
Total City revenues	10,768,178	10,786,303	10,691,916	10,268,403
Change in Net Position				
Governmental activities	(1,840,056)	(2,505,797)	(112,308)	(1,234,091)
Business-type activities	528,276	435,336	822,090	630,581
	(1,311,780)	(2,070,461)	709,782	(603,510)
Net Position, July 1				
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
	75,469,347	77,539,808	76,830,026	74,968,840
Governmental activities - restatement	-	-	-	2,058,721
Business-type activities - restatement	-	-	-	405,975
Governmental activities - loss on impairment	-	-	-	-
Total Government	75,469,347	77,539,808	76,830,026	77,433,536
Net Position, June 30				
Governmental activities	60,629,647	62,469,703	64,975,500	65,087,808
Business-type activities	13,527,920	12,999,644	12,564,308	11,742,218
Total Government	<u>\$ 74,157,567</u>	<u>\$ 75,469,347</u>	<u>\$ 77,539,808</u>	<u>\$ 76,830,026</u>

<i>Fiscal Year</i>					
<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ (11,320,405)	\$ (12,146,983)	\$ (11,080,196)	\$ (11,955,326)	\$ (10,808,564)	\$ (12,976,865)
(253,507)	(538,710)	299,191	(241,921)	(229,437)	(480,555)
(11,573,912)	(12,685,693)	(10,781,005)	(12,197,247)	(11,038,001)	(13,457,420)
5,007,045	4,852,373	5,521,449	5,416,357	5,545,135	7,951,843
2,729,145	2,606,744	2,539,863	2,490,463	2,433,345	2,462,290
786,466	743,428	803,880	768,187	770,249	887,403
1,148,390	1,076,723	195,193	4,631,567	1,658,468	1,212,058
17,000	(10,050)	-	-	-	-
(423,800)	(390,302)	(393,336)	27,769	(62,792)	(210,500)
9,264,246	8,878,916	8,667,049	13,334,343	10,344,405	12,303,094
119,787	124,537	4,601	5,855	6,608	7,765
423,800	390,302	393,336	(27,769)	62,792	210,500
543,587	514,839	397,937	(21,914)	69,400	218,265
9,807,833	9,393,755	9,064,986	13,312,429	10,413,805	12,521,359
(2,056,159)	(3,268,067)	(2,413,147)	1,386,654	(464,159)	(673,771)
290,080	(23,871)	697,128	(271,472)	(160,037)	(262,290)
(1,766,079)	(3,291,938)	(1,716,019)	1,115,182	(624,196)	(936,061)
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
-	-	(2,102,484)	-	-	-
-	-	(500,209)	-	-	-
-	-	-	-	346,037	-
76,734,919	80,026,857	81,742,876	83,230,387	84,546,657	85,136,681
64,263,178	66,319,337	69,587,404	74,103,035	72,724,018	73,534,214
10,705,662	10,415,582	10,439,453	10,242,534	10,506,369	10,666,406
\$ 74,968,840	\$ 76,734,919	\$ 80,026,857	\$ 84,345,569	\$ 83,230,387	\$ 84,200,620

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
General fund				
Committed	\$ 642,563	\$ 691,515	\$ 548,404	\$ -
Unassigned	<u>3,381,582</u>	<u>2,505,195</u>	<u>2,469,017</u>	<u>2,331,161</u>
Total General Fund	<u>\$ 4,024,145</u>	<u>\$ 3,196,710</u>	<u>\$ 3,017,421</u>	<u>\$ 2,331,161</u>
All Other Governmental Funds				
Unreserved, reported in:				
Restricted	<u>\$ 8,546,044</u>	<u>\$ 8,612,026</u>	<u>\$ 10,037,855</u>	<u>\$ 10,018,743</u>
Total all other governmental funds	<u>\$ 8,546,044</u>	<u>\$ 8,612,026</u>	<u>\$ 10,037,855</u>	<u>\$ 10,018,743</u>

<i>Fiscal Year</i>					
<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>2,231,504</u>	<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><u>\$ 2,231,504</u></u>	<u><u>\$ 1,898,504</u></u>	<u><u>\$ 2,252,430</u></u>	<u><u>\$ 2,241,954</u></u>	<u><u>\$ 2,144,797</u></u>	<u><u>\$ 1,877,738</u></u>
<u>\$ 9,156,723</u>	<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><u>\$ 9,156,723</u></u>	<u><u>\$ 8,073,301</u></u>	<u><u>\$ 7,141,457</u></u>	<u><u>\$ 6,970,715</u></u>	<u><u>\$ 12,636,124</u></u>	<u><u>\$ 13,631,432</u></u>

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Revenues				
Taxes and assessments	\$ 7,081,366	\$ 6,852,338	\$ 6,712,056	\$ 6,335,201
Licenses and permits	4,647,886	4,580,919	4,755,060	4,093,764
Charges for services	1,738	2,370	-	-
Intergovernmental	5,430,731	3,967,110	4,505,694	3,663,137
Fines and forfeitures	481,622	444,041	472,783	387,003
Miscellaneous	942,849	1,086,731	1,298,998	1,066,267
	<u>18,586,192</u>	<u>16,933,509</u>	<u>17,744,591</u>	<u>15,545,372</u>
Expenditures				
Current operating:				
General government	2,924,183	2,337,221	2,187,866	2,109,767
Community and youth services	34,124	29,150	36,052	22,187
Community development	511,758	682,662	563,072	520,647
Parks	722,508	527,408	547,578	421,668
Public safety	7,945,906	7,795,994	7,725,741	7,120,604
Public works	988,495	894,522	811,574	902,689
Capital outlay	2,363,979	3,589,364	2,882,018	3,221,793
Debt service				
Principal	1,163,000	1,073,000	1,018,000	860,000
Interest	655,135	709,679	766,918	752,440
	<u>17,309,088</u>	<u>17,639,000</u>	<u>16,538,819</u>	<u>15,931,795</u>
Revenues over (under) expenditures	1,277,104	(705,491)	1,205,772	(386,423)
Other financing sources (uses)				
Issuance of debt	-	-	-	1,800,000
Proceeds from the sale of capital assets	26,000	-	-	8,500
Transfers in	228,900	285,000	100,000	215,700
Transfers out	(770,551)	(826,049)	(600,400)	(676,100)
	<u>(515,651)</u>	<u>(541,049)</u>	<u>(500,400)</u>	<u>1,348,100</u>
Net change in fund balances	761,453	(1,246,540)	705,372	961,677
Fund balance, beginning of year	11,808,736	13,055,276	12,349,904	11,388,227
Fund balance, end of year	<u>\$ 12,570,189</u>	<u>\$ 11,808,736</u>	<u>\$ 13,055,276</u>	<u>\$ 12,349,904</u>
Debt service as a percentage of noncapital expenditures	12.2%	12.7%	13.1%	12.7%

<i>Fiscal Year</i>						
<i>2017</i>	<i>2016</i>	<i>2015</i>	<i>2014</i>	<i>2013</i>	<i>2012</i>	
\$ 5,803,798	\$ 6,287,872	\$ 6,444,385	\$ 9,984,150	\$ 7,009,859	\$ 9,468,976	
3,246,930	3,685,709	3,319,557	2,919,492	2,767,306	2,706,955	
-	-	-	-	-	-	
3,398,159	3,267,481	3,237,002	3,158,760	3,803,537	3,252,754	
423,291	415,874	386,984	448,615	571,525	648,165	
1,324,651	1,284,531	1,236,979	1,248,775	1,613,364	338,558	
14,196,829	14,941,467	14,624,907	17,759,792	15,765,591	16,415,408	
1,947,167	2,280,259	1,645,180	2,912,876	1,728,960	1,377,214	
14,926	29,317	19,493	15,971	5,530	8,719	
492,419	532,274	584,370	740,748	671,543	627,441	
300,842	306,683	281,119	269,821	293,089	261,696	
6,625,239	6,529,017	6,170,100	5,951,077	5,822,788	5,874,096	
787,918	807,639	704,993	976,579	909,450	743,603	
600,016	1,152,734	1,676,533	4,993,159	4,050,924	1,309,615	
810,000	1,490,000	2,030,000	6,294,000	1,668,000	996,000	
795,080	872,820	938,565	1,201,582	1,280,764	1,332,616	
12,373,607	14,000,743	14,050,353	23,355,813	16,431,048	12,531,000	
1,823,222	940,724	574,554	(5,596,021)	(665,457)	3,884,408	
-	-	-	-	-	-	
17,000	27,496	-	-	-	-	
-	-	76,481	4,217,166	1,036,256	546,289	
(423,800)	(390,302)	(469,817)	(4,189,397)	(1,099,048)	(756,789)	
(406,800)	(362,806)	(393,336)	27,769	(62,792)	(210,500)	
1,416,422	577,918	181,218	(5,568,252)	(728,249)	3,673,908	
9,971,805	9,393,887	9,212,669	14,780,921	15,509,170	11,835,262	
\$ 11,388,227	\$ 9,971,805	\$ 9,393,887	\$ 9,212,669	\$ 14,780,921	\$ 15,509,170	
13.6%	18.4%	24.0%	40.8%	23.8%	20.8%	

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>
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	-
2020-21	2,198,895	1,993	604,083	-

* 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>
\$ 26,662	\$ 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
35,922	50,517	2,891,410	2.08	4,650,919

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

	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</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	2.09	2.03	2.07	2.08	2.08
Marion County Fire District	2.21	2.90	2.91	2.92	2.93
Marion County Soil & Water	0.05	0.05	0.04	0.05	0.05
Marion County Extension and 4-H	0.05	0.05	0.05	0.05	0.05
School District	7.26	7.15	7.37	6.08	5.87
Willamette Regional ESD	0.30	0.30	0.30	0.30	0.30
Community College	0.89	0.89	0.90	0.90	0.90
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>\$ 18.80</u>	<u>\$ 19.32</u>	<u>\$ 19.58</u>	<u>\$ 18.32</u>	<u>\$ 18.13</u>

Source: Marion County Assessor's Office

<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>
\$ 2.08	\$ 2.08	\$ 2.08	\$ 2.08	\$ 2.08
3.03	3.02	3.02	3.02	3.02
2.04	2.05	1.81	1.82	1.84
2.51	2.52	2.53	2.47	2.35
0.05	0.05	0.05	0.05	0.05
0.05	-	-	-	-
6.52	6.40	6.67	6.69	6.44
0.30	0.30	0.30	0.30	0.30
0.92	0.89	0.86	0.90	0.88
0.08	0.08	0.08	0.08	0.08
0.76	0.76	0.76	0.76	0.76
<u>\$ 18.35</u>	<u>\$ 18.15</u>	<u>\$ 18.16</u>	<u>\$ 18.17</u>	<u>\$ 17.80</u>

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

Private Enterprise	Industry	Rank	2021	
			Assessed Valuation	Percent of Total Assessed Value
Donahue Schriber Realty Group LP	Real Estate	1	\$ 70,188,410	1.61%
MWIC Keizer LLC	Real Estate	2	15,432,080	0.35%
MWSH Keizer LLC	Real Estate	3	14,490,490	0.33%
Target Corporation	Retail	4	13,247,188	0.30%
Lowe's HIW Inc	Retail	5	13,045,480	0.30%
CCP Keizer 1526 LLC	Retirement Center	6	12,794,620	0.29%
Emerald Pointe LLC	Real Estate	7	12,656,925	0.29%
Hawk's Point Apartments LLC	Real Estate	8	12,405,390	0.28%
Keizer OR Senior Property LLC	Retirement Center	9	11,409,720	0.26%
Keizer Road Apartments LLC	Real Estate	10	10,574,730	0.24%
Hidden Creek Loop Apartments	Real Estate		-	-
Keizer Schoolhouse LLC	Real Estate		-	-
Nationwide Health Properties Inc	Retirement Center		-	-
Keizer Hospitality Inc	Hotel		-	-
A Lee Sjothun Investment	Real Estate		-	-
Public Utilities				
Northwest Natural Gas Co	Natural Gas		19,075,000	0.44%
Portland General Electric Co	Electricity		17,818,000	0.41%
Qwest Corporation	Telephone		-	-
Government				
City of Keizer*	Municipality		7,614,830	0.17%
All other taxpayers			<u>4,134,286,364</u>	<u>94.71%</u>
			<u>\$ 4,365,039,227</u>	<u>100.00%</u>

Source: Marion County Assessor's Office

*Related to baseball stadium property

2012		
Rank	Assessed Valuation	Percent of Total Assessed Value
1	\$ 49,049,190	1.91%
	-	-
	-	-
4	10,156,008	0.40%
2	11,708,945	0.46%
	-	-
3	10,976,421	0.43%
	-	-
	-	-
6	8,551,010	0.33%
9	6,001,130	0.23%
7	8,090,390	0.32%
5	9,806,100	0.38%
10	5,208,753	0.20%
8	6,483,220	0.25%
	14,082,400	0.55%
	13,641,000	0.53%
	5,756,300	0.22%
	5,231,060	0.20%
	<u>2,403,165,674</u>	<u>93.58%</u>
	<u>\$ 2,567,907,601</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>
2011-12	\$ 3,788,065	\$ 3,652,199	96.41%	\$ 134,463	\$ 3,786,662	99.96%
2012-13	4,215,696	4,070,606	96.56%	143,965	4,214,571	99.97%
2013-14	4,380,096	4,249,504	97.02%	129,290	4,378,794	99.97%
2014-15	4,556,032	4,437,265	97.39%	117,064	4,554,329	99.96%
2015-16	4,948,959	4,840,799	97.81%	105,476	4,946,275	99.95%
2016-17	5,165,626	5,004,062	96.87%	157,459	5,161,521	99.92%
2017-18	5,409,298	5,238,586	96.84%	160,015	5,398,601	99.80%
2018-19	5,650,021	5,480,648	97.00%	144,226	5,624,874	99.55%
2019-20	5,834,255	5,664,681	97.09%	125,583	5,790,264	99.25%
2020-21	6,025,257	5,918,723	98.23%	-	5,918,723	98.23%

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>
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%	0.68%
2020-21	38,585	2,891,410	10,865,000	2,683,235	8,181,765	212.05	0.38%	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, 2021 - 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	\$ 4,650,918	100.00%	\$ 12,371,000	\$ 12,371,000
Overlapping:				
Marion County	53,148,678	15.54%	7,615,109	1,947,155
Keizer Fire District	4,454,083	99.10%	5,366,227	3,017,574
Marion County Fire District	6,579,255	9.18%	131,788	131,788
Salem-Keizer School District 24J	33,389,845	20.52%	192,730,230	192,730,230
Gervais School District 1	1,551,229	0.01%	646	646
Chemeketa Community College	53,148,678	10.66%	8,683,423	5,131,815
Willamette ESD	52,559,572	9.71%	1,783,258	686,909
Total Overlapping			216,310,681	203,646,117
Total Direct and Overlapping Debt			\$ 228,681,681	\$ 216,017,117

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>
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%
2020-21	139,527,569	12,371,000	127,156,569	8.87%

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							
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
2020-21	2,892,647	1,137,159	1,755,488	103,000	49,075	152,075	11.5
WATER FUND LOAN							
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
2020-21	3,460,006	2,540,369	919,637	225,000	4,613	229,613	4.0

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>
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	1,742,195,640	45,158	7,600	6.3%
2020-21	38,585	7.36	5,243	N/A	N/A	6,822	6.2%

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

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

<i>Name</i>	<i>Industry</i>	<i>Number of employees</i>	
		<i>2021</i>	<i>2012</i>
State of Oregon	State	20,100	22,000
Salem Hospital	Healthcare	5,200	4,000
Salem-Keizer School District	Primary and secondary public schools	5,181	5,000
Norpac Foods, Incorporated	Food processor	-	1,097
Marion County	County	1,520	1,552
U.S. Federal Agencies	Federal	1,800	1,600
City of Salem	Municipal	1,300	1,354
State Accident Insurance Fund	Insurance	1,056	807
Chemeketa Community College	State college of higher education	1,199	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>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>
GOVERNMENT ACTIVITIES:				
General Government:				
Number of municipal court citations processed	1,667	1,700	2,198	1,702
Number of land use applications processed	21	22	-	25
Number of building permits:				
Single family dwellings	20	35	30	28
Multi-family units	8	28	-	17
Valuation of permits issued (expressed in thousands)	\$ 5,023	\$ 12,202	\$ 9,761	\$ 8,255
Public Safety:				
Number of arrests by patrol officers	N/A	N/A	2,029	1,854
Number of traffic violations cited	1,667	1,770	1,774	1,264
BUSINESS-TYPE ACTIVITIES:				
Water:				
Number of meters				
Single-family residential	10,212	10,335	10,308	10,334
Multi-family residential	256	258	259	259
Commercial	372	465	466	466
Consumption (ccf)				
Single-family residential	1,068,985	1,031,793	1,078,405	1,047,355
Multi-family residential	376,793	338,444	330,753	317,031
Commercial	166,635	156,527	149,471	147,110
Number of private fire lines	82	82	83	83
Sewer				
Number of accounts	11,647	11,602	11,559	11,540

Based on active meters at fiscal year end

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

<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>
2,016	2,036	1,263	1,712	2,499	3,497
36	23	17	23	15	17
47	91	68	45	33	24
3	19	69	-	-	-
\$ 34,503	\$ 69,190	\$ 32,464	\$ 26,236	\$ 17,198	\$ 13,036
1,165	1,171	1,698	1,844	1,725	1,969
2,303	1,757	1,374	1,932	2,102	3,229
10,304	10,235	10,108	9,956	9,431	9,426
261	254	250	249	254	259
452	447	449	426	387	371
1,021,708	1,115,548	1,068,653	1,041,894	1,039,564	1,015,975
327,037	393,083	320,347	320,741	302,744	322,947
167,630	173,790	161,668	153,453	150,256	155,693
80	76	70	65	60	60
10,557	10,343	10,274	10,189	10,136	10,140

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</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	22	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)	190.7	167	187.6	187.6
Miles of water line	126.7	126.7	126.7	125
Number of pump stations	15	15	15	15
Number of public hydrants	907	907	907	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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</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	148
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	206	205	204	204	204
2	2	2	2	2	2
7	7	7	7	7	7
21	21	21	20	20	20
3	3	3	3	3	3
2.75	2.75	2.75	2.75	2.75	2.75
173.1	177.2	179.4	165.5	172.5	163
125	107	107	106	106	106
15	16	16	16	16	16
898	898	898	859	859	859
73	80	80	80	80	80
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>
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	18.00	2.00	46.00	24.00	95.00
2016-17	5.00	18.00	2.00	45.00	23.00	93.00
2017-18	5.00	18.00	4.00	49.50	24.00	100.50
2018-19	5.00	18.00	4.00	49.50	24.00	100.50
2019-20	5.00	18.00	4.00	49.50	25.00	101.50
2020-21	5.00	19.00	4.00	50.00	25.00	103.00

Source: City of Keizer Finance Department

COMPLIANCE SECTION



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 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, 2021 and have issued our report thereon dated December 16, 2021.

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.

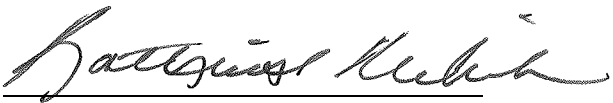
Internal Control Over Financial Reporting

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 16, 2021

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